

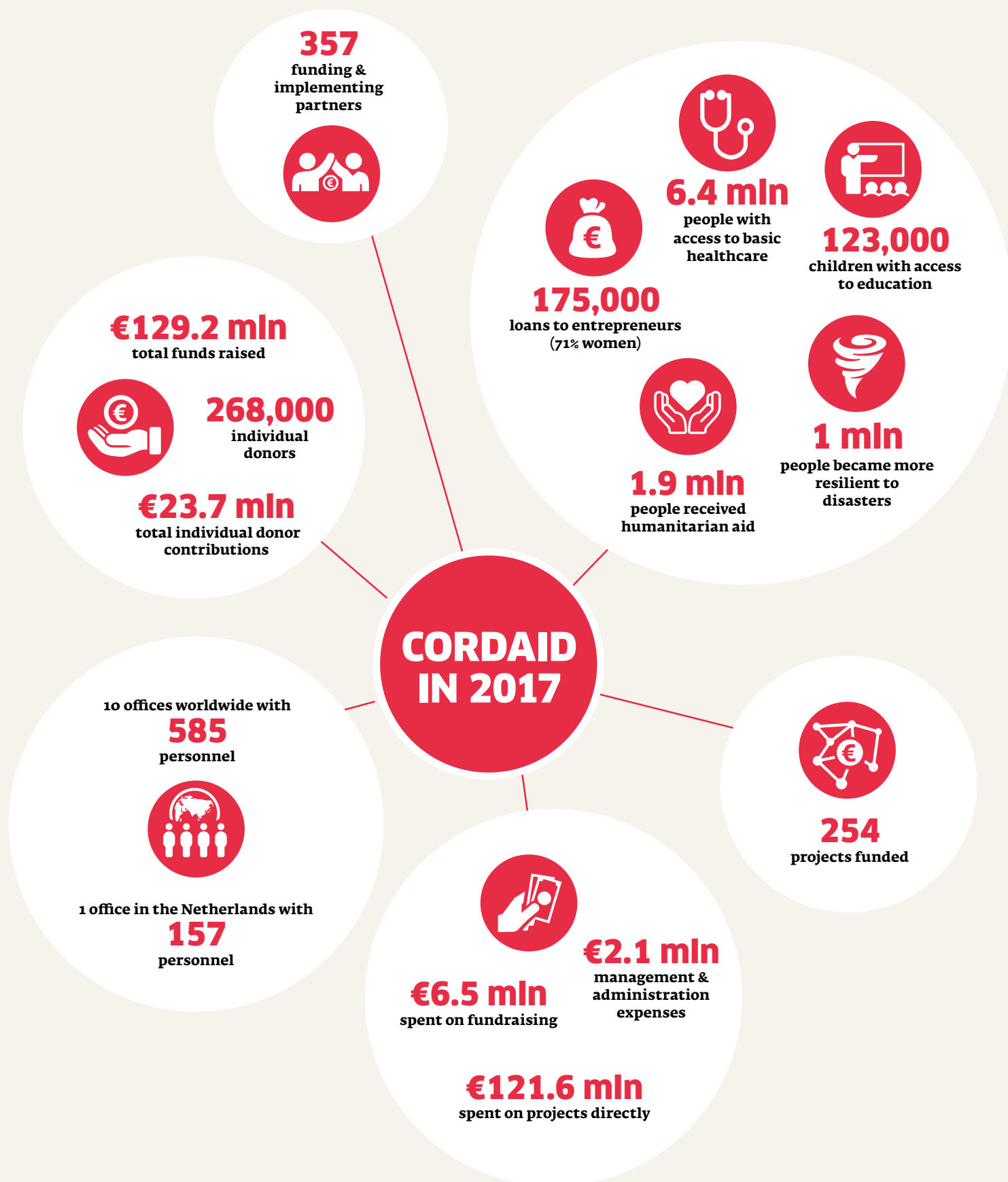
# **CORDAID ANNUAL REPORT 2017**



# CONTENTS

<b>OVERVIEW OF RESULTS</b>	<b>4</b>
<b>MESSAGE FROM THE CEO</b>	<b>5</b>
<b>WHY WE EXIST</b>	<b>6</b>
<b>WHAT WE DO</b>	<b>7</b>
<b>HOW WE WORK</b>	<b>8</b>
<b>WHERE WE WORK</b>	<b>9</b>
<b>HUMANITARIAN AID</b>	<b>10</b>
<b>RESILIENCE</b>	<b>12</b>
<b>CORDAID IN THE NETHERLANDS</b>	<b>14</b>
<b>SECURITY AND JUSTICE</b>	<b>15</b>
<b>HEALTHCARE</b>	<b>17</b>
<b>EDUCATION</b>	<b>19</b>
<b>PRIVATE SECTOR DEVELOPMENT</b>	<b>20</b>
<b>CORDAID INVESTMENT MANAGEMENT</b>	<b>22</b>
<b>OUR PEOPLE</b>	<b>24</b>
<b>OUR DONORS</b>	<b>27</b>
<b>OUR ORGANIZATION</b>	<b>30</b>
<b>SUPERVISORY BOARD REPORT</b>	<b>32</b>
<b>OUR OUTLOOK TOWARDS THE FUTURE</b>	<b>34</b>
<b>APPENDIX 1: ABOUT THIS REPORT</b>	<b>35</b>
<b>APPENDIX 2: GRI CONTENT INDEX</b>	<b>37</b>
<b>APPENDIX 3: CORDAID RESULTS FRAMEWORK</b>	<b>40</b>
<b>APPENDIX 4: 2018-2020 BUDGET</b>	<b>41</b>

# OVERVIEW OF RESULTS



# LOOKING BACK ON A YEAR OF FOCUS, ENERGY, BUILDING AND PARTNERSHIPS

## MESSAGE FROM THE CEO

2017 was a year in which humanity made great progress on many of the most pressing societal challenges. Child mortality is on the decline, literacy rates are on the increase and, both in absolute and relative terms, there are fewer people living in abject poverty. All of this would not have been possible without intensive international collaboration.

Despite this progress, the agenda for the world as captured in the Sustainable Development Goals remains very urgent and relevant. Today, more than two billion people live in countries where development is affected by fragility, armed conflict and/or recurrent natural disasters. And by 2030, the share of the global poor living in fragile and conflict affected situations is expected to grow from 30% to 60%.<sup>1</sup>

In 2017, millions of women, men and children were uprooted from their homes by conflict. The international community – meaning all of us – is not yet able to overcome the power of injustice in fragile and conflict-affected areas. Refugees continue to flee from countries in northern Africa and the Middle East. Current international policies aim to reduce the flow, investing scarce resources in refugee shelters and camps within the region. This may abate the flow of migrants to Europe, but it does not address the root causes of the refugee crisis.

Cordaid is committed to working *in and on* fragility. This means we work in the most difficult, most challenging places in the world. We deliver both short-term relief and long-term solutions, and this is far from easy to do. In 2017, we worked on wonderful programs, such as the acceleration of the healthcare systems in many African countries and the integrated approach to support people affected by the continued conflict in South Sudan.

In 2017, we successfully overcame the financial losses of the previous period. It was painful to say goodbye to valued colleagues as we streamlined our organization. Yet, we realize that this was necessary to return to a financial situation that allows us to continue our work into the future. We developed a new strategy for 2018-2020, *Working in and on fragility*. After quite some focus on our financial health, we were able to become more outwardly-focused, to set new goals and finetune our plans to reach them. It was a year of focus, energy and building to be able to work in and on fragility in the most challenging places on earth. The new strategic plan includes a clear results framework. This will increase our ability to evaluate our effectiveness and direct our attention going forward.

To put our 2017 achievements in the context of the future, the structure of this annual report follows that of the new strategic plan.

For Cordaid, 2017 was also a year of intensive collaboration. To be able to deliver programs with high quality, efficiency and scale, partnerships are essential for the future of our work. In 2017, we sought out many partnerships with organizations with whom we share the same basic values, and we will continue to do this in the years to come.

We are very grateful to the donors who continue to support us. While it is easy to believe that people may not care about what is happening elsewhere in the world, the continued support from our private donors shows that Dutch citizens are not turning their back on the world. Through this annual report, we hope to show them – and our other stakeholders – how their contribution to our programs supports a better, fairer world, especially in fragile and conflict-affected areas.

2017 was also the year in which we said goodbye to our Chair the Supervisory Board of the past four years, former minister Mr. Ernst Hirsch Ballin. He was a strong promotor of the human rights agenda within Cordaid (and internationally). We thank him for his commitment and valuable contribution to Cordaid in these challenging years. We also welcomed a new Chair to our Supervisory Board, Mr. Ton Heerts, an expert in labor law, international relations and security. I look forward to working with him and many other people in the years to come.



**Kees Zevenbergen**  
CEO Cordaid

<sup>1</sup> States of Fragility report 2015, OECD

## WHY WE EXIST

We do not accept a world of inequality, exclusion and unsustainability. We are driven by the conviction that we, the human family, can build a better world. We believe that all humans are a single family and that the earth with all its resources is our common home. We envisage a world where the basics of a life in dignity are available to all. Where the poorest and the excluded can influence the decisions that affect them. Where each person is free to flourish and can live in peace.

Cordaid is the Catholic Organization for Relief and Development Aid. Our mission is firmly rooted in the Catholic social teachings. Ever since we started in 1914, in accordance with the values of the gospel, our purpose is to:

- Provide emergency and refugee aid;
- Provide aid to specific groups such as elderly people, disabled people and children;
- Provide medical aid;
- Reduce structural poverty of the oppressed.

We increasingly recognize that fragility undermines national and regional stability and impacts negatively on global peace and sustainable and inclusive development. Therefore, we focus our activities on working *in* and *on* fragility. We are inspired by the values of respect for human dignity, solidarity and subsidiarity, and the motivation to counteract inequality and exclusion, as also enshrined in the Papal Encyclical *Laudato Si*.

Our mission is to reduce fragility and people's vulnerability where it is most needed and most difficult: in fragile and conflict-affected settings.



# WHAT WE DO

Cordaid is a development organization with a dual mandate. We work on humanitarian and disaster relief, as well as development cooperation. In doing so, we strive to bridge the gaps between emergency aid and structural development cooperation. Our work is complex, as there are no easy, quick-fix solutions, especially in fragile, conflict-affected settings. We work in different stages of fragility, covering a wide spectrum from relief, through rehabilitation/recovery to development. This allows us to develop integrated programs, approaches and innovations that effectively respond to the challenges. It also incites us to increasingly work in partnership with others.

Cordaid supports the transformation of people and communities out of fragility by:

- Working towards increased responsiveness and accountability of governments and public services;
- Contributing to a vibrant and capable civil society and local economic actors;
- Committing our expertise and financial resources to work in direct proximity of the greatest challenges.

To actively contribute to the changes and social transformation in fragile and conflict-affected societies, our work concentrates on the field of Humanitarian Aid, Health, Security and Justice, Resilience, and Private Sector Development. More detail on our approach to each of these fields and the results achieved in 2017 are provided in the sections at the heart of this report. Some of the cases shared in this annual report also highlight how we also work across these fields of expertise.

In 2017, as part of the strategic review for 2018-2020, we developed the new Cordaid Results Framework. This reflects the intended outputs and outcomes of our development interventions. As of 2018, we will start to report on these outputs and outcomes. We will then start to organize our



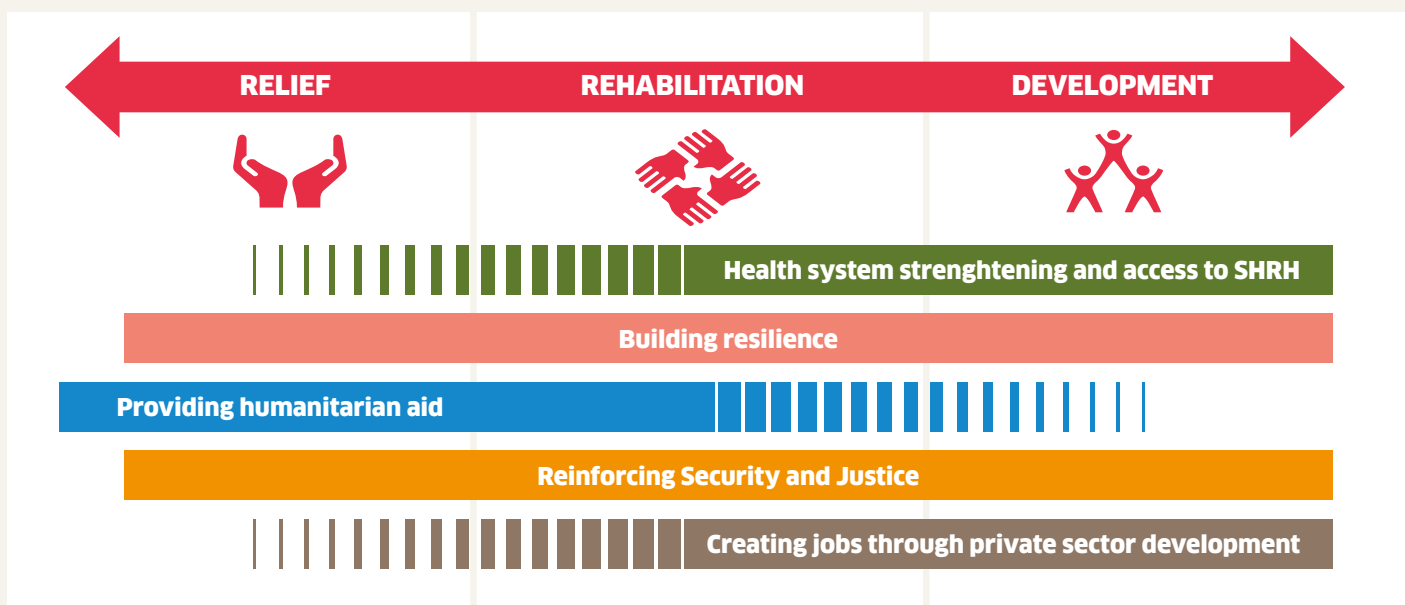
learning agenda around them as well. An overview of our results framework is provided in appendix 3.

In addition to our work *in* and *on* fragility in fragile and conflict-affected countries, we also work in The Netherlands, our home base. Through a cooperative entrepreneurship program, we support people who live in poverty, are socially excluded, and have poor job prospects.

## Connecting our work to the Sustainable Development Goals

In 2015, the United Nations member states adopted the 2030 Global Agenda for Sustainable Development. The agenda, captured in the Sustainable Development Goals, aims to bring about transformative change and action for people, planet and prosperity. It is a universal agenda that calls upon all countries and all stakeholders to implement the Sustainable Development Goals, acting in collaborative partnerships.

Cordaid consistently links its work and its partnerships to several of the Sustainable Development Goals. We help to achieve these goals in some of the most challenging places.





# HOW WE WORK



We want to bring about positive transformation in fragile and conflict-affected states. Fragile situations lack effective political processes to bring state capacities and social expectations into equilibrium. State and society are not mutually reinforcing each other. In fragile and conflict-affected societies, fundamental human rights are not adequately respected. The complexities of the interconnected challenges require context sensitive solutions, dynamic adaptation capabilities and willingness to overcome traditional sectoral separations.

Collaboration with partners is key in everything we do. In most of our work, we cannot be successful if we work by ourselves. For each project or program, we determine who are the right partners to deliver the most positive impact to people in fragile areas. This includes many local partners on the ground, but also organizations similar to ourselves from developed countries and our institutional donors. For our partners and ourselves, we set high standards of performance. As part of our do no harm approach during program implementation, we want to make sure none of our program partners harm the interests of our primary beneficiaries or carry out activities that contradict our mission and vision. For all programs, we therefore screen our partners. Our anti-corruption, whistle-blower, reporting and corporate responsibility policies are imposed on all partners. For more detail on these policies, please consult the [compliance page on our website](#).

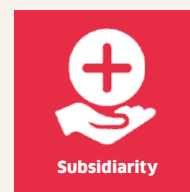
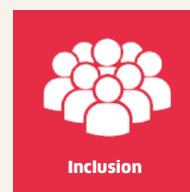
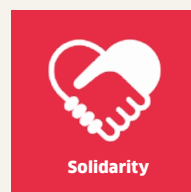
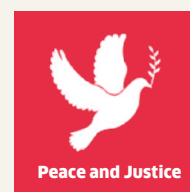
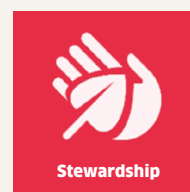
We pursue our mission by promoting equality and social inclusion, by increasing the resilience of people and their communities and by strengthening the social contract between citizens and their governments. In parallel, we implement a tailored set of interconnected approaches:

- Strengthening the capacities of organizations;
- Building partnerships;
- Lobby and advocacy;
- System strengthening;
- Provision of loans and equity;
- Emergency response when and where required;
- Knowledge exchange and learning.

For more information on our specific interconnected approaches, please consult *How we achieve our goals: Cordaid's way of working* in our [strategy document](#)<sup>2</sup>.

Together with the humanitarian aid provided to affected populations at times of crisis, the integrated programming approach links peace building with state building and with economic development, attempting not to sacrifice one thematic area or sector for another.

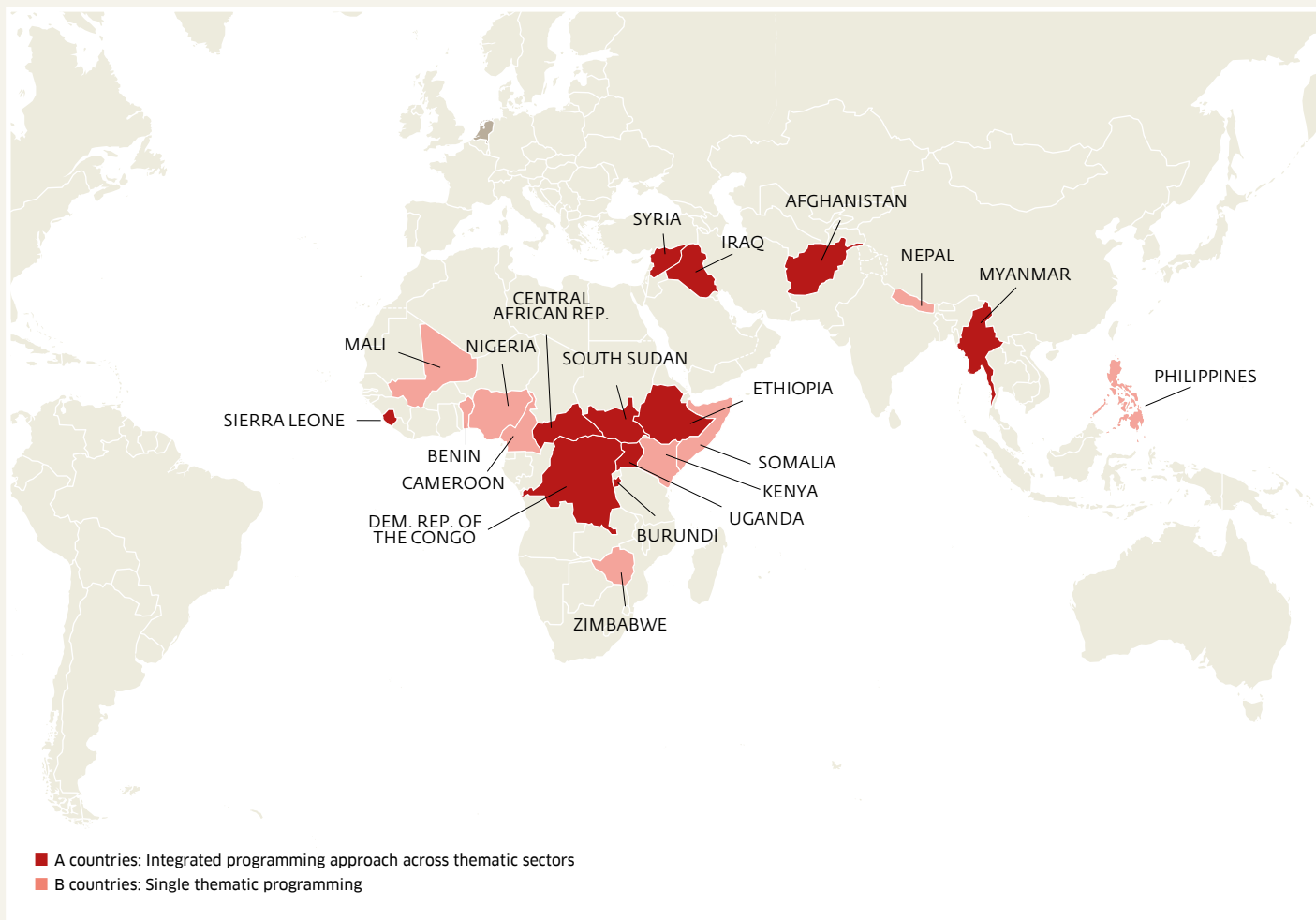
Six values guide us in everything we do:



<sup>2</sup> Working in and on fragility, Cordaid strategy, 2017



# WHERE WE WORK



We focus our aid efforts in some of the world's most fragile and conflict-affected countries. Cordaid's country selection is based on the following criteria:

- Level of fragility and vulnerability;
- Potential for (integrated) program implementation;
- Cordaid implementation capacity;
- Cordaid track record;
- Potential for funding.

Applying these criteria has led to a selection of countries where we believe we can pursue and materialize our mission. These are shown on the map.

- **A-countries:** We wish to invest our capacities, competencies and funds in a full-fledged manner, pursuing an integrated programming approach across our thematic fields of expertise.
- **B-countries:** Our ambition is limited to single thematic programming. These countries are either in a more stable and secure environment (in which the government is able to deliver services to some extent) or they are countries with high fragility and a short Cordaid history.
- **C-countries** (not shown on the map): Our interventions are limited to technical assistance. Generally, these are stable countries that have experienced crises in the past and/or where we have no history.

## HUMANITARIAN AID



The poorest are always hit the hardest by disasters. 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.

We have a long history of offering humanitarian relief to the people who need it most. When a crisis occurs, and response is required, Cordaid provides emergency aid to ensure that basic human needs are met. This is done in close collaboration with local communities and other humanitarian aid organizations.

Cordaid's humanitarian aid is comprehensive, resilience building and forward looking. We help to save lives, but also to support communities to recover in a way that their resilience is strengthened so they can better cope with future crises. This includes asset recovery, strengthening of community systems and structures, and supporting resilient livelihoods and services such as education services in emergency settings. Our humanitarian assistance complies with the internationally recognized principles of humanitarian aid – humanity, neutrality, independence and impartiality – and respects International Humanitarian Law.

Working *in* and *on* fragility means that our humanitarian aid teams are active in some of the most dangerous countries in the world. Unfortunately, in these places, there is very little respect for international humanitarian law. Refugees, internally displaced people and host communities are often used as a means of warfare, and humanitarian workers are targeted as well.

In 2017, Cordaid focused on water, sanitation and hygiene (WASH), shelter and settlement, as well as on food security and livelihood. Cash based interventions are increasingly used. Cordaid supported the provision of life-saving basic services or rehabilitation of assets and basic services and resilience to future hazards.

### Life-saving basic services in Afghanistan

Large numbers of households come to Jalalabad, the capital of one of the provinces in Afghanistan. Conflict in neighboring areas and pressure from abroad forces them to move. One third of these people live outdoors, some even without tents. Others stay with host families or rent part of a shared house. Many of the displaced households are headed by women, yet they are not allowed to work outside the house. As this makes them very vulnerable, Cordaid focuses on supporting these households.



Photo: Marten Treffers

*The Shelter for Women project provides shelter for internally displaced women and their children.*

Under the “Shelter for Women” project, we built 102 permanent shelters and 250 transitional shelters, providing both safety and dignity. The Provincial Women's Network, Organization of Human Welfare and the Norwegian Project Office / Rural Rehabilitation Association for Afghanistan were key partners in this project. The women took up an active role, managing parts of the construction process, providing additional resources and organizing labor and other support. The project also included training for women, men and children, covering human rights issues, hygiene promotion and technical maintenance.

*“The construction of the shelter changed our lives. When we came here in December 2016, I lived with my five children in a tent. We suffered from poverty, hot and cold weather. Now, my children do not get sick anymore, I do not have to beg for money to pay for the doctor and medicines, and there is a latrine to use. The shelter has helped us to restore dignity and respect. The training is also useful for me and my children.”*

**Gul Bibi**, undocumented internally displaced woman from Kunar.

### Rehabilitated assets and basic services in South Sudan

Since 1970, Cordaid has been working in South Sudan. In 2017, we implemented projects in some of the most insecure areas of South Sudan. We provided safe drinking water, food and hygiene kits. Through this, we improved hygiene practices, addressed malnutrition and improved people's protection and resilience.



*Enkas Chau (right) inspecting a water well construction in Aburoc.*

The deterioration of humanitarian access is daily reality for our teams. To ensure operations continue despite violence and insecurity for all involved, strict security guidelines apply. When fighting flared up in Kodok in the Upper Nile area in South Sudan, Cordaid's humanitarian team had to be evacuated. As many people fled to Aburoc, Cordaid moved its operations to this area. "When violence forces thousands of people to move to the middle of nowhere, we move with them", explains Enkas Chau, our Emergency Program Manager in South Sudan. "We just set up our own tents and started from there. With no computers, no office, no vehicles. Just a phone, a tent, cash and a lot of passion and endurance."

### Resilience to future hazards

Disasters create opportunities to build resilience to future hazards. Wherever possible, Cordaid therefore combines emergency response with resilience building to future hazards. In 2017, the recovery program after the earthquake in Nepal integrated aspects of community resilience building. In South Sudan, humanitarian and resilience programs were combined to address needs of communities related to the famine. And after the hurricane in St Maarten, Cordaid's emergency response with communities progressed into a plan for strengthening emergency preparedness and longer-term resilience building for future hurricanes. This will be rolled out in 2018.

### Collaboration and coordination

#### Dutch Relief Alliance to coordinate humanitarian aid

One of the ways we work together with other Dutch NGOs is the Dutch Relief Alliance (DRA). The DRA comprises of 16 Dutch NGOs with specific expertise in humanitarian relief. Established in 2015 and funded by the Dutch Ministry of Foreign Affairs, the driving force behind the creation of the Alliance was the significant increase in the need for coordinated 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. When a crisis occurs, one NGO is selected to lead specific actions in the crisis region.

An example of a DRA program led by Cordaid is the North Iraq Joint Response (NIJ). The program was funded by the Dutch Ministry of Foreign Affairs and it focused on the humanitarian intervention in the Kurdistan Region of Iraq, which hosts the majority of internally displaced people. As the military offensives advanced and the number of displaced people moving across the Tigris corridor increased, NIJ members provided lifesaving emergency assistance in several settlements in Ninawa, Kirkuk, Salah ad Din and Anbar governorates.

#### National collaboration to raise funds to fight famine

In May 2017, the cooperating aid organizations of The Netherlands (Samenwerkende Hulporganisaties) launched a national campaign "Help the victims of famine" for the people affected by the famine in South Sudan, North-east Nigeria, Somalia and Yemen.

Due to a combination of conflict, (extreme) drought and collapsed economies, 20 million people in these areas suffered severe hunger, nearly 1.5 million children were severely malnourished and in parts of South Sudan famine was declared. Stephen O'Brien, Head of Humanitarian Affairs at the United Nations, warned of "the biggest humanitarian disaster since World War II."

The aid organizations of The Netherlands joined forces and raised € 35 million for help to the victims. As a member of the Samenwerkende Hulporganisaties, Cordaid received over € 5 million to offer emergency aid in Somalia, South Sudan and Uganda.



*Cordaid's Paul Borsboom in the refugee camp, Wau, South Sudan.*





## RESILIENCE



The frequency and severity of disasters, caused by natural hazards and/or by armed conflict, are increasing. This is aggravated by climate change.

Especially in fragile states, climate change has a multiplier effect on conflicts, like tensions over natural resources, water and land. Vice-versa, conflict and displacement diminish people's capacity to cope with disaster risks related to natural hazards. In fragile contexts, government capacity to adequately address people's needs may be weak. We therefore work with a multi-stakeholder approach, linking and building capacities of communities, governments and other actors. The overall goal of Cordaid's Resilience program is to assist disaster-prone communities to become more resilient to disaster risks, in the face of climate change, environmental degradation and conflict risk. Doing this, we are enabling livelihood security, peaceful co-existence, and sustainable inclusive growth. You can find out more about our approach to building resilient communities on [our website](#).

Our main intervention strategies for Resilience are:

- Increasing the ability of people, communities and systems to anticipate, respond to and adapt to hazards, through increasing their access to disaster risk reduction measures and multi-stakeholder structures;
- Transforming systems and structures to address the root cause of vulnerability, through strengthened disaster risk governance and policies to manage disaster risks.

### Disaster risk reduction measures and multi-stakeholder structures

We work on enhancing resilience through Community Managed Disaster Risk Reduction (CMDRR) at the local level, and through District and Urban Resilience at the district, landscape or neighborhood level. CMDRR brings people together to analyze and address common disaster risks, starting from the community's own knowledge of recurring hazard events. This includes training in CMDRR concepts and processes, participatory disaster risk analysis, contingency and development action planning, community organization, implementation of resilience measures as well as monitoring and evaluation. For District and Urban Resilience Cordaid uses a similar approach, working with multiple stakeholders including the government.

### Building community resilience in Ethiopia

Since February 2017, one of the projects Cordaid has been implementing is the 'Community Resilience Building' in two *kebeles* (small administrative units) in the Borana zone in Ethiopia. The Borana zone in Ethiopia is very dry and suffers from soil moisture deficits due to low rainfall and long dry spells. This severely limits crop production and causes degradation of the natural resource base (soil and forests). The project

aims to contribute to building resilience of vulnerable communities through improving natural resource management and livelihood diversification.

The affected communities in the two *kebeles* were organized in two Disaster Risk Reduction Community Organizations, each existing of 10 members, of which three women. These organizations are currently in the process of being legalized and opening a bank account, which will enable them to access funding. The organizations were trained in planning, implementation, monitoring and managing disaster risk reduction activities. Some of the implemented resilience measures were: improving crop production through better soil and water conservation; improving livestock keeping through rangeland rehabilitation, fodder bank establishment and piloting of hay making & management; livelihood diversification through promoting drought-tolerant crops (beans, sweet potato, cassava) and growing of trees (mango, papaya, *Leucaena*); and community-level awareness raising and training sessions on the CMDRR process.

### Challenging circumstances to enhance food security in South Sudan

In 2017, we faced challenges in the implementation of the project 'Enhancing the Food Security and Disaster Resilience of Vulnerable Communities in Upper Nile State, South Sudan', which is funded by the European Commission and implemented in partnership with the South Sudanese Development Agency. The project aims to improve food security and disaster resilience of 3,000 vulnerable households in the conflict-affected state of Upper Nile by enhancing the capacities of disaster-prone communities to sustainably produce, utilize and/or access nutritious food.

Due to the outbreak of conflict, the project was put on-hold for about five months. The conflict forced the evacuation of our staff. Due to the conflict and insecurity, targeted beneficiaries moved to the Aboruc camp in northern Fashoda County. Movement was restricted due to insecurity and active fighting. This made it impossible to continue with activities in the original target villages; Cordaid and its partners were forced to temporarily scale down the project implementation. The project resumed in its full capacity on August 2017. Given the critical situation for the communities, Cordaid decided to also provide humanitarian aid. Immediate and prioritized community needs were addressed in order to stabilize communities, restore livelihoods and protect the investments that were made for this EC-funded program. Communities were provided with conditional and unconditional cash transfers, distribution of seeds, tools and fishing kits. These interventions were co-funded by resources from a Dutch public fund raising campaign (SHO) and followed by the longer-term activities of the resilience project, thus linking relief and rehabilitation interventions.

## Disaster risk governance and policies

### Partners for Resilience

In order to promote CMDRR, urban resilience and district resilience, we work with the Partners for Resilience (PfR) strategic partnership. PfR is a Dutch-based alliance, consisting of Netherlands Red Cross, CARE Netherlands, Cordaid, Red Cross/Red Crescent Climate Centre and Wetlands International. From 2016 to 2020, PfR focuses on policy dialogue to integrate disaster risk reduction, climate change adaptation and ecosystem management in international, national and community level programs and policies. PfR does this in ten countries in Central America, Africa and Asia. For more information, please consult the [Partners for Resilience website](#).

### Partnership to influence the Ugandan climate change bill

One of the advocacy trajectories of 2017 took place in Uganda. Cordaid and partners tried to influence the Ugandan climate change bill, in order to incorporate the principles of resilience and integrated risk management. Key partners in the process were Partners for Resilience, Uganda Climate Change Department, Climate Action Network- Uganda, the Parliamentary Forum on Climate Change (PFCC) and the Participatory Ecological Land Use Management network (PELUM-Uganda). Together with our partners, Cordaid participated actively in various consultation meetings, building capacity of the government policy makers, facilitating the gap analyses from the integrated risk management perspective, organized the national CSO stakeholder consultation and supported various consultative process at the district level. Our partners represented CSOs in the various consultation processes, technically commenting on and enriching the draft bill.

The head of the Climate Change Department of Uganda recognized the importance of the integrated risk management principles and appreciated the contribution of PfR partners. The first draft of the bill was released in November 2017, including 40% of our recommendations. A new draft is under preparation by a PfR consultant and a technical working group. The recognition of PfR has further strengthened collaborations, linkages and synergies with the Climate Change department. Through this process we learned that joint voices provide more power, that we need to understand the other side's perspective, and the importance of maintaining flexibility in order to accommodate new developments.



*" Because of the inconsistent rainfall and high temperatures, I had a very low household income and struggled to survive. In order to meet the basic food needs of my family, I was cultivating vegetable crops. However, this was not sufficient to feed my family throughout the year. This Cordaid project changed my family life. I got access to drought-tolerant crops and attended trainings about better agronomic techniques and practices of the crops. Although the rain stopped in 2017 and the soil was very dry, both the haricot beans and the maize remained green and flourished."*

**Adi Dida** (62), beneficiary in the Borana Zone, Ethiopia.

## CORDAID IN THE NETHERLANDS

In The Netherlands over 800,000 people, including many refugees, live in poverty, are socially excluded, and have poor job prospects. They have difficulty finding regular employment, due to a lack of education, inadequate language skills, bad health or other issues. Many of them have been living on social benefits for years and feel side-lined in society. Yet, many of them possess the skills and talents to start their own business. They can create products and deliver services that are in demand. Cordaid supports their ambitions by setting up and promoting social cooperatives. Members focus on their talents, while the cooperative supports them with guidance, administration and procurement.

### Strengthening entrepreneurial skills through cooperatives

Cordaid's Cooperative Entrepreneurship program supports initiatives and municipalities that want to establish a social cooperative in The Netherlands. In collaboration with various parties, such as local businesses and civil society organizations, we help social cooperatives to become sustainable. Within these cooperative, people with various backgrounds strengthen their entrepreneurial skills. They can start their own business while retaining their social benefits. Cordaid supports all cooperatives with general coaching, advice on financial matters, connections, as well as with workshops and a series of training sessions (developed in collaboration with the Tientjes Academie).

In 2017, 24 such social cooperatives were active in 19 municipalities in The Netherlands. Together, these cooperatives supported 116 entrepreneurs. Six of these cooperatives were started in 2017, engaging 39 entrepreneurs. This includes SCOPE in Delft, Jude Catering in Huizen and Ondernemersladder in Soest.



*Jude Catering.*

The underlying idea of the cooperatives is that there is a continuous entry and exit of members, so that the cooperative has sufficient members to continue to exist. 18 people left a cooperative in 2017, seven of them obtained a job or started a business of their own. Therefore, they are no longer dependent on social benefits.

### Catering for integration

A noteworthy example of a new cooperative is Jude Catering in Huizen. All members of this cooperative are female Syrian refugees, each in possession of a residence permit. This cooperative started as a result of a meeting place for women of different backgrounds. For Syrian refugees this was a nice way to become more familiar with Dutch culture. When the Syrian women were asked to bring snacks from their country to the meetings, this sparked the idea for a catering cooperative. Cordaid provided support at the start and continues to be involved.





## SECURITY AND JUSTICE



Without peace, stability and effective governance, sustainable development cannot be achieved. Seemingly endless cycles of violence have a destructive impact on a country's development, with citizens bearing the burden of insecurity and injustice.

Our Security & Justice program guides local communities and governments in designing lasting solutions to conflict, injustice and insecurity. Key to this are improving access to quality and inclusive security and justice services and ensuring meaningful participation of women and youth in governance processes.

Cordaid's main intervention strategies for Security & Justice are:

- Improving the quality and responsiveness of security and justice services, including the use of results-based financing, to promote effective, accountable and inclusive institutions;
- Supporting civil society in fragile contexts to ensure their effective participation in inclusive peacebuilding and security processes, and to increase the role of women and youth in enhancing responsive and effective governance and inclusive policies.

### Peacebuilding and security processes, governance and policies

One of the largest programs contributing in this area is the Strategic Partnership for Lobby & Advocacy "Capacitating change: Restoring the social contract in fragile contexts". This program aims to strengthen the voice and capacity of civil society to effectively engage in, and influence, peacebuilding and state-building. The strategic partnership works towards a strong civil society and healthy state-society relations. It does so by working with and through civil society actors, strengthening local communities to have a voice in decisions affecting their lives. The partnership is active in six countries: DRC, Burundi, CAR, Afghanistan, South Sudan, and Nigeria. In each country, we focus on one to four thematic lobby trajectories: inclusive and engendered peacebuilding; security and access to justice for all; accountable and responsive health services and inclusive economic growth (extractives).

#### Articulating women's interests in peacebuilding in South Sudan

In September, our local partner EVE Organization in South Sudan, together with the South Sudan Women General Association and the National Transformational Leadership Institute convened a meeting. This brought together 50 South Sudanese women representing local women's organizations to articulate women's interests in peacebuilding for South Sudan. The women issued a collective statement articulating their desire for gender parity and effective participation in reconciliation processes in peace and nation building. The statement

directly addresses IGAD (the East African trade bloc), the National Dialogue and other leaders of South Sudanese peace initiatives.



#### Fighting gender-based violence in the Central African Republic

In the Central African Republic, our local partner CERCLE played a leading role in a long advocacy process in the fight against gender-based violence in schools. Their efforts targeted ministry officials and included awareness and sensitization campaigns. As a result, a specialized gender task force was established within the Ministry of Education. This favorable response by one ministry helps to lobby with other key ministries as well.

### Strengthened responsiveness and quality of security and justice services

#### Working together for integrated stabilization and peace in DRC

In the Democratic Republic of Congo, many citizens go without the basics of public service and administration for a very simple reason: there is no money to finance the necessary institutions. In 2017, the Consortium for the Integrated Stabilization and Peace (CISPE) worked with local authorities to support the creation of responsive, sustainable public institutions in the domains of justice, policing and territorial administration. In this consortium we work with IOM, VNG-I and PAX. CISPE works directly with local populations and authorities to encourage democratic dialogue, aiming to improve the effectiveness of the police, territorial administrations and the justice system, thereby strengthening civic trust in those very same institutions.



In North Kivu, we signed contracts with the administrations, police forces and justice systems in three of the province's six territories: Rutshuru, Masis and Nyiragongo. Each contract is tailored to the specific needs of the territory. However, they are underwritten by a common principle: the institutions will receive essential funding at the end of each quarter if they achieve predefined targets. To operate effectively, reliable and adequate financing for Congolese institutions is important, explains Augustin Kazadi Ebondo, the territorial administrator of Nyiragongo: "The territory is a decentralized entity which does not have any financial autonomy. We have neither retrocession from the government nor tax collection with which to function. Cordaid is very welcome here. The results-based financial support really pushes us to accomplish our tasks properly."

Marcelin Chisungu, the first president of Nyiragongo's Tribunal de Paix, says that progress is already noticeable. "Cordaid's funding supports the functioning of the tribunal — the hearings and the cases — but also the education of the community, about how the court works, the competences of the court, the cases which can be brought before this court, and how one can access the court."

CISPE is scheduled to run until 2019. It was never the aim of the consortium members to assume functions of the state for several years without consideration for the future. Instead, the aim is to empower vital - yet under-financed - public entities to provide reliable and valued quality services to communities. These communities will come to expect them and will also be capable to demand their continuation even after CISPE comes to an end.

### Integrated insight in Afghanistan

In Afghanistan, we undertook activities within the transitional shelter program led by our humanitarian aid colleagues. Building on our efforts to strengthen the Provincial Women's Network (PWN) in Nangarhar province, we were able to gain unprecedented access to vulnerable women and girls with special attention to female headed-households. The team furthermore utilized the data gathered through our Women's Barometer for Peace and Security to obtain rare insight in the security and protection concerns as defined by the women themselves. The involvement of the PWN in selecting beneficiaries, and in monitoring progress and impact, provided credibility to the project. For more information on the Women's barometer for Peace and Security, please consult our [website](#).

### The shrinking space for civil society

One of the biggest challenges for the Security & Justice program in 2017 was the shrinking space for civil society organizations in our program countries. Examples include the NGO bill passed in Burundi late 2017, and the NGO bills that have been prepared by legislators in DRC and Nigeria. Some of the measures include increased interference of the state in program content, restrictions on foreign funding and curtailing free press. It is becoming increasingly dangerous for civil society activists to carry out their work, which is affecting Cordaid's work as well. We actively try to counteract this tendency of imposing restrictions on civil society through a coordinated advocacy engagement, both in our program

countries and internationally. As part of Dutch and international civil society networks, Cordaid combats the shrinking space for civil society - with a focus on organizations in fragile and conflict-affected states.

### A Voluntary National Review for Afghanistan

Cordaid's strategic partnership with the Dutch Ministry of Foreign Affairs focuses on strengthening the lobby and advocacy capacities of civil society organizations in Afghanistan, Burundi, CAR, DRC, South Sudan and Nigeria. In 2017, we brought together a group of local civil society partners in Afghanistan. This meeting resulted in a policy brief that was used for lobby messaging ahead of the launch of the Afghanistan Voluntary Review at the High-Level Political Forum in New York. In follow up, Cordaid Afghanistan reached out to the local ministry to further the discussion on civil society inclusion.

### Civil Society Platform for Peacebuilding and Statebuilding

In 2017 Cordaid continued to coordinate and host the Civil Society Platform for Peacebuilding and Statebuilding (CSPPS). 2017 was another key year for CSPPS and other partners in context of the International Dialogue on Peacebuilding and Statebuilding. In Sierra Leone, Cote d'Ivoire, The Comoros and Afghanistan, CSPPS helped civil society to organize consultations around the localization of the sustainable development agenda, to record views of citizens on the role of youth in preventing violent extremism and broader engagement focused on ensuring inclusion of civil society in policy discussions. CSPPS organized a number of landmark events at the UN, World Bank and EU around SDG implementation in fragile and conflict-affected settings.

### Progress Study on Youth, Peace and Security

Together with a worldwide network of youth peacebuilding organizations, Cordaid provided inputs for the Progress study on Youth, Peace and Security in 2017. This study, called for by the UN Secretary General, provides an evidence base for young people's contribution to sustainable peace all over the world. Cordaid actively mobilizes support and recognition for the important positive role that young people can play as bridge builders to prevent conflict, in conflict resolution and to contribute to the realization of the SDGs and sustained peace.

# HEALTHCARE



Good health is a human right, a means and a condition not only for one's own wellbeing, but also to

participate in and contribute to the socio-economic development of one's community and society. However, access to quality health care services is far from being a universal reality. Especially in fragile and conflict-affected countries, where needs are urgent, healthcare services are lacking. The structural development of basic healthcare services helps to stabilize fragile and conflict-affected regions.

Cordaid contributes to universal health coverage by improving access to health for all; ensuring all people have access to essential quality (reproductive) health services. Our main intervention strategies to do this are:

- Advocating for improved health systems and services at national and local levels (governance and financing) and inclusiveness of services;
- Strengthening health systems in countries, which includes access for people to essential quality health services on the demand side, as well as improving the governance of health systems on the supply side – mainly with a results-based finance approach;
- Strengthening (access to) sexual reproductive health services and education (including family planning, HIV related services), for people in general and in particular for young people.

Other intervention themes are:

- Data for Decision-making: Cordaid contributes to the development and application of advanced systems for collection, cleaning, collating and presenting of health data;
- Non-communicable and chronic diseases, which are included in our work on sexual reproductive health services and health system strengthening;
- Strengthening education systems in fragile countries with results-based financing, specifically aiming to increase access to and quality of education.

## Access to quality health services

One of our primary goals is to increase access to quality health services. In each project, we start from what is there, assess what works and what does not, identify improvements and the potential for upscaling.

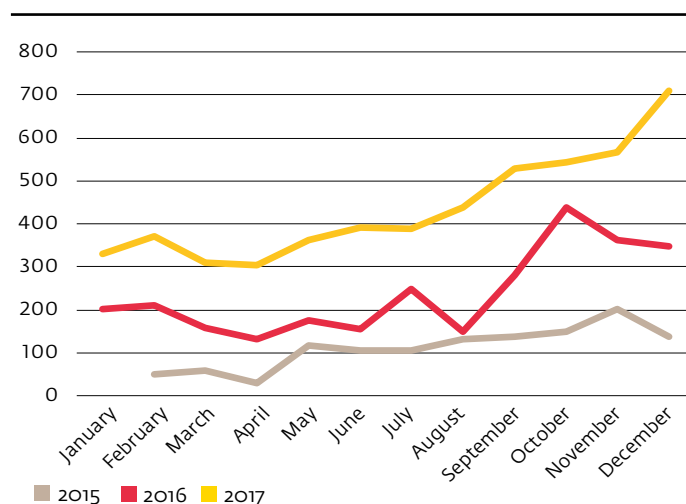
## Restoring health systems in CAR

In the Central African Republic, Cordaid has been involved in the "Support to the Restoration of the Health System in the Bangassou and Bossangoa Regions" project. This is funded by the [EU Bêkou Fund](#). The project aims to contribute to the reconstruction of the country's health services. This includes rehabilitation of infrastructure, supervision and training of staff, but also support for access to quality essential medicines and assistance to the Ministry of Health to revive its facilities. This project takes a Results Based Financing approach. In accordance with the Ministry of Health Guidelines, the project also offers free healthcare for pregnant and lactating women, children under 5 years old and emergencies.

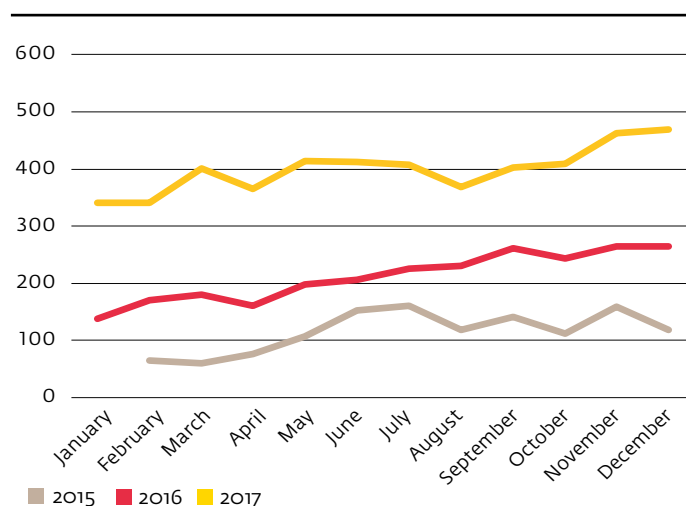


To find out more about this project, please watch the [project video](#).

## NUMBER OF CHILDREN VACCINATED



## NUMBER OF ASSISTED DELIVERIES



An external evaluation conducted in the Health District of Bossangoa showed that concrete and encouraging results were achieved in 2017:

- The health system is functional again;
- 25 Sanitary Training Units were re-launched, rehabilitated and re-equipped, serving a population of 147,257 people including 5,890 pregnant women and 25,475 children under 5 years old;
- Community satisfaction surveys show positive results;
- Tracer drugs are available;
- Services are available free of charge for specific target groups;
- The health district management teams are re-equipped and functional.

In terms of the quality of care, the technical quality score has evolved positively both at main health centers and at health posts. However, there are still many challenges in terms of human resources (increased lack of qualified personnel) and in terms of health infrastructure (access to electricity and drinking water).



Results based financing for Zimbabwean healthcare provides significant progress in performance.

### Stepping up our fight against HIV with the Global Fund

Cordaid has historically been involved in the fight against HIV. In 2017, we were granted funding by the Global Fund for HIV and Tuberculosis to distribute medicine for these two diseases in 24 out of 26 provinces in the Democratic Republic of Congo. The program will run until the end of 2020. Besides distribution of medicine, we also work with partners to arrange community activities on prevention and to increase referral of patients to health facilities.

Against the background of continued conflict in South Sudan, Cordaid supports primary and secondary healthcare, including the prevention of tuberculosis, in Eastern Equatoria, Western Bahr El Gazal, Unity State and Upper Nile. Although we ensure to always collaborate with the local Ministry of Health, the situation in South Sudan makes it difficult to plan far ahead and take a health system strengthening approach with a longer-term horizon. We are contracted by the Health Pooled Fund, IMA Worldhealth and UNDP with funding from DFID, the World Bank and the Global Fund. We also support a number of training schools and additional activities with funds raised from private donations in The Netherlands.

### Access to quality sexual reproductive health services

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. One of the main goals is to reduce the alarming number of unwanted teenage pregnancies, their negative consequences, and maternal deaths.

#### Enabling informed choices in francophone Africa



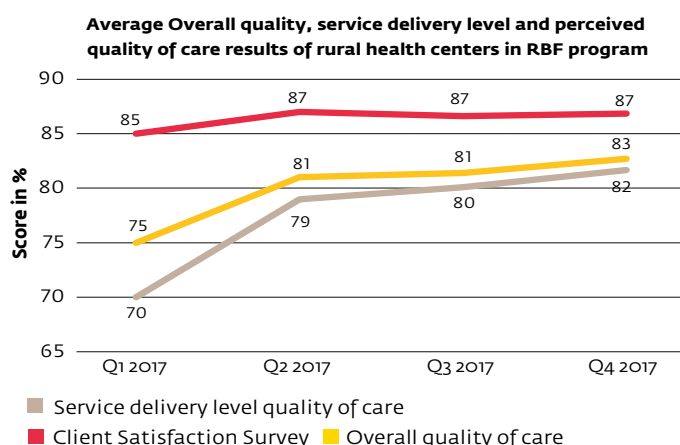
The [Jeune S3 program](#) aims to ensure that young people aged 10-24 (with special focus on girls aged 10 to 14) are able, motivated and have the opportunity to make informed choices about their sexual and reproductive health and rights and that their sexual and reproductive rights are respected. The program is carried out in fragile areas of four francophone countries: Central African Republic, Democratic Republic of Congo, Benin and Cameroon. Activities include comprehensive sexuality education in and out of school, adapting health services to become youth friendly, youth empowering events, youth participation in local policy meetings, improved supply management for contraceptives, youth participation in international events and conferences. The program is funded by the Dutch Ministry of Foreign Affairs and executed in partnership with the Swiss Tropical Public Health Institution, World YWCA and PSI Europe.

In 2017, we achieved a major improvement in the quality of youth-friendly health services of 40 health centers that are located in South Kivu and North Kivu provinces of the Democratic Republic of Congo. The first measurement in the first half of 2017, showed an average quality score of 41%. Based on the scores, activities to enhance the quality were implemented in and with all health centers. The measurement early 2018 showed that the average score had improved to 63%. The increase was observed in both provinces, showing major improvement in the quality of the services for our beneficiaries.

### Health system strengthening

Using Results Based Financing (RBF), Cordaid stimulates more efficient and better-quality healthcare and other services. This is a reform strategy that introduces checks and balances, enhances accountability, motivates staff, promotes entrepreneurship and involves private not-for-profit, private for-profit and public-sector parties, as well as the communities.

#### PERFORMANCE OF HEALTH FACILITIES



### Results based financing for Zimbabwean healthcare

As of 2011, the Zimbabwean Ministry of Health and Child Care received support from the World Bank to introduce a Results Based Financing healthcare program. Up to the end of 2017, Cordaid served as the implementing agency for the program in 18 districts, which cover approximately one third of the country. In 2017, Cordaid contracted 412 health facilities. Performance contracts were signed with provincial health executives, district health executives, health facilities and community-based organizations.

Over 2017, the performance of the health facilities was tracked quantitatively and qualitatively. Both show significant progress throughout the year.

From 2011 to 2017, Cordaid played a leading role in designing, setting up and implementing the RBF program in Zimbabwe. In light of the sustainability of the program, it was always the objective to eventually hand over the full management to the Ministry of Health and Child Care. This process of handing over started in 2017: in line with its mission of providing quality health care to the Zimbabwean citizens, the Government of Zimbabwe not only began to take over implementation, but also co-financed the program, through the Ministry of Finance and Economic Development. Until mid-2019, when the transition process is expected to be completed, Cordaid will remain involved in the RBF program by providing focused technical assistance.

## EDUCATION

In fragile and conflict-affected areas, many children do not go to school. To give children a voice in their own future, we provide them access to education. In 2017, our education efforts took place in the Central African Republic, Malawi and the Democratic Republic of Congo.

### Results-based financing

In all three countries, we applied results-based financing as the primary approach to improve existing education structures. It is a transparent and innovative payment and accountability system with checks and balances. Schools are contracted based on a list of performance indicators with pre-set targets; a list aligned with national and local priorities. A detailed monitoring and evaluation system tracks and awards schools' performance. Schools are autonomous in deciding how to use bonuses to further improve their learning environment. Moreover, this approach enables and motivates staff to excel, promotes entrepreneurship and identifies and subsequently involves all relevant stakeholders.

### Linking Relief Rehabilitation and Development in the Central African Republic

In the first half year of 2017, 105 primary schools were contracted as part of our results-based financing project in the prefectures Nana-Mambéré, Lobaye and Ombella-Mpoko, reaching approximately 45.000 children aged six to fourteen. Despite the success, we increasingly realized that in an unstable country it is necessary to plan for and deliver (education) services in the most fragile regions, which calls also for relief and humanitarian aid interventions. The frequent crises in the Central African Republic disrupt economic and social development. Short-term humanitarian relief mechanisms do not (and sometimes cannot) systematically take long-term development planning into account. Cordaid therefore designed the Linking Relief Rehabilitation and Development model. A model linked to the existing education delivery system and involving local actors. An emergency education pilot started in September.



Delivery of new schooltables in the Central African Republic.

After some initial set-backs, related to the violent context, a successful start was made to build and/or rehabilitate 18 schools along the Boaur-Bocaranga axis. The project was highly appreciated by the local community.

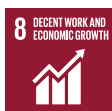
### Radio training for teachers in the Democratic Republic of Congo

In the South Kivu province, a results-based financing project reached 36,163 children (of which 51% girls) at 90 primary schools. Building capacity of teachers in a conflict-prone region like South Kivu is challenging. Our projects used radio broadcasts to train 156 teachers at 26 primary schools and 665 teachers and 40 directors of 40 secondary schools. These 40 secondary schools enroll 12,808 children (of which 45% girls). Training through radio broadcasts is cost-efficient and overcomes security obstacles. These courses enhance the teachers' pedagogy and didactic skills and include topics like child-centered learning, gender-based violence and children's rights. The World Bank funded a study to assess the effectiveness of this approach. Results are expected in 2018.





## PRIVATE SECTOR DEVELOPMENT



In fragile and conflict-affected societies, investment in peace, security and national reconciliation is fundamental to reviving economies. By supporting

local entrepreneurs and SMEs, Cordaid is doing more than supporting local private sector development and creating jobs. It allows people to rebuild trust and enhances social cohesion. Similarly, a healthy and accountable financial sector is a precondition for sustainable inclusive growth. In 2017, Cordaid's private sector development efforts were focused on Sierra Leone, Ethiopia and Afghanistan.

Cordaid aims to promote local private sector development by supporting small and medium sized enterprises, to increase income and employment opportunities for youth and to contribute to a strengthened and more accountable financial sector. Our main intervention strategies are:

- Providing resilient business development services that allow local young entrepreneurs (of which 60% are women) access to finance;
- Providing access to finance with our Cordaid impact investment funds managed by Cordaid Investment Management;
- Advocating, in coalition with peers, for improved private sector development national policies, making them fair, transparent, accountable and responsive to the needs and capacities of the local market.

### Resilient Business Development Services

In Ethiopia and Sierra Leone, we support the development of the private sector through our Resilient Business Development Services model. SMEs willing to make social impact are selected to receive training, technical assistance and mentorship to grow their business. In 2017 Cordaid delivered this business development support to 75 SMEs. In Ethiopia, 29 SMEs were trained by our local partner R&D. In Sierra Leone, 46 SMEs received support\* from our own Private Sector Development team and various consultants. Most of these SMEs are now working on business plans which enables them to apply for investment.



*"Agribusinesses in Sierra Leone face significant challenges in accessing finance from traditional lenders like banks. SIFA meets the financing needs of these enterprises, enables them to grow and to contribute to local economic development."*

**Lorisa Canillas**, Local Cordaid Investment Manager in Sierra Leone

*"Creating economic impact is about supporting businesses that will be able to employ, to grow, create wealth, and pay taxes. And this is what we do."*

**Olubummi Thomas**, Program Officer Cordaid Sierra Leone

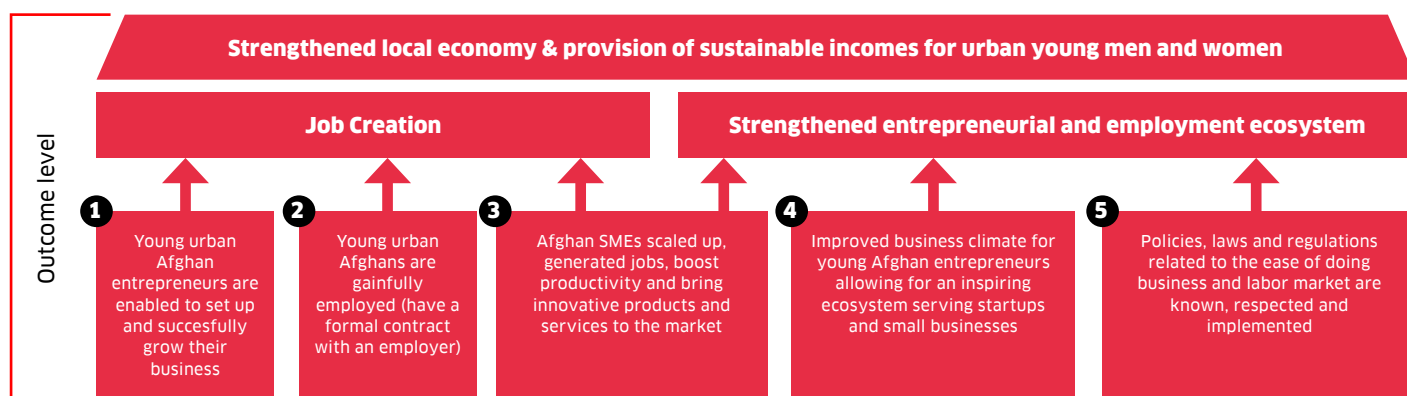
One of participants in the program is the Oasis Juice Bar and guesthouse in Freetown, Sierra Leone. Ms England, the owner of the company, was eager to use the training opportunity to get her financial records and bookkeeping in order. This helped her to make a solid financial report, which is part of the requirements to apply for an investment.



Ms England (middle), owner of the Orange Juice Bar was trained to improve her business.

### Financing the poultry sector in Sierra Leone

The Private Sector Development team works closely with Cordaid Investment Management. In 2017, five of the enterprises that participated in our Resilient Business Development Services program in Sierra Leone received investment from Cordaid's Stability Impact Fund Africa (SIFA). In Sierra Leone, the annual consumption of eggs is estimated to be 200 million. Only 20% is supplied by local farms, the rest is imported. There is a huge opportunity to support local poultry farmers to increase their share of the market and has therefore financed enterprises in this sector. Glorious Poultry Farm and Mayefeh Farm are two small poultry enterprises that were severely hit by the ebola crisis. After completing the Resilient Business Development Services program, Cordaid Investment Management's SIFA fund supported them with local currency loans to expand production capacity and resume operations. We also collaborated with Sierra Leone Opportunities for Business Action to provide technical assistance to these entrepreneurs to improve the farms' productivity.



### Bright Future Afghanistan

With support of the Dutch Ministry of Foreign Affairs, Cordaid was contracted as consortium lead for implementing the Bright Future program in Afghanistan. The implementation of Bright Future started in June 2017, with the 1% Club, Bayat Foundation and Hamida Barmaki for the Rule of Law as partners. The program focuses on strengthening the local economy and providing sustainable incomes, in particular for young men and women in Kabul. The program addresses five parallel 'Pathways', which are interlinked in such way that they reinforce each other. The goal is to strengthen the entire SME business ecosystem in Kabul and to provide young people with sustainable income.

In Pathway 1 'Bright Youth @ Work', during 2017, we trained 54 young Afghans on skills to be better fit for the job market and 22 of them found an internship. Within Pathway 2 for 'Bright Business Incubation', we provided support to 30 young Afghans to develop their start-up. After the incubation track with training courses and workshops, 23 young entrepreneurs had the opportunity to apply for seed capital via crowdfunding on [www.brightfuture.af](http://www.brightfuture.af). After 18 of them managed to do so, the crowdfunded amount was topped-up with our matching fund, which enabled them to successfully start their own business. As crowdfunding is a very new phenomenon in the Afghan society, this was quite a memorable moment for the program.

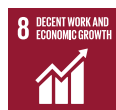
In 2018, Cordaid and its local partners will start with implementing Pathway 3 of Bright Future: 'Bright Business Acceleration', which is similar to the Resilient Business Development Services program in Sierra Leone and Ethiopia. Within Pathway 4 'Entrepreneurial ecosystem', the foundation has been laid for a membership mechanism for enabling young people to connect to various business hubs in Kabul. As part of Pathway 5 'Rule of law', our consortium partner Hamida Barmaki trained 144 people in 2017 on legal topics for businesses: 60 government officials and the 84 participants of Pathway 1 and 2.



Glorious Poultry Farm received funding from SIFA to expand operations.



# CORDAID INVESTMENT MANAGEMENT

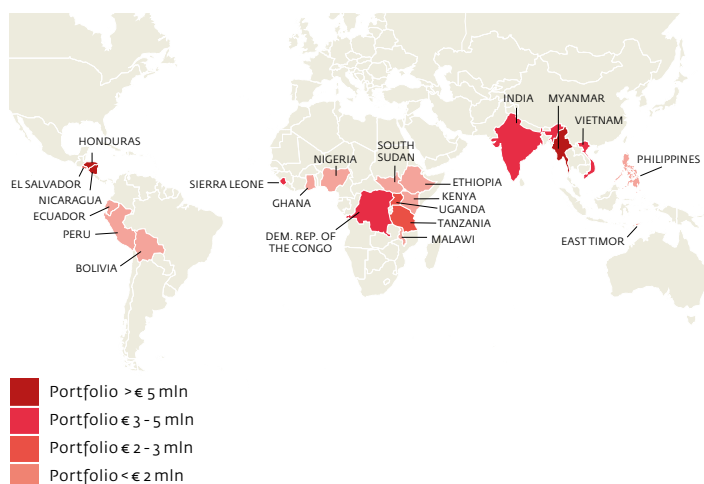


Cordaid Investment Management (CIM) is the asset management arm of Cordaid. It is a 100% subsidiary of Cordaid which has been a frontrunner in opening markets to impact investment since 1997.

CIM manages thematic investment funds that foster Cordaid's multidisciplinary approach to development and that catalyze grant-based activities in the field of agriculture and entrepreneurship. Our funds offer access to finance using a mix of financial instruments and focus on women and young people. CIM is currently active in 22 developing countries in Africa, Asia and Latin America. To date it has financed 263 partners and 491 investments have been made, with a total value of € 206 million.

2017	TOTAL CIM*	OUR FUNDS	
		RURAF	SIF
Total invested (€ mln)	64	47	16
Total outstanding (€ mln)	59	42	10
Investees	71	40	27
Average investment size (€ mln)	0.9	1.2	0.6
Loans to micro entrepreneurs	175,000 (71% women)	129,000 (74% women, 66% rural)	45,000 (64% women)
* includes exit portfolio (investments that no longer fit our strategic country or social criteria)			

As of 2017, Myanmar is the country with the largest investment portfolio: around € 10 million. Our investments focus on agriculture, stimulation of microfinance institutions and the development of loan products for smallholder farmers.



Our investment management approach and expertise on investing in fragile contexts has not gone unnoticed. Cordaid was invited to participate in the high-level panel 'Financing for Peace: Innovations to Tackle Fragility Challenges' at the World Bank Spring Meetings. After introduction by World Bank President Jim Yong Kim, UN Secretary General Antonio Guterres and EC President Jean-Claude Juncker, the panelists explored how we can work together to implement innovative financing solutions. More information and a video of this event are available on [our website](#).

## The Rural and Agriculture Fund

More than one billion people worldwide live in extreme poverty and livelihood insecurity. Of these, in excess of 75% are small agricultural producers in rural areas. CIM established the Rural and Agriculture Fund (RURAF) to provide agricultural subsectors access to inclusive finance to boost local rural economies.



"CEP is very grateful for the funding and support which we have received from Cordaid in the past ten years. The initial funding enabled us to expand our operations into the Mekong Delta. This funding was important as it came at a time when CEP was quite small. Since then, CEP has received additional loans from Cordaid, which have been used to further extend our outreach to serve poor and low-income families in rural areas. As we have grown and developed over the years Cordaid has always remained willing to extend its investments and support. Cordaid is a partner on which we can rely, and we look forward to continuing our relationship with Cordaid into the future."

**Nguyen Thi Hoang Van**, (in the centre of the photo) CEP's Managing Director





Emmanuel Muki, (standing) entrepreneur in Northern Uganda, received two loans from RUFIL.

### Expanding financial services into rural areas of Vietnam

Vietnam is a development success story. Political and economic reforms launched in 1986 have transformed the country from one of the poorest in the world to lower-middle income status within a quarter of a century. However, access to finance is much needed to promote economic development and reduce poverty, especially in rural areas.

One of the microfinance institutions in which RUFIL invests is the Capital Aid Fund for Employment of the Poor (CEP). This is a non-profit microfinance institution that aims to reach the poor and poorest in Vietnam through the provision of financial and complementary non-financial services. They started 26 years ago as a purely urban microfinance institution in Ho Chi Minh City and later expanded into rural areas. CEP is a financially strong and socially committed microfinance institution. In 2017, it reached over 320,000 borrowers.



*"In the first year of operations in Northern Uganda we have seen some progress for the clients. They are able to support themselves. And they are so appreciative that we have come to help them at the right time."*

**Sadia Edita**, Operations Manager RUFIL

## The Stability Impact Fund

The Stability Impact Fund (SIF) 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.

### Financial services to refugees

Financial services play a key role in refugee populations helping them to be more resilient. However, refugees are perceived as high risk and therefore struggle to get access to finance. One of the microfinance institutions in which SIF invests is the Rural Finance Initiative (RUFIL), an organization that proves that lending to refugees can be profitable. It was established in South Sudan to provide financial services to rural households that are isolated from the mainstream economy. In July 2016, when a new crisis in South Sudan erupted, 90% of the clients of RUFIL's three border branches fled to Northern Uganda. RUFIL decided to follow them to Uganda and opened branches in Koboko and in one of the refugee camps. To support RUFIL's plans, CIM approved a mix of a grant and a convertible grant. As per December 2017, RUFIL had over 300 clients located mainly in refugee camps.

2017	SIFA (PART OF SIF)
Total invested (€ mln)	11
Total outstanding (€ mln)	5
Investees	9
Average investment size (€ mln)	1.2
Loans to micro entrepreneurs	30,000 (64% women)

## The Stability Impact Fund Africa

The Stability Impact Fund Africa (SIFA) is a carve-out of SIF, specifically focussing on Africa. It utilises a blended approach that provides SMEs in Africa with access to inclusive finance as well as Resilient Business Development Services. The Fund has been opened to impact investors who share our strong belief in the potential of MSMEs to create jobs and spearhead inclusive economic growth in the most fragile contexts to help break the vicious circle of conflict and poverty.

Cordaid has been providing Resilient Business Development Services in fragile and post-conflict contexts for more than a decade. Since 2015, it provided tailored and company-specific program to selected SMEs in Ethiopia and Sierra Leone. The six-month program is designed to improve financial, social and environmental business performance and geared towards making the enterprises investment ready. It supports the creation of a pipeline for potential direct investments by SIFA in the 'missing middle' segment. In 2017, SIFA approved loans to 5 new small enterprises, 2 of them graduated from the RBDS program. Examples of such loans are included on page 20 of the section on Private Sector Development.

## OUR PEOPLE

Cordaid is engaged in a wide range of international development cooperation, from emergency humanitarian relief through resilience building and the design and implementation of actual development programs. All of our work for people in fragile and conflict-affected states could not be done without the people who make up Cordaid. To ensure our people can do their job, we need to take care of them, to help them cope with the risks that they may encounter in their day-to-day work.

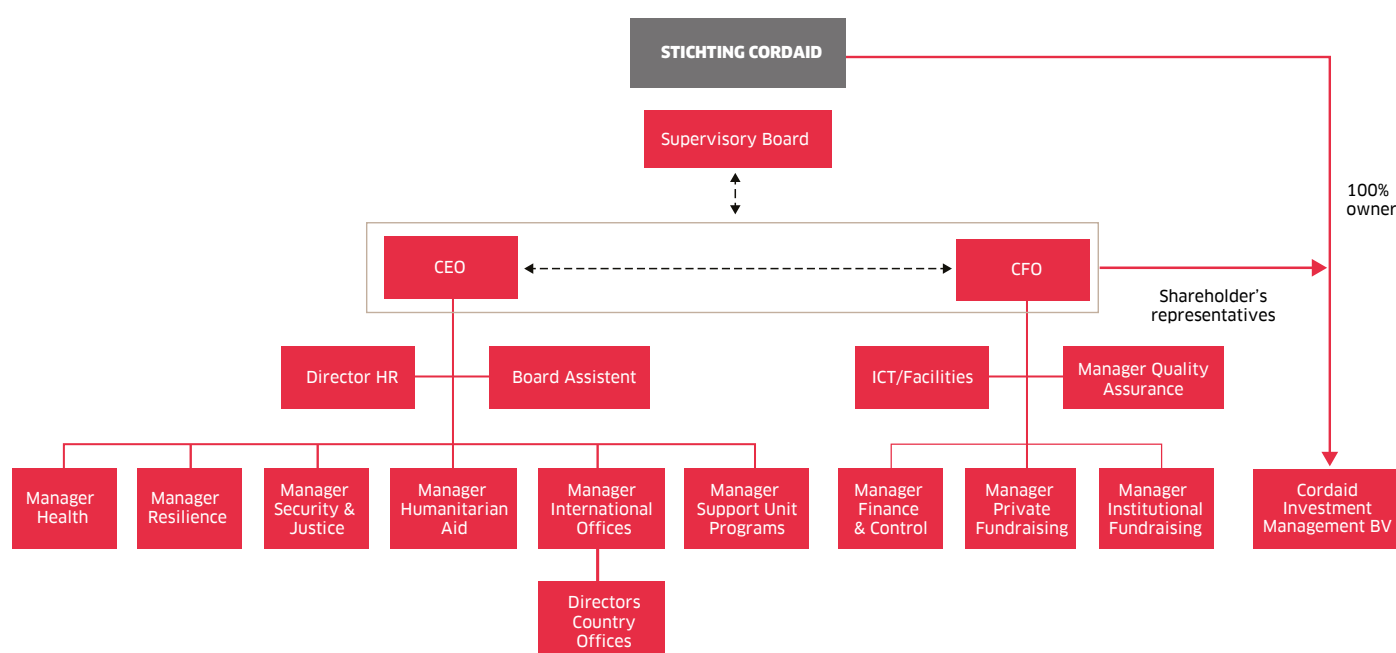
As the world of international development is changing, we've had to change as well. The end of the co-financing program of the Dutch government that facilitated Cordaid's work, marked the end of an era of relatively easy access to finance for our programs. Until then, our organization was structured according to our main activities, the provision of funding for the implementation of programs often by partners. Today, we are more involved in developing, funding, implementing and executing programs in our focus countries.

And this has had various consequences for our people. Both in 2015 and in 2016 we had to restructure to ensure we would survive as an organization in the increasingly competitive market. In 2015, we reduced our staff in The Netherlands by 30%, followed by another 40% reduction in 2016. The first half of 2017 was therefore marked by the redistribution of responsibilities among the remaining staff. For the Human Resources team, the care for staff that had been made redundant was a high priority. In parallel, the number of staff and the responsibilities of the country offices increased. The country offices are

managed by country directors, together with financial directors and program directors. Of these senior management positions, approximately 45% are from the local community.

END OF YEAR 2017 (VS 2016)	HEAD OFFICE	COUNTRY OFFICES
Number of FTEs	139 (230)	585 (382)
Number of employees	157 (249)	585 (382)
Gender balance	65% women (62%) 35% men (38%)	22% women (23%) 78% men (77%)
Expat / local balance	100% on local contract	7% expats 93% locals

In 2017, we adopted a new organizational structure, reflecting our changing role and our strategic fields of expertise and focus, as well as the large reduction of staff that took effect as of January 2017. New units were formed, such as Private Fundraising & Communications and Institutional Account Management. Others were eliminated, like Positioning, Communication and Engagement, and Strategy, Innovation and Funding. Control and Compliance were merged into Finance and Control. The position of Programs Director was eliminated, and the Program Unit Managers now report to the CEO. The Auditor and Security Advisor as well as the Quality Assurance unit were placed under the CFO.





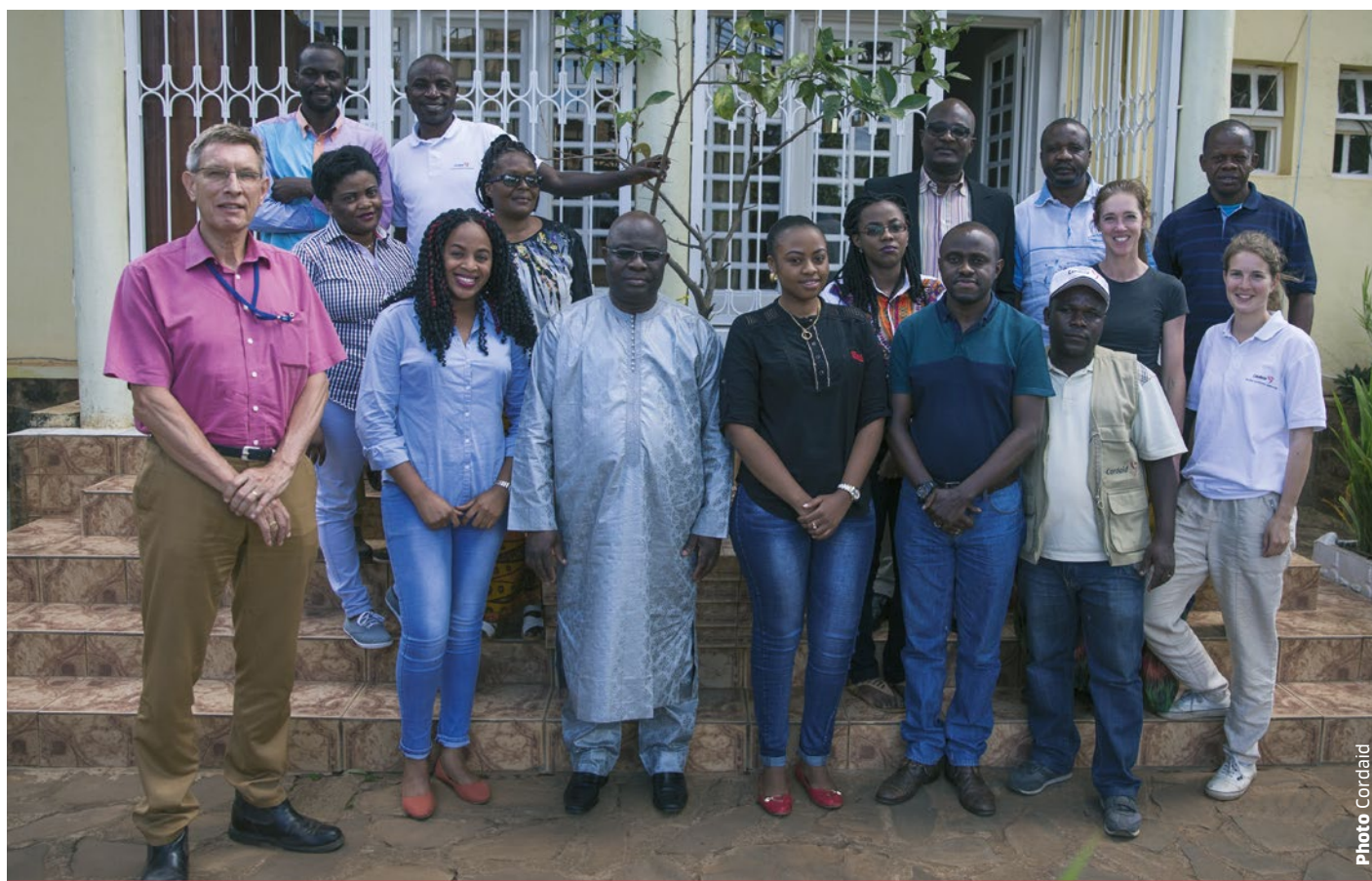


Photo Cordaid

Staff of the Bukavu office in DRC with colleagues visiting from the Head Office.

To support Cordaid's people to fulfill the mission, in 2017, the Human Resources team focused on:

- Country offices support: to strengthen them as we shift from financing local civil society to implementing projects;
- Training on new skills: on project management and knowledge sharing;
- Flexible labor force and international mobility: to increase our work on the ground in our focus countries rather than in the head office.

### Country office support

As our country offices are increasingly involved in project delivery, they need to be strengthened both in skills and number of people. Early 2017, all country offices conducted an internal analysis with a McKinsey assessment tool to define their operational capacity and identify strengths and areas for improvement. On the basis of these analyses, country strengthening plans have been developed as well as a general overall Cordaid capacity strengthening plan. From July onwards, based on the new Cordaid strategy, all countries worked on a country strategic plan including the further development of the internal organization.

In 2017, we also completed a revision of the job descriptions for the expats working in our country offices, including a revaluation of the salary scales. A stronger distinction has been made between larger and smaller offices to assure a closer link between responsibility and salary. The internal organization of all the offices has been adapted to the new ambitions and the

strategic choices of Cordaid. A stronger emphasis was placed on the development of middle management who will play a crucial role in the country offices managing the thematic programs in the new organization.

### Training for new skills

For Cordaid, project management became an essential new skill, as our role changed from grant-giving to implementing projects financed by large donors. We annually invest 2,75% of the gross salary amount in training for our staff. Part of this budget is spent on in-company training courses available to all staff, as shown in the table below. In addition, approximately 50 people benefited from one of several individual courses, agreed upon in the context of their professional development. In the country offices, people were trained on different topics like security, stress management, project management, lobby and advocacy, and thematic issues. On average, country office staff each received approximately five days of training.

HEAD OFFICE GROUP COURSES IN 2017	DURATION	PARTICIPANTS
Financial Management	2 days	21
Work stress prevention	1 day	9
Negotiation skills	2 days	12
French	15 x 1,5 hrs	39
Layout	1 day	10

## Safety of our people

The 2017 [Aid Worker Security Report](#) states that in 2016, there were 159 very serious attacks worldwide on aid workers. Across all aid organizations, 101 field workers were killed, 98 were injured and there were 89 kidnappings. For the second consecutive year, South Sudan was the most violent context for aid workers, reflecting the fracturing conflict in this war-torn country. The report mentions that most fatalities amongst aid workers are caused by attacks by various state actors. Most aid worker attacks are perpetrated by 'national-level' non-state armed groups seeking control of the state. Targeting aid workers serves efforts by Non-State Actors to dominate territories and delegitimize governments.

These trends are also reflected in our operations. In 2017, 63 safety and security incidents were reported within Cordaid, of which the critical incidents included 17 with a severity rating 4 and 1 with rating 5 (on a scale of 1 to 5). Most incidents occurred in South Sudan (21), Central African Republic (22), and Afghanistan (7). Hibernation of Cordaid field teams (sheltering until fighting ceases) and relocation (moving to a safer place), was needed in Central African Republic, South Sudan and Iraq during 2017.

As these numbers show, in fragile states, humanitarian and development programs can only be implemented when there is solid security management in place. We have a comprehensive safety policy in place and dedicated security plans and procedures for each country. A Safety, Security and Crisis Committee and a Security Advisor develop policies and procedures, oversee their implementation and manage crises. In 2017, the security adviser travelled to South Sudan, Afghanistan, and Central African Republic to provide training to teams, verify whether the required procedures are in place and complied with, and to ensure the quality of security plans. Security training is always provided ahead of international deployment and travel to medium to high risk zones.

In 2017, 28 people participated in the mandatory refresher courses for head office staff travelling to our country offices. There are also tailor-made security training programs for new employees (5 participants in 2017) and for female travelers (18 participants in 2017). Nationally hired employees in the program countries are also trained in personal security, Cordaid security management and procedures, first aid, crisis management (for managers at Cordaid offices) and for drivers: safe driving.

## Health

To safeguard the health of employees, preventative health measures are taken. International employees 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 employees is covered either through insurance or through direct cost reimbursement depending on availability in the country. Cordaid offices also prepare themselves for the required quick response to possible sexual assault by having a Post-Exposure plan and counselling services in place.

At the head office, we also strive to prevent health related absenteeism. The staff health is measured by the health-related absenteeism percentage and the frequency of calling in sick. The target for health-related absenteeism is 3.5% or less and the target for frequency is less than one. In 2017, health-related absenteeism was 3.4% percent, lower than the 4.6% recorded in 2016 and in-line with the target. The frequency for 2017 was 1.18.

## Diversity and inclusion

Cordaid has an inclusiveness policy to ensure we have a diverse workforce that is a reflection of the society in which we operate and which we serve. We believe that a diverse workforce is an empowering factor for Cordaid. Inclusiveness management benefits individuals, teams, our organization and our donors and target groups. We recognize that each employee brings their own unique capabilities, experiences and characteristics to their work. We value such diversity at all levels of the organization in all that we do.

## Employee remuneration

To reward our employees for their contribution to Cordaid's mission, we have developed our own compensation plan. We offer primary and secondary benefits in line with other NGOs. The job classification system which underpins the compensation plan was developed with HR consultancy Eprom. Our full-time employment contracts are based on a 36 hour work week. Full-time employees are entitled to 170 hours of holiday leave. Employees age 30 and over are entitled to additional hours of holiday leave, ranging from 7.2 extra hours for people aged 30-39 to 36 hours for people over 50 years of age. We offer pension benefits through a collective pension scheme. The pension accrual is based on the average salary earned.

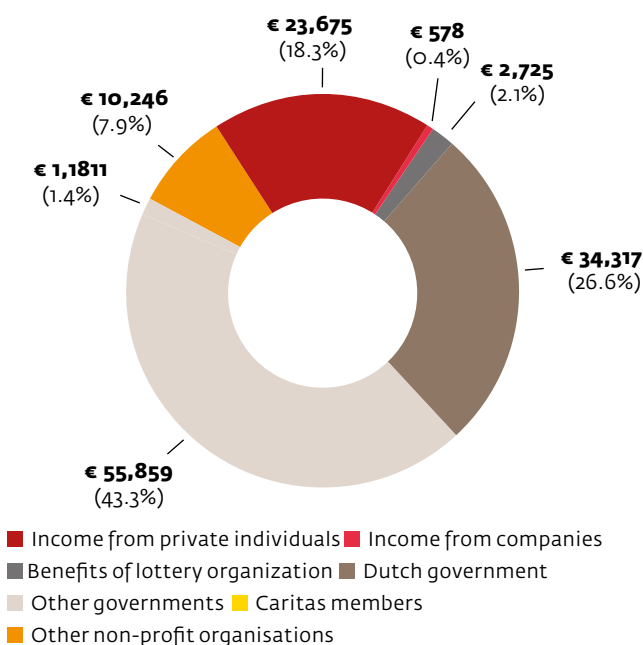
## What our people say

Every year, Cordaid conducts an employee satisfaction survey among its head office staff and the expatriates working in the country offices. The 2017 survey was held in April, shortly after the restructuring, which will have influenced employee satisfaction. Overall, Cordaid scored a 6.9 out of 10 among its employees, up slightly from the 6.7 scored in 2016. The performance improved across all topics surveyed, but the overall score is not yet at the minimum of 7.5 set as a target for employee satisfaction.

## OUR DONORS

We could not do our work in and on fragility without the support of our donors. We are grateful for the support of both our institutional and individual donors.

### SOURCES OF INCOME IN € THOUSANDS



In 2017, we raised a total of € 129.2 million. Compared to 2016, our income remained stable. Lower income from individuals through legacies and no additional funding from the Postcode Lottery were amply off set by income from the Giro555 action for the famine in Africa and higher income from government grants. The higher income from governments grants was caused by both new contracts and higher realization of running contracts.

### Transforming relationships with institutional donors

Since 2016, the relationship with the Dutch government transformed, following the change within the national policy on international development aid. Instead of structural support from the co-financing program, Cordaid now works in strategic partnerships to achieve the mutual objectives. In addition, Cordaid works with more than 20 institutional donors and philanthropic foundations. These include the Dutch Ministry of Foreign Affairs, the Global Fund, the European Union, the World bank and the UN.

*“ In South Sudan, Cordaid is interlinking peacebuilding, decentralisation and development in Eastern Equatoria and Western Bahr-el-Ghazal state. Partners for Resilience does this on the national and county level. I would like to extend my appreciation to Cordaid's commitment and contribution to these important programs under difficult circumstances. We expect the outcomes to be of great value to the beneficiaries in this country.”*

**Sandra de Jongh**, Second Secretary of the Dutch Embassy in South Sudan

Funding for fragile and conflict-affected regions is not always readily available. Traditional donors – cash-strapped and pressured to redirect funding toward domestic programs – cut their aid budget and expect a higher return on their investments. Increased scarcity of resources leads to more competition among civil society organizations. At the same time, consortia and multi-stakeholder partnerships are often the most effective way to achieve real impact in development cooperation.

In 2017, Cordaid further diversified its donor base with new donors such as the German Development Bank and the Bill and Melinda Gates Foundation. Cordaid managed 86 contracts in 18 countries. And at the end of 2017, we signed a three-year contract with the Global Fund to Fight Aids, TB and Malaria for a national program on HIV, TB and health system strengthening in the Democratic Republic of Congo.



Photo Sander van Weert

*“ I've supported Cordaid for many years and have now added Cordaid as a beneficiary in my will. In 2017, I traveled to Malawi with Cordaid to visit health and education projects. I witnessed the good work that Cordaid is doing there.”*

**Tjeu Rutten**, individual donor



## Continued support from individual donors

Nearly 270,000 individual donors supported Cordaid in 2017. People of all ages support our mission with monthly bank transfers or through separate donations. They provide a crucial contribution to our work, including program development and innovation.

With a decline in the willingness of Dutch people to engage in long-term commitments, retention and recruitment of donors were of high priority for us. We regularly inform our donors on our challenges and progress through our communication channels, like our magazine *Zingeven* and e-newsletters. We also organized eight regional donor meetings to share the results of Cordaid's programs in an interactive manner, allowing for personal encounters and ample opportunity for dialogue. At these events, we also informed the participants of the possibilities to include Cordaid in their will. With our intensified recruitment and retention efforts, we maintained the number of active donors.

Our main fundraising campaign was held in November 2017. For the fourth consecutive year, Cordaid's work was actively featured for a week in the daily RTL *Boulevard* broadcasts on Dutch television. The campaign around clean drinking water for everyone was a great success. Several Dutch celebrities joined the challenges to use just three liters of water in a day. Popular RTL presenter Marieke Elsinga was the campaign's ambassador. She reported on a trip she took with us to Ethiopia and called on viewers of RTL *Boulevard* to donate € 3 through a text message. This resulted in over 150,000 text messages to support the campaign.



*"When I travelled to Ethiopia with Cordaid, I witnessed the consequences of water shortage on people and animals. Fortunately, Cordaid does not abandon these people. I am happy to be able to contribute to the 'Clean water for everyone' campaign."*

**Marieke Elsinga**, TV presenter

## Highlighting other important donors

Since 2002, ASN Bank has been an important donor for Cordaid. In 2017, ASN donated over € 210,000 for children in the north west of the Central African Republic to ensure more children go to and finish school. In addition, nearly € 169,000 was donated for education in Congo and € 61,260 for female entrepreneurs in Vietnam. The partnership with ASN will end at the end of 2018, as they will provide further focus in the number of topics it supports. We thank ASN Bank for the many years of support and partnership.



*The MamaBrood initiative resulted in a donation of € 50,000 for mother and childcare in Africa.*

In 2017, we celebrated the fifth anniversary of MamaBrood. In 2012, this initiative was launched by two Dutch bakeries (Van Otten from Enter and Van der Wal-Jolink from Apeldoorn) and Bakels bakery ingredients. Over 500 bakeries in The Netherlands embraced the opportunity to support Cordaid's work to improve mother and childcare in Africa, by donating part of the income generated from the MamaBrood loaves of bread.

*"We are so proud to help improve the health of many young mothers. We could count on the support of Dutch bakeries throughout The Netherlands."*

**Eric van Otten**, co-initiator MamaBrood



*“We are proud to support Cordaid in the next five years, to create opportunities for the most vulnerable and poor people in fragile areas around the world. What makes Cordaid special is their expertise and capabilities to integrate humanitarian aid and structural support, creating future prospects for people in the most fragile places. Thanks to our participants, we are able to support Cordaid for 22 years already.”*

**Margriet Schreuders**, Head of Charities, Dutch Postcode Lottery / Nationale Postcode Loterij

Since 1996, the Dutch National Postcode Lottery has supported Cordaid. Since the start of this partnership, we received a contribution of € 66.5 million. Since 1989, the Postcode Lottery has donated over € 5.4 billion to many good causes. In 2017, the Postcode Lottery raised a record amount of € 357 million for charity, of which € 2.7 million was donated to Cordaid. This generous amount was used in poverty-stricken areas, in areas of conflict and in areas where the consequences of war or (natural) disaster continue to impact people. With their support we offer emergency relief, safety, healthcare, education and jobs. An integrated approach, made possible by the participants of the lottery and the generous gift from the Postcode Lottery.

## From five brands to one Cordaid

In 2017, we further streamlined our marketing and communications activities towards our donors and the general public in The Netherlands. Until 2016, Cordaid had different communications channels for the five funds that came together under the Cordaid name. As of 2016, the magazines of these different funds were already combined into one Cordaid magazine, and in 2017, we merged the different websites, Facebook accounts and e-newsletters under the Cordaid name. Besides significant cost reductions, this also creates opportunities to communicate in a more integral way about Cordaid's mission and proposition, linking humanitarian relief and sustainable development in the most fragile places on earth. By joining forces, we can increase our impact, both in terms of message and reach.

**Cordaid** memisa  **Cordaid** mensen in nood 

**Cordaid** microkrediet 

**Cordaid** kinderstem 

**Cordaid** bond zonder naam 



**Cordaid** 



# OUR ORGANIZATION

Cordaid wishes to be known and respected as an innovative and learning organization that shares its knowledge and thus increases its effectiveness. A prerequisite for this is a well-equipped and functional center of excellence, including thematic communities of experts who support knowledge exchange and learning. We are very aware of this prerequisite as we progress into one Cordaid and rebalance our resources towards our country offices.

Cordaid is an active member of various networks, including Caritas Internationalis, CIDSE, CONCORD and the Civil Society Platform for Peacebuilding and Statebuilding.

Cordaid is a foundation, established under Dutch law. To ensure the quality of Cordaid's work, a quality management system is in place, including various quality standards. External standards used include ISO and Partos. We are committed to meeting these standards to enable the organization to perform in an efficient and transparent manner.

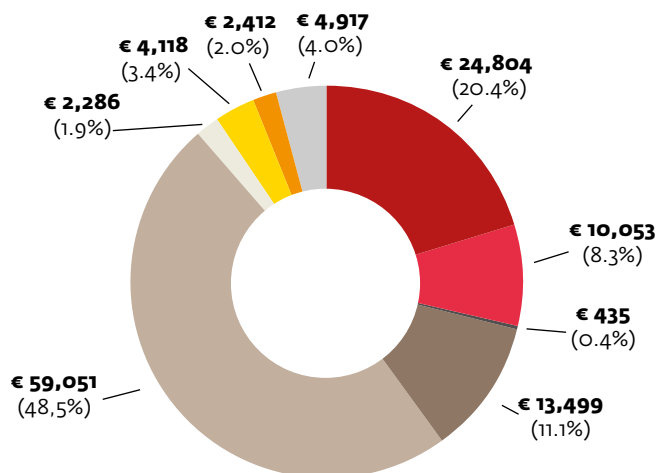
For an internationally operating non-profit organization like Cordaid, corporate responsibility is part and parcel of our core business. The "why" (vision and mission) and "what" (our programs) encompass topics, which are the focus areas for our corporate strategy. For Cordaid, corporate responsibility manifests itself in how we work as an organization. From our vision and mission, the core values guide how we take the responsibility to limit negative impacts of interventions, to do no harm and to respect human rights. To find out more about our corporate responsibility policy, which was updated in 2017, please consult the [policy document on our website](#).

Many of the topics from our corporate responsibility policy are covered in this report. This includes social topics like the safety of our staff, and the socially responsible way we invest and our governance structures. As people in fragile states are often affected disproportionately by climate change, this is also part of our corporate responsibility policy at the organizational level. As an organization, our main climate change impact is in the area of carbon emissions. Air travel is estimated to account for 80% of our carbon emissions. Air travel is an essential part of our work. We have invested in video conferencing facilities to limit air travel, but air travel will continue to be essential to meet with key partners and our local offices for discussion, monitoring and capacity building. We offset our carbon emissions generated by flights through the Climate Neutral Group.

## Our financial health

After two consecutive years with considerable loss due to the ending of the MFS subsidy from the Dutch government, the main financial target for 2017 was to come to a balanced budget. This objective was achieved. The total operational costs were reduced by € 8.6 million to € 30.9 million. For more detail on our finances, please consult our 2017 financial report on the website.

## BUDGET SPENT IN € THOUSANDS



■ Humanitarian Aid ■ Resilience ■ Cordaid in The Netherlands  
■ Security & Justice ■ Healthcare ■ Private Sector Development  
■ Investments ■ Other activities ■ Public information / awareness campaigns

For 2018 and beyond, the objective is to remain financially healthy, with a balanced operational budget and to gradually grow our 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 2018 budget is included as appendix 4.

## Our governance

The work of Cordaid is supported by 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. Moreover, as governance is one of the cornerstones of everything we do, Cordaid itself must be accountable to beneficiaries, clients and donors. Good governance relates to how we are managed, how we are supervised, how we work with constituents, and how the interests of those constituents are taken care of.

Cordaid's governance is based on a two-tier system, with a Supervisory Board overseeing the Board of Directors. Our governance is described in full in the articles of association and in our governance regulations, which were updated in 2017 and are available on our [website](#).

## Integrity

In 2017, we updated our [Code of Conduct](#), which applies to all staff and consultants. It starts from Cordaid's values, and then details specific topics like private life, conflict of interests, sexual relationships, weapons and protection, drugs and alcohol, HIV/AIDS and child labor. The Code of Conduct is provided to all new employees and they need to sign for receipt and its content as part of their employment contract. It is also published on the Cordaid intranet for all existing staff. In contracts with implementing partners, suppliers and other parties the Code of Conduct is an integral part of the contract.

Early 2018, we were deeply upset by the sexual misconduct of humanitarian aid workers as revealed in the media. It urges all of us - individual staff members, organizations and the aid and development sector as a whole - to conduct thorough assessments and to improve protocols and reporting criteria for misconduct. Every form of sexual abuse goes against the heart of who we are and what we stand for, as addressing and countering gender-based violence is an important part of our mission. We will continue to use all instruments at our disposition to prevent misconduct, report it and handle it appropriately. Together with the main actors in the international cooperation sector, we are currently developing joint responses and protocols both at the national and international level.

Cordaid has appointed confidential mediators in all its offices, with whom staff can report and share information about abusive behavior. Prevention of and dealing with sexual harassment is part of our (mandatory) safety and security training of staff. Every year, Cordaid measures employee satisfaction to detect, in an early stage, any issues that require our attention. New and existing Cordaid employees actively follow an onboarding program to understand the Cordaid culture, rules, protocols, and regulations.

## Fraud

Cordaid's Country Offices are located in fragile countries that are at the bottom of the Corruption Perception Index<sup>3</sup>. In order to mitigate these risks, we have a number of policies and procedures in place, including the Code of Conduct, a whistle-blower policy and an anti-corruption policy. When a fraud or corruption event occurs, it is reported through various channels available (Integrity Committee, confidential mediators, whistle-blower policy, website, management). In case the funding from a donor is involved, the donor is informed and kept updated on the progress of the investigation of each incident. The investigation itself is carried out by a professional external party. All incidents are coordinated by Cordaid's internal auditor and a report of all incidents is shared with the Audit Committee every quarter.

As stated in our policies, Cordaid has a zero-tolerance policy, whether it is fraud, undesirable behavior or sexual misconduct. In 2017, two incidents of sexual misconduct were registered and investigated. In both cases, the employment contracts were ended. In 2017, a total of seven fraud cases were reported, of which one anonymous. Each case - whether alleged or proven - is taken very seriously and immediately investigated by a team of professionals. The total amount lost related to the seven fraud cases was € 400,000 excluding direct write-offs. One case in CAR is still under investigation. At this moment, final conclusions about the possible impact can't be drawn.

## Risk management

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 risk in an adequate way, Cordaid has an Enterprise Risk Management Program. This program is monitored by a specific Risk Committee that reports to the Board of Directors and the Supervisory Board at least annually.

Cordaid monitors its risk at different levels and regularly reports on risk assessment, risk mitigation measures and follow-up on these measures. All strategic risks are managed by a risk owner, which is usually the responsible line manager or project manager. The follow-up of risk mitigation on top strategic risks is reported quarterly. Changes in strategic or operational risks are also communicated through the quarterly reviews. Other risks are tracked in a dynamic risk register that is updated at least annually.

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 a too small scale of the organization and the rapidly changing priorities of institutional donors that might not fit within Cordaid's strategy.

The Board of Directors expresses their confidence in the risk management frameworks.

## Privacy

As a result of changed legislation, privacy has become a hot topic for organizations with databases of personal and contact details, such as our list of private donors. A Cordaid Data Protection policy has been drafted to ensure compliance with the EU General Data Protection Regulation (GDPR). This policy includes data management application administration (mapping of data management systems and mitigating data protection or security measures) and a privacy policy (governing Cordaid's handling of all personally identifiable information and guidelines on rights of data subjects). It has been finalized prior to the GDPR deadline of May 2018.

<sup>3</sup> For more information visit the Transparency International website

# SUPERVISORY BOARD REPORT

Change is the new normal for an organization like Cordaid. In 2017, Cordaid experienced that change is challenging for us, as it is for any person or organization. Yet change also helps us understand that this is what we are about as an organization: helping people deal with the challenges of change.

## The year under review

In some parts of the world, these are times of fear and even terror. The growing number of fragile and conflict-affected areas is of great concern, so we need to continuously evolve ourselves to provide humanitarian aid and support the development of resilience, security and justice, healthcare and the private sector. Always working within an ecosystem of partners and stakeholders to work in an on fragility.

The organizational changes we experienced in the aftermath of the 2016 reorganization and further changes in 2017 turned us into a more effective partner for people in need. It was wonderful to see how the majority of Cordaid's people continued to work as hard for people in need, despite the emotional impacts of the reorganization. It is inspiring to experience how the renewed balance with stronger country offices and a leaner head office leads to new initiatives and strong local partnerships. Yet at the same time, this calls for new ways of partnership and communications within the organization.

Across our fields of expertise, in our focus countries and beyond, we worked on 254 projects in 2017. All projects geared towards making the world a better and fairer place. One of the challenges we face is to ensure we combine the project-based way of working and financing with a strong base of knowledge and expertise that serves the entire organization.

As before, there is tension between the support and aid we want to offer and the funds we have available. 2017 was the year in which we returned to financial stability, but this in no way is a reason to relax. As our funding structure changed to more project-based funding, more than ever, we need to manage our financial health. We need to continue to actively raise funds for our projects and organization, in order to be able to help people in need.

## Quality of supervision

In order to supervise the financial, organizational and social changes at Cordaid, the Supervisory Board takes the view that its involvement should not be limited to monitoring the financials and organizational issues at given times of the year. The role of the Supervisory Board is to focus on the long-term horizon and monitor activities and finances. Therefore, supervision should be ongoing and comprehensive, rather than limited to a few snapshots at key times throughout the year.

## Composition of the Supervisory Board

Throughout 2017, the Supervisory Board comprised of six members. In June 2017, Mr. Ernst Hirsch Ballin completed his term as Chair of the Supervisory Board. He was replaced by Mr. Ton Heerts, who is profiled below. The board members offer diversity in terms of background, knowledge and gender. All members contribute to Cordaid from their own expertise and background. For more information on the Supervisory Board composition, please consult the [website](#).

## Meet Cordaid's new Supervisory Board Chair: Ton Heerts



In July 2017, Mr. Ton Heerts became Cordaid's new Chair of the Supervisory Board. He currently leads the MBO Raad, the council for secondary vocational education and training in The Netherlands. He has a background in national politics and labor unions and a strong commitment to human rights. When he was growing up, his local church collected money for Cordaid projects in fragile states.

"My connection to Cordaid goes back to my childhood. I think this fueled my conviction that the western world has a duty to invest in a world that is more just, more fair."

Ton Heerts joined Cordaid after Mr. Ernst Hirsch Ballin completed his term as Chair. "To me, Cordaid is all about people. Our work is made possible by generous people, everything we do is to support people in need, and we can only get things done because of people. Our own people, and the people working for our many partners. I am proud to serve Cordaid and to be part of the transition to a better future."

## Supervision in practice

The Supervisory Board usually meets six times per year; additional formal meetings can be convened if deemed necessary. Between meetings, there is significant informal communication between board members and the Board of Directors. The Chair of the Supervisory Board and the CEO have monthly (or more frequent) calls. The Board of Directors is tasked with providing full information to the Supervisory Board so that it can fulfil its supervisory responsibilities. This enables the board members to remain up to date with developments as they occur and provides them with the thorough information necessary to support decisions where needed.

## CORDAID'S SUPERVISORY BOARD

BOARD MEMBER	APPOINTED	RETIRING	ELIGIBLE FOR REAPPOINTMENT	AUDIT COMMITTEE	REMUNERATION COMMITTEE	(INTERNATIONAL) FINANCE/ECONOMICS	DEVELOPMENT COOPERATION	JUSTICE/HEALTHCARE	SUSTAINABILITY (CLIMATE CHANGE)
Ton Heerts (m) (chairman from July 2017)	2017	2025	2021			✓		✓	
Ernst Hirsch Ballin (m) (chairman until June 2017)	2013	2017				✓		✓	
Michel van de Coevering (m) (vice-chair)	2011	2019	-	✓		✓			
Jolanda van Busse (f)	2013	2021	2017	✓		✓			
Maarten van Beek (m)	2014	2022	2018		✓	✓		✓	
Sjaak de Boer (m)	2014	2022	2018					✓	
Brigit van Dijk - van de Reijt (f)	2015	2023	2019		✓	✓	✓		✓

In 2017, the Supervisory Board met five times. Attendance at the prescheduled meetings was 100% for four of the meetings, for the other one it was 66%. During 2017, the Supervisory Board requested regular updates on specific topics. Specific focus throughout the year was given to the new strategy “Working in and on fragility” and our own organizational sustainability.

### Supervisory committees

The Supervisory Board is supported by two permanent committees. As appropriate, the board can also appoint temporary ad hoc committees for specific purposes.

The audit committee's task is to review annual and quarterly financial and audit statements, internal audit and incident reports (including fraud cases) and performance against annual budgets. Subsequently, these are discussed and evaluated by the full Supervisory Board. The audit committee met three times in 2017, including one meeting with the external auditor. The audit committee currently consists of two board members, who both have financial expertise.

The remuneration committee reviews policy and advises the full Supervisory Board on executive compensation and related topics, including appointments. This committee consists of two people and met once.

### Executive remuneration

Cordaid's executive remuneration policy is evaluated and reviewed periodically by the Supervisory Board. The policy adheres to and is in line with the code of Good Governance (Code Goed Bestuur) of the Cooperating Branche-organizations Philanthropy (SBF). Remuneration of the Board of Directors is in line with the regulations for remuneration for directors of charities of “Goede Doelen Nederland”. It is based on weighting system that sets a maximum for each director. In 2017, the compensation of the Board of Directors was not increased. The executive compensation for the CEO was € 141,867 (including interim fees for the first three months. For the CFO, the executive compensation was € 138,632. For both, this includes gross salary, holiday allowance, social security contributions and pension fund contributions.

Members of the Supervisory Board are not remunerated for their contribution to Cordaid. Out-of-pocket costs for travel and meeting attendance are reimbursed if so desired, 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 2017, the total costs made on behalf of the Supervisory Board amounted to € 4,002.



# OUR OUTLOOK TOWARDS THE FUTURE

More than two billion people live in countries where development is affected by fragility, armed conflict and recurrent natural disasters. By 2030, the share of global poor living in fragile and conflict-affected situations is projected to reach 46%. Over 60 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, transcends geopolitical interests and sets a framework for global sustainable development and public policy. This agenda is particularly relevant for fragile and conflict-affected states. It asks for 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.

This is the context in which we work. Against this backdrop, we need to realize that collaboration and change are part of the new normal. On the inside, we will continue to invest in the capacity of our development programs, the capabilities of our country offices, and our abilities to develop and share knowledge. And to work on the root causes of fragility, we will further integrate our thematic fields of expertise. An example of this is offering advisory services in the area of security and justice in health clinics.

To increase our positive impact, we will continue to collaborate intensively with partners at the local and global level. An example of this is our role as vice-chair of the Dutch Relief Alliance during 2018, which will progress into the chair role by 2019. Within the Caritas family, partnerships continue to grow and thrive as well, driven by Pope Francis' call to "Share the Journey". He calls upon us to share a journey with our neighbors – all our neighbors, not only those who live near us, look like us, speak like us or pray like us. In 2018, we will raise awareness in The Netherlands about forgotten migrants.

For more detail on the full strategic plan for 2018-2020,

we invite you to consult the [strategy document](#) which was approved by the Supervisory Board in December 2017. With change as the new normal, 2018 will be yet another year in which Cordaid will be in transition. We look forward to working with our many partners to reduce fragility and people's vulnerability where it is most needed and most difficult: in fragile and conflict-affected settings.



As of early 2018, a new television campaign highlights Cordaid's identity and values, with the payoff "[Cordaid, on this planet to help each other.](#)" And that is exactly what we will continue to do in the future: working *in* and *on* fragility.



# APPENDIX 1: ABOUT THIS REPORT

By means of our annual reports, Cordaid is accountable to its many stakeholders. The 2017 annual report is Cordaid's first report drawn up in accordance with the standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards core option. The GRI Content Index is included as appendix 2. This report covers the full calendar year 2017.

To determine the content of our 2017 annual report, we started from our strategy supplemented with the information needs of our key stakeholders. Cordaid recognizes four key stakeholder groups: beneficiaries, partners, donors and our personnel around the world. Our work – and therefore our stakeholder selection – is all about people, how they interact and join forces to support our mission to reduce fragility and people's vulnerability where it is most needed and most difficult: in fragile and conflict-affected settings.

STAKEHOLDER GROUP	METHOD AND FREQUENCY OF STAKEHOLDER DIALOGUE	KEY TOPICS AND CONCERNS RAISED BY STAKEHOLDERS
Beneficiaries: people in fragile and conflict-affected states	Focus groups, surveys, Cordaid Barometer	Improved living standards, security, dignity, peace and justice
Partners in fragile and conflict-affected states	Continuous dialogue through working in close partnerships, surveys, project monitoring	Strengthened capacities, inclusive change, working in partnership
Catholic institutions and networks	Continuous dialogue between Board of Directors, the Bishops Conference and other Church stakeholders	Reflection of catholic values in programs, sharing of knowledge and expertise.
Dutch government	Continuous dialogue through close collaboration, in formal and informal settings, with relevant people in the Dutch Administration (mainly Ministry of Foreign Affairs but also others)	Transparency and accountability, good governance, fit with Dutch aid policy priorities, compliance with Dutch laws, effectiveness and efficiency of strategies and interventions
Governments in partner countries	Dialogue at key moments and upon mutual request on pertinent issues with respective divisions in the national government. Including regular dialogues as part of the INGO Platforms active in the focus countries.	Non-political aid in line with national plans, policies and priorities, compliance with local laws, good governance
Private and institutional donors	For individual donors: donor contact center, regional donor sessions in The Netherlands, website, mail. For institutional donors: continuous dialogue around proposals and projects; project evaluations.	Information on key programs and results; transparency and accountability, good governance
Personnel	Annual employee engagement survey, regular staff meetings	Good, healthy and gender-friendly working environment; security arrangements

To determine the content of our 2017 annual report, we took the input from our stakeholders and our 2018-2020 strategy. In an interactive workshop with participants from various departments, we came to a list of material topics and a structure for the annual report. This list and the structure were approved by the Board of Directors.

#### MATERIAL TOPICS RELATED TO OUR THEMATIC AREAS OF EXPERTISE

HUMANITARIAN AID	RESILIENCE	SECURITY & JUSTICE	HEALTHCARE	PRIVATE SECTOR DEVELOPMENT
Lifesaving basic services provided	Increased access to disaster risk reduction measures and multi stakeholder structures	Strengthened responsiveness and quality of security and justice services	Increased access to quality health services	Strengthened SMEs and micro finance institutions
Assets and basic services rehabilitated	Strengthened and inclusive disaster risk governance and policies to manage disaster risks	Improved responsiveness of peacebuilding and security processes, governance and policies	Increased access to sexual and reproductive health services	Increased employment and financial inclusion
Resilience strengthened to future hazards			Strengthened health services	

#### MATERIAL TOPICS RELATED TO HOW WE WORK

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

These material topics are included in the report. Where a GRI indicator is available, we have used this to measure our progress and impact as much as possible. In case there were no fitting GRI indicators, we have used our own indicators. In the GRI Content Index, these Cordaid-specific indicators all start with "CI" for Cordaid Indicator. As the list of thematic material topics has been deduced from the new Cordaid Results Framework which was finalized towards the end of 2017, it is too early to assess some of the topics in full detail. This will improve over the years to come as we develop and implement tracking mechanisms for the new Cordaid Results Framework.

We encourage openness and transparency both internally and externally. In addition to this annual report, our website provides continuous news updates from the countries in which we work, as well as information on our projects, goals, money flows, results and partner organizations.

Should you have any questions or feedback regarding this report, please contact us via [info@cordaid.nl](mailto:info@cordaid.nl).

#### SOURCE OF THE FIGURES INCLUDED IN THIS REPORT

SOURCE	PAGE
Cordaid's HR administration system, project administration system and donor database	4
SHO report: <a href="http://www.giro555.nl">www.giro555.nl</a>	11
Cordaid's project administration system	14
Cordaid's project administration system	17-19
Cordaid's project administration system	20-21
Cim BV's Asset Management system	22-23
Cordaid's HR administration system	24-26
Annual Account 2017	27
Cordaid's donor database and project administration system	28
Annual Account 2017	30
Cordaid's project administration system	31
Cordaid's project administration system	32
Annual Account 2017	33
*Figures from the Annual Account have been externally assured by EY	



# APPENDIX 2: GRI CONTENT INDEX

## GENERAL DISCLOSURES

GRI STANDARD	INDICATOR	DESCRIPTION	INFORMATION	PAGE
<b>GRI 102: GENERAL DISCLOSURES (2016)</b>	<b>ORGANIZATIONAL PROFILE</b>			
	102-1	Name of the organization		6
	102-2	Activities, brands, products, and services		7, 29
	102-3	Location of headquarters		42
	102-4	Location of operations		9
	102-5	Ownership and legal form		30
	102-6	Market served		9, 22
	102-7	Scale of the organization		9, 24, 27
	102-8	<ul style="list-style-type: none"> <li>Information on employees and other workers</li> <li>Total number of employees by employment contract (permanent and temporary), by gender</li> <li>Total number of employees by employment contract (permanent and temporary), by region</li> <li>Total number of employees by employment type (full-time and part-time), by gender</li> <li>Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.</li> <li>Any significant variations in these numbers reported (such as seasonal variations)</li> <li>An explanation of how the data have been compiled, including any assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Cordaid does not track employee information inline with the detailed breakouts suggested for this indicator.</li> <li>Much of our work is performed in close collaboration with partner organizations and their staff. Data on these staff are excluded from this report.</li> <li>We do not have seasonal variations in our workforce, nor do we outsource significant amounts of work to non-employees outside of the abovementioned partnerships.</li> </ul>	24
	102-9	Supply chain		8
	102-10	Significant changes to the organization and its supply chain	In 2017, the country offices in Haiti and Nepal were closed as these did not fit our integrated approach for the future.	24, 30
	102-11	Precautionary Principle or approach		30
	102-12	External initiatives		6, 30
	102-13	Membership of associations	Caritas, CIDSE, Concord, Civil Society Platform for Peacebuilding and Statebuilding, Samenwerkende Hulporganisaties, Dutch Relief Alliance, Partos, UHC2030, UHC2030 Civil Society Engagement Mechanism, Medicus Mundi International, g2-h2, Start	30
	<b>STRATEGY</b>			
	102-14	Statement from senior decision maker		5
	<b>ETHICS AND INTEGRITY</b>			
	102-16	Values, principles, standards and norms of behavior		8, 10
	<b>GOVERNANCE</b>			
	102-18	Governance structure		30
	<b>STAKEHOLDER ENGAGEMENT</b>			
	102-40	List of stakeholder groups		35
	102-41	Collective bargaining agreements	0%	
	102-42	Identifying and selecting stakeholders		35
	102-43	Approach to stakeholder engagement		35
	102-44	Key topics and concerns raised		35

GRI STANDARD	INDICATOR	DESCRIPTION	INFORMATION	PAGE
GRI 102: GENERAL DISCLOSURES (2016)	<b>REPORTING PRACTICE</b>			
	102-45	Entities included in the consolidated financial statements: <ul style="list-style-type: none"> <li>■ Stichting Cordaid, The Hague</li> <li>■ Stichting Cordaid Expats, The Hague</li> <li>■ Stichting Social Business Incubator, The Hague</li> <li>■ Stichting Cordaid Participaties, The Hague</li> <li>■ Cordaid Investment Management BV, The Hague</li> <li>■ Corpav BV, The Hague</li> </ul>		
	102-46	Defining report content and topic boundaries		35-36
	102-47	List of material topics		36
	102-48	Restatement of information		na
	102-49	Changes in reporting	The structure of our annual report has been brought inline with our new strategy and results framework.	
	102-50	Reporting period		35
	102-51	Date of most recent report	February 2018	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report		36
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards core option.	35
	102-55	GRI content index		37-39
	102-56	External assurance	The financial data in this report have been externally assured by EY.	

## MATERIAL TOPICS

GRI STANDARD	INDICATOR	DESCRIPTION	INFORMATION	PAGE
<b>SOCIAL TOPICS</b>				
GRI 103: MANAGEMENT APPROACH (2016)	<b>HUMANITARIAN AID</b>			
	103-1	Explanation of the material topic and its boundary		10
	103-2	The management approach and its components		10
	103-3	Evaluation of the management approach		5
	CI HA1	Life saving basic services provided		10
	CI HA2	Resilience strengthened to future hazards		11
	<b>RESILIENCE</b>			
	103-1	Explanation of the material topic and its boundary		12, 14
	103-2	The management approach and its components		12, 14
	103-3	Evaluation of the management approach		5
	CI R1	Increased access to disaster risk reduction measures and multi stakeholder structures		12
	CI R2	Strengthened and inclusive disaster risk governance and policies to manage disaster risks		13
	CI R3	Number of cooperatives supported in the Netherlands		14
	<b>SECURITY AND JUSTICE</b>			
	103-1	Explanation of the material topic and its boundary		15
	103-2	The management approach and its components		15
	103-3	Evaluation of the management approach		5
	CI SJ1	Improved responsiveness of peacebuilding and security processes, governance and policies		15
	CI SJ2	Strengthened responsiveness and quality of security and justice services		15-16

GRI STANDARD	INDICATOR	DESCRIPTION	INFORMATION	PAGE
	<b>HEALTHCARE</b>			
	103-1	Explanation of the material topic and its boundary		17, 19
	103-2	The management approach and its components		17, 19
	103-3	Evaluation of the management approach		5
	CI HC1	Increased access to quality health services		17-18
	CI HC2	Increased access to sexual and reproductive health services		18
	CI HC3	Strengthened health services		18-19
	CI E1	Improved access to education for children		19
<b>GRI 103: MANAGEMENT APPROACH (2016)</b>	<b>OUR PEOPLE</b>			
	103-1	Explanation of the material topic and its boundary		24
	103-2	The management approach and its components		24
	103-3	Evaluation of the management approach		5
	202-2	Proportion of senior management hired from the local community		24
	403	Occupational health & safety		25-26
	404-1	Employee training and development		25
	405-1	Diversity of governance bodies and employees		24, 26, 33
		Executive remuneration		33

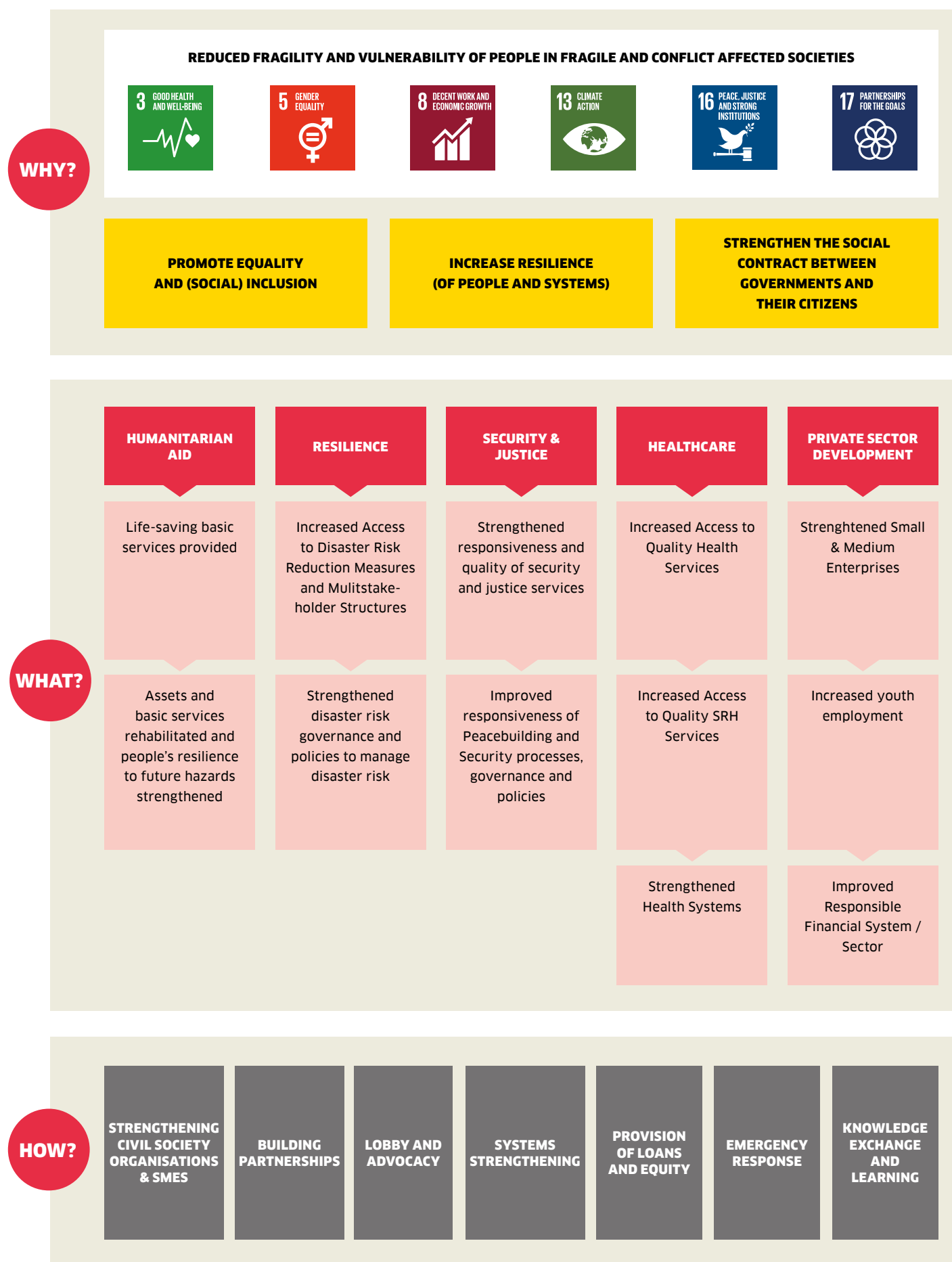
**ECONOMIC TOPICS**

<b>GRI 103: MANAGEMENT APPROACH (2016)</b>	<b>PRIVATE SECTOR DEVELOPMENT</b>			
	103-1	Explanation of the material topic and its boundary		20
	103-2	The management approach and its components		20
	103-3	Evaluation of the management approach		5
	CI PSD1	Strengthened SMEs and Monetary Financial Institutions		20
	CI PSD2	Increased Employment and Financial Inclusion		21
	<b>SOCIALLY RESPONSIBLE INVESTMENT</b>			
	103-1	Explanation of the material topic and its boundary		22
	103-2	The management approach and its components		22
	103-3	Evaluation of the management approach		5
	CI SRH	Amount invested by Cordaid Investment Management		22
	<b>ECONOMIC VALUE GENERATED AND DISTRIBUTED</b>			
	103-1	Explanation of the material topic and its boundary		27
	103-2	The management approach and its components		27-28
	103-3	Evaluation of the management approach		5
	CI EV1	Amount of funds raised in the year, by donor type		27
	CI EV2	Distribution of funds across themes/strategic areas		30
	201-4	Financial assistance received from government		27
	<b>OUR PARTNERS</b>			
	103-1	Explanation of the material topic and its boundary		8
	103-2	The management approach and its components		8
	103-3	Evaluation of the management approach		5
	CI PS1	Screening of suppliers and partners		8

**ENVIRONMENTAL TOPICS**

<b>GRI 103: MANAGEMENT APPROACH (2016)</b>	<b>CO2 EMISSIONS</b>			
	103-1	Explanation of the material topic and its boundary		30
	103-2	The management approach and its components		30
	103-3	Evaluation of the management approach		5
	305	initiatives to reduce CO2 emissions		30

# APPENDIX 3: CORDAID RESULTS FRAMEWORK





## APPENDIX 4: 2018-2020 BUDGET

BUDGET 2018 - 2020 IN € THOUSANDS	2018	2019	2020
<b>Income</b>			
- Subsidies from multilateral donors	58.945	64.840	71.200
- Subsidies from bilateral donors	43.932	48.325	53.000
- Subsidies from other organizations	12.167	13.385	14.750
- Income from private fundraising	31.515	27.500	28.000
- Income from social impact investments	3.008	3.369	3.773
- Income from investments	300	400	500
- Other income	240	250	1.000
<b>Total Income</b>	<b>150.108</b>	<b>158.069</b>	<b>172.223</b>
Direct program cost			
<b>Total direct program cost</b>	<b>128.239</b>	<b>135.939</b>	<b>149.834</b>
<b>Exploitation costs including program management costs</b>			
Staff	27.374	28.000	29.000
Travel and accommodation expenses	1.551	1.800	2.100
Office & general cost	7.322	7.500	7.600
Housing	2.337	2.500	2.100
Publicity and communication	7.086	7.250	7.500
<b>Gross exploitation cost before allocation to programs</b>	<b>45.670</b>	<b>47.050</b>	<b>48.300</b>
Exploitation costs charged to programs	-23.870	-25.000	-26.000
<b>Net exploitation cost</b>	<b>21.800</b>	<b>22.050</b>	<b>22.300</b>
<b>Net operational result</b>	<b>69</b>	<b>80</b>	<b>89</b>

#### **FOLLOW US**



#### **CONTACT**

P.O. Box 16640  
2500 BK The Hague

Lutherse Burgwal 10  
2512 CB The Hague  
The Netherlands

+31(o)70-31 36 300  
[info@cordaid.nl](mailto:info@cordaid.nl)  
[www.cordaid.org](http://www.cordaid.org)

**CARE.  
ACT.  
SHARE.  
LIKE CORDAID.**