

BOOST

Annual report
2018



The logo for 'Boost' is rendered in a bold, sans-serif font. The letters are filled with a teal color and have a complex, geometric pattern of white lines and shapes inside them. The word is surrounded by a cloud of small, multi-colored triangles (teal, orange, and dark blue) that appear to be floating or exploding outwards.

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In a broken world full of poverty and injustice Woorden Daad seeks to make the signs of God's coming Kingdom visible. The Christian perspectives of justice and compassion motivate us each day to contribute to a sustainable change that benefits all people.

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Per programme these logos show how our work contributed to the realization of one or more Sustainable Development Goals. In 2015, the United Nations General Assembly set these goals for the year 2030.



Foreword

BOOST!

Several years ago, I spoke to a poor widow in the north of Burkina Faso. She had experienced two failed harvests, and it was a real challenge for her to feed her five children. She had just one choice: surviving instead of living. Each direct confrontation with poverty makes me realize that some people simply have no choices. Just enough to eat and stay alive is the only choice that remains. And that is confrontational.

There is no simple answer to poverty-related issues. The example of the widow clearly shows that. A solution for the day after tomorrow will not help her if her stomach is empty today. Not losing sight of integrity is an ongoing challenge and one we seek to realize as fully as possible in our work. We therefore work on policy that tackles genuine needs, seeing in our mind the poor widow whose hunger needs to be satisfied today while at the same time working on a future in which there will be enough. The discussion about integrity in 2018 also challenges us to do that authentically with an eye for our neighbour. Both here and there. In 2018, Woord en Daad together with its partner organizations, knowledge institutions, private parties and government bodies also wanted to make a difference, in the difficult places in particular. Places where we can give a boost and create opportunities for people who are now still living in poverty so that they can escape the poverty trap. A boost that gives energy and gets people moving. We continue to do that from the Biblical perspective of the second coming of Christ.

In 2018, we realized more than ever the added value of our local Christian partner organizations. During the many years of collaboration, a good foundation has been laid. Even so, we also noted that entrepreneurship and flexibility are providing even more possibilities for collaboration. At a board and directors level, we therefore worked with our partner organizations on congruence so that in the partner countries they can also connect with the project-based manner of working. This released energy gave a new impetus to the collaboration. With considerable

energy, we also worked via consortia on innovative concepts such as the Job Booster and Fair Factory. Behind all these concepts we see unique people, created in the image of God.

In this annual report, you can read stories from people, which show what impact this boost has had on their lives. Stories which show that our work is a testimony and far more than a temporary boost. Life-changing stories, which reveal something of God's coming Kingdom.

Our donors have enabled us to make choices about where we would give a boost to realize these life-changing stories. This was possible thanks to the boost to volunteers, who run the second-hand shops at various locations in the Netherlands, or in another way generate regional attention for Woord en Daad's work. Thanks to hundreds of people who during a sports event conquered Mont Ventoux, young people who took action and thanks to thousands of sponsors of children in developing countries. And also thanks to entrepreneurs and investment funds that supported a project.

Back to the widow in Burkina Faso. She showed me what poverty means when it comes to making choices: in those difficult periods of her life, there was quite simply nothing to choose. But with her and many others in mind, we clearly see that despite all of the brokenness in the world, we can take concrete steps together to realize the call of our Creator.

Rina Molenaar, CEO





The world of Woord en Daad

Programmes

Education



Sustainable Water

Job Booster



Inclusive Agribusiness Development (IAD)

Emergency relief and resilience



Housing construction

Policy influencing North



Awareness raising

Policy influencing South



Work in the North



Woord en Daad collaborated in alliances in the following regions: Asian Regional Alliance in Asia (ARA), Haitian Regional Alliance (HARA) in French-speaking Latin America, Latin American Regional Alliance (LARA) in Spanish-speaking Latin America, and West African Regional Alliance (WARA) in West Africa. In Ethiopia and Uganda partner organizations also work together. The alliance SARA (Southern African Regional Alliance) has reorganized itself into a South African Learning and Transformation alliance, SALT.

Netherlands

€ 727,980



Belgium



ARA

€ 3,875,117

Children in school 7,881

Young people with a job 1,122

Farmers/ entrepreneurs trained 916

Number of people trained/reached through awareness raising water, sanitation and hygiene 5,474



Burkina Faso

Chad

Benin

Sierra Leone

WARA

€ 5,976,951

Children in school 8,101

Young people with a job 1,847

Farmers/ entrepreneurs trained 10,265



Ethiopia

€ 5,455,017

Children in school 5,294

Young people with a job 2,059

Farmers/ entrepreneurs trained 240

Number of people trained/reached through awareness raising water, sanitation and hygiene 31,432



Nepal

Bangladesh

India

Sri Lanka

Thailand

Philippines

Indonesië

Uganda

€ 694,864

Young people with a job 40

Farmers/ entrepreneurs trained 2,433



Mozambique

South-Africa

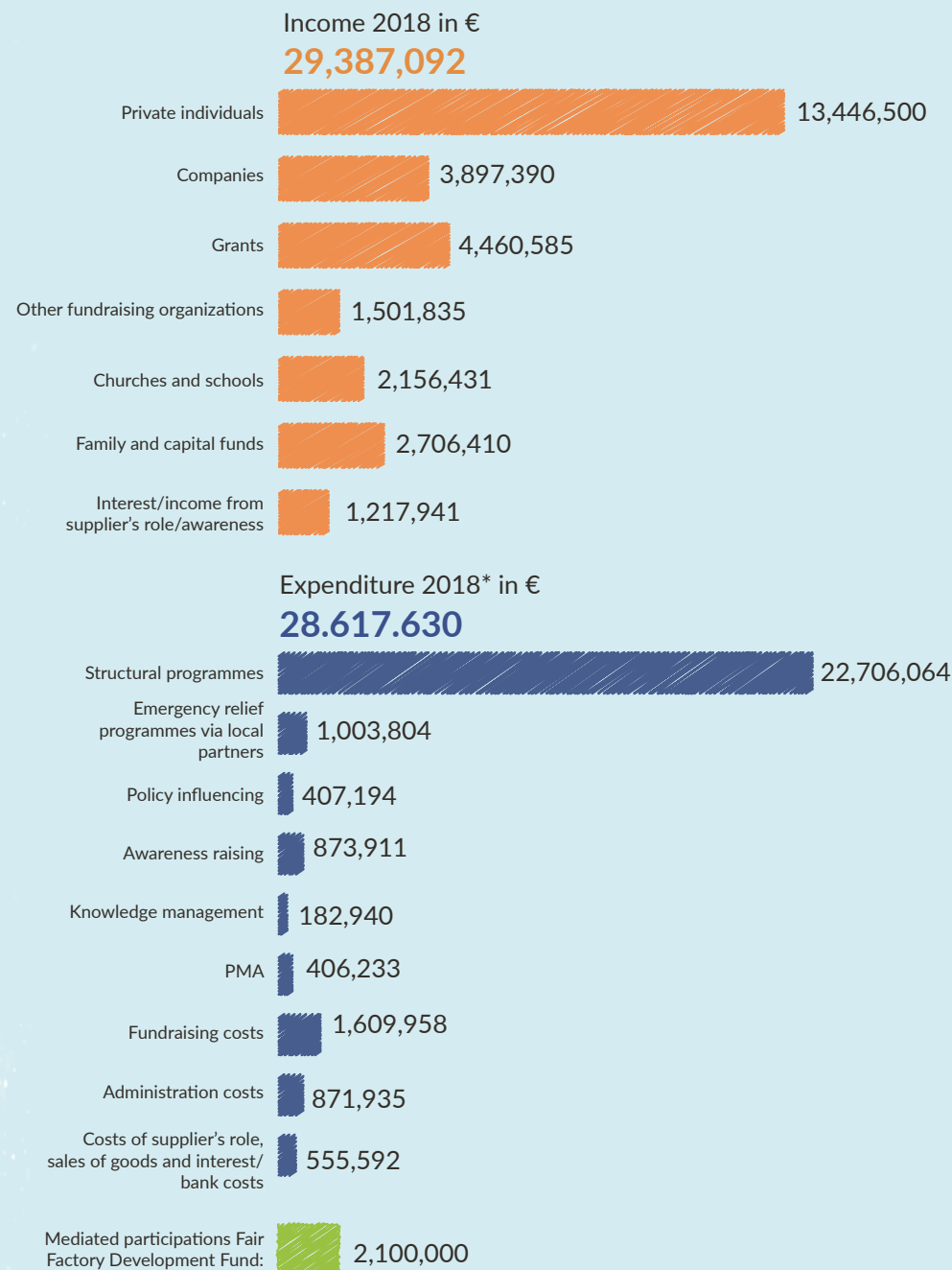
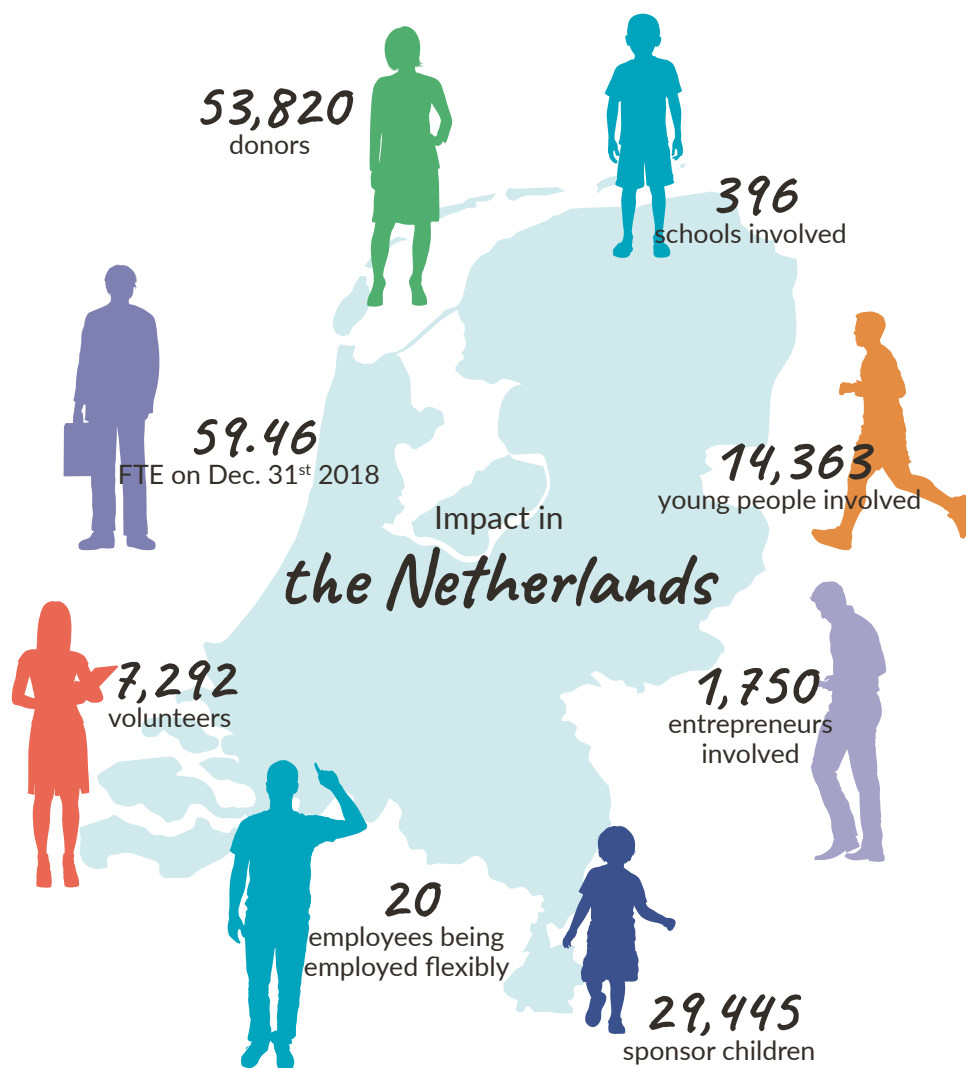
SALT

€ 66,567

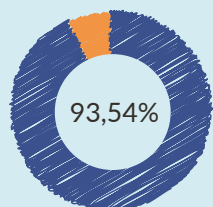




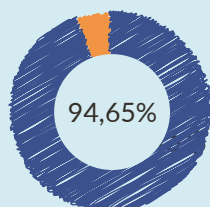
2018 Key figures



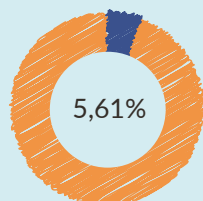
* excluding balance of financial income and expenses



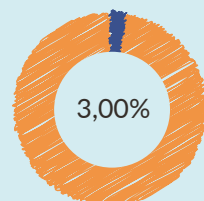
Target expenditure ratio
(expenditure on targets with
regard to the total income)



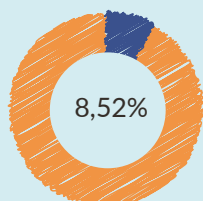
Target expenditure ratio
(expenditure on targets with
regard to the total expenditure)



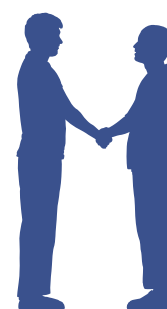
Costs own fundraising with regard to
proceeds from own fundraising (CBF,
Central Bureau for Fundraising)



Woord en Daad standard for
management and administration
(max. 3,1%)



Woord en Daad overheads
standard (max. 7,5%)



30
partner organizations



5,783
young people
with a job



14,740
farmers/ entrepreneurs
trained



Summary

In a changing, complex world, Woord en Daad is working towards a resilient and independent existence of people in poverty. Our supporters in the Netherlands once again entrusted Woord en Daad with the financial resources to realize this mission. This drives us to continually improve the quality, scope and consequently the impact of our work.

In 2018, working in consortia was the connecting factor in our projects. With our Southern partner organizations, we are also increasingly working on a project basis. The collaborative partners in the project are determined by its goal. A superb example is the enormous success of EYE in Ethiopia, where we could help 6300 young people find a job. The consortium consists of various partners in Ethiopia and the Netherlands. This expert platform, together with Ethiopian government bodies, companies, schools and lenders, is working hard to achieve this ambitious goal.

Besides this project-based collaboration, a market-oriented approach is also an important key to sustainable change. Young people set up companies to maintain and repair water pumps, and the users pay for this in accordance with their income. Farmers in Benin, Burkina Faso and Ethiopia are trained to operate as entrepreneurs and to use efficient farming techniques. In the Job Booster programme, we match training courses with market demands. And our new emergency relief policy is also based on this approach. This is because we believe that good entrepreneurship and ownership make people more resilient against future disasters. Sustainability is also a recurring theme in these examples: how can we ensure that the investments made have a sustainable value? Where can we offer eco-friendly alternatives to environmentally harmful

farming and construction methods? Woord en Daad wants to deal with people, resources and the creation according to the Biblical principle of stewardship.

Also in 2018, we could count on the support of volunteers, donors, churches, funds, companies, schools and politicians in the Netherlands. This occurred through financial investments but also active involvement in projects, the Young Ambassadors' programmes and awareness-raising campaigns. These people feel solidarity with other people in the worldwide network of Woord en Daad, and they are faithful in their support of our work. The initiative "Adopt an SDG" gained even more momentum in 2018. In the meantime, 26 Dutch members of Parliament have become an ambassador of one or more SDGs (Sustainable Development Goals). We can see the effect of this in the parliamentary questions, debates and motions that these politicians initiate.

In this annual report, you can read about the challenges and results of the collaboration between Woord en Daad, its long-term and temporary partners, and its supporter base in the Netherlands.



1 Strategy, vision and policy: a double boost



Mission

In a broken world full of poverty and injustice Woord en Daad seeks to make the signs of God's coming Kingdom visible. The Christian perspectives of justice and compassion motivate us each day to contribute to a sustainable change that benefits all people.

Vision

Woord en Daad connects people worldwide in their efforts to overcome poverty and to realize a dignified existence for every individual.

Core values

Five core values can be derived from our mission, vision and strategy. These guide our choices at various levels. The key values determine our policy. Our core values are:

- **Co-responsibility** - Responsible for yourself, your neighbour and creation
- **Fellow creature** - Creature of God, equal and unique
- **Compassion** - Close to and alongside people who suffer
- **Stewardship** - Treating human beings, resources and the environment with care
- **Interdependence** - Independent in choices, dependent in collaboration

Two aspects received a boost in 2018: on the one hand, the enthusiasm in the Netherlands for Woord & Daad, and on the other hand, the urgency of worldwide issues such as immigration, youth unemployment and far more. These were ingredients for a dynamic year. Various dynamics also occurred in Woord & Daad, at the partner organizations and in the sector. CEO Rina Molenaar reflects on 2018.

It works!

Rina: 'Last year I looked back with fellow CEO Jan Lock. In November 2018, Jan Lock left Woord en Daad after 25 years of service. How it was managed? Jan seamlessly transferred his responsibilities to me. He also felt that the organization is ready for this. The colleagues and the work carried on as normal. And that is a compliment to Jan: he has built an organization that is ready for the future. It works!' It was also a year in which the volunteers' network of Woord en Daad rapidly developed. Rina: 'A significant part of our organization is not located at our office in Gorinchem or in our work abroad but is spread throughout the Netherlands, namely our volunteer groups. Over the past year, we mainly saw growth in the number of volunteers working in our second-hand shops. In fact, you can now quite rightly talk about a chain of shops because we have more than 20 second-hand shops spread throughout the country! That has given us a boost: seeing that the concept has become so successful and is making a significant contribution to our work.'

Deepening and expansion

'In our partner countries, we have seen two types of development. First of all, we have deepened and strengthened the relationship with some of our partners. We asked them the following question: how can we make even more use of each other's strengths and how will that

bring us closer to our dream? That sometimes meant a change in how we work. We improved our alignment with each other. Jan Lock played a crucial role in this by holding talks with our partners. Furthermore, we saw an increase in the number of partners. Due to the project-based approach that we have now used for several years, our strategy centres on the problem. What do we need to tackle this? We dare to dream big. Often the plan exceeds our abilities and those of our partners. We then form a consortium with others for the duration of the project. In the consortium, everybody participates on the basis of his or her added value. It is fantastic to see how we can contribute our expertise and identity in such consortia. And to bring people together to jointly work on a single objective: that gives energy.'

'To bring people together to jointly work on a single objective: that gives energy.'

Heightened awareness

News about integrity and abuse led to heightened awareness in the development sector in 2018. Rina: 'For Woord en Daad this mainly revealed the importance of an open culture and a clear structure. Do we dare to hold each other accountable? Is the system for detecting and

recognizing problems effective? This requires us to talk about the subject with each other. We can never claim that no malpractices occur in our work. We can, however, act appropriately to ensure that the issue is discussable, prevent malpractices as much as possible and if they do occur, tackle them effectively.'

New initiatives

Woord en Daad was established by an entrepreneur and born in the church. These are two recurring elements in the work. Rina: 'Our identity determines our actions. For example, we focus on Christian (vocational) education, but in doing so choose an entrepreneurial approach that places the market demand with schools rather than starting from the school's perspective. With the establishment of the Fair Factory Development Fund, we want to initiate sustainable changes in product chains, bearing in mind the needs of the factory employee as well as the small farmer. In the Dutch Parliament, we are campaigning for a coherent development and foreign policy, and we are working together with various advocacy organizations to represent the voice of the South. These are examples of how entrepreneurship and our calling come together.'

Courage

There are no shortcuts to escaping poverty. Rina: 'We do not have an easy challenge. We want to be at places where people have no hope and are imprisoned in their poverty. Setting up something there is difficult but also challenging. Our goal is that people not only see there are opportunities but also come to see themselves as an opportunity. Through our successes and failures, we try to improve the circumstances for our fellow human beings there. That means that we need to stick our necks out and show courage. Then it helps us to know that we are not doing this alone, but in dependence on God and with a reliable, entrepreneurial supporter base.'



2 Dynamics in the work field: a tailored boost for each programme



2.1 Education: working on quality at the sector level



Contours

Access to education does not always guarantee a good education. With the INCE network, Woord en Daad is focusing on leader-

ship, high standards of teacher training and the quality of education. In collaboration with partners, government bodies and companies, we are therefore elevating the sector to a higher level and ensuring a sustainable impact on the future of children.

Although worldwide a growing number of children are able to go to school, unfortunately, a large group of children still fail to attend school due to poverty. Woord en Daad focusses on this group with education and psychosocial support. In that context, research has been done into children who are exploited

in Haiti, Ethiopia and the Philippines. We are developing an approach with which children can be removed from these forms of exploitation, and for this, we focus on the family environment, social values and legislation.

INCE: quality of education

The International Network for Christian Education (INCE) is an initiative of Woord en Daad and Driestar Christian University for Teacher Education, with the aim of structurally improving Christian education worldwide. INCE focuses on improving quality in education by the setting up of educational networks and advisory services, lobbying for improved education, and improving teacher training courses, teaching material and accreditation.

With INCE we achieved fantastic results in 2018. For example, in Burkina Faso, the local ownership of INCE was strengthened with the appointment of two local education coordinators. One of them is Emmanuel Goabaga: 'In Burkina Faso, we work more cautiously than in the Netherlands. It is important to realize that. We need more time to get the basics right because we have less funding available. But then the outcome can surprise us!' Contact has been established with the Ministry of Education in Burkina Faso. The Minister sees an important role for INCE in this country. In Burkina Faso, concrete efforts are being made to improve a teacher training course, and a start has been made with setting up model schools.

A tailored approach proved to be the biggest challenge for the shaping of the INCE approach: the education policy and the social and political situation differ strongly per country. In Haiti, the setting up of the network was delayed due to civil unrest and riots. Research into the quality of education was, however, carried out and 14 organizations

Expenditures Education in €

Bangladesh	382,686
Benin	140,637
Burkina Faso	1,182,218
Colombia	1,098,890
Philippines	764,378
Ethiopia	1,210,766
Guatemala	1,650,130
Haiti	2,144,737
India	1,051,007
Nicaragua	3,132
Sierra Leone	256,013
Thailand	2,322
Total costs	9,886,916
Project management	296,560
Total	10,183,476

have been selected from which INCE partners will be chosen in 2019. In Guatemala and Benin, we also carried out exploratory studies for the start of the INCE approach. This will be further investigated in 2019. In the Netherlands, we are also critically examining the INCE approach. We have concluded that more entrepreneurship, creativity and the expansion of our external network are necessary to achieve our ambitious goals.

Education for the poorest of the poor

In the reporting year 2018, Woord en Daad reached a total of 36,744 children in 9 countries. Together with partner organization AMG Philippines we are defending the rights of more than 2000 Philippine children in the areas of safety, care and education. Although girls in the Philippines do well in education, their development is still under pressure. Poverty and sexual abuse, sometimes followed by teenage pregnancies, are giving rise to an increase in school dropouts. Two in ten Filipino children experience sexual violence before the age of 18. To tackle this problem, Woord en Daad together with partner organization AMG Philippines started the RAISE programme

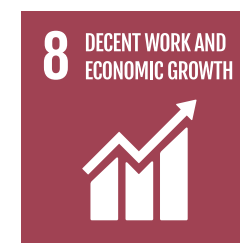
(Restoration, Awareness raising, re-Integration, Sustainable empowerment, Education). The main goals of this programme are taking care of and supervising victims with their families and protecting and equipping children who are at risk of exploitation. For this, a specific life skills curriculum is used.

Sponsor programme

For more than 44 years the worldwide solidarity between people has been visible in our sponsor programme. In 2018, private individuals, churches, companies and schools funded the clothing, food and Christian education of 29,445 children in 10 countries. In 2018, a detailed quality assurance procedure took place at all partner organizations in our sponsor programme. Based on this, a start was made with strengthening the programme strategy of the partners. We also started to improve the administrative databases of the partner organizations in which the details of the sponsor children are recorded. In India, the sponsor programme is being wound down because a growing number of funds for such work are becoming available in that country. For several years we have been advising the

Indian partners on their journey towards independence. Therefore, in 2018, we focused on expanding sponsor programmes in new countries like Chad and Nepal. This will be further followed up in 2019.

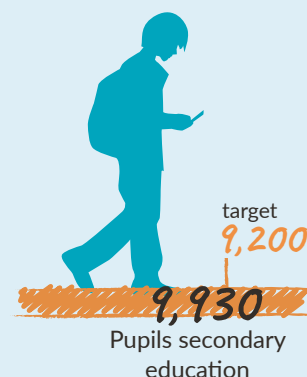
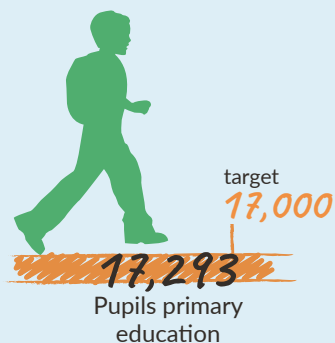
2.2 Job Booster: down to work!



Contours:

- The results of the new approach are becoming visible. Through the programme, we have managed to help more young people to a job than ever before.
- Different countries face different challenges. We share the lessons learned internationally.
- In all of our vocational education programmes, we are investigating the possibilities for switching to the market-oriented Job Booster approach.

Results Education



Total
6,101
Pupils
graduating
to further
education



913 adults followed a literacy course



4,549 pupils attended informal education



29,445 of these children were supported by sponsors from the Netherlands

Expenditures Job Booster in €

Bangladesh	80,698
Benin	41,310
Burkina Faso	38,280
Colombia	254,741
Philippines	136,509
Ethiopia	579,662
Haiti	22,943
India	35,115
Uganda	64,962
Sierra Leone	10
Sri Lanka	80,229
South-Africa	66,190
Total costs	1,400,649
Project management	412,894
Total	1,813,543

In 2018, we harvested the first fruits of the new Job Booster approach. We started with the new approach in 2016 and pioneered it further in 2017 by laying the basis for new teams and preparing the partners for this new way of working. In 2018, we saw the first concrete results in Burkina Faso, India and Ethiopia, and we made preparations in various other countries.

In the Job Booster programme, the demand from the market plays a far greater role than before: what types of personnel are needed? Vocational colleges are called upon to prepare young people for a job and the figures from 2018 demonstrate the success of that approach. More than 5.600 young people found a job or were able to start their own company. With, for example, shorter training courses and professional development courses at the workplace, we can offer a more tailored approach and also provide far more young people the chance of a job that provides them

with a decent income to support themselves and their families.

Focus on soft skills

Besides a high-quality training and a seamless fit with the labour market, soft skills are important at our collaborative partners. We can see that companies highly value our candidates and this is partly due to the religious education they have received. The soft skills package includes ethics, discipline, norms and (Christian) values. Attitude to life is a determining factor in a candidate's success. In 2018, a study was initiated into how a Christian attitude towards life can be made tangible on the work floor. Woord en Daad is participating in this study with Lelie Zorggroep and a research team from the lectorate "Christian profession" at the Christian University of Applied Sciences in Ede.

Service provider

We are active with Job Booster in several countries. Burkina Faso is one of these. Here Job Booster started with a local team and several partner organizations that we had previously worked with. Cees Oosterhuis, project leader Job Booster Burkina Faso: 'Just like every start-up, we initially had to find our feet, but now Job Booster is seen as a service-providing company that can help entrepreneurs to find and train young people. Valuable connections have been made with small and large companies in sectors such as mining, public transport, car maintenance and the construction industry. These companies struggle to find suitable young people. We therefore offer young people short, targeted training to make them suitable.'

Market-oriented thinking

An important concept with this approach is an

increasing focus on funding based on the results delivered. Marc de Leeuw, programme leader Job Booster: 'We pay trainers for the result. If young people indeed gain employment after they complete the training, then we will fund (a part of) the training course. In this way, we provide a stimulus to think in a market-oriented manner instead of focusing on the number of graduates.'

Appreciation

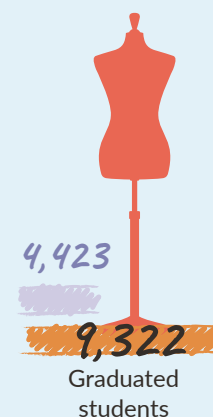
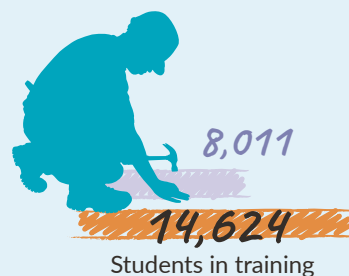
'In Burkina Faso, the government recognizes and appreciates Job Booster. Government officials recommend us to companies. That has accelerated growth considerably. In 2019, we expect to link far more young people to employers, also in other countries where we are implementing Job Booster. The model has been designed to facilitate its rapid replication elsewhere.'



Results Job Booster

Result 2017

Result 2018



2.3 Inclusive Agribusiness Development: a boost for the entire community



The economies of our partner countries mainly depend on agriculture. To boost such economies in the long term and give the underprivileged a chance, we work to improve the value chain that starts with the plant, tree or animal and ends on the consumer's plate.

Contours

Woord en Daad contributes to the development of the following value chains:

- Nuts (Burkina Faso, Benin, Mozambique)
- Cocoa (Philippines)
- Fruit and vegetables (Sierra Leone, Bangladesh, Burkina Faso,

Guatemala)

- Honey (Uganda, Ethiopia)
- Dairy products (Ethiopia, Uganda)
- Rice and maize (Benin, Burkina Faso and Sierra Leone)

Launch Fair Factory Development Fund

Incluvest and Woord en Daad established the Fair Factory Development Fund in 2018. This fund invests in factories that process the primary agricultural products of farmers into valuable end products, especially foodstuffs. Through the allocation of capital, knowledge and the linking with Woord en Daad programmes, the entire product chain becomes more efficient, and the farmers benefit from that. Companies invested in are selected on the basis of the owners' value pattern: are they only interested in maximizing profit or do they really want to make a difference for the country and community in which they operate?

Financially sustainable

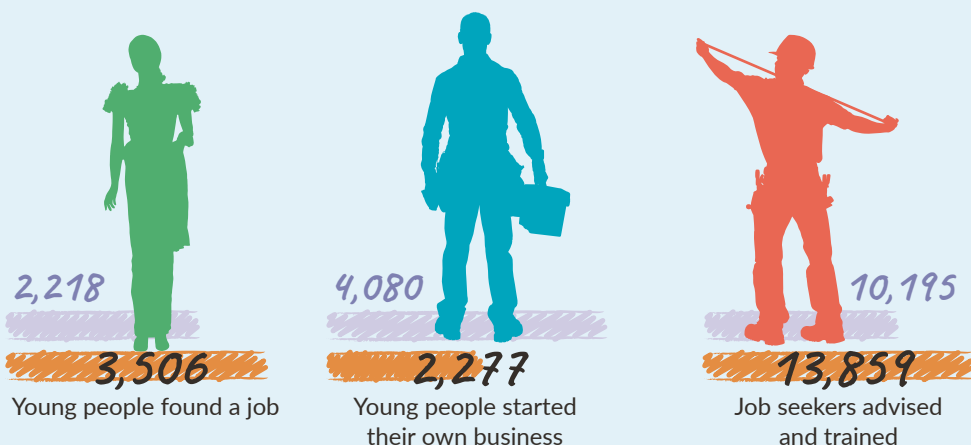
Encouraging processing in the country of origin creates employment opportunities. More value is added in the land of origin instead of further up the chain. Koert Jansen, manager Incluvest,

Impact Story



Genzabe Guto (27) from Ethiopia

I never followed a training course and had little money. Not enough to pay for food, the education of my children or the rent for our home. One day I met an employee of a partner organization of Woord en Daad in Ethiopia. He offered me support and training. I took part in a microcredit and savings credit programme. With a loan I purchased some potter's tools. Now I work in a group of pot makers and we produce traditional coffee pots. Thanks to my work, I earn enough to support my family. I can even help my wider family by paying for the education of a niece!



Impact Story



Justine (31)
from Benin

I have worked at the cashew nut factory for three years now. My spouse also works at the factory. We are really happy with our work. I work in the Classification Department where I check the quality of the cashew nuts. Good cashew nuts yield the factory more income, which in turn benefits the farmers. My parents are farmers, but on their farm earnings were highly variable. We now have certainty, because with a steady job we know exactly what we earn. When the time comes, I will be able to send my sons aged 4 and 2 to school. I'm really proud of that.'

says: 'Our experience with the cashew chain in West Africa set us on this track. Traders exported raw cashew nuts, but for the exporting country, it is usually better to keep the processing within its own national boundaries. We therefore invested in a processing factory. If the factory can ultimately compete with processors in other countries, then our approach will have been successful and the project will be financially sustainable. That means a lot for the farmers in the supply chain. It gives them certainty, more income and they can invest in their own company. Consequently, farmers' families are better off due to an investment in the factory.'

Good pair

Woord en Daad and the Fair Factory Development Fund form a powerful duo. Fair Factory Development Fund ensures that an economic motor is set up and running, and through training for farmers, Woord en Daad ensures that as many people as possible can engage with this and improve their living conditions. With this approach, economic and social development go hand in hand; in our view they are inseparable. At the end of 2018, 2.1 million euros was invested in the fund.

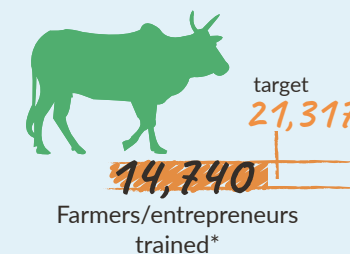
From by-product to cash crop

Inclusive Agribusiness Development: we can see a superb example of that in Sierra Leone. There, many farmers live with their families from what the land yields. Corstiaan van Aalsburg, project leader Inclusive Agribusiness Development (IAD) Sierra Leone: 'The survival strategy of many farmers is diversification: besides their main crop they also grow some other crops. An example is cassava as the main crop and pineapple and mango as extra crops. The underlying idea is to spread risks: if the harvest of one product fails, then they can live from the other crop. Training farmers and connecting them with sales channels allows them to increase their income. Instead of seeing the mangoes as a by-product, the farmer can focus on increasing that production knowing that he can now sell the mangoes at a good price. Thus, what started out as a by-product that served as a survival strategy subsequently ensures a considerable increase in the household income. We see the same happening in Uganda. There we train farmers in keeping bees and connect them with a honey processor. That provides an extra source of income for the family. Additional benefit: due to the beekeeping the crops are pollinated better as a result of which the yield of the other crops also increases. That is a win-win situation!'

Expenditures IAD in €

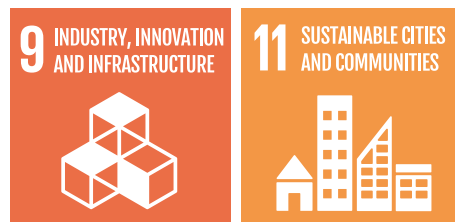
Bangladesh	21,270
Benin	312,179
Burkina Faso	-13,231
Philippines	16,209
Ethiopia	563,336
Guatemala	154,901
Uganda	572,388
Sierra Leone	1,200,955
Chad	85,297
Zambia	377
Total costs	2,913,679
Project management	356,730
Total	3,270,409

Results Inclusive Agribusiness Development



* In 2018, we started several new projects and also put a lot of effort into developing projects which is expected to deliver results in 2019.

2.4 House construction: new homes, new plans



Contours

The housing construction programme is going really well. Last year in collaboration with Wereldfoundation, 200 new loans were issued, and with these, the total number of houses built since the start of the programme is now 3,300. The 4.5 million euros invested in microcredit in 2012 for housing construction has been completely paid back by the participants, a 100% repayment rate. From this money paid back, new microcredits have now been issued by the company Inclusive Home Solution Ltd (IHS). In

2018, a sister company of IHS, Eco Home Solution, was established for the production of loam blocks.

Bangladesh

Maarten Nieuwenhuis, project leader housing construction, visited Bangladesh in September 2018: 'The housing construction programme is going really well. It is fantastic to hear that participants who have paid off their home are making new plans, such as building an extension where their son can live with his wife and children.'

The programme started in 2012 with the establishment of the company IHS. This company issues loans of 16,500 euros, against an interest rate of 9.5% and with a duration of six years. With this loan, participants build their own house. The interest pays the company's costs. It is therefore a financially healthy company that requires no new investments. The money from sponsors has therefore been used sustainably. As we no longer need to invest any funds in this programme via Inluvest BV (see text box) we will no longer report about it in the annual report of Woord en Daad from 2019 onwards.

In 2018, sister company Eco Home Solution was established for the production of loam blocks: a sustainable, environmentally friendly alternative for the traditional brick kilns. Nevertheless, most participants still opt for traditional construction because that is known and trusted. The aim was to build 50 houses from pressed loam blocks, but so far only five houses have been constructed from this material. Maarten explains: 'It clearly requires more time to introduce a new building material. We expect that the rain season will demonstrate that the five houses built from pressed loam blocks are just as strong as the traditional houses and with this, we hope to win the

confidence of potential clients. Our challenge for 2019 is to further market this building product.'

Haiti

Maarten Nieuwenhuis is investigating the possibilities for a similar housing construction programme in an entirely different context: Haiti. The principle of the programme is the same: with a small loan, participants can build their own home. Maarten: 'We will bring a lot of knowledge and experience from Bangladesh, but we will also need to make a fresh start since the culture in Haiti is completely different.'

After the earthquake in 2010, various relief organizations built more than 13,000 emergency homes consisting of a single room scarcely 20 m² in size. Back then it was necessary, but now a different approach is required says Maarten: 'Our partner in Haiti, Parole et Action, is seeking a change in mentality. In the past a lot of relief funds have gone to Haiti. This is typical for the country and that has harmed the people's self-esteem.'

We hope to have completed a business plan for Haiti in 2019. We see a self-paid home as a closing chapter of development cooperation. It is the last little prod for people to develop themselves, their surroundings and the country further.

Expenditures House construction in €

Bangladesh	109,418
Total costs	109,418
Project management	11,760
Total	121,178

Inluvest: social investment

Development cooperation increasingly has a business approach, for example through investing in microcredits for starting a business. Investment is a specialized activity. In 2012, Woord en Daad therefore established the social investment company Inluvest BV (www.inluvest.com).

Houses constructed



200

Houses constructed

Impact Story



Thanks to the WASH project more water points are coming at the school where I teach, and that is great news. Now the children often have to wait a long time before they can wash their hands and that discourages them. Or the rainwater supply has been used up, and there is no water at all. I think it is essential to invest in hygiene and good sanitation now. For the children, this is the first step towards a hygienic and healthy life.'

2.5 Sustainable Water: clean and affordable



Contours

Due to two large grants from the Sustainable Water Fund (Dutch Ministry of Foreign Affairs), our water projects were considerably expanded in 2018. Consequently, we have acquired many new collaborative partners. Examples are regional governments, water boards, companies and other NGOs. Woord en Daad mostly has the leading role in these collaborations. Within Woord en Daad the team has been expanded with a project leader and a water expert.

With the programme Sustainable Water, we focus on three areas: Drinking water, sanitation and hygiene, Water for Food, and Water Management.

• *Drinking water, sanitation and hygiene (WASH)*

In this area, we work on clean drinking water, good hygiene and working sanitation for a healthy living environment. On the one hand, we are creating a market for sanitary facilities by training developers, maintenance and drilling companies and salespeople. On the other hand, we are working on raising awareness about water and hygiene through information campaigns.

• *Water for Food (Drops4Crops)*

In agriculture, water is needed for the production of food. Now, however, periods of extreme drought on the one hand and heavy rainfall on the other are increasing, and this is making the work of farmers even more difficult still. We are therefore working with farmer cooperatives on irrigation training, the construction of water supply facilities and the use of innovative technology so that every drop of water can be efficiently used for crops. As a result of this, farmers can realize a higher income and protect themselves better against periods of drought.

• *Water management*

Good water management is vital in ensuring that water is used efficiently and is shared honestly despite the growing pressure on water supplies. We are therefore working in different regions with governments and water boards on integral water management so that everybody, including poor farming households, has access to water supplies both now and in the future.

Results of water projects

The WASH project in Bangladesh is going well. Besides our experienced partner CSS in Bangladesh, we are now working together with the new, Dutch partner: MAX Foundation. Consequently, we can work on a far larger scale. In the first project year, a total of 84,522 people have been reached with improved sanitation facilities (goal was 55,400), which is more than 7000 families.

23-year-old Mollah runs a shop selling sanitary products. At partner organization CSS he followed training courses in entrepreneurship, social marketing, bookkeeping and quality assurance. How has he benefited from this? 'My shop is now attracting more clients. Over a period of one year, my monthly income rose from 18 euros to 122 euros per month. I have even been able to expand my company. The market for sanitation is flourishing in our community! I am not the only person to benefit from that. The community as a whole benefits from the improved facilities and hygiene.'

Prepaid drinking water projects have started in Uganda and Benin. Households purchase a "water credit" with which they can use a small-scale pipeline system. The income received is used to maintain this pipeline system. Research in Kandi in the municipality of Benin revealed that there were 89 broken hand-operated water pumps. We repaired 49 of those.

With the Drops4Crops projects in Benin, we have reached 3,500 farmers, 60% of whom are women. In Burkina Faso, 1,596 farmers are involved in the project, half of whom are women. We are striving for increased production and an annual rise in income for these farmers and their families.

In Ethiopia, the iWET project was scaled up internally in 2018 to 12 districts and Tigray. Here more than 20 companies have

been established that drill and/or maintain wells. More than 1,200 WASHCOs, committees responsible for a well, have been established and a further 800 farmers have been supported in improving agriculture through irrigation. AFAS Foundation is the donor behind this project in Ethiopia with which we want to reach 1 million people with clean water.

Expenditures Sustainable Water in €

Bangladesh	223,391
Benin	2,659,539
Burkina Faso	46,243
Ethiopia	3,125,455
Haiti	119,583
The Netherlands	58,379
Uganda	57,532
Total costs	6,290,123
Project management	302,098
Total	6,592,221

2.6 Emergency relief and resilience: good preparation, large effect

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Contours

A natural disaster or war destroys years of investments in houses, agriculture and education. Short-term emergency relief interventions can subsequently

have a negative impact on development projects, the local economy and the self-worth of the population. In 2018, a new emergency relief policy was written to integrate various areas of expertise.

In 2018, we also provided emergency relief following the floods in Asia. These projects have been completed:

Nepal

- 103 disaster-proof houses were built in the area Gulariya, Bardiya. Number of people helped: more than 500.
- 83 bricklayers and carpenters were trained in building disaster-proof houses.

Bangladesh

- 71 disaster-proof houses were built and latrines fitted.
- 6 community wells were drilled and water committees were appointed for their maintenance. 900 people now have clean drinking water.
- 1000 people received a water and hygiene training.

In 2018, the following emergency relief projects were started:

- Tsunami and earthquake in Yemen. Initial emergency relief and resilience; economic support and housing construction.
- Food crisis Yemen. Initial emergency relief:

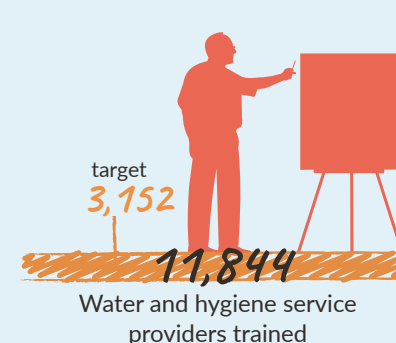
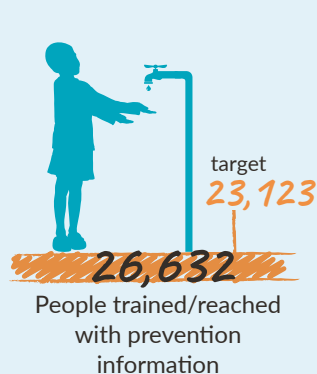
we issued cash vouchers to purchase food and water locally.

- Hurricane Mangkhut, the Philippines. Economic support and agricultural training for 138 households, new or renovated houses for 70 families. In return, the village will repair the damaged evacuation and collection room.
- Hurricane Matthew Haiti. Economic support through goat farming for 100 households.

Expenditures Emergency relief and resilience in €

Bangladesh	742,665
Philippines	105,321
Ethiopia	12,180
Haiti	139,015
Indonesia	2,882
Nepal	1,743
Total costs	1,003,804
Project management	71,583
Total	1,075,387

Results Sustainable Water



Impact Story



In 2017-2018 there was an extreme drought. My husband, three children and I depend on our dairy cows for our income. The cows already had health problems, but with the drought, it became even harder still because they constantly lived in the sun. During training courses from the emergency relief programme, I learned how I could improve the quality of the feed for the cows so that the milk production would increase. I also built a shelter to provide shadow with a cement floor to improve hygiene. The milk production from my cows has been increased and with that my income as well. However, the most important lesson that I have learned is to take the initiative. In the future, I would like to have more cows and become a known supplier in the town.'

This is a resilience trajectory to increase the income. Each household receives three goats, builds a shed for these and receives training in how to cultivate animal feed and livestock farming. As part of the giving back model, each household gives a baby goat to somebody else.

- In Bangladesh, the committee development programme was started for 3600 people. This covers, amongst other things, the construction of latrines and increasing income through growing salt-tolerant crops.

Disaster resilience

Each year, a growing number of people are affected by the consequences of a natural disaster. This mainly affects the poor and most vulnerable. With the new emergency relief policy, Woord en Daad wants to make more communities resilient and strong even before a disaster takes place. We do this by initiating programmes with a long-term vision in consortia. Besides improved cooperation with partners, governments and companies, ownership is an important step towards this effective form of emergency relief. People assume responsibility to improve their own situation and environment. For example, they do this by helping to build their own house and helping to pay for the maintenance of the drinking water system.

Tineke Morren, project leader, wrote an opinion article in the Dutch newspaper Reformatorisch Dagblad: 'In 2013, the Philippines were hit by the large hurricane Haiyan. A village located next to a river was subsequently completely relocated to higher ground. The community built 112 hurricane- proof houses and an evacuation building. They also acquired a stable income through sustainable projects that strengthened their livelihoods. At the end of 2017, another hurricane struck. The houses were scarcely damaged, the villagers helped each other and emergency relief was not necessary. The former location of the village was flooded.'

2.7 Awareness raising: stimulus in our own country



The two-year awareness raising campaign *Aan Tafel!* [At the dinner table] started in September 2017 and focuses on reducing food wastage. Worldwide, one-third of our food is lost. Nienke Boone is the passionate project leader of the campaign: 'In a positive way, we inspire people to waste as little food as possible. Food is precious, due

to the use of energy and raw materials to produce and transport it. But also because there are still so many people who go to bed hungry.'

Woord en Daad is making efforts to reduce food losses in developing countries and food wastage in the North through political lobbying in the Dutch Parliament. In the project Building Change, the lobbyists from Woord en Daad together with our partners are encouraging politicians to achieve the United Nations' Sustainable Development Goals.

2.8 Policy influencing and lobbying: building for change

Woord en Daad makes a strong case for just policy in The Hague and Brussels. We want both the Netherlands and the EU to make efforts to ensure that people in developing countries gain more opportunities to make progress. We participated, for example, in the Dutch partnerships PerspActive, Partos and Building Change in the European cooperative of Christian NGOs, EU CORD.

Adoption of SDGs bearing fruit

The initiative "Adopt an SDG" that was started in 2017 has gained even more momentum in 2018. Now 26 Dutch members of Parliament have become an ambassador of one or more SDGs (sustainable development goals). We followed these parliamentarians throughout the year. Several of them powerfully and visibly supported their goal. We can see the effect of this in the parliamentary questions, debates and motions that these politicians initiate. One success that we celebrated in 2018 was the announcement of the so-called SDG test. This test means

Expenditures Policy influencing in €

Contribution EU-CORD/ COEH	24.072
Lobby project Building Change	5.398
Masterclass lobby for students	8.125
Other projects lobby	321
Expenditures through own organization	369.278
Total	407.194

that all policy that in any way has an influence on sustainable development will be tested for the sustainable development goals before it is effected by parliament. We are pleased with this step. We see it as a fruit of the joint effort to defend our fellow human beings far away who are directly or indirectly affected by Dutch policy.

Youth employment

In 2018, we also shared many of ideas with the Minister for Foreign Trade and Development Cooperation, Sigrid Kaag, so that she could include these in her new policy. Eddie Krooneman, political adviser at Woord en Daad: 'We are pleased that the Minister is making efforts to realize opportunities for African young people for a good vocational training and a nice job. Woord en Daad has been intensively engaged with this theme for a longer period, for example with the Sterk voor Werk [Strong for Work] programme in Ethiopia and the Job Booster approach, which focuses on this very subject. One of the Minister's initiatives is the setting up of a fund for youth employment, the Challenge Fund for Youth Employment. That could mean a lot for young people in our partner countries! It is fantastic to see that ChristenUnie member of Parliament Joël Voordewind values the collaboration with Woord en Daad and the PerspActive network on this theme.'

Positive movement

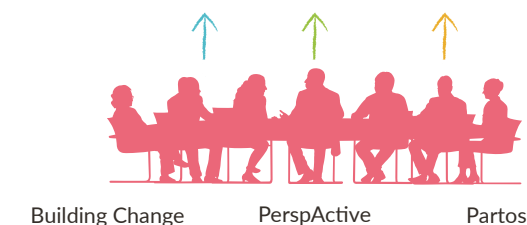
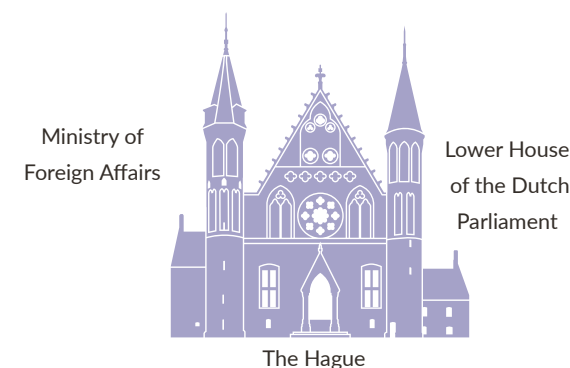
In June, Woord en Daad signed the IMVO covenant for sustainable food. The aim of the covenant is to limit the risks for people and the environment and to make the product chain more sustainable through collaboration across the entire chain. Gerjan Agterhof, political adviser at Woord en Daad: 'From our work in the cashew chain in Benin and Burkina Faso, for

example, we know how important this is, especially for workers and small producers at the beginning of the chain. Are they paid enough? There is quite a lot of criticism about the covenant and the participants, but we view it as a positive movement that we are happy to support. Companies, supermarkets, development organizations and government must join forces to make sustainable production possible.'

Sustainable development in Europe

In Brussels, we are also making efforts to realize just policy with an eye for people in developing countries. Here we observe less tangible fruits of our efforts. Evert-Jan Brouwer, political adviser at Woord en Daad: 'I compare the European Commission with a supertanker. It takes an awful lot to get it moving. At the European level, it simply costs more time to achieve improvements in the policy than at the national level. This means that we only see the impact of the efforts we make far later. 'One of the themes that we are approaching the European Commission about is sustainable development, using the framework of the SDGs. This is finding a reception: the European Parliament and the Council of Ministers both powerfully express support for realizing the SDGs. However, whether the European Commission will energetically pursue this is not yet clear.' Evert-Jan: 'European policy has a lot of influence on how we deal with foreign trade and development cooperation. Therefore it is very important to make our voice heard in Brussels as well.'

Results Policy Influencing

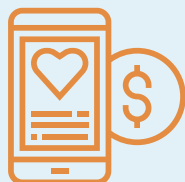


2.9 Communication: focus and dynamics



Offline publications

- Werelddelen, for donors and other interested persons 4x, print run 73,600
- Daadkracht, for entrepreneurs, 3x, print run 4,234
- Grenzeloos, for young people, 3x, print run 16,022
- Intercom, for volunteers, 1x, print run 5,201



Online gifts

- Online bank transfer: 12,614 gifts totalling €681,208.94
- Direct debit payments online: 1030 direct debits totalling €46,846.54



Social media

- Unique visitors website: 96,811
- Number of sessions: 264,817
- Followers on social media (4 channels): 8,730



53,820
donors involved



23,393
sponsors



14,363
young people
involved



1,750
entrepreneurs
involved



89
business platform
members involved



7,292
volunteers



3

Collaboration in the region: high ambitions and dynamic consortia



Our complex working field is rapidly changing. Woord en Daad is changing in response to this. One example of this is how we collaborate. We work in dynamic consortia: project-based, sometimes temporary collaboration with organizations, companies and governments within and outside of our own network. Our aim is always to achieve a larger and more sustainable impact for more people.

Working in consortia is far from self-evident for all partner organizations of Woord en Daad. Therefore, with effect from 1 April 2018, Woord en Daad decided at the executive board level to make efforts to strengthen partner organizations at the CEO and board levels. Jan Lock made a start with this: these so-called congruence trajectories delivered surprising results, which meant that organizations were better prepared for working in consortia. In 2019, the trajectories will be continued in the regions of East Africa and West Africa.

The donor coordinators Arnold van Willigen, Paul Schot, Pascal Ooms and Tineke Morren were closely involved in the organizational development of the partner organizations. Arnold and Tineke tell more about this. 'At

the local level we have entered into broader collaborations', states Arnold. 'So not just with partner organizations but also with companies, knowledge institutes and other donors. That requires a different manner of working and a different attitude from our partners. Talks with CEOs and boards provided many insights and sometimes required the deployment of robust trajectories.'

Consortia: flexible collaboration

When working in consortia we first of all jointly determine what the shared dream is and what that requires. What do we want to achieve, which impact do we want to have and with which type of actors will we accomplish this in the local context? That could be new partners such as NGOs, government bodies and companies. This is different from the past because then we worked with the established Woord en Daad network and based on the available capacity, objectives were set. That could sometimes have a limiting effect. In 2019, we will support the partners in strengthening their strategic capacity and changing their mindset.

With the new way of working, the need remains to collaborate with partners from different countries. A good example is West Africa where WARA, the West African Regional Alliance, has become a formally registered association that Woord en Daad is a member of. All members pay a membership fee, have an equal position and look at which areas they can strengthen each other. In this region, in particular, there is a lot of potential for growth opportunities at a board and CEOs level. In Asia, the Asian Regional Alliance (ARA) is active. In 2018, a lot was learned through intervention sessions with the Asian partners to which each organization contribu-



ted cases concerning the organizational changes.

New concepts

The new way of working provides inspiration for the further development of new concepts. For example, at the Colombian partner organization Conviventia we observe a substantial change in the context and that the government is assuming more responsibility in the sociGuateale programme. Conviventia is considering a new strategy and a different positioning. Tineke Morren: 'In the Philippines, the sponsor programme has also acquired a new impetus. After Hurricane Haiyaan, the strength of the communities became clear with the rolling out of the programmes. This got the partner organization AMG thinking. In Dolores, a start has now been made with a new programme in which communities receive support for a fixed period via sponsors and after that continue independently.'

Subsidy procedures: large-scale funding

Two large grant proposals were submitted by consortia in 2018 to the Netherlands Enterprise Agency. For Water Pricing for Growth in Ethiopia, a large-scale (drinking) water program-

me around the highly polluted Awash River, 2.5 million euros was pledged. The consortium includes the Dutch partners Waterschap Zuiderzeeland, Dutch Water Authorities and VNG International.

More than 1.5 million euros in funding has been approved for the programme Drops4Crops in Benin. Here farmers, mainly women, are supported with irrigation systems, water pumps and water storage. In 2018, a grant application for the Job Booster Project in India was also submitted, but this is still under consideration.

Norad, a fund for development cooperation from the Norwegian government, has approved a grant of 600,000 euros for the market-oriented honey project in Uganda. Here young farmers learn how to produce and sell honey as entrepreneurs.



4 Learning and innovating: progress in development



Writing a good project proposal and carrying it out requires thorough, specialized knowledge. Woord en Daad considers that necessary for the sustainable tackling of poverty issues and donors such as government funds share that view. The collection, management and sharing of knowledge have a fully fledged place within the organization.

Wim Blok, knowledge strategist at Woord en Daad, explains how knowledge management is becoming increasingly important: 'We already knew, of course, that development cooperation is complex. But we also increasingly realized the importance of collaborating with governments, other NGOs and companies. Then you can tackle the problems of poverty far more comprehensively. We very carefully examine how we can add value to what our collaborative partners do. For Woord en Daad that is the connecting role, but our added value also lies in contributing specific knowledge. Whereas previously we had a broad and more general knowledge, we now explore the development challenges more deeply with studies and evaluations.'

Collecting strategic knowledge

Strategic knowledge agendas are the instrument to collect and manage knowledge. Wim explains: 'We ask all programme groups to develop a learning agenda. In this agenda,

the strategic knowledge questions are described as tangibly as possible: which knowledge is missing, which learning activities with which outcomes do we plan, with which partners? Four times per year I ask the project leaders about the progress of the agenda.' The annual internal project evaluations equally form an important instrument. As the knowledge strategist, Wim analyses these: 'We learn a lot from these evaluations at the specific project level but also across the organization. We share these lessons with project leaders to help systematically improving our work.'

Research is also outsourced, for example, to The Broker. This research agency has written exploratory reports of three countries with a focus on the restaveks in Haiti, child abuse in the Philippines and child labour in Ethiopia. The agency mapped legislation and potential partners and collected data about the size of the problem. These reports provide the detailed background knowledge needed to develop relevant and effective projects.

Accountability to donors

A growing number of donors set strict requirements on subjects such as environmental pollution, sustainability and working conditions. These are subjects that Woord en Daad also considers important, but which can form a challenge in developing areas. We therefore appointed a knowledge transfer officer, a professional for International Corporate Social Responsibility (ICSR). This person is developing knowledge and doing research in these areas to support project leaders.

Demonstrating efficiency is increasingly a requirement as well. Partos, the sector organization for development cooperation, organized a learning pathway to obtain more

insight into the possibilities for determining the efficiency of projects. Within this learning trajectory Woord en Daad is carrying out a pilot with the support of experts: what are suitable methods for calculating efficiency in two concrete projects? This at an early stage revealed usable insights from which a method was selected for further investigation. A positive outcome according to Wim: 'If this method proves to work, then we will be able to provide a good financial underpinning: of the efficiency for a grant application instead of a rough estimate of the efficiency.'

And what do poor people in developing countries gain from this knowledge management? Wim: 'A concrete example: in various countries we are doing research into the living wage, the minimum wage that somebody must obtain for a decent standard of living. Based on that information we wish to explore with the relevant players what possibilities there are for paying employees a decent wage in the sectors concerned. Because only a living wage will help employees to escape the poverty trap.'



SWOT analysis

In September 2018, we produced a new SWOT analysis as part of the preparations for developing the annual plan 2019. The outcome is shown in the figure below.

Strengths

- We have a clear strategy that relates to the mission and vision and in which the added value is aimed at strengthening civil society, reducing poverty and influencing policy.
- The strategy has been properly operationalized via project-based working; it encourages entrepreneurship and via the brokering role opens the path to broad consortia.
- We can build on a reliable structural partner network and a loyal supporters base; both are connected with each other.
- We work with strong and innovative product concepts in the areas of JB, IAD and WASH with a focus on sustainability and local ownership from the perspective of an entrepreneurial approach (non-typical approach within development cooperation).
- Finance is strong: strong liquidity, proper planning and fund matching, flexible budgets, good payment systems. We use a diverse range of funding instruments.

Weaknesses

- We are too modest in profiling our project-based working approach and our innovative concepts.
- The ICT systems (design and implementation) are still not at the desired level.
- We have a relatively limited view of the impact of the project interventions and still fail to reach the poorest sufficiently in our projects.
- Not everybody satisfies the requirements of project-based working yet, especially when it concerns all project employees focusing on results and playing a directive role in consortia.
- We are still not sufficiently capable of enabling our partner network to join consortia.
- There is not enough attention for innovation in the education programme.

Opportunities

- Strengthening project-based collaboration with non-traditional parties.
- Expanding to projects with a larger volume (> 10 million euros).
- Developing a vision for global developments (e.g. migration) and reaching the poorest of the poor in neglected areas/groups.
- Application of new monitoring and reporting methods (storytelling, real-time, video) for the benefit of efficiency, improved impact measurement and more effective communication.
- Lucidly translate identity and values to programme strategy to strengthen our relationship with the support base.

Threats

- As we are a frontrunner in project-based working, it is still difficult to get our network involved (rule of the restrictive head start).
- For technical improvements in the system, we are primarily dependent on the IT supplier.
- The image of development cooperation is under pressure and consequently the willingness of funds to donate to it (donation money).
- The concentration of projects and project funds in a single country or a limited number of countries makes us vulnerable.



5

Organization and board: strengths consolidated



Project-based working

Since 1 January 2016 Woord en Daad has worked on a project basis. After an introductory year (2016) and the further development of the approach in 2017, we have wholeheartedly embraced this approach since 2018. At several places within the organization we saw the opportunity to further develop and implement it.

Corporate social responsibility policy

Corporate social responsibility is an important theme for Woord en Daad. Not only in how we shape our organization and make (practical) choices, but also in the work of our partner organizations worldwide. Therefore Woord en Daad has appointed an international CSR expert. In our CSR policy, we follow the ISO 26000 guideline. This is an international, comprehensive guideline that distinguishes principles and themes, such as the themes environment or conducting business fairly. The current policy period runs from 2016 to 2020.

Quality management

- Woord en Daad set up its quality management system in accordance with the principles of ISO 9001 and the Partos standard 9001 (sector-specific ISO standard). In April 2018, the follow-up audit of our external auditor Certiked was successfully completed. No recommendations emerged from this.
- Two internal auditors performed four audits on different internal processes to check the functioning of the quality management system and where possible to improve this. Deviations and points for improvement were reported and followed up on.
- The Handbook Organization (including all

process diagrams, procedures, manuals and other documents) has been kept up-to-date in collaboration with the colleagues responsible for this.

- Various colleagues have held client satisfaction surveys, and the satisfaction of donors about trips, events, meetings and about Woord en Daad has been measured.
- In May 2018, the suppliers' assessments were carried out.
- In July 2018, the strategic team carried out the annual management review. The conclusion was that the processes are in good working order and overall the strategic team is satisfied with the quality management system. Points of action per subject were registered and followed up on.

PMA

Woord en Daad is collaborating with a growing number of new organizations. That requires us to take a critical look at things, because we also want to guarantee quality and partnerships. We assess the collaboration with new organizations in two ways:

1. Via document reviews based on the documents requested, such as annual reports et cetera. In 2018, four document reviews were carried out, and the project leaders were advised about the measures to take due to noted weaknesses and points for attention. Also, the project leader carried out a robust exploration of the potential partner organizations which was partly initiated by the requirement of institutional donors.
2. Via data quality assessments, we can assess the quality of the data management at collaborative partners based on the uniform criteria we have developed. In 2018, data quality assessments were performed at six of these organizations. In 2018, our PMEL experts were also trained in carrying out a data quality assessment so that they can include this concept in the design of projects. PMEL experts carried out a mid-term data quality assessment at projects that they were involved in wherever that could be combined with other visits.

In 2018, three financial audits were performed at partner organizations Ygro (Sri Lanka), The Well in Action (Ethiopia) and AMG Guatemala. The audits were carried out in October and November and have led to specific findings that will be followed upon by the organizations. At The Well in Action that will result in a targeted project assignment to improve the organization at the governance and operational levels in 2019.

And further...

- an Organizational Standards Assessment (OSA) was carried out at partner organization ADP in Uganda in which the organizational capacity and alignment with project-based working were investigated.
- we carried out sponsorship audits at 15 partner organizations in which we focused on programme requirements, competencies, performance, systems, organization costs and local bottlenecks. The audits resulted in an action plan aimed at improving the quality of the sponsor programme and making it future proof.
- the quality of partner organizations' financial systems was assessed via an external auditor's statement on the annual accounts and an interim six-month audit of the financial report.

Codes/certification

Woord en Daad subscribes to the following codes and adheres to the following guidelines:

- Code of Conduct of the International Red Cross, an international code of conduct for relief organizations;
- Sphere Standards for emergency relief and the construction;
- Code of conduct Goede Doelen Nederland;
- COSO: this system is mainly aimed at a critical management of the fundraising and fund expenditure processes and reliable reporting in the annual accounts. This is realized through a satisfactory administrative organization and the internal management measures described in this.

Woord en Daad has the following certifications:

- CBF quality mark, integrated with the Code Goed Bestuur voor Goede Doelen (Wijffels code). The quality mark poses requirements on the governance, policy, fundraising, information and communication, expenditure of resources and reporting. Via the new Recognition Regulation that came into effect in 2016, Woord en Daad is recognized as a charitable organization that satisfies the CBF requirements;
- ISO: this quality mark is used by Woord en Daad for a critical management, adaptation and optimization of the processes. Woord en Daad is also Partos-9001 certified (sector-specific standard based on the ISO 9001 standard);
- Gouden Oor: this is an assessment framework for listening to

and responding to clients. In May 2018, Woord en Daad required a Gouden Oor recognition at level 2. With this, Woord en Daad became the first organization in the development cooperation sector to receive a Gouden Oor recognition.

Governance and supervision

In line with the Code Goed Bestuur voor Goede Doelen, Woord en Daad has separated governance and supervision. When members are appointed to the board of supervisors and the executive board their involvement with the supporter base is taken into consideration. Only people who are actively involved in the life of the Dutch Reformed Church and on the basis of this wholeheartedly support the basic principles and aim of the foundation are eligible for appointment. Woord en Daad has worked with a project-based approach since 2016. Consequently, there is no longer a management team. Projects are managed by programme and/or project leaders. Once every six weeks, a strategic consultation is held in which the CEO discusses integral affairs with a strategic character together with the knowledge strategist, business controller, communication strategist, HRM officer and two representatives from projects. Project leaders can join the meeting for specific agenda points. In addition to this, the CEO regularly has a governance meeting about non-strategic subjects together with relevant persons. The executive board has delegated responsibilities and competencies to programme and project leaders and self-managing (supporting) teams for the realization of the work. The procedures for this are recorded in the Organization Handbook. Via internal monitoring, compliance with the procedures is reported by the internal auditor to the executive board.



6

Financial accountability: the monetary capability



Income

The year 2018 mainly demonstrated, once again, that the financial basis for Woord en Daad is robust and strong. The regular income from the supporter base, the tens of thousands of private individuals, companies, churches and investment funds, grew or remained at the same level. The dip from 34.9 million euros in 2017 to 29.4 million euros in 2018 is mainly due to grants still in the pipeline (3.7 million euros) and incidental income from companies (0.4 million euros) as well as decreasing income for emergency relief (0.9 million euros). We can be grateful for this result because the basis continues to be there. In areas where Woord en Daad operates there were no large-scale emergency relief situations in 2018. Also, the income from legacies decreased (0.4 million euros).

Grants

The dip in grants is mainly due to the delayed publication of grants. For example, due to the delay in the publication of the SDGP grant framework, three proposals could only be submitted at the end of December. One application made it to the next round, one was rejected for this round but will have a chance in the next round, and for the third application the result is not yet known. Besides, good results were achieved in the area of grants in 2018.

For example, a new grant was awarded by the Netherlands Enterprise Agency for Water Pricing Ethiopia and Drops4Crops in Benin. The Norwegian government (Norad) awarded funding for a honey project in Uganda. These grants amounted to a total of 4.7 million euros. These grants for a period of several years are in accordance with the line set out in 2016 of the income being matched by the contributions from consortium partners (2.6 million euros). These amounts have also been pledged to the associated consortia, which together with Woord en Daad are responsible for the

realization. The system in which consortia also count on contributions from partners is also working well. Several consortia are ahead of the planning and generating their own income. At the end of 2018 about twice as many grant proposals have been submitted as compared to 2017. Besides the proposals stated above more proposals are in the pipeline. This means that on 31 December 2018 the pipeline was considerably better filled compared to the previous year and there is a high chance of funding. Via project-based working, but also with its programmes, Woord en Daad has put itself in a favourable position with respect to these donors.

Private individuals and shops

Private income (excluding incidental categories such as emergency relief and legacies) grew by about 3%. The Sport for Others event was managed by Woord en Daad itself and raised the superb sum of 263,000 euros. For the first time in years, the number sponsor children rose. Mid-2018, the decrease turned into a growth. That cannot be seen in the income yet, but that will be the case in 2019. Woord en Daad Shops made a significant contribution (almost 0.6 million euros) to the income of Woord en Daad. Income from churches, schools and other fundraising organizations grew by more than 6%.

Companies and investment funds

Income from companies and investment funds was 11% lower than in the previous year. That is partly because in 2017 several multiannual income contracts from donors were already included because these were linked to grants and awards with a duration of several years. In addition to the income raised, Woord en Daad negotiated for the Fair Factory Development Fund established in 2018. Investors entrusted a total of 2.1 million euros in participations. With this, the proposition from Woord en Daad for this target group became stronger, as well as the expendi-

ture programmes around fair factories. The prospects in this area for 2019 are highly promising.

Expenditure

As is clear from the previous section, income can exhibit strong and unpredictable variations due, for example, to delays in the publication of grant opportunities or the absence of emergency relief situations. Woord en Daad has therefore adopted a system that strongly links expenditure with income. This system worked well in 2018. Also, some multiannual awards of grants were linked to receivables in the balance. This means expenditure for these programmes is covered and that there is less variation in the expenditure than on the income side. Consequently, the expenditure in 2018 is lower than in 2017 but the percentage decrease is much less than that in the income. That can once again be seen in the expenditure pattern, for example. The expenditure for Sustainable Water is far higher and that for Job Booster far lower.

Several large emergency relief programmes were carried out in the Philippines, Bangladesh and Haiti. The INCE concept for quality improvement in the Education programme, which Woord en Daad is realizing with Driestar Christian University, was further rolled out in Nepal, Burkina Faso and Haiti. Furthermore, various semi-finished products were developed that can be used in several countries. In 2018, we worked entirely via the project-based approach, in which project leaders with their (international) team assume integral responsibility for both the realization and fundraising for their project. That created a lot of entrepreneurship and ownership at both Woord en Daad and its partners via joint project teams. We did, however, discern that working in consortia struggled to get off the ground with several established partners. Various congruence trajectories were therefore held at partners to enable them to connect with the project-based approach to working. ProjectConnect, a web-based tool, played an important role in reporting and monitoring. Further investments were made in this software in 2018 so that more complex projects with several parties can also be properly supported. For areas with a weak internet connection, investments were also made in an offline version.

The vast majority of expenditure on objectives was for structural programmes concerning poverty alleviation (89%) and emergency relief (4%) in the South. In addition, Woord en Daad believes it is important that the poorest of the poor are also given a voice and a

face within political circles and that poverty alleviation needs to be given a place in the lives of people in the Netherlands. That is why awareness raising and policy influencing in the Netherlands and Europe account for 5% of the expenditure on objectives. Further, Woord en Daad attaches considerable value to the high quality of its programmes in which expenditure is tightly monitored, and the lessons learned from the field are incorporated in new projects. That is why Woord en Daad has invested 2.3% of the expenditure on objectives in knowledge management and audits.

Reserves and funds

The total reserve position of Woord en Daad in 2018 (3.1 million euros) has remained about the same including a healthy buffer for exchange rate risks (0.7 million euros). The exchange rate risks, which are not included in the exploitation, are covered by Woord en Daad via this reserve. The designated funds (3.8 million euros) increased slightly. We state the INCE funds (0.5 million euros) that are filled from sponsor monies. In the coming years, these will also be used for quality improvement in education projects. In 2019 and 2020, we will work towards operating on a break-even basis in the countries concerned so that by 2021 onwards no additional INCE funds from sponsoring need to be used in the existing INCE countries.

Throughout 2018 the grant advisors have, in close consultation with project leaders and fundraisers, sought to realize an optimal match of income and expenditure. The use of grant advisor also ensured a good monitoring of budgets within the projects. We had previously stated the effectiveness of this approach and the annual accounts for 2018 confirm this. The other designated funds (1.9 million euros) mainly grew around Education Haiti, for which a project is currently being developed in the area of child slavery as well as several Job Booster projects that will be further expanded in 2019. Via the reserve participations (0.2 million euros) the results of companies and foundations in which Woord en Daad participates are accounted for because these cannot be influenced by the direct exploitation and management of Woord en Daad.

Liquidity

The liquidity position of Woord en Daad has strongly improved in recent years. This was due to the positive result from the balance of income and expenses. The number of advances received from individual donors also had a positive effect on the liquidity. How

Woord en Daad manages liquidity has proven to be effective through the project-based approach to working. In general, monies may only be spent by the project leaders once there is sufficient certainty about the income being received.

Cost percentages/ratios

Woord en Daad manages strictly on the basis of cost percentages. This management is based on four standard percentages. The first is the standard for management and administration. Woord en Daad follows the advice from Goede Doelen Nederland and the model, as included in the guideline on reporting RJ 650. According to Woord en Daad's standard, the maximum percentage for management and administration may be no more than 3.1% over three years. In 2018, the percentage realized was 3%. The total cost of fundraising versus the total income acquired was 5.61%, which as usual is considerably lower than the average branch percentage. The standard that Woord en Daad uses is a maximum of 6% over three years. The percentage of costs for fundraising grants versus income from grants was with 1.34% also far lower than the maximum standard of 2.5% over three years.

The total overheads (fundraising costs and management and administration) may, according to Woord en Daad's own standard, be no more than 7.5% over three years of the total costs. In 2018, this figure was 8.52% for Woord en Daad, mainly due to the income being lower than the budgeted amount. The income realized was about 30% lower than the budget. The overhead realized was about 6% lower than budgeted. The realization averaged over three years was 7.8%. If the overhead is examined in absolute amounts, then it is notable that these amounts are lower than the budget for 2018. Increasing use is made of a flexible pool, if specific expertise is needed or in the case of peaks with respect to grant proposals. Due to the well-filled pipeline, it is expected that the exceeding of the average standard will be more than compensated in 2019. Target expenditure ratio (expenditure on objectives divided by total expenditure) decreased slightly to 90.04% (2017, 91.07%). These standard percentages apply to Woord en Daad and are based on the non-consolidated annual accounts of Woord en Daad. Other foundations that are involved in the consolidation such as Woord en Daad Shops have their own earning model, and so different standards apply to them.

Annual accounts 2018

Consolidated balance sheet per 31 December (after result allocation)

ASSETS		2018 (€)	2017 (€)
Fixed assets		14,229,732	16,055,752
Intangible fixed assets (1)		1,284,375	1,437,334
Activation of website/software development in the course of business			
Tangible fixed assets (2) In the course of business		262,567	295,968
Financial fixed assets (3)		12,682,789	14,322,450
Loans /equities/ other receivables	2,524,950		2,653,054
Receivables from income contracts in the course of the target	10,157,839		11,669,397
Current assets		13,637,504	10,057,700
Stocks (4)		687,242	523,787
Goods supply in the course of business			
Receivables (5)		6,338,042	4,328,603
Liquid assets (6)		6,612,221	5,205,310
Total assets		27,867,236	26,113,452
LIABILITIES			
Reserves and funds		6,938,374	6,282,913
Reserves (7)		3,106,608	3,187,490
Foundation capital	272		272
Continuity reserve	2,655,323		2,404,413
Specific reserves			
- Exchange reserve	679,738		721,338
- General reserve	-15,927		174,071
- Reserve participating results realized	-212,798		-112,604
Funds (8)		3,831,766	3,095,420
Sponsor funds	575,454		641,587
INCE funds	524,921		249,587
Guarantee funds	8,904		2,269
Designated funds for emergency relief	830,477		746,308
Other designated funds	1,892,011		1,455,668
Provisions		0	0
Long-term debts (10)		10,486,113	11,487,270
Short-term debts (11)		10,442,749	8,343,269
Projects and programmes	7,783,686		6,306,920
Deferred sponsor funds	765,391		765,309
Other debts and accrued expenses	1,893,672		1,271,041
Total liabilities		27,867,236	26,113,452

Consolidated statement of income and expenses for 2018

	Current financial year (€)	Estimated financial year (€)	Prior financial year (€)
Income			
Income from private individuals (12)			
- collections	159,863	200,000	144,688
- legacies	895,866	1,200,000	1,266,250
- sponsor programme	9,096,800	9,168,000	9,191,540
- other donations *	3,293,971	5,056,155	3,283,985
Total income from private individuals	13,446,500	15,624,155	13,886,463
Income from companies (13) *	3,897,390	4,647,500	5,140,959
Income from government grants (14)	4,460,585	13,514,304	8,167,662
Income from other non-profit organizations (15) *	6,364,676	8,247,152	6,646,882
Total income acquired	28,169,151	42,033,111	33,841,967
Income from the provision of products and services (16)			
Income from supplier's role and awareness raising	403,087	359,350	384,837
Gross profit sale of goods	814,854	1,400,000	635,756
Sum of the income generated from services provided	1,217,941	1,759,350	1,020,593
Total income*	29,387,092	43,792,461	34,862,559
Expenditure			
Expenditure on targets:			
Structurele programma's (17)	22,706,064	36,174,732	25,526,992
Education (EDU)	9,698,060	14,994,500	8,848,626
Vocational Education and Training and Job Booster (AVET/JB)	1,393,942	5,761,242	7,653,387
Inclusive Agribusiness Development (IAD)	2,913,679	8,748,983	2,380,978
Water, Sanitation and Hygiene (WASH)	6,252,881	3,082,954	3,957,113
Health programme (HEALTH)	21,975	0	-9,203
House Construction programme (LCH)	109,418	826,550	572,359
Policy Influencing (PI)	121,992	125,000	80,628
Capacity Building (SPN)	0	0	20,853
Innovation programme	85,735	500,000	22,182
Regional Alliances	157,944	65,420	71,781
Other	222,854	200,000	230,414
Partner role in the Netherlands (2016: incl. Knowledge management)	1,727,584	1,870,083	1,697,874
Emergency relief (18)			
-support provided through organizations/local agencies	1,003,804	1,502,300	1,491,049
Lobby (19)	407,194	315,492	399,736
Awareness raising (20)	873,911	809,758	839,136
Knowledge management (21)	182,940	230,276	117,353
PMA (22)	406,233	406,468	426,604
Release provision for loans (23)	0	0	0
Total expenditure on targets	25,580,146	39,439,026	28,800,869

	Current financial year (€)	Estimated financial year (€)	Prior financial year (€)
Expenditure (continuation)			
Acquisition of income: (24) and Appendix 3)	1,609,958	1,768,455	1,540,223
Costs of own fundraising	1,507,254	1,520,609	1,401,128
Costs other organizations without profit motives ****	3,320	0	4,877
Costs of grants from governments	99,383	247,846	134,218
Costs supplier's role (23)	284,127	227,489	220,731
Costs of sales of goods (16)	271,465	240,407	196,745
Management & Administration costs (26)	871,935	856,317	921,736
Total expenses	28,617,629	42,531,696	31,680,305
Balance of income and expenses	769,463	1,260,765	3,182,255
Balance of financial income and expenses (27)	-13,843	0	-14,323
Balance of results from organizations participated in (28)	-100,194	0	-143,164
Balance of income and expenses **	655,426	1,260,765	3,024,769
Designation balance income and expenses:			
Transfer to or from:			
- Continuity reserve	250,910	0	-42,455
- General reserve	-190,037	260,000	1,047,544
- Exchange reserve sponsor programme	-41,600	291,986	350,655
- Sponsor funds	-66,133	251,689	626,608
- INCE funds	275,334	311,055	249,587
- Designated funds emergency relief***	84,169	0	231,499
- Guarantee funds enterprise development	6,635	0	-3,989
- Reserve provisions	-100,194	0	-83,123
- Other designated funds	436,343	146,035	648,441
	655,426	1,260,765	3,024,768

* for which total income emergency relief in 2018 € 1,302,598 (Budget € 1,748,870; 2017: € 2,218,237), accounted for under donations from individuals, companies and other non-profit organizations

** excluding family and capital funds and donors as these are included in costs own fundraising

*** In the 2018 budget, a planned one-off allocation of € 500,000 (consolidated € 260,000) to the general reserve of Woord en Daad was included. As at the end of 2017 the general reserve was already more than the desired level, Woord en Daad did not effect this allocation but instead spent it in 2019 on projects that currently had insufficient coverage.

Valuation Principles

The principles of valuation and of result determination are drawn up in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ650). For a further description of the principles of valuation of the assets and liabilities and for the determination of results, see the notes to the consolidated financial statements in the Dutch Annual Report (page 61 to 64).

Consolidated cash flow for 2018

	2018 (€)	2017 (€)
Cash flow operational activities		
Balance income and expenses:	655,426	3,024,768
<i>Adjustments concerning:</i>		
Amortization intangible fixed assets (1)	289,080	271,907
Depreciation material fixed assets (2)	86,261	75,110
Change provision of loans(3)	-24,951	1,162,573
Writing off loan u/g (3)	0	-1,185,874
Result provisions(3)	100,194	143,164
<i>Adjustment changes in operational capital:</i>		
Changes in stocks (4)	-163,454	338,763
Long-term receivables from funding agencies (3)	1,511,558	-5,754,969
Changes in receivables (5)	-2,009,439	-70,743
Long-term project obligations (10)	-1,049,431	3,581,948
Changes in short-term project obligations (11)	1,476,767	1,734,484
Changes in sponsor funds received in advance (11)	82	-6,020
Changes in other debts and costs yet to be paid (11)	622,631	-310,109
Cash flow from operational activities (A)	1,494,723	3,005,003
Cash flow from investment activities		
Investments in intangible material fixed assets (1)	-140,512	-93,763
Investments in tangible fixed assets (2)	-157,917	-112,498
Divestments material fixed assets (property, plant and equipment)	109,446	0
Cash flow from investment activities (B)	-188,983	-206,261
Cash flow from funding activities		
Provision of loans to partner organizations etc. (3)	-8,941	-515,000
Payments received from loans issued (3)	61,802	70,245
Change unrealized exchange rate result loans provided (3)	0	7
Loans provided to /input in participations (3)	0	-250,000
Long-term liabilities received (10)	73,274	3,274
Repayment long-term debts (10)	-25,000	-25,000
Cash flow from funding activities (C)	101,135	-716,474
Change liquid assets (A + B + C)	1,406,911	2,082,265
Liquid assets per 1 January	5,205,310	3,123,046
Liquid assets per 31 December	6,612,221	5,205,310
Change liquid assets	1,406,911	2,082,264

- Since 2013 the depreciation is on activated costs for software development since the end of 2012. In the software development after 2013 the depreciation will be realized in such a manner that the entire investment is written off by the end of 2024.
- The receivables on funds from income contracts and the obligations to partner organizations have both strongly increased and are divided into amounts with a short-term and a long-term character, as a consequence of multi-annual income contracts and multi-annual pledges to partner organizations.

* The liquid assets have increased compared to 2017. On the one hand this can be explained by grant disbursements received in advance for several programmes and on the other hand an increase in allocated funds. Over the years, the liquidity position has improved, which is partly due to the annual depreciation of the capitalized costs for software development.

Consolidated model cost allocation in €

Cost type	Cost carriers														
	Objective					Supplier's role	Acquisition of income					Management & administration costs			
	Partner role / PMEL	Lobby	Awareness	Knowledge management	PMA		Own fundraising	Third party campaigns	Grants	Subtotal Acquisition of income*	Sale of goods (WD-shops)		Total financial year	Estimated financial year	Accounts 2017
Education (EDU)	9,509,203	188,857											9,698,060	14,994,500	8,848,626
Job Booster (TVET/JB)	1,387,236	6,706											1,393,942	5,761,242	7,653,387
Inclusive Agribusiness Development (IAD)	2,913,679												2,913,679	8,748,983	2,380,978
Water, Sanitation and Hygiene (WASH)	6,215,638	37,243											6,252,881	3,082,954	3,957,113
Health programme (HEALTH)	21,975												21,975		-9,203
Housing Construction programme (LCH)	109,418												109,418	826,550	572,359
Policy Influencing (PI)		121,992											121,992	125,000	80,628
Capacity Building (SPN)															20,853
Emergency Relief (R&R)	1,003,804												1,003,804	1,502,300	1,491,049
Innovation programme	85,735												85,735	500,000	22,182
Regional Alliances	157,944												157,944	65,420	71,781
Knowledge Management (2016: incl. PMEL)				101,642									101,642	104,600	50,859
Other (e.g. ICT for Alliances)	222,854												222,854	200,000	230,414
PMA					23,514								23,514	45,300	62,792
Lobby North		37,917											37,917	30,500	41,950
Awareness raising			287,542										287,542	293,312	350,765
Subtotal project expenditure	21,627,486	392,714	287,542	101,642	23,514								22,432,899	36,280,661	25,826,533
Salaries	1,071,347	219,158	336,973	48,473	232,246	166,715	584,199	1,979	59,410	645,588	192,712	517,014	3,430,227	3,361,416	3,186,339
Social premiums	142,791	35,000	54,316	6,843	36,191	20,771	86,520	322	9,565	96,407	15,108	71,595	479,021	441,933	455,632
Pension premiums	113,964	26,598	38,866	6,612	28,993	17,784	63,755	226	7,136	71,116	13,301	76,004	393,238	373,163	359,937
Travel and accommodation expenses	28,784	10,482	12,756	2,072	5,969	3,979	17,438	71	2,568	20,077	872	17,802	102,792	102,000	110,386
Costs hiring in personnel	54,455	1,990	29,509	411	1,853	24,040	82,077	18	510	82,605		4,634	199,496	95,000	141,869
Other personnel costs	39,215	9,323	13,902	2,096	9,373	6,075	22,538	98	2,517	25,152	3,455	22,692	131,283	134,000	116,599
Total personnel costs	1,450,556	302,550	486,321	66,506	314,625	239,363	856,527	2,713	81,704	940,945	225,448	709,742	4,736,056	4,507,512	4,370,762
Publicity & communication							473,845		92	473,936			473,936	689,037	501,530
Accommodation costs	68,048	16,455	24,676	3,591	16,666	10,942	42,227	149	4,285	46,662	5,126	38,658	230,823	229,753	232,666
Office costs (excl. depreciations)	102,914	24,930	37,275	5,475	25,231	16,726	65,138	223	6,596	71,957	15,372	58,463	358,343	418,081	347,174
Costs Supervisory Board	4,239	852	1,452	267	1,161	688	3,032	8	272	3,312		2,024	13,995	9,500	13,874
Costs for work visits Executive Board												5,480	5,480	5,000	9,002
Other general costs	43,908	10,478	15,632	2,411	10,845	7,102	27,923	101	2,788	30,812	17,270	24,690	163,148	127,850	178,015
Depreciation assets	57,919	14,012	21,012	3,047	14,192	9,306	38,563	126	3,645	42,334	8,249	32,879	202,951	264,300	200,749
Subtotal organization costs	1,727,584	369,278	586,369	81,297	382,719	284,127	1,507,254	3,320	99,383	1,609,958	271,465	871,935	6,184,731	6,251,033	5,853,773
Total 2018	23,355,071	761,992	873,911	182,940	406,233	284,127	1,507,254	3,320	99,383	1,609,958	271,465	871,935	28,617,630	42,531,695	31,680,306
Estimated 2018	37,549,613	442,912	809,758	230,276	406,468	227,489	1,520,609		247,846	1,768,455	240,407	856,317			
Realization of the previous financial year*	26,392,431	1,025,346	839,136	117,353	426,604	220,731	1,401,128	4,877	134,218	1,540,223	196,745	921,736			

Allocation keys:

- The allocation of personnel costs between cost units is based on the average time allocation.

- The VFI's opinion was followed in allocating personnel costs. This means that the Management Board is fully covered by Management & Administration.
- The general staff positions are fully covered by Management & Administration; HRM and ICT are allocated

pro rata to the number of FTEs per cost unit. The Finance & Control department partly falls under PMA as well.
- The indirect costs are allocated based on the distribution of personnel costs.
- The work visits of the Executive Board fall completely under

Management & Administration.

- The average number of FTEs in 2018 was 62.29, compared to 60.88 in 2017. Just like in 2017, two persons (2 FTE) worked abroad in 2018.

Auditor's statement

INDEPENDENT AUDITOR'S REPORT

To: the Management Board and the Supervisory Board of Stichting Reformatorische Hulpaktie Woord en Daad in Gorinchem.

The accompanying summary financial statements, which comprise the summary statement of financial position as at 31 December 2018, the summary statements of comprehensive income, changes in cash flow for the year then ended and related notes, are derived from the audited financial statements of Stichting Reformatorische Hulpaktie Woord en Daad for the year ended 31 December 2018. We expressed an unqualified audit opinion on those financial statements in our report dated 26 March 2019.

The summary financial statements do not contain all the disclosures required by the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Stichting Reformatorische Hulpaktie Woord en Daad.

Board's responsibility

Board is responsible for the preparation of a summary of the audited financial statements in accordance with the general notes to the financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standard on Auditing 810, 'Engagements to Report on Summary Financial Statements'.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Stichting Reformatorische Hulpaktie Woord en Daad for the year ended 31 December 2018 are consistent, in all material respects, with those financial statements, in accordance with the general notes to the financial statements.

Amsterdam, 26 March 2019

Dubois & Co. Registeraccountants

Signed on original by:
G. Visser RA

Internal financial control

Part of the handbook Administrative Organization is the procedure "Assessment Internal Audit" (Procedure 9.3.1). Every six months, the internal auditor of the unit Finance and Control (F&C) assesses how the internal management measures function so that risks and processes relevant for the categories in the annual accounts can be redressed to an acceptable level.

The assessment framework for the internal audit focuses on the key processes Income processing, Recording and handling obligations, the national and international payments, the processing of sponsor income and the reminder and collection process, the processing and management of the revenues of committees, postage stamp sales and the management of master data of creditors. Also the substitution of sponsor children, application of chamber commerce mandates and CBF rules are considered.

There are both data-oriented and system-oriented checks via random samples or integral assessment. Authorisations and mandates are also involved in this, as established in the software package. During the assessment, the correct and complete use of the established procedures (by the authorized persons) are assessed as well as the recording and documentation of this in systems.

The internal auditor reports the findings about this to the executive board. As the internal auditor is also involved in a number of processes, an independent PMA employee takes several additional random samples and reports about the outcomes. The external accountant makes use of these reports and any actions linked to these during the assessment of how well the internal audit system functions. The external accountant also publishes an assurance report, which shows that the internal audit testing has taken place in accordance with the procedure.

Two assessments were carried out during 2018. Both resulted in the conclusion that there were no significant deviations with respect to the established procedures and mandates. Several points for improvement were nevertheless implemented with respect to the processing of final reminders and delays in the substitution of sponsor children. The follow-up of the findings from the external accountant's management letter was also assessed, such as the authorization of hours by project leaders and the monthly audit of the revenue recognition and cash transactions within Woord en Daad Shops. Both were completed within the reporting year.



CEO
Rina Molenaar

December 2018

Overview Partners

Core partners

Partner	Country
ACFIME	Burkina Faso
ADP	Uganda
AEAD	Burkina Faso
AESEB	Burkina Faso
AMG Haiti	Haiti
AMG India	India
AMG Philippines	Philippines
AMG Thailand	Thailand
AMG Guatemala	Guatemala
CCDB	Bangladesh
CCT	Philippines
Conviventia	Colombia
COUNT	India
CRECH	Haiti
CREDO	Burkina Faso
CSS	Bangladesh
CTF	Sierra Leone
DEDRAS	Benin
EFSL	Sierra Leone
HBC	Ethiopia
Hope Enterprises	Ethiopia
Mfesane	South-Africa
ODE	Burkina Faso
Parole et Action	Haiti
PBSA	Benin
PCAR	Chad
RETRAK	Ethiopia
SPONG	Burkina Faso
THE WELL IN ACTION	Ethiopia
WDI	India
YGRO	Sri Lanka

Consortium partners

Project	Country	Organization
EYE	Ethiopia	DORCAS Ethiopia
EYE	Ethiopia	HIDO
EYE	Ethiopia	Selam Hawassa Business College
EYE	Ethiopia	Mekelle University - Institute for Population Studies
EYE	Ethiopia	Selam Childrens Village Addis Abeba

ASWAS	Bangladesh	MaxFoundation
ASWAS	Bangladesh	CSS
iWET / EYE	Ethiopia	DOT
iWET	Ethiopia	SNV Ethiopia
Job Booster	Chad	GenABCD
Job Booster	Chad	SAJED
WARA	West Africa	WARA
Drops4Crops	Burkina Faso	ASPMY
Drops4Crops	Burkina Faso	Practica
Drops4Crops	Benin	UrCoopMA
Drops4Crops	West Africa	CSF
INCE	Burkina Faso	EFORE
INCE	International	Driestar Educatief
Education Haiti	Haiti	Restavek Freedom
IAD	International	Fair Match Support
Job Booster	Burkina Faso	Light for the World Burkina Faso
Job Booster	Ethiopia	Fair & Sustainable PLC
Building Change	The Netherlands	Partos
Building Change	The Netherlands	Foundation Max van der Stoel
FDOV	Guatemala	ADISAGUA
FDOV	Guatemala	CEIS
FDOV	Belgium	Fair Fruit
IDH	Sierra Leone	Jula
IDH	Sierra Leone	Sierra Agri Inc.
IDH	Sierra Leone	Fair Match Support
WaterTime	Uganda	Practica
WaterTime	Uganda	Living Water International (LWI)
WaterPricing	Ethiopia	Awash Basin Development Office (AwBDO)
WaterPricing	Ethiopia	Oromia Water, Mines and Energy Bureau (OWMEB)
WaterPricing	Ethiopia	Royal Eijkelpamp
WaterPricing	Ethiopia	Dutch Water Authorities (DWA)
WaterPricing	Ethiopia	Vereniging Nederlandse Gemeenten International (VNGI)
Job Booster	Bangladesh	Christian service Society (CSS)
Sinende Benin	Benin	DEDRAS
Emergency Relief & Resilience	Haiti	Heifer
IAD	Uganda	TUNADO
Drops4Crops	Benin	Centre Sainte Famille (CSF)
Drops4Crops	Benin	Mairie de Djougou
FairMaize	Burkina Faso	APME2A
Christelijke Professie	The Netherlands	Christelijke Hogeschool Ede
Christelijke Professie	The Netherlands	Lelie zorggroep



See the annual report online at:

www.woordendaad.nl/english

CREDITS

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Woord en Daad is a registered charity (ANBI) under Dutch law. For legacies our address is Stichting Reformatorische Hulpaktie Woord en Daad, Gorinchem. Our charity is registered under number 41118168 at the Dutch Chamber of Commerce in Utrecht and our finances are audited by a registered accountant. We bank with the Rabobank: account number NL64 RABO 0385 487088, account holder Woord en Daad, Gorinchem.

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