

ANNUAL REPORT 2023



TOGETHER AGAINST POVERTY AND HUNGER

Board of Directors



ANN-CHARLOTT FOLKESSON

Chairperson of the Board Forestry and agricultural entrepreneur in Vännäs, Västerbotten. Board Chair for Federation of Swedish Farmers Västerbotten and for the same federation's Horse Delegation, also Chair of the Copa Cogecas Women's Committee in Brussels. Elected 2015.



HELEN PERSSON

Stockholm Consumer Cooperative Society. Member of the board of CBS (Coop Butiker och Stormarknader). Responsible for member activities, sponsorship and PR. Many years' experience in communication, HR and project management for e.g. SSAB and Ericsson. Has managed and been co-owner of Strategic Health Consultants, a consultancy firm advising on organisation and leadership. Elected 2015.



ERICA LUNDGREN

CEO, OK Västerbotten. Previously Sales Director for Norrmejerier, Business Area Manager and Subsidiary MD within Proffice Sweden. Board member of OK Marknadsservice and OKQ8 Marknad. Elected 2017.



PETER STRÖM

Head of Client Coverage, Corporates & Institutions at Swedbank. Has held various senior positions in the Swedbank Group, both in Sweden and internationally. Elected 2019.



ANNA CARLSTRÖM

Senior Adviser in member communication and owner relations at Lantmännen. Former member manager with an extensive background in the organisation. Also works with communication in Lantmännen Lantbruk and is Association Manager for Nordic Oats. MSc Agricultural Economics. Elected 2021.



ANDERS DAHLQUIST-SJÖBERG

Vice President and General Counsel, KF/Coop. Has extensive experience in change management, corporate governance and development. A driving force in the development of compliance and risk work within KF/Coop. In addition to extensive experience from KF/Coop, Anders has worked as a lecturer at KTH, where he also obtained a doctorate (civil law/property law), and at White & Case law firm and RBS Nordisk Renting. Elected 2023.



LINA ÖIEN

Sustainable Development Manager Riksbbyggen. MSc in Environmental Management and Policy from the International Institute for Industrial Environmental Economics, Lund University. Formerly Sustainability Manager at Bilprovningen, and more than 20 years' experience as an environmental and sustainability consultant. Elected 2022.



JOHAN NYHUS

Chairman of HSB. A former consultant at Reformklubben PR agency, and before that active in politics in Gothenburg, including as a local councillor in charge of transport and infrastructure. Also long experience of chairing various boards. Elected 2022.



OLA FERNVALL

Director of Communications for the Folksam Group since 2020. Has previously worked in various communication management roles within ICA Gruppen and as a communication consultant with assignments for UNICEF, Save the Children and others. Studies in Media and Communication Studies, Literature and Political Science at Stockholm University, and PR and Marketing at Pace University. Elected 2023.



ANNA TIBBLIN

Secretary General of We Effect. Previously Regional Manager in Southern Africa and Latin America, has worked in aid assessment in her own consulting company and also been a journalist for daily and trade newspapers. Appointed Secretary General in 2018.

We Effect reaches a broad section of the public in its awareness-raising and fundraising activities via its member organisations. Representatives from the founder organisations sit on the Board of Directors and help make decisions about We Effect's long-term work.

MEMBER ORGANISATIONS

Hyresgästföreningen | Kooperativa Förbundet, KF | Federation of Swedish Farmers, LRF | Lantmännen | OK economic association | Riksbbyggen
Coop Sverige AB | Folksam | Swedbank | HSB Riksförbund | Fonus
Kooperativa Ledares Förbund | Stockholm Consumer Cooperative Society



Consumer associations

Coop Mitt, Coop Nord, Coop Norrbotten, Coop Väst, Coop Finspång, Färingsö Konsumentförening, Coop Varberg, Coop Tabergsdalen, Coop Gotland, Coop Värmland, Konsumentföreningen Stockholm, Coop Syd, Veberöds Konsumtionsförening

HSB associations

Göta, Gothenburg, Karlskoga, Malmö, Mälardalarna, Mölndal, North, North Götaland, Stockholm, South-east, Södertälje, Södertörn, Southern Norrland, Uppsala, Östergötland

Federation of Swedish Farmers regional associations

Gävleborg, Halland, Jämtland, Jönköping, Dalarna, Norrbotten, Skåne, South-east, Västra Götaland, Värmland, Västerbotten, Östergötland, Örebro, Mälardalen, Västernorrland

Other member organisations

Studieförbundet Vuxenskolan, Förbundet Vi Unga, Swedish Empowerment Center, Coompanion Sverige, Ekobanken, Brunnsviks folk high school, Ädelfors folk high school

DIRECTORS' REPORT

The Board of Directors and the Secretary General of We Effect (reg. no. 802004-1524) hereby submit the following annual report for the financial year 1 January – 31 December 2023. Information in parentheses refers to the previous year.

GENERAL INFORMATION ABOUT OPERATIONS

Purpose and vision

We Effect is a non-profit organisation with a mission to fight hunger and poverty. We Effect, in cooperation with its Swedish member organisations, works to create commitment, mould public opinion, mobilise resources and promote public support for long-term international development work. Our vision is a sustainable and just world, free from hunger and poverty. We Effect is not affiliated with any political party or religion.

Mission and target group

We Effect's mission is to conduct cooperative development activities that strengthen local, cooperative and member-based organisations comprised of women and men living in poverty. By supporting these local cooperatives and associations, We Effect aims to empower members to take control of their own lives and the development of their communities. These associations are our partner organisations, and we conduct our aid activities together with them. Today, after 65 years of operation, We Effect is the world's largest cooperative development organisation. Our cooperation aims to promote all people's right to food and adequate housing through cooperative and member-owned enterprise in our focus countries.

Core values

We Effect works based on a simple core foundation: the equal right and value of all people. We work according to the conviction that people are stronger together and that sustainable development requires local ownership, and a respect for human rights, gender equality and democracy. We Effect works from a theory of change that is based on the cooperative principles that form the basis of sustainable and democratic enterprise.

Our aid work

We Effect works for food security through support for smallholder farmer organisations, as well as adequate housing with support for cooperative housing associations. We Effect works to unite democracy with business development and social responsibility. The right to land, financial services, women's inclusion and a sustainable environment permeate all activities.

From 2023, we have a new five-year global strategy. The strategy, #StrongerTogether, governs all operations in the entire organisation. The strategy focuses on the right to food and adequate housing.

Most of our partner organisations around the world are member-based farmer organisations, housing cooperatives, or savings and loan associations. We choose partner organisations with great care and a prerequisite for cooperation is that we share a willingness and ability to contribute to reducing hunger and poverty, increasing justice, and supporting economic and sustainable development.

The farmer organisations operate for instance in providing farming advice, cooperative price negotiations, business development and strengthening members' self-empowerment. The organisations also work to influence the unfair structures that contribute to poverty. To promote the right to adequate housing, We Effect works with organisations that fight to secure access to land for homes, thus enabling member-owned housing forms for poor people. We Effect is also working to develop savings and loan groups that provide people living in poverty, especially women in rural areas, the opportunity to finance their own investments.

Our global organisation

We Effect's head office in Sweden functions as a base for fundraising, market communication, advocacy activities and political lobbying, along with financial and programme quality assurance. The global management group, which includes all regional directors, coordinates and monitors all activities. The commitment and efforts of the Swedish member organisations are essential elements of all We Effect's operations, from fundraising and advocacy to special aid initiatives, and also in board-related work.

The organisation is decentralised and decisions are made as close as possible to our development work on the ground. We Effect's local presence is one of the added values of the organisation as it promotes local ownership, effectiveness and sustainable development, and working based on local conditions. We Effect has regional offices around the world. There are also national offices in most of our focus countries.

We Effect's development activities are organised into five geographical regions:

- **Eastern Africa** encompassing Kenya, Tanzania and Uganda. The regional office is located in Nairobi, Kenya.
- **Southern Africa**, which includes Malawi, Mozambique, Zambia and Zimbabwe. The regional office is located in Lusaka, Zambia.
- **Latin America** encompassing El Salvador, Guatemala, Honduras, Bolivia and Colombia. The regional office is located in Guatemala City, Guatemala.
- **Europe** covering North Macedonia, Albania, Bosnia and Herzegovina, Kosovo and Moldova. The regional office is located in Skopje, North Macedonia.
- **Asia** encompassing the Philippines, Palestine and Sri Lanka. The regional office is located at our head office in Stockholm.

We Effect has special criteria that determine where the organisation works. Fundamental is that the organisation works in countries and areas where it can provide added value beyond just funding. The decisions are based on whether an initiative would be considered relevant to support and whether it has the potential to yield good results. Considerable poverty and injustice does not always mean that effective operations can be pursued that would lead to positive results. The Board of Directors decides on which countries We Effect should work in.

Collaboration with member organisations

In 2023, We Effect had 59 member organisations. Together, We Effect and the companies and organisations that make up the association's membership form a development cooperation organisation that is strongly rooted and enjoys extensive engagement in Swedish society. We Effect have a profound and extremely important partnership with the member organisations within the following areas:

- **Fundraising:** The fundraising activities of the member organisations are an important source of income for We Effect. The goal is for this fundraising to support the member organisations as well; for We Effect to remain relevant to their employees, customers and members, and to contribute to the member organisations' business activities.
- **Advocacy:** The member organisations are an important channel when informing the Swedish public about global conditions, development issues and We Effect's development cooperation activities. We Effect also works with them to strengthen Swedish support for development cooperation, and to get more people to take a stand to support a more just world.

Partnerships and networks

We Effect works with several international organisations and is a member of AgriCord, an international network of 12 development cooperatives working to strengthen farming and farmer organisations in developing countries through project funding, mainly from the EU. We Effect has a representative on the AgriCord Audit Committee and is also a member of the International Land Coalition (ILC), a global alliance of civil society and intergovernmental organisations working together to promote secure and equitable access to land. We Effect is also active in the International Cooperative Alliance (ICA), in particular in the European part of the organisation called Coops Europe, where nine development cooperatives promote joint advocacy work, exchange and study cooperative development. We Effect is also active in the EU-LAT network, which coordinates activities relating to human rights and monitors EU policies towards Latin America. In addition, We Effect is a member of the Association for Women's Rights in Development (AWID), which aims to strengthen individuals, organisations and international movements working to promote women's rights.

In Sweden, We Effect is represented on the board of Concord Sweden, the Swedish arm of a European network aiming to influence development cooperation policy in Sweden and the EU. We Effect's Secretary General is a co-opted member of the board of Co-operatives Sweden, an umbrella interest organisation for the cooperative business sector. We Effect is also active in the government-appointed FAO committee, Giva Sverige (the Swedish Fundraising Association), Föreningen Rikssamlingen (Children of the World) and Fairtrade Sweden.

OTHER NON-FINANCIAL INFORMATION

Split from Vi Agroforestry

We Effect and Vi Agroforestry, the *Vi planterar träd* fundraising foundation, have shared management and an administrative organisation in Sweden for almost 20 years. During summer of 2022, the board of Vi Agroforestry decided to separate from We Effect in order to develop its own organisation. The separation began in the autumn of 2022 and was completed in May 2023. Previously shared IT systems have been duplicated, and databases have been divided. From April, the organisations no longer share office space in Stockholm or Nairobi. The regional office also previously shared some administrative resources.

As a result of the separation, We Effect has ceased to forward Sida funds to Vi Agroforestry for aid activities in East Africa. Forwarding ceased at the end of 2022. In 2023, some joint reporting still remains to be done.

Code of Quality for fundraising organisations

We Effect is a member of Giva Sverige (the Swedish Fundraising Association), which is a collective body for Swedish fundraising organisations. Giva Sverige has developed a Code of Quality for ethical and professional governance of organisations, to which We Effect adheres. During the year, We Effect has further strengthened its work on quality assurance by guaranteeing transparent administrative systems and policies in all of its operations.

We Effect works continually to ensure that the organisation's methods and the level of quality in projects are consistent in all parts of the world. Compliance with the code has been monitored by an external auditor.

SUSTAINABILITY INFORMATION

We Effect actively works on environmental and sustainability issues in the regions together with its partner organisations, as well as internally at its national and regional offices and head office. We Effect's own offices work to minimise resource consumption and manage waste and residues in the best possible way. Digital working practices have reduced travel and increased collaborations, while also minimising climate impact. A travel policy provides guidances to when travel is appropriate, and digital meetings are always considered, both to reduce travel and costs, and also to increase inclusion. The procurement policy was updated during the year, and includes current and also previous requirements on products and suppliers regarding sustainability aspects.

SIGNIFICANT EVENTS DURING THE YEAR

Fundraising activities

Cooperation with the member organisations is evolving and deepening. This leads both to increased fundraising and higher visibility. Despite external factors, such as recession and high inflation with cost increases for businesses and individuals, raised funds have been maintained at a stable level. At the end of the year, a face-to-face campaign was conducted to increase the number of private monthly donors to the organisation. This work will continue as part of ongoing efforts to increase revenue.

In 2023, We Effect raised SEK 51 (51) million. We Effect's member organisations and other companies account for 41 per cent of the fundraising, the Swedish Postcode Lottery for 35 per cent, and private donors for 24 per cent.

Funding strategy and resource mobilisation

For operations both in Sweden and in the programme countries, high inflation, a weak Swedish krona and recession have negatively affected the budget's purchasing power. This has required a focus on both income and cost levels.

The funding strategy was revised during the year. We Effect has a large share of funding from the Swedish government via Sida CIVSAM and the Swedish embassies. The strategy for several years has been to diversify and increase financing, in order to spread the risks involved. The number of different financiers has increased.

During the year, work on resource mobilisation from institutional financiers was a high priority. Financing opportunities were relatively favourable in Southern Africa, but challenging in other regions. The five-year SEK 750 million Sida CIVSAM agreement was signed in February 2023. Other major funding agreements signed during the year were with the Swedish embassy in Colombia, the Swedish embassy in Mozambique, the Postcode Lottery's 'Dream' Project, Radiohjälpen for a project in Malawi, and an extension

agreement with Agricorn/IFAD for activities in Malawi and Kenya.

In Asia and Europe, there were fewer opportunities and application processes during the year, which led to a feasibility study in Europe to identify future funding opportunities specifically linked to the private sector. In Latin America, the funding situation was acute following the late rejection of the application to the embassy in Guatemala, leading to a strong focus on resource mobilisation and the need for increased support from head office throughout the year.

A lively and relevant 65-year-old

During the year, We Effect celebrated 65 years. A birthday party was organised at head office and, along with congratulations, several generous contributions were received from member organisations. The anniversary was also celebrated in the programme countries.

Opinion and advocacy

We Effect influences policy and public dialogue on development cooperation by delivering effective, politically relevant messages on food security, poverty and gender equality. The important role of global food systems in reducing hunger can easily be overshadowed by conflicts and acute crises. Therefore, it was an important step forward when in its budget bill for 2024, the government emphasised that efforts that "integrate livelihoods, climate adaptation and food security are increasingly important in the global transition to green economies". This was a great success for We Effect, which has been working for several years in favour of a text like this.

What many people were waiting for during the year was the government's promised development assistance reform agenda. We Effect has a long history of combining poverty alleviation and organisation with cooperative enterprise and economic development. With that experience behind it, We Effect continued to take a stand on the topical issue of how and when synergies can arise between trade and development assistance – which can be a challenging task at times. It was therefore gratifying when the new aid policy bore clear traces of We Effect's message, with the government emphasising that food security is important in relation to investments in trade and economic development in aid.

Later, the government matched this with a mandate to Sida to report on Sweden's work on the "catalytic potential" of global food systems and "synergies with other priority areas".

We Effect was part of the Swedish delegation when, after a two-year process, UN Member States agreed on the FAO voluntary guidelines on how to address gender equality in ensuring adequate nutritious food. It is a success and a labour victory that the guidelines are now in place, even though We Effect had hoped for a more ambitious document.

Suggestions for improvement raised by We Effect include the importance of cooperative organisation and the role cooperative innovation can play in ensuring equal and fair access to food.

Quality assurance and operational support

Efforts to streamline working methods in operational support continued in 2023. In particular, procedures linked to the financial system have been strengthened. A project involving finance staff and other employees in different parts of the organisation has been carried out to see how finance work can be organised more efficiently. Recommendations are in place and will be implemented from 2024 onwards.

Information and IT security work has been given higher priority. The global IT strategy has been revised and adopted for the period 2024–2028. A new IT operations provider has been procured, and IT operations and user support will be transferred in early 2024. A major cybersecurity programme has also been implemented, including the development of a continuity plan.

The main internal training has been Protection from Sexual Exploitation, Abuse and Harassment (PSEAH). Workshops have been organised at global induction days for new staff and at staff meetings in the regions. Work has also begun on updating the PSEAH policy, as well as on evaluating whistleblowing management systems within the framework of PSEAH. This process will be finalised in 2024. Furthermore, the gender equality policy and strategy are under revision and will be completed in 2024. This process encompasses all the organisation's work towards greater gender equality. The two processes are mutually supportive, and guidelines on what we mean by a Gender Transformative Approach, for example, will be part of the outcome.

Learning and sharing experiences across the global organisation are used

to strengthen our capacity to achieve results. As an example, experiences and results related to our method “Village Saving and Loans Associations a corner stone for women’s rights” were documented. In addition to internal learning, it creates an opportunity to showcase our work to stakeholders and financiers.

Smarter, Bolder, Stronger

Given the rapid changes in the world around us and the need to diversify our funding, We Effect needs to be innovative and adaptable. Under the slogan Smarter, Bolder, Stronger, a global effort was initiated with the aim of ensuring a sustainable, relevant organisation based on changing economic and political conditions. Several development and change initiatives have been implemented. In particular, the funding strategy has been revised and the methodology for cost sharing between financiers has been enhanced. The division of responsibilities between the three levels of the organisation – country, region and headquarters – has been reviewed and adjusted. Efforts continue towards the aim of becoming *one* We Effect.

To be sustainable and strong, the organisation’s finances need to be in balance. Declining revenues have meant that substantial cost savings in self-funded activities have been required. Running costs have been reviewed, purchased services reassessed, supplier contracts renegotiated or re-procured, and activities reprioritised. We Effect enters 2024 with a balanced budget.

Organisation and staffing

2023 has brought changes in ways of working, collaborations within the organisation, and means of organising employees. The organisation has changed gradually over the year.

Following the separation from Vi Agroforestry at headquarters and in East Africa, responsibilities and tasks were redistributed among the organisations’ personnel. A new organisation was negotiated under Sweden’s Co-Determination Act and adopted for head office in early summer. One consequence was that positions became broader with a more varied work content than before, while staff groups became smaller. The Press and Advocacy department was phased out, and staff were redeployed.

Both in Sweden and in We Effect’s operations in the regions, staff reductions and restructuring have been necessary. Overall, the number of positions has fallen by 11 per cent. The largest reduction is at head office, with 20 per cent fewer positions and also a number of redeployments. In autumn 2023, the new organisation was reviewed and negotiated. Departments were kept intact, units were merged or closed down, and the number of managers decreased. The new organisation applies from January 2024.

Not counting staff reductions, staff turnover has been normal. New International Director Linda Hammarberg took office in February 2023. Former International Director Andreas Dolk took up the position of Regional Director for Southern Africa.

Two global employee surveys were conducted during the year, revealing continued stable high results. The surveys confirm that We Effect has happy, engaged and healthy employees.

New programme period 2023–2027

We Effect reported on the completed programmes funded by Sida CIVSAM for the period 2018–2022. The report was approved and appreciated by Sida CIVSAM, and was an important step in summarising results and drawing lessons from all programmes.

A new five-year programme period began in 2023. Activities in the regions are extensive and diversified. A few brief outlines are used to represent examples of both successes and challenges over the past year.

International work

Operations in **Palestine** were successfully implemented as planned until October, despite escalating unrest in the West Bank. This support has led, among other things, to collaborations between small businesses and our partner organisations. Hamas’ brutal attack on a music festival in Israel on 7 October completely changed the situation. The Israeli counter-offensive in Gaza, and the government’s decision to freeze all aid to all partners operating in Palestine, has hit the population, our staff and our operations hard. The suffering is indescribable, and the uncertainty for staff on the ground

and for partner organisations is high. The aid freeze was followed by the Swedish government’s launch of a review of all activities funded by Sweden in Palestine. We Effect has provided all the requested information to the auditors, and was also one of the first organisations to resume some activities.

Europe has a regional programme. In **Albania**, for the first time municipal authorities have signed a climate adaptation plan. In the municipalities of Puka and Fushe Arrez, north-eastern Albania, the partner organisation AgroPuka, with the backing of We Effect, led the plan-signing process. Both municipalities are located in mountainous regions at altitudes above 800 metres, and represent a rural area with inhabitants mainly engaged in agriculture. The local adaptation plan centres around the impact of climate change on agriculture, forestry and water management, and focuses on identifying the vulnerability factors, envisioning the change they want to see, and guiding decision-makers when it comes to implementing prioritised actions. The plan is the result of the strong partnership between We Effect and the partner organisation, local authorities, businesses and civil society organisations in Albania.

In **Kosovo**, the partner organisation Kosovo Association of Milk Producers (KAMP) has worked methodically on advocacy with government officials to engage them in negotiations with key decision-making stakeholders at national level. The initiated activities and negotiations resulted in a government decision to allocate five million euros annually for earmarked subsidies for infrastructure improvements, equipment modernisation, and training programmes for dairy farmers. This is a three-fold increase in assets in the subsidies fund.

In **North Macedonia**, efforts to improve the socioeconomic status of rural women has been stepped up through leadership of the partner organisation National Federation of Farmers. The right to paid parental leave for registered female farmers was adopted by the North Macedonian government in 2023. The work involved women from all the Western Balkan countries. On Rural Women’s Day, 15 October, a meeting supported by We Effect and the German organisation Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) was organised, in which women agreed on a declaration of intent on cross-border cooperation. The declaration was signed by representatives from North Macedonia, Kosovo, Albania, Montenegro and Serbia in the presence of the President of North Macedonia, the Ambassadors of Sweden and Germany to North Macedonia, and 200 women from the above-mentioned countries.

The country programme in **Sri Lanka** includes 15 partner organisations. Together they reach over 300 cooperatives and work with local authorities for cooperative development. Objectives include reducing child labour on tea plantations and interventions such as the rehabilitation of natural water reservoirs, which in turn lead to larger and more abundant harvests, thus contributing to the development of cooperative enterprise in the agricultural product sector.

In **the Philippines**, the *Growing Together* country programme has included new partner organisations and a new strategy supporting farmers’ organisations, indigenous groups and housing cooperatives. Eleven partner organisations manage 15 projects in different parts of the country. One of the EU-funded projects being implemented supports indigenous communities in defending their land against large infrastructure projects. Another EU-funded project aims to create advocacy opportunities for human rights and democracy.

In 2023, two new programmes started in **Kenya, Tanzania and Uganda**. The *Livelihoods and Right to Food* programme focuses on outcomes such as a stronger civil society, sustainable livelihoods, increased resilience, equitable access to adequate housing, gender equality, and efficient and equitable food systems. Forty partner organisations in the countries take part in the programme.

We are particularly proud of the *Maggot That Loves Waste* project, as it is innovative and a so-called ‘dream project’ funded by the Postcode Lottery. In practice, the activity involves collecting residual waste at three markets in Meru, Kenya, and using the larvae of the soldier fly to convert the organic waste into valuable resources, such as fertiliser and animal and poultry feed. The sustainability outcomes and benefits are many: waste is managed, marketable resources are created, the ecosystem is supported, and young people and women are given an opportunity to earn their own income. The environment in the market will also be cleaner and healthier.

The *Innovative Finance for Improved Livelihood* conference was organised in Kenya and Uganda. It was an opportunity to learn from farmers' organisations involved in activities related to capacity building in financial systems, access to credit and faster payments to farmers. Whereas it previously took 120 days to pay farmers, thanks to the project farmers are now paid within two days. This increases creditworthiness and simplifies the process.

The member organisation 'the Stockholm Consumer Cooperative Society' and coffee cooperatives in the Mt. Rwenzori region of Uganda are partnering with Lykke Kaffegårdar to produce, distribute and sell a premium coffee. Two on-site study visits were made during the year. The exciting news is that the coffee produced by the farmers is available in selected Coop stores in Sweden under the UFO brand. The coffee project has engendered a lot of visibility. Amongst other things, debate articles have been published and a seminar has been organised. The project is one of seven that the Swedish government chose to present at the UN High-Level Political Forum on Sustainable Development (HLPF).

The East Africa region hosted two digital journeys during the year. One was carried out in cooperation with Sida and Läkarmissionen. The aim was to showcase both the activities and the methodology of how virtual journeys work. The second digital journey involved We Effect's member organisations. Both journeys engaged and interacted with coffee farmer Joseline Tuhaise and her husband Muthaganzwa Sanairi in **Uganda**. The results demonstrated how We Effect's support helps to improve smallholder farmers' livelihoods.

Zimbabwe also hosted a digital journey, when We Effect was honoured by a visit from Sweden's Crown Princess Victoria. It was a digital field visit to Chiundura in Zimbabwe. Judith Musvere and Lindiwe Mhandire from the partner organisation Women and Land Zimbabwe (WLZ) showed how they are working to increase their harvests despite climate change, and talked about how they are working together in the cooperative to improve their livelihoods.

According to the UN Economic Commission for Latin America and the Caribbean, more than half of women in **Central America** stop working to take on caring and family responsibilities. With this in mind, We Effect is working with other international organisations in a Central American network to promote care systems in Central America and build more equal communities, free from violence. In connection with International Day for the Elimination of Violence against Women, activities were organised centring on healthcare. The aim was to consider how the unequal distribution of care work reproduces violence and inequality against women, especially indigenous women farmers. In addition to putting care in focus and considering it as a right, the network has contributed to influencing public policy in order to promote the development of care policies and a legal framework that is conducive to social protection laws. Raising awareness and visibility are other results of the work.

For a week in February, We Effect's Secretary General Anna Tibblin and some members of the We Effect Board took part in a delegation trip to **Colombia**. Four Members of Parliament and representatives from the Church of Sweden were also on the trip. The visit resulted in the creation of a cross-party parliamentary network for Latin America, which organised a seminar on Colombia and a round table on Guatemala. The trip highlighted We Effect's achievements in the region and its close cooperation with local cooperatives. Implemented activities include a reintegration process for former soldiers to their original communities. We Effect, in partnership with 16 organisations, positively impacts local communities, contributes to the peace process and improves the lives of individuals.

In **Malawi**, one of the partner organisations is the Central Regional Milk Producers Association (CREMPA); the project being implemented is called the Malawi Dairy Value Chain project, which involves five local rural cooperatives. In particular, the project has helped to strengthen and expand the cooperatives. Membership has increased by over 25 per cent, and the monthly

amount of milk collected has increased by over 40 per cent, resulting in increased household income for members. In addition, the cooperative has diversified its activities to include feed production and improved animal health is a confirmed result. Behind the progress are several capacity-building initiatives launched within the project.

FINANCIAL POSITION AND PERFORMANCE

The result for the year after net financial items and earmarked funds amounted to SEK -20 million. We Effect is a non-profit organisation. The Board considers it important to have equity as a buffer to ensure the long-term survival of our operations at all times, and this year equity was needed to finance the transition to a new reality. Fund investments are recorded at cost. We Effect will maintain low risk in its financial investments, in accordance with the organisation's policy of consolidation and capital investment.

The Board proposes that the association's result be carried forward in its entirety.

Financing of operations

Total operating income in 2023 amounted to SEK 283 million. Donations from companies and individuals are an important element of financing, and totalled SEK 51 million. The public grants amounted to a total of SEK 217 million and grants from non-public organisations amounted to SEK 11 million.

We Effect is a strategic partner to Sida CIVSAM, and the majority of the financing comprises the framework grant of SEK 132 million.

Expenses for charitable activities

The volume of expenses for charitable activities was SEK 266 million, including forwarded grants. Africa receives the highest proportion of financial support, at 45 per cent. Support to Latin America accounts for 19 per cent, Asia for 17 per cent and Europe for 6 per cent, and globally 2 per cent. The advocacy activities and other expenses for charitable activities in Sweden amounts to 11 per cent.

Expected future development and significant events after the end of the year

At the end of 2023, funding for a two-year programme in Mozambique totalising SEK 76 million was agreed.

The Swedish government adopted a new strategy for support to civil society (CSO strategy) in February 2024. One of the consequences is that the system of strategic partner organisations to Sida, of which We Effect is one, will be reviewed and opened up to broader participation. We have been informed verbally that our current contract will be terminated early, on 31 December 2024.

It will be possible to apply for new funds from 1 January 2025, but it is not yet known what the application process will look like.

The level of own contribution in development cooperation programmes will increase from the current 10 per cent to 15 per cent in 2025, which will increase the requirement to have a growing fundraising income and greater breadth in funding. The CSO strategy is a one-year strategy, signalling that further changes to development cooperation may be on the way. In the coming year, Sida will revise a number of country strategies.

As part of the above changes, We Effect's Board of Directors has decided to consolidate operations and reduce the number of focus countries. By the end of 2025 at the latest, operations in the Philippines and Sri Lanka will be phased out.

In March 2024, aid to the West Bank, Palestine resumed, but we do not yet know how this will impact We Effect. Scenario planning has been carried out for activities in Palestine.

Five-year comparison, SEK thousand

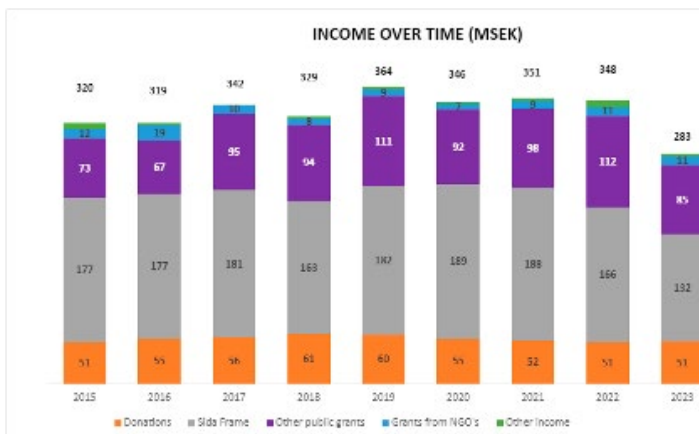
	2023	2022	2021	2020	2019
Income	282,666	347,952	350,559	346,443	364,471
Expenses for charitable activities	265,547	321,918	307,285	301,745	331,460
Result for the year	-20,445	-7,125	17,208	19,194	1,546
Number of employees	169	187	199	205	225

ANNUAL ACCOUNTS

Income statement

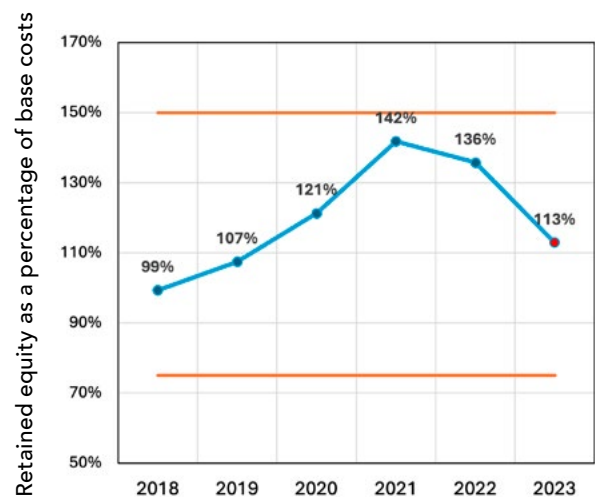
	Note	2023	2022
OPERATING INCOME			
Donations	3	50,931,858	50,710,213
Grants		228,370,379	289,320,025
Other operating income	4	3,363,501	7,921,302
		282,665,738	347,951,540
Operating expenses			
Expenses for charitable activities	5	-265,547,210	-321,917,664
Administrative expenses	6	-28,644,804	-21,801,796
Fundraising expenses	7	-10,202,154	-11,459,758
		-304,394,168	-355,179,218
Operating result		- 21,728,430	- 7,227,678
Result from financial items			
Earnings from securities and receivables accounted for as non-current assets	8	818,040	254,842
Other interest income and similar profit/loss items	9	1,508,229	8,534
Interest expenses and similar profit/loss items	10	-1,035,875	-160,597
		1,290,394	102,779
Result after financial items		-20,438,036	-7,124,899
Tax on result for the year		-7,000	0
Result for the year		-20,445,036	-7,124,898

Income over time (SEK m)



- Other income
- Grants from NGOs
- Grants from government organisations
- Sida framework grant
- Donations

Consolidation targets



- Upper consolidation target
- Retained equity as a percentage of base costs
- Lower consolidation target

The internal consolidation target is for the retained equity to be between 75 and 150 per cent of the total base costs, which comprise administrative, fundraising and communication expenses, and 10 per cent of expenses for charitable activities. This leaves a sufficient level of reserves in place to wind down activities in a responsible manner if the conditions for fundraising and grants significantly change for the worse.

Balance sheet

	Note	2023	2022
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalised expenditure for software	11	947,668	1,895,337
		947,668	1,895,337
<i>Property, plant and equipment</i>			
Land and buildings	12	1,742,527	2,075,522
Equipment, tools and installations	13	286,430	571,762
		2,028,957	2,647,284
<i>Financial assets</i>			
Financial assets	14	42,124,413	39,098,689
		42,124,413	39,098,689
Total non-current assets		45,101,038	43,641,310
Current assets			
<i>Current receivables</i>			
Accounts receivable		53,849	973,552
Other receivables	15	23,420,747	11,937,771
Prepaid expenses and accrued income	16	5,232,923	2,705,351
		28,707,519	15,616,674
<i>Cash and bank</i>			
		126,209,392	164,251,311
Total current assets		154,916,911	179,867,985
TOTAL ASSETS		200,017,949	223,509,295
	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Retained equity		86,280,053	106,725,088
Earmarked funds		7,207,500	7,207,500
Total equity		93,487,553	113,932,588
Provisions			
	17		
Other provisions for pensions and similar obligations		0	436,187
Other provisions		843,639	815,361
Total provisions		843,639	1,251,548
Current liabilities			
Accounts payable		7,003,703	2,581,797
Income tax liabilities		2,034,286	0
Liabilities, grants received not utilised	18	82,529,129	71,030,798
Other liabilities	19	1,603,097	21,982,618
Accrued expenses and deferred income	20	12,516,542	12,729,946
Total current liabilities		105,686,757	108,325,159
TOTAL EQUITY AND LIABILITIES		200,017,949	223,509,295

Statement of change in equity

	Earmarked funds	Retained equity	Result for the year	Total equity
Opening equity, 1 Jan 2023	7,207,500	113,849,986	-7,124,898	113,932,588
Transfer of previous year's result		-7,124,898	7,124,898	0
Result for the year	-	-	-20,445,036	-20,445,036
Total comprehensive income	-	-7,124,898	-13,320,138	-20,445,036
Closing equity, 31 Dec 2023	7,207,500	106,725,088	-20,445,036	93,487,552

Cash flow statement

	2023	2022
Operating activities		
Result after financial items	-20,438,035	-7,124,898
Adjustments for non-cash items	1,151,086	2,196,017
Cash flow from operating activities before changes in working capital	-19,286,949	-4,928,881
Changes in working capital		
Change in current receivables	-13,090,845	2,495,686
Change in current liabilities	-2,638,401	8,431,155
Cash flow from operating activities	-35,016,195	5,997,960
Investing activities		
Investments in financial assets	-8,837,817	-10,040,384
Sale of financial assets	5,812,093	11,999,027
Cash flow from investing activities	-3,025,724	1,958,643
Cash flow for the year	-38,041,919	7,956,603
Cash and cash equivalents at the beginning of the year	164,251,311	156,294,708
Cash and cash equivalents at the end of the year	126,209,392	164,251,311

NOTES

with accounting policies and supplementary information

All amounts are in SEK unless otherwise stated. Information in parentheses refers to the previous year.

NOTE 1 Accounting policies and valuation methods

This annual report has been drawn up in accordance with the Swedish Annual Accounts Act, the Swedish Accounting Standards Board's BFNAR 2012:1 (K3) and Giva Sverige's Guidelines for annual reports.

Recognising income

Operating income

Only the inflow of economic benefits that the association has received or will receive for itself is recognised as income. Unless stated otherwise below, income is measured at the fair value of what has been received or will be received. Below is a description of when income is recognised for each income item.

Donations and grants

A transaction in which the association is given an asset or service that has a value without giving back the equivalent value in exchange is a donation or received grant. If the asset or service is received because the association has met or will meet certain conditions and the association has an obligation to repay the counterparty if the conditions are not met, it is a received grant. If not, it is a donation.

Donations

Donations are generally recognised as income when they are received. As regards donations in the form of equities, real estate and art that the association intends to sell on, the income is recognised when the donation is made. A donation entered as income is recognised as either an asset or cost, depending on whether or not the donation is used immediately. Donations that the association intends to put to continuous use in the operation are recognised as non-current assets. Other donations, which are not used, are recognised as current assets. As a general rule donations are measured at fair value.

Grants

Grants are recognised as income when the conditions for receiving the grant have been met. Received grants are recognised as liabilities until the conditions for receiving the grant have been met. Grants received to cover particular costs (e.g. for administration) are recognised in the same financial year as the cost that the grant is intended to cover. Received grants are measured at the fair value of the asset that the association has received or will receive.

Net sales

Income from the sale of goods and services is usually recognised at the time of sale.

Other income

In most cases, other income is a non-recurring item, such as a capital gain from the sale of real estate, damages received or insurance compensation received.

Leases

All of the association's leases are operating leases, meaning that the lease payment is recognised on a straight-line basis over the term of the lease.

Recognition of costs

Operating costs mainly comprise expenses for charitable activities, fund-raising expenses and administrative expenses. Other expenses derive from costs for the ongoing maintenance of non-current assets abroad. Expenses for charitable activities comprise costs attributed to the organisation's mission according to its statutes. They encompass approved project expenses for development activities and costs that arise as a direct result of an activity within the association's remit, including costs for monitoring, reporting and local audits.

Expenses for charitable activities also include costs relating to advocacy as well as highlighting the association's work in accordance with the association's mission as set out in the statutes. Fundraising expenses comprise costs attributed to work to raise money in the form of donations and grants from donors.

They include costs for fundraising materials, advertisements, donor registers, fundraising campaigns and mailings. Administrative expenses include central functions such as IT, Finance, HR, administrative systems and audit expenses.

Joint costs, such as IT equipment for employees, premises rental and insurance, are allocated based on the number of employees per department.

Remuneration to employees

Ongoing remuneration to employees in the form of salaries, social security contributions and similar are expensed as employees carry out the services required. Plans for remuneration after termination of employment are classified as defined benefit plans and the simplification rules stated in BFNAR 2012:1 are applied. Pension obligations have been secured through a transfer of funds to a pension fund. In cases where the pension fund falls short of the obligation, a provision is recognised. In cases where the pension fund exceeds the obligation, no asset is recognised. Remuneration upon termination of employment is only recognised as a liability and cost when the company has a legal or constructive obligation to terminate an employee's employment before the normal termination date.

Valuation methods

Assets, liabilities and provisions are measured at cost unless otherwise stated below. Receivables have been stated, after individual valuation, at the amounts that are expected to be received. Receivables and liabilities in foreign currencies have been revalued at the closing day rate.

Intangible assets

Intangible assets are measured at cost less any accumulated amortisation and impairment losses. Amortisation is carried out on a straight-line basis across the asset's estimated useful life. The following amortisation periods are used:

Intangible assets: 3 years

Property, plant and equipment

Property, plant and equipment abroad that are classified as equipment and exceed a price base amount are recognised as equipment. The purchases are deemed to be financed through grants and the grants decrease the cost of the non-current assets. Property, plant and equipment are recognised as an asset in the balance sheet when it is probable, on the basis of the information available, that the future economic benefit associated with the holding will accrue to the organisation and the cost of the asset can be reliably calculated.

Property, plant and equipment are systematically depreciated over the asset's estimated useful life. Every non-current asset is measured as an asset. Non-current assets in the form of land and buildings abroad have not been divided into components because they are deemed to have the same useful life. When the assets' depreciable amount is determined, the asset's residual value is observed where appropriate. A straight-line depreciation method is used.

The following depreciation periods are used:

Land	No depreciation
Buildings abroad	20 years
Equipment	5 years
Intangible assets	3 years

Impairment only occurs when a decrease in value is deemed to be permanent.

Financial assets

Long-term interest-bearing assets are measured at amortised cost less any impairment losses. All assets held to diversify risk are considered to be part of a securities portfolio and viewed as one item when valued at the lower of cost or market value, and for impairment testing. Impairment occurs if the market value for the whole portfolio is less than its cost and the decrease in value is deemed to be permanent.

Accounts receivable are valued individually at the amounts expected to be received. Receivables and liabilities in foreign currencies are revalued at the closing day rate.

Earmarked funds

Donations that have not yet been utilised and other earmarked funds are recognised as earmarked funds in equity.

Provisions

A provision is recognised when the association has obligations that relate to the financial year or previous financial years and that, on the balance sheet date, are certain or probable as to their existence but uncertain as to the amount or date required to settle the obligation. Provisions are measured at the best estimate of the amount that will have to be paid.

Cash flow statement

The cash flow statement has been prepared using the indirect method and shows the association's inbound and outbound payments divided into operating activities and investing activities. The reported cash flow includes only transactions involving inbound or outbound payments. Cash and cash equivalents comprise cash as well as balances available at banks and other credit institutions.

Contingent liabilities

A contingent liability is recognised when there is:

- an existing obligation that originates from actual events but is not recognised as a liability or provision because it is not likely that an outflow of resources will be required or because the size of the commitment cannot be calculated with sufficient reliability, or
- a possible obligation that originates from actual events and the existence of which will only be confirmed by one or more uncertain events in the future.

Revaluation of foreign currencies

Receivables and liabilities in foreign currencies are revalued at the closing day rate, i.e. the exchange rate on the balance sheet date. The income statement is revalued at the average exchange rate during the year.

Income tax

The association is exempt from income tax on its non-profit activities because it meets the requirements for a public service in accordance with tax legislation.

Insofar as the association conducts business activity, the main rule is that the business activity is taxable. Business activity can be exempt from tax if it has a natural connection to the public service purpose or is a time-honoured source of financing. Business activity that is normally taxable may also be exempt from taxation in certain cases if the main principle applies.

NOTE 2 Accounting estimates

We Effect makes estimates and assessments about future development. By definition, the resulting accounting estimates will rarely correspond to the actual outcome.

NOTE 3 Fundraising

Donations recognised in the income statement	2023	2022
Individual donors	12,168,730	12,370,710
Folksam	1,215,026	2,076,100
HSB and affiliated associations	2,419,223	2,227,380
KF, Coop and consumer associations	10,257,674	7,700,519
Lantmännen	1,055,015	1,061,409
Federation of Swedish Farmers	2,657,260	3,605,432
OK economic association	277,536	371,065
Swedish Postcode Lottery	18,000,000	18,000,000
Riksbyggen	2,090,123	2,376,828
Swedbank	500,000	500,000
Other fundraising companies	291,271	420,770
Total donations	50,931,858	50,710,213

The above amounts include a dividend of SEK 45,943 (50,044) from Humanfond.

Grants recognised as income	2023	2022
Funds raised, non-public grants		
Radiohjälpen	2,314,247	4,826,310
Forum Civ	2,556,352	2,635,293
Church of Sweden	4,475,758	3,324,623
Food and Agriculture Organization (FAO)	0	229,227
Swedish Postcode Lottery, special projects	97,251	0
Coca Cola Foundation	1,249,172	248,914
Other donors	292,820	0
Total funds raised, non-public grants	10,985,600	11,264,367

Grants from government organisations, public grants	2023	2022
Sida CIVSAM	132,441,619	165,933,712
EU	20,943,408	29,476,079
Sida embassies	52,772,454	70,794,786
Sida, own contribution EU projects	4,299,790	6,396,031
Sida, information grants	348,938	1,510,634
AgriCord	6,578,570	3,944,416
Total public grants from government organisations	217,384,779	278,055,658

Total grants and public grants recognised in the income statement	2023	2022
Total fundraising comprises the following	2023	2022
Donations recognised in the income statement	50,931,858	50,710,213
Non-public grants recognised in the income statement	10,985,600	11,264,367
Total funds raised	61,917,458	61,974,580

NOTE 4 Other operating income

	2023	2022
Local income abroad	1,676,465	947,364
Pension refund	0	2,432,661
Other income	1,687,036	4,541,277
Total other operating income	3,363,501	7,921,302

NOTE 5 Personnel costs

Average number of employees	2023	2022
Sweden	37	34
Region Europe	13	15
Region Asia	22	28
Region Latin America	33	41
Region Southern Africa	39	43
Region Eastern Africa	25	26
Total employees	169	187

	2023	2022
Men	67	70
Women	102	117
Total average number of employees	169	187

The average number of employees does not include employees who received remuneration less than one half price base amount SEK 26,250 (24,150). This reporting is supported by BFNAR 2006:11.

2022 figures for the average number of employees for the regions Latin America and Southern Africa have been adjusted because the number was incorrectly calculated, which does not make the figures comparable between years or reasonable in relation to each other. From 2023, the average number of employees is counted in the same way throughout the organisation.

Salaries and other remuneration	2023	2022
Service in Sweden		
Salaries and remuneration	21,281,900	20,312,290
Payroll overheads	17,189,251	9,833,879
Total service in Sweden	38,471,152	30,146,169

The total for salaries and payroll overheads for service in Sweden amounts to SEK 38,471,152 (30,146,169), of which pension costs total SEK 8,392,231 (2,875,573) in 2023.

For 2023, pension costs have increased significantly as the organisation has a pension solution based on estimated future payments, known as a defined benefit pension plan. The pension liability is determined by calculating the present value of future pension obligations, plus a guarantee buffer. The primary reason for this increased cost is the high inflation rate, which then leads to an increase in the provision for future pension payments. The increased cost, including special payroll tax, for 2023 is SEK 7 million.

Service abroad	2023	2022
Region Asia	10,096,816	8,659,501
Region Europe	4,789,501	4,399,533
Region Southern Africa	19,359,124	17,966,942
Region Latin America	15,054,027	17,894,236
Region Eastern Africa	9,818,990	10,614,909
Total service abroad	59,118,458	59,535,121
Total salaries and remuneration	97,589,610	89,681,291

The association's activities are based to some extent on volunteer work. The total number of volunteer hours amounts to 490 (0) in 2023, as we had the benefit of an additional full-time resource for about 13 weeks.

Pension expenses and other social security contributions

Pension obligations are secured via a fund at Folksam (KP Pension & Försäkring). Pension payments from the fund during the year amounted to SEK 4,742,365 (4,201,444). The present value of the obligations covered by the fund amounted to SEK 76,108,918 (70,572,226) on the balance sheet date. The balance in the association's portion of the fund exceeds the pension liability by SEK 2,428,035 (996,401). In accordance with an agreement with PRI Pensionsgaranti, the pension obligations have been secured via credit value insurance up to and including 31 December 2023. As a special insurance condition, the pension fund must have an over-consolidation reserve, a minimum of 120 (120) per cent of the liability.

The Board and senior executives

Salaries and remuneration, and pension costs include costs for the Secretary General. Salaries and remuneration total SEK 1,205,210 (1,130,179). Pension costs, including statutory taxes amount to SEK 946,941 (742,686).

The Secretary General has the following conditions of employment: mutual notice period of six months; in the event of notice being given by the employer, severance pay corresponding to six months' salary is paid.

No remuneration is paid to the Board. Outstanding pension obligations to the Board amount to SEK 0 (0).

There were no transactions with Board members, senior executives or key individuals. The association enjoys a close partnership with its member organisations, which assist with advice in their respective areas of activity.

Gender balance of Board members and senior executives	2023	2022
Board members on balance sheet date		
Women	5	5
Men	4	5
Total Board members on balance sheet date	9	10
Secretary General		
Women	1	1
Total Secretary General	1	1

NOTE 6 Expenses for charitable activities

Region Eastern Africa	2023	2022
Kenya	5,180,882	10,620,912
Regional projects in Eastern Africa	13,746,617	16,468,291
Vi Agroforestry, forwarded grants	1,537,184	19,673,734
Tanzania	10,144,062	10,315,710
Uganda	9,820,934	8,630,531
Region Southern Africa		
Malawi	9,723,353	9,682,199
Regional projects in Southern Africa	8,526,371	9,715,242
Mozambique	13,112,534	29,464,495
Zimbabwe	28,229,772	28,932,845
Zambia	18,418,527	19,363,760
Region Latin America		
Regional projects in Latin America	11,390,135	11,491,857
Bolivia	7,822,789	7,448,496
Colombia	11,617,326	8,265,545
El Salvador	5,740,328	9,170,555
Guatemala	6,143,255	16,505,591
Honduras	7,240,626	8,833,380
Region Asia		
Regional projects in Asia	2,542,519	1,960,064
Palestine	20,394,192	29,411,533
Philippines	12,328,128	9,375,672
Sri Lanka	10,919,095	7,921,489
Region Europe		
Regional projects in Europe	5,935,261	5,508,732
Albania	3,292,402	2,352,242
Bosnia-Herzegovina	1,050,144	1,291,297
Kosovo	965,886	510,985
Macedonia	3,128,075	5,751,600
Moldova	1,986,677	2,316,259
Global		
The global programme	5,728,136	5,944,571
Total project expenses	236,665,210	296,927,587

Other projects etc.

Other projects etc.

Advocacy activities in Sweden	12,287,380	14,636,259
International Department	5,864,869	5,169,301
Other projects	10,729,751	5,184,517
Total expenses for charitable activities	265,547,210	321,917,664

NOTE 7 Operating leases

Future lease payments are due as follows:	2023	2022
Due for payment within 1 year	3,908,373	4,210,793
Due for payment in 1-5 years	7,681,524	11,425,113
Total	11,589,897	15,635,906

Future lease costs refer to premise. A new lease for premises was signed in 2018 for 2019–2026. Expensed lease payments in the income statement amount to SEK 4,219,479 (4,145,988).

Information as lessor:	2023	2022
Due for payment within 1 year	-	257,696
Due for payment in 1-5 years	-	-
Total	-	257,696

The organisation leased some of its premises as well as IT equipment to the *Vi planterar träd* fundraising foundation (Vi Agroforestry) during the first four months of the year.

NOTE 8 Earnings from securities and receivables accounted for as non-current assets

	2023	2022
Capital gains and other income	818,040	254,842
Total	818,040	254,842

NOTE 9 Other interest income and similar profit/loss items

	2023	2022
Interest income	246,838	8,534
Exchange rate differences and other financial income	1,261,391	-
Total	1,508,229	8,534

The increase in interest income is mainly due to higher interest on deposits than in the previous year and a larger balance on interest-bearing accounts.

As regards exchange rate differences, the differences related to the organisation's foreign currency bank accounts were classified as expenses for charitable activities in 2022, but are included as a financial income/expense in 2023, which explains the large difference between years.

NOTE 10 Interest expense and similar profit/loss items

	2023	2022
Other interest expenses	1,673	160,597
Exchange rate differences and other financial expenses	1,034,202	0
Total	1,035,875	160,597

A change in the classification of expenses for charitable activities, whereby exchange rate losses linked to revaluation of the organisation's bank accounts were recognised as expenses for charitable activities in 2022, but as a financial expense in 2023, explains the major difference between the years.

NOTE 11 Intangible assets

	2023	2022
Opening cost	4,988,855	4,988,855
Closing accumulated cost	4,988,855	4,988,855
Opening amortisation	-3,093,518	-2,145,850
Amortisation for the year	-947,699	-947,698
Closing accumulated depreciation	-4,041,187	-3,093,518
Closing carrying amount	947,668	1,895,337

NOTE 12 Land and buildings

	2023	2022
Opening cost	6,659,894	7,312,167
Sales/disposals	-	-652,273
Closing accumulated cost	6,659,894	6,659,894
Opening depreciation	-4,584,373	-4,903,651
Sales/disposals	-	652,273
Depreciation for the year	-332,994	-365,602
Closing accumulated depreciation	-4,917,367	-4,584,372
Closing carrying amount	1,742,527	2,075,522

Land and buildings abroad comprise the association's own offices in Guatemala, Honduras and Kenya.

NOTE 13 Equipment

	2023	2022
Opening cost	1,426,900	1,426,900
Closing accumulated cost	1,426,900	1,426,900
Opening depreciation	-855,138	-569,666
Depreciation for the year	-285,332	-285,472
Closing accumulated depreciation	-1,140,470	-855,138
Closing carrying amount	286,430	571,762

NOTE 14 Securities holdings

Securities holdings	Cost	Market value on closing day
Securities held as non-current assets		
Discretionary management	42,124,413	41,925,573
Change in securities held as non-current assets	2023	2022
Opening accumulated cost	39,098,689	41,057,332
Investments	8,837,817	10,040,384
Disposals	-5,812,093	-11,999,027
Closing accumulated cost	42,124,413	39,098,689
Closing book value	42,124,413	39,098,689

The securities portfolio shall be measured in accordance with the accounting policies at the lower of amortised cost and market value on the balance sheet date. As the downturn in the portfolio is not deemed to be either permanent or of significant value, the portfolio has not been written down to the market value.

The portfolio, which is managed by Swedbank, includes funds and securities. Re-allocation takes place within specified parameters based on the 'Policy for consolidation and capital investments'.

NOTE 15 Other receivables

	2023	2022
Receivables – Partner organisations abroad	7,960,127	8,310,950
Receivables – Donors	12,641,536	2,546,650
Other receivables	2,819,084	1,080,171
Total	23,420,747	11,937,771

NOTE 16 Prepaid expenses and accrued income

	2023	2022
Prepaid rent	958,688	913,423
Accrued income	3,434,475	559,908
Prepaid expenses including the regions	839,760	1,232,020
Total	5,232,923	2,705,351

NOTE 17 Provisions

	2023	2022
Provisions, commitments abroad	198,485	436,187
Other provisions	645,154	815,361
Total	843,639	1,251,548

Provisions abroad consist of legally required accrued salaries for locally employed personnel in regions. Other provisions mainly relate to reserves for ongoing disputes.

NOTE 18 Liability received, unutilised grants

Specification of liability received, unutilised grants	2023	2022
Sida CIVSAM	18,077,074	996,962
Sida Info	0	141,939
Sida embassies	42,629,816	40,089,626
Sida, own contribution EU projects	1,324,199	5,623,989
EU	6,663,117	16,725,006
Radiohjälpen	4,524,232	4,167,943
Postcode Lottery (Dream Project)	7,717,749	0
Other	1,592,942	3,285,333
Total	82,529,129	71,030,798

Liabilities to development cooperation donors arise when the grant has been received but the activities are yet to be carried out.

NOTE 19 Other liabilities

	2023	2022
Liabilities, non-forwarded grants	0	18,923,457
Other liabilities	1,603,097	2,553,891
Closing liability	1,603,097	21,477,348

The difference in other liabilities between years mainly and almost exclusively comprises grants received in 2022 that had not been paid to the *Vi planterar träd* organisation/*Vi Agroforestry* on the balance sheet date of that year. The payment of these liabilities was made at the beginning of 2023, and therefore the liability to the organisation no longer exists on the balance sheet date of 2023.

NOTE 20 Accrued expenses and deferred income

	2023	2022
Other items	886,879	2,004,244
Holiday pay	2,379,536	2,403,650
Accrued social security contributions	663,299	1,327,725
The regions	8,586,830	6,994,326
Total	12,516,544	12,729,945

NOTE 21 Contingent liabilities and pledged assets

	2023	2022
Pension commitment	1,522,178	1,411,445
Bank guarantee	1,210,300	1,210,300
	2,732,478	2,621,745

NOTE 22 Significant events after the end of the financial year

As mentioned in the Directors' Report, at the end of 2023 funding for a two-year programme in Mozambique totalling SEK 76 million was agreed.

The Swedish government adopted a new strategy for support to civil society (CSO strategy) in February 2024. One of the consequences is that the system of strategic partner organisations to Sida, of which We Effect is one, will be reviewed and opened up to broader participation. We have been informed verbally that our current contract will be terminated early, on 31 December 2024. It will be possible to apply for new funds from 1 January 2025, but it is not yet known what the application process will look like.

The level of own contribution in development cooperation programmes will increase from the current 10 per cent to 15 per cent in 2025, which will increase the requirement to have a growing fundraising income and greater breadth in funding. The CSO strategy is a one-year strategy, signalling that further changes to development cooperation may be on the way. In the coming year, Sida will revise a number of country strategies.

As part of the above changes, We Effect's Board of Directors has decided to consolidate operations and reduce the number of focus countries. By the end of 2025 at the latest, operations in the Philippines and Sri Lanka will be phased out.

In March 2024, aid to the West Bank, Palestine resumed, but we do not yet know how this will impact We Effect. Scenario planning has been carried out for activities in Palestine.

AUDITOR'S REPORT

To the Annual General Meeting of We Effect, corp. ID no. 802004-1524

REPORT ON THE ANNUAL ACCOUNTS

Opinions

We have audited the annual accounts of We Effect for the year 2023.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the association as of 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Responsibilities of the Authorised Public Accountant* and *Elected auditor's responsibility* sections.

We are independent of the association in accordance with professional ethics for accountants in Sweden. As an authorised public accountant, I have fulfilled my ethical responsibilities in accordance with these requirements.

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

Information other than the annual accounts

The other information consists of the 2023 annual report, which we obtained prior to the date of this auditor's report. The Board of Directors and the Secretary General are responsible for the other information. Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Secretary General

The Board of Directors and the Secretary General are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board and Secretary General are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Secretary General are responsible for the assessment of the association's ability to continue as a going concern. They disclose, when applicable, matters related to continuing as a going concern and using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and Secretary General intend to dissolve the association, to cease operations, or have no realistic alternative but to do so.

Responsibilities of the Authorised Public Accountant

I have to conduct the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My objectives are to obtain reasonable assurance about whether the annual

accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of the association's internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control.
- evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Secretary General.
- conclude on the appropriateness of the Board of Directors' and Secretary General's use of the going concern basis of accounting in preparing the annual accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts regarding the material uncertainty factor or, if such disclosures are inadequate, to modify my opinion about the annual accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or circumstances may cause the association to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

I must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

Elected auditor's responsibility

I have to conduct an audit in accordance with the Auditing Act and thereby in accordance with generally accepted auditing standards in Sweden. My objective is to obtain reasonable assurance as to whether the annual accounts have been prepared in accordance with the Annual Accounts Act and give a fair presentation of the financial performance and position of the association.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of We Effect for the year 2023 and the proposed appropriations of the association's profit or loss.

We recommend to the general meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Secretary General be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's responsibility* section. We are independent of the association in accordance with professional ethics for accountants in Sweden. As an authorised public accountant, I have otherwise fulfilled my ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and Secretary General

The Board of Directors and the Secretary General are responsible for the administration, and the Board of Directors is responsible for the proposal for appropriations of the association's profit or loss.

Auditors' responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to

assess with a reasonable degree of assurance whether any member of the Board of Directors or the Secretary General in any material respect has undertaken any action or been guilty of any omission which can give rise to liability for the association.

Our objective concerning the audit of the proposed appropriations of the association's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the association.

As part of an audit in accordance with generally accepted auditing standards in Sweden, the authorised public accountant exercises professional judgement and maintains professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the association's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on the authorised public accountant's professional judgement and the judgement of other elected auditors with a starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations or violations would have particular importance for the association's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion.

Stockholm, the date of our electronic signature

Ann Charlott Folkesson
Chairman

Helen Persson
Vice President

Erica Lundgren
Member of the Board

Anders Dahlquist-Sjöberg
Member of the Board

Anna Carlström
Member of the Board

Johan Nyhus
Member of the Board

Lina Öien
Member of the Board

Ola Fernvall
Member of the Board

Anna Tibblin
Secretary General

Our auditor's report was submitted on the date indicated by our electronic signature Öhrlings Pricewaterhousecoopers AB

Stockholm, 6 May 2024

Öhrlings PricewaterhouseCoopers AB
Cecilia Luther
Authorised Public Accountant

Hans Eklund
Elected auditor

Your support is needed to eradicate hunger and poverty!

The UN's global goal is for poverty to be eradicated by 2030. If this is to happen, we all need to help. We know that our development method – help to self-help – works and we are continuing to work for the world's poor. We hope you will join us.

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By donating regularly you can help bring about lasting change.

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SUPPORT US AS A CORPORATE PARTNER

You can support our activities by becoming a corporate partner. Go to weeffect.se/foretag to see our various offers.

INFLUENCE OTHERS

By reading and distributing our reports and campaigns, you can help more people learn about our way of reducing poverty, by contributing to self-help.

Read more about what we do and what you can do at weeffect.se and follow us on social media.



PO Box 11148 | Postal address: SE-100 61 Stockholm | Visiting address: Östgötagatan 90
Fundraising: Postal giro 90 10 01-8 | Bank giro 901-0018 | info@weeffect.se | www.weeffect.se