

Annual Report 2018



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0. Introduction



2018 was the first complete year that our operations have been branded as Rikolto. It was also the first year that the interrelationships between poverty, inequality, healthy nutrition, climate change and sustainability were so clearly and visibly evident in our programmes. Our global endorsement of the Sustainable Development Goals framework plays an important part in this progress.

At Rikolto, more than ever before, we have been addressing these interconnected challenges in an integrated manner, gradually adopting an approach to tackle them from a system perspective. In 2018 we saw growing evidence that we can have a positive impact on how commodity sectors transform into resilient multi-stakeholder platforms,

guaranteeing long-term wins for farmers, consumers and other stakeholders involved. Ultimately, that is what we are seeking to achieve: long-lasting positive changes that impact on people and planet, without the situation reverting to how things used to be when our support eventually stops.

I hope you enjoy reading our annual report and that it inspires you to take up the challenge to create a healthier and fairer planet.

Chris Claes
Executive Director
Rikolto International

Scope of the report

This annual and sustainability report covers the calendar year 2018 and is published on our website after approval by the International Board of Directors on the 7th of June 2019. We report on all 15 countries where Rikolto is active (in Africa, Latin America and Asia, and in Belgium). The financial section includes the figures of both Rikolto Belgium v.z.w. and Rikolto International s.o.n.

Global Reporting Initiative

This annual report is drafted in accordance with GRI, the Global Reporting Initiative, sustainability standards. We follow the tailored guidelines of the GRI Sector Supplement for NGOs, which are based on the INGO Accountability Charter. The complete overview of all GRI indicators is included at the end of this report (appendix 6).

1. Rikolto programme

How can we guarantee that future generations retain access to affordable, quality food? Ensuring global food security will be the defining challenge of our lifetime. At the moment, small-scale farmers produce 70% of all the food in the world. If we do not appropriately include them in food markets and, in doing so, improve their social and economic position, it will be impossible to achieve global change. Change on a global scale demands that food systems become more inclusive and offer value to all parties in the food chain.

Rikolto is ready to meet this challenge, and fully subscribes to the global Sustainable Development Goals. We have decided on three strategic priorities:

- We empower farmers' groups to become solid business partners and to implement climate-friendly practices.
- We connect farmers with innovators in the food industry to explore new ways of doing business and effecting change.
- We develop new mechanisms to encourage trust and transparency throughout the food sector, enabling consumers to make future-proof choices.

In every aspect of our work, we pay special attention to the empowerment of women and young people.

1.1 The Rikolto network

Last year, **Rikolto financially supported 88 organisations** in 14 countries in Africa, Asia and Latin America. Of these, 62% were farmer organisations, while the remaining 38% were local NGOs and commodity platforms.

Since we operate in food systems, we also work closely with different national and local government institutions, research institutes, investors and social lenders, and include private companies in our programme interventions. None of these companies receive any funding.

Overview of commodities

Central America: vegetables, cocoa, coffee

South America: vegetables, cocoa, coffee

West Africa: rice, sesame, bananas

DR Congo: rice, coffee, cocoa

East Africa: rice, pulses, maize, vegetables & fruits

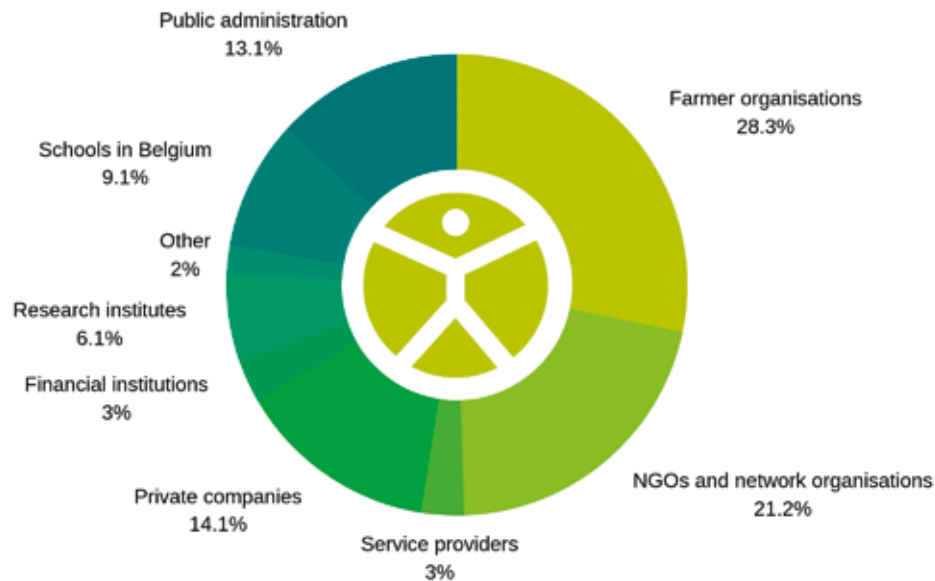
Vietnam: vegetables, rice

Indonesia: rice, cocoa, coffee, seaweed, cinnamon

Belgium (Food for the Future project): quinoa, pulses, seaweed



Graph 1: Type of partner organisations



Constant consultation and dialogue with these multiple stakeholders is part of Rikolto's DNA. An extensive overview of all our stakeholders can be found on our website: www.rikolto.org/stakeholders

1.2 Farmers' organisations as business organisations

In total we work with **105 farmer organisations, cooperatives or farmer groups**. All of them are supported in their business development, but not all of them receive funding. We sometimes only give specific advice or provide trainings.

39 of the farmer organisations we work with produce their crop in accordance with one or more of the following certification schemes: organic (16); Fair Trade (10); Global GAP (7); UTZ (4); Geographical Indication (4); Rainforest Alliance (3); or national/local certification standards (9).

For the first time, we have a global overview of the quan-

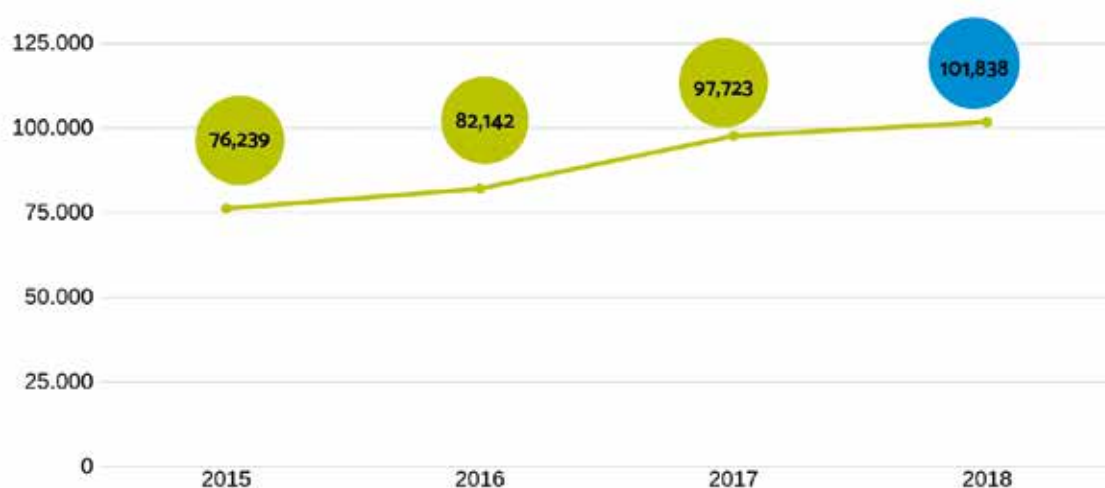
ties of specific commodities sold collectively through a farmer organisation, cooperative or another collective action mechanism (see table below). These are not the total production or sales figures, as farmers may well use part of their produce for their own consumption or sell them individually through intermediaries.

A few big farmer organisations or cooperatives account for the largest proportion of these sales volumes. Over 1/3 of the cocoa beans is sold through the Masagena cooperative in Indonesia, and over half of the green coffee volumes come from the Chirinos cooperative in Peru. 2/3 of maize is sold through Bunambutye ACE, over half of the pulses through the Taabu cooperative, and 90% of the rice through the DIFACOS cooperative. Those 3 organisations are located in Uganda. 95% of the sesame is sold via UDPSN in Burkina Faso. For fresh fruits and vegetables, the figures are more evenly distributed over the countries and farmer organisations, although MUVIKIHO in Tanzania amounts to 2/5 of the total.

	Collective sales volumes (metric tonnes)	Number of farmers involved
cocoa	2,955	9,299
coffee	3,009	18,349
maize ¹	53,776	14,218
pulses ¹	3,916	8,324
rice	7,005	46,472
sesame	1,902	4,356
fruit & vegetables	19,937	5,520

¹ Note that the total number of farmers in this overview includes a double count of 11,541 farmers in East Africa who produce both pulses and maize.

Graph 2: Total number of farmers reached



1.3 Membership of farmers' organisations

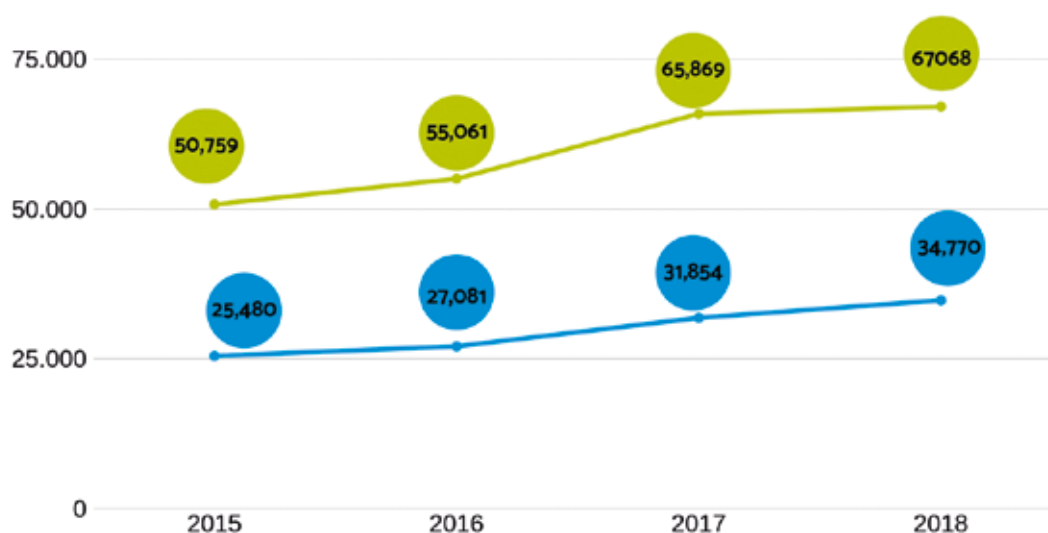
Most of our interventions directly target members of farmers' organisations. This, in turn, allows us to indicate precisely how many men and women are benefiting per region. Over 67,000 men and 34,000 women received Rikolto's support in 2018 (graph 2 and 3).

In many cases, however, more farmers are involved in collective sales. Moreover, it is an inherent part of our strategy to achieve policy changes within companies, at commodity sector level and in national legislation, and

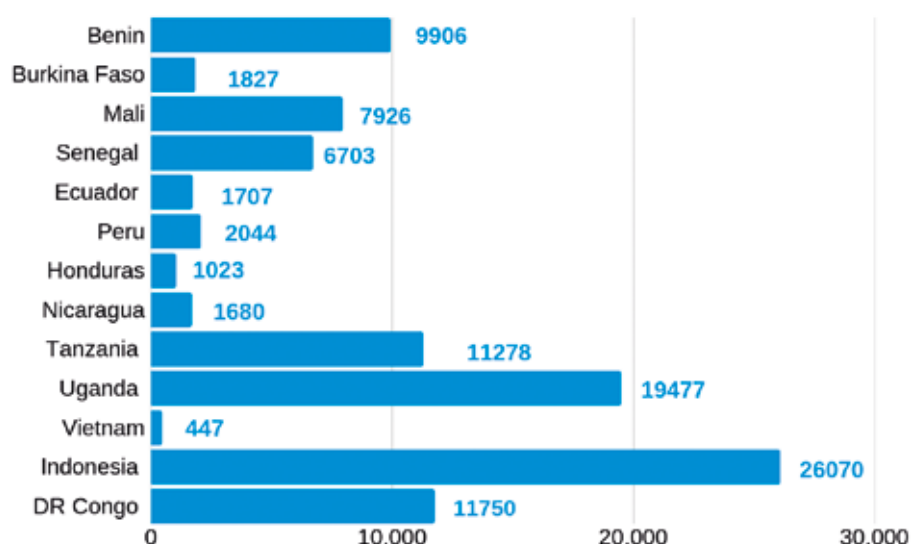
to encourage other organisations and governments to replicate successful experiences on a much larger scale, so that multiple farming families benefit from our interventions.

Although the gender gap decreased a little bit in 2018, there is still a huge difference when we look at the farmers, we support directly via their organisations. About two-thirds of the members of farmers' organisations are men. However, in most of our regions we see specific interventions to give more opportunities to women (see following chapter 1.4). Since 2017, we have been running a programme in East

Graph 3: Total number of farmers reached (blue = women, green = men)



Graph 4: Number of farmers reached per country



Africa to promote the collective sale of surplus food crops, in which very large numbers of farmers are directly involved.

In West Africa, farmers have been organising themselves by commodity for many years, resulting in very large farmers' organisations. However, due to an error on our part, one organisation in Senegal should not have been included in last year's figures, so we have corrected the 2017 number.

There has been a significant increase in supported farmers in Indonesia as Rikolto has joined a consortium led by ICCO to train rice farmers in Central Java in good agricultural practices, inclusive business practices and to support women's entrepreneurship.

In Vietnam, a big part of our programme is directed towards vegetable consumers (raising awareness), and policy work on safe vegetables. These figures do not appear in this graph. Moreover, a new rice programme, involving a large number of farmers, has been prepared, but activities only started in 2019.

1.4 Programme interventions 2018

Below are some examples of how we put our intervention strategies into practice in 2018:

We empower farmers' groups to become solid business partners

In **Indonesia**, we have further invested in supporting farmer organisations and cooperatives to meet buyers' quality demands. On the one hand this means providing our partner organisations with adequate processing facilities

11 out of 14 cooperatives supported by Rikolto in Indonesia have already implemented an Internal Control System ensuring product quality and good cooperative management.

and tools to be able to produce quality products: drying houses, specific storage rooms, vacuum sealers, etc. But this also means setting up internal control systems within the organisation, that are often related to certification (organic, UTZ and

Rainforest Alliance). 11 out of 14 cooperatives supported by Rikolto in Indonesia have already implemented an Internal Control System ensuring product quality and good cooperative management. They have also developed their own databases, enabling them to document and manage their organisational and commercial activities. Some of these organisations (Barokah, Simpatik, APPOLI, APOB, PPKT, BA, MPIG-AFB and Asnikom) have their own product brand with good packaging and distribution to consumers in Java, Bali, Sumatra, and Sulawesi.

The quality of many coffees produced by our Indonesian coffee partners was exceptional. They won awards during the Speciality Coffee Association competition in Bali. Moreover, Barokah and PPKT coffees came 2nd and 3rd in the Arabica category in the Specialty Coffee Competition for Indonesia. Of course, this attracted the interest of international coffee traders.

Also, in **Peru**, we are seeing good progress in improving the quality of the coffee produced by the cooperative supported by Rikolto. In 2018, a 16% volume increase was achieved in specialty coffees. This was the result of extra training in different aspects of the quality control process: having qualified staff that can do coffee cupping, a good information flow to feed back quality scores to farmers so

that they can adapt their work in the field, etc. The higher price that they obtained for the speciality coffees was very welcome, as global coffee prices in 2018 were dramatically low.

In Peru's cocoa sector, we have helped set up a School of Leaders with one of our partners (CAC Pangoa). 15 adults and 8 young people jointly developed their vision on the future of cooperatives and learned how to run a cooperative, etc. In this way, the managers of the future were trained. In 2019, we hope to expand the School of Leaders training modules with strategic partners such as APPCACAO, a guild that represents the cocoa producers of Peru, which is made up of 27 producer organisations, with a reach of 30,520 producer members.

In **Vietnam**, Trac Van Organic Vegetable Cooperative and Tu Xa Safe Vegetable Cooperative have made remarkable progress as business organisations. They been supported by Rikolto for a few years and are now standing on their own feet as strong business farmer organisations, financing themselves. We have stopped supporting them since September 2018. Trac Van, of which most members are female farmers, is now supplying approximately 200-300 kg of organic vegetables a day to several popular organic stores in Hanoi, the second most populous city in Vietnam. Consumers are becoming more familiar with Trac Van's brand. Meanwhile, Tu Xa was recognised by VinECO, the leading safe vegetable brand in Vietnam, as a 'Good Supplier' and rewarded VND 30,000,000 (approximately EUR 1,115). The increased vegetable sales enabled Tu Xa to create new jobs for young people.

Selling fruit and vegetables to a specialised restaurant is different from selling them to a wholesaler on the local market. Often, farmer organisations struggle with adapting their sales and marketing strategies to different markets. Our colleagues in **Ecuador** have supported our partner organisation UCCOPEM within a new network of farmer organisations (YACHIK) to improve supply and to establish a new marketing strategy that includes this differentiation. Cooperatives' management received a lot of training and in follow-up meetings we made sure that this new strategy was also implemented in their daily operations. Due to specific business training that was given to

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producers in **Burkina Faso**, more and more producers are now able to start up their own businesses. They now know all the legal obligations and are able to obtain a loan from EcoBank Burkina at the start of the agricultural season to pay for all the inputs and labour needed.

Also in Burkina Faso, Rikolto and the national union for women rice parboilers, UNERIZ, have co-created and tested a franchise business model that encourages women to parboil at home. Two major innovations support this business model: the high-capacity stainless steel steaming kit and the solar dryer. The project also helps UNERIZ, the franchisor, to define the conditions under which the franchise can help women acquire this equipment. The model is field-tested with a selected group of women, to prove its feasibility, showing that the quality and quantity of the product they bring to the market can be significantly improved. Also, the business plan for the Packaging and Distribution Centre for the women parboilers has now been put into practice.

In **Eastern Congo**, the coffee cooperative Kawa Maber has doubled its volumes compared to last year, CPNCK has even tripled the volume of coffee beans ready for sale. However, due to a lack of working capital, Kawa Maber has only been able to source coffee from 7 out of its 32 micro-washing stations. Finding credit remains a huge obstacle in the development of these young cooperatives. Global coffee over-production has caused a serious decrease in prices, and none of the four coffee cooperatives supported by Rikolto have (yet) been able to sell all the coffee available in their warehouses.

In the rice sector in Eastern Congo, a loan of \$5,000 to the new cooperative Mchele Bora (CMB) enabled it to test the potential of its rice producer members for grouped sales. The cooperative made headway on the main urban market by signing 13 permanent delivery contracts to sell quality rice to organisations, public bodies and hotels. It was able to deliver more than 20 tonnes of table rice. With its business plan targeting at least 200 tonnes for 2019, access to the credit needed to achieve this (\$40,000) is causing a bottleneck.

In **Tanzania**, we have invested significantly in providing hands-on coaching services, rather than just training, to the leaders of farmer organisations. This has proved successful in enabling them to grow. However, the main question has been the sustainability of the coaching services to these organisations. Who can provide this coaching after Rikolto's programme activities have stopped? In collaboration with ICRA, we will be piloting a model for coaching on business development services. In addition, we will sign an MOU with Moshi University of Cooperatives (MUCO) to engage graduate interns in

farmers' organisations.

Seven farmer organisations in **Uganda** were linked to the Micro-Finance Support Centre (MSC), however only two were able to fulfil the lending requirements to access affordable credit. Working with the Micro-Finance Support Centre enabled us to jointly review the business plans of the farmer organisations. MSC pointed out the mismatch between what the farmer organisations projected to do and what was achieved. They were concerned that farmer leaders and the managers of the cooperatives did not have sufficient business skills. We have found that these farmer organisations will often take this type of feedback more seriously from the private sector, such as MSC, than from other types of organisation such as Uganda Cooperative Alliance or Rikolto, and as such MSC is providing business skills support as part of their after sales services to the clients, i.e. the farmer organisations.

We support farmers' groups in implementing climate-friendly practices

Rice producers are both victims and contributors to climate change. Today, they are already amongst the most vulnerable to the impacts of climate change due to high temperatures, and raising sea levels. At the same time, flooded paddy fields are estimated to generate about 10% of global methane emissions. As a Board member of the Sustainable Rice Platform (SRP), we are supporting the production and marketing of rice cultivated according to the SRP standard and have established a baseline score with 14 farmer organisations in 9 countries. In **Eastern Uganda**, results from the Doho Irrigation Scheme show a remarkable 33% increase the SRI score after one agricultural season.

The producers of Consorcio Agrocomercial in **Honduras** see their losses increase year after year due to the effects of climate change. Lettuce and tomatoes in open fields are especially susceptible to the high incidence of pests in the winter season. Through various exchanges with the producers of the Consortium Agrocomercial in Honduras, the Belgian research centre INAGRO, companies supplying inputs and Zamorano University, we learned about hydroponic production systems and their advantages in coping with the effects of climate change. This type of greenhouse production system aroused the

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interest of producers to adopt this technology. The implementation of this technology has proven to be very efficient in reducing the use of agrochemicals. They can also save up to 70% of water, helping mitigate the impacts of climate change and supporting environmental conservation. In 2018, the first hydroponic systems have been installed with four organisations. We are aiming for 22 installations

in total.

In **Vietnam**, we tested an integrated rice-fish farming system in An Giang province. Typically, fish or shrimp farming is done during the flood season and the same land is cultivated with rice during the dry season. It allows sustainable intensification of food production due to the power of the Mekong river's flushing effect to naturally eliminate pests and increase soil nutrients. At the same time, it allows farmers to diversify their incomes and reduce their vulnerability in case of crop failure. Fish breeding also leads to new income opportunities, especially for women.

There was significant progress in the promotion of agro-forestry systems in **Honduras'** cocoa sector. Researchers investigated the best way to improve soil management. The results of this study were disseminated through the National System of Technical Assistance (SINATEC). This way, technical assistance services in the cocoa sector now have access to this new knowledge and are able to give advice to farmers on how to change their agronomic practices.

The Group for Integrated Landscape Management in Lake Apanás (MASLAGO) in **Nicaragua** has continued its work. The aim remains to promote sustainable vegetable production by involving all the stakeholders around the lake in Jinotega. At the same time, 24 farms received a certificate for applying the Good Agricultural Practices standard.

In **Burkina Faso**, we work with AfricaRice to help rice producers cope with the effects of climate change. The idea is to create Smart Valleys, in which water in the lowlands is managed in a better and more cost-effective way, so that more land can be made available for rice cultivation. The first test showed that production volumes considerably increased (from 1.3 to 5.5 metric tonne per

hectare) and also that the farmers were able to cultivate rice varieties that are usually only suitable for fully irrigated fields.

In **Mali**, we have intensified our actions to make agricultural practices in the field and after harvest more sustainable. We see that farmers can significantly reduce their production costs by adopting the System of Rice Intensification (SRI) in combination with Urea Deep Placement (by adopting this technique they need 50% less urea), and using organic fertilisers.

Despite significant investments in Good Agricultural Practice (GAP) training, many farmers in the horticulture sector in **Tanzania** are still using unsafe methods for production and post-harvest management: pesticide residue levels remain too high. There are stronger checks in the export trade, but this system is expensive and cannot be used for local trade. We have therefore learned that working on food safety for the local market will require investment in consumer awareness on food safety and standards, to be done at the same time as capacity-building for farmers. The effect is expected to be that consumers will be prepared to pay a premium for safe food, which incentivises farmers to apply the practices they have learned. We also need to understand the willingness of consumers to pay for safe and quality food and how to target these consumers. This will be taken forward in 2019 with a local safe food kiosk model within Arusha City and research with TAHA and the Tanzania Pesticides Research Institute.

We connect farmers with innovators in the food sector to explore new ways of doing business

More buyers in **Indonesia** are acknowledging farmer organisations by including the farmer organisation's name on their packaging as the producer of the products. They also provide good feedback to farmer organisations on the quality of the products, allowing farmers to improve or maintain their quality and meet the buyers' requirements.

In **Vietnam**, we established a new partnership with Phoenix Commodities, the second biggest rice trader in the world, for sourcing rice cultivated in accordance with the Sustainable Rice Platform standard in the Mekong Delta. Rikolto also worked with Tan Hong, a branch of Loc Troi Group, a leading sustainable rice

In Vietnam, we established a new partnership with Phoenix Commodities, the second biggest rice trader in the world, for sourcing rice cultivated in accordance with the Sustainable Rice Platform standard in the Mekong Delta.

corporation in Vietnam for piloting the standards of the Sustainable Rice Platform in Dong Thap province. The company provided training on SRP for our rice farmers. In 2019, Rikolto will cooperate with Phoenix Global and Loc Troi to nurture the market for SRP rice and motivate farmers to adhere strictly to the standard.

Obtaining credit for working capital is extremely difficult for cooperatives in DR Congo, due to the high interest and unstable management at many banks. In the rice sector, a British impact investor Ensemble pour la Différence (EPD) has given a 30,000 dollar loan to ADPA, one of the rice cooperatives in South Kivu, based on a contract that ADPA had signed with Bralima brewery. Next year, EPD will look for extra partners that can support the cooperatives in finding the necessary credit to buy rice from individual farmers and sell it collectively.

In 2018, two buyers, Colruyt Group and Etiquable, have committed to pre-finance the coffee they are buying from cooperatives in DR Congo, to over 100,000 dollars.

Different coffee traders buying coffee from our partners in Easter Congo have visited their suppliers to get to know the reality in the field and give advice to the cooperatives' management. The main obstacles that were identified during those visits were: difficulties

in obtaining working capital to buy coffee cherries from farmers, not being able to meet quality standards, and the challenge of obtaining the necessary certification in order to be able to enter specific markets. In 2018, two buyers, Colruyt Group and Etiquable have committed to pre-finance the coffee they are buying from cooperatives in DR Congo, to over 100,000 dollars. Certification for two cooperatives (CPNCK and Kawa Kabuya) is on its way; and a coffee lab for Kawa Kabuya will be co-funded in partnership with Coffee Circle. This will help farmers to assess the coffee they are preparing to export.

In **Uganda**, the start-up of agribusiness clusters, in which farmer organisations and processors align their vision and activities, has not been as fast as anticipated. The Butaleja cluster was a good example of full adoption in which a miller volunteered to chair the cluster meetings, which are usually hosted by the farmer organisation, going forward. We have therefore learnt that for clusters to take off, they need consistent effort from the facilitator, until stakeholders begin to see the value of coming together.

In the sesame sector in **Senegal**, the 13 member organisations of FENPROSE concluded a first-time collective sales operation. FENPROSE signed a contract with an export company, coordinated the collection and payment of the

farmers. A huge challenge, as all 13 farmer organisation had no experience in bulking production and collective sales at this scale. However, from the start it was clear that FENPROSE did not have the necessary means to coordinate this operation at national level, and was not able to keep its promises towards the client. For the next season, we will work with contracts between the member organisations and the buyer, and not a contract between FENPROSE and the buyer.

After two years without any trade relations between the rice farmer organisations and the government in **Mali**, the national rice sector platform ('interprofession') is back on track. The ambition is to create a space for all actors in the rice sector to discuss national policy

The national rice sector platform in Mali facilitated the sales from the farmer organisations to the Mali Office of Agricultural Products (OPAM). 5000 metric tonnes of rice were traded in 2018.

issues in the rice sector. In April 2018 the relations between the sector platform and the Ministry of Agriculture were formalized in a Ministerial decree. The rice sector platform also facilitated the sales of rice from the farmer organisations to the Mali Office of Agricultural Products (OPAM). 5000 metric tonnes of rice were traded in 2018.

In **DR Congo**, we are widely recognized for our approach in the coffee sector: setting up true cooperatives (owned by the farmers) set up around processing stations (micro-washing stations) in the production zones. We see that this approach is being copied in other sectors. Also, one cocoa cooperative asked for our support in improving the quality of their cocoa and to find new markets. We started the first tests to establish processing stations for the fermentation and drying of cocoa.

We develop mechanisms to encourage trust and transparency throughout the food sector, enabling consumers to make future-proof choices

In **Belgium**, two new products entered the shelves of Colruyt supermarkets: quinoa from Peru and chocolate from our partner organisation La Campesina in Nicaragua. The second batch of coffee from our partners in Eastern Congo also arrived in Belgium. We are exploring 3 new pilot chains in collaboration with Colruyt Group in 2019. We also started up discussions with Lidl, which offers opportunities to apply our expertise to other retailers as well, and thus scale up the lessons we have learnt over the years.

We also made progress in the development of local chains with supermarkets. We see that city food strategies offers

opportunities for this. In both Ghent and Leuven, we did preparatory work for the start-up of a local distribution mechanism that efficiently distributes products from local producers to customers in the city (supermarkets, catering establishments and industrial kitchens). In Leuven, a project has been approved to start up such a distribution scheme. A lot of nearby farmers expect added value from this distribution initiative, in terms of sales and support to strengthen the quality and sustainability of their products.

Rikolto's "Healthy Canteen" research and campaigns in Solo, **Indonesia**, are igniting public discussion on the importance of healthy food access in public schools. 10 schools in Solo have already implemented healthy canteen standards.

In **Vietnam**, we developed and disseminated a trainer's toolbox to encourage more practitioners to support the development of Participatory Guarantee Systems in their area. The toolbox contains a series of Vietnam's first-ever documents to help trainers set up and operate PGSs and train farmers on the Basic Good Agricultural Practices (GAP) standard, a simplified version of the VietGAP standard, which is published by Vietnam's Ministry of Agriculture and Rural Development to guarantee the safety and quality of agro-products. The toolbox consists of technical guidelines on PGS, a training curriculum on PGS, a training curriculum on BasicGAP for trainers and three posters aimed at farmers. These publications are open for public refinement so that they can be continuously updated. We have been using the toolbox to train partners and stakeholders in the vegetable sector and will use it to create a pool of PGS trainers for Hanoi in 2019.

Four rice cooperatives in South Kivu, **DR Congo**, have managed to sell 470 metric tonnes of rice collectively, compared to 95 metric tonnes in 2017. Despite the huge increase, the total volumes remain low compared to the amount of rice that is imported. For the moment, they have to rely on their own distribution channels, and as they cannot guarantee quality rice availability throughout the year, they are not yet able to sign contracts with the big wholesalers. The cooperatives also prefer to sell rice to the nearby brewery, despite the lower prices they get (the quality standards for rice used for beer are much lower).

The rice sector platform in **Burkina Faso** continued spreading essential information on rice prices, available volumes available and demanded, the location of the rice stocks etc. This has led to a better functioning of the rice market and more efficient exchanges between the traders and the Farmer organisations. Nine contracts have been signed (8 contracts for 990 metric tonnes paddy rice in total and 1 contract for 40 metric tonnes of white rice).

We have learnt that for Farmer Organizations to be able to deal with traders, they must have very good market information and intelligence to understand grain market price dynamics and their competitors in the market. However, many of the information providers do not provide location-specific information in a timely, cost-effective way which farmers can use. In **Uganda**, Rikolto therefore piloted a lower cost system that was owned by the farmer organisations and builds upon the existing ways of obtaining market information.

We want equal opportunities for men and women in the food and agriculture sector

In **Ecuador**, a second phase of the WE project was implemented to strengthen capacities in the more efficient management of 12 coffee producers' farms. This is a step forward in our goal of designing specific interventions for women and extending these actions and lessons learned to a total of 389 women who are currently members of producer organisations (UOPROCAE, Fortaleza del Valle, AACRI, AAPROCNOPI, RAPCIC and UCCOPEM) that we support in Ecuador.

In **Indonesia**, the challenge is that many women still lack the confidence to actively participate in groups dominated by men as there is social conditioning on gender roles (gender stereotyping or traditional views). Therefore, in addition to organising capacity-building for women and supporting the female farmer groups, Rikolto also promotes "champions" by involving women in special training (such as coffee quality grading, internal control system, group facilitation, product processing and digitalisation) and encouraging them to become speakers at meetings. The existence of strong female role models creates confidence and security for other women to speak up and take strategic positions, and a sense of trust for men. We have learnt that role models are important in transforming gender roles and relations as they can be a valuable psychological tool in breaking down barriers. In 2018, 108 women were already involved in daily activities, becoming staff and governing the boards of farmers' organisations. This accounts for 43.2% of total farmers involved in leading farmer organisations.

In Indonesia, women are promoted as "champions": they get special training and are being encouraged to become speakers at conferences.

Gender-related issues are still widespread in **Vietnam**; in value chains particularly: women have to handle heavy or toxic work, for instance, ploughing or spraying pesticides. To this end, Rikolto trains women on handling chemicals safely and has invested in ploughing machines, so that they

no longer have to engage in heavy/toxic work. Furthermore, as a result of a series of activities on gender such as a workshop on identifying women's roles in the safe vegetable value chain and a seminar on what jobs in the safe vegetable chain women can take up, women are raising their voice and participating more actively in information sharing processes.

In **Nicaragua**, there have been important advances in terms of gender. For example, in cocoa, the statutes of the cooperative La Campesina were reformed, and the creation of a youth and gender commission was incorporated into the statutes. In addition, an average participation of 13% of young people and women in cocoa cooperatives was achieved.

In **DR Congo**, the emergence of a value chain for the coffee specifically produced by women is creating new prospects for them. Marketing of women's coffee at the AFCA (African Fine Coffees Association) conference 2018 resulted in grouped sales to CoffeeLac at a very good price. When this information was relayed to the women, it encouraged them to take part in training on good cultural practices. Now the volume of women's coffee is growing: from 0.24 tonnes (2017) to 38.4 tonnes (2018) for the four cooperatives of East DRC supported by Rikolto.

We involve young people to enable them to discover new opportunities in the food and agricultural sector

In **Ecuador**, specific capacity-building and leadership programmes have allowed 22 young people to be linked to decision-making and/or administrative spaces. In addition, within the multi-stakeholder platform Rural Dialogue Group, we have been able to influence the importance of rural youth and facilitate differentiating policies for this group, especially with the authorities of the Ministry of Agriculture-MAG and Education-MINEDUC and BANEQUADOR. In this way, in 2018, the latter institution created a financial product for young entrepreneurs which is called "Banco del Pueblo".

In the cocoa sector in **Nicaragua**, through the capacity building programme funded by the Collibri Foundation, 13 young people who received a diploma in cocoa management in agroforestry systems passed on the knowledge to 50 young and adult producers. In addition, 164 young people participated in training and the production, processing and marketing of cocoa. There have been important advances, such as the reforms of the cooperative La Campesina's statutes, where the creation of a youth and gender commission was incorporated into the statutes. In addition, an average participation of 13% of young people and women in cocoa cooperatives was achieved.

2018 was a fruitful year for our GoodFood@School programme in **Belgium**: a programme that aspires to implement a sustainable, healthy food policy in all schools in Flanders. We supervised 8 pilot schools. In West Flanders, we set up an innovative learning trajectory. Traditional Belgian dishes were given a sustainable makeover by celebrity chef Seppe Nobels. In Leuven, we trained youth ambassadors, who convinced their fellow students of the importance of sustainable food through various actions such as the 'no waste, great taste' festival. The IMS school in Antwerp started an innovative concept: supermarkets in the neighbourhood donate their food waste to the school. These are processed by the students and offered in the refectory. A win-win in the battle against food waste and empty lunch boxes.

We link with other actors to make sector wide change

In 2019, a new Regulation on exporting cocoa to the European Union will come into force: the permitted cadmium levels will then be substantially reduced. To promote the sustainability of the cocoa sector in **Ecuador**, studies of cadmium levels and mitigation plans that have been designed together with the Escuela Politécnica del Litoral (ESPOL) and shared in national platforms.

Rikolto in **Indonesia** played an important role in commodity platforms to address certain issues at national level. For example, we are one of the contributors of National Sustainable Curriculums for Cocoa and Coffee, developed by Cocoa Sustainability Partnership (CSP) and Sustainable Coffee Platform of Indonesia (SCOPI) in collaboration with the Ministry of Agriculture; we are member of task forces on Agro Inputs and Planting Materials (with CSP); and in collaboration with the Ministry of Agriculture and CSP we supported the development of National Workers Competency Standards on cocoa. CSP has launched a standard of fertilizer use for cocoa in accordance with the dosage recommended by the government.

The **Uganda** National Bureau of Standards supported a popular version of the rice standard which is now available for use by all rice farmers, traders and SMEs (Small Medium Enterprises) and also inserted in UNBS led farmer trainings. In 2019 we expect to work within a consortium led by our partner organisation Uganda Fruits and Vegetables Exporters and Producers Association to develop a popular version of the Fresh Food and Vegetables standard with UNBS support, which will address some environmental management issues.

Involvement of young people in our programmes

For all too many young people, leaving their family farms behind to seek work in already overcrowded cities seems like the only option. As the average age of farmers increases and young people do not feel passionate about agriculture, farming communities are growing weaker. This jeopardises food security and availability, particularly in booming urban areas.

But how do we open up opportunities for youth in agri-food systems? Last year, we interviewed colleagues in all regions, to build a global vision on how to involve more young people in our Rikolto programmes. This vision will flow into our programme strategies in the years to come. In 2018, we also had specific interventions targeting **745 young people** (467 men and 278 women).

On the one hand we organised four workshops with

young people in Tanzania, Peru, Indonesia and Belgium to reflect on how they see Food for the Future, and what business ideas could be developed accordingly. In Indonesia, some of the business ideas are already being further developed and put into practice.

On the other hand, we worked with young people in the coffee and cocoa sector in Peru, Nicaragua and Indonesia to increase youth participation in the governance of the farmer organisations, and to find new job opportunities for them throughout the value chain. Young people were trained as Q-graders to be able to score coffee according to international standards, others learned more about agroforestry systems. Specific focus was given to developing business skills, so that the young people can kick-start on- or off-farm activities with a good plan for their business.

Food Smart Cities

In 2018 we really kicked off our Food Smart Cities Cluster international programme that aims to support the transition towards sustainable, inclusive and healthy local food systems worldwide. Rikolto currently works in partnership with municipalities, farmer organisations, private companies, research institutions, international organisations and civil society organisations in six countries to develop sustainable models of cooperation. The cities involved are Quito (Ecuador), Tegucigalpa (Honduras), Ghent (Belgium), Arusha (Tanzania), Solo (Indonesia) and Da Nang (Vietnam).



In the coming years, we will facilitate the sharing of experience and peer-to-peer learning among these cities in close collaboration with strategic allies such as the City Food Network, ICLEI and RIMISP. We will share the evidence we gather from the field to advance the political agenda in favour of sustainable food systems and inclusive rural-urban food chains. In 2018 positive results have been achieved and new pilot activities have been launched, such as:

Tanzania: Rikolto and Arusha signed a **Memorandum of Understanding** to partner up on the Arusha Food Safety Initiative which focuses mainly on improving the safety and quality of fresh fruit and vegetables consumed in Arusha, developing inclusive business models and raising awareness among the local population on the importance of making informed food choices. In collaboration with COLEACP and Solidaridad, Rikolto has been working with farmers organisations on the acquisition of a food quality certification in order to supply safe vegetable to Arusha under a safety label. In 2018, a

collaboration started with ICLEI on the development of a Food Policy for Arusha.



Vietnam: In March 2019, Da Nang adopted its own **Food Smart City strategy** the outcome of a fruitful collaboration between Da Nang's Food Safety Management Authority, Vietnam National University of Agriculture and Rikolto, with support from the Belgian-Vietnamese Study and Consultancy Fund. Two projects were launched in Hanoi in 2018. The first one is in partnership with Hanoi's Department of Agriculture & Rural Development. We will work with them to promote our work on Participatory Guarantee Systems in the vegetable sector around Hanoi. The second one is a joint research for development project co-implemented with CIAT, Wageningen University, IFPRI and other research partners financed by the Gates Foundation to increase low income populations' intake of safe fruit and vegetables in Hanoi through food system innovations.

Ecuador: On 2 October 2018, Quito became one of few Latin American cities to have adopted a food charter. Conquito, Rikolto and RUAF Foundation took the lead in organising a series of discussions with farmers, civil society, the agri-food industry, nutritionists, researchers and international partners to mobilise resources to elaborate a diagnosis of Quito's urban food system as a baseline for a food strategy. The multi-stakeholder group constituted itself as the "Quito Agrifood Pact" which promoted the adoption of the Food Charter, grounded on 17 agreements among the different stakeholders. The City of Quito was awarded a **Future Policy Award** from FAO, IFOAM and the World Future Council for its innovative and participatory food policy.

2. Planning, Learning and Accountability



Rikolto engages comprehensively in Planning, Learning and Accountability (PLA) through a monitoring and evaluation system that mainly aims to learn from successes and failures. The PLA system provides a framework for the systematic collection of data and the use of this data for continuous programme adjustments. Moreover, PLA also seeks to stimulate critical reflection internally, among colleagues working in similar interventions across the globe and with external stakeholders.

To facilitate learning across regional offices and to provide Rikolto's international management team with the information needed for decision-making, a programmatic database captures the essential M&E information of the whole organisation. A dashboard functionality presents the overview of the main data (disaggregated by gender/role/commodity), such as number of partner organisations, beneficiaries, expenditure, etc.

Since transparency is one of the key principles of our Planning, Learning and Accountability system, we put this into practice by making as much information accessible as possible:

- Clear programme descriptions on our website: www.rikolto.org/en/projects
- Commitment to the International Aid Transparency Initiative (IATI) and compliance with its reporting standards: on our website you can find an overview of the activity files per country
- We adhere to the sustainability guidelines of the Global Reporting Initiative in our annual reporting. The financial section in this annual report explains clearly how the money is spent.

Read more on our website - www.rikolto.org/en/pla.

3. Governance

Two years ago, our organisational and governance structure underwent a complete makeover and we became an international network organisation, effective as of 1 January 2017. One year later, we also changed our brand name from Vredeseilanden/VECO to Rikolto.

A Belgian **Public Interest Foundation, Rikolto International s.o.n.** has been operational since 2017 and is managed by an International Board of Directors and an International Management Team composed of the directors of the different programmes in the various regions.

This Public Interest Foundation operates alongside the **Non-Profit organisation Rikolto Belgium v.z.w. (previously Vredeseilanden v.z.w.)**, which has ultimate responsibility for all funds raised from Belgium donors.

At the end of November 2018, Rikolto International s.o.n. and Rikolto Belgium v.z.w. created **Rikolto b.v.b.a-s.o.**, an **enterprise with limited liability and social purpose**, to complement our activities funded with donations.

Rikolto International s.o.n.



Board of Directors

The composition of our **International Board of Directors** is based on the members' complementary individual expertise (finance, HR and mission-related content), their background or stakeholder representation (civil society, public sector and private sector), their knowledge of Rikolto and a geographical distribution across the Rikolto regions.

The members of the Board at the end of 2018 are: Stephanie Daniels (Chair), Amon Mattee, Koen Dolphen, Lettemieke Mulder, Ronnie Natawidjaja, Sharon Hesp, Mark Lundy and Alex Arnaud Assanvo.

Winanda Nuyttens and Alain Sy Traoré both left the board during 2018 feeling that they did not have enough spare

time for the time investment required. We welcomed Alex Arnaud Assanvo as a new board member in November 2018 and the Board is looking for a new member to complement the Board with expertise in human resources management.

The directors are appointed for a maximum period of four years, renewable once. The Chair and all other Board members are volunteers. They receive no payment for their services, nor do they have an executive function within the organisation. The Board delegates operational responsibility to the organisation's Executive Management.

The Rikolto International Board of Directors meets four times a year (virtual meeting) and – based on proposals from the Management Team – defines the general policies and strategies of the organisation. The Board follows up

on the implementation of these policies and strategies and on the results and impact achieved. In this context, through our monitoring and evaluation system, on a yearly basis, stakeholders and partners are invited by our staff at regional level to give their input on the planning of our actions as well as on their evaluation. Social, economic and environmental concerns form the core of these strategic conversations. The results of these exercises are compiled and presented to the Board as input for the decisions it has to take.

Board of Affiliates

As determined in the statutes, we have established an International Board of Affiliates to monitor and advise the International Board of Directors. The members of this Board of Affiliates are people who are familiar with Rikolto's work and stakeholders in a specific region, and as such are delegated by national (or regional) advisory boards. Currently, there are five members: Mamadou Goita (West Africa), Saartje Boutsen and Marianne Vergeyle (Belgium), Eduardo Sabio (Vietnam) and Tatiana Gudiño (South America).

International Management Team, Executive Management and international office

The International Management Team, which steers the daily operations of the whole network organisation, is composed of the regional directors of the different Rikolto regions.

Global financial reporting standards and quality control are the responsibility of the Finance department of the international office. This international office will also take on many support functions to increase our global impact and improve our way of working, e.g. communications, fundraising, designing tools for planning, learning and accountability, etc.

International programme teams (clusters) focus on specific topics to work towards common goals and share expertise.

Since 1st September 2018, Rikolto has evolved from two executive co-directors to one. Chris Claes will continue to lead Rikolto on its journey towards becoming an effective network organisation.

Rikolto Belgium vzw



General Assembly

The General Assembly consists of 88 members representing our key stakeholders. They are volunteers, experts from various organisations or private companies, people working for governmental institutions or public administration, members of the Board of Directors and former staff members. In total, our GA comprises 38 women and 50 men (as at 31/12/2018).

Anyone may apply to become a member of the General Assembly. Applications are presented at the next General Assembly. Membership is valid for an indefinite period. The Articles of Association stipulate that current Rikolto staff cannot be a member of the General Assembly.

The General Assembly is the supreme body of Rikolto Belgium v.z.w. (non-profit organisation). It appoints the Board of Directors and ratifies the annual accounts and the annual report. Within the General Assembly there is a

Financial Committee that thoroughly studies the financial reports ahead of each General Assembly.

In 2018, apart from its formal obligations, the Board discussed a potential change to the mission of Rikolto Belgium v.z.w. Will we make the shift from agriculture to food?

Board of Directors

In 2018, Winanda Nuytens and Hilde Van Ongeval stepped down from the Board of Directors. The Board welcomed Petra Dombrecht as a new Board member.

The members of the Board at the end of 2018 are: Marc Bosmans, Kristof Debrabandere, Koen Dolphen, Karel Bolckmans, Marnix Somers, Toon Martens and Petra Dombrecht. The Chair of the Board of Directors is Kristof Debrabandere.

At the moment, we only have one female Board member. The Board sees it as an urgent task to adjust this gender imbalance and actively look for more women to join.

The directors are appointed for a maximum period of four years, renewable once. The Board of Directors is responsible for general management and determines the organisation's strategy. It bases its choices on Rikolto's values: inclusive thinking, dialogue, participation and sustainability. The Board monitors the organisation's sustainability performance. This concerns practical decisions as well as choices within the programme.

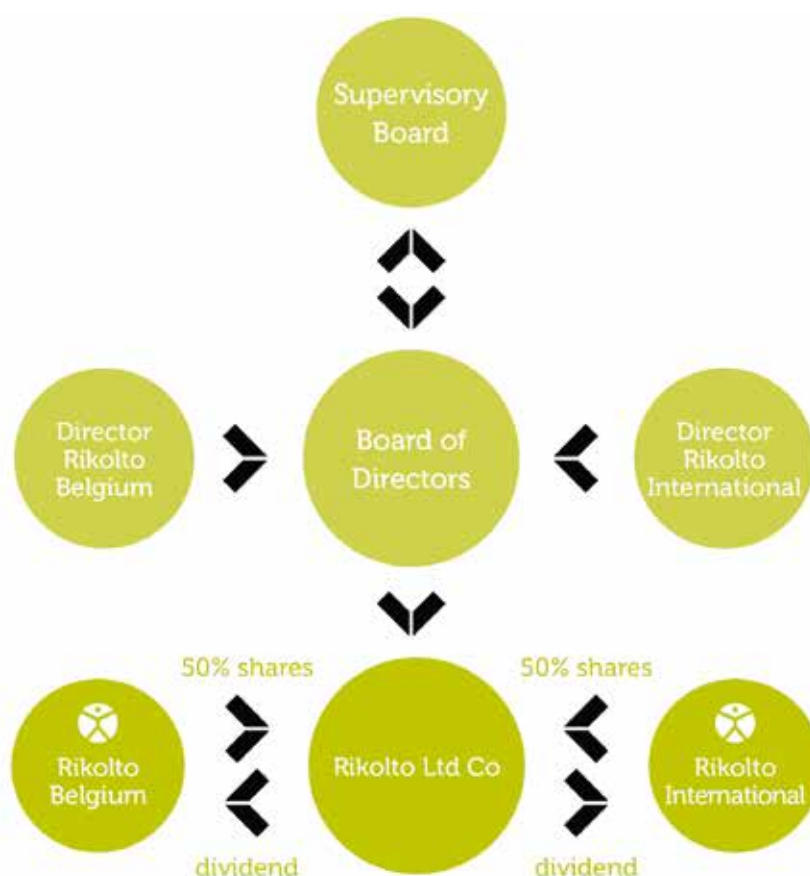
The Board delegates operational responsibilities to the organisation's Executive Management: Jan Wyckaert. The

Chair and all other Board members are volunteers. They receive no payment for their services, nor do they have an executive function within the organisation.

The Board has incorporated the principles of good governance into its Articles of Association and Rules and Regulations, based on the Belgian King Baudoin Foundation's "Good Practices and Recommendations for the Management of Social Profit Organisations" (Goed praktijken en aanbevelingen voor het besturen van Social Profit organisaties).

In 2018, the Board organised a two-day meeting to achieve more in-depth knowledge of the programme, the role of volunteers within our organisation and private fundraising.

Rikolto b.v.b.a. – s.o.



Rikolto b.v.b.a.-s.o. is a limited company with social purpose. Rikolto b.v.b.a.-s.o. was set up on 29/11/2018 to scale the methodologies, methods, tools and instruments that the Rikolto family has been developing in its programmes. Its activities will be financed by commercial contracts with third parties who seek its consultancy and advisory services.

It was established by Rikolto Belgium and Rikolto International, which each hold 50% of the shares. The three organisations are related in financial, economic and

organisational terms and share a common mission and vision. The respective executive directors of Rikolto Belgium and Rikolto International, Jan Wyckaert & Chris Claes, have been statutorily appointed as the college of directors of Rikolto b.v.b.a.-s.o. to oversee its daily management. A supervisory board has been established consisting of two board members from the Rikolto Belgium & Rikolto International boards of directors. According to the statutes of the two sole shareholders Rikolto Belgium & Rikolto International, this supervisory board can also represent the general assembly of Rikolto b.v.b.a.-s.o.

4. People and Organisation

Since our organisational and governance structure changed we've seen an increased autonomy for the eight regional Rikolto offices and enhanced collaboration between them. We organised discussion and training sessions on interregional collaboration and coached our staff to take on new responsibilities with confidence.

In 2018, this close collaboration became more concrete in Latin America, where the South and Central-American regional offices merged into one Latin American region, with local teams working on joint continental themes and objectives.

In 2018, Rikolto had 158 employees worldwide. Over the years, the male-female ratio has become more balanced, which is a positive trend.

4.1 People and organisation strategy

One of Rikolto's core values has always been our belief in people, whether they are our staff or the many stakeholders we work with to achieve our programme goals. "Rikolto = its people" remains a core value in the new network organisation. Our global HR vision focuses on the six following principles, which are shared and understood by everyone in the organisation:

- We are the power of change
- We are an open and connected organisation
- Staff development is essential
- Fair rewards
- Assessing performance
- Global policy and transparent HR systems

4.2 Fair rewards

One of the principles formulated in the strategy is "fair rewards". Rikolto strives to give fair remuneration to all employees for their contribution to the organisation's mission, taking into account their qualities and relevant work experience, and to make this remuneration competitive with similar organisations. In addition to salary and contributing to Rikolto's mission, other factors also have a part to play in employee motivation: flexible working conditions, development of new skills, potential for new responsibilities and opportunities to work with colleagues on other continents.

In the Rikolto offices, each region has its own salary system, based on the local context. However, each salary system applies the same principle of scaling according to function and relevant work experience. Salary scales are established through a comparative study with similar

organisations. Rikolto wishes to position itself just above the average in order to recruit competent employees. In the Rikolto offices fringe benefits are also provided. These include hospitalisation or life insurance, pension fund, 13th month, additional leave, commuting expenses, etc.

In terms of salary and fringe benefits, there is complete equality between men and women, and between employees with open-ended and fixed-term contracts, in all Rikolto offices. No performance reward or other bonus system is in place.

We strive to have a healthy wage gap. For example, Belgium has a wage gap of 1 to 3; in other words, the highest wage is three times greater than the lowest. The union standard for a good wage gap in Belgium is 1 to 4. Every employee also receives meal vouchers, group insurance, hospitalisation insurance and their travel to and from work by public transport is reimbursed. Nobody receives a company car. One car is available that can be used by anyone who needs it for work purposes, but we also encourage staff to use public transport in that case.

4.3 Staff development

Another principle in our people and organisation strategy is particular attention to staff development. Throughout their career, Rikolto provides development opportunities for its employees at all levels, both individually and collectively. Rikolto seeks to be a flexible organisation, where people adapt to the organisation's new strategies and long-term objectives and where mutual learning is encouraged. "Learning" is therefore explicitly included as an objective in Rikolto's strategic plan.

Every year there is a training budget earmarked for each person. If a particular, more expensive training course looks worthwhile, this can also be budgeted for. Joint training initiatives are also included in the budget. The training initiatives are followed up in every Rikolto office separately. In Belgium for example, we invested an average of 561 euro per person on training on a variety of topics, such as social media, team development, protein transition, speaking in public, etc.

In 2018, the focus was on making our international teams stronger. We gave workshops and created materials for teams to become aware of the challenges in intercultural collaboration and to learn how to give constructive feedback. In Belgium, we developed and tested a system of permanent feedback that gives input on a more regular basis than the traditional evaluation cycle.

Apart from formal training, regular staff briefings are organised throughout the year. We also want to stimulate peer-to-peer learning in our internal WhatCanYouLearn-FromYourColleagues webinars. Each of these provide an opportunity for colleagues to share their knowledge and insights on a specific topic. The webinars are open to all staff and recorded for those who cannot attend due to time differences.

The development of our staff is an ongoing process. It therefore requires constant attention. Rikolto employees worldwide have already indicated on previous occasions, for instance in satisfaction surveys, that they consider it very important to be able and allowed to invest in training and development. However, the supply and/or opportunities are not always as hoped. Now and in the future, it is a challenge to respond even better to needs, requirements and expectations.

In our networked organisation, many people participate in virtual cluster meetings with their colleagues in other regions. Being able to gain experience by actually going to another region and working there on joint projects is an ambition that many staff members foster. We look for opportunities that offer a clear win-win for both offices. In 2018, we had an experience in which a global support team staff member operated during three months from a regional office, thus offering close support to the local team, while getting to know their specific challenges.

4.4 Reporting concerns

Rikolto is committed to treating all colleagues and job applicants with fairness and respect. We believe in cooperation, teamwork, dialogue and trust. Hostility and harassment are not tolerated. We want to create and maintain a safe working environment in which people are treated respectfully.

Our Code of Conduct contains sections on anti-bribery, anti-fraud and anti-discrimination. However, having a policy is one thing. It is more important to strive for an organisational culture that prevents this kind of behaviour from happening.

In the context of prevention, we started a process in 2018 to create more awareness among our staff surrounding our core values and integrity. Almost all regional offices carried out a reflection exercise in which the organisation's values were revisited and translated in day-to-day behaviour. This created a common ground to give each other feedback or report situations that could be unethical.

Also in 2018, the Belgian Minister for international cooperation De Croo took the initiative to create a task force

on integrity. This task force developed a charter to call on NGOs to explicitly show their moral and financial integrity. Rikolto international and Rikolto in Belgium are firm believers of this initiative and have signed this charter. The organisation started with the preparation end 2018 in order to implement all the necessary steps with respect to integrity in 2019.

If any staff member encounters unwanted, unethical or unlawful behaviour, is the victim of discrimination, or has other serious problems with one of his/her colleagues, he/she can contact a confidential adviser (one in every office). This is clearly set out in our work regulations. If an adviser receives a complaint, he/she will try to mediate. If mediation is not successful, a formal complaints procedure can be initiated.

Our internal complaints procedures brought forward five complaints that were investigated by an integrity committee. One was declared inadmissible after investigation. The findings of the other four led to two written warnings and one verbal warning. The investigation of one complaint is still ongoing. Our findings gave input to improve our internal control mechanisms. This has been taken up in the process of making our Ethical Code and Code of Conduct more explicit.

4.5 Workforce

In 2018, Rikolto had 158 employees worldwide. Some work in our regional offices, others in so-called 'field antennae', close to the farmers' organisations. (graph 5)

In Belgium, all staff are hired under a permanent employment contract. Only in exceptional cases, for a specific temporary assignment or a clearly specified task, is a fixed-term contract issued. In the other Rikolto regions it is customary to use fixed-term contracts, which can be renewed.

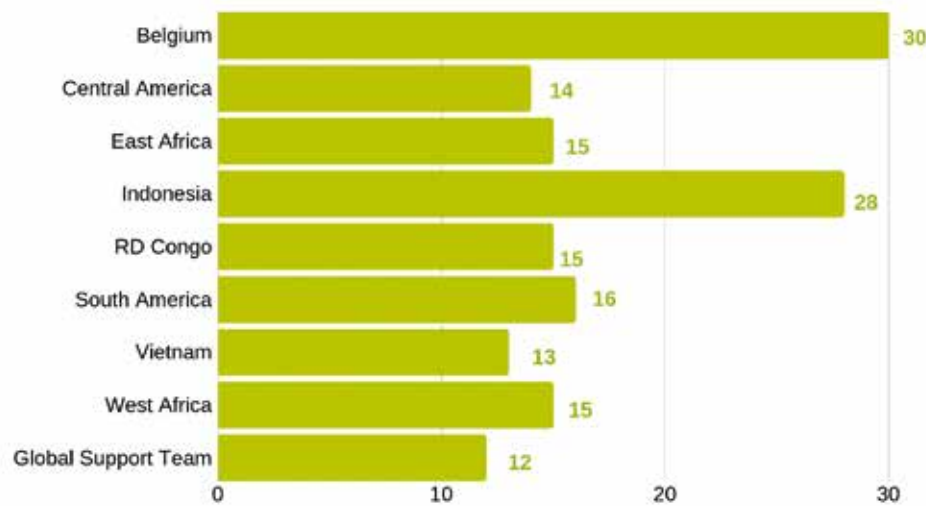
4.6 Gender

Several years ago, men were clearly in the majority in the organisation, but over the years, the male-female ratio has become more balanced. Now, for the first time in Rikolto's history, we globally have more women than men working for us: 52% women and 48% men. However, in most regions outside Belgium, we still see a majority of men (graph 6).

4.7 Staff turnover

In 2018, slightly more people were recruited in comparison to people leaving the organisation (graph 7).

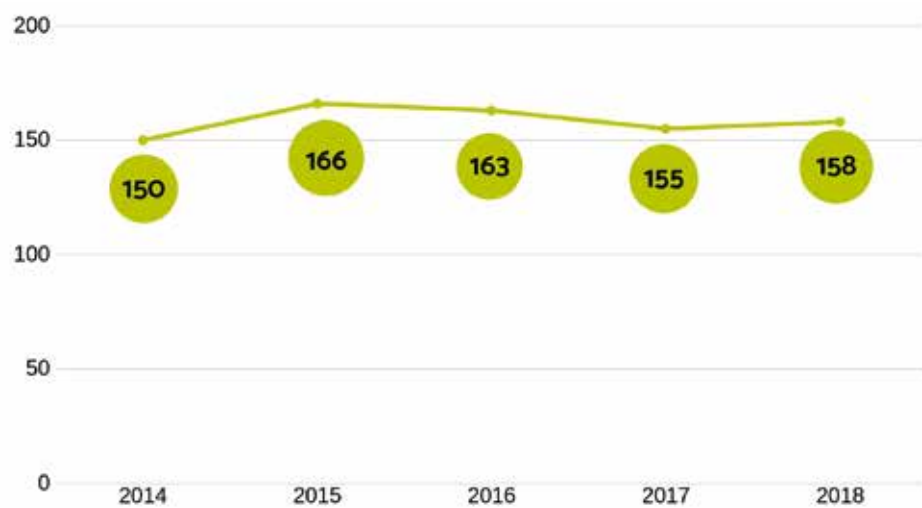
Graph 5: Number of staff per region



Graph 6: Gender balance 2018 – Rikolto worldwide



Graph 7: Global evolution of workforce



5. Environmental sustainability

Every day, we have to make decisions in response to changes in our environment. Each time, new questions arise about what the “truly sustainable choice” would be.

At programme level, the global sustainability working group guides Rikolto’s vision and strategies for environmental sustainability. Also, at office level, we are aware of our ecological footprint. We keep track of a number of key indicators (waste, mobility, energy, food consumed in our offices) and try to improve each year. Special attention is given to air travel, as this considerably increases our ecological footprint.

5.1 Ecological sustainability in our programmes

Our interventions and activities in Africa, Asia and Latin America not only have an impact on the living conditions of farming families, they also have consequences on soil fertility, the use of water, emissions of certain greenhouse gases, etc.

We started our sustainability trajectory in 2015 (see illustration below). A small group in Belgium translated our strategy for ecological sustainability into different aspects. More specifically: climate change, natural resource management, agrobiodiversity, valuable ecosystems, genetically modified organisms (GMOs) and agro-ecology. The following year, these documents were reviewed with a representative from each region, and were then revised and supplemented with good practices from Rikolto’s programmes. They can be viewed on our website (www.rikolto.org/sustainability).

This sustainability working group also contributed to the further development of scoring tools for each commodity (rice, cocoa, coffee and fruit & vegetables). These tools were used for the impact assessment at the end of the

2014-2016 programme. The outcomes of the assessment clearly indicate whether each Rikolto region is moving towards a more environmentally sustainable approach and what it should change in order to improve the situation. Visit this page for the overview: <https://www.rikolto.org/en/about-us/impact/impact-infographics>.

At the start of the new programme cycle (2017-2021), we wanted to be sure that we have sufficient baseline data on current agricultural practices. We therefore incorporated the environmental scoring tool into the farmer survey that was carried out in every region to collect baseline data for the new programme. The results from the baseline data gave our staff a good overview of the bottlenecks and key issues surrounding environmental sustainability for farmers, farmers’ organisations and in the broader landscape. For the first time we had a very detailed overview of the many different aspects of environmental sustainability in our programmes.

These key issues are now being monitored on a regular basis by our programme staff, and included in the global dashboards that are used by the International Management Team for follow-up at global level.

5.2 Rikolto offices’ ecological footprint

Since 2009, we have been reporting on the environmental achievements of our office in Belgium; since 2012 we have also included our offices in Africa, Asia and Latin America. In doing so, we confine ourselves to a number of relevant key indicators that are easy for all offices to follow. You can find the detailed figures on our website: www.rikolto.org/footprint.

We have not noticed any significant shifts compared to last year, except in the field of mobility.



Office Supplies

In terms of **paper use**, not a great deal has changed. Recycled paper is not available in most regions, or the paper is very expensive. However, staff are encouraged to share documents by e-mail as much as possible and print double sided. In Belgium, the mailshots sent to private donors and volunteers account for most of our paper use. Since 2015, the use of paper has dropped spectacularly because we have stopped placing fundraising inserts in newspapers and magazines.

In Belgium, all **maintenance products** purchased are from an ecological brand, except for some products for which it is hard to find an ecological alternative. We continuously monitor whether we can replace certain products with an ecological alternative. Also, in Indonesia and West Africa, most of the cleaning is done with environmentally friendly products (at least 50%).

Catering

When it comes to **serving food at events**, our colleagues in Central and South America, Indonesia, Belgium and Vietnam try to avoid or reduce the amount of plastic plates and spoons used. In Belgium, 90% of the food served to external visitors or at events is organic, FairTrade or comes from local producers. The same goes for office coffee and snacks. In Indonesia, food and drinks that are served in the office are often bought from farmer organisations we work with.

Waste

In a number of offices, our colleagues have studied or started separate waste collection, but a sorting system is not in place yet in most regions. In most regions, except West Africa and Congo, paper is sorted and collected separately. In DR Congo, organic waste is used in the office garden and to feed the chicken.

In Indonesia, there is a waste management system in place in the main office and field offices in the different programme areas, but awareness needs to be raised much further to make it a success. In South America and, since last year also in Arusha, a special service provider collects organic, paper and plastic waste separately for recycling.

In Belgium, waste production remains steady and we try to recycle as much as possible. The amount of paper waste is a lot lower than it was a couple of years ago, since e-mails and documents are printed on paper much less often. Since 2018, we have started collecting plastic food packaging in a specific bag, but more awareness-raising is needed.

Energy

In 2011, we renovated our office building in Belgium and turned it into a sustainable workplace. **Electricity** use has decreased significantly since 2015 and has remained stable since then. Naturally, we use green electricity. In 2017, we invested in highly insulated glass for our windows, leading to a decrease in our gas use for heating.

As all of our office buildings outside Belgium are rented, renovation is impossible. However, the Rikolto office in Butembo, DRC, has a solar panel array next to the office building, which supplies 100% of its electricity. Moreover, in our office in Ouagadougou, Burkina Faso, eight solar panels and eight batteries supplied about 20% of the electricity up to June, when the team moved to a new office building. The solar panels will be reinstalled this year.

The use of energy-efficient lamps is commonplace everywhere. In most of the offices, awareness is regularly raised about switching off lights and computers after office hours.

Water

In Belgium, water use has decreased significantly since we renovated our office building. Rain water is used for flushing the toilets. Outside Belgium, there are no systems to use rain water. However, sometimes it is used for cleaning. In all offices, extra attention is paid to fixing leaking taps as quickly as possible.

Mobility

Usually programme staff use the office car or take a flight (see point 3 below) to **travel to Rikolto's programme areas**. The use of public transport continues to be unfeasible in most regions, due to the poor state of the roads, limited services and safety issues. Moreover, cars are often used to **commute** to and from work, while cycling or walking are not really considered. This may be for safety reasons or because it takes more time, but sometimes it is also a cultural issue, linked to social status. However, for two years, we have noticed some changes in South America, where more colleagues in our offices in Peru and Quito have started commuting by bike, and in East Africa, where public transport is used more.

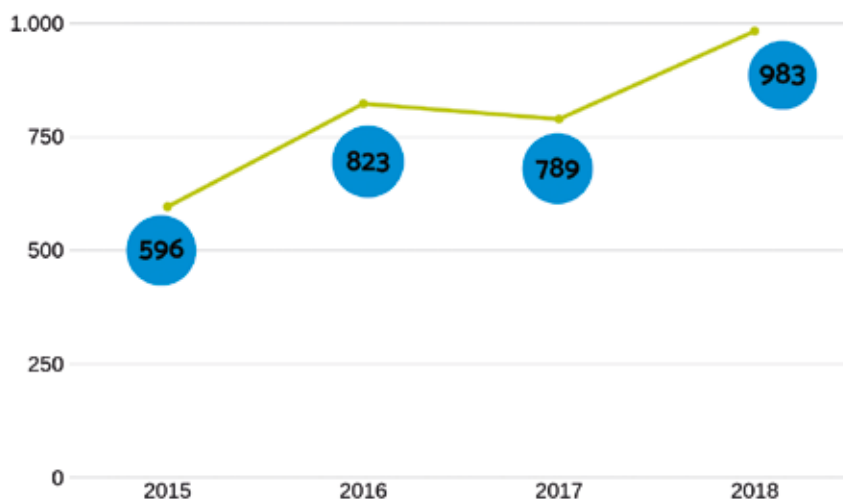
In Belgium, many colleagues work from home one or two days a week, which saves on commuting. All colleagues use public transport or bicycles to come to work. Our office is close to the railway station (a ten-minute walk) and there is a shower for cyclists to freshen up before starting work. Two service bicycles are available for employees. We have a Blue Bike subscription, with which employees can easily combine public transport and a Blue Bike for work trips.

5.3 Air travel

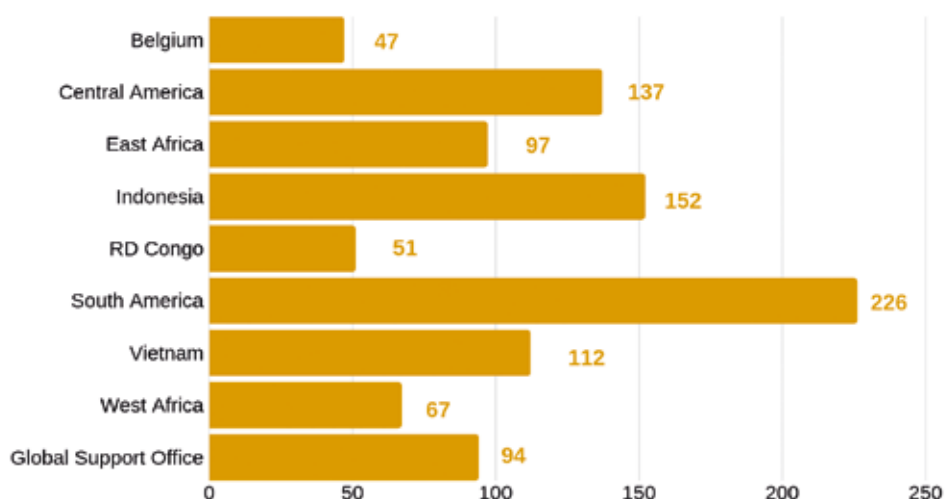
Travelling by air is still necessary for our operations. It is essential for an international organisation to have regular contact with colleagues on various continents. We use Skype or Zoom as much as possible to exchange

information, but on the other hand we see that face-to-face exchanges are so much more valuable. Travelling from Belgium to the Rikolto countries and between Rikolto offices is therefore necessary. We are aware that this considerably increases our ecological footprint and we try to combine as many assignments as possible in one trip.

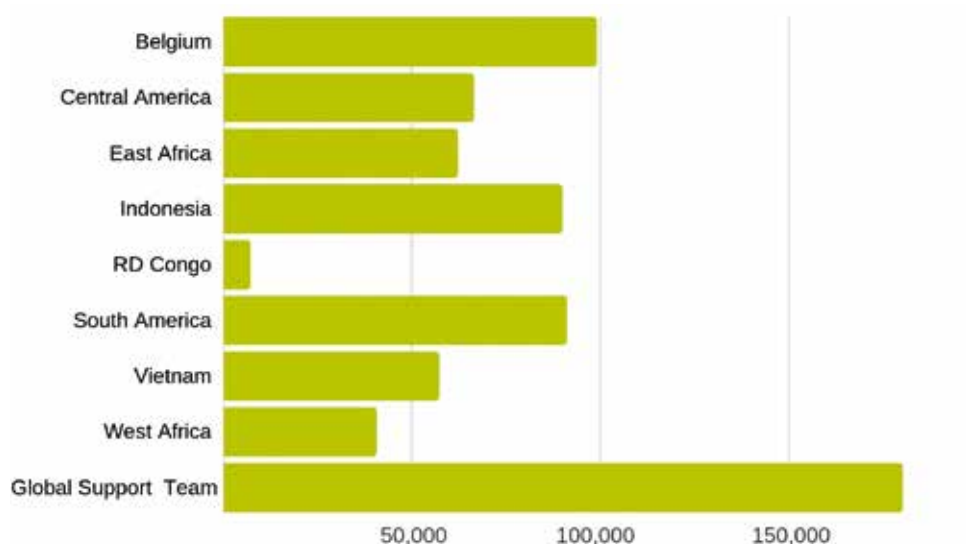
Graph 8: Evolution of number of flights – global



Graph 9: Number of flights taken by staff in 2018 – per region



Graph 10: Amount of CO₂ emissions (kg) from flights in 2018 – per region



In 2017, we identified the following key travel principles, which were approved by the International Management Team:

- Flying is the last resort. Rikolto staff should always look first for alternatives to travelling by plane.
- When considering the options, look at distance, but also time. Sometimes travelling by car or public transport takes too long and can be exhausting. Travel time for staff should also be taken into account, as it might significantly reduce the time available for programme activities.
- If you fly, you compensate. We always carbon offset the trips made by our staff. Non-staff are invited to do the same. Compensation will be paid into one common fund and will be used in a specific Rikolto project aimed at climate change mitigation. The sustainability working group (one staff member from each office) will decide on how the money is allocated.

In 2018, we expanded carbon offsetting on flights from Belgium (which we have monitored since 2009) to all flights taken by our staff worldwide. We also compared all the websites with a calculation formula to find the most appropriate and user-friendly method. From now on, we will use the Atmosfair offset formula and calculation method. Also, we have discovered that in the past, some regions used to calculate return trips as one flight. Because of all these factors, comparison with previous years has become very difficult.

In Vietnam, the number of flights has increased since last year due to the start of a new programme in a new area.

The two South and Central America teams have merged into one continental team, which has required two physical planning meetings at which both teams have been present. From next year onwards, the number of flights will go down again. Indonesia is the only region where the number of flights has decreased since last year. None of the project areas have changed, but colleagues are invited to maximise their time in the project areas.

The 2018 carbon offsetting money will be spent on a project in Benin. We will support farmers to further test the standards of the Sustainable Rice Platform and to promote more ecological cooking stoves to process rice.

Besides offsetting, our main priority for the next few years is unchanged: to fully focus on high-quality, efficient ICT infrastructure to reduce physical meetings. The slow internet connections in some regions (especially in Africa) remain the biggest obstacle to effective communications, e.g. through videoconferences.

"We do not have a written policy on reducing travel by air; however, all staff are encouraged to combine activities in order to minimise the frequency of travel and maximise the time used for programme activities, and to use public transport when available and safe. The line managers monitor the implementation of this policy in assessing and approving travel requests."

Dewi Utami Catur, Programme Manager in Indonesia



6. Fundraising



6.1 Towards more diversified funding

The shift in Rikolto's organisational structure towards an international network organisation went hand in hand with a shift in our funding model. We are continuously working towards a more diversified funding portfolio, reducing our dependency of our main donor, and more local fundraising in our respective offices. In 2018, we took further steps towards:

1. Reduced dependency on our main donor, the Belgian government: in 2015 DGD accounted for 69% of our funding. In 2018 the figure was 61%.
2. More local fundraising: in 2015 only 5% of all funding was secured directly by Rikolto offices. This increased to 17% in 2018.

The list of donors can be found in Appendix 4.

With the support of the King Baudouin Foundation, Rikolto is optimising and internationalising the use of our Salesforce database. We want to have more targeted communication to our 'customers' (donors, partners, experts, project managers, ...) and maximise their engagement with

our organisation, by better showcasing our performance, based on the project data available in Salesforce.

As accountability, transparency and qualitative reporting are key to Rikolto, global financial reporting standards and quality control will continue to be the responsibility of the international office's Finance department.

6.2 Private fundraising in Belgium

Private fundraising is an important source of income for Rikolto: thousands of individuals in Belgium support us and in doing so, they also show that we are widely endorsed. We aim to raise about 2 million euros on a yearly basis through three main sources: our annual fundraising campaign in January, donations and sponsorship events such as the Rikolto Classics (mountain bike tours) and the "20 km through Brussels" run.

In 2018...

- Thousands of volunteers hit the streets to participate in our annual fundraising campaign
- 510 individuals or organisations took action and asked

for support for Rikolto

- 7450 private donors supported Rikolto
- 96 schools were involved in our activities
- 25 cities supported Rikolto

6.3 Transparency

Rikolto is committed to clearly and transparently communicating to all its donors what happens with the funds we receive, and to leveraging these funds to maximise our impact.

Since transparency is one of the key principles of our Planning, Learning and Accountability system, we put this into practice by making as much information accessible as possible:

- Clear programme descriptions on our website: www.rikolto.org/en/projects
- Commitment to the International Aid Transparency Initiative (IATI) and compliance with its reporting standards: on our website you can find an overview of the activity files per country
- We adhere to the sustainability guidelines of the Global Reporting Initiative in our annual reporting. Our financial section in this annual report explains clearly how the money is spent.

Apart from the above, Rikolto endorses the Donor Bill of Rights, and we work with the following initiatives on transparency and accountability in Belgium: Association for Ethical Fundraising, Donorinfo.be and NGO-Openboek.be.

6.4 Privacy of our donors

Rikolto uses personal data for administrative purposes and in order to inform people about our activities. We take the privacy of our donors very seriously and intend to be 100% transparent about what we do with personal data. In 2018 we have formalised our internal processes and ethical codes to guarantee the privacy of all data we use and ensure compliance with the European privacy legislation (GDPR). We did not receive any complaints in 2018.

6.5 Engaging in partnerships with private companies and governments: our policy

Partnerships are part of Rikolto's DNA: private companies, their corporate foundations and governments are important stakeholders in the accomplishment of our mission, contributing both to the implementation and the funding of our programmes.

To transform the food system, we must involve companies in our activities. We believe that companies are a driving

force for society and that, as such, they can contribute to achieving the sustainable development goals.

- We partner with companies in specific programme activities, e.g. in Vietnam, rice companies are strategic partners in the development of Participatory Guarantee Systems.
- We partner with companies to jointly apply for funding, e.g. for USAID, DANIDA and DGD funding.
- As part of our upscaling strategies, we engage in multi-stakeholder platforms, commodity platforms and networks, including the Cocoa Sustainability Partnership, Sustainable Food Lab, ..., that include companies among their members.
- Companies and corporate foundations financially support our programmes worldwide, e.g. Colruyt supermarket group and its corporate foundation Colibri; Ford Foundation, ...
- In Belgium, companies donate to our organisation in various ways: company teams participate in the "20 km through Brussels" run and get sponsoring from their employer; Rikolto's classic bike teams seek sponsoring from companies.
- We are a member-NGO of Entrepreneurs for Entrepreneurs, an organisation that looks for Belgian companies that are willing to support or invest in specific projects of Rikolto.

To change the recipe of the food system and create enabling environments, we also need to engage with government actors.

- We partner with government actors as implementing partners. This is not solely, but particularly the case in Vietnam, where most of our implementing partners are technical departments from provincial governments. Due to its single-party political system, the government is an indispensable partner in the country.
- We partner with government actors, mostly National Secretariats or Programmes related to a certain value chain, to improve policies and make them more inclusive towards small-scale farmers. In some cases, we might be a sub-contractor in governmental programmes.
- We work with city governments worldwide to support them to develop their local food policies in the frame of our Food Smart City cluster.
- We support government actors financially to promote sustainability actions in certain value chains, at policy level.
- Governments support our programmes financially. The Belgian Development Cooperation is currently our main funder; also the Swiss Development Cooperation and the British, Canadian and Australian governments are among our funders (see appendix 4).

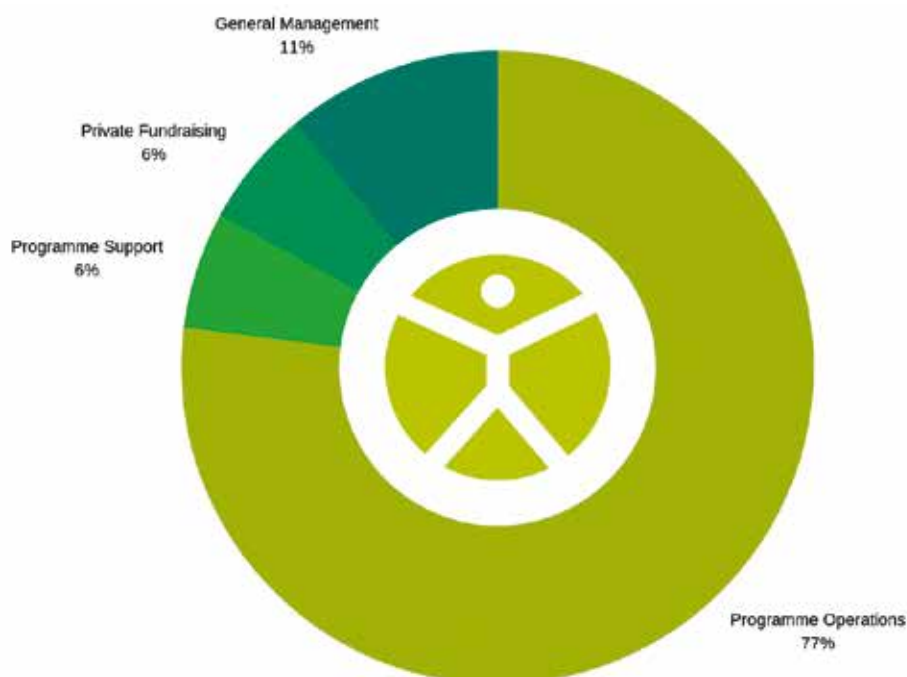
Rikolto's guiding principle to assess funding or programme collaborations ("partnerships") is a simple one: *We are not the name & shame NGO that shouts against private companies or that wants to make people feel guilty about what they buy. We work together with everyone that wants to take a step forward towards this new recipe of our food system.*

In 2018, Rikolto has developed a policy and process to ensure that we can manage **ethical risks associated with partnering up with and receiving funds from companies, corporate foundations and government actors**. We wish to be a responsible and ethical organisation, implementing our programmes in a way that is honest, decent and truthful, and mindful of our responsibilities towards the communities we work with, our main stakeholders and the environment.

7. Financial Report 2018 – Rikolto Group

This report covers the financial activities of the entire Rikolto group³ in 2018. The main focus is on the analytical presentation of the consolidated financial statements, i.e. following the new setting of the international network organisation.

7.1 Overview of our expenses

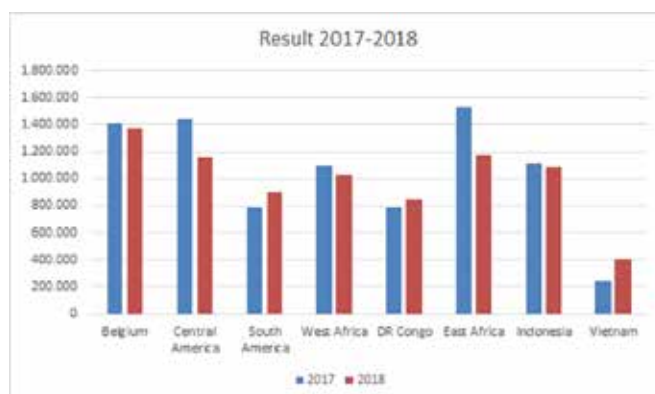


7.1.1 Programme operations

The Rikolto group conducts its operations in eight regions: Belgium, Central America, South America, West Africa, DR Congo, East Africa, Vietnam and Indonesia. Last year, we invested 38% of our money in 7 countries Africa, 26% in 5 countries in Latin America, 19% in 2 countries in Asia, and 17% in Belgium. In Belgium, we are a direct implementer of

programme activities (including different awareness raising campaigns); we don't transfer money to farmers' or other type of organisations (as is the case in the other regions). (see below)

Globally, the budget spent on programme operations in 2018 was a little bit lower than in 2017. Appendix 1 shows the general result. We explain this more in detail per region:



³ Rikolto International s.o.n. and Rikolto Belgium v.z.w. (see Section 3 – Governance).

Belgium

Rikolto Belgium vzw closed the 2018 financial year with a positive result of € 84,036. The income side followed the path as set in our budget, but we tried to save as much as possible on the expenses, both at staff and operations level. The General Assembly of Rikolto Belgium vzw has decided to allocate this positive result as a one-time donation to the innovation fund of Rikolto International. If we look at the years ahead, the financial result will be much more challenging.

Programme activities in Belgium (our work with the retail sector, the campaign 'I'm more than my till ticket' and the GoodFood@School project) were funded by different donors. The main donor remains the Belgian Development Cooperation - DGD (61%). The rest of our money comes from other institutional donors (24%) and contributions of individual donors (15%). The DGD programme runs up to 2021. It remains a challenge to look for long-term institutional funds to support our mission and focus on changing the food system, not only in developing countries, but also in Belgium.

Central America

Despite the political crisis in Nicaragua, our colleagues managed to implement the biggest part of our programme activities. Almost 100% of the budget foreseen for the activities of our partner organisations, was actually used. Secondly, Central America was able to implement some cost saving measures (for example, changing security services). Thirdly, after the departure of the regional director, the region decided to reorient the expat salary budget to invest in a multidisciplinary fundraising team.

In terms of diversification of funds, Central America was able to receive extra funds from COSUDE (Swiss Development Agency) for a second phase of the programme, but lost some EU funds for a cocoa programme (after negotiations with the lead partner, Rikolto's budget for the project was reduced). At the end of the year the funding division between different donors is: 57% DGD, 16% COSUDE, and 28% from other sources (mainly IFC, Youca, the Belgian province of West Flanders, EU, private donors in Belgium and 11.11.11). The dependency towards DGD funding has increased, while the share of local funding has reduced with 10% compared to 2017 (in 2017: 35% of total funding).

South America

South America spent 14% more compared to the year before. In 2017 (the first year of the programme funded by the Belgian Development Cooperation (DGD)), still a lot of time was invested in good planning, this year the execution of our programme activities really came to speed. In 2018, DGD remained the biggest funder of the programme in

South America, accounting for 78% of the total budget. The other 22% originated from locally attracted funders such as: Free the Children Foundation (WE), Development Bank of Latin American (CAF), The Economic Development Agency of Quito (Conquito) and PACARI with support from The Alliance for Entrepreneurship and Innovation (AEI - PACARI), as well as international funders such as: Ondernemers voor Ondernemers (OVO), 11.11.11, Talitha Koum and part of private donors in Belgium. Although the diversification of income in the region was an important point of attention in 2018, the region was not yet able to get new donors. It will remain a point of attention in 2019.

West Africa

Our colleagues in West Africa spent in 2018 almost the same amount of funds compared to 2017 (approximately 1 million euro). In 2018 however more funds have been used for overhead cost due to extra fundraising costs (consultancy for proposal writing and own fundraising staff) and expansion of our Mali antenna. Less funds were used for programme and transfers to partners. This can be explained by the fact that the EU-funded project ended in 2017, and the new project funded by AGRA will only kick off in 2019 (2018 being the preparatory and planning year).

In West Africa the biggest part of the programme is funded by DGD. This funding represents 62% of the total budget which is an increase of 13% compared to 2017. The programme is co-financed by CFSI, AGRA, 11.11.11, Leysen Humanitas Foundation and GIZ, and also partly by funds from private donors in Belgium. As stated before, West Africa was able to receive new funds from AGRA, so the picture will look different next year.

DR Congo

DR Congo spent in 2018 8% more than in 2017 due to extra available funding, which led to an increase of investments by partners and more programme activities. Also, the late start of the 2017-2021 new programme, explains this small increase.

In 2018, DGD remained the biggest funder of the programmes in DR Congo, accounting for 76% of the total budget. Although 2018 is marked by a lack of diversification, DR Congo was able to ensure new funds for the coming years, more specifically for the PICAGL (rice) and PASA NK (coffee) projects which will be financed by the World Bank and IFAD. As a result, the World Bank and IFAD will be the main donors for DR Congo as from 2019.

East Africa

There is a decrease in expenditure for East Africa in 2018 (compared to 2017) with 23%. This decrease can be explained by 4 factors: 1) a lower programme costs in Tanzania as there were significant investments in Farmer

Organisation storage facilities through the Food Trade project in 2017 and very few in 2018; 2) a lower spending rate by partners in 2018 in Tanzania, due to delays of recruitment of service providers on irrigation financing demos by TAHA and delays in recruitment of firms on TPN project by Eastern Africa Grain Council (EAGC); 3) a decline of partner spending because one partner (EAGC) dropped off in Uganda; 4) lower office investment cost compared to 2017. DGD and UKAID (DFID) remain like 2017 the main donors.

Vietnam

Vietnam spent in 2018 68% more than in 2017. The programme expanded, which is reflected in the figures: extra programme costs (33%), overhead cost (102%) and transfers to partners (284%). However, the office still has to deal with the slow process of getting project approval from the authorities in some provinces. Partners without a project permit cannot implement any activities in Vietnam.

In 2018, the income of Rikolto in Vietnam consisted for 54% from DGD, 31% comes from other funding found in Belgium. The remaining 15% has been funded from donors such as Rainforest Alliance, AliSEA, University of Leuven, CLFI Canada, Hanoi International Women Club and Conservation Food & Health Foundation. Rikolto in Vietnam has diversified its resources, but finding non-Belgian funding still remains a challenge for the next years.

Indonesia

Indonesia spent in 2018 almost the same amount of funds compared to 2017 (approximately 1,08 million euro). The share of overhead cost has decreased with 5% compared with 2017, while the programme cost has increased with 5%. The decrease on overhead is due to less travel cost for management meetings and a transformation from two antenna offices into a virtual office. The increase in programme cost can be explained by the organisation of a big planning and exchange meeting with all partners in Bali (which was not held in 2017).

Funds received from DGD contributed to 65% of the total expenses in 2018 which is an increase of 5% compared to 2017. This is mainly due to the closure of the MCA project which contributed substantially to the funding mix in Indonesia in 2017. In 2018 24% of the funds have been raised locally and 11% came from other funds raised in Belgium. Diversification of income in the region will be an important point of attention in 2019.

7.1.2 Programme support and communication

As last year, 6% of our total budget goes to programme support. The expenses in relation to programme support can be divided into two categories.

The first category mainly comprises the operational and salary costs of the programme and management support to the Rikolto offices. The costs for monitoring the impact of our programme and evaluation are being financed by DGD programme management funds.

The second category covers the costs of programme activities developed on an international level. On the one hand, we set up exchange and learning programmes (for example on strengthening farmer organisations as business entities) and developed and tested global methodologies (SCOPE, Impact Measurement framework) that have led to global sharing of evidence and knowledge. Expenses in this category are mainly related to the organisation of workshops to develop and share these methodologies. On the other hand, we have invested in increasing our impact as a relatively small organisation by expanding our international professional networks, mainly by attending high-level conferences.

DGD was the main funder of the international programme activities, but we also received funds from the Belgian province of West Flanders for the last activities of a knowledge exchange initiative between Belgian and Central American vegetable farmers, and from the Belgian NGO Federation related to the improvement of our impact measurement process.

Communication mainly involves creating and disseminating good content through a range of external communication channels. Accordingly, we spent most of our budget on hosting and maintaining our international website, software subscriptions (e.g. for design), translations, and the production of e-newsletters and print publications.

7.1.3 General Management

General management costs account for 11% of the total budget. This is a bit less than in 2017 and well below the permitted maximum of 20% to be compliant with the Belgian law on non-profit organisations (the right to issue tax certificates to donors).

Compared to 2017, there is an overall decrease by 22% (or 281,794 euro) mainly because the most important costs of the transition to the new structure of the international organisation had been taken up in the 2017 expenses. This decrease can be seen mostly in the subdivisions of Direction and specially of Secretariat, where 2017 was affected by important reorganisation costs. In fact, expenses for this division went back to the level of the 2016 actuals (and even a bit below). The finance desk expenses were 8% lower than in 2017, reflecting the fact that the global financial manager left the organisation at

the beginning of the year and has only been replaced as of the beginning of 2019.

7.2.4 Private fundraising in Belgium

Private fundraising remains extremely important for Rikolto: thousands of volunteers, donors, sponsors, etc. in Belgium support Rikolto and while doing so, they also demonstrate that many people endorse our organisation. In 2018, 6% of our total budget was spent on this type of fundraising, 1% less than in 2017.

In section 7.2.2 we explain the evolution of costs and income from private fundraising.

7.2 Income sources

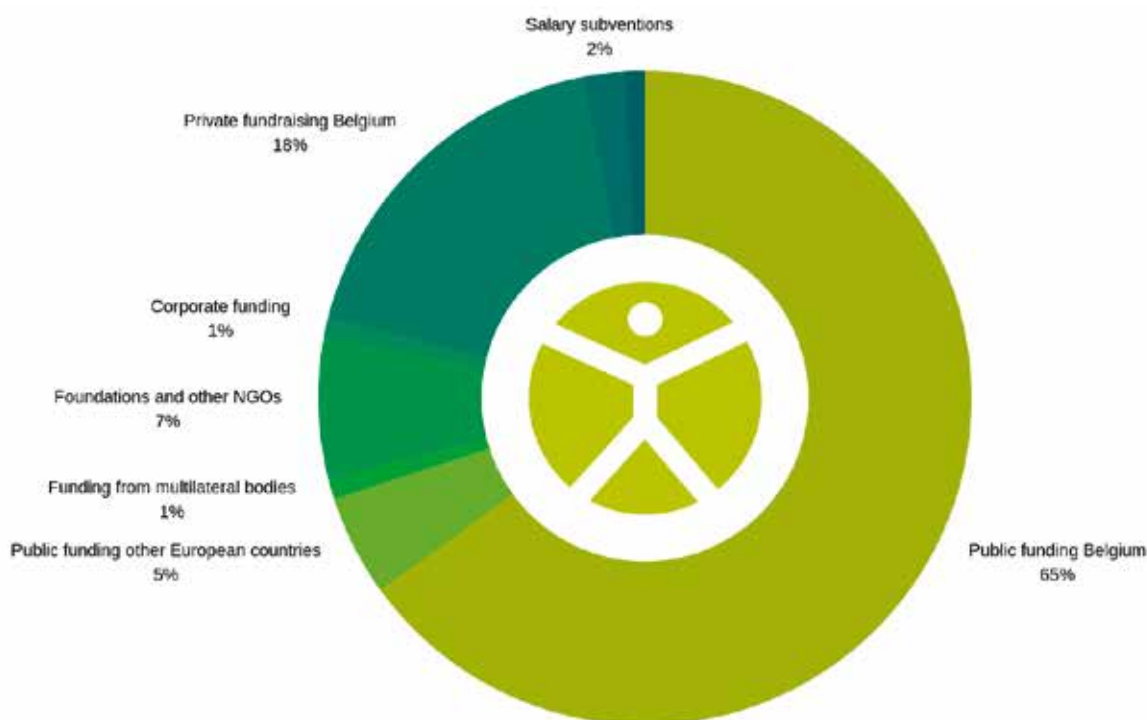
7.2.1 Donor diversification

As explained in section 6 (Fundraising), Rikolto has been working towards reducing its dependence on Belgian government funds (DGD), more donor diversification and more fundraising taken up by the different Rikolto offices. The share of DGD funding (the biggest part of public funding Belgium – see below) has increased again,

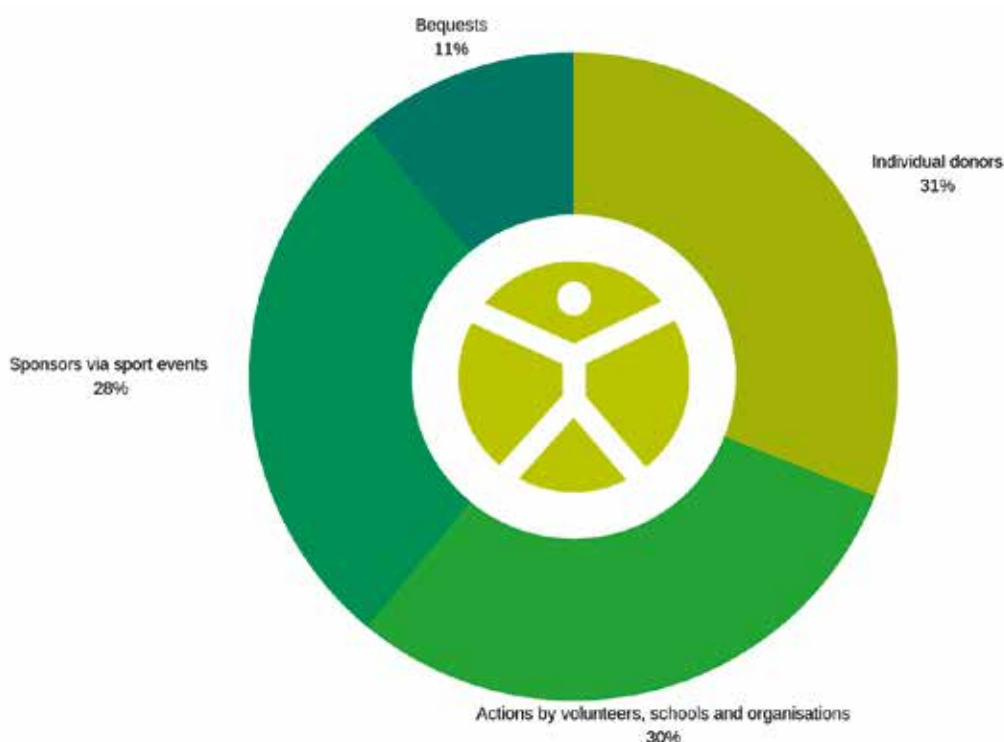
Income source	Amount in euros
Public funding Belgium	6,831,381
Public funding other countries	582,863
Funding from multilateral bodies	122,268
Foundations, NGO's and major donors	768,416
Corporate Funding	71,253
Private fundraising in Belgium	1,856,380
Salary Subventions	217,480
Other income	87,381
Total income	10,537,422

compared to 2017, to 61%. Our target for 2021 is 50%, so continued investment in donor diversification is needed.

The percentage of Belgian public funding was higher in 2018 compared to 2017. There are 3 main reasons: 1) in this second year of the 2017-2021 DGD programme more activities were organised, resulting in higher expenses, 2) many regions were not yet able to increase and diversify their donors (see section 7.1.1 – Regional programme operations) and 3) we used less money coming from private donors in Belgium, compared to 2017.



7.2.2 Private fundraising in Belgium



18% of our total income comes from private fundraising, or in absolute numbers: 1,828,435.39 euro. Over 500 people acted and participated in a sport-event, sold gadgets, baked, celebrated,... for Rikolto. These 'ambassadors' asked for support and together they raised over 1 million euro. Their sponsors are friends, family, companies and local authorities (see appendix 4 and 5). In 2018, 7450 private donors supported Rikolto. Some of them in a very special way by including Rikolto in their legacy: in 2017 our organization received an extraordinary bequest from a donor. As a result, we recorded an unusually high result in 2017. A result that we have not been able to meet again in 2018.

Overall, it was again a challenging year for private fundraising. It was the first full year to engage in fundraising as 'Rikolto' (previously 'Vredeseilanden'). The awareness for this new brand still needs to be build. This first year we lost some donors and volunteers as a result, but not significant. Private fundraising in general faces many challenges. There is more competition then ever in this field and new generations of donors are less loyal to an organisation. We cherish our ambassadors because they make all the difference. In 2018 we therefore engaged new staff to

mainly strengthen our relationships with our ambassadors and to work on a smart digital strategy to build the brand Rikolto. As a result, in 2019 we will launch some new fundraising activities. As always, Rikolto tries to be a pioneer and to innovate, also in fundraising.

In 2017, costs were 16% of revenues because of generous bequest we got. In 2018, we did extra investments, so the ratio rose again to a normal ratio of 1 in 3 (34%).

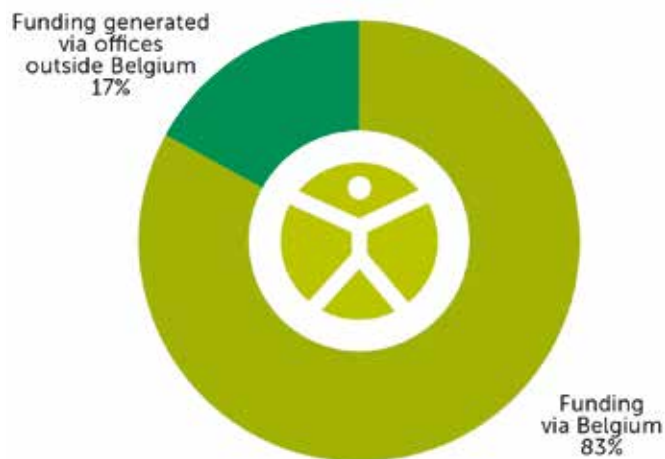
7.2.3 Other institutional income sources

Approximately 7% of funds in 2018 came from a diversity of Foundations, NGOs and major donors, including 11.11.11, Youca, Leysen Humanitas, Ford Foundation, CFSI and EFICO Foundation.

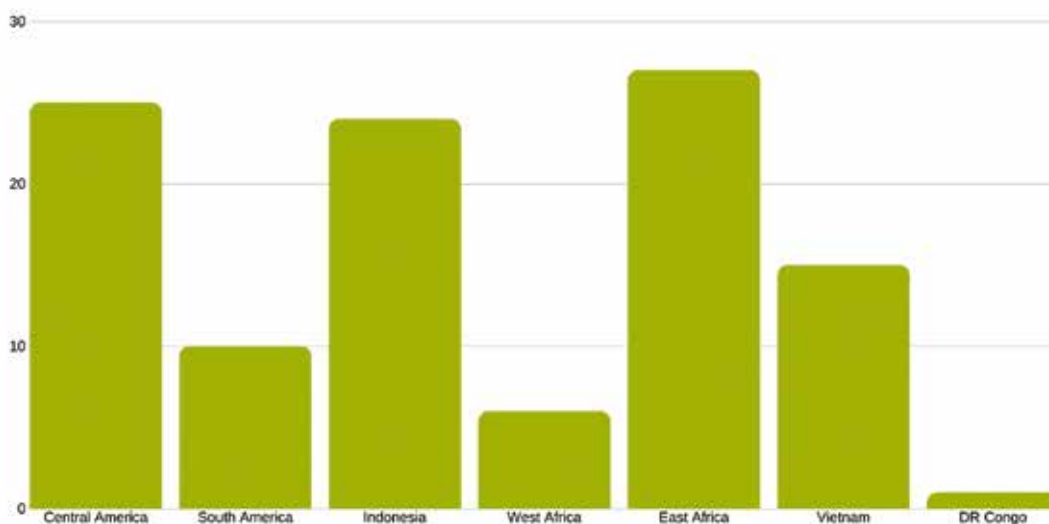
We also notice that we are able to attract more and more funding from Development Cooperation Agencies outside Belgium. 5% of our money is donated by the DFID (UK), COSUDE (Switzerland), FDOV (Netherlands) and GIZ (Germany). The complete list of donors can be found in appendix 4 and 5.

7.2.4 Fundraising by offices outside Belgium

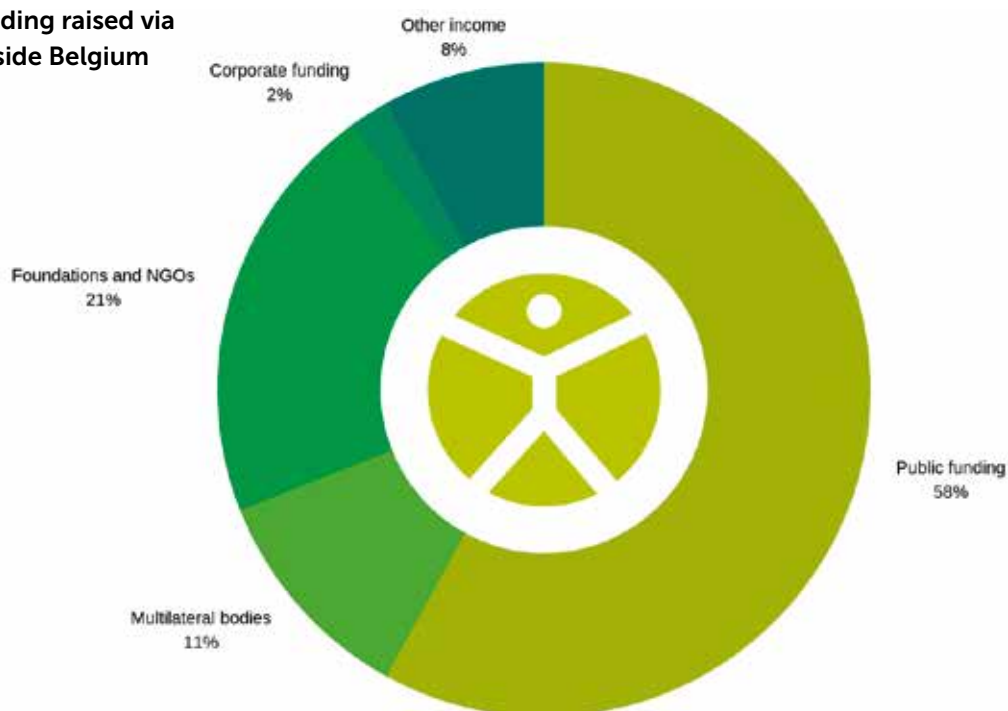
Of the total funding spent in the 7 Rikolto regions (excluding Belgium), an amount of €1,016,665, or 17%, was raised by our offices outside Belgium in 2018, a decrease of 9% when comparing percentages with 2017. Four regions (South America, West Africa, DR Congo and Vietnam), will need more efforts in the coming years to achieve the 2021 objective (40% of funds locally raised), as percentages currently range from 1% to 15% of locally sourced funding.



Percentage of funds raised via offices outside Belgium



Type of funding raised via offices outside Belgium



7.3 General results (Appendix 1)

The overall financial result for 2018 shows a positive balance of €228.151,54. In great extent this coincides with the amount of bequests (€206.163) received in 2018. For a more elaborate explanation of this result we refer to paragraphs 2 and 3 above.

7.4 Balance sheet (Appendix 2)

The balance sheet presented in the annex offers a snapshot of the financial position of the Rikolto group as of 31 December 2018. The balance total as at that date stands at €11,244,357, an increase of more than €1,2 million compared with 2017. There were two main reasons for this decrease.

The first reason is the increase of grants received during the year, but not spent yet. As we received in 2017 all funds from DGD as foreseen in the budget, but implementation has not been at full speed yet, the remaining part is on our balance to be carried over to 2018. The most important one is the five-year DGD programme (increase of €600,000). Other important increases in grants to be spent are: DGD Entrepreneurship for Development (East Africa: increase of more than €300,000), AGRA (West Africa: increase of more than €100,000) and the Bill and Melinda Gates Foundation (Vietnam: increase of more than €100,000) and several others with increases around €50,000. On the assets side of the balance this can be seen as an increase of our balances on the bank compared to former year. The same increase can be seen on the liabilities side of the balance under Accruals and deferred income.

Secondly, the positive result of €228.151,54 has an impact on the equity of the organisation, increasing by almost 4%, from €6,113,522 to €6,341,674.

For a good understanding, the sum of the former 2 increases has been partly compensated by a decrease (of almost €330,000) of other amounts payable, such as to suppliers, taxes and social security.

For the whole group, this equity represents 56% of total liabilities, which is a good solvency ratio for an organisation. Put differently, Rikolto has more own funds and few debts. This means that we are able to keep our programmes running in case they money of some (big) donors arrives late on our accounts, which is not exceptional. Also, in the unfortunate case we do not manage to get any funding for a long time and our activities have to stop, Rikolto is able to fulfill its legal obligations towards all staff members.

For Rikolto in Belgium vzw the allocated funds of €1,693,249 consist mainly of the social fund and of the funds to cover the fixed assets (€941,181).

7.5 Internal audit and fraud prevention at Rikolto

Since the end of 2015 the International Office has employed a finance manager dedicated to improving and standardising the internal financial procedures, practices and tools. One of his tasks is to perform internal financial audits at the various Rikolto offices, to identify weaknesses in financial management, formulate and implement improvements and prevent fraud.

A key goal of all the internal audits is to investigate whether the existing internal control system is adequate and effective (implemented as planned). In addition, there is a constant focus on improving the existing processes by formulating recommendations to mitigate identified risks and weaknesses.

The internal financial audits to be performed in a given year are planned by the International Board of Directors based on a proposal from the internal auditor and the Executive Directors. The internal auditor defines the specific terms of reference for each internal audit based on input from colleagues at Rikolto's International Office and from the Regional Director concerned. After finalising an internal audit, the internal auditor sends his report directly to the Board of Directors, as well as to the Executive Directors and to the Rikolto Director and Finance Manager. The local Director and his/her team are responsible for implementing the recommendations from the internal audit.

However, in 2018 the time the internal auditor was able to spend on his core tasks was very limited, due to the fact that he took over most of the tasks from the global finance manager who left the organisation at the beginning of the year (see paragraph "General Management"). As a result there was only an internal audit in the regional office of Vietnam during 2018.

The main weaknesses that emerged is that the accounting data (and in fact all files in general) are not being backed up properly and the fact that the principles of accrual-based accounting are inadequately implemented.

There was breach of the internal procedures related to travel expenses and personal expenses in Burkina Faso, which –taken into account the risk and the amounts involved– led to a verbal warning to the staff member involved. The staff member left the organisation in the meantime. Besides, there was a fraud case (relating to travel expenses and procurement procedures) in Uganda identified by the Internal Auditor. However, due to limited proof, only a written warning to the staff member involved

has been given, but at the same time measures have been taken to avoid similar cases in the future.

In 2018 we reviewed our Code of Conduct as part of a bigger process to creating awareness on our Integrity Policy and organisational values (see "Reporting concerns" in section 4 "People and Organization").



Annexes

Appendix 1: General Result

INCOME STATEMENT

		CONSOLIDATED TOTAL	RIKOLTO BELGIUM VZW	RIKOLTO INTER- NATIONAL SON	INTERNATIONAL OFFICE
		2018	2018	2018	2018
	Codes	Euro	Euro	Euro	Euro
I Operating income	70/74	10,845,817.52	9,593,270.61	8,025,282.67	7,116,644.46
D1. Grants	73	9,092,236.76	7,469,698.21	7,536,939.73	6,221,684.42
D2. Contributions, gifts and legacies	73	1,336,779.80	1,748,438.29	446,676.09	868,206.27
E. Other operating income	74	416,800.96	375,134.11	41,666.85	26,753.77
II Operating charges	60/64	10,694,970.58	9,551,586.82	7,916,119.52	6,972,731.80
A. Raw materials, consumables	60	65,732.27	65,732.27	0.00	0.00
1. Purchases	600/8	65,000.00	65,000.00	0.00	
2. Stock : decrease (increase)	609	732.27	732.27	0.00	
B. Services and other goods	61	3,435,091.75	975,029.49	2,460,062.26	462,492.71
C. Remuneration, social security costs and pensions	62	5,208,827.16	1,754,164.22	3,454,662.94	1,320,967.55
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	630	249,960.57	81,345.85	168,614.72	2,545.56
F. Provisions for liabilities and charges : Appropriations (uses and write backs)	635/8	-23,142.27	-127,225.12	104,082.85	100,000.00
G. Other operating charges	640/8	1,758,501.10	6,802,540.11	1,728,696.75	5,086,725.98
III Positive operating income	70/64	150,846.94	41,683.79	109,163.15	143,912.66
Negative operating income	64/70				
IV Financial income	75	12,131.53	2,810.06	9,321.47	0.00
B. Income from current assets	751	2,222.97	2,222.97	0.00	
C. Other financial income	752/9	9,908.56	587.09	9,321.47	
V Financial charges	65	16,399.36	7,064.23	9,335.13	2,372.30
B. Amounts written off current assets except stocks, contracts in progress and trade debtors : appropriations (write-backs)	651	2,106.47	2,106.47	0.00	0.00
C. Other financial charges	652/9	14,292.89	4,957.76	9,335.13	2,372.30
VI Positive income on ordinary activities	70/65	146,579.11	37,429.62	109,149.49	141,540.36
Negative income on ordinary activities	65/70				
VII Extraordinary income	76	78,997.30	46,606.43	32,390.87	0.00
D. Gain on disposal of fixed assets	763	25,141.37	0.00	25,141.37	
E. Other extraordinary income	764/9	53,855.93	46,606.43	7,249.50	
VIII Extraordinary charges	66	0.00	0.00	0.00	
E. Other extraordinary charges	664/8	0.00	0.00	0.00	
IX Positive income of the period	70/66	225,576.41	84,036.05	141,540.36	141,540.36
Negative income of the period	66/70				
Exchange rate difference to add at the financial result		0.01	0.00	0.01	
Exchange rate difference to add at the financial result		2,575.12	0.00	2,575.12	
Exchange rate difference to add at the financial result		0.00	0.00	0.00	
Positive/Negative income of the period		228,151.54	84,036.05	144,115.49	141,540.36

WEST AFRICA	EAST AFRICA	TANZANIA	UGANDA	DR CONGO	SOUTH AMERICA	CENTRAL AMERICA	VIETNAM	INDONESIA
2018	2018	2018	2018	2018	2018	2018	2018	2018
Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
970,190.53	1,050,144.55	590,398.54	459,746.01	730,986.03	804,268.87	1,115,515.75	384,819.30	938,726.01
969,133.39	1,047,592.46	590,179.99	457,412.47	719,682.18	804,268.87	1,115,515.75	384,819.30	938,726.01
1,057.14	2,552.09	218.55	2,333.54	11,303.85				
970,190.53	1,072,313.94	612,567.92	459,746.02	730,986.03	801,430.30	1,116,538.79	387,489.68	950,451.28
339,675.39	362,682.92	203,264.35	159,418.57	268,535.44	204,662.65	422,473.39	117,127.47	282,412.29
230,103.91	463,799.93	322,099.32	141,700.61	244,807.82	268,957.57	408,846.59	199,156.48	318,023.09
18,587.67	119,754.96	1,912.92	117,842.04	4,495.61	5,495.25	7,038.45	1,121.48	9,575.74
0.00	0.00	0.00			2,783.13	-6,407.57	-3,440.10	11,147.39
381,823.56	126,076.13	85,291.33	40,784.80	213,147.16	319,531.70	284,587.93	73,524.35	329,292.77
0.00					2,838.57			
0.00	-22,169.39	-22,169.38	-0.01	0.00		-1,023.04	-2,670.38	-11,725.27
0.00	0.00	0.00	0.00	0.00	37.82	1,023.06	4,904.07	3,356.52
					37.82	1,023.06	4,904.07	3,356.52
0.00	1,746.30	1,746.30	0.00	0.00	2,914.86	0.00	2,301.67	0.00
	1,746.30	1,746.30			2,914.86		2,301.67	
			0.00			0.02		
0.00	-23,915.69	-23,915.68	-0.01	0.00	-38.47		-67.98	-8,368.75
0.00	23,915.67	23,915.67	0.00	0.00	38.48	0.00	67.98	8,368.74
	23,915.67	23,915.67			38.48		44.91	1,142.31
	0.00						23.07	7,226.43
0.00					0.00			
	0.00							
					0.01	0.02	0.00	
0.00	-0.02	-0.01	-0.01	0.00				-0.01
	0.02	0.01	0.01		-0.01	-0.01		0.01
	-57.79	-57.79		310.36	481.94	2,650.63		-810.02
	0.00	0.00			0.00			
0.00	-57.77	-57.78	0.00	310.36	481.94	2,650.64	0.00	-810.02

Appendix 2: Balance as per 31/12/2018 (before allocation of the result)

ASSETS

FIXED ASSETS

- I Formation expenses**
- II Intangible fixed assets**
- III Tangible fixed assets**
 - A. Land and buildings
 - 1. In full property
 - 2. Other
 - B. Plant, machinery and equipment
 - 1. In full property
 - 2. Other
 - C. Furniture and vehicles
 - 1. In full property
 - 2. Other
 - D. Leasing and similar rights
 - E. Other tangible fixed assets
 - 1. In full property
 - 2. Other
 - F. Assets under construction and advance payments
- IV Financial fixed assets**
 - A. Affiliated entities
 - 1. Participating interests
 - 2. Amounts receivable
 - B. Other companies linked by participating interests
 - 1. Participating interests
 - 2. Amounts receivable
 - C. Other financial assets
 - 1. Shares
 - 2. Amounts receivable and cash guarantees

CURRENT ASSETS

- V Amounts receivable after more than one year**
 - A. Trade debtors
 - B. Other amounts receivable
 - of which non interest-bearing amounts or abnormally low interest rate
- VI Stocks and contracts in progress**
 - A. Stocks
 - 1. Raw materials and consumables
 - 2. Works in progress
 - 3. Finished goods
 - 4. Goods purchased for resale
 - 5. Immovable property intended for sale
 - 6. Advance payments
 - B. Contracts in progress
- VII Amounts receivable within one year**
 - A. Trade debtors
 - B. Other amounts receivable
 - of which non interest-bearing amounts or abnormally low interest rate
 - 1. Receivable from International Office
 - 2. Other receivables
 - 3. Current account International Office
- VIII Current investments**
- IX Cash at bank and in hand**
- X Deferred charges and accrued income**

TOTAL ASSETS

	CONSOLIDATED TOTAL	RIKOLTO BELGIUM VZW	RIKOLTO INTER- NATIONAL SON	INTERNATIONAL OFFICE
	2018	2018	2018	2018
Codes	Euro	Euro	Euro	Euro
20/28	934,101.25	918,055.23	16,046.30	7,465.77
20				
21				
22/27	862,232.48	857,866.99	4,365.77	4,365.77
22	583,494.11	583,494.41	0.00	0.00
22/91	583,494.11	583,494.41		0.00
22/92				
23	10,492.10	7,091.58	3,400.52	3,400.52
231	10,492.10	7,091.58	3,400.52	3,400.52
232				
24	3,811.25	2,846.00	965.25	965.25
241	3,811.25	2,846.00	965.25	965.25
242				
25				
26	264,435.00	264,435.00		
261				
262	264,435.00	264,435.00		
27				
28	71,868.77	60,188.24	11,680.53	3,100.00
280/1	6,200.00	3,100.00	3,100.00	3,100.00
280	6,200.00	3,100.00	3,100.00	3,100.00
281				
282/3				
282				
283				
284/8	65,668.77	57,088.24	8,580.53	0.00
284	55,500.00	55,500.00		
285/8	10,168.77	1,588.24	8,580.53	
29/58	10,310,256.18	4,870,407.51	7,030,896.48	4,237,696.96
29	2,115.48	0.00	2,115.48	0.00
290				
291	2,115.48	0.00	2,115.48	
2915				
30	143,925.73	143,925.73	0.00	0.00
30/36	143,925.73	143,925.73	0.00	0.00
30/31				
32				
33				
34	143,925.73	143,925.73	0.00	
35				
36				
37				
40/41	493,290.42	1,710,255.34	374,082.92	-412,280.86
40				
41	493,290.42	1,710,255.34	374,082.92	-412,280.86
415	0.00	0.00	0.00	
415	493,290.42	140,181.07	374,082.92	26,006.99
415	0.00	1,570,074.27	0.00	-438,287.85
50/53	780,383.54	771,496.13	8,887.41	0.00
54/58	8,759,563.82	2,206,935.89	6,552,627.93	4,598,957.41
490/1	130,977.10	37,794.42	93,182.74	51,020.41
20/58	11,244,357.43	5,788,462.74	7,046,942.78	4,245,162.73

WEST AFRICA	EAST AFRICA	TANZANIA	UGANDA	DR CONGO	SOUTH AMERICA	CENTRAL AMERICA	VIETNAM	INDONESIA
2018	2018	2018	2018	2018	2018	2018	2018	2018
Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
2,497.11	0.00	0.00	0.00	3,932.19	0.00	1,275.50	875.73	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00							
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00							
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00							
2,497.11	0.00	0.00	0.00	3,932.19	0.00	1,275.50	875.73	0.00
2,497.11	0.00	0.00	0.00	3,932.19	0.00	1,275.50	875.73	0.00
	0.00							
2,497.11	0.00			3,932.19		1,275.50	875.73	
151,228.51	220,044.32	43,452.56	176,591.76	44,315.81	64,431.81	358,837.40	203,975.46	201,388.68
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,115.48
	0.00							2,115.48
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00							
-132,401.90	-206,927.84	-149,469.60	-57,458.24	-50,543.46	-112,877.75	33,599.29	-148,519.47	-144,942.62
-132,401.90	-206,927.84	-149,469.60	-57,458.24	-50,543.46	-112,877.75	33,599.29	-148,519.47	-144,942.62
6,809.10	5,000.04	5,000.04	0.00		5,110.71	2,586.32	21,337.73	2,998.01
73,963.97	68,399.33	64,038.89	4,360.44	53,766.58	63,170.34	40,470.54	36,106.41	12,198.76
-213,174.97	-280,327.21	-218,508.53	-61,818.68	-104,310.04	-181,158.80	-9,457.58	-205,963.61	-160,139.39
	0.00				8,887.41			
279,555.09	406,525.62	191,582.53	214,943.09	94,859.27	168,194.69	325,238.11	352,494.93	326,802.81
4,075.32	20,446.54	1,339.63	19,106.91		227.46			17,413.01
153,725.61	220,044.32	43,452.56	176,591.76	48,248.00	64,431.81	360,112.91	204,851.19	201,388.68

Appendix 2: Balance as per 31/12/2018 (before allocation of the result)

EQUITY AND LIABILITIES

EQUITY

I Foundation funds

A. Opening equity

IV Allocated funds

V Accumulated positive (negative income

Result of the period

PROVISIONS

VII A. Provisions for liabilities and charges

1. Pensions and similar obligations

4. Other liabilities and charges

B. Provisions for grants and legacies to reimburse and gifts with a recovery right

AMOUNTS PAYABLE

VIII Amounts payable after more than one year

A. Financial debts

5. Other loans

B. Trade debts

IX Amounts payable within one year

C. Trade debts

1. Suppliers

E. Taxes, remuneration and social security

1. Taxes

2. Remuneration and social security

F. Miscellaneous amounts payable

X Accruals and deferred income

TOTAL LIABILITIES

	CONSOLIDATED TOTAL	RIKOLTO BELGIUM VZW	RIKOLTO INTER- NATIONAL SON	INTERNATIONAL OFFICE
	2018	2018	2018	2018
Codes	Euro	Euro	Euro	Euro
10/15	6,341,674.16	3,197,572.52	3,144,101.64	3,021,167.87
10	2,956,663.12	0.00	2,956,663.12	2,819,964.23
100	2,956,663.12	0.00	2,956,663.12	2,819,964.23
13	1,693,249.22	1,693,249.22		0.00
140	1,463,610.26	1,420,287.25	43,323.01	59,663.28
	228,151.56	84,036.05	144,115.51	141,540.36
16	745,208.30	352,567.00	392,641.30	154,000.00
160/5	745,208.30	352,567.00	392,641.30	154,000.00
160	238,641.30	0.00	238,641.30	
163/5	506,567.00	352,567.00	154,000.00	154,000.00
168	0.00	0.00	0.00	
17/49	4,157,474.97	2,238,323.22	3,510,200.39	1,069,994.95
17	0.00	0.00	0.00	0.00
170/4	0.00	0.00	0.00	0.00
174	0.00	0.00	0.00	
175				
42/48	632,688.52	404,694.13	1,819,043.02	166,327.24
44	149,372.49	70,538.74	99,807.32	66,034.48
440/4	149,372.49	70,538.74	99,807.32	66,034.48
45	342,489.29	203,544.00	138,945.29	100,292.76
450/3	13,899.34	107.00	13,792.34	3,651.68
454/9	328,589.95	203,437.00	125,152.95	96,641.08
48	140,826.74	130,611.39	1,580,290.41	
492/3	3,524,786.46	1,833,629.09	1,691,157.37	903,667.71
10/49	11,244,357.43	5,788,462.74	7,046,943.33	4,245,162.82

WEST AFRICA	EAST AFRICA	TANZANIA	UGANDA	DR CONGO	SOUTH AMERICA	CENTRAL AMERICA	VIETNAM	INDONESIA
2018	2018	2018	2018	2018	2018	2018	2018	2018
Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
1,804.52	-2,642.34	-2,642.34	0.00	6,934.47	10,771.61	58,587.82	1,429.31	46,048.38
1,804.52	-2,948.99	-2,948.99	0.00	7,540.11	11,712.13	63,670.03	1,429.31	53,491.78
1,804.52	-2,948.99	-2,948.99		7,540.11	11,712.13	63,670.03	1,429.31	53,491.78
	0.00							
	364.44	364.44	0.00	-916.00	-1,422.47	-7,732.86		-6,633.38
	-57.79	-57.79	0.00	310.36	481.95	2,650.65		-810.02
0.00	0.00	0.00	0.00	0.00	42,959.32	32,677.07	44,663.68	118,341.23
0.00	0.00	0.00	0.00	0.00	42,959.32	32,677.07	44,663.68	118,341.23
	0.00							
	0.00							
	0.00							
151,921.08	222,686.64	46,094.88	176,591.76	41,313.88	10,700.88	268,848.18	158,758.20	36,999.07
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12,939.39	10,919.97	5,543.44	5,376.53	28,325.13	8,873.72	37,106.20	9,758.66	18,560.35
1,680.00	10,816.28	5,543.44	5,272.84	13,316.21	0.00	23,483.25	9,758.66	18,560.35
1,680.00	10,816.28	5,543.44	5,272.84	13,316.21		23,483.25	9,758.66	18,560.35
1,420.21	103.69	0.00	103.69	14,631.96	8,873.72	13,622.95	0.00	0.00
564.06	103.69		103.69	833.59	2,330.58	6,308.74		
856.15				13,798.37	6,543.14	7,314.21		
9,839.18	0.00			376.96				
138,981.69	211,766.67	40,551.44	171,215.23	12,988.75	1,827.16	231,741.98	148,999.54	18,438.72
153,725.61	220,044.30	43,452.54	176,591.76	48,248.35	64,431.81	360,113.06	204,851.19	201,388.68

Appendix 3: Statutory Auditor's Report of Rikolto International s.o.n.

The Statutory Auditor's Report is available on request (in Dutch) – info@rikolto.org.



Statutory auditor's report to the members of the board of directors Rikolto International Stichting van openbaar nut on the annual accounts as of and for the year ended 31 December 2018

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH.

In the context of the statutory audit of the annual accounts of Rikolto International Stichting van openbaar nut ("the Foundation"), we provide you with our statutory auditor's report. This includes our report on the annual accounts for the year ended 31 December 2018, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the board of directors of 29 June 2016. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2019. We have performed the statutory audit of the annual accounts of Rikolto International Stichting van openbaar nut for 2 consecutive financial years.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the Foundation as of and for the year ended 31 December 2018, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at 31 December 2018, the income statement for the year then ended and notes. The balance sheet total amounts to EUR 7.046.943 and the income statement shows a positive result for the year of EUR 144.116.

In our opinion, the annual accounts give a true and fair view of the Foundation's equity and financial position as at 31 December 2018 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the annual accounts" section of our report. We have complied with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the independence requirements.

We have obtained from the board of directors and the Foundation's officials the explanations and information necessary for performing our audit.

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



Statutory auditor's report to the members of the board of directors Rikolto International Stichting van openbaar nut on the annual accounts as of and for the year ended 31 December 2018

Board of directors' responsibilities for the preparation of the annual accounts

The board of directors is responsible for the preparation of these annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as board of directors determines, 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 is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance as to 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 opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 the users taken on the basis of these annual accounts.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the annual accounts in Belgium.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may



Statutory auditor's report to the members of the board of directors Rikolto International Stichting van openbaar nut on the annual accounts as of and for the year ended 31 December 2018

cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation 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.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The board of directors is responsible for maintaining the Foundation's accounting records in compliance with the applicable legal and regulatory requirements, as well as for the Foundation's compliance with Law of June 27, 1921 on the not-for-profit associations, foundations, European political parties and European political foundations and the Foundation's articles of association.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard (revised in 2018) which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain requirements of the Law of June 27, 1921 on the not-for-profit associations, foundations, European political parties and European political foundations and the Foundation's articles of association and to report on these matters.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the annual accounts and our audit firm remained independent of the Foundation during the term of our mandate.



Statutory auditor's report to the members of the board of directors Rikolto International Stichting van openbaar nut on the annual accounts as of and for the year ended 31 December 2018

Other aspects

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- We do not have to inform you of any transactions undertaken or decisions taken in breach of the Foundation's articles of association or the Law of June 27, 1921 on the not-for-profit associations, foundations, European political parties and European political foundations.

Antwerp, 6 June 2019

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

Tim Vermeiren
Réviseur d'Entreprises / Bedrijfsrevisor

Appendix 4: List of donors

This list contains all amounts (in euro) we received on our accounts in the course of 2018. Some grants are destined for activities in a next or previous fiscal year.

Donor	Amount (euro)
BELGIAN DEVELOPMENT COOPERATION (DGD) – D3	6,897,298.04
Food Trade (UKAID) (via Farm Africa)	268,879.00
EUROPEAN UNION	255,384.85
11.11.11	227,976.65
Cosude (SDC)	208,867.00
BELGIAN DEVELOPMENT COOPERATION (DGD) - D2	193,500.00
FORD FOUNDATION	123,462.48
YOUCA	105,000.00
KING BOUDOUIN FOUNDATION	95,000.00
COMMON FUND FOR COMMODITIES DR CONGO	88,355.73
SOCIAAL CULTUREEL VOLWASSENENWERK	86,080.00
VLAANDEREN CIRCULAIR	80,000.00
FDOV (NL)	62,367.00
BUITENLANDSE ZAKEN	49,360.00
COLRUYT GROUP	48,000.00
NATIONALE LOTERIJ	46,833.00
MCA Indonesia	39,469.00
ACODEV	38,946.24
FDF	38,247.00
IFC	33,571.00
TRDS (Nieuw Zeeland)	28,672.00
ENTREPRENEURS FOR ENTREPRENEURS	27,450.00
WORLD BANK	27,430.13
GIZ	26,711.00
CAF (Development bank of Latin America)	25,688.00
Conquito	25,198.00
Agrofair	21,038.00
TALITHA KHOUM	18,750.00
AEI - Alliance for Entrepreneurship and Innovation of Ecuador (via Pacari)	18,558.00
Canada Fund for Local Initiatives	16,040.00
Conservation Food & Health Foundation	13,840.00
MVO-VLAANDEREN	12,000.00
EU (via Helvetas)	10,539.00
KULeuven	8,576.00
Rainforest Alliance	8,552.00
AGRA	7,700.00
WE (We Are Canada)	7,429.00
FAIRTRADE BELGIUM	5,000.00
GOODPLANET	5,000.00
THE SHIFT	5,000.00
Bill & Melinda Gates Fundation (via University Wageningen)	1,795.00
DGD SYNERGY PROJECT DR CONGO	1,431.00
Hanoi International Women Club	1,410.00
SLA Canada	1,284.00
ADA	670.00

Appendix 5: List of provinces and towns in Belgium supporting Rikolto

These lists contain all amounts we received on our accounts (in euro) in the course of 2018. Some grants are destined for activities in a next or previous fiscal year. Also the grants for the local activities of volunteer groups are not in this list as they are directly transferred to the accounts of those local groups.

Provinces	Amount (euro)
PROVINCIE VLAAMS BRABANT	80,000.00
PROVINCIE WEST VLAANDEREN	24,300.00
PROVINCIE WEST VLAANDEREN (exchange Central America)	50,000.00
Towns	Amount (euro)
LEUVEN	31,329.97
MORTSEL	14,299.00
BONHEIDEN	7,574.99
GENT	7,000.00
GRIMBERGEN	6,201.00
ANTWERPEN	4,000.00
HERENT	3,500.00
SCHILDE	3,010.00
MOL	2,681.00
DIEST	2,500.00
TESSENDERLO	2,500.00
GENK	2,314.15
OUD HEVERLEE	2,175.00
BOOM	2,046.00
ROTSelaar	1,800.00
GEEL	1,500.00
ZELE	1,420.00
HOLSBEK	1,299.00
GROBBENDONK	1,230.00
HEUSDEN ZOLDER	1,125.00
MAASMECHELEN	1,125.00
HERENTALS	1,050.00
VORSELAAR	550.00
HOOGSTRATEN	500.00
HASSELT	350.00
WICHELEN	345.00
DE PINTE	220.18
ZUIENKERKE	50.00

Appendix 6: Global Reporting Initiative Index

	Description	Page number, url, or reason for omission
GRI 101		
	This report has been prepared in accordance with the GRI Standards: Core option. However, since Rikolto's change of governance structure (see page 16 in this report), no materiality exercise has been done. It is our ambition to do so in 2019.	
GRI 102		
Organisational profile		
GRI 102-1	Organisation name	16
GRI 102-2	Main activities and services	4
GRI 102-3	Location of head quarters	back cover
GRI 102-4	Number and name of countries where the organisation is active	4
GRI 102-5	Nature of ownership and legal form	16
GRI 102-6	Beneficiaries and stakeholders	www.rikolto.org/stakeholders
GRI 102-7	Scale of the organisation (employees, operations, finances)	4-6, 21, 36-39
GRI 102-8	Number of employees by region, gender and region, including volunteers	21
GRI 102-12	Externally developed sustainability charters, principles or initiatives that have been signed or endorsed by the organisation	www.rikolto.org/fundraising
GRI 102-13	Membership of coalitions, associations and functions in management bodies, including national or international advocacy organizations	www.rikolto.org/networks
Strategy		
GRI 102-14	Statement from the most senior decision-maker about relevance of sustainability	3
GRI 102-15	Description of impact, risks and opportunities	www.rikolto.org/sustainability
Ethics and integrity		
GRI 102-16	Description of organisation's values, principles and norms	www.rikolto.org/values
GRI 102-17	Mechanisms for seeking advice on ethical and lawful behavior	20
Governance		
GRI 102-18	Governance structure of the organisation, including committees of the highest governance body	16-18, www.rikolto.org/governance
GRI 102-19	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	www.rikolto.org/governance
GRI 102-20	Sustainability officer at highest level?	www.rikolto.org/governance
GRI 102-21	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	www.rikolto.org/governance
GRI 102-22	Composition of the highest governance body and its committees	www.rikolto.org/governance
GRI 102-23	Chair of the highest governance body is also an executive officer?	www.rikolto.org/governance
GRI 102-24	Nomination and selection processes for the highest governance body and its committees	www.rikolto.org/governance
GRI 102-25	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	www.rikolto.org/governance
GRI 102-26	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's sustainability statements	www.rikolto.org/governance
GRI 102-27	Measures to enhance collective knowledge of highest governance body on economic, environmental and social topics	www.rikolto.org/governance
GRI 102-28	Process evaluation of highest governance body on economic, environmental and social topics	—
GRI 102-33	Process for communicating critical concerns to the highest governance body	www.rikolto.org/governance
GRI 102-34	Number of critical concerns raised and measures taken	www.rikolto.org/governance
GRI 102-35	Report the remuneration policies for the highest governance body and senior executives	www.rikolto.org/governance
GRI 102-36	Process for determining remuneration	19

	Description	Page number, url, or reason for omission
GRI 102-37	Stakeholders view on remuneration	—
GRI 102-38	Ratio of percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation	19
Stakeholder engagement		
GRI 102-40	List of stakeholder groups engaged by the organisation	www.rikolto.org/stakeholders
GRI 102-41	Percentage of total employees covered by collective bargaining agreements	19
GRI 102-42	Basis for identification and selection of stakeholders	5
GRI 102-43	Approach of stakeholder engagement, including frequency of consultation by type and stakeholder group	www.rikolto.org/pla
GRI 102-44	Key topics and concerns that have been raised through stakeholder engagement and organisation's response	www.rikolto.org/pla
Report parameters		
GRI 102-45	Entities included in the consolidated financial statements	29
GRI 102-46	Process for defining the report content and the Aspect Boundaries	see GRI 101
GRI 102-47	List all the material Aspects identified in the process for defining report content	see GRI 101
GRI 102-48	Restatements of information provided in previous reports	7 (number of farmers reached)
GRI 102-49	Significant changes in the boundaries of sustainability aspects reported on in previous years	—
GRI 102-50	Reporting period	3
GRI 102-51	Date of previous report	3
GRI 102-52	Reporting cycle	3
GRI 102-53	Contact for questions on the report	colophon
GRI 102-54	'in accordance' option the organisation has chosen	see GRI 101
GRI 102-55	Policy on seeking external assurance for the report	no external assurance
GRI 103		
	Since the list of our material aspects needs to be updated again (see GRI 101), we did not elaborate a full management approach, including evaluation procedure, for each material aspect in the list below. However, you will find our general policy related to most topic on the pages stated below (GRI 200, 300, 400)	www.rikolto.org/impact
GRI 103-1	Explanation of the material topic and its boundaries	—
GRI 103-2	Management approach	—
GRI 103-3	Evaluation of the management approach	—
GRI 200		
GRI 201-1	Direct economic value generated and distributed, including impact on local communities	
GRI 201-4	Financial assistance received from the government	32
GRI 202-2	Proportion of senior management hired from local communities	16
GRI 205-1	Total number and percentage of operations assessed for risks related to corruption	35
GRI 205-2	Communication and training on anti-corruption policy	20, 35
GRI 205-3	Confirmed incidents of corruption and actions taken	35
NGO	Allocation of resources: annual financial report, control mechanisms, costs/income fundraising	section 7
NGO	Ethical fundraising – Funds per category, and the five largest donors and financial value of their contribution, policy on accepting gifts	27, 48, 49
GRI 300		
Material aspects	Indicators	Page
GRI 302-1	Energy consumption within the organisation	www.rikolto.org/footprint
GRI 303-1	Interaction with water as shared resource	23

Material aspects	Indicators	Page
GRI 304-2	Impact on biodiversity	www.rikolto.org/sustainability
GRI 305-1	Emission of greenhouse gasses	24
GRI 305-5	Reduction of greenhouse gas emissions	24
GRI 400		
GRI 401-1	New employees and turnover	21
GRI 401-2	Benefits full-time employees /v/ part-time employees	19
NGO	Mechanisms for workforce feedback and complaints, and resolution	20
GRI 404-1	Average number of training hours by year, by employee and by employee category	19
GRI 405-2	Ratio of the basic salary and remuneration of women to men for each employee category	19
GRI 406	Number of incidents of discrimination and corrective actions taken	20
NGO	System for programme monitoring, evaluation and learning, introducing modifications in the programme and communicating these modifications	www.rikolto.org/pla
GRI 415	Political contributions	27
GRI 418	Total number of substantiated complaints received concerning breaches of customer privacy	27

Colophon

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Rikolto Belgium vzw is an independent and pluralistic non-gouvernemental organisation that is not relied to any political party. We are a member of 11.11.11, the coordinating body of the Flemish North-South movement and the Flemish NGO-federation.



Rikolto International and Belgium follow the EFQM quality system and obtained the 'Committed to Excellent' label, presented by BBest.



You are entitled to be informed. This means that donors, staff and other stakeholders will be kept up to date about what happens with the Rikolto funds at least once a year. This annual report responds to it.

