

# Annual Report 2017



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## 0. Introduction

2017 was a challenging year for us. Our organisational and governance structure has undergone a total makeover and we have become an international network organisation. In October 2017 we launched our new brand name: Rikolto, which is the Esperanto word for "harvest". We want farmers to have a good harvest, and we also want to harvest great new ideas and solutions to improve our food systems.

The network organisation is a fact since the 1st of January 2017. We are proud that the leadership of the organisation is now distributed over the different offices globally. The advantages are tremendous, and we already notice them: decisions taken closer to the action, more agility to adapt to the fast-changing context, more focused activities and similar goals in the different regions which makes it possible to enhance our expertise and have more impact.

But, we still have a way to go, we're not there yet. For 2018 we will focus on getting the international programmes on commodities like rice and cocoa and our food smart city programme up and running and link them closely with the projects we run in the different countries at farmer level.



### Scope of the report

This annual and sustainability report covers the calendar year 2017 and is published on our website after approval by the International Board of Directors on 8 June 2018 and by the Belgian General Assembly on 16 June 2018. We report on all 15 countries where Rikolto is active (in Africa, Latin America and Asia, and in Belgium).

### Global Reporting Initiative

This annual report is drafted in accordance with GRI, the Global Reporting Initiative, criteria. We follow the tailored guidelines of the GRI Sector Supplement for NGOs, which are based on the INGO Accountability Charter. Since 2014 we have reported according to the G4 standard, "in accordance – core" option. In GRI language, this means that we will only report on core indicators, and that we will cover at least one indicator per "material" (that is: most relevant and impactful) aspect. The complete overview of all GRI indicators is included at the end of this report (appendix 6).

As we have since switched to an international network organisation structure, we will check whether the current list of material indicators is still valid. The international management team drafted a list of sustainability KPIs related to GRI; these will be revised periodically by our international board.

## 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 87 organisations in 15 Africa, Asia and Latin America. Of these, 62% are farmers' organisations, while the remaining 38% are local NGOs and commodity platforms. Since we operate in food systems, we also closely work with different national and local government institutions, research institutes, investors and social lenders, and include private companies in our interventions. None of these companies receives any funding. 14 of the farmer organisations we work with are certified 'organic', 8 organisations are Fair Trade certified, and 1 is UTZ certified.

#### Overview of commodities

Central America: vegetables, cocoa, coffee

South America: vegetables, cocoa, coffee

West Africa: rice, sesame, bananas

DR Congo: rice, coffee

East Africa: rice, pulses, vegetables & fruit

Vietnam: vegetables, tea, rice

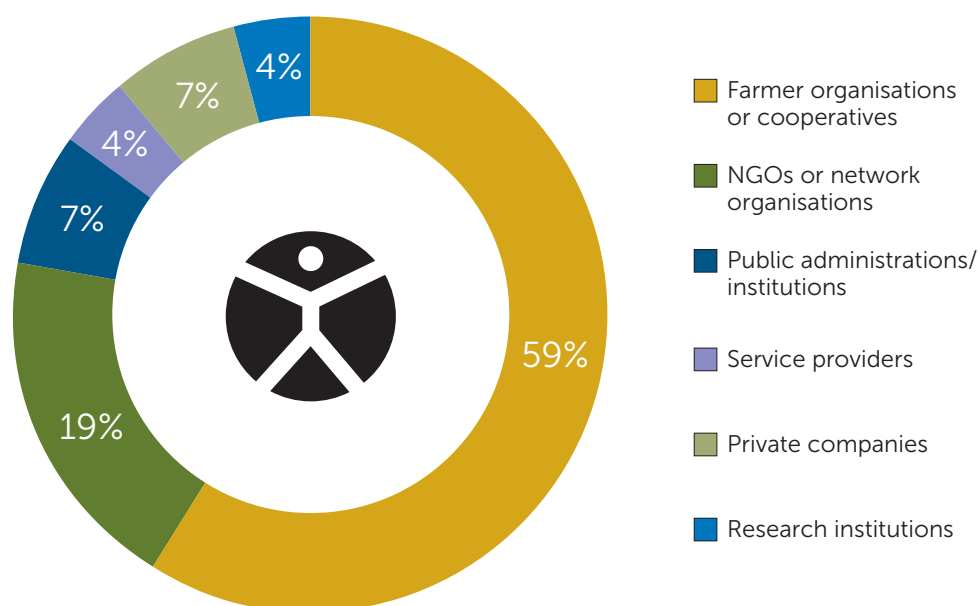
Indonesia: rice, cocoa, coffee, seaweed, cinnamon

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





**Type of partner organisations**



Constant consultation and dialogue with our 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](http://www.rikolto.org/stakeholders)

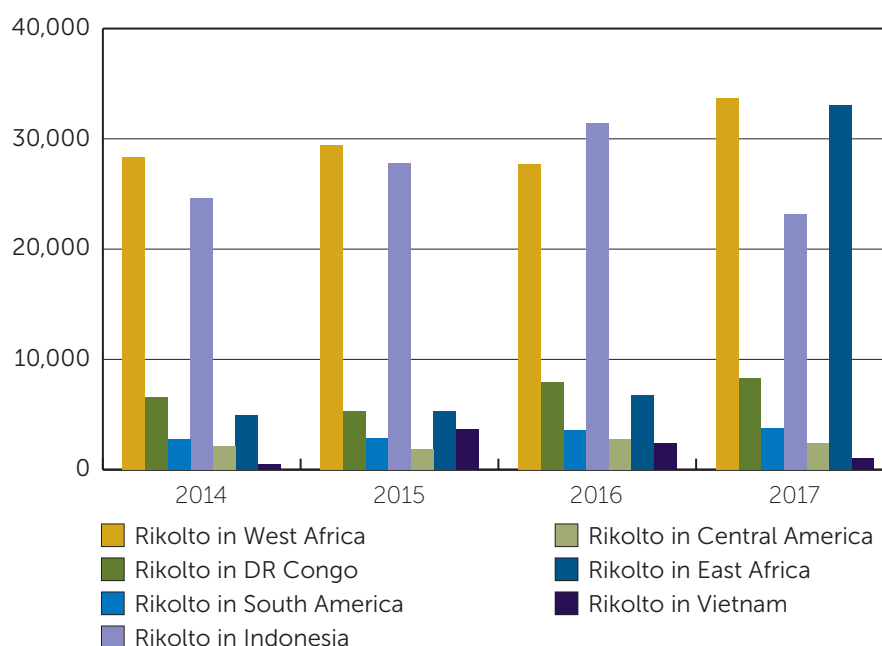
## 1.2 Membership of farmers' organisations

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

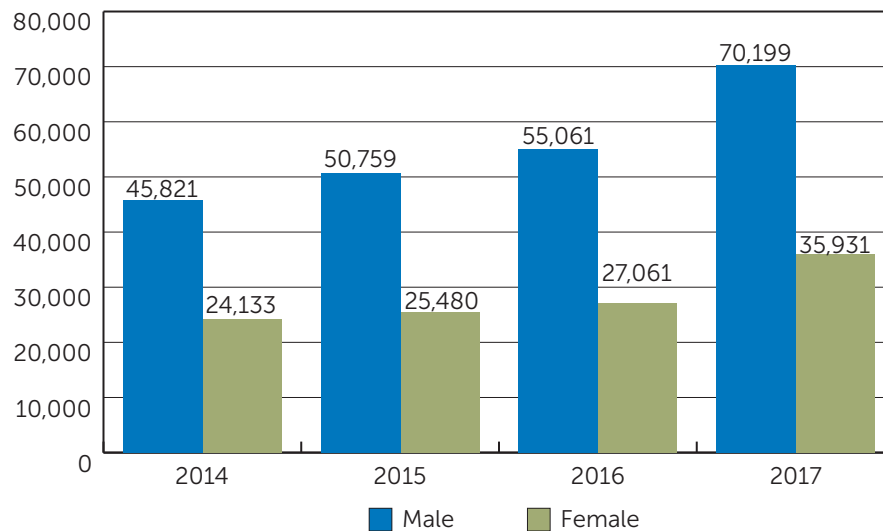
region (see graphs below). Over 70,000 men and 36,000 women received Rikolto's support in 2017.

In many cases, however, more farmers are involved during 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.

**Membership per regional Rikolto office**



## Global membership



We have managed to reach an increasing number of farmers over the past few years. Most of the organisations have grown in terms of membership, because of the commercial opportunities this brings for the farmers. In East Africa, we started a new programme to promote collective selling of surplus food crops, in which very large numbers of farmers are directly involved. In West Africa, farmers have been organising themselves according to product chains for many years, resulting in very large farmers' organisations. In Indonesia, total membership per farmer organisation has increased, but the number of partner organisations in our programme went down.

There is still a big gender gap when we look at the farmers we directly support via their organisations. Almost three-quarters 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 page 9). These examples will provide input for our general discussions on gender, which are planned for 2018.

### 1.3 Rikolto's 2017 programme interventions

Below are some examples of how we put our intervention strategies into practice in 2017:

We **empower** farmers' groups to become **solid business partners**.

- The four coffee cooperatives created in 2014 in eastern **DR Congo** took a big step forward in 2017. Together they sold 380 tonnes of coffee. In 2016 Kawa Kabuya sold five containers of coffee, rising to 14 in 2017. A solid management team is in place to organise collective bulking and processing in the factory (*déparchage*) and to negotiate with clients. Two other factors particularly

contributed to the success. First, the cooperative had sufficient working capital available to buy the coffee cherries from the farmers, and the money was available on time, at the start of the season. The Belgian supermarket chain Colruyt Group is one of its clients, and provided pre-financing. Due to the fact that the cooperatives now have a three-year track record and a turnover of more than 300,000 US dollars, they are now eligible for credit from social lenders. Secondly, the quality of the coffee remains consistently very high. Existing clients bought more coffee, and new traders were attracted.

- In South Kivu, CPNCK successfully exported for the first time an entire container of specialty coffee. Kawa Kanzururu did the same in North Kivu. In Ituri, the Kawa Maber Cooperative has significantly shortened the time between harvest and export, which also reduces interest payments and increases profitability. The cooperative brought its production to a new record level of 2.5 containers in one season.
- The Boyolali Organic Rice Farmers Association (APPOLI), Rikolto's partner in Central Java, **Indonesia**, achieved its first overseas exports to Australia. With the newly acquired export licence, healthy and nutritious organic rice grown by smallholder farmers in Boyolali can now be enjoyed by households all over the world. APPOLI successfully helped its members in applying better internal control systems for producing organic rice.
- In **West Africa**, professional packaging of products is a real challenge. Poor packaging gives consumers the impression that the quality of the product inside is also inferior. We therefore supported the female parboilers of Douna, Burkina Faso, to develop attractive bags and outer packaging for their rice so that they can enhance their visibility in the market and gain the confidence of consumers.

- For the past two years, Rikolto has been implementing a major project in **Uganda**, aimed at linking smallholder staple food surpluses to regional markets. The project helped over 20,000 farmers to improve the quality and quantity of their surplus crops through improved post-harvest handling and storage. We also supported farmers' cooperatives to trade surpluses of three key staple food crops (maize, rice and beans) in regional markets – with a particular focus on Kenya. At the end of the project we noticed that farmers received 12% better prices for their commodities than the prevailing market prices. This is due to the enhanced bargaining power of farmers as a result of aggregated and/or collective sales through Village Aggregation Centres, coupled with the fact that farmers supplied high-quality grain products to the market, attracting higher prices.

We **empower** farmers' groups to **implement climate-friendly practices**.

- In **Nicaragua**, we started to collaborate with Subway, which is willing to pay a premium price for applying Good Agricultural Practices. We learned that combining environmental and economic sustainability is an interesting programme path. By the end of 2018 we will have identified other frontrunners willing to incorporate a market mechanism that pushes for more sustainability. We plan to share the Subway experience with other companies to motivate them to do the same by making clear that it is a win-win for the buyers, for the farmers and for the environment.
- The effects of climate change can be significantly mitigated by adopting smart farming techniques. In the sesame sector in **Mali**, members of the Bako Sabougnouman (FUBAS) Federation of Unions benefited from training on compost production. In 2017 the rainy season finished too early in the area. Generally, the fields dried up quickly. The fields of the producers who used compost, however, remained greener for a long time and yields were 30% higher on average, plus a 20% reduction in their production costs because they did not have to use chemical fertilisers. However, the production of compost in sufficient quantities remains limited because of insufficient manpower and water. In 2018 we will also test the use of Fertinova organic fertiliser in 12 Farmer Field Schools spread over the three FUBAS unions.
- Also in **Mali**, in the rice sector, two Farmer Field Schools on Deep Placement of Urea in combination with the System of Rice Intensification have been set up at ARPASO. The test fields had a yield of 8 tonnes per ha, compared with an average of 5.5 tonnes for other fields, and a 75% reduction in input costs (seed and fertiliser). In 2018 we will continue to promote these ecological practices by setting up other Farmer Field Schools in



other rice-growing areas for widespread dissemination among the farmers.

- Some 3,180 **Vietnamese** tea farmers have been trained by Rikolto in sustainable land management practices as part of the Rainforest Alliance's project funded by GEF/UNEP. The curriculum focused on such topics as preventing soil erosion, intercropping, natural pest management, mulching, and making compost. Initial results indicate that the farmers' income has risen by an average of 30% due to reduced chemical use and higher prices for quality tea leaves.
- Over the course of 2017, Rikolto organised multiple training sessions in **Indonesia** on Good Agricultural Practices and Good Environmental Practices to boost the productivity and sustainability of cacao. Cacao farmers in Rikolto's intervention areas now produce more high-quality cacao beans that can adapt to extreme weather changes.

We **connect** farmers with innovators in the food industry to explore new ways of doing business .

- Can coffee be women's business? Within the AACRI cooperative, in the Intag area of **Ecuador**, we developed a specific action plan for 12 female coffee producers, who were carefully selected to take part in this pilot project. We supported them in agricultural practices and general management of their farms, but also in the marketing of their coffee. Moreover, we connected the group with West End Coffee Roasters, a Canadian company and foundation. The coffee from the women's cooperative will be sold in Canada, under the WE brand. However, the domestic market for roasted coffee has proved to be slightly more profitable than the export market for AACRI. Rikolto staff are therefore facilitating price negotiations between West End and the producers' organisation. This project will also help us to refine our gender strategies in the coffee sector.
- In August 2016 TAKTIK, the cinnamon farmers' organisation in Kerinci, **Indonesia**, entered into a joint venture

with a company called ATN. A unique inclusive business model was developed, allowing expertise, technology and even capital to be shared when needed, in order to improve the quality, marketability and competitiveness of organic cinnamon produced by TAKTIK members. After signing this five-year exclusive trade agreement, the buyer experienced financial difficulties, which resulted in a series of failures to fulfil its obligations.

- The same happened in the rice sector in Java: the wide scope of exclusivity that the farmers' organisation Simpatik gave to its sole buyer, PT Bloom Agro, to purchase organic rice prevented Simpatik from expanding its business and bargaining for better prices. Rikolto continues to link the farmers' organisations to new potential buyers in order to spread the risks and support the farmers' organisations in negotiations with buyers. We will work towards a larger portfolio of different types of buyers, as this will improve the differentiation of products and segmentation. And hopefully ensure more stable income for the farmers.
- In 2017 Rikolto staff in **Vietnam** met with many rice companies, not only the "usual suspects". This enabled us to start a dialogue with the Saigon Trading Group (SATRA), a company that owns its own mills and over 140 retail outlets in Vietnam. Although this "dating" process of meeting multiple companies is time-consuming, it is one of the most effective ways of reaching a mutual understanding, identifying common interests and achieving changes in the rice sector. We also intend to replicate the "dating" approach in our vegetable programme to find companies that are willing to make their supply chain BasicGAP-compliant. However, we expect this to be challenging due to the smaller size of vegetable companies.

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

- In the irrigated rice sector in the Ruzizi plain, in **DR Congo**, previous efforts have now led to a contract to supply 1,000 tonnes of rice to the Bralima brewery. The ADPA cooperative signed on behalf of the other seven cooperatives in the area and is acting as contract coordinator. This positive experience may inspire grass-roots stakeholders to engage in a process of combining their efforts, leading to economies of scale. This is necessary to conquer the market of Bukavu City and be able to compete with imported rice from neighbouring countries.
- Will smallholder cocoa farmers remain competitive in **Central America**? This was the main question during a fact-finding trip organised by Rikolto, the National Cocoa Value Chain Committee of Honduras, the Sustainable Food Lab and the World Cocoa Foundation.



With a view to conducting a joint analysis, government representatives, private companies, farmers, processors, researchers and support organisations from Nicaragua, Honduras, Guatemala and El Salvador visited the Honduran Agricultural Research Foundation (FHIA), the Agricultural Production Cooperative of Cocoa Farmers of Jutiapa, Copracajul and chocolate companies in the Caribbean, including Chocolats Halba. For this purpose, the group had the opportunity to develop a common regional vision of a sustainable cocoa sector and a regional cocoa strategy adapted to climate change. Many issues were addressed: climate change, markets and regional support policies for the sector.

- In **Ecuador**, we were involved in researching the cadmium levels found in cocoa plants in the provinces of Esmeraldas and Manabí to check whether they are below the permitted levels and identify the best strategies to reduce them. The cadmium problem is of common interest to farmers and the public and private sectors because 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. The design and implementation of this joint research project with the Escuela Politécnica del Litoral (ESPOL) brought many stakeholders in the cocoa sector together and provided an opportunity to discuss other issues.





- A total of 97% of Arabica coffee production in **Nicaragua** comes from small- and medium-scale producers with a maximum of 34.5 acres of land. Coffee is known for its unstable market, price volatility, serious problems with coffee rust (a mould that causes permanent damage to plants), and high vulnerability to climate change. Despite this, it is still a profitable crop that could help reduce poverty in Nicaragua. Rikolto has therefore identified UTZ and the National Alliance of Nicaraguan Coffee Producers (ANCN) as allies to set up Nicafé. Nicafé is a multi-stakeholder platform bringing together more than 25 organisations, representing all the different links in the coffee value chain. Their shared aim is to improve the competitiveness and sustainability of the Nicaraguan coffee sector. The members will also agree on practical actions to improve the productivity and resilience of the coffee sector. Nicafé really wants to have an impact on the livelihoods of the producers, their families and trading partners.
  - In 2017 Rikolto in **Vietnam** started a partnership with Da Nang, the largest city in Central Vietnam, to work towards a safer and more sustainable food system in the city. Together, we will work on issues related to consumers' access to safe food, participatory certifications and market access for smallholder farmers, as well as improved governance for food safety and sustainability.
  - The central government of **Honduras**, through the Minister of Agriculture and Livestock, has launched a national programme called "From Field to Table". The aim is to support direct trade between producers and consumers by organising fairs. Our partners were involved in setting up these fairs in two cities: San Pedro Sula and La Ceiba, where consumers can now buy healthy food at fair prices. The government is supporting the producers by reimbursing their travel expenses to the fairs.
  - Rikolto plays an important part in national commodity platforms in **Indonesia**. For example, we are one of the authors of the National Sustainable Curriculum for Cocoa and Coffee, we are a member of the task forces on Agro Inputs and Planting Materials for cocoa, and we are involved in a working group on access to Finance for Coffee Farmers and National Workers Competency Standards.
  - In Ituri province, **DR Congo**, our coffee programme is very much appreciated by the provincial government. During a high-level meeting we presented the biggest obstacles for the coffee trade in the area. High and multiple illegal taxes on coffee exports are one of the main obstacles to future development. Both the Vice-Governor and the Minister of Agriculture are committed to combating all kinds of fraud in the coffee sector in Ituri.
  - In **Senegal**, the rice producers of the farmers' organisation FEPROBA have earned the government's trust and are now officially registered as certified seed suppliers in the southern part of Senegal.
  - Supermarkets and food companies in **Belgium** are constantly launching sustainability initiatives. At the same time, however, there are persistent reports of farmers and other suppliers struggling with increasing price pressure, or of appalling conditions in abattoirs. Our ambition is therefore to create a playing field where supermarkets can engage in a race to the top on sustainability issues. In 2017 we worked on the "I am more than my till receipt" campaign, jointly with civil-society organisations (Femina, KVLV and Gezinsbond), Test Aankoop, which defends the interests/rights of consumers, and Fairtrade Belgium, to give things a push in this direction.
- We want **equal opportunities** for men and women in the food and agriculture sector.
- Unfortunately, the percentage of women on the management boards of several farmers' organisations in **Indonesia** remains below 20% and most of the farmers' organisation members who attended the annual general meetings were men. However, the promotion of gender equality and positive action for women continues to deliver positive results. We paid extra attention to the involvement of women in training activities both at production level (internal control systems, good agricultural practices, quality control, etc.), but also in managing the business entities of the farmers' organisations. We also rewarded new potential female and young leaders. Through these role models, the engagement of female farmers in training and collective marketing activities is encouraged.
  - Moreover, in **Ecuador**, a large gap remains in terms of membership of the farmers' organisations (20% women and 80% men). We focus our efforts on encouraging women to take up management positions and also having women among the technical staff. Progress is slow, however, so we are taking additional measures to increase the participation and empowerment of women. One of these actions was to implement a project specifically designed for women, called "Coffee women entrepreneurs", together with West End, a Canadian roaster company that also has a foundation. Together with the women, we developed personalised plans, based on sustainable management of their plots of land. The coffee was sold to the Canadian market. We hope that the lessons learned from this project will enable us to improve our gender strategy.
  - A new initiative for women in the cocoa and coffee sector was launched in eastern **DR Congo**: IFCCA (*Initiative des femmes dans le café-cacao*). One of our staff members was closely involved in setting up this network. This new initiative will give extra visibility to the

role of women in the coffee and cocoa sector, which is still dominated by men holding the key positions.

- Through the Food Trade project in **Tanzania**, we promoted the clustering of services around Village Aggregation Centres. We found that these VACs attracted other services around them, e.g. mechanised equipment suppliers, input suppliers, off-takers/transport, and that this increased women's access to services and markets, especially in remote areas.

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

- In **Peru**, we supported young people in developing their own start-ups, especially conceiving a business idea through a lot of peer-to-peer consultation. We noticed that young women generally stood out when presenting their projects, mainly for their more long-term planning mentality.
- The average percentage of members under the age of 30 in the farmers' organisations in **Indonesia** was only 17% in 2017. On-farm activities attract less participation from young people because they are perceived as being

labour-intensive and non-profitable. However, we found that the interest of youngsters in agricultural enterprises increased sharply in activities related to marketing, training, and adopting new technologies. These off-farm activities appear to be an attractive and effective strategy to increase participation in the agricultural sector. In several farmers' organisations (TAKTIK, APPOLI, APOB, KKBB, BA, KGS, KSU Romeo and PPKT), we have already noticed a younger trend, particularly in the internal quality control teams, among people involved in quality grading and in the marketing teams.

- With funding from the Belgian organisation YOUCA, we supported a group of young **Nicaraguans** in developing new business ideas in the cocoa sector. Many youngsters are more attracted by cocoa-related activities than by the production of cocoa itself, which is why we had to adapt our strategies by organising more activities that directly led to tangible results. We noticed that they were very impatient to get started; they launched, for example, their own touristic cocoa route and chocolate bar. These start-ups quickly generate an income for young people, which they can supplement with the production of cocoa.





## 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](http://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 explains clearly how the money is spent.

*Read more on our website - [www.rikolto.org/en/pla](http://www.rikolto.org/en/pla).*

### 3. Governance

Our organisational and governance structure has undergone a total makeover and we have become an international network organisation, effective as of 1 January 2017. Almost a year later, we also changed our brand name from Vredeseilanden/VECO to Rikolto.

A Belgian Public Interest Foundation, Rikolto International s.o.n. is now operational 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. International programme teams (clusters) focus on specific topics to work towards common goals and share expertise, and the international office takes on the support functions (finance, communications, fundraising, etc.).

As determined in the statutes, we 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.

This Public Interest Foundation operates alongside the non-profit organisation Rikolto Belgium vzw (previously Vredeseilanden vzw), which has ultimate responsibility for all funds raised from Belgium donors.

You can find more detailed information about the governance bodies, their responsibilities and members of both Rikolto International s.o.n. and Rikolto Belgium v.z.w. on our website: [www.rikolto.org/governance](http://www.rikolto.org/governance).

#### Rikolto International s.o.n. (Public Interest Foundation)



#### Rikolto Belgium vzw (Non-profit organisation)





## 4. People and Organisation strategy

The change of organisational and governance structure entailed increased autonomy for and enhanced collaboration between the eight regional Rikolto offices. We therefore invested in creating conditions for teams to become more self-regulating. We organised discussion and training sessions on interregional collaboration and coached our staff in confidently taking on new responsibilities.

In 2017 Rikolto had 155 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 following six 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 comparable with similar organisations. Apart from salary and contributing to Rikolto's mission, other elements 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 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.

The salary system in Belgium is based on Belgian government pay scales. Eight pay scale categories are used, in which every employee is placed based on his/her function and the number of years of relevant work experience.

There is a "healthy" wage gap of 1 to 3; in other words, the highest wage is three times more than the lowest. The union standard for a good wage gap is 1 to 4. Every employee also receives meal vouchers, group insurance, hospitalisation insurance and reimbursement of travel to and from work. Nobody receives a company car. One car is available that can be used by anyone who needs it for work purposes.

In the other 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 based on relevant work experience. Salary scales are established through a comparative study with similar organisations. Rikolto wishes to position itself right above the average, aiming at being able to recruit competent employees. In the Rikolto offices there are also fringe benefits provided. This can translate into hospitalisation or life insurance, pension fund, 13th month, additional leave, commuting expenses, etc.

In 2017 we started a review of our global salary policy, adapting its principles to the modern labour market and the profiles that we want to attract and retain. Global principles have been set, which will lead to the regional offices adapting their local policies in 2018. The new approach is to value the maturity of staff in particular functions, irrespective of the number of years of service they may have in the organisation.

### 4.3 Staff development

The third of the organisation's principles formulated in the people and organisation strategy is "staff development is essential".

Throughout every employee's career at Rikolto we pay constant attention to their personal development. Rikolto provides ongoing development opportunities for its employees at all levels, both individually and collectively. Rikolto seeks to be a flexible organisation, where people adapt to the new strategies and long-term objectives of the organisation 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 per person. If a particular, more expensive training course looks worthwhile, this can be budgeted in addition. 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 in training on sustainable food, self-organising teams, communication, Excel, etc., amounting to an average of 32 hours per person.

Apart from formal training, regular staff briefings are organised throughout the year. We also want to stimulate peer-to-peer learning and therefore launched four WhatCanYouLearnFromYourColleagues webinars in 2017. Each of these provided an opportunity for colleagues to share their knowledge and insights on a specific topic. The webinars are open to all staff and are recorded for those that cannot attend due to time differences.

The development of our staff is an ongoing process. It therefore requires constant attention. Employees of Rikolto 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 up to the expectations. Now and in the future it is a challenge to respond even better to needs, requirements and expectations.

#### 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 where people are treated respectfully.

The International Board of Directors recently reviewed our Code of Conduct and reconfirmed its validity. The Code 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.

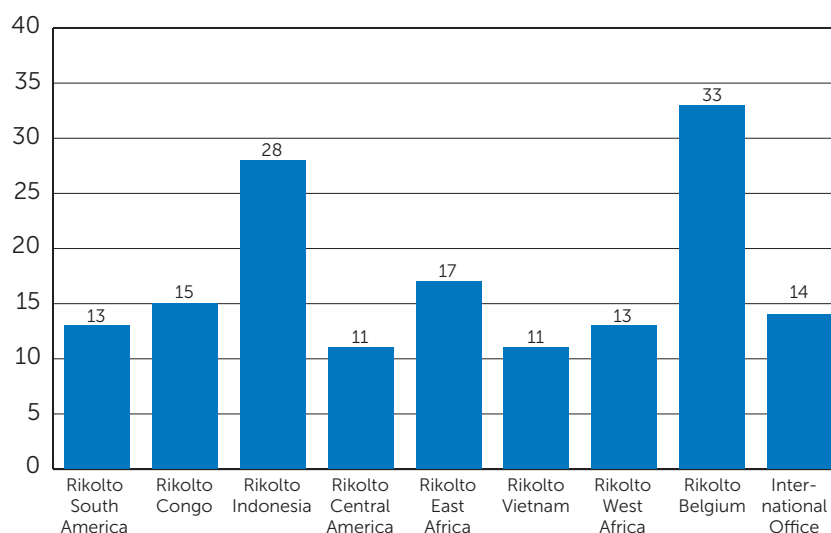
If any staff member encounters unwanted, unethical or unlawful behaviour, is the victim of discrimination, or has other serious problems with one of his/her colleagues, he/she can contact a confidential adviser (one in every office). This is clearly set out in our work regulations. If an adviser receives a complaint, he/she tries to mediate. If mediation is not successful, a formal complaints procedure can be initiated. The confidential advisers received no complaints in the past year.

#### 4.5 Workforce

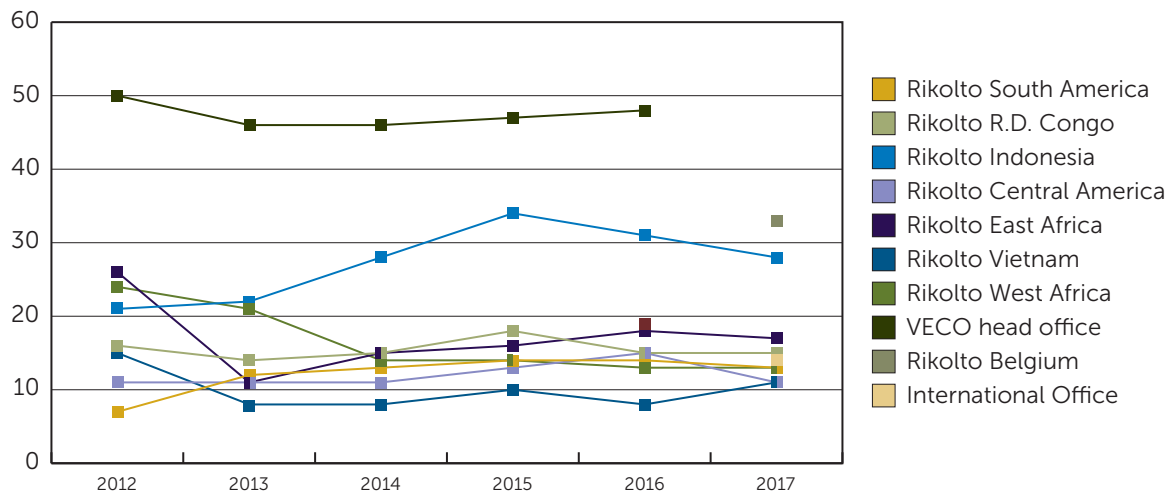
In 2017 Rikolto had 155 employees worldwide.

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.

Staff global 2017



## Evolution workforce 2012-2017



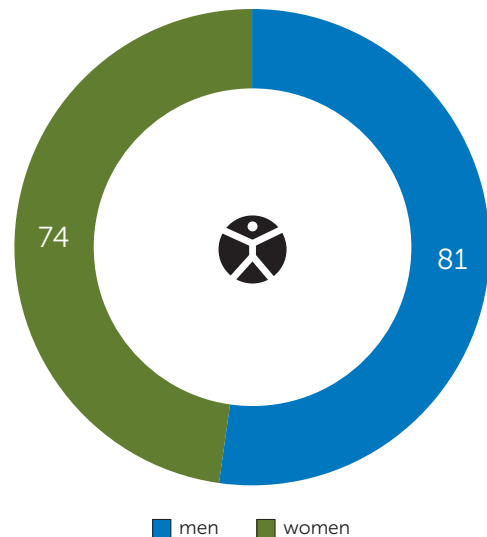
### 4.6 Gender

Several years ago, men were clearly in the majority in the organisation, but over the years, the male-female ratio has become more balanced, which is a positive trend. If we look at the entire organisation, the male-female ratio in 2017 seems reasonably balanced: 52% men and 48% women. However, there is an interesting difference between Belgium and the other regions. In the latter, proportionately many more men are employed, whereas there are more women employed in Belgium.

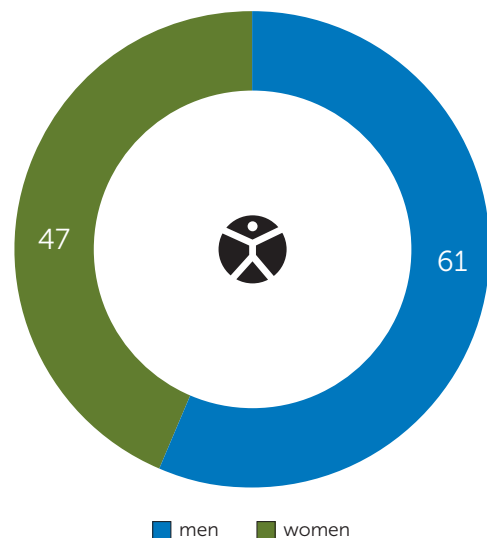
### 4.7 Staff turnover and length of service

In 2017 slightly more people left the organisation than were recruited in most Rikolto programmes. In our office in Belgium, we have always tried to achieve a healthy mix of young and more experienced staff. In 2017 this resulted in an average length of service of almost 11 years. Some people have been loyal to the organisation for over 30 years.

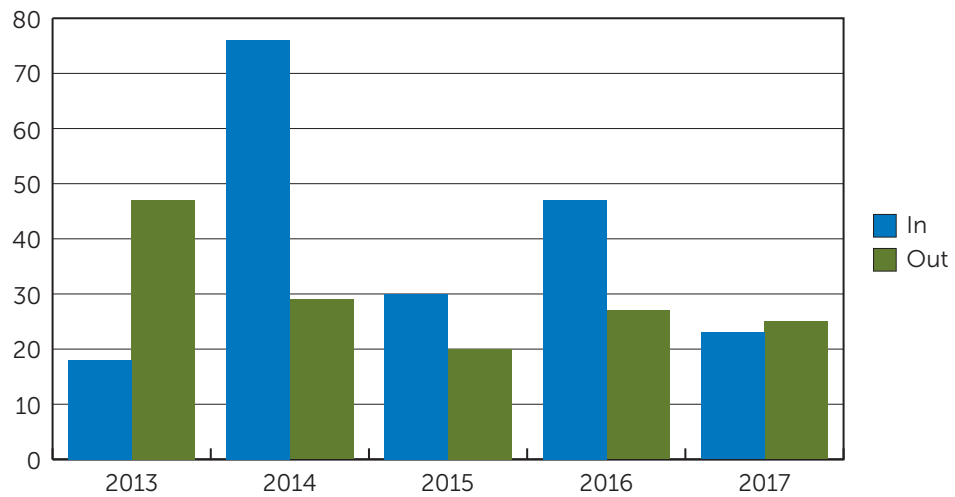
### Gender – Rikolto Global



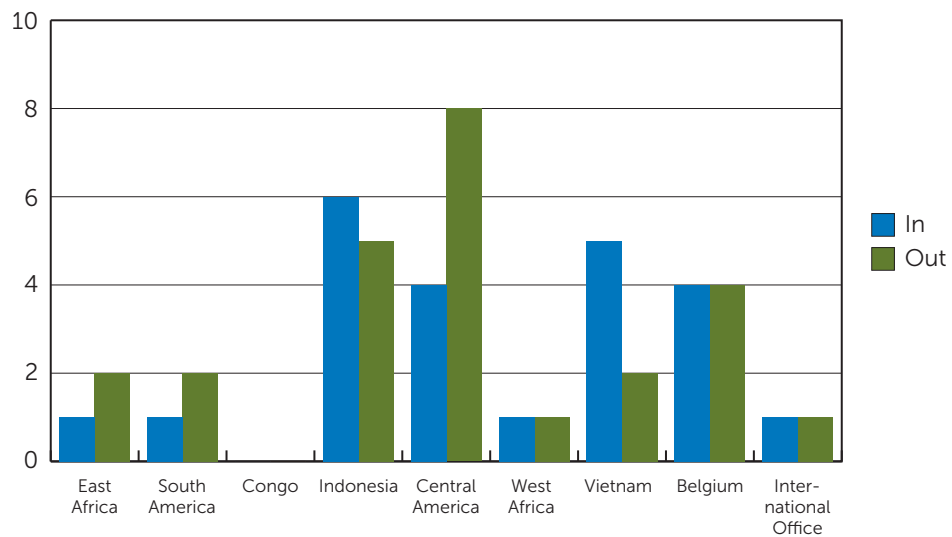
### Gender – Rikolto offices outside Belgium



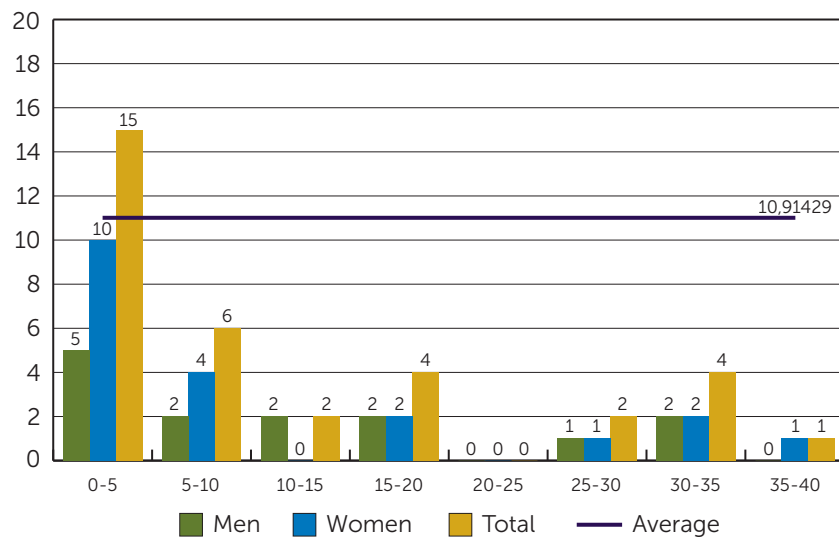
Evolution: Staff turnover globally



Staff turnover per office



Seniority Rikolto in Belgium 2017 + average





## 5. Ecological sustainability @ Rikolto

As an organisation we have to make decisions every day in response to changes in our environment. Each time, new questions arise about what the "true sustainable choice" would be. As you might expect, there are no easy answers.

### 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 for soil fertility, the use of water, emissions of certain greenhouse gases, etc.

We started our sustainability trajectory in 2015. A small group in Belgium translated our strategy on 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 of the regions, and were then revised and supplemented with good practices from Rikolto's programmes. They can be consulted on our website.

This sustainability working group also contributed to the further development of scoring tools per 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 for each Rikolto region whether it is moving towards a more environmentally sustainable approach and what it should change in order to improve the situation. Check this page for the overview (fourth graph): <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 give our staff a good overview of the bottlenecks and key issues relating to environmental sustainability at the level of the farmers, farmers' organisations and the broader landscape. These key issues will be our priority in the coming year(s) and will therefore be monitored on a

regular basis (half-yearly), in addition to being included in the global dashboards (see page 11) that are used by the International Management Team. This is the first time that we have had such a detailed overview of the many different aspects of environmental sustainability in our programmes.

### 5.2 Ecological footprint of our offices

Environmental sustainability is not only taken up in our programmes but is also an important issue in our daily work at office level. Since 2009 we have been reporting on actions we take in our office in Belgium. We have been doing the same for a number of key indicators for our offices outside Belgium since 2012. In 2018 we will do a materiality exercise<sup>1</sup>, which will lead to a new/merged set of indicators that we will monitor in the years to come.

#### 5.2.1 Ecological footprint of our office building in Leuven, Belgium

In the past few years, Rikolto in Belgium has strongly focused on some aspects of its environmental policy: reducing the consumption of water, gas and electricity, strongly encouraging the use of public transport, using eco-friendly cleaning products and increasing the share of Fair Trade and organic products in our catering. In 2011 we renovated the whole office building and turned it into a sustainable workplace.

**Water and electricity** use has decreased significantly since 2015 and has remained stable since then. As for electricity, we have implemented a system to ensure that all standby consumption in the office is drastically reduced, and we have replaced the halogen spots in the refectory with LED lighting. Naturally, we use green electricity. In 2017 we replaced some of the old windows with new highly insulated ones in order to reduce the amount of **gas** we use for heating.

Working sustainably also includes **commuting**, although it is, of course, possible to work from home. A total of 94% of our employees 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.

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<sup>1</sup> Organisations are faced with a wide range of topics on which they could report. Relevant topics are those that may reasonably be considered important for reflecting the organisation's economic, environmental and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in the report. Materiality is the threshold at which aspects become sufficiently important that they should be reported. Beyond this threshold, not all material aspects are of equal importance and the emphasis within a report should reflect the relative priority of these material aspects.

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 stopped placing fundraising inserts in newspapers and magazines. However, we printed more in-house for events, so more paper was purchased.

For our **office coffee and snacks**, we buy products with the organic or Fair Trade label, unless there is no labelled alternative for a specific product. If we provide lunches or snacks during meetings, we also look for caterers that serve organic, Fair Trade and/or local products.

**Office and maintenance products:** 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 if we can replace certain products with an ecological alternative.

**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.

### 5.2.2 Ecological footprint of Rikolto offices outside Belgium

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

We have not noticed any significant shifts compared with last year, except for some regions in the field of **mobility**. In Vietnam, the number of air miles and kilometres per car has substantially increased due to the preparations for a new programme in a new area. In South America, a new programme area is easily accessible by car, and the starting phase required a lot of travelling to that region. In East Africa, the number of flights fell, as there was less physical contact between colleagues in Mbale (Uganda) and Arusha (Tanzania).

The use of public transport from the office to programme areas continues to be unfeasible in practice in most regions, due to the poor state of the roads, limited service 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, 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 now used more.

In terms of **use of paper**, 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.

In a number of offices, our colleagues have started separate collection of organic **waste**, but sorting separated waste is not feasible yet in most regions. In Indonesia, there is a waste management system in place in the main office and field offices in the different programme areas, but a lot more awareness-raising is needed to make it a success. In Arusha, our colleagues investigated waste recycling initiatives and are now in touch with a potential service provider.

*"We encourage staff to separate waste. We process organic waste into fertiliser for the office plants, while Eco-Bali collects and sends non-organic waste to a recycling company. The field staff at field offices in Solo, Jakarta and Ende also separate waste (paper/plastic and organic materials/food scraps). However, it is unclear how the garbage collectors treat the waste."*

*Lily, Dewi, Ronald and Olivia, aka the Green Team of Rikolto in Indonesia*

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 supply about 20% of the electricity. The East Africa office also has plans to purchase a solar system, but the money to install it has not yet been found. The office in Managua was redesigned in order to reduce energy consumption, while at the same time maximising the use of different office spaces and promoting close collaboration.

### 5.3 Air travel

Travelling by air is still necessary for our operations. It is essential for an international organisation to have regular contacts 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 into one trip.

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.

Since 2009 we have been consciously monitoring our air travel from Belgium and have been looking into possible alternatives, such as rail travel or virtual meetings. After two years of intensive travelling to work on setting up our new organisational structure, we noticed that air travel decreased for the second year in a row.

Furthermore, we are committed to carbon offsetting all air travel that is booked through our office in Leuven, Belgium (by staff and volunteers). We use the offset formula and calculation method at [www.treecological.be](http://www.treecological.be). In 2017 the money went to a project in Benin on testing the standards of the Sustainable Rice Platform in an African context.

*"We use public transport for most of our inner and inter-city trips in Denpasar, Bali. The use of public transport is also extended to inter-district/provincial or regional trips within the same island, when air travel is unavailable. For long-distance or inter-island travel, flying becomes the efficient option."*

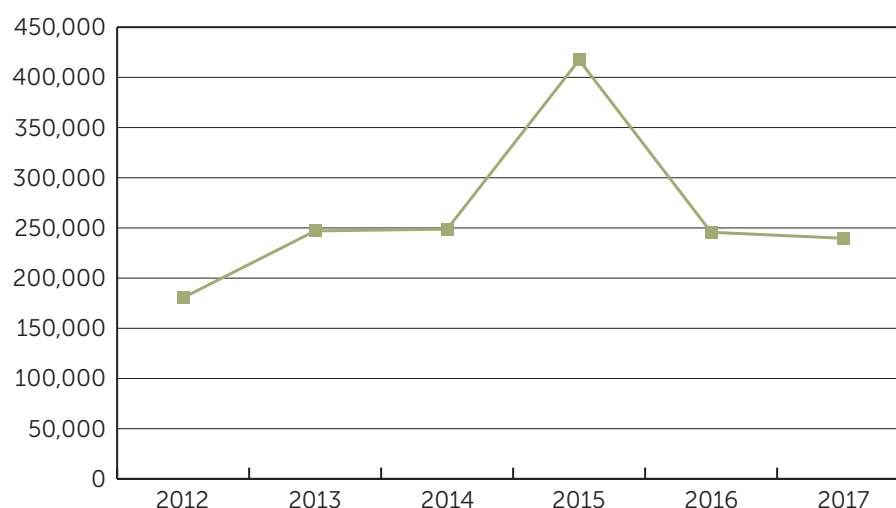
*The programme's broad coverage area and the geographical features of Indonesia often make it more efficient and effective to travel by air. For instance, the journey from Denpasar to Solo by public bus and boat takes around 20 hours, while by plane the travel time is reduced to 1 hour 25 minutes."*

*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."*

*Lily, Dewi, Ronald and Olivia, aka the Green Team of Rikolto in Indonesia*

	2012	2013	2014	2015	2016	2017
CO <sub>2</sub> emission – kg per year	180,500	247,030	248,780	417,317	245,671	239,726
CO <sub>2</sub> compensation (€) – <a href="http://www.treecological.be">www.treecological.be</a>	4,061	5,549	5,595	9,219	8,533	8,065
airplane travels from Leuven – km per year	531,445	725,510	721,670	1,201,430	724,500	670,004

**CO<sub>2</sub> emission (kg per year)**



From 2018 onwards, we will expand carbon offsetting on flights from Belgium to all flights by our staff worldwide. Compensation will be paid into one common fund and will be used in a project aimed at climate change mitigation. The sustainability working group (one staff member from each office) will decide on how the money is allocated.

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.





## 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. Since 2015 Rikolto has been working towards a more diversified funding portfolio and more fundraising via our different offices. Prior to that date, the majority of funding was secured through Rikolto's then Head Office, and the local offices focused more on programme strategy than on finding the financial resources to implement their programmes. Furthermore, Rikolto was, and continues to be, predominantly dependent on subsidies from the Belgian government.

A two-year capacity-building programme, supported by the King Baudouin Foundation's Venture Philanthropy Fund, has allowed us to work towards reduced dependency on our main donor, more local fundraising and a more diversified funders' portfolio. In 2017 we continued in the same vein and took further steps towards:

- Reduced dependency on our main donor, the Belgian government: in 2015 DGD accounted for 69% of our funding. In 2017 the figure was 51%. This figure was a lot better than expected, due to one specific legacy that was

granted to the organisation.

- More local fundraising: in 2015 only 5% of all funding was secured directly by Rikolto offices. This increased to 25% in 2017.
- A more diversified funders' portfolio: since 2015 each Rikolto office has partnered with an average of three new funders.

The list of donors can be found in Appendix 4 and 5.

Our new funding model also corresponds to international funding realities. Why, for example, would an Australian foundation wishing to fund our programme in Indonesia transfer money to a Belgian bank account, and not directly to our Indonesian office? 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 2017...

- over 8,000 volunteers hit the Belgian streets in January to ask for support; 91 schools participated.
- 762 people took part in a Rikolto event and were sponsored by 3,492 registered friends and family.
- 8,191 private donors supported Rikolto in 2017.

### 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](http://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 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 2017 we did not receive any complaints. To guarantee the privacy of all data and ensure compliance with the new European privacy legislation that will come into force in May 2018, we are formalising our internal processes and ethical codes, and ask specialists to check these processes.

### 6.5 Partnering with companies for fundraising: our policy

Private companies are important stakeholders in the accomplishment of Rikolto's mission. If we wish to reorganise food systems, we must involve companies in our activities. We believe that businesses are a driving force for society and that, as such, they can contribute to achieving the global sustainable development goals. We work with many organisations such as Agrofair and the Colruyt Group in Belgium, Mars in Indonesia, Pacari in Ecuador, and Ritter Sport and Chocolats Halba in Central America.

Companies financially support Rikolto's work in many ways:

- They support specific programme activities (e.g. training courses) or invest in specific equipment.
- In Belgium, corporate teams participate in the “20 km through Brussels” run and are sponsored by their employer. Some Rikolto Classic bike teams also receive sponsorship from companies.
- Entrepreneurs for Entrepreneurs: we work with this organisation, which looks for Belgian companies that are willing to support or invest in specific Rikolto projects.

In 2015 the fundraising team in Belgium started drafting an internal code on how to decide whether or not to accept funding from companies. Willem Elbers inspired our thinking with his article “Doing business with business: NGOs interacting with the corporate sector”, Nijmegen CIDIN 2004.

An internal code is being developed by the new international management team.

## 7. Financial Report – Rikolto Group

### 7.1 Introduction

This report covers the financial activities of the entire Rikolto Group<sup>1</sup> in 2017. The main focus is on the analytical presentation of the consolidated financial statements, i.e. following the set-up of the international network organisation.

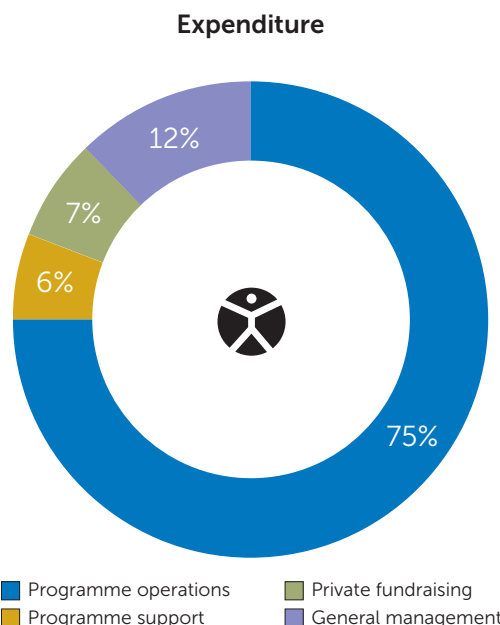
Looking back on the year, we invested a lot of time in aligning our budgeting and bookkeeping structure with the new organisational reality. We can now be proud that we have successfully started working in a new financial structure linked to the new network organisation set-up.

### 7.2 Overview of our budget execution: expenditure

2017 was the first year of the new five-year programme 2017-2021 co-funded by DGD, the Belgian Directorate-General for Development Cooperation and Humanitarian Aid. Signed approval of the programme was received from DGD in late March 2017. The funds arrived in our bank account at the end of May, causing a late start-up of the programme activities and explaining a general spending backlog compared with the 2017 budget, since DGD is still funding more than 50% of our operational programmes.

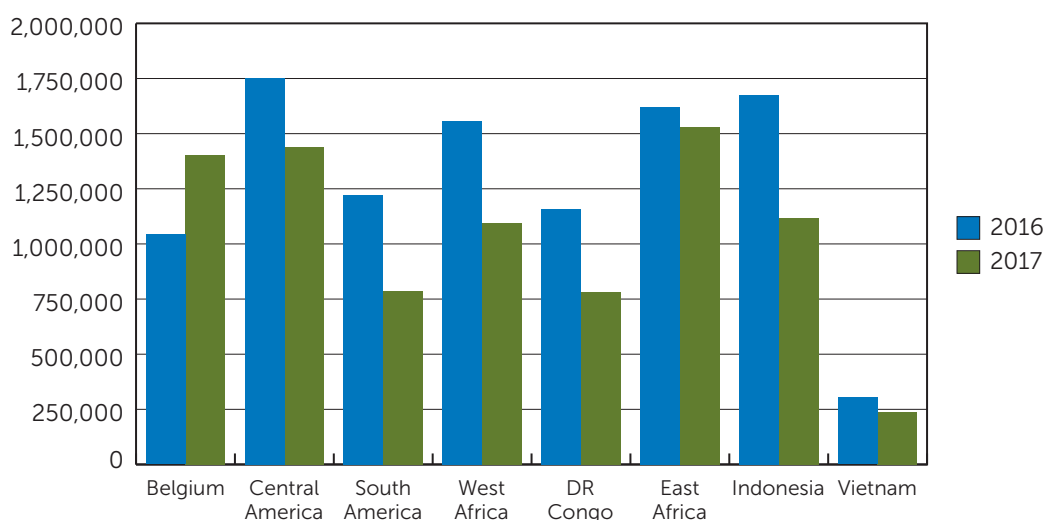
#### 7.2.1 Regional programme operations

The Rikolto Group conducts its operations in eight regions: Belgium, Central America, South America, West Africa, DR Congo, East Africa, Vietnam and Indonesia. Globally, the budget spent on programme operations in 2017 was



considerably lower than in 2016, mainly due to the aforementioned late start-up of the new DGD programme. There was only one exception: Belgium, where the new programme – and correspondingly, the expenditure – was quickly on track, as in Belgium our staff directly implement activities and do not have to sign partnership agreements with farmers' organisations or NGOs. This also explains the relatively high percentage of money spent on our programme in Belgium (17%), compared with other regions: six countries in Latin America (26%), seven countries in Africa (41%) and two countries in Asia (16%). In 2016 only 10% of our operational budget went to the programme in Belgium.

**Expenditure in the different regions**



<sup>1</sup> Rikolto International s.o.n. and Rikolto Belgium v.z.w. (see Section 3 – Governance).

Appendix 1 shows the general results. We explain these in more detail per region below.

### **Belgium**

In the new network structure, Belgium is a separate non-profit legal entity: Rikolto Belgium vzw. This entity closed the 2017 financial year with a profit of €861,270, of which €250,185 has to be reserved for specific obligations to the other members within the Rikolto Group; the remaining €611,085 provides us with a buffer to start the coming period. This "profit" is the result of a large bequest and several internal cost savings. We achieved these good results despite a substantial cut in our DGD subsidies, but looking at projections for the next few years, we expect our financial results to be much more challenging.

As mentioned a, operational programme spending in Belgium increased considerably compared with 2016. There are four programme components, three of which are funded by DGD: making purchasing policies in the food and retail sector more sustainable, improving sustainability of school catering, and campaigning on sustainable food. These projects are mainly co-financed by private fundraising efforts in Belgium. The fourth component, Food for the Future, is funded by the Belgian province of Flemish Brabant and implemented in collaboration with the University of Leuven (KU Leuven) and the retailer Colruyt Group.

### **Central America**

In Central America up to 79% of the total budget in 2017 was spent and 93% of the agreements with local and strategic partners were implemented during the year. A budget cut and late start-up of our DGD programme led to re-allocation of the available resources. In terms of diversification, we formalised promising new funding opportunities with the World Bank (IFC) and the European Union (EU), and we applied for a second phase of a cocoa knowledge management project with the Swiss Development Cooperation (SDC). At the end of the year the funding division between different donors is: 41% DGD, 29% SDC and 30% from other sources (Youca, West Flanders, EU, private fundraising in Belgium).

### **South America**

DGD conducted financial audits in South America, specifically for Peru (2016 programme) and Ecuador (2017 programme), the results of which were positive. In 2017 DGD remained the largest funder of the programme in South America, accounting for 76% of the total budget. The remaining 24% originated partly from international funders, including WE, the Andean Development Corporation (CAF), Ondernemers voor Ondernemers and Talitha Koum, and partly from private fundraising efforts in Belgium. Diversification of income in the region will be an important priority for the year ahead.

### **West Africa**

In West Africa the biggest part of our programme is funded by DGD. This funding represents 49% of the total budget. It is co-financed by the European Union, 11.11.11, Leysen Humanitas foundation and GIZ, and also partly from private fundraising activities in Belgium. The European Union rice project was effectively closed in 2017, a project evaluation has been carried out and a capitalisation workshop on the results of this programme was organised. Benin, which is no longer funded by DGD, benefited from funds from different donors to set up pilot projects to promote the Sustainable Rice Platform standard.

### **DR Congo**

In 2017 Rikolto in DR Congo saw the end of CFC funding, with a reduced budget of €66,758 in the final year. Projects developed in 2016 with IFAD on Arabica coffee in North Kivu, as well as with the World Bank on rice in South Kivu and Tanganyika, were not implemented. This was due to procedures being ignored by the Congolese authorities and fears that political instability would lead to greater insecurity and difficulties in implementing the projects. This has resulted in a historically low budget for our DR Congo programme, but we remain hopeful that both projects will finally get the green light in 2018, or 2019 at the latest.

Rikolto has started experimenting with cocoa and intends to develop a cocoa chain development programme in 2018, hence contributing to a budget increase.

### **East Africa**

The decrease in expenditure for East Africa in 2017 (compared with 2016) was relatively small compared with other regions. DGD and UKAID (DFID) were the main donors, accounting for 54% and 43% of income, respectively. The DFID-funded Food Trade project enabled investments in warehouse infrastructure, especially in Uganda. Infrastructure costs were therefore higher than normal in 2017, representing 19% of all expenditure. Staff expenditure represented 31% of all costs, which is normal for a programme that is focused on delivering technical assistance to its partners. Direct transfers to partners remain low at 9% due to the Food Trade project, which does not allow transfers to farmers' organisations.

### **Vietnam**

In 2017 most of Rikolto's income in Vietnam came from DGD (48%, or €108,429) and other funding found in Belgium (33%, or €73,943). The remaining 19% (€43,394) was funded by donors such as the Rainforest Alliance, AliSEA, the Hanoi International Women's Club and the Conservation Food & Health Foundation. We successfully diversified our resources. However, funding transferred to partners is very low, accounting for only 8%. This is due to the delay in obtaining the renewal of our office registration



(it was approved in September 2017) and to the slow process of getting project approval from the provinces (only 4 out of 14 partners received approval in the last quarter of 2017). Partners without a project permit cannot implement any activities in Vietnam.

### **Indonesia**

Rikolto in Indonesia spent 94% of the €1,017,944 received in 2017. Funding from DGD contributed to 60% of the overall expenditure in 2017, while funds raised locally covered 35%. Support from DGD has led to the successful export of organic rice by two rice farmers' organisations with which Rikolto is working in Indonesia. Funds from the Millennium Challenge Account Indonesia were used to train 4,600 cocoa farmers in Good Agricultural Practices and Good Environmental Practices in the province of East Nusa Tenggara, while funding acquired from the Facility for Sustainable Entrepreneurship and Food Security enabled more than 300 rice farmers in central Java to be trained to become trainers themselves. Furthermore, with the support of the Ford Foundation, we are implementing our Food Smart Cities programme, linking producers of healthy food in rural areas with consumers in Solo and Depok.

### **7.2.2 Programme support and communication**

Six per cent of our total budget goes to programme support. Expenditure in relation to programme support can be divided into two categories. The first mainly comprises the general operational and salary costs of the programme and management support to the Rikolto offices. The costs for programme impact monitoring and evaluation were financed from DGD management funds.

The second category covers the costs of programme activities developed on an international level. On the one hand, we set up learning programmes (for example to strengthen farmers' organisations, ecological sustainability, etc.) and developed and tested global methodologies (SCOPE, Inclusive Business Scan, Impact Measurement framework) that have led to global sharing of evidence and knowledge. Expenditure in this category is mainly related to the organisation of workshops to develop and share these methodologies. On the other hand, we 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 a knowledge-exchange initiative between Flemish and Nicaraguan vegetable farmers, and from the Swiss Development Cooperation for a knowledge-management programme on cocoa in Nicaragua, Honduras, Guatemala and El Salvador.

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 printed publications (design, print, direct mail). In 2017 we also invested in rebranding from Vredeseilanden/VECO to Rikolto.

### **7.2.3 General Management**

General management costs account for 12% of the total budget, well below the permitted maximum of 20% to be compliant with Belgian legislation on non-profit organisations (the right to issue tax certificates to donors).

Compared with 2016, there is an overall increase by 10% (or €116,374), mainly due to the transition to the new structure of the international organisation. The costs related to this transition were absorbed entirely into the 2017 expenditure. The finance desk expenses were 14% higher, reflecting the fact that since the end of 2016, an extra person has been hired to take responsibility for Finance at Rikolto in Belgium. Costs associated with Governance (mainly recurring costs, e.g. organising international Management Team and Board meetings, salaries of Executive Directors) and People & Organisation were respectively 14% and 19% lower than in 2016, as a lot of the preparatory expenses for becoming an international organisation had already been incurred.

The overall General Management budget earmarked for 2018 goes back to the level of the 2016 actuals.

### **7.2.4 Private fundraising in Belgium**

Private fundraising is important for Rikolto: thousands of volunteers, donors, sponsors, etc. in Belgium support Rikolto and in doing so, they also demonstrate that many people endorse our organisation. We normally raise about 2 million euros annually from three main sources: campaigning, donations from Belgian citizens/individuals and events.

Fundraising expenses in 2017 were considerably lower than planned for in the budget for several reasons, including savings made in media campaigns and communication material. This money will be used to launch the new brand name in Belgium during the next fundraising campaign in January 2019. As of 2017, we pay a membership fee of about €27,000 to "testament.be" (an organisation encouraging people to include NGOs and other social organisations in their will) to enable us to present our activities to potential legators.

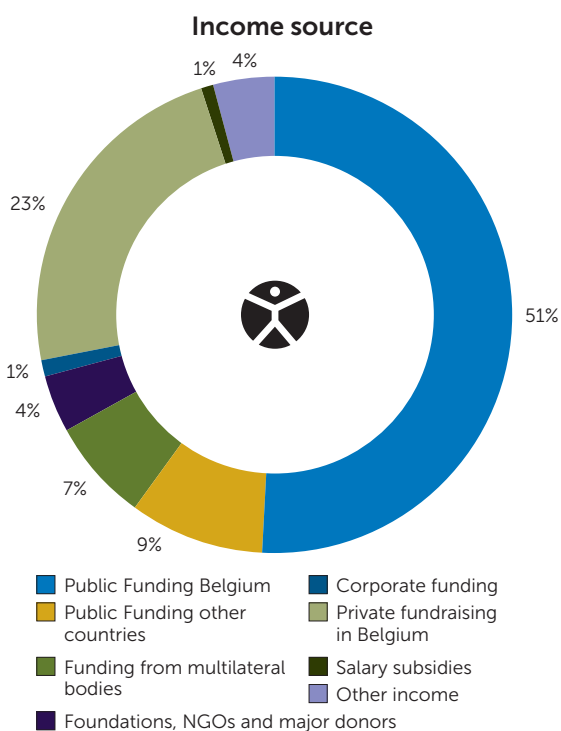
## 7.3 Income sources

### 7.3.1 Donor diversification

As explained in Section 6 (Fundraising), Rikolto has been working towards reducing its dependence on Belgian government funding (DGD), more donor diversification and more fundraising by the regional Rikolto offices. With regard to the target of reducing the percentage share of Belgian public funding to 58% by the end of 2017, we can now report that this had decreased to 51%.

However, there are two reasons that make this rather exceptional: first, the late start-up of the new DGD programme (mentioned in the previous section) and second, the partial use of bequests (see 7.3.2). The fact that by the end of 2018 the percentage of Belgian public funding may go up again should be taken into account, although we hope to stay on track with the original target for 2018.

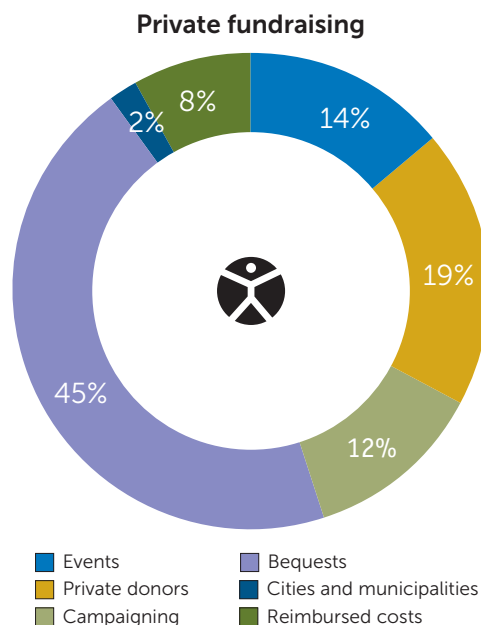
Income source	Amount in euros
Public funding Belgium	6,202,099
Public funding other countries	1,096,637
Funding from multilateral bodies	822,584
Foundations, NGO's and major donors	502,165
Corporate Funding	95,000
Private fundraising in Belgium	2,747,217
Salary Subsidies	192,852
Other income	435,872
<b>Total income</b>	<b>12,094,425</b>



### 7.3.2 Private fundraising in Belgium

We notice a relatively high percentage/share (23%) of the category "private fundraising in Belgium".

2017 was an exceptional year for bequests: in total we received as much as €1,584,000 from several people who generously decided to leave a gift for Rikolto in their will. To a large extent, this was already known at the time of budgeting. It is important to note that one of the large bequests also included an apartment in usufruct, the estimated value of which was entered as income in 2017, but which will remain a non-cash income until further notice.



Apart from general donations to Rikolto, we received quite a few gifts earmarked for a specific project and therefore directly transferred to our offices outside Belgium. These earmarked gifts are not taken into account as purely "private donations" and therefore in this category, we fared less well compared with the previous year.

For the various reasons mentioned above, the final revenue from private fundraising, €2,744,632, was €236,321 higher than expected and means an improvement of €1,286,261 on the 2016 results, mainly thanks to the exceptional amount of income derived from bequests. For the same reason, the cost/income ratio on private income stood at an exceptionally high 1 to 5.9 at year-end (compared with 1 to 4.03 in 2016), which is much better than the legally accepted ratio of 1 to 3. We are very much aware of the fact that the picture may look completely different again next year.

### 7.3.3 Other income sources

Some 4% of funds in 2017 came from various foundations, NGOs and major donors, including 11.11.11, Youca, the Rainforest Alliance, Leysen Humanitas and Toraja Rural Development Services (TRDS).

Two categories consolidated the boost they experienced in 2016: multilateral bodies with funds from the EU, CFC, PNUD, etc., and other Public Funding with funds from the SDC, UKAID and MCA Indonesia. The complete list of donors can be found in Appendix x.

### 7.3.4 Fundraising by offices outside Belgium

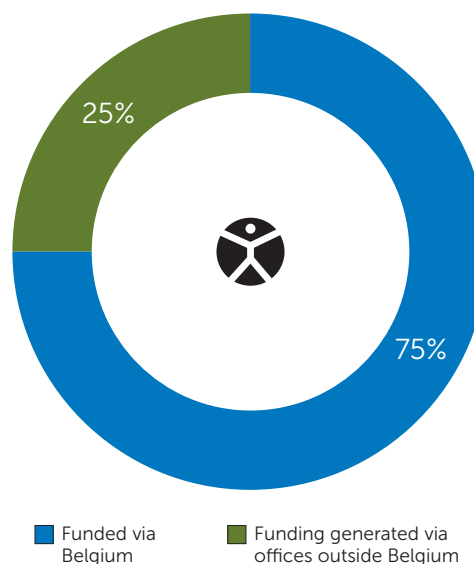
Of the total funding spent in the seven Rikolto regions (excluding Belgium), the sum of €1,620,234, or 25%, was raised locally in 2017, a 9% improvement on 2016. Four regions are well on track to achieve the 2021 objective (40% of funds raised locally), with percentages ranging from 19% to 43% of locally sourced funding.

## 7.4 General results (Appendix 1)

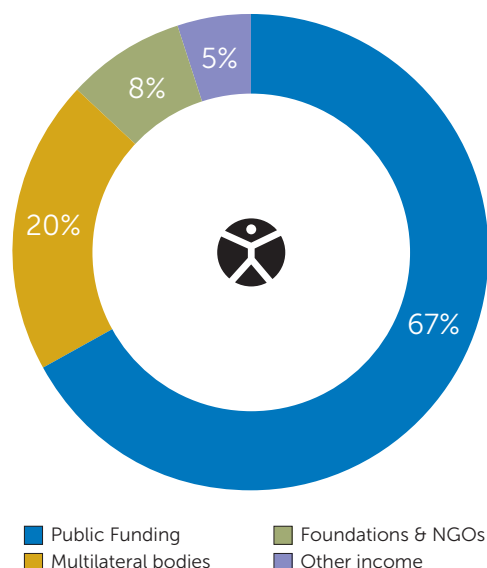
The overall financial results for 2017 are very good, with a positive balance of €904,932.70. The main reason for this is the aforementioned exceptionally high number of bequests received in 2017. For a more detailed explanation of the results, we refer you to sections 2 and 3 above.

In conclusion, we can say that part of the extra income was used to cover restructuring costs related to the transition to the network organisation, as well as for the rebranding costs globally (from Vredeseilanden/VECO to Rikolto). The remainder will be invested in the next few years in strengthening the functioning of Rikolto as a network

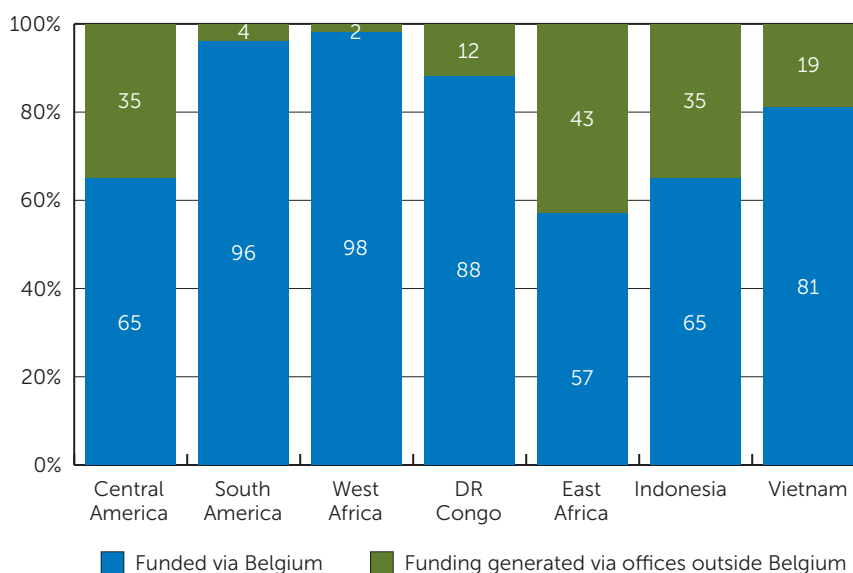
### Fundraising



### Locally generated funding 2017



### Fundraising



organisation with global programmes (so-called clusters) on cocoa, rice and Food Smart Cities. We will also further strengthen the fundraising capacities of all our offices to ensure that our programme ambitions can be achieved.

## 7.5 Balance sheet (Appendix 2)

The balance sheet presented in the appendix offers a snapshot of the financial position of the Rikolto Group as of 31 December 2017. The balance total as at that date stood at €10,019,836, around €2 million more than in 2016. There were two main reasons for this increase.

The first is the late start of the activities of the five-year DGD programme. In 2017 we received all the DGD funding planned for in the budget, but since implementation is not yet at full speed, the unused amount will be carried over to 2018. On the assets side of the balance sheet, this can be seen as an increase in our bank balance as of 31 December 2017 compared with the previous year. The same increase can be seen on the liabilities side of the balance sheet under Accruals and deferred income.

Secondly, the positive result of €904,932.70 has an impact on the equity of the organisation, which rose by 17%, from €5,208,930 to €6,113,522. For the whole Group, this equity represents 61% of total liabilities, which is a good solvency ratio for an organisation. In other words, Rikolto has more internal capital and few debts.

For Rikolto in Belgium vzw, the allocated funds of €1,693,249 consist mainly of the social fund and the funds to cover the fixed assets (€941,181). The remainder of the allocated funds existing at the end of 2016 went as Opening equity to the newly founded Rikolto International s.o.n.

## 7.6 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 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, develop and implement improvements and prevent fraud.

A key goal of all the internal audits is to investigate whether the existing internal monitoring 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.

Internal audits were performed in the following regions in 2017:

- South America (February): regional office in Ecuador and field office in Peru.
- Indonesia (April): regional office on the island of Bali and field office on the island of Flores.
- RD Congo (September): regional office in North Kivu and field office in Ituri.
- East Africa (September): follow-up in the field office in Uganda of the recommendations from the internal audit of December 2015.

The main weaknesses to emerge from these internal audits are: management of operational advances to staff members, outdated financial guide, low quality of payroll calculation files, relatively high cash payments and the fact that the principles of accrual-based accounting are inadequately implemented. These findings allow us to tailor our financial support more closely to the needs of the various Rikolto finance managers.

One fraud case (relating to travel expenses) in East Africa (Tanzania) was identified by the Regional Director, with immediate dismissal of the staff member involved, as well as measures to avoid similar incidents in the future.

The internal auditor also has a role as Quality Advisor, including giving talks to new finance managers in Rikolto offices and supporting the implementation of recommendations from the audits. Follow-up through meetings of previous internal audits (East Africa and Central America) was provided in 2017.

# Annexes



## Appendix 1: General Result

### INCOME STATEMENT

<b>I Operating income</b>	
D1. Grants	
D2. Contributions, gifts and legacies	
E. Other operating income	
<b>II Operating charges</b>	
A. Raw materials, consumables	
1. Purchases	
2. Stock : decrease (increase)	
B. Services and other goods	
C. Remuneration, social security costs and pensions	
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	
F. Provisions for liabilities and charges : Appropriations (uses and write backs)	
G. Other operating charges	
<b>III Positive operating income</b>	
<b>Negative operating income</b>	
<b>IV Financial income</b>	
B. Income from current assets	
C. Other financial income	
<b>V Financial charges</b>	
B. Amounts written off current assets except stocks, contracts in progress and trade debtors : appropriations (write-backs)	
C. Other financial charges	
<b>VI Positive income on ordinary activities</b>	
<b>Negative income on ordinary activities</b>	
<b>VII Extraordinary income</b>	
D. Gain on disposal of fixed assets	
E. Other extraordinary income	
<b>VIII Extraordinary charges</b>	
E. Other extraordinary charges	
<b>IX Positive income of the period</b>	
<b>Negative income of the period</b>	

Exchange rate difference to add at the financial result

Exchange rate difference to add at the financial result

Exchange rate difference to add at the financial result

**Positive/Negative income of the period**

	CONSOLIDATED TOTAL*	RIKOLTO BELGIUM VZW	RIKOLTO INTERNATIONAL SON
	2017	2017	2017
Codes	Euro	Euro	Euro
70/74	12,494,911.64	10,666,216.95	8,129,904.46
73	9,176,313.25	7,023,227.48	7,586,337.65
73	2,919,145.82	3,261,208.71	525,895.00
74	399,452.57	381,780.76	17,671.81
60/64	11,596,239.47	9,802,477.80	8,094,971.44
60	45,946.00	45,946.00	0.00
600/8	55,465.00	55,465.00	0.00
609	-9,519.00	-9,519.00	0.00
61	3,709,231.00	892,626.62	2,816,604.38
62	5,456,881.28	1,881,130.76	3,575,750.52
630	427,361.46	89,554.74	337,806.72
635/8	-32,417.75	-54,000.00	21,582.25
640/8	1,989,237.48	6,947,219.68	1,343,227.57
70/64	898,672.17	863,739.15	34,933.02
64/70			
75	8,695.37	2,735.17	5,960.20
751	2,697.17	2,697.17	0.00
752/9	5,998.20	38.00	5,960.20
65	19,601.74	5,204.79	14,396.95
651	0.00	0.00	0.00
652/9	19,601.74	5,204.79	14,396.95
70/65	887,765.80	861,269.53	26,496.27
65/70			
76	33,166.90	0.00	33,166.90
763	15,431.39	0.00	15,431.39
764/9	17,735.51	0.00	17,735.51
66	0.00	0.00	0.00
664/8	0.00	0.00	0.00
70/66	920,932.70	861,269.53	59,663.17
66/70			
	0.02	0.00	0.02
	-16,340.27	0.00	-16,340.27
	0.00	0.00	0.00
	<b>904,592.45</b>	<b>861,269.53</b>	<b>43,322.92</b>

\* The Consolidated Total is only for information purposes, as it is not audited. Rikolto International s.o.n. and Rikolto Belgium v.z.w. are two separate entities (see page 12). Accordingly, the accounts of both organisations are audited separately.

INTERNATIONAL OFFICE	WEST AFRICA	EAST AFRICA	DR CONGO	CENTRAL AMERICA	SOUTH AMERICA	VIETNAM	INDONESIA
2017	2017	2017	2017	2017	2017	2017	2017
Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
6,418,622.16	1,012,048.58	1,442,074.31	688,835.80	713,631.46	1,352,266.16	225,476.78	961,822.94
5,548,864.54	1,009,479.72	1,441,557.78	685,311.61	712,976.86	1,343,658.26	225,476.78	961,822.94
867,957.89	0.00						
1,799.73	2,568.86	516.53	3,524.19	654.60	8,607.90		
6,356,948.27	1,018,146.55	1,439,175.63	688,835.79	713,207.57	1,365,181.65	218,143.25	980,206.46
0.00							
0.00							
0.00							
462,057.42	348,633.22	593,486.70	224,434.40	161,314.57	646,041.79	79,567.33	301,068.95
1,431,454.63	200,983.08	456,763.51	263,089.88	313,474.34	456,206.47	120,556.79	333,221.82
1,319.34	6,739.06	279,019.86	3,411.74	1,271.32	38,995.02	3,140.77	3,909.61
54,000.00	0.00	0.00	0.00	5,097.97	-29,033.91	-4,149.59	-4,332.22
4,408,116.88	461,791.19	109,905.56	197,899.77	232,049.37	252,972.28	19,027.95	346,338.30
61,673.89	0.00	2,898.68		423.89		7,333.53	
	-6,097.97		0.01		-12,915.49		-18,383.52
0.00	0.00	0.00	0.00	1,055.35	2,366.48	506.13	2,032.24
				1,055.35	2,366.48	506.13	2,032.24
2,010.70	0.00	2,898.70	0.00	1,479.24	0.00	8,008.31	0.00
2,010.70		2,898.70		1,479.24		8,008.31	
59,663.19		-0.02		0.00	-10,549.01		
	-6,097.97		0.01			-168.65	-16,351.28
0.00	6,097.96	0.00	0.00	0.00	10,549.01	168.65	16,351.28
	6,097.96				9,217.29	116.14	
		0.00			1,331.72	52.51	16,351.28
	0.00			0.00			
		0.00					
59,663.19		-0.02			0.00	0.00	0.00
	-0.01		0.01	0.00			
	0.01	0.01					
		364.45	-916.01	-1,422.47	-7,732.86		-6,633.38
		0.00					
<b>59,663.19</b>	<b>0.00</b>	<b>364.44</b>	<b>-916.00</b>	<b>-1,422.47</b>	<b>-7,732.86</b>	<b>0.00</b>	<b>-6,633.38</b>

## Appendix 2: Balance

### 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
	2017	2017	2017
Codes	Euro	Euro	Euro
20/28	1,002,888.05	992,462.42	10,425.93
20			
21			
22/27	675,231.54	670,810.22	4,421.32
22	653,701.91	653,701.91	0.00
22/91	653,701.91	653,701.91	
22/92			
23	14,575.38	11,416.31	3,159.07
231	14,575.38	11,416.31	3,159.07
232			
24	6,954.25	5,692.00	1,262.25
241	6,954.25	5,692.00	1,262.25
242			
25			
26	264,435.00	264,435.00	
261			
262	264,435.00	264,435.00	
27			
28	63,221.51	57,217.20	6,004.61
280/1			
280			
281			
282/3			
282			
283			
284/8	63,221.51	57,217.20	6,004.61
284	55,630.06	55,630.06	0.00
285/8	7,591.45	1,587.14	6,004.61
29/58	9,016,947.62	4,510,154.94	5,142,842.61
29	2,152.69	0.00	2,152.69
290			
291	2,152.69	0.00	2,152.69
2915			
30	144,658.00	144,658.00	0.00
30/36	144,658.00	144,658.00	0.00
30/31			
32			
33			
34	144,658.00	144,658.00	0.00
35			
36			
37			
40/41	884,055.37	1,131,296.04	388,809.26
40			
41	884,055.37	1,131,296.04	388,809.26
415			0.00
415	884,055.37	607,528.29	388,809.26
415	0.00	523,767.75	0.00
50/53	660,060.78	622,146.32	37,914.46
54/58	7,088,936.41	2,460,978.54	4,627,957.87
490/1	237,084.37	151,076.04	86,008.33
20/58	<b>10,019,835.67</b>	<b>5,502,617.36</b>	<b>5,153,268.54</b>

INTERNATIONAL OFFICE	WEST AFRICA	EAST AFRICA	DR CONGO	SOUTH AMERICA	CENTRAL AMERICA	VIETNAM	INDONESIA
2017	2017	2017	2017	2017	2017	2017	2017
Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
4,421.32	3,869.16	0.00	0.00	0.00	1,296.59	838.86	0.00
4,421.32	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					
3,159.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,159.07		0.00					
1,262.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,262.25		0.00					
0.00	3,869.16	0.00	0.00	0.00	1,296.59	838.86	0.00
0.00	3,869.16	0.00	0.00	0.00	1,296.59	838.86	0.00
	3,869.16				1,296.59	838.86	
3,814,266.32	110,413.97	35,564.31	109,567.94	63,293.92	361,309.64	81,447.89	125,021.50
0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,152.69
							2,152.69
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
358,923.13	-52,120.39	-224,681.61	-27,805.03	-27,512.92	115,105.67	-109,713.46	-85,343.25
358,923.13	-52,120.39	-224,681.61	-27,805.03	-27,512.92	115,105.67	-109,713.46	-85,343.25
	21,564.11	74,376.77	0.00	20,097.07		14,647.61	16,595.30
114,912.62	46,006.75	49,253.56	65,751.80	31,527.65	62,055.13	11,126.32	8,175.43
244,010.51	-119,691.25	-348,311.94	-93,556.84	-79,137.64	53,050.54	-135,487.39	-110,113.98
0.00	0.00	0.00	0.00	37,914.46	0.00		0.00
3,412,901.41	157,953.32	254,955.08	131,519.70	52,892.38	246,203.97	191,161.35	180,370.66
42,441.78	4,581.04	5,290.84	5,853.27	0.00			27,841.40
<b>3,818,687.64</b>	<b>114,283.13</b>	<b>35,564.31</b>	<b>109,567.94</b>	<b>63,293.92</b>	<b>362,606.23</b>	<b>82,286.75</b>	<b>125,021.50</b>



## Appendix 2: Balance

### 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	TOTAL
	2017	2017	2017	2017
Codes	Euro	Euro	Euro	Euro
10/15	6,113,522.60	3,113,536.47	2,999,986.13	134,189.06
10	2,956,663.12	0.00	2,956,663.12	
100	2,956,663.12	0.00	2,956,663.12	2,865,797.07
13	1,693,249.22	1,693,249.22	0.00	0.00
140	559,017.72	559,017.72	0.00	90,866.05
	904,592.54	861,269.53	43,323.01	43,323.01
16	766,420.23	479,792.12	286,628.11	286,628.11
160/5	766,420.23	479,792.12	286,628.11	286,628.11
160	232,628.11	0.00	232,628.11	232,628.11
163/5	533,792.12	479,792.12	54,000.00	54,000.00
168	0.00	0.00	0.00	0.00
17/49	3,139,893.14	1,909,288.77	1,866,654.30	1,424,697.12
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	961,212.77	512,798.97	1,084,463.73	707,976.84
44	184,600.75	81,526.39	215,356.54	288,202.94
440/4	184,600.75	81,526.39	215,356.54	288,202.94
45	411,507.51	214,069.65	197,437.86	197,437.86
450/3	28,577.37	1,863.78	26,713.59	26,713.59
454/9	382,930.14	212,205.87	170,724.27	170,724.27
48	365,104.51	217,202.93	671,669.33	222,336.04
492/3	2,178,680.37	1,396,489.80	782,190.57	716,720.28
10/49	<b>10,019,835.97</b>	<b>5,502,617.36</b>	<b>5,153,268.54</b>	<b>1,845,514.29</b>

INTERNATIONAL OFFICE	WEST AFRICA	EAST AFRICA	DR CONGO	SOUTH AMERICA	CENTRAL AMERICA	VIETNAM	INDONESIA
2017	2017	2017	2017	2017	2017	2017	2017
Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
2,879,627.51	1,804.52	-2,584.54	6,624.10	10,289.66	55,937.17	1,429.31	46,858.40
2,819,964.23	0.00	20,095.40	0.00	12,069.78	13,667.66	0.00	0.00
2,819,964.23		20,095.40		12,069.78	13,667.66		
0.00		0.00		0.00	0.00		
	1,804.52	-23,044.39	7,540.11	-357.65	50,002.37	1,429.31	53,491.78
59,663.28	0.00	364.45	-916.01	-1,422.47	-7,732.86		-6,633.38
54,000.00	0.00	0.00	0.00	38,320.81	37,304.60	48,103.78	108,898.92
54,000.00	0.00	0.00	0.00	38,320.81	37,304.60	48,103.78	108,898.92
		0.00		38,320.81	37,304.60	48,103.78	108,898.92
54,000.00		0.00					
		0.00					
885,060.22	112,478.59	38,148.85	102,943.60	14,683.41	269,364.61	32,753.66	-30,735.82
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
275,997.44	112,478.59	78,609.11	102,941.61	8,698.53	99,516.94	2,378.57	27,356.05
94,225.49	4,828.32	11,201.64	95,475.98	44.27	53,297.22	2,198.78	26,931.24
94,225.49	4,828.32	11,201.64	95,475.98	44.27	53,297.22	2,198.78	26,931.24
172,711.06	564.06	0.00	44.04	8,343.19	15,595.72	179.79	0.00
16,572.51	564.06			1,802.10	7,595.13	179.79	
156,138.55	0.00		44.04	6,541.09	8,000.59		
9,060.89	107,086.21	67,407.47	7,421.59	311.07	30,624.00		424.81
609,062.78	0.00	-40,460.26	1.99	5,984.88	169,847.67	30,375.09	-58,091.87
<b>3,818,687.73</b>	<b>114,283.11</b>	<b>35,564.31</b>	<b>109,567.70</b>	<b>63,293.88</b>	<b>362,606.38</b>	<b>82,286.75</b>	<b>125,021.50</b>

## Appendix 3: Statutory Auditor's Report

The Statutory Auditor's Report is available on request (in Dutch) – [info@rikolto.org](mailto: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 2017**

#### **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 audit of the annual accounts for the period starting at 29 June 2016 and ended 31 December 2017, as well as our report on other legal, regulatory and professional requirements. These reports are 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.

#### **Report on the audit of the annual accounts**

##### ***Unqualified opinion***

We have audited the annual accounts of the Foundation as of and for the period starting at 29 June 2016 and ended 31 December 2017, prepared in accordance with the financial reporting framework applicable in Belgium (Royal Decree of December 19, 2003). These annual accounts comprise the balance sheet as at 31 December 2017, the income statement for the period starting at 29 June 2016 and ended 31 December 2017 then ended and notes. The balance sheet total amounts to EUR 5.153.269 and the income statement shows a positive result for the period starting at 29 June 2016 and ended 31 December 2017 of EUR 43.323.

In our opinion, the annual accounts give a true and fair view of the Foundation's equity and financial position as at 31 December 2017 and of its financial performance for the period starting at 29 June 2016 and ended 31 December 2017 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 ("ISA"). 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.

KPMG België (n.v.) is een vennootschap met beperkte aansprakelijkheid, gevestigd in België, die een lid is van de KPMG-netwerk van onafhankelijke lidmaatschappen van KPMG (International Cooperative "KPMG network") te Zwitserland.  
Document Classificatie: KPMG Public

Maatschappelijke naam: KPMG België  
Lidmaatschap van de KPMG-netwerk  
1000 Brussel  
België - België

(KPMG België) is een vennootschap met beperkte aansprakelijkheid, gevestigd in België, die een lid is van de KPMG-netwerk van onafhankelijke lidmaatschappen van KPMG (International Cooperative "KPMG network") te Zwitserland.  
Document Classificatie: KPMG Public



*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 2017*

### **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.

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 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





*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 2017*

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.

#### **Report on the other legal, regulatory and professional 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 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.

##### ***Aspects concerning the other information included in the annual report***

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the other information included in the annual report contains material misstatements, or a material inconsistency with the annual accounts or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

We do not express any form of assurance on the other information included in the annual report.

##### ***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.
- The fees for the additional engagements which are compatible with the statutory audit of the annual accounts referred to in article 37 of the Law of June 27, 1921 on the not-for-profit associations, foundations, European



*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 2017*

political parties and European political foundations which refers to article 134 of the Companies' Code were correctly stated and disclosed in the notes to the annual accounts.

***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.

Antwerpen, 8 June 2018

KPMG Bedrijfsrevisoren / Réviseurs d'Entreprises  
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 2017. Some grants are destined for activities in a next or previous fiscal year.*

Donor	Amount (euro)
DGD - BELGISCHE ONTWIKKELINGSSAMENWERKING	6,921,643.52
FARM AFRICA - FOOD TRADE - UGANDA	283,803.68
COSUDE - Swiss Development Cooperation	247,751.88
FARM AFRICA - FOOD TRADE - TANZANIA	215,900.18
11.11.11	208,177.17
MILLENNIUM CHALLENGE ACTION INDONESIA	176,471.26
COLRUYT GROUP	95,000.00
LEYSEN - HUMANITAS FOUNDATION	75,000.00
FACILITY FOR SUSTAINABLE ENTREPRENEURSHIP AND FOOD SECURITY (FDOV)	71,998.96
COMMON FUND FOR COMMODITIES (DR Congo)	70,205.76
PNUD ITURI	54,491.00
BUITENLANDSE ZAKEN VLAANDEREN (Citizens for the Future)	49,360.00
TORAJA RURAL DEVELOPMENT SERVICES	33,213.39
COLLIBRI FOUNDATION	31,285.92
ACODEV DGD (Lead Joint Strategic Framework Ecuador)	28,778.01
MVO-VLAANDEREN	28,000.00
RAINFOREST ALLIANCE	27,802.28
CONSERVATION, FOOD & HEALTH FOUNDATION	25,123.73
AIP PRISMA INTERVENTION 1	23,003.78
TALITHA KOUM	18,750.00
KRIS KRAS	18,735.00
ONDERNEMERS VOOR ONDERNEMERS	16,625.00
INNOVACION PROGRESO	15,160.15
ANDEAN DEVELOPMENT COOPERATION (CAF)	13,403.41
WE/FREE THE CHILDREN	11,644.57
PNUD IDJWI	10,903.47
HELVETAS	8,687.36
GERMAN AGENCY FOR INTERNATIONAL COOPERATION (GIZ)	7,225.00
HANOI INTERNATIONAL WOMAN CLUB (HIWC)	5,860.84
JOINT ACTION FOR FARMERS' ORGANISATIONS IN WEST AFRICA (JAFOWA)	5,237.54
AliSEA (GRET)	5,232.09
NGO-FEDERATION	4,000.00
CONSERVATION INTERNATIONAL	895.74

## 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 2017. 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)
PROVINCE ANTWERPEN	6,500.00
PROVINCE VLAAMS-BRABANT (Food for the Future project)	162,000.00
PROVINCE WEST-VLAANDEREN (general operations)	5,000.00
PROVINCE WEST VLAANDEREN (exchange with farmers from Central America)	83,498.10
PROVINCE WEST-VLAANDEREN (school catering project)	26,003.25
Towns	Amount (euro)
AALST	2,343.89
BONHEIDEN	3,791.00
BOOM	2,234.77
BRUGGE (Vietnam)	6,000.00
BRUGGE (school catering project)	2,500.00
DE PINTE	266.11
DIEST	2,500.00
GEEL	3,926.54
GENK	1,538.49
GRIMBERGEN	5,712.00
GROBBENDONK	1,230.00
HERENT	3,500.00
HERENTALS	3,800.00
HEUSDEN ZOLDER	3,000.00
HOLSBEEK	1,273.00
LANAKEN	604.95
MAASMECHELEN	1,125.00
MOL	4,057.00
MORTSEL	8,811.00
oud HEVERLEE	1,569.17
ROTSelaar	2,000.00
SCHILDE	2,974.00
TIENEN	357.14
VORSELAAR	550.00
ZELE	660.00
ZUIENKERKE	50.00



## Appendix 6: GRI table

General Standard Disclosures			
	Description	Page	Observations
Strategy and analysis			
G4.1	Statement from the most senior decision-maker about relevance of sustainability	7	
G4.2	Description of impact, risks and opportunities		<a href="http://www.rikolto.org/sustainability">www.rikolto.org/sustainability</a>
Organisational profile			
G4.3	Organisation name	12	
G4.4	Main activities and services	4	
G4.5	Location of head office	back cover	
G4.6	Number and name of countries where the organisation is active	4	
G4.7	Nature of ownership and legal form	12	
G4.8	Beneficiaries and stakeholders	5	<a href="http://www.rikolto.org/stakeholders">www.rikolto.org/stakeholders</a>
G4.9	Scale of the organisation (employees, operations, finances)	14, 23-28	
G4.10	Number of employees by gender and region, including volunteers	14-15	
G4.11	Percentage of total employees covered by collective bargaining agreements	13	
G4.13	Significant changes in structure and ownership	12	
G4.15	Externally developed sustainability charters, principles or initiatives that have been signed or endorsed by the organisation	/	
G4.16	Membership of coalitions, associations and functions in management bodies, including national or international advocacy organizations		<a href="http://www.rikolto.org/networks">www.rikolto.org/networks</a>
Material aspects and scope			
G4.17	List of all entities in the consolidated financial report		appendix 1 and 2
G4.18	Process for defining the report content and the Aspect Boundaries		Management team will finish this exercise in 2018
G4.19	List all the material Aspects identified in the process for defining report content		
G4.20	Aspect boundary per material Aspect within the organisation		
G4.21	Aspect boundary per material Aspect outside the organisation		
G4.22	Effect of any restatements of information provided in previous reports		No restatements
G4.23	Important changes of scope and boundaries compared to previous reporting periods		No changes
Stakeholder engagement			
G4.24	List of stakeholder groups engaged by the organisation		<a href="http://www.rikolto.org/stakeholders">www.rikolto.org/stakeholders</a>
G4.25	Basis for identification and selection of stakeholders		<a href="http://www.rikolto.org/stakeholders">www.rikolto.org/stakeholders</a>
G4.26	Approach of stakeholder engagement, including frequency of consultation by type and stakeholder group		<a href="http://www.rikolto.org/pla">www.rikolto.org/pla</a>
G4.27	Key topics and concerns that have been raised through stakeholder engagement and organisation's response		<a href="http://www.rikolto.org/pla">www.rikolto.org/pla</a>
Report parameters			
G4.28	Reporting period	3	
G4.29	Date of previous report	3	
G4.30	Reporting cycle	3	
G4.31	Contact for questions on the report	colophon	
G4.32	'in accordance' option the organisation has chosen	3	
G4.33	Policy on seeking external assurance for the report		No external assurance

	Description	Page	Observations
<b>Governance</b>			
G4.34	Governance structure of the organisation, including committees of the highest governance body	12	
G4.35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.36	Sustainability officer at highest level?		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.38	Composition of the highest governance body and its committees		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.39	Chair of the highest governance body is also an executive officer?		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.40	Nomination and selection processes for the highest governance body and its committees		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's sustainability statements		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.45	Role of highest governance body in risk management of economic, environmental and social impact		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.51	Report the remuneration policies for the highest governance body and senior executives		<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.52	Process for determining remuneration	13	<a href="http://www.rikolto.org/governance">www.rikolto.org/governance</a>
G4.55	Ratio of percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation	13	
<b>Ethics and integrity</b>			
G4.56	Code of conduct and Code of ethics		
G4.58	Mechanisms for seeking advice on ethical and lawful behavior		
<b>Specific Standard Disclosures</b>			
<b>Material aspects</b>	<b>Indicators</b>	<b>Page</b>	<b>Observations</b>
<b>Economic performance</b>			
EC1	Allocation of resources: annual financial report, control mechanisms, costs/income fundraising	section 7	
EC6	Proportion of senior management hired from local communities	12	
NG08	Ethical fundraising – Funds per category, and the five largest donors and financial value of their contribution, policy on accepting gifts	22, appendix 4	<a href="http://www.rikolto.org/fundraising">www.rikolto.org/fundraising</a>
<b>Environment – Energy</b>			
EN3	Energy consumption	17-19	<a href="http://www.rikolto.org/foorprint">www.rikolto.org/foorprint</a>
<b>Environment – Water</b>			
EN10	Water reuse	17-19	
<b>Environment – Services</b>			
EN12	Contribution to biodiversity	17	
EN27	Contribution to mitigation	17	

Material aspects	Indicators	Page	Observations
<b>Social – Work</b>			
LA9	Average number of training hours by year, by employee and by employee category	13-14	
LA13	Ratio of the basic salary and remuneration of women to men for each employee category	13	
<b>Social – Human Rights</b>			
HR3	Number of incidents of discrimination and corrective actions taken	14	
<b>Social – Society</b>			
SO3	Total number and percentage of operations assessed for risks related to corruption	28	
SO4	Communication and training on anti-corruption policy	28	
<b>Social – Responsibility</b>			
NG010	Application of specific standards on fundraising	22	
Stakeholder engagement	Processes to involve stakeholders in development, implementation, audit and evaluation of policy and programmes		<a href="http://www.rikolto.org/pla">www.rikolto.org/pla</a>
Planning, Learning and Accountability	System for programme monitoring, evaluation and learning, introducing modifications in the programme and communicating these modifications		<a href="http://www.rikolto.org/pla">www.rikolto.org/pla</a>
Gender and diversity	Measures to integrate gender and diversity in the development, implementation, monitoring and evaluation of programmes and the learning cycle		<a href="http://www.rikolto.org/pla">www.rikolto.org/pla</a>
<b>Privacy</b>			
PR8	Total number of substantiated complaints received concerning breaches of customer privacy	22	

## Colophon

For general questions on this annual report, please contact:

Nele Claeys

Communication Department

+32 16 31 65 80

nele.claeys@rikolto.org

For specific questions on the financial report of Rikolto International s.o.n., please contact:

Steven Beerts

Finance Officer

+32 16 31 65 80

steven.beerts@rikolto.org

For specific questions on the financial report of Rikolto Belgium v.z.w., please contact:

Erik Devogelaere

Finance Officer

+32 16 31 65 80

erik.devogelaere@rikolto.org



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.

