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Cover photo: Members of ActionAid's partner Sauti ya Wanawake, in Mombasa, Kenya. They work with local women, leaders, police and others to address threats to women's and girls' safety.

PHOTO: ALICE WHITBY/ACTIONAID

Message from the Board Chair and the Secretary General

In 2017 we began to implement our new 10-year *Strategy 2028: Action for Global Justice* which seeks to increase the collective impact we make on the big challenges that people living in poverty and injustice face. Our strategy will enable the Federation to further connect community-level struggles with larger national and global alliances and movements for change.¹

ActionAid and its supporters worldwide helped millions of people living in poverty to make real gains in 2017. Hundreds of thousands of women gained land or income of their own, and stood up to gender based violence. Hundreds of thousands of smallholder farmers learned and put into practice new farming methods that protect them from the impacts of climate change, and conserve precious natural resources. Girls and boys gained free, good quality education in 25 countries, and over half a million people struck by 22 disasters around the world were helped to rebuild their lives and their dignity.

These and other achievements described in this report represent a beacon of hope in a time when life is getting so much tougher for those pushed to the margins of our increasingly unequal societies. This year, marginalised communities and groups were the target of renewed anti-migrant, anti-minority and anti-women crusades by nationalist and populist politicians, with their chances of making a better life eroded by deep cuts to social services. A fresh wave of market deregulation allowed unscrupulous companies to seize and pollute the land of those already economically and socially disadvantaged, and to cut their wages. At the same time, our collective inaction on climate change subjected these communities to a rising number of disasters and emergencies, while

their ability to organise and speak up faced a growing threat from authoritarian regimes around the world, persecuting journalists, activists and human rights defenders in increasing numbers – as ActionAid itself experienced last year when we were threatened with closure in Uganda and Pakistan.

The strategy also heralded internal changes, designed to make ActionAid more flexible and agile in order to unlock more of the potential of our 45-country global Federation. Our Global Secretariat became leaner and more focused on enabling cross-country collaboration, learning and impact. The Federation also started to review where and how its programmes operate. At the same time, ActionAid countries and the Global Secretariat continued to support each other to become more efficient through reductions in operating costs, protecting the organisation against future surprises and ensuring our economic sustainability.

ActionAid continued to operate in a challenging financial context. Income from established fundraising markets remained stable but opportunities for growth were limited. ActionAid

1. The new strategy was approved in December 2016. During 2017, most countries were revising their national strategies, so this report takes into account the previous strategy's monitoring framework.

mitigated this by a sustained programme of support for fundraising in emerging and less-established markets. A particularly inspiring development was that our work with marginalised communities in India was increasingly funded by a mix of Indian and overseas supporters – and the same was true in Brazil, South Africa, Indonesia and Thailand. In 2017 these countries accounted for our strongest growth in supporter numbers and some of our biggest and most popular campaigns. We were also excited about the growing number of strategic partnerships forged with institutional donors and philanthropists to test innovative approaches to fighting poverty.

As we embark on this exciting new chapter, we would like to celebrate the commitment and

hard work of our staff, volunteers, partners and allies. We are immensely grateful to the more than 400,000 individuals around the world who supported us financially in 2017, and the one million people who campaigned with us. In a world of growing fear, you chose hope. In a world of unprecedented inequality, you chose to help level the playing field. In a world of toxic divisions, you chose to believe in our common humanity.

The obstacles we face are daunting but with your continued support and the incredible courage and determination of the people and movements we work with, we are confident that together we can achieve even bigger victories and reverse the tide of growing injustice and inequality in the years to come.



**Nyaradzayi
Gumbonzvanda**

Chair,
ActionAid
International Board



**Adriano
Campolina**

Secretary General,
ActionAid
International

JOIN US

ActionAid is a global Federation working in 45 countries to achieve social justice and gender equality, and to eradicate poverty. ActionAid works to strengthen the capacity and active agency of people living in poverty and exclusion, especially women, to assert their rights.

If you would like to get involved by taking action or making a donation, please visit www.actionaid.org

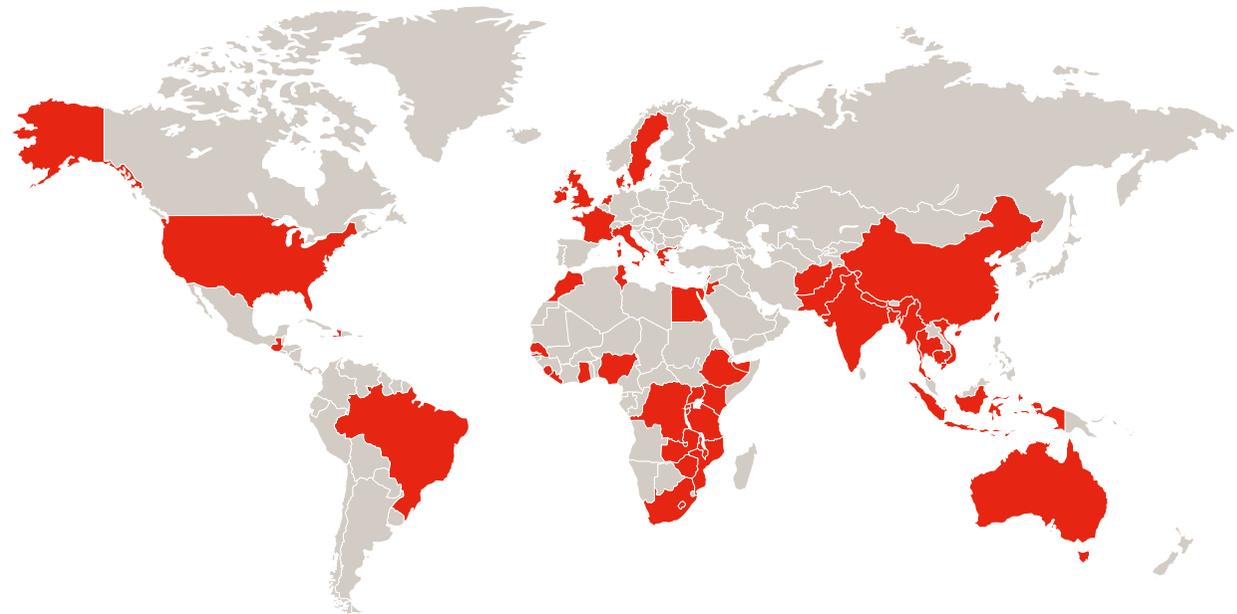
What we do

Our dedicated local staff and partners support women and young people to understand their rights and change their own lives. We target the structural causes and consequences of poverty and injustice, connecting this work at community level with broader efforts and struggles nationally and internationally to make the greatest contribution towards a just, equitable and sustainable world. ActionAid works to shift and redistribute power and resources, thereby strengthening the resilience of communities and movements, and fulfilling the rights of people living in poverty and exclusion.

How we work

Our feminist and human rights-based principles and approaches ensure that people are drivers of their own change and are able to claim their rights. ActionAid seeks to shift and transform power through empowerment, solidarity, campaigning, and the generation of alternatives to ensure that every person enjoys a life of dignity and freedom from all forms of oppression.

Our focus is on promoting the leadership of women and young people because the denial of their rights is a grave injustice and one of the principal underlying causes of poverty worldwide.



We create platforms for collective action and solidarity by enabling people around the world to unite and contribute to social justice struggles in various ways – as citizens, supporters, staff and volunteers.

ActionAid is rooted in the communities with which it works, and proudly upholds its primary accountability to people living in poverty and exclusion.



Emily Kafulatira, centre, leads a mothers' group in Thondolo, Malawi, which works to ensure girls remain at school by educating parents on the importance of education.

PHOTO: MAKEMENDE/ACTIONAID

The context in which we operated

A third of the world's people endure low standards of development. More than 250,000 million people are discriminated against because of their ethnicity, while – in 100 countries – women are prevented by law from certain professions simply because they are women. These facts, from the latest *UN Human Development Report*, show how unequal our world is.

This year, despite assurances following the 2008 global financial crisis and the adoption of the Sustainable Development Goals in 2015, inequalities between and within countries, and between men and women, remained as severe as ever. Repressive and undemocratic regimes stepped up their assault on the political space for civil society, while excessive public spending cuts in 81 developing countries and 45 high-income countries continued to hit the world's poorest people. Austerity measures included food subsidy cuts, public sector wage bill cuts and caps, social security and pensions cuts, privatisation of public services and assets, and lowering of labour protections.² This uninterrupted race to the bottom through regressive tax, labour and environmental policies enabled global elites to amass unprecedented levels of wealth.

Although the global unemployment rate stabilised in 2017, in developing countries

Global context

employment rates did not keep pace with the growth of the labour force, with ever greater numbers of workers in vulnerable employment and restricted opportunities to engage in collective bargaining, weaker job security, lower incomes and reduced access to social protection. Women remained more likely than men to be unemployed or in precarious work conditions, with unpaid care and domestic work a major barrier to women finding decent work. The lack of employment opportunities for youth also remained a major challenge, with the global youth unemployment rate at 13%, three times higher than the adult rate.³

However, this year was also a tipping point for international, solidarity-based resistance by people's movements – from the #FeesMustFall movement in South Africa, demanding free higher public education for all, to the Women's March on Washington in the United States advocating for legislation and policies on human rights and other issues, the #BlackFriday women's strike in Poland and the increasingly organised fair-housing movement in Brazil. Mass national, local and international protests led by movements made their demands using a shared language around gender, race, class, caste and environmental justice, as well as political, civic, economic, social and cultural rights. The fact that movements articulated their demands in interconnected ways indicated that

these protests were no longer focused on single issues, but rather on complete system change. Social media remained a powerful platform for organising and connecting movements, providing a means for groups whose voices were previously sidelined in struggles: women, people of colour, indigenous people, sex workers, LGBTQI communities, and people with disabilities.

ActionAid saw these global trends and challenges as catalysts for social change. This required the Federation to increase its ability to build and/or support progressive civil society alliances to resist and advance our agenda to promote human rights, build people's resilience, and redistribute power and resources. To do this we engaged with global and regional alliances (such as the [Fight Inequality Alliance](#) and [Africans Rising](#)), and generated global responses to regressive agendas – from conservative, anti-migration forces in Europe to oligarchic power in Latin America.

Shrinking space for civic and political activity also continued to affect our work in many countries. This required us to coordinate efforts to support these countries and to continue

- Ortiz, et al, 2015, The Decade of Adjustment: A Review of Austerity Trends 2010-2020 in 187 Countries, ILO, the Initiative for Policy Dialogue at Columbia University and the South Centre, Geneva
- ILO, 2018, World Employment Social Outlook, Trends 2018, ILO, Geneva



International Youth Day Demonstration in Recife, Brazil, in which about 1,000 young people took part to demand better labour rights, changes in policies which encourage youth to remain in rural areas, women's rights and voting rights for minorities.

PHOTO: JESSICA VANESSA/ACTIONAID

building alliances to strengthen civil society's collective capacity to respond. In all major cases, such as the stalemate in the Somaliland and Liberia elections, the threatened state of emergency and cholera crisis in Zambia, and the office raid and freezing of our bank accounts in Uganda, ActionAid was able to overcome the threats and strengthen its resilience. Attacks on women's rights continued to proliferate across the globe, and the Federation focused on supporting grassroots women's initiatives to resist this.

The growing number of climate-related events such as droughts and floods, the continuation of conflict in Syria and Iraq, the increased number of displaced people in Nigeria and in the Democratic Republic of the Congo (DRC) and the Rohingya refugee crisis meant that ActionAid continued to respond to multiple emergencies, ensuring the leadership of women.

The fundraising environment continued to be challenging in the Global North, driving ActionAid's continued investment in new and emerging fundraising markets, while the regulatory framework in a few countries continued to tighten, requiring the Federation to work towards strengthening compliance policies and mechanisms. The Federation also worked tirelessly to create spaces for countries to learn from each other (and from external partners), and to better coordinate action through platforms, working groups and campaigns.

Organisational context

Strategy 2028: Action for Global Justice

This year we saw exciting organisational changes as part of the transition to *Strategy 2028: Action for Global Justice*, representing the next step in our evolution and rooting us more deeply where we work and with the people whose rights and visions we aim to achieve. These changes started to lay the ground for the Federation to achieve greater financial sustainability, increased agility, impact and connectedness, and, above all, to meet its ambitions.

With the approval of the strategy in December 2016, Members and Country Programmes went through national strategy development processes. By the end of 2017, more than two thirds of countries had brought their old strategies to a close, and approved new, national strategies aligned with the global one. This report reflects this transition and the closure of the cycle. From 2018 onwards, our operations will be fully aligned to the new strategy.

Programme framework

ActionAid understands that overcoming the structural causes of poverty and injustice requires long-term commitment and engagement with communities, global collective action, and the need to be agile and adaptable to a rapidly

changing context. Guided by the new strategy's programme pillars – rights, redistribution and resilience – ActionAid continued to provide holistic interventions, combining support for community mobilisation and empowerment. Externally, ActionAid expanded its work with like-minded coalitions and solidarity movements, and continued working towards more devolved decision making and greater participation in our work by communities and people living in poverty and exclusion.

At the same time, the Federation strengthened collaboration among countries with the launch of new Programme Platforms in 2017. These platforms initiated the participatory, bottom-up process needed to develop more specific programme frameworks that will help roll-out the global priorities agreed in our new strategy over its first three years. This process will enable the Federation to take a more coherent, learning-driven approach to improve the quality and impact of our work.

International campaigns

During 2017, the three multi-country campaigns (Land For, Tax Power and Safe Cities for Women) were gradually phased out. A common successful characteristic of the three campaigns was the effort to build or join national platforms or coalitions promoting international solidarity and mobilising supporters from around the

world, thus adding strength to national-level campaigns. National and international public debates and events were influenced by the **Tax Power campaign**, which saw the production of several publications and research papers become reference documents in public debates. The issues addressed by the **Safe Cities for Women campaign** were directly relevant for women in communities, as public service issues had not previously been dealt with from a women's rights perspective. Women's land rights were translated into a charter of principles and demands as a result of the Kilimanjaro Initiative, a key goal of the **Land For campaign**. Furthermore, specific land grabs in Senegal and Tanzania were stopped, having gained national or international attention. Despite the conclusion of these campaigns, ActionAid is committed to continuing its work in the areas of land rights, tax, and violence against women under the new strategy. Building on lessons from the previous campaigns, the Federation started to work on the new **global campaign on Women's Labour, Decent Work and Public Services**, in 2017. Women's paid and unpaid labour is the focus, while the issue of public services is addressed to ensure that women's unpaid labour is recognised, reduced and redistributed.

Learning and measuring impact

ActionAid's experience mirrors trends that are emerging across the NGO sector more broadly

in relation to monitoring, evaluation and learning (MEL). There is a growing recognition that development work is complex and difficult to define in terms of outputs and results. Following much debate, ActionAid began to work towards a more balanced approach to MEL, firmly grounded in our identity, vision, mission, values, approach, understanding of structural causes of the problems we address, and our theory of change. This more balanced MEL approach is also intended to be effective at demonstrating and communicating our impact while fulfilling our multiple accountabilities, learning lessons and generating knowledge to improve our work.

To this end the Federation made significant strides in drafting a new **Monitoring, Evaluation and Learning Framework** that will considerably improve overall capacity to gather evidence, and to analyse and share information on how change happens. The MEL framework will also attempt to more clearly define ActionAid's contribution to the change that the Federation expects to achieve in the next 10 years in building the power of people living in poverty and exclusion, creating an enabling environment, and greater access to and control over services and resources. It will allow ActionAid to measure both shifts in power as well as results in terms of rights, redistribution, and resilience, and will capitalise on our existing knowledge; experience and learning from participatory review reflection process (PRRPs); [reflection-action tools](#); and other methods.

Enabling effectiveness

This year we started to make the necessary internal shifts to be better able to fight poverty and injustice in the increasingly challenging external context, and to create an environment centred on organisational agility; enabling a culture of learning, innovation and digital transformation; and on diversifying our funding sources as a priority.

In line with this, diversifying and expanding our income through fundraising investments was a major focus for ActionAid in 2017 and will continue to be in the coming years. Work to explore the possibilities of expanding ActionAid's presence in new markets was undertaken to ensure that any potential expansion in the future is strategic and impactful.

ActionAid also made progress in addressing the Federation's financial sustainability, with the redesigned Global Secretariat now set to deliver our short- and long-term objectives of affordability and financial stability. Risks were addressed through the development of a medium-term financial plan for the Global Secretariat, while the development of the new Resource Allocation Framework will simplify financial flows within the Federation. These organisational changes are being backed up by the implementation of new systems such as the Global Finance System.

In 2017 we continued to strengthen our

governance structures by supporting countries to become full ActionAid Affiliates. There was stronger and more proactive engagement of the International Board and management in supporting specific initiatives such as the Bangladesh governance review. The International Board also began to promote greater dialogue with national boards to gain a closer understanding of different countries' realities.

The Global Secretariat was redesigned to promote more coherent work, innovation, collaboration, and agile decision making, and to reduce hierarchies to better serve the Federation. The new Global Secretariat teams were in place by end of December 2017. In addition, the need for countries to make operational and programmatic shifts to align with the new strategy started to be mapped by the **Country Models Review and Geographic Footprint**, a project initiated in 2017 that will inform how countries in different contexts, growth stages and sizes need to change and operate differently. The results of the review and recommendations will be brought to the 2018 General Assembly.

ActionAid deepened its commitment to implementing feminist leadership and advancing women's rights internally and held several capacity development sessions across the Federation that looked at practical ways of implementing feminist leadership values (see page 40 for more).



Domingo, a farmer from Alta Verapaz, Guatemala, has faced pressure from palm oil companies to sell his land. Unlike many of his neighbours, Domingo has refused to sell, in order to protect his livelihood.
PHOTO: FABIO ERDOS/ACTIONAID

ActionAid at work
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ActionAid's programme impact in 2017

ActionAid supports marginalised people such as smallholder farmers (especially women) to secure their rights to land and other natural resources, and to withstand climate change, by promoting sustainable farming methods. By empowering communities holistically – through training (from livestock-rearing to lobbying), financial support, raising awareness of rights and promoting gender awareness – this year we improved resilience, one of the core goals of our new strategy.

The denial of the rights of women and other excluded groups through patriarchal norms, discrimination, racism and other abuses of power is a violation targeted in our new strategy. This year we challenged such denial of rights, helping around 90,000 women report increased access to land and other natural resources.

ActionAid promoted awareness of rights and entitlements to land among almost 200,000 women, and galvanised the formation of over 2,393 women's groups to claim those rights. In Zimbabwe, as part of the Fair Green and Global Project, a 95-member women's forum was established to advance women's rights to natural resources – the women led campaigns on environmental issues such as mining-related pollution and engaged mining companies and local authorities in discussing compensation for

Promoting sustainable agriculture and control over natural resources

lost land. And in Ghana, as part of the Promoting Opportunities for Women's Empowerment and Rights project, ActionAid educated traditional authorities on the need to release fertile land to women in over 100 communities, resulting in many of the women being allocated land.

Advocacy to influence legislation on land rights continued. Lobbying by ActionAid Bangladesh led to people's demands being included in the Land Acquisition and Requisition of Immovable Property Act 2017, and to improved compensation for those made landless. And to prioritise inclusion, ActionAid Uganda held an innovative conference for people with disabilities to discuss the barriers they face in accessing and owning land. Action has been taken – for example, in Amuru district, a disability council was formed to advance disabled people's rights, including access to land.

An example of our new strategy's stated aim to mobilise people for cross-boundary causes was demonstrated by ActionAid India's key role in creating the International Trans-Boundary River Governance Platform for South Asia. A river-walk from the banks of the Ganges in Murshidabad, West Bengal, to the river Padma in Bangladesh generated understanding and alliance-building among people sharing the water-course. Community mobilisation meetings were held by more than 500 volunteers, and around 1,000 saplings were planted along the river.

FEDERATION-WIDE

About 90,000 women from 23 countries increased their control over land or other natural resources.

Over 2,300 women's groups in 16 countries were supported to organise and take action to protect and fulfil their rights and entitlements.

More than 330,000 farmers in 23 countries practised climate-resilient farming.

In 2017 ActionAid continued to promote climate-resilient sustainable agriculture (CRSA) and agroecology, reporting that over 330,000 farmers were practising CRSA and almost 131,000 people were trained in CRSA. In Zambia, ActionAid trained farmers in conservation farming, agro-forestry, small-livestock farming and food conservation, and facilitated exchange visits and networking events. Skills acquired led to increased yields, improved market links and a reduction in wasted produce, with 210 more farmers reporting having enough food for both household consumption and for sale.

Access to market is critical for economic empowerment of marginalised communities, so ActionAid – sceptical about engaging with global supply chains – piloted its highly innovative Gender Sensitive Access to Market methodology. Preliminary results indicate that the methodology works well, and was welcomed by farmers, particularly women. In The Gambia and Senegal, learning from this methodology informed project proposal development and inspired the desire to engage more with policy makers on markets.

ActionAid also engaged in research and lobbying on national, regional and global issues related to land and resources. Through the Public Social Accountability project, ActionAid Malawi effectively influenced the setting up of a parliamentary budget office to strengthen parliamentarians' capacity to review national agricultural and healthcare budgets. And in Zambia, ActionAid supported communities in effectively lobbying for the allocation of agricultural advisors in under-served areas.

In 2017, ActionAid USA released three case studies showing the negative impacts of biofuel feedstock production in Guatemala, Argentina and the United States. This and other research was used to call on Congress to reform biofuel mandates in the USA, resulting in increased support for reform of the law, and contributing



Channy, 35, lives in Tonle Sap, Cambodia, and has been trained on women's rights, finance, vegetable growing and food processing. Her business is successful and she is now an inspiration for other women in the village.

PHOTO: ACTIONAID

to the drafting of a revised policy on the legal percentage of renewables that must be included in transport fuel for sale in the country (to be introduced in early 2018).

Land For multi-country campaign

ActionAid's multi-country 'Land For' campaign worked to secure and advance women's and communities' rights to land, and to resist land grabs in developing countries. In 2017, the campaign mobilised nearly 60,000 supporters and 222 local groups to take action. ActionAid continued work on 135 land grab cases in Uganda, Haiti, the Netherlands, Mozambique, Sierra Leone and the USA. In north-east Haiti, ActionAid focussed on the case of Caracole, challenging the lack of free, prior and informed consent in the 2011 takeover of community land for an Inter-American Development Bank (IADB)-funded industrial park, and demanding greater compensation. In 2017, Caracole communities made progress in getting their grievances heard at the IADB. Members of the committee representing the Collective Peasant Victims of Land Grabs effectively engaged in the negotiations after a three-day preparatory workshop facilitated by ActionAid Haiti, with support from ActionAid France, Italy, and USA. The committee identified weaknesses in the compensation plan, namely non-respect of criteria relating to the vulnerability of the women,

and an inadequate complaints and feedback mechanism.

ActionAid also engaged in substantial advocacy work towards new or amended policy or legislation to reduce incentives for land grabs, and to improve land tenure security for women and communities. For example, ActionAid Sierra Leone engaged with the government to finalise its review of land policy, which was finally enacted in 2017, ensuring fairness in access to land and requiring the application of free, prior and informed consent. ActionAid Sierra Leone is now discussing the rollout of the policy with the Lands Ministry and the United Nations Development Programme.

In Senegal, regional and international lobbying by civil society organisations (CSOs), women's associations, youth activists, farmers' movements and collectives at all levels successfully pushed for land reforms to acknowledge the traditional land tenure system. And in Mozambique, ActionAid and members of the Civil Society Alliance Against Land Grabs (ASCUT) launched the Mozambique Land Profile, which methodically and independently maps the ownership and use of land in Mozambique to ensure land users' rights are respected. The Land Profile was handed to parliamentarians and government members to ensure it is used during consultations when drafting land laws, as well as

to influence decision making.

Meanwhile, members of ActionAid's Women2Kilimanjaro initiative (a pan-African mobilisation of women demanding changes in the policies, practices and attitudes denying them their land rights) lobbied the chair of the African Union Commission, Madam Nkosazana Dlamini-Zuma. The chair committed not only to ensure that the demands were adopted and implemented by heads of state at the AU summit, but also that they are championed into the future by new AU chair, Moussa Faki.



scale. Despite this exciting step, Warubizi and the 18 smaller cooperatives that make up its membership were hampered by poor-quality seeds, lack of knowledge about climate-resilient farming techniques, and a lack of natural fertilisers. On top of this, the cooperative lacked any kind of packaging or processing equipment, often being forced to sell their oil in plastic bags.

In 2017 ActionAid worked with the cooperative and provided training to the leaders of the 18 small cooperatives that make up Warubizi. Training helped to increase yields by improving the cultivation of sunflowers through climate-resilient farming techniques, seed management, and the use of organic fertilisers. ActionAid also worked directly with Warubizi, developing processing and marketing skills for the Cooperative. This training was backed up by the purchase of a packaging machine and supporting the cooperative to source an oil processing machine as well.

The results have been dramatic, says Warubizi's Jacqueline Bucumi. *"Since ActionAid's support, our sunflower harvests have increased from 36 tons to 50 tons a year and our oil production from 6,000 litres to 10,000 litres. With our new marketing and packaging skills we can now sell our oil at a reasonable price. With my profits, I have bought a cow, which I feed with the residue from the sunflowers. The cow produces manure that I use to grow sunflowers at home, as well as crops like potatoes, beans and vegetables, providing enough food for my family. I am very grateful for ActionAid's support."*

Sunflower Cooperative, Burundi

Jacqueline bottles her sunflower oil in Rutana, Burundi.
 PHOTO: ACTIONAID

Sunflower oil is a huge market in Burundi, but traditionally, sunflower farmers from Rutana Province have struggled to earn a good living. Lack of coordination among rural farmers was the main problem until 2016, when the Warubizi Cooperative was formed, bringing together 6,700 women in the 8,150-strong cooperative to build the power of community farming and cooperative economies of

A mobilisation event to raise awareness of women's rights to land as part of the Women2Kilimajaro initiative, Tanzania. PHOTO: GEORGINA GOODWIN/ACTIONAID



ActionAid at work	Context	Impact	Our people	Accountability	Governance	Supporters & Donors	Finance & Funding	Looking ahead	Accounts
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Holding those in power to account

ActionAid brought community voices and concerns directly to the decision-making table in 2017, enabling face-to-face engagement between local and national authorities and their citizens. Reflecting our new strategy's redoubled commitment to build 'power from below' by helping communities understand the causes of poverty and injustice, we created the space and tools for informed debate, and trained citizens' groups to press for change on issues such as government spending, social welfare, voter rights, and services for women and excluded communities.

As we made the transition to our new strategy, we emphasised linking local groups to build collective power to press for change. In Uganda, youth monitors, citizen journalists and Reflect⁴ groups influenced local plans and budgets in seven districts. In Katakwi district, community members successfully lobbied for the construction of a maternity ward; a house for teachers; a new classroom and rehabilitation of a borehole at Kamenu Primary School; and the installation of pit latrines in 13 primary schools. In Mutoko, Zimbabwe, six young women attended local government meetings to discuss the difficulties in having to walk 9km to their nearest clinic, highlighting the problem of inaccessible healthcare. In response, the local development committee prioritised construction of a local clinic.

In Indonesia, ActionAid partner organisations and over 2,000 professional and academic experts worked together to develop a new public certification blueprint – an instrument that will allow citizens to hold the government to account for the fulfilment of public service standards and monitor their implementation. In addition 2017 saw ActionAid Indonesia complete research on classroom construction, improving safety for children, and a policy paper pressuring the government to improve the quality of public services.

ActionAid India's survey of vulnerable communities helped secure regular health monitoring for children from Particularly Vulnerable Tribal Groups in Odisha, West Bengal, while tribal Katkari families in Maharashtra became newly eligible for social entitlement cards. These benefits resulted from the passing of the Karnataka Scheduled Castes Sub-Plan and Tribal Sub-Plan in 2013, which was partly the result of ActionAid India's work with the Dalit Bahujan Movement. ActionAid India and partners also pressured the Karnataka Education Department into taking on the running of tribal schools, improving their quality and ensuring public funding. And in Nepal, ActionAid supported communities in securing voting rights for households deprived of their vote as a result of inaccessible polling stations after it initiated local media advocacy work that received national attention.

FEDERATION-WIDE

Over 1,600 local governments in 20 countries took steps to increase accountability to their communities.

Nearly 50 coalitions in 16 countries actively collaborated with ActionAid on tax justice campaigns.

187 initiatives in 11 countries were supported to establish accountability and community monitoring of unfair taxation practices.

In 2017 there were almost 200 ActionAid-supported initiatives to establish accountability and community monitoring of how revenue is spent on public services. For example, in Bangladesh, people's monitoring initiatives used scorecards to monitor local health services. As a result, authorities committed to regularly and openly monitor the clinics. Local authorities in Sierra Leone were transparent about the use of revenue from diamond exports, known as the Diamond Area Community Development Fund and invited public consultation on the fund's potential use. District council radio discussions were shared with communities on how the council budget is used.

⁴ Reflect is an innovative, participatory approach to adult learning and social change, where women and men come together in groups to democratically discuss issues relevant to them. Through Reflect groups, communities share experiences and establish a collective voice to press for social change.



Pupils in Tanzania learning about tax justice and their government's responsibilities for education. Two students at the school successfully lobbied for additional facilities including a new classroom, toilets and dormitories.

PHOTO: MAKMENDE/ACTIONAID

This year also saw ActionAid partner with the Government of Afghanistan to develop and implement the Citizens' Charter National Priority Program, which aims to improve the responsiveness of local governments to community-driven development plans. This resulted in the development of Community Development Plans in 133 communities across Afghanistan, with the government approving funding for their implementation in December 2017. To further ensure the responsiveness of local government community needs, good governance training was also conducted for 25 district government officials, including district governors.

Across many countries, ActionAid and its partners influenced governments to take steps on transformative social protection systems and policies: Mozambique's Tax Authority started to monitor official seals and labels on imported alcohol and tobacco, while the government submitted five tax policy review proposals to parliament, urging it to ensure national tax collection capacity in order to reduce dependence on external budget support from donors. And ActionAid Nigeria was approached by the government to coordinate monitoring of the country's Federal Government National Social Investment programme (NSIP), as more states commenced implementation of the programme.

Tax Power multi-country campaign

The Tax Power campaign for fair and transparent rules on corporate tax, and an end to corporate tax avoidance, entered its final year in 2017. Coordinated actions successfully mobilised a wide range of stakeholders, gaining media attention and contributing to advocacy successes. Meanwhile, research, advocacy and investigative journalism helped ActionAid pressure corporates to improve their tax policies. ActionAid Denmark influenced companies including Sampension and PWT Group/Danish Fashion and Textiles to significantly improve their corporate responsibility, while ActionAid UK engaged companies including Vodafone and Pearson to change their tax policies and practices.

ActionAid’s 90-second [video](#) showing how inadequate tax for public services forces women to shoulder an ever-greater burden of unpaid care work was viewed more than 385,000 times, generating more than 4,500 reactions, while ActionAid Liberia’s tax radio jingle reached more than 50,000 listeners. And ActionAid’s input into the European Commission’s new toolbox for analysing the impact of EU tax treaties on developing countries was explicitly recognised in the toolkit’s final text.

Our commitment to influencing and shifting power redoubled under our new strategy, galvanising an unprecedented level of women’s rights organisations and advocates to take action for tax. Outcomes included stronger partnerships between global women’s, human rights, tax justice, and trade union umbrella organisations, supporting actions across Africa, Europe, Asia and Latin America. ActionAid and the Global Alliance for Tax Justice led Days of Action for Tax and Women’s Rights, sparking actions in 35 countries and successful advocacy around the UN Commission on the Status of Women meeting. This resulted in positive language on tax and women’s rights being included in the meeting’s declaration.

The voice of CSOs was increasingly heard by governments, the UN and other fora, and there was visible progress with a number of governments either discussing or initiating reviews of their tax incentive regimes and tax treaties. In the UK, ActionAid successfully influenced parliament on responsible taxation. A petition to the UK Prime Minister calling for greater transparency on tax havens generated 20,000 signatures, while 2,700 supporters engaged in a successful postcard action reaching 95% of MPs in advance of the budget. ActionAid Netherlands raised parliamentary questions on the Netherlands’ role in supporting tax avoidance by

the world’s major mining companies in developing countries, co-organising a high-level public debate between the major political parties and the media during the election. For the first time the new government’s coalition agreement specifically referenced tax justice and measures to promote it.

ActionAid used its multi-country presence to help put both regional and international reforms like tax incentives at the top of the political agenda, and to influence government policy. For example, ActionAid Nigeria was the only CSO invited by the Economic Community of West African States to take part in technical conversations on the Protocol on Illicit Trade in Tobacco. ActionAid Nigeria’s tax campaign also resulted in the Minister of Finance announcing that the government would investigate and prosecute those involved in illicit financial flows. ActionAid Ireland – part of the Tax Justice Network Ireland – submitted a review of Ireland’s corporate tax code to the Irish government, calling on it to introduce a broad-based stakeholder body with permanent civil society representation that would have a formal role in tax policy. And in Zambia, the government cancelled some of its most harmful tax incentives, meeting the calls of ActionAid Zambia in recent years.



“Even when there was flooding, it took only four or five days [to clear] and it did not affect our daily life and agriculture.” However, all this changed with the coming of the dam, says her neighbour, Ms Eang Pun. “After the dam was built, in the rainy season, forest, houses, resident land, crop and fruit trees were flooded and destroyed. The community lost a lot of its benefits. They could not even go to collect forest produce like mushrooms, bamboo, resins, and forest potatoes.”

In March 2015, community members started mobilising to advocate for fair compensation from the government. Taking sides with the affected communities, ActionAid Cambodia and local partners started working with the villagers to help them understand the requirements of a demanding advocacy process, providing legal assistance, financial support, and trainings on land rights and advocacy planning.

Local community members took to the task with passion, conducting 10 non-violent demonstrations at the dam site, sending four petitions to the local and national government and to donor institutions. In July 2017 the villagers conducted a non-violent demonstration at Oddar Meanchey provincial hall, calling for the dam to be closed until compensation was provided.

By August, an inter-ministerial working group contacted the villagers agreeing the terms of compensation, and by December, payments were made to all affected villagers, allowing the community to purchase alternative plots of land. *“I am very happy, because with the money I got, I can afford new residential land or agricultural land for re-starting our livelihood activities,” says Ms Prey Sokhany, a villager in Kork Sampor village.*

Cambodian villagers win compensation for lost land

Prey Sokhany, left, at a village consultation meeting to address compensation for damage to land resulting from the Synohydro dam, Cambodia.
PHOTO: ACTIONAID

In 2014, the Cambodian government decided to improve irrigation for rice production in Oddar Meanchey Province through the construction of the Synohydro dam, a 3,000-metre dam located next to the villages of Kork Sampor, Bak Nim, Srah Keo, Tomnup, and Cha Thmey. Less than one year into construction the problems began, with the flooding of orchards, arable land and even houses in the five villages.

“Before the dam, my village never had a big problem with flooding,” says Ms Keo Keng, one of the villagers affected in Kork Sampor village.



Kindergarten children who have recently benefited from new equipment for their class in the West Bank, in the occupied Palestinian territory, with the support of funds from ActionAid's child sponsorship work.

PHOTO: SHARRON LOVELL/ACTIONAID

Improving quality public education and promoting youth mobilisation

ActionAid continued to strengthen the rights and education of young people during 2017. Our Promoting Rights in Schools (PRS) framework⁵ raised awareness of the right to education among more than 386,000 girls, boys, teachers and parents, while our Activista network grew through capacity building and advocacy initiatives across Africa, and in Myanmar. As set out in our new strategy, young people were at the heart of mobilising communities to access their rights.

Twenty-five of the countries in which ActionAid works reported a total of 4,813 schools having improved access to free, safe, quality education for boys and girls. More than 100 citizen education reports were produced, advocating for improvements in the provision of quality education and holding decision makers to account for addressing resource and other gaps within schools and in national education systems.

We also influenced laws and policies. For example, ActionAid's strengthening of the PRS consortium in The Gambia resulted in all 10 Core Education Rights being recognised in the country's new National Education Policy, while ActionAid Mozambique, in collaboration with the National Education Coalition, successfully trained 35 members of the National Union of Teachers and Ministry of Education Officers on PRS so they

could influence the revised primary education curriculum. And reflecting our commitment to influence power – a promise set out in our new strategy – ActionAid Nigeria contributed to the passing of a law on the Right to Free and Compulsory Education in Sokoto State, while ActionAid Sierra Leone played a significant role in developing the country's new Education Sector Plan 2018–2020.

Direct engagement with education authorities helped improve schools in Malawi, Nepal and Tanzania, where girls' clubs and community groups persuaded government officials and Members of Parliament to provide additional classrooms and sanitary facilities. ActionAid Zambia supported Ngimbu High School in Lukulu district with sanitary wear for girls, and handwashing basins. And in Odisha, India – in the first case of its kind – ActionAid successfully petitioned the government to reopen thousands of government schools that had been deemed unviable.

Initiatives to end violence against children, particularly girls, included measures such as student suggestion and complaint boxes in Liberia to improve school governance and ensure children's and community participation. Children's and girls' clubs also brought change – for example, in Nepal, ActionAid-supported children's clubs helped decrease corporal punishment and

FEDERATION-WIDE

Almost 5,000 schools in 25 countries reported improved access to free, safe, quality education for boys and girls.

400,000 parents, teachers and children in 25 countries increased their awareness of education rights and how to monitor the quality of public education.

37 countries saw youth mobilised through participation in Activista networks.

early/child marriage, 'untouchability' of certain castes, and discrimination on school premises. In Rwanda, ActionAid helped establish school 'safe rooms' for girls where they can change clothes, get sanitary materials or rest during menstruation without having to go home, thereby reducing absenteeism.

In 2017 ActionAid also successfully demonstrated the strong links between education and tax through the Promoting Quality Education through Progressive Domestic Resource Mobilization project that enabled teamwork at both national and international levels. Reports and policy briefs were prepared, and several national, regional and global engagements took place, including Global Partnership for Education meetings.

5. Promoting Rights in Schools offers a set of practical tools that can be used as a basis for mobilisation, advocacy and campaigning aimed at actively engaging parents, children, teachers, unions,

These consistently lobbied for greater domestic resource mobilisation to reduce dependence on donor funds, and led to pledges of \$2.1 billion from donors and \$30 billion from developing country governments. And at the UN General Assembly, New York, ActionAid convened a panel that brought together, for the first time, the Global Campaign for Education and the Global Alliance for Tax Justice in a vibrant debate.

ActionAid continued to develop the skills of young people's organisations in leadership, peace building, conflict resolution and resilience, and supported the use of technology to connect young people and their movements with the wider world to communicate issues and mobilise support. During 2017, young people in 19 countries in Africa, Asia, Latin America, the Middle East and Europe were mobilised and organised in movements, alliances, networks and organisations. And on International Youth Day, 12 August, Activista networks from 12 countries hosted events, debates and stunts under the theme 'Youth Building Peace' to celebrate and raise awareness of young people's contributions to conflict prevention and transformation, as well as inclusion, social justice, and sustainable peace. ActionAid Brazil supported Pernambuco Youth Forum on International Youth Day to express the concerns and needs of rural youth.



Anelisa, a youth campaigner who raises awareness among taxi drivers of their obligation to respect the rights of women using public transport, as part of the Safe Cities for Women campaign in South Africa.

PHOTO: ACTIONAID



Mbassey, an Activista campaigner in The Gambia, was part of the five-day 'Vote for the right candidate' campaign, encouraging youth to vote responsibly in the April parliamentary elections.

PHOTO: ULRIK NORUP JØRGENSEN/ACTIONAID

In Malawi, Activista networks were trained and supported to successfully design and implement an expenditure-tracking exercise, and participated in raising awareness on tax justice for education financing using caravans in four districts. ActionAid South Africa supported the mobilisation of Activista, the Rainbow Activist Alliance and Young Urban Women to demand safe public transport for women through awareness-raising events at train stations and taxi ranks. Meanwhile, ActionAid Vietnam supported hundreds of youth representatives to take part in actions on our safe cities, unpaid care work and tax power campaigns, and in revising the country's Youth Law.

Reflecting the renewed emphasis on linking social justice efforts and struggles and building collective power, as set out in our new strategy, we worked to promote partnerships with young people, their movements and coalitions. For example, over 250 young people, government officials and policy makers from Europe, Asia and Africa staged the first-ever Africa Youth Sustainable Development Goals Summit (SDGs) in Ghana, with the support of ActionAid's Youth Working Group. This group debated and exchanged ideas on the role of youth in driving the SDGs in Africa and beyond.

In Greece, facing an austerity and anti-migrant reality, eight local partners joined to launch the 'Epikentro' community centre in an underprivileged neighbourhood of Athens, to allow partners to implement programmes and engage directly with youth and people living in poverty and exclusion. While in Denmark, marginalised and vulnerable youth created democratic spaces and influenced political initiatives on discriminatory laws or policies, claiming participation in these processes to create representative decision-making at all levels.



Youth activism, Brazil

Lígia at a demonstration lobbying for rural women's rights, Brazil.

PHOTO: ACTIONAID

Lígia Karyne Corrêa Farias, 18, lives in Vila Simão in the rural town of Peritoró, in Brazil's Maranhão state. Lígia's involvement with ActionAid began 10 years ago when she became an ActionAid sponsored child at the age of 8, after her mother got involved with a women's group supported by local partner CMTR – the Rural Women's Workers Collective.

Lígia has always participated in afterschool

classes, and educational and leisure activities in her community. Her engagement in meetings and assemblies took a new step at the age of 15, when Lígia started to help run the afterschool literacy classes and activities with young children in the local community. In addition to her engagement with children during the reading and writing workshops, Lígia started to carry out mobilisation activities in neighbouring communities to support the work of CMTR.

Lígia travelled to states all over Brazil, participating in trainings, seminars, conferences, public actions and mobilisations, building her knowledge and bringing it back to her community in Peritoró. Her greatest achievement was participation in 'Marcha das Margaridas' (the March of the Daisies), a public mobilisation for the rights of rural women in 2015, when she joined over 50,000 women in claiming their right to safety and demanding an end to violence against women. Lígia's involvement with the Rural Women's Workers Collective has inspired her to become a youth leader in her community, fighting for women's rights and building the capacity of her community.

"CMTR was a great stimulus, it showed me that just because I am young, rural and poor it doesn't mean that I can't travel, gain knowledge and claim my rights, especially having a dignified place in society," says Lígia. "I just have to give thanks for the opportunity that CMTR has provided in having opened the doors. I will continue the struggle to encourage and help other young people by showing that nothing is impossible when you have knowledge and determination."



Luijah coordinates the Food for Assets programme in Oldonyiro, Kenya. It helps the poorest and most vulnerable women with food rations to help support their families in return for working up to 12 days a month on community projects.
PHOTO: ALICE OLDENBURG/ACTIONAID

Building resilience and responding to disasters

ActionAid works to help communities withstand and recover from disasters and conflict, and to challenge and address the root causes of their vulnerabilities to disasters. Our humanitarian responses in 2017 increased partnerships with women's and women-led organisations, directed new levels of funding to local partners, and supported them to take part in coordination mechanisms usually beyond their reach. We also ensured that measures were in place to maximise protection for, and accountability to, the community.

Building resilience is a core pillar of ActionAid's new strategy, so this year our work to train communities placed renewed emphasis on resilience building, developing women-led disaster preparedness and management, and enabling communities to increase awareness of the risks and their rights; access more information; be more able to develop and implement action plans; and better advocate for resources and services. More than 100 of the localities where we work worldwide now have integrated risk reduction strategies and budgets to address capacity gaps. Over 33,500 people (more than half of which were women) were supported to identify risks and develop resilience plans.

Gender analysis and women's leadership is

often absent in big responses, but ActionAid has taken a lead in this area, using our women-led approach to response and resilience-building to bring change.

In response to drought across east Africa, ActionAid supported 245,010 people in Kenya, Somaliland and Ethiopia. The women-led response in Kenya addressed the immediate food, nutrition and WASH (water supply, sanitation and hygiene) needs of over 110,000 people with focus on fostering accountability in emergencies and long-term resilience building of the affected communities. While in Somaliland, women led the identification of beneficiaries, complaints handling, conflict resolution and resource distribution. Safe spaces for women created environments for women to discuss their rights, access information, discuss gender-based violence (GBV) issues, and gain confidence to take part in decision making. In Nepal, ActionAid supported over 150,000 people following the earthquake in 2015, and our post-earthquake community-led Reconstruction Programme saw women from affected communities take leadership in the response – from assessing needs to planning and leading initial distributions, and from forming reconstruction committees to lobbying for land rights.

The Rohingya crisis drew ActionAid Bangladesh

FEDERATION-WIDE

More than 33,000 people in 19 countries were trained to identify and plan for risks to their communities.

ActionAid responded to **22 new emergencies** in 14 countries in 2017

Over 530,000 people across the 22 new emergencies received humanitarian assistance in ways that respected their rights.

into a relatively new area of work – one of refugee response. We took on management responsibilities for two blocks of the Kutupalong-Baluhkali camp (accommodating over 62,500 refugees) and demonstrated the value of our 'humanitarian signature', which includes women's leadership in emergencies, supporting local actors to lead the response and accountability to those affected. UN Women recognised our safe spaces for women in the camps as a best-practice model for replication. The Rohingya crisis prioritised the need for broader women's leadership work in this community. While it is traditionally uncommon for Rohingya women to take leadership roles, our work in the women's safe spaces and with the women's committees in the camp created opportunities to discuss power imbalances and acknowledge women's potential.

ActionAid led two emergency-related consortia – Shifting the Power and the Transforming Surge



Meera Paswan, 33, with **Sonam Lama, 36** (l to r) receiving masonry training in Nepal, with the support of ActionAid partner Nepal Mahila Ekata Samaj (NMES) – an organisation of women living in slums and informal settlements who advocate for women’s rights and rights to secure shelter.

PHOTO: ACTIONAID

Capacity Start Network. This positioned us as champions of locally led humanitarian responses and enabled us to influence discussions in the humanitarian sector by exploring how power (capacity, resources and systems) can be shifted to local partners. By the end of 2017, the Transforming Surge Capacity project had established collaborative, localised rosters with over 600 members and developed significant research and training on more effective response. In 2017 the project deployed staff to seven emergencies.

ActionAid’s *Women in Humanitarian Surge* report was also widely picked up in the sector, while our policy brief, *Women-led Localisation and the Localisation of Aid: Are INGOs Walking the Talk?* was shared widely.

Through the Shifting the Power project, 10 local organisations in five countries were strengthened on humanitarian preparedness and response, with participants reporting that local partners had become more effective members of coordination bodies, with increased influence and access to national humanitarian platforms and networks. ActionAid Australia helped establish the Shifting the Power Coalition in the Pacific, which helped women in Tonga to produce a women’s ‘weather watch’ radio programme to support women-led early warning systems. And in Myanmar, ActionAid brought together key stakeholders and

institutions to work on earthquake preparedness in Yangon, through a series of trainings and a simulation involving schools, hospitals and urban communities.

ActionAid also managed to secure funding for protracted and hard-to-fund emergencies, including £12 million for the Humanitarian Strategic Partnership between the Danish government’s development department, DANIDA, and ActionAid Denmark, which will support our humanitarian and resilience agenda in protracted crises over the next four years. We also secured UN funding for the Kasai crisis response in DRC, enabling us to develop a focus on protection mechanisms and improve the accountability of humanitarian actors. ActionAid continued to lead the sector in resilience thinking and practice, exploring resilience work in fragile and protracted contexts (e.g. the Syrian refugee crisis, Palestine, Nigeria) and cross-border flood preparedness initiatives in Nepal.

In Somaliland, following the 2017 drought, ActionAid and its partners continued the innovative use of ‘quick response’ (QR) codes for distributions, enhancing the efficiency and transparency of emergencies operations. People entitled to receive support were registered and given a card with a unique QR code that contained the individual’s personal information and eligibility criteria.



Women's safe spaces for Rohingya refugees, Bangladesh

Fatema, 35, supporting Rohingya refugees at Mainnerghonna Camp, Cox's Bazar, Bangladesh.
PHOTO: NOOR ALAM/ACTIONAID

In August 2017, violence erupted in northern Rakhine state, Myanmar, driving more than 600,000 Rohingya refugees into neighbouring Bangladesh. ActionAid responded immediately, delivering a lifesaving humanitarian response to over 70,000 refugees in Cox's Bazar.

Vulnerable women and children were ActionAid's priority, and so we put our 'humanitarian signature' into action by leading a gender-sensitive response in which

women played a key role. This included the construction and running of three Women's Safe Spaces in the refugee camp, where women can access information, services and resources including menstrual hygiene kits, life-skills training such as sewing and tailoring, counselling, and (where needed) access to medical referrals.

These safe spaces were run by people like Fatema, 35, a trained counsellor working with ActionAid in the Mainnerghonna refugee camp in Cox's Bazar. Fatema and other ActionAid counsellors have provided psychosocial, practical, and training support to over 10,000 women and children since the start of the crisis.

"We listen to people's experiences and we try to support them to rebuild their lives. We tell them that what happened is not their fault – that they have to survive, to live. And when you have to live, you have to live with dignity."

"When we do this work as women, women can open up and talk to us more comfortably. They would not open up and share what is in their hearts as readily with men. This is a densely populated area and women need privacy. There are many men always around so women need some privacy where they can take a shower. This is why the private bathing area and toilets for the women is essential."

The support ActionAid and Fatema provide is essential for women in these camps, and the sense of assistance and empowerment can be a powerful incentive for women to take on such a role: *"It makes me feel really happy if I can lessen the women's suffering even by a small amount."*



TOLL-FREE HOTLINES TO REPORT ABUSE:

- Child Helpline: 116
- National GBV Hotline: 1195
- NACADA (for Drug and Substance Abuse): 1192
- One2One Hotline: 1190
- Wangya Kenya Foundation - 21094

actionaid
STOP Sexual and Gender Based Violence
 Report these crimes.
 Send the word **'HELP'** to **21094**

actionaid
SPEAK OUT!
 Sexual and Gender Based Violence is a crime Against humanity
 Send **'HELP'** to **21094** to report

Annastasia, 30, a paralegal volunteer at the Access to Justice project in Nairobi, Kenya. She supports survivors of sexual and gender-based violence throughout their court cases.
 PHOTO: KARIN SCHERMBRUCKER/ACTIONAID

Defending the rights of women and girls

Addressing gender inequalities is critical to reducing poverty and injustice, so during 2017 we continued to defend the rights of women and girls to live free from gender-based violence, to secure a fairer division of care work, and to control their own sexuality. This reflects the strengthened commitment to influence and shift power, as laid out in our new strategy, and to challenge and transform the negative norms and values that deny women their rights.

ActionAid Nepal established Community Child Care Centres, freeing-up time for women to develop income-generation skills and improve their self-sufficiency. Women took up roles on local market committees, and many others benefitted from a campaign promoting sole or joint women's land ownership. In Somaliland, women's income from small businesses translated into improved child enrolment in school, especially for girls. The women's access to income also improved their ability to negotiate on issues affecting their personal rights, encouraged their participation in community forums, and improved their overall social status.

In Bangladesh, market places are not women-friendly, as women do not get a fair price for their products and there are few women-friendly facilities such as toilets and day care centres. ActionAid Bangladesh challenged

this situation through setting up the Gender Sensitive Market Place as part of its Making Markets Work for Women project. This saw nine women-friendly market sheds and 18 collection points established in five districts (with support from Market Committees and the local council), creating an alternative economic model for women agricultural entrepreneurs and offering them the opportunity to develop market relationships and reduce the cost of packaging, processing and transport.

Our work to secure women's rights involved forging links between people's organisations and authorities. In Uganda, ActionAid set up community units to improve access to law enforcement agencies in over 120 communities in six rural areas, while in Lesotho, ActionAid worked with the Ministry of Police, Ministry of Local Government and women lawyers to establish committees to handle cases of gender-based violence.

In Somaliland, our partner, the Women's Coalition, strategically challenged men and boys to change social norms that perpetuate violence, resulting in community 'violence against women watch groups', and safe spaces for women. The watch groups enabled women to challenge gender norms, enjoy more equitable relationships in their own lives, and identify access to available gender responsive

FEDERATION-WIDE

More than 30,000 women in 16 countries reported increased control over income and greater household negotiating power.

Over 600 community-driven interventions were made in 17 countries to protect women and girls from harmful traditional practices.

Over 400,000 women in 27 countries were mobilised to challenge violence against women and girls.

public services for violence survivors. Also, in Somaliland, grassroots women's groups, civil society organisations and activists held awareness-raising activities on female genital mutilation (FGM) across the country, with significant successes. Communities such as Gogol-wanaag, Maroodijeex Region unanimously agreed to abandon FGM, while the Ministry of Religious Affairs is expected to pass a ruling on FGM in 2018. And in India, ActionAid joined several organisations and women's movements in going to the Supreme Court to address 'instant talaq' – the practice of Muslim men divorcing their wives by saying 'talaq' three consecutive times. This was hailed globally as an historic and life-changing step for Muslim women.

Palestinian women reported better knowledge and understanding of their rights and how social patriarchal attitudes and norms impact them

after attending information and training sessions on gender-based violence and gender equality. ActionAid facilitated these sessions, working with 26 women’s groups and young women’s groups in the West Bank and Gaza, as well as local partners and the Directorate of Education. This made the women aware, for the first time, of several new laws and concepts that aim to enhance their lives and well-being on issues such as early marriage, cybercrime and women’s economic rights.

In Brazil, as care services to tackle violence against women remained neglected and underfunded, ActionAid continued advocating for women’s protection. This included supporting the Women’s Forum of Pajeu in rural north-east Brazil to call for a women’s police station in Afogados de Ingazeira municipality to tackle violence against women.

In Europe, ActionAid Italy and 14 partner organisations created and launched WE GO!, a European-wide project to improve programmes for women experiencing violence, and to promote their economic empowerment. During 2017, WE GO! supported domestic abuse shelters through the publication of an anti-violence toolkit that provides guidance and practical tools for shelter workers, with ActionAid training 139 shelter employees in Italy. Meanwhile, ActionAid Sweden hosted the

Testimony Tour, enabling three visiting experts on FGM from Somaliland to share their extensive experience in combatting it at seminars and panel discussions attended by around 150 participants.

ActionAid Pakistan challenged male-dominated agricultural practices by investing in training for women farmers, including on financial and business skills such as book-keeping, developing business plans and setting up and managing savings schemes. This strengthened women’s confidence, knowledge and skills to become agricultural entrepreneurs. The project also addressed rural (especially women) farmers’ need to reduce their dependency on multinational companies by establishing seed banks.

In Ghana, where a woman’s place is seen to be ‘in the kitchen’, and not in public life, ActionAid organised a series of community sensitisation sessions, preceded by a cooking competition for men. This opened up community debate around unpaid care work, and in the region where the event took place, 30% of men saw, for the first time, the need to support their wives’ unpaid care work. And ActionAid Senegal started implementing the Promoting Rights in School programme to promote girls’ education – a programme that has helped substantially reduce cases of early marriage in the area as

parents are now more aware of the relevance of education and the consequences of early marriage.

Safe Cities for Women campaign

In 2017, our campaigners led the development of the International Safe Cities Scorecard, a resource that gathered data from 10 countries to better understand the challenges experienced by women in cities. The research helped reveal the huge gap between what is planned and what is actually being done in cities. ActionAid Cambodia’s Women’s Charter of Demands – produced collectively by our partners – was launched on Safe Cities Day in Phnom Penh. Nearly 500 people, mostly women, took part in the 16 days of activism, which saw the distribution of stickers to commuters, and restaurants calling for an end to sexual harassment in the city.

In Ethiopia, ActionAid continued its Safe City radio programme with Fana Broadcasting Corporation, featuring both live talk shows and dramas on the challenges faced by women from different walks of life in the city, including violence, unpaid care work, and the stereotypes, negative behaviour and attitudes that affect women and girls every day in public spaces.

And in South Africa, ActionAid called on the government to end violence against women in



Lindiwe Mabuya, an Activista member and part of the ActionAid-supported Young Urban Women project in South Africa, hands a copy of our Whose City? report and petition to the President of United Cities and Local Governments, South Africa. In the report ActionAid called on governments worldwide to end violence against women in public spaces.

PHOTO: MBUSO ICE NGUBANE/ACTIONAID

public spaces following the findings of a new report submitted to the President of United Cities and Local Governments in Johannesburg. The report argued that women’s experiences and voices must be put at the centre of planning public infrastructure and services such as lighting, housing, public transport and security if violence against women is to be reduced.

ActionAid Thailand carried out two publicity campaigns with an advocacy focus on safety from sexual harassment on public transport in Bangkok. The key message of the campaign was ‘No matter how (you) commute, (you) must arrive at the destination safely from sexual harassment’. Another activity, ‘Butt In’, educated bystanders on how to intervene if they found themselves in a situation of sexual violence, stressing such interventions can help deter inappropriate acts.

In November 2017, ActionAid Vietnam, the Government of Vietnam, Plan International and UN Women agreed develop and roll-out a set of Safe Cities and Safe Communities Criteria for Vietnam – simple benchmarks that city and local authorities can use to improve safety for women and girls. The draft criteria were launched in November 2017 and will be piloted by the four participating agencies in partnership with local authorities across Vietnam. And in June 2017 ActionAid Vietnam launched a mobile app,

S-City ActionAid, enabling women and girls to share information about safe and unsafe places in the city and to rate the quality of public services. Launch events around the country, organised in collaboration with the Youth Act to End Poverty Network, attracted over 2,200 participants. The app now has over 900 registered users.

ActionAid’s Arab Regional Initiative launched nine local campaigns on safe cities and gender responsive public services, led by young women and men, and supported by local and national organisations. Issues addressed included how to make city streets and public transport free of sexual harassment; sexual and reproductive health rights; and access to local community resources. In one of the campaigns in Tunisia, a local community highlighted the lack of provision for women’s safety in the development of a new train service. Community members met European Commission representatives and the company leading the project, and are now discussing how to make the scheme safe for women. A number of public service providers in Jordan and Tunisia also became aware of the importance of ensuring women’s safety in cities.

International Day for the Elimination of Violence Against Women



campus discovered that the university had neither proper mechanisms for preventing and protecting victims of sexual violence, nor sanctions for perpetrators. Even worse, victims were regarded as the cause of harassment, and were judged on their appearance and lifestyle.

The campaign was supported by Activista members, who helped students organise a series of activities on campus, including a visual installation, a flash mob, a panel discussion, and an interactive workshop. Led and run by students, the activities highlighted students' willingness to place the topic of sexual harassment at university under the spotlight.

"We would like to tell the students in our campus that it is time to raise your voice and shout out loud that the university must do its work in preventing sexual violence and protecting victims, without asking how short your skirt is. We have been told we should keep quiet when bad things happen to us, but this will not work. It is time to tell everyone, and end all kinds of sexual violence on campus!" said the campaign's leader.

Channelling the success of the #MeToo movement, which created a huge impact worldwide, Thammasat University used #daretospeak to demonstrate the right of everyone to speak out when affected by sexual harassment. The campaign was a huge success, with the university proposing to add sexual education to the general freshman curriculum, and setting up a hotline for complaints regarding all issues of student welfare.

Dare to Speak – students put sexual violence in the spotlight

Students during the International Day for the Elimination of Violence Against Women, Thailand.

PHOTO: ACTIONAID

In November 2017, students from Thailand's Thammasat University decided to celebrate International Day for the Elimination of Violence Against Women with the campaign 'Dare to Speak', urging fellow students and the university itself to challenge sexual violence.

The campaign was initiated after students who reported incidents of sexual violence on

Fostering solidarity and collaborative action

The Federation continued to strengthen global and regional alliances. For example, the number of regional and southern movements and NGOs joining the Fight Inequality Alliance – a group of leading international and national NGOs, trade unions, social movements and other civil society organisations united to fight inequality – grew substantially after ActionAid and other allies helped it reach new groups and movements in Asia, Africa and Europe. Using increased digital campaigning, the alliance helped air ordinary people's views on inequality and redistribution issues during the Fight Inequality Week of Action during the World Economic Forum in January. ActionAid also took part in alliance-organised mobilisations at gatherings such as the Asian Development Bank Annual Board of Governors Meeting and the International Monetary Fund/ World Bank annual meetings.

Africans Rising – a movement fostered by ActionAid to unite NGOs, peace movements, faith-based organisations and trade unions in mobilising African civil society and building the capacity of young movement leaders – responded to repression of civic action. For example, in Togo, pro-democracy activists and human rights defenders demanded that authorities end the judicial harassment of citizens taking part in protests surrounding the political debate between the government and the opposition in Togo.

Women leaders also maintained the momentum of the 2016 Women2Kilimanjaro mobilisations for women's rights to land, with rural women

consolidating their voice and strengthening their presence in continental debate – especially at the Africa Land Policy Conference.



People in Denmark on the day of the inauguration of President Trump stand united in the call for solidarity and human rights.

PHOTO: ACTIONAID



ActionAid's *Survivors' Runway* at The Truman Brewery, London, UK. A fashion show led by acid attack survivors from Bangladesh who are breaking the culture of silence for all women and girls who have survived or live in fear of violence.
 PHOTO: CHRIS YATES/ACTIONAID

“*What motivated me to become an ActionAid youth activist was the badly kept road in our community. We all agreed that we had to do something so we spoke to the councillor of the community. By doing this we were able to fix the road and most of the market women are now able to use it. When there are no good roads, when there is no electricity, or when there is no water it impacts on everything. If the government collect tax money from multinational businesses, I believe they would develop all these areas and our lives would be better.*”

**Youth activist
Miriam Daniel, Nigeria.**

Staff and volunteers

ActionAid is a people-centred organisation that values its staff and volunteers in recognition that they are crucial to the effective delivery of our work. In 2017, we applied and embedded the principles of the People in Aid Code of Good Practice in our human resources-related policies and processes, and particularly in the redesign of team structures. Through activities such as this, ActionAid continued to build an organisational environment where people feel valued, and are treated fairly and with respect.

ActionAid had a 51:49 female to male ratio across its 2,898-person workforce during 2017, and reinforcement of affirmative action saw an increase in the number of women appointed at senior leadership levels to 50% – an improvement on 47% in 2016, reaching the 50% target. The Federation’s annual voluntary attrition rate was 7% – below the desired maximum of 10%.

ActionAid also continued committing to ensure women’s representation in its international and national governance structures. Of the International Board’s 13 members, eight are women and more than 70% of National Boards and General Assemblies are comprised of at least 50% women.

A total of eight health and safety incidents were

reported in 2017 (up from six in 2016) with human resources managers required to report on action taken to minimise such incidents in future.

Learning and capacity development

Learning happens in all areas of the organisation and in formal and informal ways, so in 2017, ActionAid prioritised a learning approach underpinned by structures that will ensure we systematically learn from what we do. This will help us be more agile and adaptable when it comes to facing the external challenges that impact our work. These structures include access to expertise; talent management; knowledge management; performance support for experiential learning; and learning through social collaboration. eLearning continued to be cost-effective, with over 278 enrolments for online courses via the ActionAid Learning Site in 2017.

ActionAid continued to invest in the Senior Leadership Development Programme, this year creating a space for leadership dialogue among 25 participants, including ActionAid Country Directors and delegates from Amnesty International, Greenpeace and Oxfam.

The People4Change programme facilitated global support and solidarity by placing

development practitioners in 15 countries, thereby enhancing the skills and knowledge of the organisations with which ActionAid works. Twenty-nine development practitioners were placed to support learning and capacity in relation to work on accountability and gender-responsive public services. An example of this was in Uganda, where the Shrinking Political Space Advisor worked at national level to strengthen the ability of programme staff and partners to build an understanding of the issue into their analytical and programme work. Thanks to this support, eight frontline activists designed and tested innovative and creative informal campaigning modes of citizen engagement.

As a result of capacity development provided by the Global Platform – ActionAid’s network for youth-led activism – participants were encouraged to organise around a social cause or participate in voluntary work in their communities. In total, 4,762 young women and men were trained and another 14,816 young women and men participated in Global Platform activities, where they developed the skills, knowledge and attitudes needed when taking responsibility and concrete action for social change.

Staff security

Throughout 2017, the Security Unit was very active in the face of changing political landscapes in various countries, and contributed to strengthening the organisation’s willingness to take calculated risks based on informed analysis, advice, and technical inputs.

- We continued to invest resources to safeguard staff lives and wellbeing, especially those working in volatile contexts of conflict or terrorism, such as Afghanistan, DRC, northern Nigeria and Ethiopia, among others.
- To build the organisation’s resilience against attacks on civic and political space in countries like Uganda and Pakistan, staff and partners were given specialised training on online security, staff safety, risk assessment, and personal and organisational contingency planning.
- Similarly, several countries received virtual support in situations of political and administrative challenges, hazards or disasters, such as Cambodia, Kenya, Sierra Leone, Zambia and Zimbabwe.

Externally, ActionAid continued to engage with human rights defenders’ networks, social activists at risk, and professional security fora to learn from security best practices, while also sharing our own learning and expertise with our peers.

Safeguarding

During 2017 all safeguarding related complaints, grievances and/or whistle-blowing were adequately investigated in accordance with ActionAid International’s policies.

Deepening accountability and sustainability

Accountability

ActionAid's primary accountability is to people living in poverty and exclusion. We consider that transparency is a means and accountability is an end, and we translate this primary commitment into practice in two ways:

- by committing to external accountability standards and codes, and reporting to Accountable Now, the International Aid Transparency Initiative, and to humanitarian-related commitments such as the Grand Bargain, the World Humanitarian Summit commitments and the Call to Action against gender-based violence in emergencies;
- internally, we continue to advance the five key principles of our Accountability Charter.

Principle I: Participation and Inclusion

This year all 45 ActionAid countries started to align their national strategies to the new *Action for Global Justice* strategy, based on deep reflection and the participation and inclusion of national and local partners to ensure their perspectives remained at the heart of what ActionAid does. In Nigeria, ActionAid mainstreamed People With Disabilities (PWD) into its programme design, prioritising empowerment and social inclusion based on research into how disability and gender intersect.

Principle II: Evaluation and Learning

In 2017, more than 15 types of methodologies were used by countries to evaluate or assess their programmes and projects – many of them designed to identify and measure shifts in power in favour of women, which is at the core of our aims. Such methodologies were used to evaluate projects in Rwanda, Cambodia and Guatemala, giving the Federation evidence to adjust its programmes. ActionAid Denmark used 'outcome harvesting' to track behavioural changes in key actors in society, allowing it to understand its contribution to change. In addition, ActionAid developed an alternative and innovative Value for Money (VfM) approach and methodology, which puts people living in poverty at the centre of the VfM analysis, and which can be integrated effectively into our existing MEL processes, such as participatory review and reflection processes (PRRPs). The VfM will be useful not only to generate learning to inform our own programmes but also to liaise with donors who require us to demonstrate our value for money.

Principle III: Transparency

ActionAid makes information on its work available to stakeholders and encourages community engagement in programme inception, design and procurement processes, sharing the project budgets amongst community

members, partners and local governments to ensure transparency on fund allocation. In Ethiopia, making project information available to partners helped them understand the programme rationale, the allocated budget, areas of support, and target beneficiaries. In Sierra Leone, Wilfred Joseph Bangura, manager of the Kono region Anti-Corruption Commission stated,

"I have never witnessed a situation where an NGO other than ActionAid presented its budget and gave out copies to the Anti-Corruption Commission and other key partners for monitoring. This is a show of transparency to the highest degree and I urge all other NGOs in Kono to follow this example. ActionAid, we are proud of you."

Additionally, ActionAid prepared for the roll-out of the EU's General Data Protection Regulation, updating its Information Security and Privacy Policies, and developing a full Data Protection Policy.

Principle IV: Complaints Response and Resolution

ActionAid constantly strives to improve not only its complaints collection and handling mechanisms, but its public transparency and the processes by which it learns from complaints. Due to the diverse nature of complaints from

across the Federation, ActionAid often deals with complaints on a country-by-country basis.

In 2017, ActionAid received a total of 863 complaints, a 10% increase on 2016 figures. This increase occurred in complaints from financial supporters, which were primarily related to child sponsorship communications, fundraising materials and the introduction of a new customer relationship management system. In total, 59 complaints were received from community members and partner organisations. Community member complaints were related to the provision of goods and services, and partner complaints were concerned with the late disbursement of funds. In serious cases, formal investigations were launched; in 2017 two such investigations were carried out and resulted in warning letters being issued to partners in Senegal and Nigeria. No complaints concerning sexual exploitation, abuse or harassment of community members or partners were recorded in 2017.

Principle V: Monitoring Commitments and Ensuring Compliance

As part of the roll-out of the revised Assurance Policy, compliance-monitoring tools were developed in 2017 and countries will go through a process of self-assessment, reporting to the International Board and General Assembly in 2018. In cases of non-compliance, Members will

provide either a justification that demonstrates non-compliance is in the best interest of the Federation, or will have developed a clear plan towards full compliance.

Feminist leadership

In line with our new *Action for Global Justice* strategy, feminist leadership capacity development was prioritised, ensuring that the organisation puts feminist leadership into action. While this is a continued journey, progress was made to reflect our core focus on the rights of women and girls in our organisational culture. The work done by our leaders and by the Feminist Leadership Group has already contributed to changes in the behaviours, discourse and practices of our leaders and staff, showing how we are progressively embracing feminist leadership values. In June 2017 the General Assembly ran a session on feminist leadership to directly benefit International and National Board members, while each of the International Platform meetings also had a session on feminist leadership. Key projects initiated included an internal women’s survey and gender parity review, a feminist leadership capacity-building workshop, and a Women’s Forum. At country level, ActionAid in Australia started to roll-out a new mentoring programme and feminist leadership training for all staff. In Brazil, the ActionAid Women’s Forum stimulated

internal debate and learning on feminist leadership and women’s rights challenges among staff.

We also continued integrating our feminist approach into our programming, making sure women are the protagonists of change. ActionAid Australia led the organisation in developing Federation-wide commitments to women’s leadership, rights and protection in emergencies, and set the parameters for deepening work in this area, while ActionAid Liberia used Reflection-Action methodology to undertake power analyses and the mapping of local resources. This empowered women to identify the different forms of power that exist and how to deal with them, as well as cultural practices that exclude them from decision making.

Sustainability and green action

In 2017, Bangladesh continued to lead ActionAid’s sustainability work and the measurement and reduction of CO² equivalent (CO²e) emissions. Countries that reported CO²e emissions data in 2017 were Australia, Brazil, Cambodia, Guatemala, Nepal, Pakistan, Netherlands, UK and Vietnam, among which ActionAid is pleased to report an 11% reduction in emissions from 2016 to 2017.

This success is the result of a number of initiatives from across the Federation, including ActionAid Australia disposing of the Executive Director's vehicle to save on transport emissions;

ActionAid Nepal sharing its Going Green data in all management team meetings to facilitate new green ideas; and ActionAid Brazil reducing its paper use by replacing printed supporter communications with electronic communications.

At Federation level, ActionAid's new *Action for Global Justice* strategy is committed to the development of digital communications. Through deployment of Office365 and Skype for Business across the Federation, ActionAid has been able to reduce the need for national and international travel, leading to significant reductions in CO²e emissions for the Federation.

Despite these successes, there has been a slight reduction in the number of countries able to report on CO²e emissions, from 12 in 2016, to 9 in 2017. To reverse this trend, ActionAid commissioned a report that provides a series of recommendations to formalise and improve the reporting of CO²e emissions data across the Federation.



Kalpana Tharu from Sohariya, Bardiya, Nepal, is a member of a women's collective and has taken up vegetable farming for her livelihood. ActionAid Nepal's promotion of climate resilient sustainable agriculture, and its work to help set up community seed banks and strengthen farmers' organisations through the formation of farmer's groups and cooperatives, has helped rural communities improve their farming livelihoods.
 PHOTO: ACTIONAID

Internal governance

By December 2017, the ActionAid Federation comprised 29 Members (22 Affiliates and 7 Associates), 15 Country Programmes, and one regional initiative in the Arab Region (covering Jordan, Lebanon, Palestine, Egypt, Tunisia and Morocco).

- **Affiliates:** Australia, Bangladesh, Brazil, Denmark, France, Ghana, Greece, Guatemala, India, Ireland, Italy, Kenya, Malawi, Mozambique, The Netherlands, Nigeria, Sierra Leone, Sweden, The Gambia, Uganda, UK, and USA
- **Associates:** Indonesia, Nepal, Rwanda, Tanzania, Thailand, Vietnam and Zambia
- **Country Programmes:** Afghanistan, Burundi, Cambodia, Democratic Republic of the Congo, Ethiopia, Haiti, Lesotho, Liberia, Myanmar, Pakistan, Palestine, Senegal, Somaliland, South Africa, and Zimbabwe

Due to ongoing resource constraints and considerations of strategic presence and impact, the phase-out process of ActionAid Lesotho (by 2018) is underway and the deregistration of our presence in China was completed by the end of 2017. However, taking into account the scope and depth of the Chinese experience and lessons learnt in dealing with poverty reduction, engagement in China post-deregistration continues to be of

importance to ActionAid and this will be further informed by the Country Model Review.

ActionAid General Assembly

Annual General Meeting: In June 2017, the Assembly held its Annual General Meeting in Yangon, Myanmar. Being the first Assembly following the adoption of the new *Action for Global Justice* strategy, the discussions and decisions of the Assembly were focused on ensuring appropriate policy and organisational shifts to meet the objectives of the strategy.

The International Board proposed, and the 2017 Assembly passed, the following motions:

- **Adoption of the 2016 Annual Report and Audited Aggregated accounts.**
- **Amendment of the ActionAid International Constitution and the ActionAid International Membership Regulations to align with the new strategy.** One of the key decisions of the Assembly was the change of name of the Chief Executive to Secretary General, which provides a better description of the function in relation to the whole Federation (which goes beyond the management of the Global Secretariat).

- **Amendments to the Regulations of ActionAid International's Assembly Meetings.** There was a positive discussion that emphasised the importance of Chair and International Board reporting to the Assembly, which should not be limited to the Integrated Annual Report.
- **Strategy Implementation Framework (2018-2020).** The framework provides the Assembly with parameters for monitoring implementation of the *Action for Global Justice* strategy.
- **Revised timeframe for Resource Allocation Framework.**
- **Appointment of External Auditors.**

Elections: Elections were conducted for three Board positions, the 2018 Convenor, and the Assembly Organising and Election Committees.

Joint Day: ActionAid International hosted a Joint Assembly, Board and Directors' day where the governance and management leadership of the Federation discussed the new strategy and steps to take collectively in its implementation.

Topics covered included:

- A dialogue on the implications of feminist leadership on the implementation of the strategy.
- Engagement on practical ways that the organisation can address unpaid care work internally.
- A discussion on zero tolerance of sexual harassment.
- A dialogue on shrinking political space, highlighting the challenges that civil society and citizens continue to face in acting to realise rights for those living with poverty and injustice.
- Informative discussions on the implications for countries in relation to the redesign of the Global Secretariat and other change processes.

ActionAid International Board

Board engagement with Members: During 2017, the Board intensified its commitment to engaging with Members and Country Programmes and agreed to increase communication and interaction with all Members. They committed to do this by making sure dialogue between assemblies and being purposeful in listening to Members and ensuring that all voices in the Federation are heard. These engagements provided a great opportunity to learn from the governance and management teams in countries about the inspiring programmes and the challenges they face as a result of the external context, as well as their ideas on how we can collectively address the challenges as a Federation.

Treasurer Transition: In 2017 the Board celebrated the invaluable contributions made by the outgoing Treasurer, Michael Lynch-Bell, who retired from the ActionAid International Board. Following a recruitment process, the Board welcomed Priscilla Sichone Mpundu, former Treasurer of ActionAid Zambia, as the new ActionAid International Treasurer.

International Board Members

- Andrew Purkis
- Aruna Rao
- Azaveli Lwaitama (elected June 2017)
- Chiara Somajni (Vice Chair)
- Elizabeth M. Wakilo Righa
- Emira Woods (re-elected June 2017)
- Janet Ramatoulie Sallah-Njie (re-elected June 2017)
- Michael Lynch-Bell (Treasurer, retired December 2017)
- Priscilla Sichone Mpundu (Treasurer, appointed December 2017)
- Nyaradzayi Gumbonzvanda (Chair)
- Roberto Kishinami
- Showvik Das Tamal
- Trine Pertou-Mach
- Vijay Krishna Shunglu

Our supporters and donors

“*During my 10 years of being an ActionAid supporter, I have been able to follow the physical growth of the girl I sponsor as well as her intellectual development. In the beginning she didn't write, and nowadays she is a teenager who writes perfectly, commenting on her reality, on issues and problems of her locality. I could also see the economic and social growth of the community where she lives. It is not about charity, it is about creating a perspective of a better life.*”

Rodinei Tenório,
ActionAid Brazil supporter

Over 400,000 people around the world chose to support ActionAid financially in 2017, while over 1.75 million people joined our campaigns, compared to just over 733,000 in 2016. Their contributions represent far more than purely money. In a world of growing fear, our supporters chose hope. In a world of toxic divisions, they chose solidarity. In a world of unprecedented inequality, they chose to take action against poverty and injustice.

We are especially excited that our work with local communities in Brazil is increasingly funded by Brazilians – with the same pattern holding true in South Africa, India, Indonesia, and Thailand. In 2017 these countries accounted for our strongest growth in supporter numbers. The fact that citizens are willing to put their money into the work we do is not only good for sustainability, it also gives us a more credible and powerful voice with decision makers, and creates opportunities for movements of the poor to build alliances with middle classes.

ActionAid UK received recognition for its innovative work to involve supporters directly in its strategy. ActionAid Brazil staff began filming mini videos during community visits to share their experiences and reflections with supporters and the public in more immediate and personal ways via social media, while ActionAid USA began experimenting with video and new technologies to narrow the gap between their

donors and the communities with which we work. Looking ahead, we must do even more to engage our supporters everywhere as equal stakeholders in our mission.

Partnerships with institutional and philanthropic donors are also increasingly important for ActionAid. In another first, our Member Countries in Africa, Latin America and Asia raised a larger share of total institutional income than Northern members – a highly positive sign of a continuing drive towards greater financial independence.

Strategic donor partnerships enabled us to innovate and expand our impact in all kinds of exciting ways last year. To cite just a few examples, we partnered with M.A. Cargill Foundation to test how women farmers can thrive in the face of climate change; with the Global Fund in Malawi to beat TB by involving community members in treatment; with NORAD to make the links between tax justice and better education (see p. 18); and with DFID to show that training local organisations to take charge of humanitarian responses is the key to deal with the global upsurge of disasters and emergencies (see p. 27). In future, we must develop more strategic programme partnerships of this kind – including with the private sector, where our relationships remain limited so far – and invest more in the skills and systems needed to do so.



Jyoti, 39, a cab driver, attends the ActionAid-supported mobilisation by the Beti Zindabad campaign to express her solidarity for women's rights, Delhi, India.

PHOTO: FLORIAN LANG/ACTIONAID

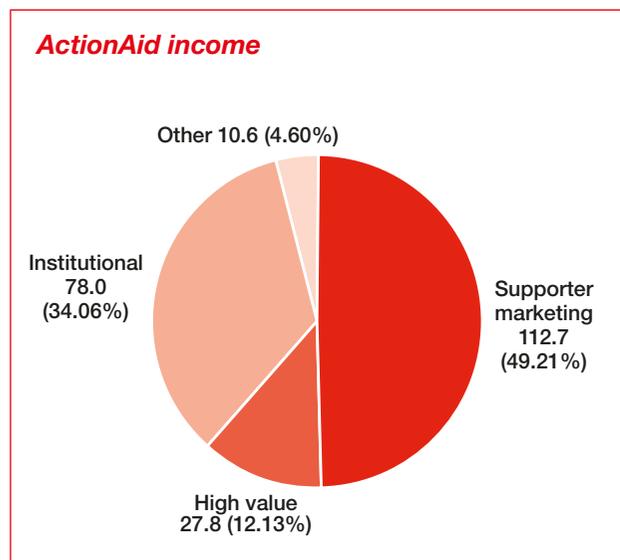
Two national campaigns in India – on girls' rights, and on urban issues – drove most of the increase in global campaign supporters in 2017, and showed the way forward on our commitment to pursue national-level campaigns that are rooted in communities but also mobilise the wider public for change. Our online reach and influence, as well as our media profile, is still low in most countries, but we strengthened our digital community with 708,000 Facebook 'likes' globally, and there were some exciting innovations. For example, ActionAid Greece received an award for a video based on a 'hidden camera' social experiment testing how ordinary Greeks would react to racist abuse of immigrants. The video, which showed most people siding with migrants, sent a strong message of hope and solidarity, and went viral within a day. Successes like these demonstrate the enormous potential for ActionAid to build new constituencies and amplify its influence through social as well as traditional media.

Finance and funding overview

Income

ActionAid's total income in 2017 was €229 million, the same figure as 2016. The mix of income shows a 5% decrease in the level of funding from individual supporters and a decrease of 4% in institutional income. These were offset by increases in High Value and Other donations. Within the stable income levels there is a marginal reduction in the amount of unrestricted income.

Lower levels of unrestricted income continue to be a key challenge to the Federation and have influenced the shaping of the new strategy.



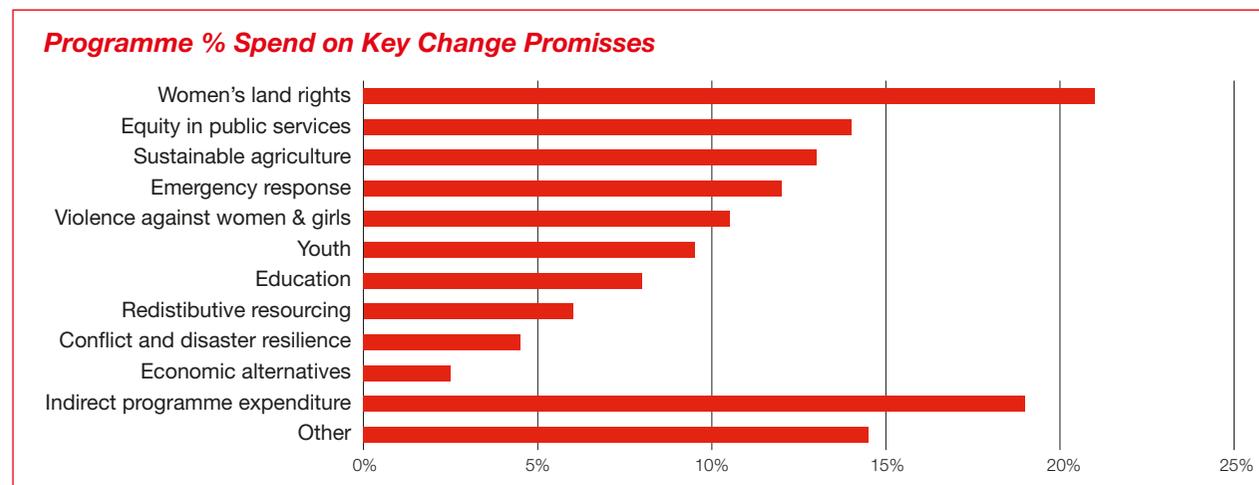
The Federation continues to seek alternative sources of income, particularly those that are unrestricted, whilst at the same time looking to reduce costs covered by unrestricted funding and so has developed financial sustainability plans. Federation-wide projects are underway to drive long-term financial sustainability, including improved cost-recovery mechanisms; modernising systems to bring cost-efficiencies; and continued strategic investments in high-potential fundraising markets.

Expenditure

ActionAid's total expenditure in 2017 was €231 million (2016: €228 million), which represents an

increase of 1% on the previous year. Unrestricted expenditure continues to fall, reducing by €11 million during 2017, whilst spending of restricted funds increased by €10 million. This is a positive picture, reflecting broadly an increase in programmatic spend whilst maintaining control and reducing support costs for the second year in succession.

The financial resources invested in programme activities (see note 4 to the accounts) reflects countries' programme priorities: rights to agriculture and natural resources, rights for women and girls, holding those with power to account, education and youth, and humanitarian response and resilience.



(Indirect programme expenditure reflects programme expenditure that benefits a number of projects or programmatic activities rather than being identified with a single project or activity).

The Resource Allocation Framework (RAF) sets out targets that ActionAid aims to achieve in order to ensure accountability to supporters, and the focusing of resources on the mission to ensure maximum impact. The 2017 figures (see Resource Allocation Framework table) show the following:

- A decrease in fundraising expenditure and fundraising costs as a percentage of income (in response to falling income in some traditional supporter markets) and lower levels of fundraising investment being made available to countries within the Federation.
- A welcome increase in programme funding (overall amount and as a percentage) following funding cuts in 2015 and 2016. Many countries have adjusted their operating models to ensure longer-term financial sustainability and that programme work continues normally.
- Support costs (expenditure incurred on management and the provision of the facilities and services that enable fundraising, programme and governance activities to be carried out efficiently) remained similar to 2016 levels, which is a good achievement against inflation. Restructuring at the General Secretariat during the year will show cost savings in 2018.

Resource Allocation Framework (€'000)

	2015	2016	2017	Targets
Fundraising costs As a % of total income	41.7 17%	44.0 19%	39.9 16%	< 22%
Programme costs As a % of total income	161.8 67%	141.1 62%	156.0 68%	>65%
Support costs As a % of total expenditure	46.0 18%	39.4 17%	35.5 15%	<15%
Global Secretariat costs – unrestricted As a % of total expenditure	18.4 7%	19.2 8%	14.9 6%	< 8%

An update on the review of the RAF and process for revision will be discussed at the 2018 General Assembly.

The net deficit for the year was €8.8 million (2016: €2.9 million) after gains on investments and exchange differences. This total includes an unrestricted deficit of €0.6m and a restricted deficit of €8.2 million. These deficits resulted in total year end reserves of €76 million (2016: €85 million). Restricted reserves comprise 60% of the total. Unrestricted reserves remained at €30 million.



Manal, 41, and daughter **Ameera, 11,** with sheep given to her by ActionAid to enable her to earn an income. Since 2004 her rented land has halved in size as a result of the occupation of the West Bank, resulting in family income falling.
PHOTO: ALICE OLDENBURG/ACTIONAID

Looking ahead

Strategy 2028: Action for Global Justice represents the next stage in our internationalisation journey. Building on lessons learned over the last decade, our federal model will continue to evolve so that we are more networked, unified, agile, and collectively able to contribute to social justice, gender equality and the eradication of poverty. We will continue to re-affirm our belief that rights cannot be fulfilled without a redistribution of power and resources; and that rights will continue to be undermined unless the resilience of people living in poverty and exclusion, and social movements, are strengthened.

The year ahead is an opportunity for the Federation to find creative ways to contribute to overcoming the myriad challenges in the world around us. We will make the choice to be bold and hopeful, to grow, to change and provide a conduit for the activism, passion and talent of our supporters, partners, donors and committed staff and volunteers.

Our experiences in 2017 present important lessons about the value of deepening our partnership approaches and building solidarity across the Federation, through which we continue to harness our rich diversity and outreach to solve complex problems. As Uganda, Cambodia and Pakistan faced existential threats, the solidarity and outreach

by different members of the Federation in both the Global North and Global South greatly contributed to our collective strength to resist and overcome. We confirmed, through our work, that constant examination of our environment is essential if we are to be agile and adaptable. Moreover, we learned that we must be more proactive and not just wait to adapt. To do this, we will deepen our rootedness in communities through long-term programmes, and connecting with movements and in all regions.

Following a robust process to agree on our 'one global campaign', we look forward to strengthening partnerships with women's movements around the world, and connecting with like-minded struggles that will strengthen our collective capability to influence practices and policies that work against social justice, gender equality and poverty eradication.

As we roll-out our new monitoring, evaluation and learning framework, we will prioritise generating knowledge and learning around social change processes, and communicating impact. We will continue to innovate and be bold in finding ways to resource and deliver our mission. To this end, mobilising collective investments across the Federation will be essential, as will the creative imagination of our country teams to raise resources from diverse sources aligned to our values and requirements of our work.

Strategy 2028: Action for Global Justice is a call to Members, partners and allies, and most importantly the communities we work with, to ignite our collective imagination, our resources and the power of people towards a bold and ambitious journey over the next decade, achieving social justice, gender equality and poverty eradication.

CHANGE IS POSSIBLE!

It is rooted in the individual and collective empowerment of the people most affected to know, claim and defend their rights over the long term, deepened through democracy and participation, and supported by global solidarity and campaigning for just alternatives in collaboration with movements, coalitions and committed supporters.

To find out more visit www.actionaid.org

Women discuss sustainable agriculture at their group meeting in Simayal, India. The group also has a shared bank account, which every member contributes to and can borrow from in emergencies.

PHOTO: MANSI THAPLIYA/ACTIONAID



Financial accounts

Introduction and Treasurer's Note

The financial report and accounts for the period ended 31 December 2017 bring together the activities and financial position of all the entities that work under the name ActionAid International. Financial statements encompass ActionAid International (Global Secretariat and Country Programmes managed by ActionAid International), Affiliate and Associate Members, as described in the Financial and Accounting Policies.

The Audit and Risk Committee and Finance and Funding Committee, in joint sessions, have responsibility for monitoring and challenging, where necessary, the integrity of our annual report and financial accounts, establishing and overseeing the Federation's relationship with the external auditors, including the monitoring of its independence and expertise, the terms of reference of its engagement and fees, assessing the effectiveness of the audit process, agreeing the scope of the external auditors annual audit plan and reviewing the output. Ernst & Young were re-appointed as external auditor to provide audit services for the 2017 year and onwards.

The joint Committees considered, amongst other matters, a number of significant issues in relation to the financial reporting of the Federation, including taxation, country-specific risks, the level of our reserves, and the aggregation process. There has been considerable discussion over the reporting responsibilities of the Global Secretariat and the Country Programmes it oversees so that combined accounts for these entities will be raised for the first time for 2017, separate to the Federation aggregated accounts.

Internal control: The ActionAid International Board, accountable to the ActionAid International Assembly, has overall responsibility for the system of **internal control** in the Global Secretariat and Country Programmes, and through the internal audit function monitors the control environments of ActionAid International's Members. The system provides reasonable but not absolute assurance that ActionAid International operates efficiently and effectively, safeguards its assets, maintains

proper records and complies with relevant laws and regulations. The national Boards have the primary function of oversight and monitoring performance at National level. The members of the ActionAid International Board oversee a comprehensive accountability system. This includes rolling three-year plans, approved annually by Members' Boards and on an aggregated basis by members of the ActionAid International Board. The ActionAid International Board compares actual results with plans and forecasts and non-financial performance data.

Other controls include delegation of authority and segregation of duties. The ActionAid International internal audit function regularly reviews internal controls across ActionAid International and submits reports to the Audit and Risk Committee. The ActionAid International Board has accepted responsibility for the preparation of these aggregated non-statutory financial statements for the year ended 31 December 2017, which are intended to give a true and fair view of the state of affairs of ActionAid International at that date and of its deficit (after exchange rate losses) for the period then ended. They are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), adjusted to include the creation of a property, plant and equipment replacement reserve, with additional voluntary disclosures appropriate to an international non-governmental organisation.

In preparing these aggregated non-statutory financial statements, members of the Board have:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Stated whether appropriate accounting standards have been followed subject to any material departures being disclosed and explained in the financial statements.
- Prepared the financial statements on the going

concern basis as they believe that ActionAid International will continue to operate for the foreseeable future.

Members of the Board are responsible for ensuring that adequate accounting records are kept for ActionAid International and for monitoring the standard of record keeping of Members and Country Programmes, so that they can disclose, with reasonable accuracy, the financial position of ActionAid International and to ensure that the financial statements comply with IFRSs and ActionAid International's accounting policies. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of ActionAid International and to prevent and detect fraud and other irregularities. They are responsible for the maintenance and integrity of the financial and other information included on the organisation's website.

Strategy 2028

Our finance and funding strategy is an integral part of *Strategy 2028: Action for Global Justice* launched this year, and is therefore led by our identity, theory of change and programme framework. Our approach to resourcing responds to ActionAid's current critical financial position of declining net unrestricted income and draws on key lessons learnt from the previous global strategy that ended in 2017.

The following key issues will become strategic priorities for the 2028 finance and funding strategy: a clearer identity and programme framework for stronger positioning for fundraisers; a growth strategy that is focused on maximising return on investment; a meaningful culture of adaptation and innovation, particularly in the use of technology and the global financial system; and an overhaul of our Resource Allocation Framework.

Growth is not expected to be linear. We will invest and expect growth in new and emerging markets to be accelerated in the second half of the strategy period. We will strive to maintain existing support from established markets throughout.

We are committed to maintaining the same balance of voluntary fundraising and institutional funding, and within voluntary fundraising we will strive to grow our income from regular giving faster, recognising the need for more unrestricted income to deliver *Action for Global Justice*.

Our strategy must also be responsive to the external environment. We cannot predict the level of disruption and impact on our ability to raise funds and implement programmes over the next 10 years, but we know that politically and economically changes are happening faster than ever.

Losses through financial irregularities, including fraud

The total recorded losses through fraud and other means in 2017 were GBP225,300, indicating a 21% reduction compared to the 2016 figure of GBP284,097. Fraud and irregularity-related losses were GBP37,776, involving 13 cases in 10 countries compared to GBP105,885 in 2016, involving 23 cases reported by 14 countries. Fraud-related losses show a downward trend of 66%. Other losses that were not fraud-related were GBP187,524.40, indicating a 5% increase in 2017 compared to the 2016 figure of GBP178,212.

Our joint efforts to manage the risk of disallowances on donor-funded projects are intensifying and should ultimately lead to reduced repayments. We have increased significantly the size of the Internal Audit function during 2017 to help achieve this. Internal Audit, Finance and the Partnership Development (Grant Compliance) teams continue to prioritise increasing awareness around compliance with donor contracts and monitoring trends on repayments.

Outlook for 2018

Following a period of restructure at the General Secretariat and in many countries in the past two years, we anticipate a period of relative stability. Savings on Support costs are expected in 2018 after the initial cost of restructure has been taken into account; and the return to normative levels of Programme spend is set to continue. Pressure remains on unrestricted income and reserves and we have adapted to this now-permanent feature on our financial landscape.

Reserves policy and performance

ActionAid holds reserves to allow our work to continue during periods when income may fluctuate. We do this to show our long-term commitment to our beneficiaries. We divide our funds into:

- Restricted reserves: funds that are earmarked for particular purposes (e.g. to help victims of disasters), but have not yet been spent.
- Unrestricted reserves: these are general funds that can be used for any expenditure. Some of these funds are invested in largely short-term instruments, with banks and other institutions, with some held in longer-term investments. Our policy is to hold between two and four months' worth of reserves based on planned operating expenditure in the following year.

Reserves are defined here as:

- Funds from supporters, typically committed givers, excluding property, plant and equipment. Balances that result from grants of partnership income, for example from official donors, are not included in this definition.
- And unrestricted funds held by Affiliate and Associate Members and ActionAid International.

The unrestricted liquid funds and treasury reserves of €22 million at the end of 2017 (as shown in the Aggregated Statement of Financial position, see p44) represent 3.9 months of unrestricted expenditure and therefore are in line with the policy.

Investment policy and performance

The Board's policy in relation to ActionAid International's long-term investments is that they should achieve a higher income than is achieved on ActionAid International's liquid resources, while over time benefiting from the capital growth available from an investment portfolio. The majority of investments are held by ActionAid International.

During the year ActionAid International liquidated GBP4.5 million of its investments for operational needs, leaving a balance of GBP6.6 million remaining invested at the end of 2017.

During 2017 the total return (income and capital growth) achieved on the portfolio was 11.2% (net of fees) (2016: 13.7%).

The return on investments was above the benchmark performance of 10.6%, however it is important to note that benchmark tracking is complex due to our ethical investment requirements that are not relevant for the benchmark index. Overall the performance reflected a reasonably positive year in the financial markets.

All investments were made in line with ActionAid International's ethical investment policy.



Priscilla Sichone Mpundu

Treasurer of Action Aid International

Auditor's Report

Independent Auditor's Report on the Aggregated Non-Statutory Financial Statements to the Members of ActionAid International (the Federation)

Opinion

We have audited the aggregation performed by management to compile the aggregated non-statutory financial statements of ActionAid International set out on pages 56 to 81, which comprise the aggregated statement of financial position as at 31 December 2017, and the aggregated statement of comprehensive income and aggregated statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the aggregation performed by management to compile the aggregated non-statutory financial statements of ActionAid International for the year ended 31 December 2017 has been prepared, in all material aspects, in accordance with the basis of aggregation and preparation described in note 1 to the aggregated financial statements.

We have not audited the individual financial reporting packages of any of the aggregated affiliates/associates, country programmes and the International Secretariat and therefore we do not express an opinion on the individual financial reporting packages, but rather on the aggregation of these financial reporting packages. Our opinion therefore does not extend to the underlying amounts used in the aggregation or the aggregated amounts themselves and only extends to the method of aggregation applied.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for

the Audit of the Aggregation of the Aggregated Non-Statutory Financial Statements section of our report. We are independent of the Federation in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to performing audits of the Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Aggregation and Preparation and Restriction on Distribution and Use

We draw attention to Note 1 to the aggregated non-statutory financial statements, which describe the basis of aggregation and preparation. The aggregated non-statutory financial statements are prepared for the Federation's Members, as a body, solely for the purpose to publish aggregated non-statutory financial statements in accordance with the terms of our engagement. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The members of the board are responsible for the other information. The other information comprises the Treasurer's Report. Other information does not include the aggregated non-statutory financial statements and our auditor's report thereon.

Our opinion on the aggregation of the aggregated non-statutory financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the aggregation of the aggregated non-statutory financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the aggregated non-statutory financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Board Members' Responsibility for the Aggregated Non-Statutory Financial Statements

Members of the Board of ActionAid International are responsible for the preparation of these aggregated non-statutory financial statements in accordance with the basis of aggregation and preparation described in note 1 to the aggregated non-statutory financial statements, for determining that the basis of preparation and method of aggregation is acceptable in the circumstances and for such internal control as the members of the board determines is necessary to enable the preparation of aggregated non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

The members of the board are responsible for overseeing the Federation's financial reporting process.

Auditor's Responsibilities for the Audit of the Aggregation of the Aggregated Non-Statutory Financial Statements

Our objectives are to obtain reasonable assurance about whether the aggregation of the aggregated non-statutory financial statements is 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 users taken

on the basis of these aggregated non-statutory financial statements.

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

- Identify and assess the risks of material misstatement of the aggregated non-statutory financial statements, 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 control 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 Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

We communicate with the members of the board 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.

We also provide the members of the board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Ernst & Young Inc.

Ernst & Young Inc.

Director – Kuben Moodley
Registered Auditor
Chartered Accountant (SA)

20 July 2018

Aggregated Statement of Comprehensive Income for the Year Ended 31 December 2017

	Note	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
Income					
Committed giving	2	73,995	66,685	140,680	134,304
Institutional income	2	74,975	3,026	78,001	81,438
		148,970	69,711	218,681	215,742
Investment income	2	(8)	937	929	758
		148,962	70,648	219,610	216,500
Other income	2	7,786	2,048	9,834	12,483
Total income		156,748	72,696	229,444	228,983
Expenditure					
Fundraising	3	8,168	34,530	42,698	50,934
Programme	4	153,502	31,704	185,206	173,045
Governance	5	1,547	1,997	3,544	4,098
Total expenditure		163,217	68,231	231,448	228,077
Net (deficit)/surplus before transfers and investment profit					
		(6,469)	4,465	(2,004)	906
Gain on investments	11	-	267	267	220
Net (deficit)/surplus		(6,469)	4,732	(1,737)	1,126
Other comprehensive income					
Realised exchange losses		(33)	(157)	(190)	(191)
Unrealised exchange losses and other movements	15	(1,670)	(5,172)	(6,842)	(3,789)
Net (deficit)/after comprehensive income		(8,172)	(597)	(8,769)	(2,854)

Notes 1 to 17 form part of these accounts. There are no recognised gains and losses other than those shown above. All incoming resources and resources expended derive from continuing activities.

Aggregated Statement of Financial Position as at 31 December 2017

	Note	2017 €'000	2016 €'000
Assets			
Non-current Assets			
Property, plant and equipment	9	10,242	11,021
Investments	11	7,322	12,197
Total Non-Current Assets		17,564	23,218
Current Assets			
Receivables	12	17,768	22,588
<i>Cash and cash equivalents</i>			
Short term bank deposits		999	999
Cash at bank		84,729	80,736
Total Current Assets		103,496	104,323
Current Liabilities			
Payables	13	(38,974)	(36,551)
Net current assets		64,522	67,772
Non-Current Liabilities			
Loan payable	13	(5,980)	(6,116)
Total Net Assets		76,106	84,874
Funds 14,15			
Restricted funds			
Liquid funds and treasury reserves		43,692	51,573
Property, plant and equipment reserve		2,449	2,739
		46,141	54,312
Unrestricted funds			
Liquid funds and treasury reserves		22,172	22,280
Property, plant and equipment reserve		7,793	8,282
		29,965	30,562
Total Funds		76,106	84,874

Approved by the Assembly
of ActionAid International on
21 June 2018 and signed
on its behalf by:



**Nyaradzayi
Gumbonzvanda**
Chair,
ActionAid International



Priscilla Sichone Mpundu
Treasurer,
ActionAid International

Aggregated Statement of Changes in Funds for the Year Ended 31 December 2017

	Funds €'000	Foreign Currency Translation Reserve €'000	Total €'000
Total funds at 1 January 2016	84,440	3,288	87,728
Net Surplus	1,126	-	1,126
Other Comprehensive Income	-	(3,980)	(3,980)
Total funds brought forward at 1 January 2017	85,566	(692)	84,874
Net Deficit	(1,737)	-	(1,737)
Other Comprehensive Income	(190)	(6,842)	(7,032)
Total Funds as at 31 December 2017	83,640	(7,534)	76,106

Aggregated Cash Flow Statement for the Year Ended 31 December 2017

	2017	2016
	€'000	€'000
Cash flow from operating		
Net surplus before transfers and investment income	(2,004)	906
Investment income	(1,196)	(758)
Depreciation	1,156	2,600
(Increase)/Decrease in receivables	(4,820)	2,960
Increase in payables	2,424	3,473
Net cash inflow from operating activities	(4,440)	9,181
Cash from investing activities		
Investment income	1,196	758
Purchase of property, plant and equipment	(1,188)	(2,284)
Purchase of investments	(153)	-
Proceeds from the sale of investments	5,069	3,178
	4,924	1,652
Impact of exchange rates on cash and cash equivalents	3,509	(3,433)
Net increase in cash and cash equivalents	3,993	7,400

	Cash €'000	Short term bank deposits €'000	Cash held by investment managers €'000	Total €'000
Cash and cash equivalents at 1 January 2017	80,736	999	-	81,735
Net increase in cash and cash equivalents	3,993	-	-	3,993
Cash and cash equivalents at 31 December 2017	84,729	999	-	85,728
	Cash €'000	Short term bank deposits €'000	Cash held by investment managers €'000	Total €'000
Cash and cash equivalents at 1 January 2016	72,494	999	1,476	74,969
Net increase in cash and cash equivalents	8,242	-	(842)	7,400
Cash and cash equivalents at 31 December 2016	80,736	999	634	82,369

Notes to the financial statements as at 31 December 2017

1. Accounting Policies

Basis of preparation:

The financial statements have been prepared from financial information supplied to ActionAid International by each constituent entity in a common agreed format (Financial Reporting Package). For a breakdown of these entities, please refer to note 4 of the financial statements. Balances due at the year-end date and transactions arising during the year between the constituent entities are eliminated as part of the aggregation process.

The underlying information have been prepared using an entity specific accounting framework derived from International Financial Reporting Standards as adopted by the European Union as the Board members have decided that these standards are the most appropriate to ActionAid International's stakeholders. The financial statements have been prepared voluntarily, under the historical cost accounting rules modified for the revaluation of investments, to give a better picture of the international Federation. Certain additional disclosures, including the analysis of income, expenditure and closing reserves by fund category, and the separation of liquid reserves and funds invested in property, plant and equipment, have been made in line with internationally accepted accounting practices for not-for-profit organisations. The accounting policies adopted are consistent with those of the previous financial year. At the date of issue of these financial statements the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. Time is given to implement new IFRS and we are currently taking all necessary steps to implement the following standards in good time. The Board members anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of ActionAid International.

Effective in future periods

IFRS 15 Revenue from Contracts with Customers	1 Jan 2018
IFRS 9 Financial Instruments	1 Jan 2018
IFRS 2 Classification and Measurement of Share based payment Transactions – Amendments to IFRS 2	1 Jan 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Amendments to IFRS 4	1 Jan 2018
Transfer of Investment Property (Amendment to IAS 40)	1 Jan 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 Jan 2018
AIP IFRS 1 First-time Adoption of International Financial Reporting Standard – Deletion of short-term exemptions for first-time adopters	1 Jan 2018
AIP IAS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment – by – investment choice	1 Jan 2018
IFRS 16 Leases	1 Jan 2019
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Unknown

Basis of aggregation

On aggregation, income and expenditure denominated in currencies other than Euros are translated into Euros at an average rate for the year; assets and liabilities are translated using the rate of

exchange ruling at the statement of financial position date. Gains and losses on translation from functional to presentational currency are not recognised in arriving at the surplus or deficit for the year; instead they are taken directly to reserves and tracked as a separate component within other comprehensive income.

Fund accounting

All funds raised by ActionAid International are used in the furtherance of its objects, including the net profits from trading activities. Restricted funds are a significant proportion of the funds and are raised on the basis of an agreement or understanding with the donors that their use will be restricted to certain specified projects, activities or areas of operation. These restricted funds are accounted for separately.

The remainder of the funds raised, including any element of a restricted donation agreed by the donor to be available for use on administrative or other matters, is unrestricted and may be used for any of ActionAid International's general purposes. Designated funds comprise unrestricted funds that have been set aside by the Board members for specific future periods. ActionAid International also identifies separately those funds invested in property, plant and equipment, representing the book value of the property, plant and equipment that have been purchased for use by ActionAid International out of restricted and unrestricted funds. Presentation of these funds separately enables ActionAid International to better assess the liquid resources available to support future expenditure.

Committed giving

ActionAid International's income consists principally of donations from supporters of a fixed amount usually paid monthly. The majority of supporters are linked directly to a particular country programme, or specifically to a child in that country. Supporters receive periodic communication detailing how their donations have been used in accordance with their wishes. Affiliate and Associate Members of ActionAid International aim to make their income more flexible by encouraging supporters to transfer from child sponsorship to less restricted forms of giving over time.

The accounting for child sponsorship and other committed giving income is in each case in accordance with the information provided to supporters. The majority of the income is allocated according to the primary focus or purpose of the donation. A percentage, usually 20%, is treated as unrestricted funds, as is tax recovered from local revenue authorities. There are also arrangements for a small proportion of these donations to be used for broader charitable work and to support the generation of income within the country programmes.

Accounting for income

Income is shown gross, before any deduction of associated costs.

Income is accounted for when receivable. It is deemed to be receivable either when actually received, when there is a contract for its receipt and the relevant entity considers that any outstanding conditions under the contract have been met, or when the entity has become entitled to a future payment and its amount can be ascertained with reasonable certainty. Funds received in one accounting period that are specifically restricted to work to be carried out in subsequent accounting periods are not accounted for as income but are treated as deferred income.

Donations in kind are credited to income at an estimate of the gross value of the gift, which will usually be a market price valuation.

Interest earned from the temporary investment of funds restricted to emergency work is credited to emergency funds. Interest and investment income earned on committed giving monies held in reserve are credited to unrestricted funds in accordance with the information provided to supporters. Interest earned on other restricted fund balances is also credited to unrestricted funds to recognise the fact that in many cases the costs of a project are incurred before the relevant restricted income is received.

Expenditure

Expenditure is accounted for on an accruals basis and all costs include irrecoverable taxes.

Fundraising: The costs of generating funds represent expenditure incurred on raising funds from committed giving supporters, other members of the public, companies, trusts, official bodies and other donors. They include the costs of maintaining child sponsorship and other supporter links and of reporting to supporters and other donors on the projects to which they contribute. They also include investment management costs.

Programme activities: The long-term development and emergency relief and rehabilitation work in country programmes, and the policy influencing and campaigning work carried out there and internationally are managed either by ActionAid International staff in the country concerned or in collaboration with independent organisations, usually locally registered, which are partly or wholly funded by ActionAid International. Grants made to such other organisations are separately identified in the notes.

Governance: The costs included in this category include the costs of board meetings and other governance processes for each entity, and the costs of legal, internal and external audit.

Fundraising, programme and governance costs are recognised in the statement of comprehensive income inclusive of their share of support costs. Support costs represent expenditure incurred on management and the provision of the facilities and services that enable the fundraising and programme activities and governance processes to be carried out efficiently and effectively.

The allocation method of support cost to fundraising, programme and governance is stated in Note 6.

Property, plant and equipment and depreciation

Property, plant and equipment costing more than the equivalent of £5,000, are capitalised at cost. Depreciation is calculated on a straight line basis and taken to the statement of comprehensive income over the life of the asset. Depreciation is calculated for the following categories of property, plant and equipment as follows:

Depreciation on motor vehicles held in Europe is calculated at 25% on the reducing balance method. Depreciation on motor vehicles held elsewhere is calculated at 33.3% on the straight line method. No depreciation is charged on freehold land.

Within ActionAid International's restricted and unrestricted funds, separate reserves are identified which represent the net book value of its property, plant and equipment. This enables ActionAid International to better assess the liquid resources available to support future expenditure.

Investments

Investments are classified according to the purpose for which they were acquired. ActionAid International designated its investments as "fair value through profit and loss" on IFRS adoption and will continue to do so. Under this method of accounting, investments are recorded at fair value in the statement of financial position and all changes in value are recognised in the profit and loss statement. This designation has been made in accordance with paragraph 9 (b) (ii) of IAS 39 on the basis that the investments are held with a view to generating a total return over an extended period and that management measures this total return based upon total changes in fair value, in line with ActionAid International's established investment policies. As proceeds from disposals are generally reinvested, the distinction between changes in value crystallised by sale and those arising through adjustment to fair value is not considered meaningful. As all equities and bonds are main index stocks and traded on active, regulated exchanges, fair values are determined directly by reference to published current bid prices.

Cash and cash equivalents

Cash and cash equivalents as stated in the statement of cash flows include ActionAid International's cash balances and short-term deposits. Short term bank deposits are funds not instantly accessible at the reporting date, where the deposits mature within three months of the reporting date

Pensions

ActionAid International operates a variety of pension and other post-employment benefits, and other post-employment benefit schemes, the costs of which are charged in the statement of comprehensive income as they accrue. None of these schemes is a defined benefit scheme.

Foreign currencies

Items included in the accounting records of the entities comprising ActionAid International are measured using 'the functional currency', which is the currency of the primary economic environment in which each aggregated entity operates. The aggregated financial statements of ActionAid International are presented in Euros. This is 'the presentational currency' as it benefits the majority of stakeholders. Foreign currency transactions are translated into the functional currency using the rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at yearend exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

On aggregation, income and expenditure denominated in currencies other than Euros are translated into Euros at an average rate for the year; assets and liabilities are translated using the rate of exchange ruling at the balance sheet date. Gains and losses on translation from functional to presentational currency are not recognised in arriving at the surplus or deficit for the year; instead they are taken directly to reserves and tracked as a separate component within other comprehensive income.

Critical accounting estimates and judgements

Preparation of financial statements inherently involves a degree of estimation and the exercise of judgement. Estimates and judgements made are based upon past experience, expectations of future events and are believed reasonable under the circumstances. The nature of ActionAid International's activities is such that there are no significant matters of estimation or judgement which are thought likely to give rise to actual results materially different from those included in the financial statements. The following accounting treatment is subject to a significant degree of judgement:

Introduction of new Members into the aggregated financial statements

As described in the basis of aggregation, because of the specific nature of the relationship between Members, the Board members have adopted this policy that best reflects the substance of the evolution of ActionAid International.

Contingent liabilities

ActionAid International receives funding from Members for various activities which are subject to donor audits. Although such audits may result in disallowance of certain expenditures, which would be absorbed by ActionAid International, in management's opinion, the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of ActionAid International.

Completeness of submissions from Members into the aggregated financial statements

As described in the basis of aggregation, the financial statements have been prepared from financial information supplied to ActionAid International by each Member in a common agreed format. Given the nature of some of the countries in which ActionAid International operates, final audited financial information may not be available in time for the aggregation timetable, in which case the latest best available information is included.

2. Income

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
2 (a) Committed giving:				
AAI Secretariat	1,865	216	2,081	-
Australia	165	1,705	1,870	6,122
Brazil	2,082	2,008	4,090	3,897
Contribution from Ayuda en Accion	4,523	-	4,523	4,857
Denmark	436	1,982	2,418	2,182
France	54	472	526	624
Greece	3,693	2,750	6,443	7,440
India	450	-	450	507
Indonesia	-	382	382	44
Ireland	989	973	1,962	1,766
Italy	19,815	22,030	41,845	42,694
Nigeria	17	7	24	23
South Africa	161	127	288	130
Sweden	2,275	1,769	4,044	3,816
Thailand	-	181	181	114
The Netherlands	25	900	925	892
Vietnam	14	-	14	15
UK	14,846	25,949	40,795	44,377
USA	96	109	205	240
Sub-total	51,506	61,560	113,066	119,739
High Value and Other Donors				
Major Donors, Corporates, Trusts and Foundations	18,901	4,302	23,203	12,702
UK Disasters Emergency Committee	2,784	-	2,784	1,873
Other High Value Donations	804	823	1,627	-
Total Committed giving income	73,995	66,685	140,680	134,304

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
2 b) Institutional income:				
Government of Denmark	16,102	-	16,102	23,152
European Union	8,409	326	8,735	11,638
Government of United Kingdom	5,623	139	5,762	11,242
Global Fund	13,803	-	13,803	4,895
Government of Australia	3,005	-	3,005	1,955
United Nations - World Food Programme	3,861	-	3,861	2,674
Government of Italy	925	-	925	1,561
Government of Ireland	699	51	750	834
Government of The Netherlands	1,619	596	2,215	4,700
Government of Norway	1,285	-	1,285	1,376
All other governments	5,013	-	5,013	7,418
All other United Nations agencies	5,868	-	5,868	2,972
Other contributions from official bodies	1,828	1,914	3,742	7,021
Start Fund	3,156	-	3,156	-
Swedish Government	3,779	-	3,779	-
Total Institutional income	74,975	3,026	78,001	81,438

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
2 c) Investment income:				
Investment income	(137)	769	632	460
Bank interest	129	168	297	298
	(8)	937	929	758
Gains on investments	-	267	267	220
Total investment	(8)	1,204	1,196	978

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
2 d) Other income:				
Charitable Trading	6,700	1,086	7,786	6,936
Other	1,086	962	2,048	3,678
	7,786	2,048	9,834	10,614
Realised foreign exchange gain /(losses)	(33)	(157)	(190)	1,869
Total other income	7,753	1,891	9,644	12,483

3. Fundraising Costs

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
Committed giving costs	5,779	22,020	27,799	25,302
Cost of other donations	204	2,807	3,011	15,585
Cost of raising contributions from official bodies	1,157	3,765	4,922	2,354
Cost of raising voluntary and official income	7,140	28,592	35,732	43,241
Costs of fundraising trading	1,028	120	1,148	803
Investment management costs	-	-	-	-
	8,168	28,712	36,880	44,044
Support costs allocated to Fundraising (Note 6)	-	5,818	5,818	6,890
Total Fundraising costs	8,168	34,530	42,698	50,934

4. Programme Costs by country

	Grants €'000	Direct programme €'000	2017 €'000	2016 €'000
Affiliates & Associates				
Australia	-	1,447	1,447	1,448
Bangladesh	4,669	570	5,239	4,516
Brazil	1,242	962	2,204	3,201
Denmark	-	17,621	17,621	16,852
France	-	851	851	608
Ghana	869	2,049	2,918	2,409
Greece	-	1,080	1,080	1,683
Guatemala	1,047	192	1,239	1,295
India	3,392	2,321	5,713	7,425
Indonesia	46	124	170	128
Ireland	-	222	222	203
Italy	-	5,321	5,321	4,792
Kenya	460	8,529	8,989	7,262
Malawi	11,549	5,178	16,727	8,107
Mozambique	1,919	980	2,899	2,133
Nepal	3,571	1,542	5,113	4,653
Netherlands	-	780	780	992
Nigeria	1,694	2,138	3,832	3,654
Philippines	-	-	-	1,010
Rwanda	613	1,204	1,817	1,746

Sierra Leone	423	1,516	1,939	2,533
Sweden	-	459	459	534
Tanzania	184	1,697	1,881	1,808
Thailand	103	153	256	356
The Gambia	2,074	690	2,764	2,789
Uganda	447	2,695	3,142	4,793
UK	834	3,172	4,006	8,009
USA	-	1,149	1,149	1,244
Vietnam	1,034	850	1,884	2,528
Zambia	470	1,549	2,019	1,726
Sub-total	36,640	67,041	103,681	100,437
Country Programmes				
Afghanistan	1,104	2,905	4,009	2,935
Burundi	207	1,007	1,214	977
Cambodia	1,044	718	1,762	2,147
China	-	-	-	237
DRC	413	679	1,092	819
Ethiopia	1,925	1,818	3,743	4,509
Haiti & DR	855	1,029	1,884	1,586
Lesotho	651	1,294	1,945	1,240
Liberia	523	1,731	2,254	1,733
Myanmar	1,542	2,554	4,096	3,768
Pakistan	1,507	696	2,203	1,791
Palestine	243	946	1,189	872
Senegal	574	261	835	1,201
Somaliland	614	1,925	2,539	1,566
South Africa	302	867	1,169	1,354
Zimbabwe	1,513	2,265	3,778	2,991
Sub-total	13,017	20,695	33,712	29,726
Other:				
Global Secretariat	4,915	13,739	18,654	11,001
All countries (before Support costs allocation)	54,572	101,475	156,047	141,164
Programme Expenditure - by Restriction				
	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
Programme Expenditure	141,211	14,835	156,047	141,164
Support costs allocated to Programme (Note 6)	12,291	16,869	29,160	31,881
Total Programme expenditure	153,502	31,704	185,206	173,045

Grants represents programme costs through partners and local community groups while direct programme expenditures are activities directly implemented by member countries.

Direct programme costs for countries such as Denmark largely represent restricted-funded project monies from institutional donors for implementation in other countries within the Federation.

5. Governance Costs

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
Internal audit	472	263	735	577
External audit	345	371	716	652
Legal	63	118	181	204
Costs of governing bodies	667	707	1 374	2 020
	1,547	1,459	3,006	3,453
Support costs allocated to Governance (Note 6)	-	538	538	645
Total Governance costs	1,547	1,997	3,544	4,098

External auditors' remuneration included in governance costs was:

	2017 €'000	2016 €'000
Audit of aggregated financial statements	52	112
Audit of International Secretariat hubs	31	20
Other audit work - Other auditors	-	520
	83	652

6. Support Costs

Support costs represent expenditure incurred on management and the provision of the facilities and services that enable the fundraising, programme and governance activities to be carried out efficiently. The costs of that work are apportioned to those three expenditure headings on the basis of headcount.

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
Local management	1,935	1,271	3,206	5,260
Communications	271	1,426	1,697	3,682
Finance	3,175	5,121	8,296	7,383
Human resources	1,891	3,556	5,447	3,987
Impact assessment support	41	2,793	2,834	2,528
Information technology	738	3,384	4,122	3,514
Office administration	3,108	2,053	5,161	5,418
Organisational development	142	939	1,081	3,514
Property	989	2,685	3,674	4,131
Total Support costs	12,290	23,228	35,518	39,417
Allocated to Fundraising	-	5,819	5,819	6,891
Allocated to Programme	12,290	16,871	29,161	31,881
Allocated to Governance	-	538	538	645
Total Support costs	12,290	23,228	35,518	39,417

7. Employees

	2017	2016
	Number	Number
The average number of employees throughout the year was:		
Programme	1,409	1,271
Support	979	883
Fundraising	486	438
Governance	45	41
	2,919	2,633
Total remuneration of employees was:		
	2017	2016
	€'000	€'000
Salaries, wages and other benefits	56,803	60,770
Payroll taxes	5,552	6,336
Pension contributions	2,973	3,547
	65,328	70,653
The emoluments of the International Directors, the senior executive management team comprise the following:		
	2017	2016
	€'000	€'000
Salaries	977	719
Pension contributions	88	67
Other benefits (housing, school fees, relocation payments)	28	69
Tax paid on behalf of employees	42	15
	1,135	870

The Chief Executive of the ActionAid International Secretariat received the following remuneration in 2017: Salary: €145,113 (2016: €145,227); pension contributions: €14,511 (2016: €14,523); and housing and other allowances: €16,206 (2016: €16,219).

In the course of normal employment arrangements, payments of expenses are made on behalf of Directors which are then reimbursable. At 31 December 2017, amounts were outstanding from one International directors (2016: seven) which amounted to €3,630 (2015: 17,970).

8. Trustee Remuneration

No remuneration or other payments have been made to the Board or Committee members of ActionAid International for their services as Board or Committee members or for other services provided to the organisation in 2017: €nil (2016: €nil).

Directly incurred expenses are reimbursed; in 2017 this amounted to €55,724 for travel and accommodation relating to Board and Committee meetings (2016: €47,489).

9. Property, Plant & Equipment

	Freehold property €'000	Office equipment €'000	Motor vehicles €'000	Total €'000
Cost				
At 1 January 2017	9,749	8,375	11,169	29,293
Foreign exchange differences	(206)	(410)	(434)	(1,050)
Additions	17	568	603	1,188
Disposals	(137)	(470)	(2,959)	(3,566)
At 31 December 2017	9,423	8,063	8,379	25,865
Depreciation				
At 1 January 2017	1,205	7,016	10,051	18,272
Foreign exchange differences	(11)	(164)	(249)	(424)
Charge for year	302	426	428	1,156
Disposals	(2)	(408)	(2,971)	(3,381)
At 31 December 2017	1,494	6,870	7,259	15,623
Net book value				
At 31 December 2017	7,929	1,193	1,120	10,242
At 31 December 2016	8,544	1,359	1,118	11,021

10. Financial Assets and Liabilities

ActionAid International's main financial instruments comprise investments, cash at bank and short-term receivables and payables. ActionAid International does not engage in speculative arrangements or trade in financial instruments. The Board of ActionAid International has a duty to maximise the benefit to poor people delivered through the resources it raises and to manage any risks to these resources that may arise from movements in market prices for financial instruments, changes in currency or interest rates. Funds are raised from individual supporters and other donors in a variety of currencies, principally Euros, British Pounds and US and Australian Dollars, and ultimately expended in those currencies and in the currencies in use in the countries in which ActionAid International operates.

Financial assets:

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, financial assets, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Federation commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments;
- AFS financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Capital Management: ActionAid International has €66 million of liquid funds and €7 million has been invested on a long term basis. Investments in equities and bonds are all in mainstream products on active, regulated exchanges. The portfolio is valued at the year-end using market prices. The remaining cash is held on deposit with mainstream banks or in short term financial instruments to be available within periods of between one day and three months.

Management of financial risk: ActionAid International is exposed to risks, both through the assets chosen for investment and through operations in various countries with different currencies. These risks, and the methods of managing them, are described below:

Investment risk: The investment objectives of the long term investments set out above are contained in ActionAid International's investment policy. The objective is to achieve a higher rate of income (in the form of distributions and interest) than achieved on liquid assets whilst benefiting from capital growth. Risks arising from individual stock selection are managed through holding a portfolio of equities. The return on bonds is fixed in cash terms for the period that the bonds are held, but the fair value varies with changes in prevailing interest rates as well as market preferences between asset classes. The risks to bonds and equities are managed through the employment of professional fund managers mandated to manage the portfolio on an active basis. Short term bank deposits are at prevailing rates of interest and have maturities of less than three months. The exposure to interest rate risks from these deposits is not considered material.

Exchange rate risk: Exchange rate is defined as the risk that movements in foreign exchange rates adversely affect the value of the Federation's foreign currency positions. The latter is exposed with respect to foreign currency arising from trading in foreign currency and acceptances. In order to ensure the adequacy of foreign exchange requirements, foreign currency cash flow forecasts are prepared regularly, expenses monitored and actions taken accordingly. The majority of ActionAid International's reserves are held as cash or short-term deposits, as set out in the statement of financial position. Cash balances are held in a number of currencies, predominantly British Pounds, Euros, US and Australian Dollars and Danish Krone. Exposure to exchange rate risk is managed through the reserves policy, not through the use of hedging instruments. Currencies are held broadly in proportion to the currencies of ActionAid International's income. Exposure to the impact of exchange rate movements in the local currencies of the developing countries where we work is reduced by retaining balances in relatively stable currencies until needed for expenditure in-country. Receivables and payables set out in notes 12 and 13 are denominated in a number of currencies. Exchange rate risk relating to these balances is managed in the manner described above in relation to cash and deposits.

Concentration of liquid assets and liabilities by currency

	Euro €'000	GBP €'000	US Dollars €'000	Others €'000	DKK €'000	Total €'000
At 31 December 2017						
<i>Assets</i>						
Cash and cash equivalents	24,030	33,457	10,259	8,520	9,463	85,729
Receivables	2,046	10,763	2,113	851	1,995	17,768
Investments	-	7,322	-	-	-	7,322
	26,076	51,542	12,372	9,371	11,458	110,819
<i>Liabilities</i>						
Payables and accruals	7,748	17,791	252	3,329	9,854	38,974
Other liabilities	-	-	-	-	5,980	5,980
	7,748	17,791	252	3,329	15,834	44,954
At 31 December 2016						
<i>Assets</i>						
Cash and cash equivalents	26,699	15,516	15,102	18,526	5,892	81,735
Receivables	1,841	6,463	1,981	9,456	2,847	22,588
Investments	-	12,197	-	-	-	12,197
	28,540	34,176	17,083	27,982	8,739	116,520
<i>Liabilities</i>						
Payables and accruals	8,578	4,682	233	19,486	3,572	36,551
Other liabilities	-	-	-	-	6,116	6,116
	8,578	4,682	233	19,486	9,688	42,667

Liquidity risk: Liquidity risk is the risk that ActionAid will not be able to meet its financial obligations as they fall due. ActionAid units, including Members and the International Secretariat, ensure that financial commitments across the Federation are met. This is done by ensuring that all units produce cash inflow and outflow forecasts on a monthly and annual basis. The carrying value of payables approximate their fair value.

Credit Risk: Credit risk is the risk that supporters and donors will cause a financial loss to ActionAid by failing to discharge their obligations. The income and amounts due from donors overwhelmingly relate to major institutional and corporate donors, and the associated credit risk is therefore considered to be low. There are low external borrowings, and processes are in place to monitor cash flows in order to minimise liquidity risk, in conjunction with our reserves and Investment policies described above.

The maximum exposure to credit risk is represented by the carrying amounts of financial assets as indicated on the statement of financial position. There are no financial assets past due or impaired. The carrying value of all cash and cash equivalent balances and receivables approximate their fair value. The table below summarises the maturity profile of ActionAid's liability based on contractual undiscounted payments.

	Payable within 3 months €'000	Payable within 3-12 months €'000	Payable within 1 to 5 years €'000	Payable within > 5 years €'000	Total €'000
At 31 December 2017					
Loan Payable	26	161	756	5,224	6,167
Trade payables and accruals	15,245	-	-	-	15,245
Amounts due to employees	-	5,300	-	-	5,300
Taxation and social security	1,668	-	-	-	1,668
	16,939	5,461	756	5,224	28,380
	Payable within 3 months €'000	Payable within 3-12 months €'000	Payable within 1 to 5 years €'000	Payable within > 5 years €'000	Total €'000
At 31 December 2016					
Loan Payable	47	140	741	5,375	6,303
Trade payables and accruals	16,869	-	-	-	16,869
Amounts due to employees	-	5,592	-	-	5,592
Taxation and social security	-	2,273	-	-	2,273
	16,916	8,005	741	5,375	31,037

11. Investments

	2017 €'000	2016 €'000
a) At market value		
Market value at 1 January	11,370	16,043
Foreign exchange differences	257	(1,510)
Additions	153	-
Disposals	(5,069)	(3,178)
Net cash movement	-	-
Investment management costs	-	(11)
Net investment gain	267	220
Market value at 31 December	6,978	11,564
Cash held for investment	344	633
Market value at 31 December	7,322	12,197
b) The market value represented by		
Equities	5,721	9,145
Bonds	1 104	2,419
Total before cash	6,825	11,564
Cash	497	633
Total	7,322	12,197

12. Receivables

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
Amounts due from official bodies	4,794	564	5,358	7,512
Other receivables and prepayments	5,843	4,047	9,890	12,995
Tax recoverable	412	1,334	1,746	1,162
Amounts due from employees	705	69	774	919
Total Receivables	11,754	6,014	17,768	22,588

Amounts due from employees represent floats, allowances and loans to employees. The availability of such facilities forms part of the normal terms and conditions of employment of staff.

None of the above receivables are past due and therefore no allowance for doubtful receivables was required. Amounts due from official bodies refer to amounts due from donors in accordance with the terms specified by the donors in the donor agreements.

13. Payables

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
Amounts falling due within one year:				
Loan Payable*	-	187	187	187
Trade payables and accruals	7,260	7,985	15,245	16,869
Amounts due to employees**	3,195	2,105	5,300	5,592
Taxation and social security	678	990	1,668	2,273
Deferred income	15,649	925	16,574	11,630
Total Payables	26,782	12,192	38,974	36,551
<i>Amounts falling due more than one year*</i>		5,980	5,980	6,116

* Loan payable represents a loan that was acquired for purchase of property. The loan is repayable over five years with interest of 4.25% per annum.

** Amounts due to employees include accruals of gratuities and other long term employee benefits.

14. Analysis of Fund Balances

	Retricted		Unrestricted		2017 €'000
	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000	
At 1 January 2017	51,573	2,739	22,280	8,282	84,874
Net movement in funds	(7 881)	(290)	(108)	(489)	(8,768)
At 31 December 2017	43,692	2,449	22,172	7,793	76,106
Represented by:					
Property, plant and equipment	-	2,449	-	7,793	10,242
Investments	3,806	-	3,516	-	7,322
Current assets (excl Investments)	66,666	-	36,830	-	103,496
Liabilities	(26,780)	-	(18,174)	-	(44,954)
Total	43,692	2,449	22,172	7,793	76,106

	Retricted		Unrestricted		2016 €'000
	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000	
At 1 January 2016	50,123	3,234	25,767	8,604	87,728
Net movement in funds	1,450	(495)	(3,487)	(322)	(2,854)
At 31 December 2016	51,573	2,739	22,280	8,282	84,874
Represented by:					
Property, plant and equipment	-	2,739	-	8,282	11,021
Investments	11,576	-	621	-	12,197
Current assets (excl Investments)	63,801	-	40,522	-	104,323
Liabilities	(23,804)	-	(18,863)	-	(42,667)
Total	51,573	2,739	22,280	8,282	84,874

15. Movement of Funds and Reserves – 2017

	January 2017 €'000	Income €'000	Expenditure €'000	Internal income and expenditures €'000	Transfers €'000	Exchange other movements €'000	December 2017 €'000
Affiliates & Associates							
Australia	6,194	4,503	(3,388)	(2,892)	-	(313)	4,104
Bangladesh	680	6,426	(5,943)	(291)	-	(13)	859
Brazil	823	6,321	(5,657)	(730)	-	(44)	713
Denmark	5,173	27,327	(22,396)	(4,653)	-	*(2,963)	2,488
France	142	674	(1,280)	-	-	670	206
Ghana	1,621	4,784	(3,817)	(282)	-	(119)	2,187
Greece	1,435	6,814	(3,112)	(3,707)	-	17	1,447
Guatemala	1,093	1,776	(1,567)	(63)	-	(64)	1,175
India	1,429	8,562	(8,380)	(507)	-	(157)	947
Indonesia	114	1,423	(1,478)	29	-	(43)	45
Ireland	596	2,880	(825)	(1,754)	-	-	897
Italy	6,224	45,832	(17,301)	(27,611)	-	-	7,144
Kenya	2,044	10,886	(10,560)	(454)	-	(116)	1,800
Malawi	2,715	18,294	(18,279)	(398)	-	(76)	2,256
Mozambique	1,106	3,707	(3,575)	(58)	-	(169)	1,011
Nepal	1,777	6,026	(5,527)	(219)	-	(66)	1,991
Netherlands	519	3,540	(1,753)	(1,620)	-	(19)	667
Nigeria	1,425	5,266	(4,620)	(37)	-	(197)	1,837
Rwanda	626	2,274	(2,190)	(29)	-	(33)	648
Sierra Leone	1,029	2,953	(2,471)	(118)	-	(461)	932
Sweden	70	4,656	(1,822)	(1,954)	-	(433)	517
Tanzania	635	2,383	(2,414)	(66)	-	(80)	458
Thailand	431	260	(548)	341	-	430	914
The Gambia	1,583	2,877	(3,212)	(288)	-	(47)	913
Uganda	2,496	4,476	(4,022)	(320)	-	(146)	2,484
UK	21,304	62,688	(21,359)	(47,699)	-	(1,124)	13,810
USA	2,754	7,192	(1,960)	(4,843)	-	(549)	2,594
Vietnam	393	2,730	(2,406)	(243)	-	163	637
Zambia	1,286	2,343	(2,389)	(26)	-	(73)	1,141
	67,717	259,873	(164,251)	(100,492)	-	(6,025)	56,822
Country Programmes							
Afghanistan	2,263	4,213	(4,493)	(51)	-	(149)	1,783
Burundi	424	1,638	(1,461)	30	-	(24)	607
Cambodia	1,513	2,706	(2,019)	(100)	-	(90)	2,010
China	444	-	-	-	-	(444)	-
DCR	38	1,615	(1,391)	108	-	(83)	287

15. Movement of Funds and Reserves – 2017

(continued)

Ethiopia	2,145	5,053	(4,320)	(181)	-	(188)	2,509
Haiti & DR	1,555	1,423	(2,326)	133	-	(79)	706
Lesotho	1,510	685	(2,232)	(50)	-	163	(250)
Liberia	667	2,798	(2,370)	157	-	(42)	1,210
Myanmar	2,299	4,391	(4,840)	(92)	-	(125)	1,633
Pakistan	658	3,164	(2,759)	(115)	-	159	1,107
Palestine	646	1,766	(1,766)	(54)	-	(38)	554
Senegal	523	1,365	(1,079)	21	-	(185)	645
Somaliland	1,274	2,146	(2,883)	183	-	76	796
South Africa	(59)	1,869	(1,836)	355	-	322	651
Zimbabwe	468	4,450	(4,384)	(107)	-	85	512
	16,368	39,282	(40,159)	237	-	(968)	14,760
AAI Secretariat	789	5,761	27,038	24,877	-	135	4,524
Aggregation adjustment	-	(75,394)	-	75,378	-	16	0
	789	(69,633)	(27,038)	100,255	-	151	4,524
Total	84,874	229,522	(231,448)	-	-	(6,842)	76,106

*Reversal of an adjustment made in 2016 in respect of income recognition policy, that aligns Federation accounts with Actionaid Denmark's reported closing reserves.

Income represents funds raised for or allocated to individual country programmes and/or projects within those countries. Transfers represent allocations to or from country programmes of funds where restrictions allow trustee discretion to their allocation and also funds raised by one part of ActionAid International for activity in another part. The gains on investment and foreign exchange include net unrealised foreign gains and losses which occur when reserves are translated into Euros.

Movement of Funds and Reserves – 2016

	January 2016 €'000	Income €'000	Expenditure €'000	Internal income and expenditures €'000	Transfers €'000	Exchange and other movements €'000	December 2016 €'000
Affiliates & Associates							
Australia	2,618	8,672	(3,594)	(1,943)	(428)	869	6,194
Bangladesh	948	5,153	(4,985)	(337)	(14)	(85)	680
Brazil	923	6,372	(5,674)	(313)	(217)	(268)	823
Denmark	2,526	30,001	(21,769)	(4,572)	(839)	(174)	5,173
France	241	1,062	(1,102)	53	(10)	(102)	142
Ghana	1,093	4,172	(3,285)	(218)	(9)	(132)	1,621
Greece	848	8,654	(3,640)	(4,626)	(50)	249	1,435
Guatemala	1,109	1,926	(1,660)	(140)	(6)	(136)	1,093
India	3,229	8,849	(10,168)	(8)	(118)	(355)	1,429
Indonesia	-	134	(731)	650	(3)	64	114
Ireland	853	2,889	(887)	(1,913)	(45)	(301)	596
Italy	6,717	47,616	(18,648)	(22,727)	(6,734)	-	6,224
Kenya	1,902	9,621	(8,916)	(266)	(60)	(237)	2,044
Malawi	1,789	9,771	(8,796)	(143)	-	94	2,715
Mozambique	653	3,351	(2,702)	(73)	(31)	(92)	1,106
Nepal	3,159	4,329	(5,131)	(212)	(15)	(353)	1,777
Netherlands	313	3,298	(1,994)	(1,003)	(85)	(10)	519
Nigeria	2,018	4,716	(4,846)	66	-	(529)	1,425
Rwanda	529	2,360	(2,143)	(54)	-	(66)	626
Sierra Leone	1,633	3,005	(3,165)	(214)	(2)	(228)	1,029
Sweden	103	4,267	(2,369)	(1,926)	-	(5)	70
Tanzania	426	2,788	(2,448)	(58)	-	(73)	635
Thailand	718	127	(669)	344	(8)	(81)	431
The Gambia	2,579	3,277	(3,332)	(132)	(21)	(788)	1,583
Uganda	2,914	5,884	(5,714)	(214)	(27)	(347)	2,496
UK	21,658	74,651	(26,132)	(39,435)	(6,202)	(3,236)	21,304
USA	4,235	2,071	(1,832)	(1,637)	(52)	(31)	2,754
Vietnam	1,367	2,634	(3,377)	(65)	(17)	(149)	393
Zambia	1,203	2,348	(2,042)	(65)	(7)	(151)	1,286
	68,304	263,998	(161,751)	(81 181)	(15,000)	(6,653)	67,717
Country Programmes							
Afghanistan	1,982	4,123	(3,465)	(70)	(2)	(305)	2,263
Burundi	330	1,478	(1,432)	88	-	(40)	424
Cambodia	1,540	2,760	(2,370)	(140)	-	(187)	1,513
China	668	3	(270)	122	-	(76)	447
DRC	58	1,078	(1,540)	448	-	(6)	38
Ethiopia	2,324	5,527	(5,142)	(275)	-	(289)	2,145
Haiti & DR	732	2,708	(2,069)	294	-	(110)	1,555
Lesotho	666	2,497	(1,446)	(27)	-	(180)	1,510
Liberia	400	2,271	(2,133)	199	(14)	(56)	667
Myanmar	2,013	5,132	(4,554)	10	(37)	(265)	2,299
Pakistan	854	2,291	(2,382)	(200)	-	95	658

Movement of Funds and Reserves – 2016

(continued)

	January 2016 €'000	Income €'000	Expenditure €'000	Internal income and expenditures €'000	Transfers €'000	Exchange and other movements €'000	December 2016 €'000
Palestine	716	1,054	(1,545)	528	(12)	(95)	646
Senegal	554	1,406	(1,701)	285	115	(136)	523
Somaliland	1,405	1,774	(2,040)	300	-	(165)	1,274
South Africa	352	1,677	(2,513)	664	-	(239)	(59)
Zimbabwe	322	3,746	(3,435)	(125)	(3)	(36)	468
	14,916	39,435	(38,038)	2,101	47	(2,090)	16,371
AAI Secretariat	4498	12,160	(28,288)	(875)	14,760	(1,466)	789
Aggregation Adjustments	10	(86,610)	-	79,955	193	6,449	(3)
	4,508	(74,450)	(28,288)	79,080	14,953	4,983	786
Total	87,728	228,983	(228,077)	-	-	(3,760)	84,874

16. International Secretariat Costs

The following table reflects the costs of the International Secretariat reflecting Programme, Support, Governance and Fundraising that are included in the aggregated results.

	Restricted €'000	Unrestricted €'000	2017 €'000	2016 €'000
Programme	12,152	6,502	18,654	10,544
Support	-	6,528	6,528	10,644
Governance	-	422	422	812
Fundraising	-	1,434	1,434	4,830
	12,152	14,886	27,038	26,830

The key roles of the International Secretariat, as per ActionAid International constitution, include, among others:

- Managing the development and implementation of and compliance with the Federation's mission, strategies and policies;
- Managing the development and implementation of and compliance with the Federation's mission, strategies and policies;
- Managing international or multi country programs;
- Managing international advocacy, research, policy development, public education and campaigning;
- Managing the finances of the Federation under responsibility of the Treasurer;
- Ensuring accountability, learning, planning, performance and impact monitoring, review and assessment system are established and operate in line with mission, values and strategy;
- Providing support to the International Board and Assembly.

17. Related Party Transactions

The Board members are not aware of any related party transactions which require disclosure under IAS 24 other than disclosures related to transactions with Board and Committee members and senior management, which are set out in notes 6 and 7 of the financial statements.

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ActionAid International Secretariat is incorporated
in South Africa under the Companies Act 2008.
Registration number: 2004/007117/10