

Annual Report 2019

People change the world

We're building resilience

2019 was the year when the climate crisis was on everyone's lips – not least due to several extreme weather events. One example is Mozambique, where we saw cyclone Idai leaving hundreds of thousands of people homeless.

Thanks to long-term cooperation with local organizations, we are often already on the ground when a humanitarian disaster strikes. This is a strength. We can quickly move from development cooperation efforts to emergency assistance. You can read more about this on page 25.

In Mozambique, the local radio station Radio Aguia has long received support from Diakonia to promote freedom of speech and democracy in the country. There, I met José Duarte, who told me that their studio was completely destroyed in the wake of cyclone Idai. But the station had important information for its listeners – about the risk of cholera and malaria after the torrential rain, about where there was food and other help available. So José Duarte attached a portable speaker to his motorcycle and drove around broadcasting live radio to the large numbers of people who found themselves in an acute and vulnerable situation.

Now Radio Aguia has received support to enable it to return to fighting for democratic values, human rights and gender equality. This is urgent work. Fewer people live in democratic societies now than a few years ago. Diakonia works to strengthen its local partner organizations so they can be the counter-movement that is required. Because we know that it is people who are changing the world. We've seen it happen so many times.

It is with great pride that I look back on Diakonia's work in 2019; some examples can be found in our Annual Report. And it is with great confidence that we will tackle 2020, despite the concerns and uncertainties we all feel in the midst of the Covid-19 pandemic. Diakonia will continue to stand up for every person's right to a life in dignity – particularly those most at risk in the wake of Covid-19, from the climate crisis or when the democratic space has been restricted.

Johan Romare
Acting Secretary General

Photo. In 2019 Mozambique was hit by two cyclones, resulting in vast devastation. More than 35 000 houses were destroyed, entire harvests were devastated and thousands of students were unable to go to school. Diakonia was on the ground via our partner organizations and was able to provide people with emergency relief. Photo: Act partners.

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The year in brief

404

partner organizations

See which ones on page 48.



Women



Men

Gender distribution among Diakonia's employees in 2019. Read more on page 44.

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So many congregations helped spread the #cykelansiktet (Bike Face) campaign, with everything from bike excursions, scout gatherings and church services to calls for fundraising on the theme of Walk or Cycle to Bangladesh, where every kilometre raised one Swedish krona. Several congregations also helped to hand out saddle covers featuring campaign messages.

Read more about the campaign on page 13.

Operational expenses SEK 495 million

Operational expenses distributed by region.

Read more about our work in the world from page 14 onwards.

6%
Sweden & Global

7%
Jointly

11%
Middle East

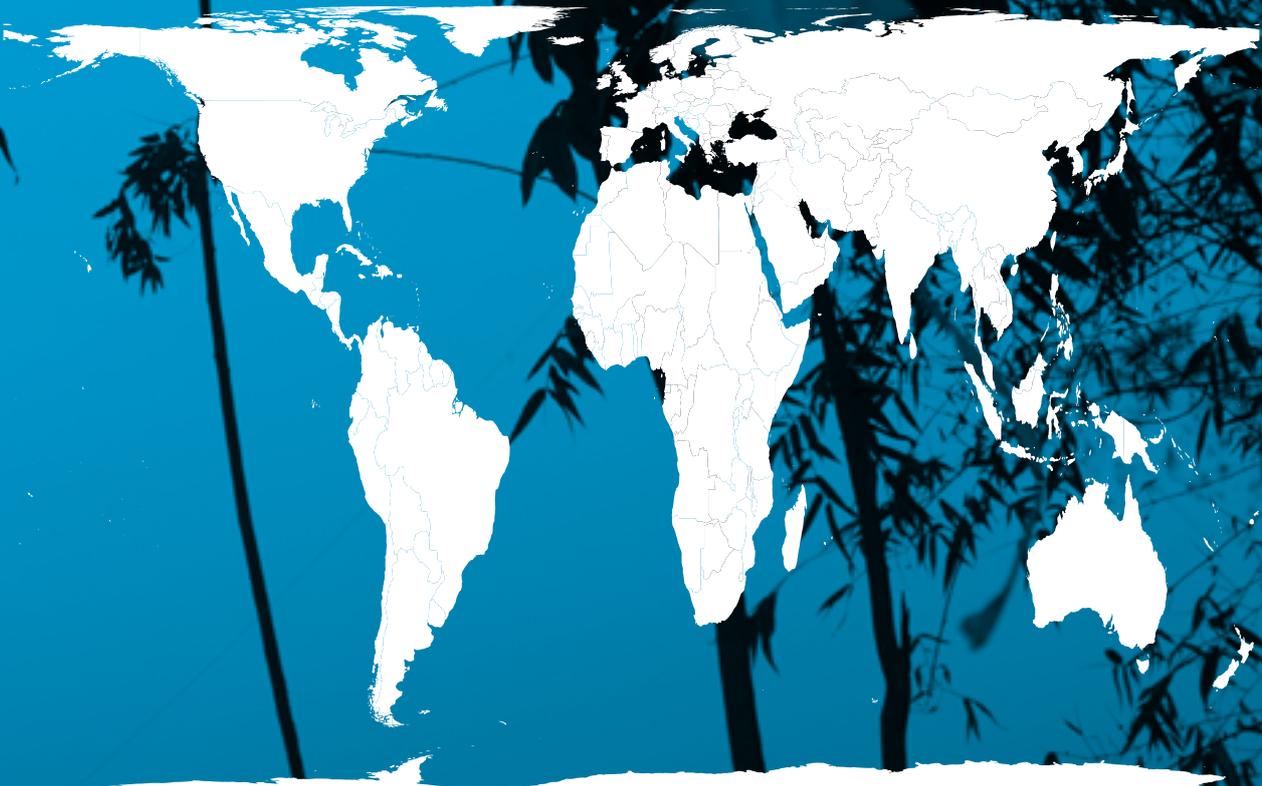
44%
Africa

10%
Asia

22%
Latin America

Diakonia works persistently from a long-term perspective for a just, equal and sustainable world. Here are some significant figures from Diakonia's activities in 2019 – with page references showing where you can read more.

Number of employees:



Employees: Africa: 118. Asia: 37. Latin America: 52. Middle East: 27. Sweden: 48.

Number of training activities undertaken to boost the knowledge of partner organizations in the field of climate justice and environmental issues:

Read more on page 62.

85

Our vision is a just, equal and sustainable world

Our mission and overall goal is to change unfair political, economic, social and cultural structures that generate poverty, inequality, oppression and violence.

Diakonia works with the most vulnerable people, local partner organizations and other relevant actors for the fulfilment of the right of all people to live a life in dignity – irrespective of age, class, disability, ethnicity, gender, nationality, political conviction, religion, or sexual orientation and identity.



Diakonia in the world

We work with a rights-based approach with around 400 locally rooted movements and organizations in 26 countries around the world.

Our partner organizations work with human rights, democracy, gender equality, social and economic justice, conflict and justice, and emergency response and disaster risk resilience.

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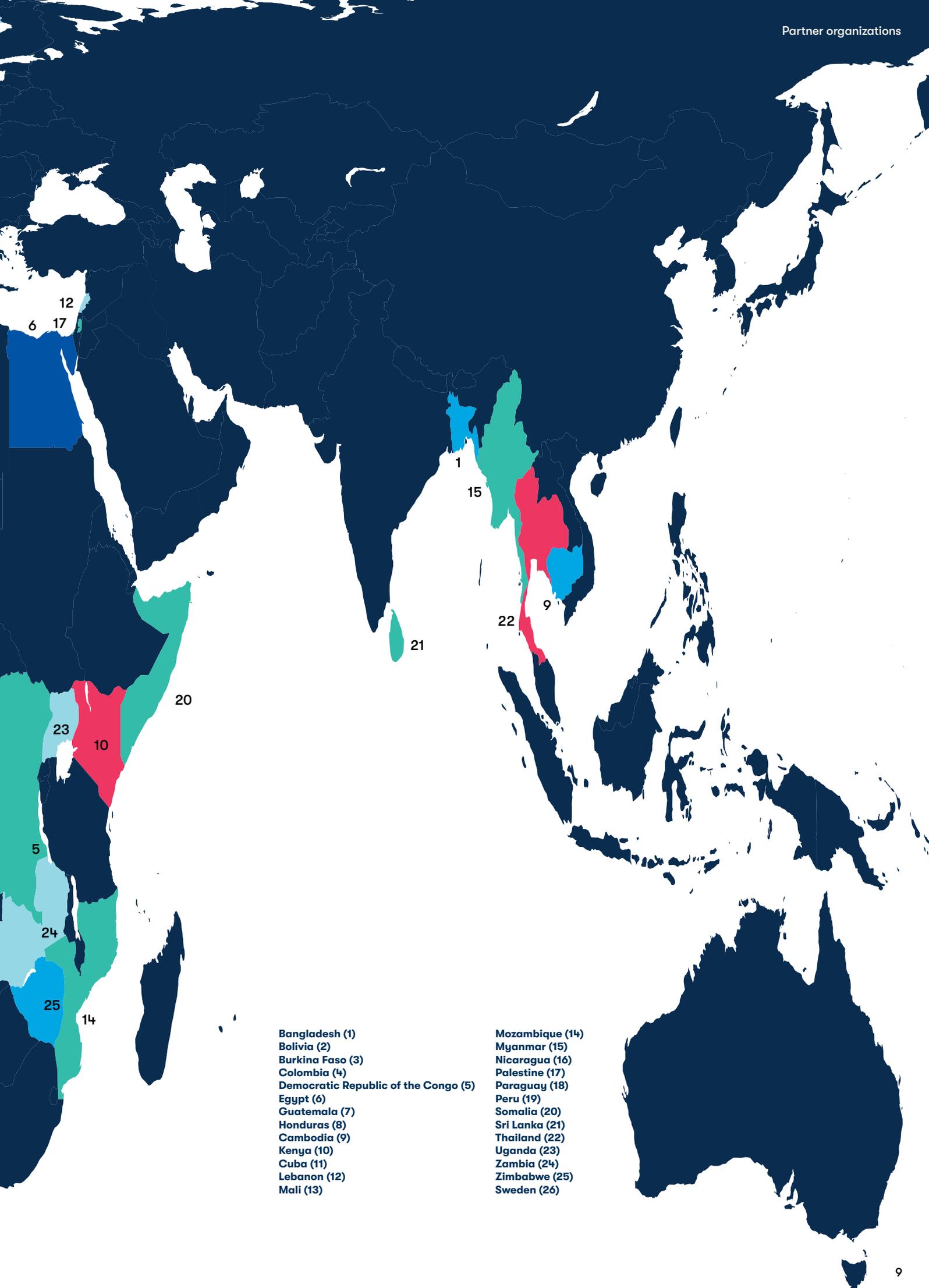
13

3

● Programme

● Regional and Country Office

● Country Office



- Bangladesh (1)
- Bolivia (2)
- Burkina Faso (3)
- Colombia (4)
- Democratic Republic of the Congo (5)
- Egypt (6)
- Guatemala (7)
- Honduras (8)
- Cambodia (9)
- Kenya (10)
- Cuba (11)
- Lebanon (12)
- Mali (13)

- Mozambique (14)
- Myanmar (15)
- Nicaragua (16)
- Palestine (17)
- Paraguay (18)
- Peru (19)
- Somalia (20)
- Sri Lanka (21)
- Thailand (22)
- Uganda (23)
- Zambia (24)
- Zimbabwe (25)
- Sweden (26)

How we work

Change can happen when people have become aware of their rights and join forces to demand that rights are respected. Our extensive experience and the fact that we are firmly established in 26 countries sees Diakonia working with individuals and organizations to change the world.

Diakonia is a development organization based on Christian values and a firm conviction that all people are of equal worth. No individual and no state has the right to violate another person's human rights. That is why our vision is a just, equal and sustainable world.

Our founding churches are the Swedish Alliance Mission and the Uniting Church in Sweden. On their behalf, we fight for people's right to a dignified life and to create fair social structures.

Our strategy for change is simple. Knowledge is a requirement if improvements are to take place. Organization is required in order for us to be able to bring about lasting change by joining forces. It is only when we have knowledge and are organized that we can influence our situation and achieve sustainable change.

But reality is complex. We need to have an in-depth understanding of how contexts and problems interact in order to find solutions to the world's biggest challenges.

Driven by this insight, we have established

offices in 23 countries and cooperation with around 400 local partner organizations. Cooperation is characterised by flexible and long-term relationships based on shared values such as trust, honesty, shared responsibility and transparency.

We rely on common guidelines and frameworks, but above all we are working to establish close, open dialogue.

We work together to analyse the problems and opportunities that people face, enabling us to adapt our activities to local conditions. All our work takes a rights-based approach, whether it is conducted at national or at global level.

In order to have an impact on major structural problems, we need to work on a broad front and on several levels simultaneously. And we need more people to join forces in the struggle that is taking place. This is why we are mobilising and informing the public of our work and the major challenges the world is facing. It is also why we work with political advocacy in Sweden and globally.

Our intervention areas are:

- Human rights
- Democracy
- Gender equality
- Social and economic justice
- Conflict and justice
- Emergency response and disaster prevention.

Our organization



RIGHTS HOLDERS

PARTNER ORGANIZATIONS

COUNTRY OFFICES

REGIONAL OFFICES

HEAD OFFICE



CHURCHES AND CONGREGATIONS



ACTIVISTS



DONORS AND SUPPORTERS

The people of the Ica valley only get access to water twice a week.

We conduct advocacy work both locally and globally

Our partner organizations and Country Offices often carry out advocacy work in their respective countries, at local and national level. To contribute to the work in the countries, Diakonia in Sweden works to ensure that people with power take action for justice and equality.

The advocacy work in Sweden focuses on politicians, officials, companies, investors and others who make decisions that have global consequences. Expanding knowledge and requiring companies to respect human rights in their operations and among their suppliers is an important area of focus for Diakonia. In the Ica Valley in Peru, our partner organization CODEHICA has long worked for the right of the local population to water. Peru is a leading exporter of water-intensive crops such as asparagus and avocado. The presence of large-scale export companies in the ICA Valley has created new jobs and economic growth, but the overuse of water has also led to a fall in groundwater levels, causing an acute water crisis. The water requirements of agricultural companies are given priority by the state, and large sections of the population only have access to water twice a week. Many then take the opportunity to stockpile, with the risk of bacterial growth that can cause diarrhoea, rashes and eczema.

In 2019, representatives from the Swedish food companies Axfood, Coop and Greenfood went with Diakonia to Peru to find out about the problems for themselves. Stockholm International Water Institute (SIWI), with its expertise on water issues, was also on the trip. Among other things, the company representatives were involved in Diakonia's and CODEHICA's launch of a report on the water situation in the area. Also invited were representatives from national agricultural companies, the water authority, the Ministry of Commerce, the Swedish Embassy, trade unions, workers and small-scale farmers. The Swedish company representatives highlighted the importance of sustainable production, in terms of both the environment and rights, and the fact that Swedish consumers and companies are constantly calling for information about the products sold in Swedish supermarkets. The report and the trip contributed to constructive discussions and the opportunity for positive development in the future.

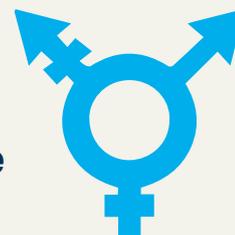


Photo: Martina Holmberg

Diakonia campaigns for women's freedom of movement

The *#cykelansiktet* (Bike Face) campaign highlighted the unreasonable arguments that have limited and continue to limit the freedom of movement of girls and women around the world. Historically, physical activity has been considered to adversely affect women's anatomy, appearance and reproduction. When Swedish women started cycling in the early 20th century, they were warned against contracting chronic bike face – distorted by exertion or ecstasy due to the saddle's stimulation of the lower anatomy. *#cykelansiktet* also raised money for a project in Bangladesh in which girls learn to ride bikes. Cycling gives the girls freedom, because they no longer have to depend on someone else to travel longer distances. This also gives them a greater opportunity to get an education. The girls' self-confidence grows, and the risk of being married off early decreases. The campaign had a wide reach, with 522 484 people liking or commenting on the campaign video on social media. It also received media attention, including from television news programmes SVT Nyheter and Nyhetsmorgon on TV4. The campaign began on International Women's Day on 8 March and ran until 24 May 2019, when Sweden celebrated 100 years of women's suffrage.

Feminist principles must underlie our work



Diakonia has long supported important gender equality work around the world, but now we want to take the next step. In 2019, it was decided that Diakonia's work should be based on feminist principles. This means, among other things, seeing and counteracting the visible effects of gender inequality, but also the root causes. All work should be based on a gender analysis of the contexts and power structures that exist where Diakonia operates. Several important tools have been developed to support Diakonia and its partner organizations in their continued work for gender justice.

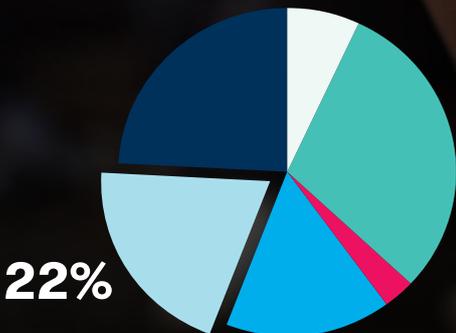


Global management meeting for a stronger Diakonia

In October, all of the managers of Diakonia met at a joint global meeting, The Global Directors' Week. An important theme for the week was how everyone can work together to build a stronger Diakonia. The organization is growing and the world is changing. This makes it even more important to exchange experiences and ideas across continents and learn from each other. During the week, a good foundation was laid for further work going forward. The managers were also involved in the ongoing strategy process, talking about gender justice and feminism, economic sustainability and leadership.



Human rights



22%

Global sustainability goals – read more on page 51

46

projects to empower human rights defenders. 16 projects for the fulfilment of women's rights. 41 projects for the fulfilment of human rights commitments.



Diakonia's operational expenses totalled SEK 495 million. Out of these 22 percent i.e. SEK 109 million, was used for the intervention area Human rights.

Human rights. The world is on a deeply worrying trajectory, with populism, nationalism and anti-rights movements gaining more influence and respect for human rights deteriorating. At the same time, the space for civil society continues to shrink – in some countries this space has even shut down, and it may be mortally dangerous to stand up for human rights. In several of the countries in which we operate, we see how work is being prevented by bureaucracy and legislation used to make it more difficult for organizations to work freely. Anti-terrorism legislation, money laundering or foreign agents are used to make foreign financing of civil society impossible, and in some cases, banks use the legislation to avoid transferring money to civil society organizations. Human rights are a core issue for Diakonia, and we continue to educate, mobilise and influence in order to ensure that human rights are respected in all countries.

Children testify to rights violations

Palestine. When the State of Palestine produced a report on children's rights last year, there was no perspective on children with disabilities. For this reason, Diakonia's partner organization chose to work with other organizations to produce a shadow report focusing on the needs of children with disabilities. The shadow report shows that children with disabilities often have their rights violated, something that was overlooked in the government report. Focus groups consisting of children have been involved in the work. Among other things, a boy told of how he was exploited by relatives and forced into begging instead of going to school. The report contains several important recommendations on how the State of Palestine can prevent violations of children in the territory. These include introducing early detection programmes for disabilities and providing sign language interpreters at police stations and youth centres so that children with disabilities can exercise their rights.



Women's right to own land recognised

Democratic Republic of the Congo. In the Democratic Republic of the Congo, Diakonia works to strengthen civil society organizations. We work for women's political participation and to boost women's economic empowerment. Women and children are among the most marginalised groups in society and are also most vulnerable to violence. Diakonia has supported the establishment of a forum for dialogue between civil society and the authorities, at local as well as national level. Thematic groups have been formed to more easily be able to monitor and influence political decisions on human rights. The Group on Women's Rights, together with women farmers in the province of Équateur, has produced a proposal for a provincial regulation on women's rights to land. After consultation with the Provincial Assembly, the regulation was adopted, recognising women's legal right to own and farm land.

Better treatment by the police

Somalia. In 2019, 72 Somali police officers were trained in respect for human rights, democratic principles and gender equality. Now, as many as 93 percent of respondents choose to report crimes to the police, compared with 57 percent before the officers received their training. The political situation in Somalia is difficult and the country's security fragile. The government only controls parts of the country. Diakonia operates in the Puntland region, where we support broad democracy and human rights efforts. For example, we have contributed to the establishment of a state agency for human rights defenders. The agency is committed to meeting local and international human rights commitments. When it collected testimonies of human rights abuses in the district, it emerged early on that at least 23 percent had had their rights violated by the police.

Large image: In Thailand, several of our partner organizations work for the rights of migrants. Photo: Jonas Gratzner



Democracy



Diakonia's operational expenses totalled SEK 495 million, and of these 32 percent, i.e. SEK 158 million, was used for the intervention area Democracy.

Democracy. For the fifteenth year in a row, democracy is on the decline in the world – not just in those countries where we are used to seeing negative developments, but also in established democracies in Europe. More people now live in countries that are not free than live in democracies. But we also are seeing increasing political engagement, and youth-led climate campaigns around the world are inspiring hope, as are protests in Lebanon, Iraq, Chile, Colombia and Sudan. People are protesting against abuses of power, price increases and corruption. Diakonia works for democracy with a focus on a strong civil society, good governance and broad political participation. When repressive governments limit the opportunities for organizations and people to participate in and influence the development of society, the need for the work of civil society increases, along with its value. At the same time, there are greater demands on civil society organizations to develop, be innovative, become more effective and strengthen cooperation and solidarity between individuals and organizations.



Children can finally visit parents in prison

Kenya. In 2019, children in Kenya were finally allowed to visit parents in prison. This is a direct result of our partner organization Kenya Legal Resources Foundation training prison staff to the UN standard for the treatment of criminals. As a result, prison guards developed and drew up an action plan that, among other things, allows visits. There is a great need for constitutional and judicial reforms in Kenya. Diakonia's work on the rule of law focuses on institutions such as the police, the judiciary, prisons and the public prosecutor's office.

Young people require transparent decisions



Zimbabwe. Local democracy in Zimbabwe is fragile. Women and young people are marginalised and excluded from decision making.

Unemployment is sky-high, especially among young people. Diakonia's partner organization Community Youth Development Trust (CYDT) works to help young people learn how local democracy works and acquire tools for social responsibility. In 2019, young people demanded street lights and leisure facilities for young people. Under the slogan "publish what you do", they managed to promote a culture in which decision makers are open about the issues they are working on. The result is a digital platform where authorities interact with residents.

Girls gain self-confidence with the help of culture

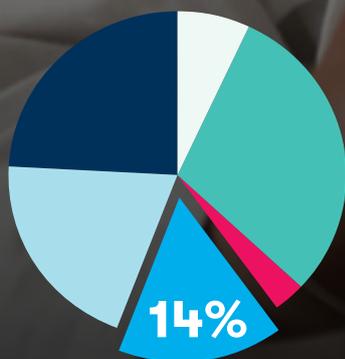
Palestine. Children in Ramallah are constantly reminded that they are living in the midst of a conflict. By reading, playing, creating and telling stories, children learn to express themselves and interpret the world better, even when it is hard to understand. Diakonia works with the Tamer Institute for Community Education, which has been giving children and young people in Palestine access to cultural activities for more than 30 years.

The activities are conducted at around 80 local Palestinian libraries. Libraries are like a sanctuary, a place that is neither religious nor government-run where children can be themselves. Tamer's activities are open to all children, but they play a particularly important role for girls. In Palestine, society is conservative and girls' freedom of movement is often restricted. But many parents see the library as a safe place to be. The activities and conversations give girls greater self-confidence and gives them a voice. They understand more about their rights and can more easily talk about their needs and desires with their parents.

Large image: Ten-year-old Zeina Thabet enjoys the Tamer Institute's library activities for Palestinian children.



Gender equality



Global sustainability goals – read more on page 51.

42



42 projects to combat gender-based violence. 16 projects for sexual and reproductive health and rights. 8 projects for for LGBTI persons' rights. 1 project for men and boys for gender equality.

Diakonia's operational expenses totalled SEK 495 million, and of these 14 percent, i.e. SEK 69 million, was used for the intervention area Gender equality.



Gender equality. Diakonia has long worked with organizations around the world to challenge patriarchal structures so that both men and women have the power to influence their own lives and society. We believe that a feminist analysis of power and injustice is needed to attain lasting change. In 2019, the negative trend of anti-rights movements continued to advance in different parts of the

world. When the UN agency UNDP examined social norms in 75 countries for the first time, nearly half of respondents responded that men are superior as political leaders and nearly a third found it acceptable for a man to beat his wife. At the same time, in several places we are seeing gender equality being resisted by an economic, political and religious elite – which sometimes has the state machinery at its disposal. The need for a strong civil society is greater than ever. We and our partner organizations defend the right to a gender-equal life every day, all over the world.

Diakonia in Music Aid



Peru. Sexual violence in war was the theme of Music Aid 2019. Diakonia's gender equality expert talked about the important work of our partner organization Demus in

Peru. Demus is pursuing hundreds of thousands of women's right to redress and justice after being forcibly sterilised during the civil war in the 1990s. The violations were part of a national programme to reduce poverty in the country, with indigenous women over-represented. The aim is for the state to publicly draw attention to and acknowledge the crimes, both in order to ensure redress for victims and to develop measures to prevent it from happening again.

Norms regarding sexual violence changing

Zimbabwe. By conducting a dialogue on gender-based violence with the police and traditional and religious leaders, Diakonia's partner organization Musasa has helped bring about positive change in some of the areas of southern Zimbabwe where religious and cultural practices restrict girls' and women's rights. Musasa strives to reduce cases of sexual violence by working in all sectors of society to change attitudes and behaviours. It is campaigning to make people aware of their rights and demand accountability from those in power. The project has led traditional and religious leaders to demand that the judiciary take responsibility for preventing and clearing up the crimes, resulting in local bans on female genital mutilation and on children being forced into marriages with older men. In 2019, 209 perpetrators were arrested for gender-based violence, compared with 67 the year before.

Karate gives the courage to stand up to injustice

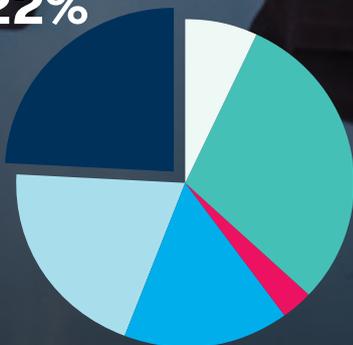
Bangladesh. Northern Bangladesh has long been characterised by patriarchal norms. Many believe that a woman's place is in the home and not in the public domain, and one in five girls is married off before she turns 15. Sports activities are reserved for boys. A project where girls learn karate challenges sexist norms and has proven to be a path towards change for participants. Karate training shows that girls can do the same things as boys and gives them the confidence to stand up to injustice. In addition to the training, Diakonia's partner organization has also started a student council in which students discuss everything from leadership and health issues to forced marriages. If a student has difficulties, the student council helps. In recent years, five forced marriages have been stopped when students told the girls' parents about the negative consequences of forced marriage, ranging from an increased risk of maternal and child mortality to financial problems. Sima is one of the girls who is now being allowed to continue studying instead of getting married. "The training makes us bold and independent. We can stand up for ourselves and others," she says.

Large image: Sima's planned marriage was stopped when her family realised the negative consequences it would have. Photo: Gustav Hugosson

Social and economic justice

Global sustainability goals – read more on page 51.

22%



45

projects for fair distribution of wealth and access to natural resources. 24 projects for economic empowerment of women. 15 projects for decent work and fair income. 19 projects for sustainable development and climate justice.



Diakonia's operational expenses totalled SEK 495 million, and of these 22 percent, i.e. SEK 109 million, was used for the intervention area Social and economic justice.

Social and economic justice Extreme poverty is declining in the world, but wealth is unevenly distributed and gaps are widening. In some places, poverty is even worsening, for example, malnutrition has become more common in Central America. The consequences of climate change are getting worse, and coastlines are eroding in both Asia and in Latin America. The effects of climate change hit poor countries hardest. Many people lose their livelihoods, sometimes even their homes. Diakonia works for a world free from poverty and oppression, where prosperity and access to natural resources are fairly distributed and people have the opportunity to make decisions about how their money is used, regardless of gender. The fight for economic justice necessitates smart solutions and innovative methods. Along with our partner organizations, we work to support people in order to influence structures and those in power with control over resources and assets.

When different needs become visible, lives are saved



Bangladesh. During the devastating Cyclone Bulbul in Bangladesh, hundreds of volunteers worked to help people find shelter. More lives

than before were saved, thanks to new knowledge of prevention to reduce the risk of serious disasters in extreme weather events. The Sunderbans delta area in southern Bangladesh is hit by cyclonic storms almost every year. Saltwater penetration is a persistent problem, and climate change is increasing the dangers. Diakonia's partner organization Bangladesh Resource Center for Indigenous Knowledge (BARCIK) has been working to improve the resilience of the area. BARCIK has formed groups of people in the area who have been taught to use what is known as a "gendered crunch model", used to systematically identify and respond to people's different vulnerabilities. For example, men and women suffer differently in disasters. When the cyclone hit, people with disabilities, the sick, the pregnant and parents of young children were evacuated first, something that had not occurred before. Plans are being made for future shelters with space for livestock. Many women refused to seek shelter during the cyclone because they wanted to stay at home and look after the animals so as not to lose their livelihood.

Fair distribution of power

Africa. In the Africa Economic Justice regional programme, partner organizations from several countries work towards the same goals: fair access to natural resources and wealth distribution, such as in fair tax systems and through reduced tax avoidance. The programme is making progress, albeit slow in some cases. The programme includes work to make mining companies in southern Africa become more transparent and take social and environmental responsibility. After mediation between a mining company and the inhabitants of a community forcibly displaced when the company established itself on their land, it was decided that the inhabitants would be compensated for the negative impact. Important priorities in the compensation plan are school construction, proof of ownership of the new buildings and relocation of cemeteries.

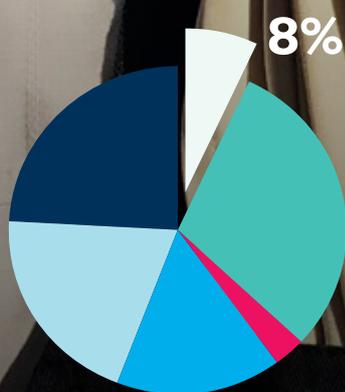
Women start sustainable farms

Honduras. Diakonia supports farmers to reduce the severe poverty in rural Honduras. In the south-east of the country, women have learned about value-based economies for sustainable development. They have also been assisted in starting sustainable farms that contribute to self-sufficiency and better resilience to climate change. The women have now become more financially independent and have formed a cohesive group. They swap the crops that are not consumed at home with each other or sell them for joint profit.

Large image: After training in entrepreneurship, Amina started a thriving business in Waciye, Puntland, which secures the family's income.



Conflict and justice



8%

16

projects for protection in armed conflict. 20 projects for peace-building. 1 project for policy coherence for peace.

Global sustainability goals – read more on page 51.



Diakonia's operational expenses totalled SEK 495 million, and of these 8 percent, i.e. SEK 40 million, was used for the intervention area Conflict and justice.



Conflict and justice. The conflicts in the world are becoming increasingly protracted and complex. Often, several factors interact, such as violent religious extremism, organized crime and actors not afraid of taking to violence. The risk of violent conflicts increases as the climate changes, while people in conflict zones are more exposed and vulnerable to natural disasters. People in need of humanitarian assistance are becoming more numerous, and many are fleeing violent conflicts. With more people taking flight, political and economic tensions are increasing. Diakonia's goal is to build just and gender-equal peace, prevent conflicts, provide protection to people in conflict areas and strengthen respect for international humanitarian law and human rights. For us, increasing women's participation in work for peace and security is key.

Women called for unity instead of hate

Sri Lanka. Peace-building is important in Sri Lanka. The root causes of the long civil war that ended in 2009 have not yet been processed and many conflicts remain. When the country was hit by several bombings on Easter Sunday 2019, extremist and nationalist groups tried to exploit people's fears and past traumas to sow the seeds of division and incite hatred. Several women's organizations that Diakonia supports quickly joined forces across ethnic and religious boundaries to counter the anger and division that emerged. They publicly questioned the violent messages and manifested unity and humanity as a way forward. Police authorities have testified that the work of women's organizations had a strong positive effect on the tense situation.

Stronger protection for civilians in armed conflict

Respect for international humanitarian law is declining in the world and is often overlooked in the context of armed conflicts. At the same time, the international community is not acting strongly enough for peace and international security. Diakonia works to promote international humanitarian law, IHL – fundamental principles of law to protect civilians during armed conflicts. An important part is the work for more robust legal protection in those states where protection is lacking. For this reason, our lawyers are working to incorporate IHL treaties into national law. In 2019, the review began in Lebanon and Mali.

The truth must come to light

Colombia. The Truth Commission in Colombia is tasked with providing an official account of how the long war has affected people. This work is important for redress and for learning from history. One area being focused on is that violence to which women and LGBT people have been subjected by armed actors should be documented and acknowledged in the Commission's final report. Our partner organization Ruta Pacífica de las Mujeres has experience in documenting war crimes against women and gave instruction in a methodology for how sensitive testimonies should be documented. In 2019, they helped register around 400 cases.

Women and young people contribute to peace

Myanmar. Despite setbacks in the official peace process, ethnic women's and youth groups continue to engage and mobilise for peace and justice in Myanmar. Diakonia works to give young people skills in scientific research methodology and communication technology. This enables young people to help study the issues involved in the peace negotiations and document public consultations between negotiators and communities. Women who want to lead peace-building activities where they live receive training in leadership, promotion of dialogue, rhetoric, peace-building and conflict management. The training is designed to also promote social contacts and alliances between peace-building women and young people.

Large image: Jamileh Dajani runs a date farm in the Jordan Valley, eastern Palestine. The area is perfect for cultivation. But the occupying power Israel controls the water, and Palestinian growers do not get enough water for their crops. Diakonia is working for a peaceful solution to the conflict in the region.



Emergency response and disaster resilience



2%

Global sustainability goals – read more on page 51.

7

projects for preparedness, relief and recovery.
2 projects for disaster risk management.



Diakonia's operational expenses totalled SEK 495 million, and of these 2 percent, i.e. SEK 10 million, was used for the intervention area Emergency response and disaster resilience.

Emergency response and disaster resilience. When disaster strikes, Diakonia is already on the ground, is part of the life-saving support system and stays in place when the emergency relief work is over. The need for emergency response is greater than ever and increasing rapidly as the climate changes. 166.5 million people needed humanitarian assistance in 2019. Half of them were children. Diakonia has focused on providing rapid access to food, water, money and hygiene items to those in desperate need. We are also working to ensure that people and communities achieve greater resilience and become less vulnerable to disasters. This is a question of both adapting to new conditions caused by climate change and recovering quickly from a disaster.

Work continues after the acute phase of the disaster

Mali. In Mali, climate change is bringing increasingly extreme weather. In 2018, the country was subjected to severe drought, only to be hit by severe flooding that took crops, livestock and houses with it. Diakonia's partner organization AFAD, L'Association de Formation et d'Appui au Développement, in the city of Nara was able to rapidly provide humanitarian assistance to the worst affected. Extreme weather events are something the people of Nara will have to get used to, which is why in 2019, AFAD has been working towards preparing better for the future. To reduce the risk of flooding, AFAD is now working on digging canals to lead the water to a reservoir so that the rainwater can later be used for irrigation. They have also supported 5 900 people in rebuilding their livelihoods.

Cultivation on rafts provides food during wet season

Myanmar. The need to be prepared and prevent severe consequences of extreme weather is increasing. Diakonia works to incorporate a gender perspective in prevention, because disasters affect people differently depending on their vulnerability. For example, women often have less access to information and resources. For much of the year, people cannot grow crops due to flooding. Together with Diakonia's partner organization, several families decided to try growing crops on bamboo rafts. The experiment turned out well, and the families are able to grow their own food all year round. Women have been boosted so they can adopt leadership roles in the family and society to raise awareness of risks and reduce women's vulnerability.

Large image: In Baw Gone it has not been possible to grow crops during the 6–8 weeks of the rainy season each year when the village is flooded. But now the villagers grow crops on a raft and have access to vegetables throughout the year.

Emergency response in 2019

Bangladesh: Psychosocial support for Rohingya forced to flee from Myanmar to Bangladesh. Mainly for children, young people and women. Organization: UTSA, 24 months, SEK 700 000. Sector: protection, psychosocial support.

Burkina Faso: 350 families fleeing after armed conflict and 100 families who have taken refugees into their homes have been given money for their urgent survival needs. Local leaders and authorities have learned more about protection and humanitarian principles. Organization: ATAD, 6 months, SEK 700 000. Sector: cash, food.

Kenya: 600 households, 3 600 people in East Pokot have received food assistance following a severe drought. Organization: ADS CR, 6 months, SEK 700 000. Sector: food.

Mali: Floods in Timbuktu and the Koulikoro area. 11 540 people received help, with a focus on single women, school children and malnourished children. The assistance included food, clean water and nutritional support. Organization: AMSS and AFAD, 9 months, SEK 3 396 000. Sector: food, water, sanitation, hygiene and nutrition.

Mozambique: Support efforts after the cyclones Idai and Kenneth. Organization: ACT Alliance, 24 months, SEK 500 000. Sector: water, sanitation and hygiene, support, psychosocial support, housing, resilience, food, health and nutrition.

Somalia: Internal conflict and climate change have led to disasters in the Puntland region. The humanitarian response has consisted of water and sanitation activities, training and assistance for recovery. Organization: KAD, 18 months, SEK 500 000. Sector: food, water, sanitation, hygiene, education, early recovery.

Uganda: Support for humanitarian and capacity-enhancing work in connection with the return of some 4 300 people who have fled their home villages in northern Uganda. Organization: GWED-G, 6 months, SEK 291 655. Sector: food, nutrition, livelihood.

Diakonia's Board of Directors and Secretary General hereby submit the following Annual Report for 2019

Annual Report

Management report

General information on the organization.

Diakonia is a Swedish non-profit development organization based on Christian values. Our founding churches are the Christian denominations the Swedish Alliance Mission and the Uniting Church in Sweden.

We work for a just, sustainable and equal world free from poverty, oppression, injustice and violence. We are convinced that the most important drivers behind social change are people becoming aware of their rights and organizing themselves to assert them.

Diakonia works using a rights-based approach with long-term development cooperation,

emergency response, mobilisation and advocacy work. We do this with around 400 locally and popularly rooted movements and organizations in 25 countries around the world and in Sweden.

Diakonia is a member of ACT Alliance, a coalition of churches and Christian development organizations that works in more than 125 countries around the world.

Activities are funded by donations from congregations and individual donors, along with grants from Sida (Swedish International Development Cooperation Agency), the EU, the charitable foundation Radiohjälpen, the Swedish Postcode Lottery and other financiers. Diakonia carries out fundraising

Significant events during the year of activity



February

Diakonia's Board of Directors visits Burkina Faso and Kenya to learn more about how people are changing the world and how Diakonia is contributing to this.



February

Diakonia celebrates 25 years in Somalia. Diakonia was one of the first organizations in Puntland.



March

We celebrate International Women's Day by launching #cykelansiktet (Bike Face) – the campaign that defies absurd arguments that limit us.

campaigns through various channels, such as fundraising letters and social media, and has a 90 account – a special account approved and monitored by Swedish Fundraising Control.

Diakonia's work is carried out in countries with complex social structures, in which the democratic space open to civil society is steadily diminishing. This requires a robust and cohesive organization. At the same time, we need to work more flexibly and be able to adapt systems, procedures and methods to the various challenges and opportunities we face in the countries in which we operate. Consequently in 2019 we have continued to build "one Diakonia", with a focus on quality, goal fulfilment and relevance in all activities.

Diakonia has worked closely with founding churches and the Board of Directors to update the organization's theological basis in its policy. We have also started work on a new global operations strategy that will apply from 2021. Diakonia has developed its theory of change within the framework of the global strategy. This theory will help strengthen our programme development, with all activities to be planned, implemented and followed up based on how we see long-term change taking place.

In 2019, it was decided that Diakonia's activities should be based on feminist principles. This is an important step that provides better conditions for

contributing to an equal world. Our global gender equality group has produced a definition of what Diakonia means by feminist principles and how they should run permeate our work.

Leadership development and staff-related issues have been prioritised in 2019. Global guidelines have been developed for performance appraisals and the introduction of new staff. Diakonia's Code of Conduct has been updated and the link with the child protection policy has been strengthened. The Code of Conduct is available in four languages and as an e-learning course. All staff underwent the training in 2019. An important part of strengthening leadership has been to give Regional Directors more influence in strategic discussions and decisions.

In October, a global management week was held in Stockholm, with directors from all countries in which we operate working on strategic and operational issues related to the managerial role and leadership, as well as on producing the basis for Diakonia's new global strategy.

One priority in 2019 has been to boost procedures and expertise for financial follow-up and contract management. Diakonia has good systems, procedures and guidelines in place, but there is a need to develop and strengthen capacity. We need to place more emphasis on the administrative and financial capacity of country offices and partner



June

The European Commission's Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) approves Diakonia as a humanitarian actor and strategic partner. It improves our ability to save lives and alleviate distress in the countries in which we are providing humanitarian assistance.



August

Diakonia decides that the organization's work should be based on feminist principles, which will also form an important part of the new global strategy.



October

All Diakonia's directors meet to build a stronger organization.

organizations, because that is where we see the greatest challenges. For example, it is difficult to work in countries where corruption permeates society and in environments with a shrinking democratic space. This places major new demands on both partner organizations and Diakonia.

In November, a meeting was held with representatives from the regions and Head Office with the aim of identifying the way forward for advocacy work. Head Office and Regional Offices worked together to draft policy processes and advocacy strategies. In addition, a manual that clearly illustrates how a gender perspective should run through the advocacy work was developed during the year.

In order to further strengthen external communication, two important policy documents for communication work were finalised in 2019: a tone platform regarding how we write and a communication strategy with a focus on Swedish target groups. Another step has been to ensure that three out of four regions worked with regional communications advisers. A global communication meeting was held during the year at which joint priorities and strategies were developed.

Country-specific action plans were developed at a global meeting on humanitarian and disaster risk prevention issues. The participants also shared lessons learned and best practice and discussed how Diakonia's added value can best be strengthened in these areas.

In 2019, there were several significant changes of manager. Diakonia's Secretary General Georg Andrén left his post in December to take up the position of County Governor of Värmland. Johan Romare, outgoing Regional Manager for Africa, took up his post as Acting Secretary General. Head of Policy and Advocacy Cecilia Nilsson-Kleffner left her position in December and was replaced by Mattias Brunander, outgoing Regional Manager in Latin America. New regional managers for Africa and Latin America will take up their posts in January 2020.

External factors affecting the organization.

Global trends with a shrinking democratic space, authoritarianism, populism and opposition to women's and LGBTQ rights continue. The opportunities of Country Offices and partner organizations are increasingly being curtailed in several countries by

national laws, rules, threats and abuses. In some countries, criticism of the government is prohibited, regardless of what the constitution says. At the same time, the role of the judiciary in protecting democracy and civil liberties and rights is being jeopardised. This pattern poses a serious threat to the standards and rights adopted to guarantee and promote peace, democracy and development. In Sweden, we have seen an increasing tendency in 2019 for certain parties to put national interests before international responsibility through disinformation, which risks contributing to a shift in values in society. This negative development makes Diakonia's work more difficult and requires innovation and perseverance. Despite an increased commitment to mitigating climate change worldwide, the trend of global warming is far from reversing. Irregular rainfall, extreme weather and disasters are severely impacting many of the vulnerable groups we work with. Diakonia and many others need to continue to work with advocacy and boost local preparedness.

Operations and results. The negative trend of a shrinking democratic space has a major impact on our work and that of our partner organizations. In several countries, we are being forced to find new ways and methods to carry out our work. Despite the fact that the activities are conducted in difficult contexts, we see several important results in 2019.

Diakonia's activities are directed by a global strategy for 2015–2020 and by separate regional and country strategies. The work carried out in a country programme can have different financiers and consist of one or more projects. Projects are being implemented in partnership with local organizations and other strategic partner organizations. Diakonia provides financial support and works closely with the partner organizations in their own work on capacity building and on joint mobilisation of resources. Diakonia also serves as a sounding board, supporting the organizations with knowledge and creating synergies between our various partner organizations – nationally, regionally and globally.

When people know their rights, they can also create change. Diakonia works to promote and defend democracy and universally recognised human rights.

In Cambodia, several of our partner organizations work for the right to land. In 2019, one of the organizations has provided support for villagers who fought in Cambodia for the right to stay in the area they had lived in for generations but were forced to leave due to the construction of a hydroelectric power plant. After a lengthy dispute, 52 families have been able to assert their right to live on higher-lying land near the old village, which has been flooded due to the hydroelectric power plant. Diakonia's partner organization has supported the production of all documents necessary to have the land registered.

All people should have the same rights and opportunities to influence their own lives and the communities in which they live. That is why gender equality is an important issue for Diakonia. In Bolivia, Diakonia's partner organizations work to promote sexual and reproductive health and women's right to decide over their own bodies. The focus has been on indigenous women, who are the most vulnerable in society. Knowledge and access to contraception is low, leading to

women undergoing dangerous and illegal abortions. By presenting statistics and testimonies from women forced into dangerous abortions, our partner organizations worked throughout the year to ensure that local politicians promote and respect women's sexual and reproductive health and rights.

In Zimbabwe, there are few women in decision-making assemblies, and thus women's experiences and needs are obscured. Diakonia works to boost women's political engagement at local and national level. In 2019, the city of Gwanda, in which Diakonia's partner organization operates, has adopted a gender-integrated budget process, which has led to a budget with a greater focus on water issues and hygiene.

Achieving economic and social justice requires a fairer distribution of resources. In Sri Lanka, our partner organization has set up a network of people across the country to quickly detect if companies are engaged in unauthorised deforestation or mining. Such cases are reported to the authorities for follow-up.



Boys play football in the shade of the trees in Drudja, Mozambique. During Cyclone Idai a few months earlier, water from the Buzi River rushed across the land, destroying the harvest and the houses of many families. Photo: Gregg Brekke/ACT

PEOPLE
CHANGE:

THE
WORLD

Photo: Martina Holmberg

In Colombia, Diakonia increased support for the truth commission that is to produce an official account of how the war affected ordinary people. The partner organization Ruta Pacífica de las Mujeres has also contributed knowledge on how to collect testimonies from war victims about their traumatic experiences.

The number of people in need of humanitarian assistance increased in 2019. When Cyclone Idai hit Mozambique, hundreds of thousands of people lost their homes and torrential rains brought chaos to rescue efforts. Since Diakonia had already established initiatives in Mozambique, we were able to

quickly help coordinate the work between different organizations and, together with the ACT Alliance, contribute at the start of a relief effort.

Diakonia also conducts advocacy work in relation to politicians, the business community and organizations, mainly in Sweden and the rest of the EU, which can help facilitate positive change in the countries in which we operate. Within the Fair Finance Guide partnership, we developed ten proposals for political solutions for a more sustainable financial industry that were presented in an article in DN Debatt (Swedish daily Dagens Nyheter's polemical section) and in a subsequent round table discussion.

Performance and financial position. In 2019, Diakonia's revenue increased, totalling SEK 576 million. The increase is mainly due to agreements with new institutional donors and a rise in donations and funds raised. 86 percent of the revenue for 2019 was used for mission expenses, totalling almost SEK 495 million.

	Revenue	Operational Expenses	
Year	TSEK		
2019	576 063	494 869	86%
2018	516 892	476 232	92%
2017	506 481	460 697	91%
2016	450 585	411 183	91%
2015	463 331	440 622	95%

In 2019 Diakonia received a large bequest of approximately SEK 30 million, which together with funds raised from other donations, bequests and the gift shop meant that funds raised amounted to SEK 97 million. The plan is to use the bequest for important

	Raised funds	Fundraising expenses	
Year	TSEK		
2019	97 148	4 800	5%
2018	68 679	7 058	10%
2017	63 201	9 850	16%
2016	54 540	9 121	15%
2015	43 447	6 041	14%

purposes over a three-year period, and it has therefore been earmarked for this in the operational and investment fund. The number of monthly donors decreased slightly in 2019, but their donations were in line with 2018, amounting to just over SEK 14 million. Diakonia's involvement in the Världens Barn fundraising campaign resulted in a grant of SEK 4.4 million during the year, and the Postcode Lottery contributed SEK 27 million. The Postcode Lottery's surplus goes to charitable organizations, with Diakonia being one of the beneficiaries.

Financial instruments and investment policy.

Diakonia's securities portfolio is managed by Nordea and is invested in funds that adhere to the investment policy that Diakonia's Board of Directors has established. This means that investment is made in low-risk financial instruments, mainly interest-bearing securities. Investments take into account the actions of companies in connection with investments in the areas of human rights, working conditions, environmental issues and corruption. The ethical criteria do not permit investment in activities such as those that involve arms, pornography, alcohol, tobacco or fossil energy sources.

Shares received as gifts are sold immediately, and the sale value is recorded as revenue.

Sustainability information. Diakonia has a total of 282 employees. The majority of them, 227 people, are employed in the countries in which Diakonia operates. Diakonia's decentralised organizational structure creates continuity and helps ensure effectiveness and a good understanding of the countries in which Diakonia works with

Total costs per region (TSEK)

	2019		2018		2017	
	TSEK	%	TSEK	%	TSEK	%
Middle East	60 222	11%	61 987	12%	51 708	10%
Asia	56 183	11%	55 930	11%	58 913	12%
Africa	232 852	44%	219 232	43%	219 801	44%
Latin America	115 923	22%	111 207	22%	104 856	21%
Sweden and globally	29 690	6%	27 876	5%	25 419	5%
Jointly	37 647	7%	36 432	7%	38 530	8%
Total	532 516	100%	512 664	100%	499 226	100%



With the help of money from the Världens Barn fundraising campaign, Diakonia is funding a project in a refugee camp in Lebanon where children have access to a protected zone and learn about their rights.

development cooperation. The conditions of local employees are regulated by internal guidelines and by local employment terms and legislation. In 2019, 48 people worked at the Head Office in Stockholm and 7 were posted abroad. Staff members at the Head Office are covered by sector and salary agreements for non-profit and ideology-driven organizations, and staff posted abroad by general terms of employment for staff on international missions.

Diakonia has adopted a set of important policies, frameworks and guidelines to follow up on its commitments. In 2019, Diakonia conducted a global employee survey to obtain all employees' views on organization and management. An action plan has been developed to follow up on the conclusions. Among other things, a global security framework will be developed in 2020. In 2019, certification to CHS, Core Humanitarian Standards, was initiated. CHS promotes respect for fundamental human rights, primarily in emergency response but also in development efforts. The certification process is expected to be completed in 2020.

Read more in Diakonia's Sustainability Report on page 50.

Anticipated future development. In 2020, the focus will be on establishing Diakonia's future direction. This means finalising the global policy, the new global strategy and regional and country strategies. In addition, an organizational development plan will be developed to continuously implement and follow up strategic transfers.

Diakonia will continue to prioritise capacity building in financial follow-up and grant management with donors. In 2020, two new posts are expected to be filled at Head Office to lay solid foundations for capacity building. IT development and internal communication will also be in focus in 2020, including strengthening cybersecurity throughout the organization.

Administrative costs – what are they?

A functioning administration is necessary in order to be able to carry out serious activities. This requires both staff and systems. To a large extent, it is about ensuring that the money arrives at the correct destination and is used correctly. Diakonia has, for example, secure financial systems and systems for detecting suspected corruption. In 2019, administrative and fundraising costs amounted to 7.07 percent of turnover.

Management. The Annual Meeting is Diakonia's highest decision-making body and takes decisions on the organization's global policy, which include expanding on the content of Diakonia's mission and basic values. The Annual Meeting also appoints the Secretary General, adopts the end-of-year accounts and makes decisions on discharging the Board of Directors from liability. The Annual Meeting's representatives are appointed by the founding churches.

Diakonia's ordinary Annual Meeting 2019 was held on 8 June in Jönköping, and an extraordinary Annual Meeting was held on 20 November to appoint an Acting Secretary General.

The Board bears ultimate responsibility for Diakonia's operations and makes decisions on strategy, the overall operational plan and the budget on the basis of the frameworks established by the Annual Meeting. The Board of Directors also makes decisions on authorised signatories, the right of attestation and the organization's order of delegation, as well as issuing the Annual Report and preparing

matters to be dealt with at the Annual Meeting.

The Board met on six occasions in 2019. In 2019, the Board of Directors consisted of Chairperson Pether Nordin (attendance 6/6) and Vice Chairperson Anette Drewitz (attendance 6/6), along with Board members Christer Daelander (attendance 6/6), Linnea Gullholmer (attendance 5/6), Göran Gunner (attendance 4/6), Oskar Permvall (attendance 6/6) and Ingela Svedin (attendance 6/6).

The Secretary General is Diakonia's most senior officer and accountable to the Board of Directors. The Secretary General represent the organization and is to ensure that operations follow the guidelines and decisions adopted. The Nominating Committee for the Annual Meeting 2019 consisted of Marcus Bernström, Ulrica Morazán, Bengt Svensson and Margareta Larsson. Internal auditors for 2019 are Marie Lackenbauer, Roland Henrysson and Johan Lindgren. Authorised public accountant Jonas Grahn, PwC, and Erik Albenius, PWC were appointed as auditor and deputy auditor, respectively, for 2019.

Board of Directors of Diakonia



From left: Anette Drewitz (Vice Chairperson), Christer Daelander (Member), Linnea Gullholmer (Member), Pether Nordin (Chairperson), Ingela Svedin (Member), Oskar Permvall (Member) and Göran Gunner (Member). Photo: Diakonia

Diakonia's Head Office is in Stockholm.

Regional and Country Offices. Diakonia is a decentralised organization with local offices in 23 of the 25 countries where long-term development cooperation and emergency response are carried out. Four Regional Offices support the Country Offices with overall coordination and administration.

Africa. Regional Office: Kenya. Country Offices: Burkina Faso, Democratic Republic of the Congo (DRC), Kenya, Mali, Mozambique, Somalia, Uganda, Zambia and Zimbabwe.

Asia. Regional Office: Thailand. Country Offices: Bangladesh, Cambodia, Myanmar, Sri Lanka and Thailand.

Latin America. Regional Office: Colombia. Country Offices: Bolivia, Colombia, Guatemala, Honduras, Nicaragua, Paraguay and Peru.

Middle East. Regional Office: Has been temporarily moved to the Head Office in Stockholm. Country Offices: Lebanon and Jerusalem.

Other information. Diakonia is a member of Giva Sverige, Svenska postkodföreningen (the association behind the Swedish Postcode Lottery) and the global network ACT Alliance. We participate in several different groups linked to ACT, such

as ACT EU, ACT Europa, the Steering Committee for ACT members (E8), ACT Nordic and ACT EU's working groups for advocacy work on climate and for the Middle East. We also take part in local ACT forums in most of our partner countries. We actively participate in several of CONCORD Sweden's working groups. We were represented during the year on several boards, including CONCORD Sweden, European Network for Central Africa, Swedwatch and Radiohjälpen. We are also members of Swedish partnerships such as Fair Finance Guide Sweden, the Swedish Forum for Human Rights, the Swedish Ecumenical Accompaniment Programme in Palestine and Israel, and the European Coalition for Corporate Justice. In addition, we are represented in the Swedish Network for Transitional Justice, the Swedish Platform for Colombia, the Forum for Security Co-operation and the various networks of strategic partner organizations. At European level we take part in organizations such as CONCORD Europe, Eurodad, EU-LAT Network for Latin America, OIDAHCO for Colombia and the Zimbabwe Europe Network. Where humanitarian work is concerned, we are members of the Core Humanitarian Standard, Charter for Change, SNHA (the Swedish Network for Humanitarian Actors), and SNKR (the Swedish Network for Disaster Risk Reduction and Resilience). We are also members of the Global Network of Civil Society Organizations for Disaster Reduction (GNDR).

Profit and loss statement

	Not	2019	2018
Revenues of the association			
Grants		493 630	469 079
Gifts		80 641	45 851
Other revenues		1 793	1 962
Total revenues of the association	2, 3, 4	576 063	516 892
Costs for the association			
Operational costs for projects		-494 869	-476 232
Fundraising and marketing costs		-4 800	-7 058
Administration costs		-32 848	-29 374
Total costs for the association	2	-532 516	-512 664
Result of operations		43 547	4 228
Result from financial investments			
Result from securities and receivables accounted for as fixed assets	5	5 605	112
Other interest income and similar profit/loss items	6	194	1 014
Interest expense and similar profit/loss items	7	-2 828	-1 493
Total income from financial investments		2 971	-366
Net profit/loss for the year		46 518	3 862
Variation of earmarked funds	4		
Profit/loss for the year according to the profit and loss statement		46 518	3 862
Utilisation of earmarked funds		3 167	3 401
Utilisation of Fund for operations and investment		-45 000	-2 000
Other earmarked funds not utilised during the year		-4 410	-2 793
Remaining balance/profit/loss brought forward		275	2 470

The totals may deviate from the subtotals due to rounding figures.
All figures are in TSEK unless otherwise indicated.

Balance sheet

As per 31 December

	Not	2019-12-31	2018-12-31
Assets			
Fixed assets			
Intangible assets			
Capitalised expenditure for software	8	0	0
Property, plant and equipment			
Equipment	9	125	117
Financial assets			
Investments held as fixed assets	10	157 801	110 022
Total fixed assets		157 926	110 139
Current assets			
Current receivables			
Other receivables		2 336	2 856
Prepaid expenses and accrued income	12	13 040	17 847
Total current receivables		15 377	20 703
Cash and bank balances		152 635	129 484
Total current assets		168 012	150 187
Total assets		325 938	260 327
Equity and Liabilities			
Equity			
Fund for operations and investment		58 073	13 073
Earmarked funds		5 464	4 221
Profit/loss brought forward		83 484	83 209
Total equity		147 021	100 503
Current liabilities			
Provisions for pensions and similar commitments	14	17 605	16 737
Current liabilities			
Accounts payable – trade		3 571	3 018
Liabilities to financiers	13	139 380	121 629
Other liabilities		1 935	3 004
Accrued expenses and deferred income	16	16 426	15 436
Total current liabilities		161 312	143 086
Total equity and liabilities		325 938	260 327

The totals may deviate from the subtotals due to rounding figures.

Equity

	Earmarked funds	Fund for operations and investment	Profit/loss brought forward	Total equity
Opening profit/loss	4 221	13 073	83 209	100 503
Utilisation of funds for operations and investment		45 000		45 000
Earmarked funds not utilised	4 410			4 410
Utilisation of earmarked funds	-3 167			-3 167
Remaining balance			275	275
Closing profit/loss	5 464	58 073	83 484	147 021

Scope and purpose of Diakonia's equity. The purpose of Diakonia's equity is related to responsible management. Should Diakonia's operations need to be liquidated, the equity should cover fixed costs such as rents and contracts of employment at head office, regional and country offices during one year. This year, the expenses for regional and country offices are about 124 MSEK which are reported as operational costs, according to agreements with Sida. The expenses of the Head Office amount to approximately 38 MSEK, of which 33 MSEK is reported as administration costs and 5 MSEK as fundraising costs. The main part of these costs consists of rents and staff. All Diakonia funds are aimed at its operations or the administration of its operations. The level of equity should be based on an evaluation of probability. According to a decision taken by the Board of Diakonia, the level of equity should be about 25% of the total annual turnover. In addition Diakonia has created a fund for operations and investment. Possible surpluses from administration contributions are offset to the fund. The purpose is to create liquidity for e. g. pre-funding of EU agreements, bridge funding of country offices and IT investments. A large individual gift in 2019, is also set aside for use for important purposes over a three-year period.

Cash flow statement

	2019	2018
Operating activities		
Result of operations	43 547	4 228
Depreciation	392	623
Other items not included in cash flow	868	5 192
Interest received	194	922
Dividends received	549	1 176
Interest paid	-2 828	-1 401
Cash flow from operating activities before changes in working capital	42 722	10 740
Increase/decrease in other current receivables	4 124	-7 647
Increase/decrease in accounts payable	553	1 662
Increase/decrease in other current operating liabilities	18 875	35 113
Cash flow from operating activities	66 275	-39 868
Investing activities		
Investments in property, plant and equipment	-401	-145
Investments in financial fixed assets	-77 874	-32 836
Investments in financial fixed assets	35 151	40 842
Cash flow from investing activities	-43 123	7 861
Cash flow for the year	23 151	47 729
Cash at beginning of the year	129 484	81 755
Cash at the end of the year	152 635	129 484

Liquidity of 152 MSEK consists of bank account holding and petty cash at Head Office (133 MSEK) and at Regional and Country Offices (19 MSEK)

Note 1. Accounting and valuation policies

Diakonia's accounting and valuation policies comply with the Swedish Annual Accounts Act, the Swedish Accounting Standards Board's (BFN) rule BFNAR 2012:1 (K3) and FRIF's (the Swedish Fundraising Council) guidelines on annual reporting. The principles remain unchanged compared to the previous financial year.

Profit and loss statement

Programme service revenue. Only the inflow of economic benefits that the organization has received or will receive on its own account is recognised as revenue. Unless otherwise indicated below, revenue is measured at the fair value of what has been received or will be received.

Gifts and grants. Any transaction through which Diakonia receives an asset or a service that has a value and does not provide corresponding value in return is a gift or a grant received. If the asset or service is received because Diakonia has fulfilled or will fulfill certain conditions and if Diakonia has an obligation to repay the counterparty if the conditions are not fulfilled, it is considered a grant received. If it is not a grant, it is a gift.

Gifts. Gifts are, as a main principle, recognised as revenue when received. A gift recognised as revenue is accounted for as an asset or a cost, depending on whether the gift is used directly or not. Other gifts are recognised as current assets. Gifts are, as a main principle, recognised at fair value.

Grants. Grants are recognised as revenue when the conditions for receiving the grant have been fulfilled. Grants received are recognised as liabilities until the conditions for receiving the grant have been fulfilled. Grants received to cover certain costs (for example, for administration) are recognised in the same fiscal year as the cost the grant is intended to cover.

Programme service expenses Programme service expenses are classified into the following functions: mission, fundraising and administrative.

Mission expenses. Mission operational expenses consist of those expenses that have a direct connection to fulfilling the purpose and/or articles of association of the organization. These expenses are divided into four categories:

- Programme service expenses at partners
- Expenses relating to opinion-shaping activities, e.g. thematic campaigns, in cases where opinion-shaping and awareness activities are part of the mission.
- Administration expenses with a direct bearing on development cooperation are classified as programme service expenses. All expenses incurred by field offices are classified as programme service expenses.
- Knowledge and skills development within Diakonia. These are expenses with a bearing on the organization's own knowledge and skills development. Examples of such expenses are experience sharing and internal training.

Fundraising expenses. Fundraising expenses consist of expenses relating to fundraising activities that are aimed at all Diakonia's donors, that is, private individuals, businesses and organizations. The item includes not only activities targeting existing donors but also the work of seeking out new donors via campaigns, mailshots and maintenance of donor registers. Fundraising expenses may therefore comprise advertising, printed matter, fundraising material and personnel involved in fundraising activities.

Administration expenses. Administration expenses consist of those expenses that are necessary to manage Diakonia. Administration is part of assuring good quality in the organization's internal controls and reporting, both externally and in-house, to financing sources, donors, the Board and other stakeholders, etc. Administration expenses include those relating to the financial management function, administrative system, rents, equipment, annual audit, preparation of the annual report, Annual Meeting, etc. Only expenses incurred at Head Office can be defined as administration expenses.

Leasing. All the organization's leases are accounted for as operating leases, that is, the leasing charge (including the first increased rent) is accounted for on a straight-line basis over the term of the lease. Also fees for rent of premises are in this respect leasing fees.

Remuneration to employees. Ongoing remuneration to employees, in the form of wages/salaries, social welfare contributions, etc. is recognised as an expense as the employees perform their services. All pension commitments are defined-contribution and are recognised as an expense in the year in which the pension entitlement is earned.

Balance sheet. Assets, liabilities and provisions are measured at acquisition value, unless otherwise indicated below.

Property, plant and equipment and intangible non-current assets. Property, plant and equipment and intangible non-current assets are measured at acquisition cost less depreciation according to plan. The acquisition cost was reduced by grant finance relating to the acquisition of a non-current asset. Depreciation is applied on a straight-line basis over the estimated useful life of the particular asset. The following periods of depreciation are applied:

Electronics (computers, etc.)	3 years
Used cars	3 years
New cars	5 years
Modified software	3 years
Equipment (furniture, etc.)	5 years

Financial assets. Accounts receivable are measured individually at the amount that is expected to be received.

After the first accounting occasion, current asset investments are measured by application of the lower of cost or market rule, that is, at acquisition value or the net sale value, whichever is the lower.

After the first accounting occasion, non-current financial assets

that are not interest-bearing are measured at acquisition value [less impairment]. Long-term fixed-interest assets such as bonds are measured at accumulated acquisition value by application of the effective interest rate rule [less impairment]. All assets held for risk diversification are considered to represent a securities portfolio and are therefore treated as one item at measurement by application of the lower of cost or market rule or in testing for impairment. Impairment of a non-current asset is recognised if the market value is lower than the acquisition cost and the decline is deemed to be permanent.

Receivables and liabilities in foreign currencies are measured at the rates on the balance sheet date.

At the time of acquisition, financial assets are measured at acquisition value plus direct transaction costs.

Mission funds. The heading Mission earmarked fund in equity includes gifts not yet spent and other Mission funds. See also the Equity section in the Notes to the financial statements.

Liabilities for received but not used grants. Received grants where the conditions have not yet been fulfilled in their entirety will be reported as liability.

Provisions. A provision is reported when Diakonia has a legal or constructive obligation resulting from events that have occurred and where Diakonia expects that payment will be demanded to settle the obligation and a reliable estimate of the amount can be made. Provisions are valued at the best estimate of the amount that will be paid.

Contingent liabilities. Diakonia provides information on a contingent liability when it has a possible liability as a result of events within Diakonia's control taking place or not taking place, or if Diakonia has an existing liability as a result of events that occurred but that are not reported as liabilities or provisions, as it is unlikely that an outflow of resources will be required to settle the liability or the size of the liability cannot be reliably estimated.

Note 2. Summary of revenues and costs for projects in 2019

	Operation with partners ¹⁾	Operation within Diakonia ¹⁾	Admin- istration ¹⁾	Non-project fundraising	Other funds provided ²⁾	Total	Total
						2019	2018
Reserved funds for projects, 1 January						35 636	37 388
Raised funds for projects, 1 January						4 221	4 830
Public grants	287 565	174 958	31 107			493 630	469 079
Raised funds	3 312	12 934	1 785	62 610		80 641	45 851
Other revenues					1 793	1 793	1 962
Total revenues 2019	290 877	187 892	32 892	62 610	1 793	576 063	516 892
Middle East	32 492	27 730				60 222	61 987
Asia	40 971	15 212				56 183	55 930
Africa	146 757	86 095				232 852	219 232
Latin America	84 038	31 885				115 923	111 207
Globally	1 036	28 653				29 690	27 876
Common expenses			32 848	4 800		37 647	36 432
Total costs 2019	305 295	189 574	32 848	4 800	0	532 516	512 664
Results of operations	-14 418	-1 682	44	57 810	1 793	43 547	4 228
Net utilisation of earmarked funds						1 243	-608
Net utilisation for projects						11 743	-1 752
Reserved funds for projects, 31 December 2019						47 378	35 636
Raised funds for projects, 31 December 2019						5 464	4 221

¹ See accounting principles

² Share of Diakonia's Other revenues which has been provided to the project funds

Note 3. The Revenues of the association

The Revenues of the association are specified as follows	2019	2018
Raised funds	97 184	68 679
Public grants	477 087	446 252
Other revenues	1 793	1 962
Total	576 063	516 892
Gifts	2019	2018
Gifts from direct debit donors	14 093	14 165
Gifts from private donors	6 120	5 577
Gifts from congregations	1 724	1 020
Gifts from organizations and companies	3 398	1 178
Donations by investments in funds	1 948	1 661
Donations by legacies	35 327	1 436
Swedish Postcode Lottery	17 850	21 000
Accrued project funds	181	-187
Total	80 641	45 851
Private grants	2019	2018
Children of the World campaign	4 413	5 175
Other grants, Swedish Radio Assistance	6 295	6 524
Swedish Postcode Lottery	9 224	7 261
Other private grants	1 350	3 860
Accrued project funds	-4 732	24
Repaid grants	-8	-16
Total	16 543	22 828
Total raised funds	97 184	68 679
Public grants are distributed as follows	2019	2018
Sida CivSam ^{1,2}	156 993	153 416
Sida Info ^{1,3}	5 400	4 900
Sida RegLA ^{1,4}	5 453	5 300
Sida Hum ^{1,5}	21 467	17 398
Sv Amb. Middle East ⁶	10 541	8 200
Sv. Amb. Africa ⁶	167 317	145 728
Sv. Amb. Asia ⁶	15 400	14 600
Sv. Amb. Latin America ⁶	43 144	42 639
EU Middle East	0	449
EU Africa	16 611	12 631
EU Latin America	17 439	15 874
Nordic Development Fund	481	1 870
Foreign Embassies	16 295	15 360
Other financiers	8 663	16 047
Accrued grants	-7 192	1 915
Repaid grants	-925	-10 076
Total	477 087	446 252

¹ Swedish International Development Cooperation Agency

² CivSam, the Unit for Support to Civil Society, is part of the Swedish International Development Cooperation Agency

³ Information and Communication, part of Sida's Unit for Support to Civil Society

⁴ Latin America Unit is based in the Department for Conflict and Post-Conflict Resolution, following reorganization of regional Latin America activities.

⁵ Humanitarian Aid, a sub-division of the Department of Conflict and Post-Conflict Cooperation

⁶ Development cooperation units based at Swedish embassies

During the year, approximately 300 individuals worked without compensation as representatives for Diakonia in Sweden. Moreover, many people have committed themselves to campaigns and similar events on behalf of Diakonia. The value of all this work - free of charge - is not accounted for in the profit and loss statement.

Note 4. Budget follow-up

	Outcome	Budget	Deviation
	2019	2019	
Revenues of the association			
Public grants	485 204	543 264	-58 060
- Allocated project funds/Repaid grants	-8 117		-8 117
Raised funds	101 742	85 639	16 103
- Allocated/Repaid grants	-4 558		-4 558
Other revenues	1 793	450	1 343
Total revenues of the association	576 063	629 353	-53 290
Costs of the association			
Operational costs for projects	-494 869	-564 994	70 125
Fundraising costs	-4 800	-4 117	-683
Administration costs	-32 848	-35 656	2 808
Total costs for the association	-532 516	-604 767	72 251
Results of operations			
Results from financial investments	2 971	0	2 971
Net profit/loss for the year	46 518	24 586	21 932
Distribution of net profit/loss for the year			
Net profit/loss for the year according to the profit and loss statement	46 518	24 586	21 932
Utilisation and reserve of earmarked funds	-1 243	3 087	-4 330
Utilisation of Fund for operations and investment	-45 000	-30 000	-15 000
Remaining balance, profit/loss brought forward	275	-2 327	2 602

Note 5. Income from securities and receivables accounted for as fixed assets

	2019	2018
Dividends	549	1 176
Profit/loss sale of fixed assets	5 056	-855
Return/write down fixed assets	0	-208
Total	5 605	112

Note 6. Other interest income and similar profit/loss items

	2019	2018
Bank interest	194	1 014
Total	194	1 014

Note 7. Interest expense and similar profit/loss items

	2019	2018
Interest charges and interest on overdue payment	-2 827	-2
Gains/losses of currency transactions	-1	-1 491
Total	-2 828	-1 493

Note 8. Intangible fixed assets

Capitalised expenditure for software	2019	2018
Opening acquisition value	17 856	17 856
Capitalised expenses for the year		
Disposals for the year	0	0
Closing accumulated acquisition value	17 856	17 856
Opening depreciation	-17 856	-17 452
Depreciation for the year	0	-404
Disposal for the year		
Closing accumulated depreciation	-17 856	-17 856
Closing residual value according to plan	0	0

Note 9. Tangible fixed assets

Capitalised expenditure for equipment	2019	2018
Opening acquisition value	6 017	5 872
Capitalised expenses for the year	302	145
Disposal for the year		
Re-classification		
Closing accumulated acquisition value	6 318	6 017
Opening depreciation	-5 900	-5 809
Translation difference	22	128
Depreciation for the year	-316	-219
Disposals for the year		
Re-classification		
Closing accumulated depreciation	-6 193	-5 900
Closing residual value according to plan	125	117

Note 10. Long-term investments held as fixed assets

Holdings in funds and equivalent	2019	2018
Initial cost	110 022	118 027
Acquisition	77 874	32 836
Sales	-30 095	-40 842
Closing acquisition value	157 801	110 022
Closing carrying amount	157 801	110 022
Market value	171 144	116 393

	2019	2019	2018	2018
	Booked value	Market value	Booked value	Market value
Banco Humanfond	10 930	19 234	10 930	14 718
Swedbank Robour SICa	512	540	151	230
Aktieansvar Sverige	371	1 272	347	1 005
Handelsbanken Lux	98	113	98	113
AktieAnsvar Europa	6	6	6	6
Penningmarknadsfonden	13 574	13 594	12 052	12 094
Nordea Kapitalfond	128 839	132 894	85 588	87 276
Nordea Institutionell Kortränta	161	161	281	383
SEB Fonder	3 293	3 314		
Individual shares	17	17	569	569
Total	157 801	171 144	110 022	116 393

Since the end of 2009 Diakonia has a contract with Nordea for the management of Diakonia's funds.

Not 11. Leasing

	2019	2018
Leasing contracts	Leasing fees	Leasing fees
Within 1 year	7 517	7 342
1-5 years	12 299	15 133
Later than 5 years	3 160	2 962
Total	22 976	25 437

Leasing fees 2019 amounted to 9 246 TSEK (7 398 TSEK)

Note 12. Prepaid expenses and accrued income

	2019-12-31	2018-12-31
Prepaid rent	483	793
Accrued project revenues	11 412	15 556
Prepaid project expenses	496	396
Other items	649	1 103
Total	13 040	17 847

Note 13. Liabilities to financiers

	2019-12-31	2018-12-31
Project balance	47 378	35 636
Liabilities to financiers	170	33
Deferred project income Sida	56 577	55 624
Deferred project income EU	21 769	14 414
Deferred project income Swedish Postcode Lottery	0	9 224
Deferred project income other	13 485	6 697
Total	139 380	121 629

Note 14. Provisions for pensions

	2019-12-31	2018-12-31
Provisions outside the security agreement*	17 605	16 737

*Refers to pension commitments to local employees

Note 15. Salaries, remuneration and social security contributions

	2019	2018
Secretary General*	1 303	1 307
Employees in Sweden*	33 721	28 721
Employees with overseas agreements	4 178	3 658
Employees with local agreements	76 858	76 363
Total salaries and remuneration	116 060	110 049
*Salaries employees in Sweden	24 168	20 793
Of which social security contributions for employees in Sweden including pension.	8 474	6 834
Of which pension costs	2 381	2 402

*The gross salary amount for the organization's Secretary General was 812 TSEK (755 TSEK), no agreed terms by termination of service. Of the pension costs, TSEK 247 (295 TSEK) refers to the Secretary General of the organization. The gross salary amount at the end of the year for the organization's Secretary General was 63,8 TSEK (62,5 TSEK)/ month. All staff with a Swedish contract of employment are covered by a collective agreement. The chairman of the board is remunerated according to decision at the annual meeting in 2019. The members of the Board have not received remuneration from Diakonia for their work. Compensation may be paid for loss of income.

	2019		2018	
Salaries and other remuneration distributed by region amount to:	Employees with Swedish contracts	All employees at Diakonia	Employees with Swedish contracts	All employees at Diakonia
Sweden	35 024	35 024	30 029	30 029
The Middle East	418	18 334	161	23 995
Asia	896	7 833	735	7 543
Africa	1 756	37 102	1 680	32 292
Latin America	1 107	17 767	1 082	16 191
Total	39 202	116 060	33 687	110 049

Note 16. Accrued expenses and deferred income

	2019-12-31	2018-12-31
Holiday pay	1 615	1 356
Accrued expenses, social security contribution	646	584
Special employer's contribution	1 030	514
Other accrued expenses, personnel	2 733	2 428
Accrued project expenses	2 917	2 093
Other items	7 486	8 460
Total	16 426	15 436

Note 17. Average number of employees

	2019		2018	
	Number of full-time employments	Of which men	Number of full-time employments	Of which men
Contract form				
Employees in Sweden	48	24%	44	30%
Employees with overseas agreements	7	46%	6	52%
Employees with local agreements	227	42%	215	42%
Total	282	39%	265	40%
Geographic location				
Sweden	48	24%	44	30%
The Middle East	27	21%	25	22%
Asia	37	27%	39	31%
Africa	118	57%	107	57%
Latin America	52	29%	51	31%
Total	282	39%	265	40%
Board members and senior management				
	Number as per 31/12/2019	Of which men	Number as per 31/12/2018	Of which men
Board members	7	57%	7	57%
Secretary General and management group	6	17%	6	17%

Note 18. Estimates and judgements

Diakonia makes forward-looking estimates and judgements. For Diakonia, these assessments mainly include unused contributions. As a result, the accounting appraisals that are based on such estimates and judgements will, by their nature, rarely be reflected in actual outcomes.

Note 19. Significant events after the end of the fiscal year

Diakonia's international director, Eva Åberg, finalized her contract at the beginning of the year. An internal solution has been applied until new recruitment is carried out. At the beginning of 2020, several IT development projects were started, including an update of the financial management systems. At an extraordinary annual meeting on April 2, 2020, Lena Ingelstam was appointed as the new Secretary General of Diakonia, taking office in June 2020. Due to the corona pandemic in the spring of 2020, Diakonia adapted the work routines for staff and partner organizations due to the circumstances. The aim is to implement as much as possible according to ordinary planning, but the necessary priorities are made on an ongoing basis, partly on the basis of updated operational planning internally and partly on the basis of dialogues with partner organizations and Sida on the conveying of aid.

Alvik, Sweden

Signatures of the Board and the General Secretary, digitally signed 29 April 2020

Pether Nordin Chairperson of the Board
Anette Drewitz Vice Chairperson of the Board
Christer Daelander
Linnea Gullholmer
Ingela Svedin
Göran Gunner
Oskar Permvall
Johan Romare, Secretary General

Signature of the Public Accountant, digitally signed.

My audit report was presented 2020-04-29.
Jonas Grahn, Authorised Public Accountant, PricewaterhouseCoopers AB

A group of children are performing circus and acrobatics under a corrugated metal roof. One child is standing on the shoulders of others, while another is balancing on a hand. The children are wearing colorful t-shirts and shorts. The background shows lush green foliage and a fence.

The Circus of Joy – the dream continues

In Tierralta, northern Colombia, families have been forcibly displaced due to the construction of a hydroelectric power plant. The new land is difficult to farm, and many people have suffered from the armed conflict and the presence of paramilitary groups in the area. Children and young people find it difficult to take their place in society and in decision-making assemblies. To empower young people to raise their voices and express their needs, our partner organization Benposta works with teaching children about their rights. The method used is circus and acrobatics. In the breaks, there is a focus on human rights and the importance of making decisions about your own life. Benposta also works to save young people from being forcibly recruited by armed actors in the area. ■

Auditor's report

To the annual meeting of Diakonia, corporate identity number 802017-3517

REPORT ON THE ANNUAL ACCOUNTS

Opinions I have audited the annual accounts of Diakonia for 2019. The annual accounts are included on pages 26-44 in this document.

In my opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the association as of 31 December 2019 and of its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

Basis for Opinions I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the Auditor's Responsibilities section. I am independent of the association in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information than the annual accounts and consolidated accounts It is the Board of Directors and Secretary General who have the responsibility for the other information. The other information is comprised of the Annual Report for 2019 (pages 1-25, page 45 and pages 48-49) and Sustainability Report 2019 (pages 50-67) (but does not include the annual accounts and my Auditor's Report regarding those accounts).

My opinion on the annual accounts does not cover this other information and I do not express any form of assurance conclusion regarding this other information.

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

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

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

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

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

As a part of my audit according to ISA, I undertake professional judgments and have a professionally skeptical approach during the entire audit. In addition, I execute the following activities:

· I identify and assess the risk of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, design and execute audit measures based, amongst other things, on these risks and obtain audit evidence which is sufficient and appropriate to comprise the basis of my opinion. The risk for failing to identify material misstatements arising due to fraud is greater as regards a material misstatement due to error, as fraud can include engagement in

collusion, forgery, intentional omission, incorrect information or disregard of internal control
· I obtain an understanding of that portion Diakonias internal control having significance to my audit to design audit measures which are appropriate with regard to the circumstances but I do not express an opinion on the effectiveness of the internal control.

· I evaluate the appropriateness of the accounting policies applied and the reasonability of the Board of Director's estimations in the accounts and associated disclosures.

· I test the appropriateness of the Board and Director's application of the assumption of going concern in preparing the annual accounts. I test, based on the audit evidence obtained, whether there are significant factors of uncertainty referring to such events or circumstances that can lead to significant doubt as to Diakonias capacity to continue its operations. If I come to the conclusion that there are significant factors of uncertainty, I am required to provide a statement in the Auditor's Report, noting that the disclosures in the annual accounts involve factors of uncertainty, provided that such information is insufficient, modifying my opinion regarding the annual accounts. My conclusions are based on the auditor's evidence obtained up until the date of the Auditor's Report. However, future events or circumstances can imply that Diakonias can no longer continue its operations.

· I evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and if the annual and consolidated accounts reflect the underlying transactions and events in a manner providing a true and fair view.

I am required to inform the Board of Directors of, amongst other things, the planned scope of the audit and its focus, and the time schedule for the audit. I am also required to inform on any significant observations made during the audit, including any identified significant deficiencies in the internal control.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion In addition to my audit of the annual accounts, I have also audited the administration of the Board of Directors of Diakonias for 2019.

I recommend that the meeting of the association grant the members of the Board discharge from liability for the financial year.

Basis for Opinions I conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the Auditor's Responsibilities section. I am independent of the association in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors

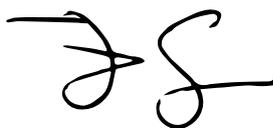
The Board of Directors is responsible for the administration.

Auditor's responsibility My objective concerning the audit of the administration, and thereby my opinion about discharge from liability is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect has undertaken any action or been guilty of any omission which can give rise to liability to the association.

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

As part of an audit in accordance with generally accepted auditing standards in Sweden I exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgement with the starting point in risk and materiality. This means that I focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the association's situation. I examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion.

Stockholm, 29 April 2020



Jonas Grahn
Authorized Public Accountant



Our partner organizations

The following is a summary of all the countries and partner organizations that received funding in 2019.

Bangladesh (1) Number of partner organizations: 11

Association of Development for Economic and Social Help, Bolipara Nari Kalyan Somity, Manab Kallyan Parishad, Organization for Women's Development in Bangladesh, Social Association for Rural Advancement, Bangladesh Resource Centre for Indigenous Knowledge, Bangladesh Legal Aid And Services Trust, Safety and Rights Society, Unite Theatre for Social Action, Udayankur Seba Sangstha, Nagorik Uddyog

Bolivia (2) Number of partner organizations: 6

Centro de Estudios Jurídicos e Investigación Social, Centro de investigación y promoción del campesinado, Asociación Colectivo Rebelada, Unión Nacional de Instituciones para el Trabajo de Acción Social, Coordinadora de la Mujer, Centro de promoción de la mujer Gregoria Apaza

Burkina Faso (3) Number of partner organizations: 40

Association pour la Promotion des Oeuvres Sociales, Cadre de concertation des ONG actives en Education de Base, Association des Femmes Juristes du Burkina Faso, Association Semfilms, Centre pour la Gouvernance Démocratique, Eau Vive Délégation pour le Burkina Faso et le Togo, Association tout pour tous - Yennega (CivSam), Ecole Notre Dame de l'Espérance, Réseau Afrique Jeunes, Centre de Recherche et d'Intervention en Genre et Développement, Centre de Suivi et d'Analyse, Citoyens des Politiques Publiques, Association pour la Promotion et le Développement du Gulmu, Alliance Technique d'Assistance au Développement, Balai Citoyen, Fondation pour l'Etude et la Promotion des Droits Humains en Afrique, Institut Free Afrik, Union Nationale de l'Audiovisuel Libre du Faso, Centre National de Presse Norbert Zongo, Mouvement Burkinabè des Droits de l'Homme et des Peuples, Réseau National de Lutte Anti-Corruption, Groupe d'Etude et de Recherche sur la Démocratie et le Développement Economique, Association d'Appui et d'Eveil Pugsada, Association Monde Rural, Les Films du Défi, Association Tin Tua (CivSam), Secretariat permanent du conseil national pour la promotion du genre, Association Tout pour Tous Yennenga, Association Semfilms, Secrétariat permanent du Conseil national de lutte contre la pratique de l'excision, Association des Femmes Tisseuses de Ponsomtenga, SOS Penitencier, Centre d'Information de Formation et d'Etudes sur le Budget, Association des Blogueurs de Burkina, Association IQRA, Le Cercle d'Etudes de Recherches et de formation Islamiques (Dialogue et changement social), Centre d'Information et de Formation de Droits Humains en Afrique, Organisation pour le Renforcement de Capacité de Développement, Federation du Cartel, West Africa Network for Peacebuilding (WANEP) Burkina Faso, ACT Alliance (partner)

Cambodia (9) Number of partner organizations: 17

Center for Alliance of Labor and Human Rights, Building Community Voices, Banteay Sreim, Cambodian Center for Independence Media, Gender and Development for Cambodia, The NGO Forum on Cambodia, Cambodian League for the Promotion and Defense of Human Rights, Sahmakum Teang Tnaut, Cambodia Human Rights and Development Association, Equitable Cambodia, Coalition for Cambodian Farmer Community, Cambodian Center for Human Rights, Cambodia Indigenous People Organisation, AMARA, Women's Resource Center, Committee for Free and Fair Elections in Cambodia, Cooperation Committee for Cambodia

Colombia (4) Number of partner organizations: 29

Asociación Movimiento Feminista por la Paz Ruta Pacifica de las Mujeres, Oficina Internacional de Derechos Humanos - Acción Colombia - ODHACO, Corporación de Mujeres Ecofeministas Comunitar, Instituto Latinoamericano para una Sociedad y un Derecho Alternativos, Consejo Regional Indígena del Cauca, Fundación Estrella Orográfica del Macizo Colombiano, Fundación Comité de Solidaridad con los Presos Políticos, Consejo Comunitario Mayor de la Asociación, Campesina Integral del Atrato, Fundación Centro de Investigación y Educación Popular, Corporación Desarrollo y Paz del Magdalena Medio, Corporación Sisma Mujer, Red Departamental de Mujeres Chocóanas, Proyecto Colombia Diversa, Centro de Estudios para la Justicia Social Tierra Digna, Corporación Comité Cívico por los Derechos Humanos del Meta, Corporación administrativa de formación y construcción de paz del Foro Interétnico Solidaridad Chocó-COADFOPAZ, Humanidad Vigente Corporación Jurídica, Corporación Centro de Atención Psicosocial CAPS, Voces Diversas Fundación, Corporación Colectivo Psicosocial Colombiano Acción Psicosocial Transformadora, Fundación Verdad Abierta, Corporación Colectivo de Abogados Jose Alvear Restrepo, Asociación de Mujeres cabeza de familia del municipio de Sabana de Torres -ASOMUSAT, Fundación Centro de Fe y Culturas, Benposta Nacion de Muchachos Colombia, Business and Human Rights Resource Centre BHRR, Asociación de Cabildos y Autoridades Indígenas del Cabildo Mayor de la Zona CATRU, Secretariado Nacional Pastoral social, Fundación Paz y Reconciliación

Cuba (10) Number of partner organizations: 7

Centro Cristiano de Reflexión y Diálogo, Centro Memorial Martin Luther King, Consejo de Iglesias Cuba, Centro de reflexión y solidaridad Oscar Arnulfo Romero, Centro Cristiano de Servicio Social y Capacitación Bartolomé Gregorio Lavastida, Movimiento Estudiantil Cristiano, Servicio de Noticias de la Mujer de Latinoamérica y el Caribe

Democratic Republic of the Congo (5) Number of partner organizations: 14

Eurac Network, League of Youth for the Renaissance of Congo, Association Congolaise pour l'Accès à la Justice, Commission Episcopale Justice et Paix, La Voix des Sans Voix, Conseil Régional des Organisations non gouvernementales de Développement du Bas-Congo, Centre d'Etudes sur Handicap, Justice et Résolution 1325, Centre National d'Appui au Développement et à la Participation Populaire, Nouvelle société civile congolaise, Comité National Femme et Développement, Caritas Congo Asbl, Cadre de concertation nationale de la société civile RDC, Organisation Congolaise des Ecologistes et Amis de la Nature, Femmes des Medias pour la Justice au Congo

Egypt (6) Number of partner organizations: 5

The Integral development Action of Minia, Bishopric of Public Ecumenical and Social Services, Eparchial Development Office, Human Rights Association for Community Development in Assiut, Coptic Evangelical Organization for Social Services

Guatemala (7) Number of partner organizations: 22

Conferencia de Religiosos de Guatemala, Bufete Jurídico de Derechos Humanos, Asociación de Mujeres Q'eqchies Nuevo Horizonte, Asociación por Nosotras Ixmukané, Asociación Grupo Integral de Mujeres Sanjuaneras AGIMS, Centro para la, Acción Legal en Derechos Humanos, Asociación La Alianza, Fundación para el Desarrollo y Fortalecimiento de las organizaciones de Base, IBIS Guatemala, Asociación de Mujeres Aqabal, Fundación Myrna Mack, Centro de investigación para la prevención de la violencia en Centroamérica, Centro Ecumenico de Integración Pastoral, Asociación para el desarrollo legislativo y la democracia, Asociación Consejo de Unidad Campesina de Guatemala CUC-G, Agronomos y veterinarios sin Fronteras (Francia), Asociación Civil Gente Positiva, Asociación Unión Nacional de Mujeres Guatemaltecas, Instituto de Estudios Comparados en Ciencias Penales de Guatemala, Unidad de Protección a Defensoras y defensores de Derechos Humanos de Guatemala, Asociación para la justicia y reconciliación AJR, Asamblea Social y Popular

Honduras (8) Number of partner organizations: 14

Organización Intibucana de Mujeres "Las Hormigas", Asociación Colectiva Violeta, Fundación para la Salvaguardia del Medio Ambiente en el Democrático Desarrollo Socioeconómico y de las Instituciones, Asociación Comité por la Libre Expresión, Asociación de organismos no gubernamentales (ASONOG), Centro de Estudios de la Mujer - Honduras, Organismo Cristiano de Desarrollo Integral de Honduras, Movimiento de Mujeres por la Paz Visitación Padilla, Comisión de Acción Social Menonita, Comité de Familiares de Detenidos Desaparecidos en Honduras, Fundación San Alonso Rodríguez, Fundación Equipo de Reflexión Investigación y Comunicación de la Compañía de Jesús, Centro de Derechos de Mujeres, Christian Aid (as partner in Central America)

Kenya (11) Number of partner organizations: 19

The Oslo Center, Legal Resources Foundation, Catholic Diocese of Kitui-Caritas Kitui, Inuka Kenya Ni Sisi Limited, International Center for Policy and Conflict, Independent Medico Legal Unit, Inter-Religious Council of Kenya, Transparency International Kenya, Uraia Trust, Poverty Eradication Network, Katiba Institute, Christian Impact Mission, Kenya Human Rights Commission ACK Nakuru Region InterDiocesan Christian Community Services, National Council of Churches of Kenya, Grassroots Organization Operating Together in Sisterhood Kenya Association, Kenya conference of catholic bishops, Anglican Development Services - Nyanza, Federation of Women Lawyers - Kenya

Lebanon (12) Number of partner organizations: 9

Arab NGO Network for Development, Lebanese Union for People with Physical Disabilities, Arcenciel, Dar Al Amal, Lebanese Women Democratic Gathering, Association Najdeh, Lebanese Observatory for Rights of Workers and Employees, Developmental Action without Borders, Lebanon Support

Mali (13) Number of partner organizations: 20

Observatoire des Droits Humains et de la Paix-ODHP, Association pour l'Appui au Développement Intégré, Association pour la Formation et le développement GLD III 2014-2017, Association Malienne pour la Survie au Sahel GLD 2014-2017, Action pour le Développement Intégré, Coalition pour l'Annulation de la Dette au GLD III 2014-2017, Comité d'Appui au Développement de la jeunesse, Norwegian Church Aid - NCA (as partner Mali), Helvetas Swiss Intercooperation, SNV Netherlands Development

Organisation, Association Malienne pour la Promotion au Sahel, Association de Formation et d'Appui au Développement, Association d'Appui au Développement Communautaire, Women in Law and Development in Africa Mali, Réseau Plaidoyer Lobbying, Association Malienne pour la Survie au Sahel, Oui pour une Enfance Noble au Mali, Yam-Giribolo-Tumo, Service de Développement Intégré, Coalition des Alternatives Africaines Dette et Développement Mali

Mozambique (14) Number of partner organizations: 18

Gender Links Mozambique, Associação para o Desenvolvimento das Mulheres de Morrual, Associação das Mulheres Domésticas da Zambézia, Centro de Aprendizagem e Capacitação da Sociedade Civil, Núcleo de Amigos da Natureza e do Ambiente, Associação Juvenil Othoko, Forum das Radios Comunitarias de Mocambique, Associação de Cegos e Amblíopes de Mocambique, Associação Amigos da Criança Boa Esperança, Associação Mulher Lei e Desenvolvimento, Rede da Criança, Associação Parlamento Juvenil, Associação Mocambicana das Mulheres de Carreira Jurídica, Rede Contra Abuso de Menores, Associação de Jovens da SOALPO, Centro de Estudos Urbanos de Mocambique, Associação Mocambicana Para Democracia Parlamentar, Associação Mocambicana para o Desenvolvimento da Família

Myanmar/Burma (15) Number of partner organizations: 13

Thingaha Gender Organization, Kalyana Mitta Foundation, Myanmar Baptist Convention, World Concern Myanmar, Gaia Sustainable Management Institute/Gaia Organization, Equality Myanmar (EQMM), NGO Gender Group, KBC Social Mission, Myanmar Council of Churches, Knowledge and Dedication for Nation Building/Karen Development Network, Women's Organizations Network, Colors Rainbow, Spirit in Education Movement

Nicaragua (16) Number of partner organizations: 11

Colectivo de Derechos Humanos: Nicaragua Nunca +, Centro de Prevención de la Violencia, Acción Médica Cristiana, Coordinadora Pueblos Indígenas Chorotegas, Asociación Proyecto Miriam para la Promoción Intelectual de la Mujer, Centro por la Justicia y Derechos Humanos de la Costa Atlántica de Nicaragua, Centro "Alexander Von Humboldt" para la promoción del desarrollo del territorio y la gestión del ambiente, Centro de Derechos Humanos, Ciudadanos y Autonomicos, Asociación de Mujeres Indígenas Costa Atlántica, Red Nicaragüense por la Democracia y el Desarrollo Local, Centro de Estudios y Promoción Social

Palestine and Israel (17) Number of partner organizations: 29

Adalah – The Legal Center for Arab Minority Rights in Israel, Gisha - Legal Centre for freedom of movement, Legal Action Worldwide (LAW), Palestinian Vision Organization, Future Society for Deaf Adults, Society of St Yves, Catholic Center for Human Rights, Community Based Rehabilitation Association (CBR central West bank), Palestine Medical Relief Society, CBR Nablus and Farah, Voices society for the rights of persons with intellectual disability, General Union of Palestinians with disability, Bethlehem branch, Women Affairs Technical Committee, Tamer Institute for Community Education, Palestinian Counseling Center, Basma Society for Culture and Arts, Bethlehem Arab Society for Rehabilitation, National Society for Rehabilitation, Deir Al Balah Rehabilitation Society, Project Loving Care Society/Mother Establishment of the Saraya Center for Community Service, Al-Nayzak for Supportive Education and Scientific Innovation R.A., Al Sabeel Center, Physicians for Human Rights Israel, Yes Theatre for Communication among Youth, Small Enterprise Center (SEC) Association, Al Salam Sports Club for persons with disabilities, Birzeit University, Al-Haq, BADIL Resource Center for Palestinian Residency and Refugee Rights, Al Mezan Centre For Human Rights, B'Tselem – The Israeli Information Center for Human Rights in the Occupied Territories

Paraguay (18) Number of partner organizations: 10

Instituto de Estudios Comparados en Ciencias Penales y Sociales, Panambi Asociación de Travestis, Transgeneros y Transexuales, Tierraviva a los Pueblos Indígenas del Chaco, Coordinadora de Derechos Humanos del Paraguay, Federación Nacional Campesina, Servicio Paz y Justicia Paraguay, Asociación Nacional de Productores Agropecuarios, Base Investigaciones Sociales, Centro de Documentación y Estudios, Memetic Media

Peru (19) Number of partner organizations: 13

Lesbianas Independientes Feministas Socialistas-LIFS, Centro para el Desarrollo de los Pueblos Ayllu, Asociación de Comunicadores Sociales, CALANDRIA, Centro de la Mujer Peruana, Flora Tristán, Coordinadora Nacional de Derechos Humanos, Comisión Episcopal de Acción Social, Instituto de Defensa Legal, Asociación Pro Derechos Humanos, COOPER-ACCION Acción Solidaria para el Desarrollo, Centro Peruano de Estudios Sociales, Asociación Para el Desarrollo Andino Amazónico - Huñuq Mayu, DEMUS Estudio para la Defensa de los Derechos de la Mujer, Movimiento Ciudadano frente al Cambio Climático

Somalia (20) Number of partner organizations: 12

Galkayo Education Center for Peace and Development, Kaalo Aid and Development Organization, Forum For African Women Educationalists-Somalia Chapter, Somali Family Services, We are Women Activists, Puntland Office of Human Rights Defender, Ministry of Interior South West State, Isha Human Rights Organisation, Wadajir Rural Development Organisation, Timely Integrated Development Services -TIDES, Puntland Non State Actors Association-PUNSAA, Puntland Youth Association Network-PYAN

Sri Lanka (21) Number of partner organizations: 11

Plantation Rural Education and Development Organization, International Centre for Ethnic Studies, Suriya Women's Development Centre, Women's Development Centre, Law and Society Trust, VILUTHU - Centre for Human Resource Development, Transparency International Sri Lanka, Sri Lanka Centre for Development Facilitation, Peoples Action for Free and Fair Elections, Centre for Environmental Justice, Muslim Women's Research & Action Forum

Thailand (22) Number of partner organizations: 14

ECPAT Foundation Thailand, Help Without Frontiers Foundation Thailand, Center for Girls, Legal Status Network Foundation, Karen Development and Service Foundation, Foundation of Child Understanding, Development Center for Children and Community Network, Thailand Lahu Development Foundation, Inter Mountain Peoples' Education and Culture in Thailand Association, The Foundation of the Church of Christ in Thailand, Upland Holistic Development Project, The Mirror Foundation, MAP Foundation, Micro Economic Development Foundation

Uganda (23) Number of partner organizations: 8

Chapter Four Uganda, The Cross-Cultural Foundation of Uganda, African Youth Development Link, Action for Development, Uganda Joint Christian Council, Gulu Women Economic Development & Globalization, Centre for Policy Analysis, Born Again Faith Federation (BAFFE)-Acholi Sub Region

Zambia (24) Number of partner organizations: 14

Jesuit Centre for Theological Reflection (JCTR), Youth Alliance for Development (YAD), Extractive Industries Transparency Alliance, Foundation for Democratic Process (FODEP), Caritas Zambia, Africa Directions (AD), National Legal Aid Clinic for Women (NLACW), Zambia Health Education & Communications Trust (ZHECT), Caritas Solwezi, Non-governmental Gender Organisations' Coordinating Council, Southern Africa Center for Constructive Resolution of Disputes, Women for Change, Centre for Trade Policy and Development, Media Institute for South Africa- Zambia

Zimbabwe (25) Number of partner organizations: 18

South Western Region Gender Network, United Chiredzi Residents and Ratepayers Association, Gweru Residents and Ratepayers Association, Institute for Young Women Development, Zimbabwe Women's Bureau, Gender Links Zimbabwe, Community Tolerance Reconciliation and Development Trust, Community Youth Development Trust, Youth Empowerment and Transformation Trust, Heal Zimbabwe Trust, Musasa, Zimbabwe Womens Resource Centre and Network, Women in Politics Support Unit, Zimbabwe Council of Churches, Bulawayo Progressive Residents Association, Habakkuk Trust, Emthonjeni Womens Forum, Womens Institute for Leadership Development

Africa regional (Africa Economic Justice Program)

Number of partner organizations: 11

Third World Network, Africa, Tax Justice Network - Africa, Reality of Aid Africa Network, Women in Law and Development in Africa Mali, Women in Law and Development, Southern and Eastern African Trade, Information and Negotiations Institute - Uganda, Eastern African Sub-Regional Initiative for the Advancement of Women, African Network & Forum on Debt and Development, Africa Centre for Energy Policy (ACEP), Bench Marks Foundation, Gender Links

Latin America Regional Number of partner organizations: 8

Amigos de la Tierra America Latina y el Caribe, Proyecto Colombia Diversa, Red Latinoamericana de Mujeres Defensoras de los Derechos Sociales y Ambientales, Red de salud de las mujeres latinoamericanas y del Caribe, Observatorio de Conflictos Mineros de America Latina, Centro de Estudios de Derecho, Justicia y Sociedad, Elige Red de Jóvenes por los Derechos Sexuales y Reproductivos, A.C., Centro por la Justicia y el Derecho Internacional, Comité de America Latina y el Caribe para la defensa de los derechos de las mujeres

Global IHL Number of partner organizations: 1

Geneva Academy of International Humanitarian Law and Human Rights

Sustainability Report

FOCUS ON ACCOUNTABILITY AND HUMAN RIGHTS

Diakonia's vision is that of a just, equal and sustainable world. Working for sustainability is working for human rights. A comprehensive sustainability perspective is thus a prerequisite for our vision to be achieved. Diakonia works in 26 countries and supports about 400 organizations operating at local and national level. Partner organizations influence decision makers and empower rights holders – especially women and other marginalised groups – to escape from poverty and oppression themselves. That is how we believe real change is possible.

The causes of poverty, violence and oppression are often found in unjust, and international, political and economic structures. That is why we are also engaged in political advocacy work in Sweden and the EU. Our work also involves engaging people in Sweden and spreading knowledge on global development cooperation, our work in the world and our overarching issues.

SUSTAINABILITY WORK CAN BE SUMMARISED INTO THREE MAIN AREAS:

Economic responsibility. Diakonia's goal is for the organization's funds to be used in the best possible way, thus contributing to sustainable change for rights holders.

Social responsibility. Diakonia's activities are focused on promoting and defending universally recognised human rights, so that all people can live a life free from poverty and oppression. We place the focus on rights holders and take their needs as our starting point.

Environmental responsibility. Climate change is a threat to human survival, and its effects are felt the most in developing countries. This is why Diakonia supports partner organizations working for sustainable development and climate justice and promoting

resilience and adaptability. We also strive to minimise the negative impact of our activities on the environment.

REPORT PROFILE, STRUCTURE AND LIMITATIONS

Diakonia has been reporting its sustainability work since 2017. The aim is to describe the steering documents and procedures that form the cornerstones of our work for a sustainable world. In the report we analyse the work we already do to contribute to sustainability, but also the weaknesses that need to be addressed in order for Diakonia to improve and develop. The sustainability report is based on requirements in the legislation regarding sustainability reporting and the Global Reporting Initiative (GRI), a framework for sustainability reporting. It covers all Diakonia's work, both in Sweden and internationally, and relates to the 2019 calendar year. The report was produced by Diakonia's management team and has been approved by the Board of Directors. It is part of the Annual Report and is covered by PWC's audit in accordance with the Swedish Institute of Authorised Public Accountants' recommendation REVR 12. The report is presented to the Annual Meeting, Diakonia's highest governing body.



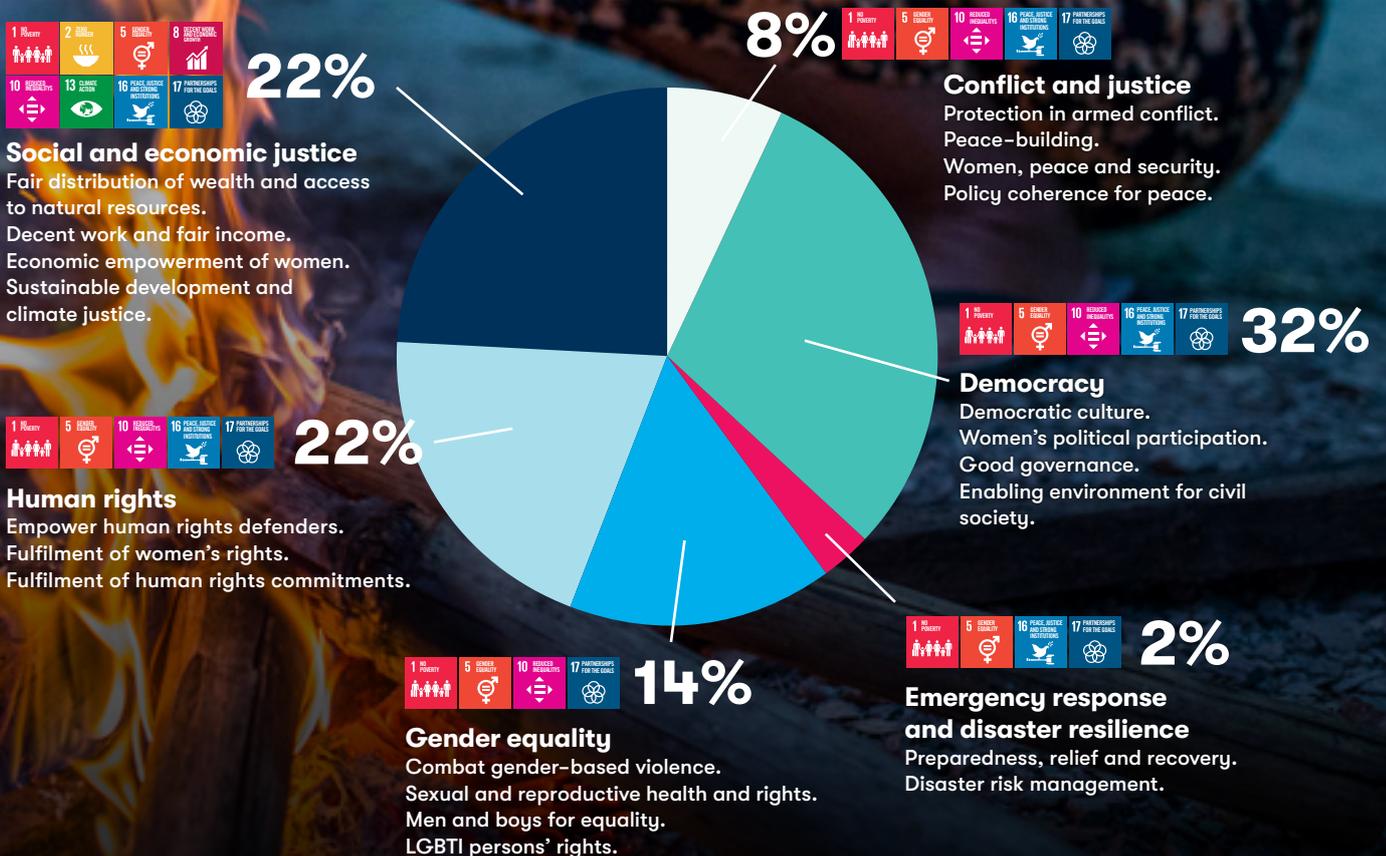
Christine Ndaou is Programme Officer for the Africa Economic Justice regional programme.

UN'S SUSTAINABLE DEVELOPMENT GOALS

Through the 2030 Agenda, the countries of the world have undertaken to lead development towards a sustainable and just future. The 2030 Agenda enhances opportunities to work in a coordinated way for long-term sustainable economic, social and environmental change and to demand that countries' governments meet their commitments. The 17 Sustainable Development Goals (SDGs) aim to end all forms of poverty, combat inequalities and tackle climate change while ensuring that everyone, particularly the most

vulnerable, is included in social development. Diakonia's mandate to work with the root causes of poverty and inequality provides good opportunities and conditions to contribute. As a universally adopted commitment, the 2030 Agenda can be used to drive forward the demands of rights holders and partner organizations. Local ownership, participation and engagement are vital for reaching the goals. Diakonia's work, as described in the Global Strategy 2015–2020, primarily contributes to SDGs 1, 2, 5, 8, 10, 13, 16 and 17.

HOW DIAKONIA'S OBJECTIVES AND OPERATIONS CONTRIBUTE TO THE 2030 AGENDA:



GOVERNANCE

Ethics, integrity and accountability.

Diakonia's commitment to uphold the highest standards throughout its work is governed by its two guiding principles:

- *the strategy for how rights-based change occurs.*
- *our guidelines for long-term and respectful partnership.*

Policies and steering documents

Area	Steering document	Level of decision
Guiding documents		
Overall	Diakonia's statutes Global policy Global strategy 2015–2020 Humanitarian policy Order of delegation PME Handbook Action plan for gender equality	Annual Meeting Annual Meeting Board of Directors Board of Directors Board of Directors International director Secretary General
Finance		
Investments Resource mobilisation Procurement	Secretary General Global framework for fundraising Procurement Guidelines	Board of Directors Secretary General Secretary General
Environment		
Environment	Environment policy Environment implementation plan	Board of Directors Secretary General
Socialt		
Anti-corruption	Anti-corruption guidelines	Secretary General
Human Resources	Human Resource policy Human Resource handbook Code of Conduct Work Environment policy	Board of Directors HR director Board of Directors Board of Directors
Child protection	Child Safeguarding policy	Board of Directors
Accountability and transparency	Complaints and Response Mechanism policy Transparency and Accountability guidelines	Board of Directors Secretary General

To follow up on the organization's commitments, Diakonia has adopted a set of frameworks, policies and guidelines. An overview of these is provided on this page.

The following is a description of those areas of special importance to ensure ethics, integrity and accountability in Diakonia's operations.¹

Code of Conduct. The purpose of Diakonia's Code of Conduct is to describe employee responsibilities in relation to the people for whom Diakonia works.

The Code of Conduct seeks to help Diakonia's employees understand the behaviour expected of them and their obligations. Everyone representing Diakonia is required to behave in accordance with the Code of Conduct and applicable legislation. Everyone is also obliged to prevent irregularities such as corruption, fraud, sexual exploitation and abuse and ensure that no child is harmed. Managers at all levels at Diakonia are responsible for all staff being aware of the content of the Code of Conduct and how it should be applied.

¹ Diakonia's definition: Accountability is a means to ensure that power is used responsibly. It is a process of taking into account the views of different stakeholders, and primarily the people affected by the power exercised.



Knowledge protects against violations

Slave wages, long working hours and unhygienic housing. The working conditions of migrants in Thailand are often inhumane. Already weak groups, children and mothers are particularly vulnerable. Diakonia and Ecpat Sweden work together with local organizations to reduce the risk of migrants from Myanmar to Thailand being subjected to exploitation or trafficking. Many migrants arrive illegally, increasing the risk of exploitation. Few people know they can apply for a permit. With a work permit, they are entitled to social security, the minimum wage and to form trade unions. Our partner organization works on both sides of the border to provide information about the conditions of migrant workers, their rights and how they can apply for work permits. We are already seeing that more and more migrant workers are making use of their rights and choosing to negotiate with their employers. ■

Risk management. The overall objective of Diakonia risk management is to work in a systematic way to identify, analyse and manage risks that may prevent the fulfilment of the organization's objective. In 2019, risk analyses were conducted by the Board of Directors, the management team and all regional and country teams, taking both internal and external factors into consideration. Diakonia uses the COSO model² to calculate the severity of an identified risk for the operation. Risk management is a decision-making process that involves choosing between accepting, avoiding, mitigating or eliminating the risk. The most serious risks at global level are the risk of corruption, the decline in democratic space for civil society, disaster situations caused by natural disasters or social/armed conflicts, financial risks and cyber-related risks.

Indicator. Proportion of programmes that include corruption in their risk analysis:

2017: 32% 2019: 100%
2018: 100%

In 2018 and 2019, Diakonia has aimed to strengthen its internal capacity for risk analysis and risk management and for the prevention of corruption.

Anti-corruption work. All operations conducted by Diakonia shall be characterised by a high professional standard as regards fighting corruption³. Corruption ultimately affects individuals and is acknowledged to be one of the greatest constraints in fighting poverty. It has proved to have a harmful and sometimes devastating effect on investments and economic growth, administrative performance and efficiency, and on political development. Civil society's involvement in the fight against corruption is important. Without the supervision and scrutiny of civil society, there is a high risk that anti-corruption efforts would fail. In 2018/2019, Diakonia, in collaboration with other ACT organizations, developed an e-learning programme in anti-corruption. All staff have completed the training. The training is a mandatory part of the induction of newly recruited staff.

Complaint and incident management. There may be occasions when Diakonia fails to live up to its commitments or does not meet the expectations of all stakeholders. As part of an ongoing process to improve our accountability, Diakonia has introduced a digital system for complaints management – a complaints mechanism – so that its employees can report incidents. The system also makes it possible for rights holders, individuals and organizations to submit complaints and give feedback on Diakonia's and its partner organizations' work. Complaints and incidents are handled in the strictest confidence, and reports can be made anonymously.

The total number of confirmed incidents that led to cooperation being terminated due to corruption:

2017: 3 2019: 9
2018: 9

The total number of breaches of Diakonia's Code of Conduct that led to an employee of Diakonia being dismissed:

2017: 2 2019: 1
2018: 0

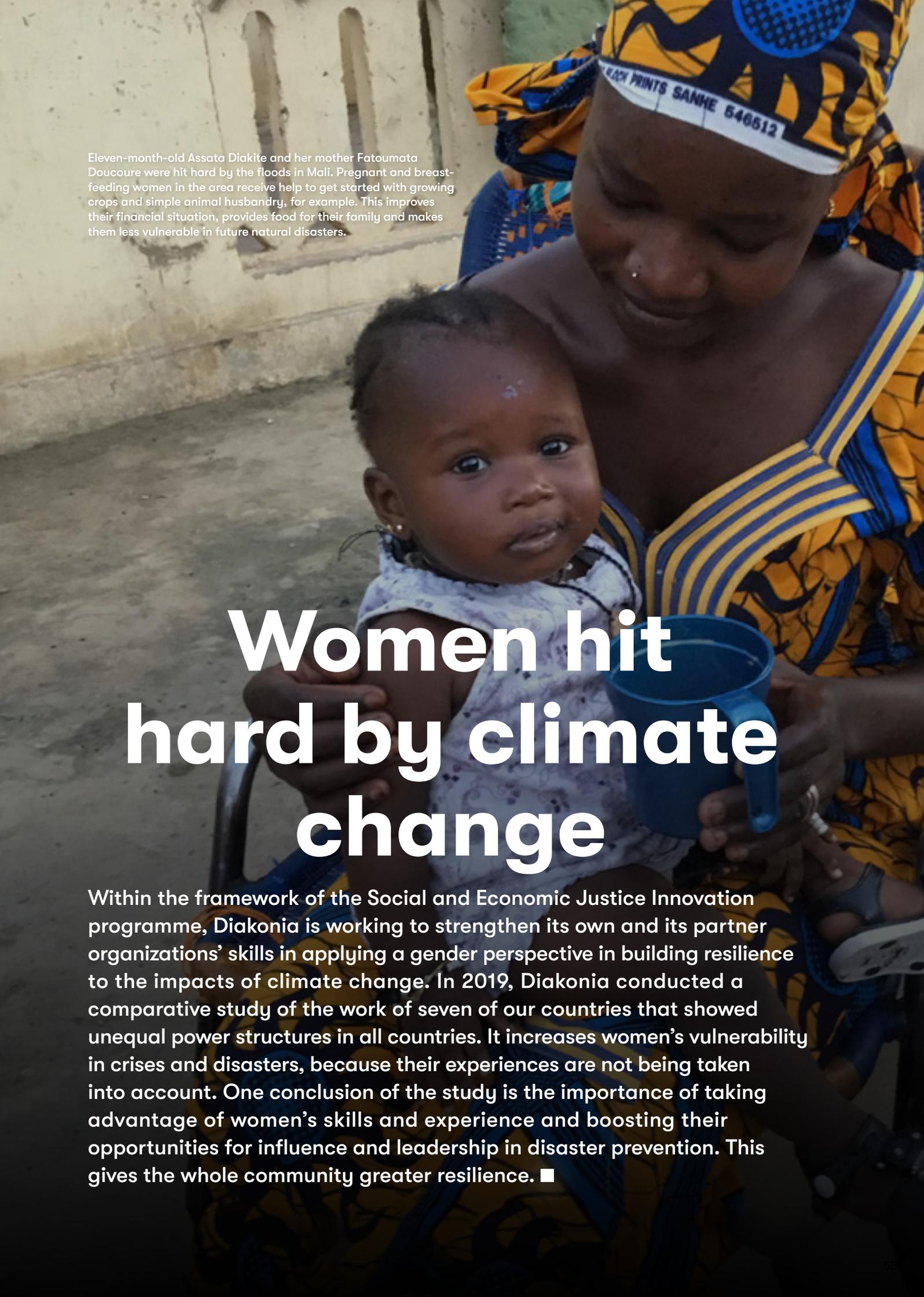
The number of cases is reported and followed up on annually. Diakonia has zero tolerance of corruption.

Example of a case finalised in 2019.

One of Diakonia's partner organizations did not submit their annual report on time, which may be a sign that the organization is failing to live up to Diakonia's requirements. Diakonia investigated the case and when it turned out that there was a conflict in the organization, we supported conflict management. We also supported the organization in drawing up their annual report. The annual report showed that despite the conflict, no irregularities had occurred. The rights holders also told them how important it was for them for the organization's work to continue. Diakonia and the organization's management agreed on an action plan to strengthen the organization, regarding both administration and management.

² The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a global framework for risk analysis and risk management.

³ Diakonia works according to a definition that encompasses both civil society and the public and private sectors: "Corruption is the abuse of power for illegitimate individual or group benefits." Diakonia has zero tolerance of corruption.



Eleven-month-old Assata Diakite and her mother Fatoumata Doucoure were hit hard by the floods in Mali. Pregnant and breast-feeding women in the area receive help to get started with growing crops and simple animal husbandry, for example. This improves their financial situation, provides food for their family and makes them less vulnerable in future natural disasters.

Women hit hard by climate change

Within the framework of the Social and Economic Justice Innovation programme, Diakonia is working to strengthen its own and its partner organizations' skills in applying a gender perspective in building resilience to the impacts of climate change. In 2019, Diakonia conducted a comparative study of the work of seven of our countries that showed unequal power structures in all countries. It increases women's vulnerability in crises and disasters, because their experiences are not being taken into account. One conclusion of the study is the importance of taking advantage of women's skills and experience and boosting their opportunities for influence and leadership in disaster prevention. This gives the whole community greater resilience. ■



Farmer Margarita Huamani is a participant in a sustainable agriculture project in Alpacocha, Ayacucho, Peru. Photo: Laura Ardila

Stakeholder engagement

Actors	Definition	Role
Rights holders	All people are rights holders but in this context it refers to "people who have been denied their human rights"	Their human rights are denied/violated, but they are the main driver for change processes
Partner organizations	A wide group of non-state actors working for sustainable change at local, national, regional and international level	They are drivers of change processes and working together with the rights holders
Founding churches	The Uniting Church in Sweden and the Swedish Alliance Mission.	The founding churches give Diakonia a mandate and legitimacy. They appoint members of the Board
Support groups in Sweden	Includes congregations, activists, delegates and individuals in Sweden	They provide the support base and legitimacy to do advocacy work in Sweden and support Diakonia's global work
Networks and alliances	Platforms for civil society actors at local, national and global level	Provide space for coordination, sharing experiences and knowledge and advocacy activities
Duty bearers/civil servants/authorities	People and institutions in position of power in for example public authorities, ministries, institutions or political parties	Their positions and power are instrumental for creating a just, equal and sustainable world. They are responsible for compliance with legal and formal requirements
Private sector	Large corporations, medium, small, micro and individual enterprises	They have potential to contribute positively or negatively to sustainable development and the respect for human rights
Donors (private and institutional)	Institutions, companies and individuals that provide funding for Diakonia's operations	Provide funding and partner with Diakonia in development and humanitarian work
Diakonia employees	Diakonia staff working at head office or in a country- or regional office in the programme countries	They are employed by Diakonia and contribute to change from their different roles and positions
Service providers	Service providers supplying Diakonia with goods and services	They provide Diakonia with services (for example consultants) or goods (for example office supplies)
Media	Journalists and newsrooms	They have the possibility to spread Diakonia's message and to influence public opinion through media

MATERIALITY ANALYSIS – OUR MOST IMPORTANT ASPECTS

Economic responsibility

Economic performance, anti-corruption, financial sustainability, socially responsible investments, procurement procedures.

Environmental responsibility:

Positive impact on the environment, CO₂ emissions.

Social responsibility

Gender equality and diversity, security practices, planning, monitoring and learning, public awareness and trust, skills development.

STAKEHOLDERS AND MATERIALITY ANALYSIS

Changing unjust structures is complex work that requires different forms of alliances and innovative work methods. Diakonia works with rights holders, local organizations and other strategic actors that contribute to sustainable change. Local ownership is a prerequisite for sustainability, and Diakonia is aiming to increase partner organizations' and rights holders' participation and influence on initiatives. We see ourselves as an accompanying partner to the partner organizations and strive to build relationships based on trust, participation and trans-

parency. In the above, the aspects presented have been identified as the most significant for Diakonia's sustainability work. They are categorised into three spheres of responsibility: economic, environmental and social.

This assessment has been made by Diakonia's employees in collaboration with partner organizations and rights holders. The picture also reflects the perspectives of other stakeholders. In 2019, we have evaluated the assessment and made small adjustments. A more in-depth review is planned for 2020.

Pictured above: Together with rights holders and partner organizations, we have identified the aspects that are most crucial for Diakonia's sustainability work. They are categorised into three spheres of responsibility: economic, environmental and social. Photo: Gustav Hugosson



Economic responsibility

Economic responsibility: Economic performance, anti-corruption, financial sustainability, socially responsible investments, procurement procedures.

ECONOMIC RESPONSIBILITY Economic sustainability includes compliance with legislation and ethical considerations to ensure effective fundraising and resource mobilisation, that finances are managed and followed up correctly and transparently, and that procedures and control mechanisms are in place and applied. Some of the most important aspects for Diakonia are analysed in the following section.

Economic performance. Diakonia’s economic performance is presented in the annual accounts on page 26–44.

Socially responsible investments. Diakonia’s investment policy highlights the need to consider environmental, social and ethical aspects in its investments. Diakonia actively rejects and refuses to invest in activities involving arms, pornography, alcohol, tobacco and fossil energy sources. In addition, Diakonia works to influence companies and banks to take responsibility and improve their work in areas such as human rights, working conditions, environmental issues and corruption.

Financial sustainability. All resource mobilisation at Diakonia is to comply with the resource mobilisation framework, as well as Diakonia’s overall ethical approach. One goal for Diakonia’s financial sustainability in the long term is to increase the level of diversification in funding. A key sub-goal is to increase fundraising from private donors.

Procurement practices. Diakonia’s procurement guidelines are to apply to all purchases where Diakonia funds are used to pay for goods and consultancy services. The guidelines help Diakonia’s staff ensure that purchases are as transparent, fair, environmentally friendly and cost-efficient as possible. All suppliers are to adhere to Diakonia’s procurement principles. Diakonia’s Code of Conduct also applies to consultants. The procurement guidelines are linked to Diakonia’s anti-corruption work. When an employee applies the guidelines, this also serves as insurance against unethical or corrupt actions when negotiating or purchasing goods from suppliers.

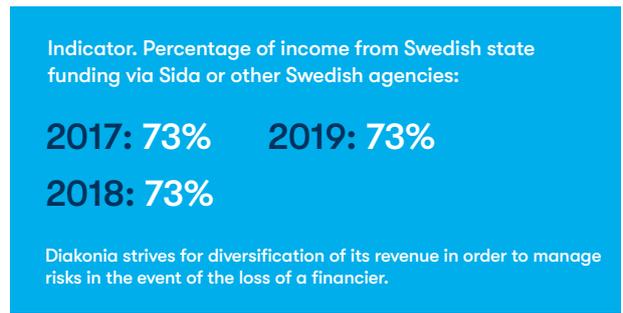
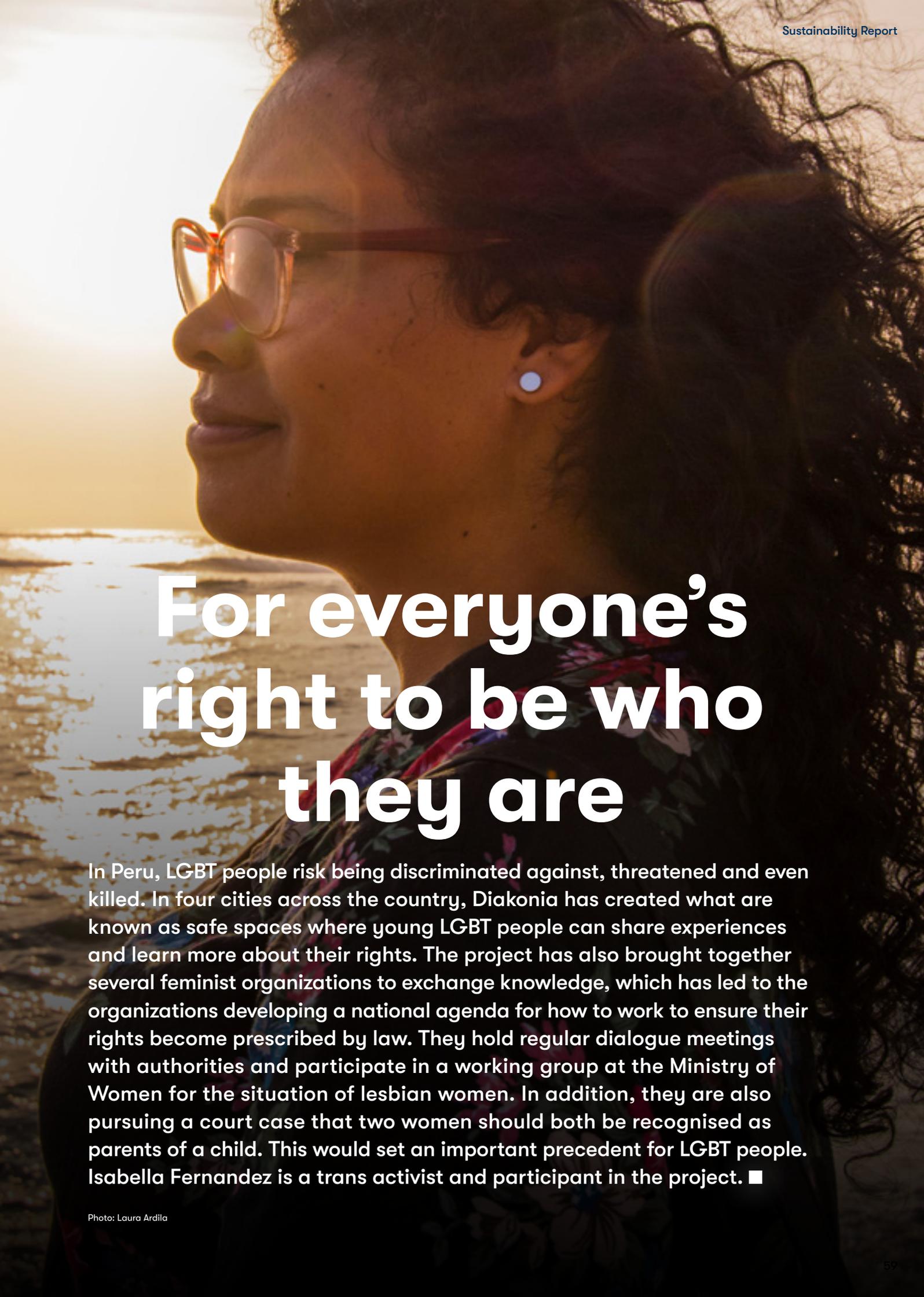


Photo: Diakonia



For everyone's right to be who they are

In Peru, LGBT people risk being discriminated against, threatened and even killed. In four cities across the country, Diakonia has created what are known as safe spaces where young LGBT people can share experiences and learn more about their rights. The project has also brought together several feminist organizations to exchange knowledge, which has led to the organizations developing a national agenda for how to work to ensure their rights become prescribed by law. They hold regular dialogue meetings with authorities and participate in a working group at the Ministry of Women for the situation of lesbian women. In addition, they are also pursuing a court case that two women should both be recognised as parents of a child. This would set an important precedent for LGBT people. Isabella Fernandez is a trans activist and participant in the project. ■



Social responsibility

Gender equality and diversity, security practices, planning, follow-up and learning, public awareness and trust, skills supply.

SOCIAL RESPONSIBILITY Diakonia's operations are characterised by its guiding principles and a rights perspective that includes participation, accountability, freedom from discrimination, transparency, equality and a clear link to legislation and commitments regarding human rights.

Diakonia's humanitarian work is governed by the humanitarian principles of humanity, impartiality, neutrality and independence.

Planning, follow-up and learning. Diakonia uses results-based management so that all funds are used to achieve the stated results, and lessons learned are identified and integrated in the work. Quality assurance covers all processes so that

they are effective and appropriate and guarantee reliability of reporting and compliance with applicable laws and regulations. Diakonia's guidelines for planning, follow-up and evaluation are its most important steering document for internal control.

Public awareness and trust. Diakonia works on the basis of the principles of accountability and openness and strives to communicate clearly and openly. The aim is to make it clear to members, donors, authorities, partner organizations, rights holders, staff and the general public who we are, how we work, and how financial resources are used. and results are achieved.

Photo: In Burkina Faso, our partner organization ATTOUS trains women to become motorcycle mechanics. Photo: Mia Rimby



Photo: Mia Rimby

Security practice. Diakonia works in countries and contexts where security procedures are crucial to conducting activities in a responsible and secure manner with respect to staff, partner organizations and rights holders. Important security procedures include:

- *Analyses and contingency plans adapted to local conditions.*
- *Risk management.*
- *Incident reporting and Code of Conduct.*
- *Transparency and openness about activities.*
- *Active involvement of all staff in the security work.*

Diakonia has identified that it is a matter of great priority to continue to develop and strengthen work on security.

Gender equality and diversity. Diakonia works for the right of all people to live a life in dignity – irrespective of age, class, disability, ethnicity, gender, nationality, political conviction, religion, or sexual orientation and identity. All operations are to take a gender equality perspective, with particular focus on the active participation and rights of women and girls. In 2019, it was decided that Diakonia's activities should be based on feminist principles. This is a requirement for tackling structural causes of poverty, and it contributes to initiatives that are sustainable in the long term.

Human resources. The key factor for success and sustainability in both our organization and our operations is to have professionally skilled and committed staff. Diakonia strives to achieve a work environment characterised by mutual respect and encouragement to engage in professional growth, open communication and gender equality. All employees are to be provided with equal opportunities to participate in structuring their work situation. Diakonia has zero tolerance of sexual harassment and works actively to counteract a culture of silence. In 2019, work began on a local cooperation agreement that will cover all employees in Sweden and lead to increased influence and better understanding of operations. All directors are to promote diversity and equal opportunities at the workplace and work together with the employees to achieve these. Since 2018 we have had a procedure in place to annually follow up on and evaluate how the organization is complying with the provisions on diversity. This work is based on the Discrimination Act. Skills supply is to an increasing extent designed to be easily accessible and to support both professional and personal growth and the growth of the whole organization. Diakonia is a member of ActLearn's e-learning platform. The aim is to strengthen systematic learning and improve the dissemination and exchange of knowledge within the organization.



ENVIRONMENTAL RESPONSIBILITY Diakonia’s environmental policy and global implementation plan were adopted by the Board of Directors in January 2016. The implementation plan defines global goals, activities and indicators to promote joint planning, implementation and monitoring in the area of environmental management. Despite this, it is clear that there is a need to further strengthen environmental mainstreaming. Diakonia is an international organization with operations in 26 countries. The work requires travel both within and between countries. When travelling, means of transport that have less impact on the environment shall be prioritised. Diakonia is also to produce goals and plans for reducing its emissions. In 2019, work continued on developing procedures to reduce carbon emissions. A few examples are improved procedures for planning trips and visits, a reduced number of trips, coordinated field trips and a greater proportion of video conferences. All staff report the

number of days they travel and calculate their CO₂ emissions. In 2018, a new model was introduced for collecting and calculating data about carbon emissions. The aim is for the information to be a tool to enable us to monitor that we are helping reduce carbon emissions. Diakonia does not carbon offset its operations, because it is thought that this jeopardises the necessary focus on helping to reduce emissions, and that the present emissions trading system is ineffective.

Positive environmental effect. In 2019, Diakonia supported approximately 50 partner organizations and projects that focus on the environment or climate. Some examples of focal areas are sustainable management and extraction of natural resources, local community rights in hydropower expansion and farming practices adapted to the climate. Diakonia and its partner organizations have also carried out advocacy and networking activities related to climate change. Advocacy work for climate justice is one of the main focal areas in the Sweden programme, and Diakonia is part of ACT Alliance’s campaign for climate justice. We work to develop skills regarding climate change and its effects, both internally and among partner organizations.

The figures below show the number of educational activities carried out in 2019.

Indicator: Number of flight kilometres (related to CO₂ emissions):

2019: 2 947 473

In 2018, Diakonia introduced a new measuring method for following up emissions from travel. We measure the number of flight kilometres. The method was used for four months in 2018 and throughout 2019. We will use 2019 as the starting point for our follow-up.

Indicator: Number of initiatives for capacity building aimed at partner organizations (climate justice and environmental issues):

2017: 84 2018: 84 2019: 85

Indicator: Number of capacity development initiatives internally (climate justice and environmental issues):

2017: 34 2018: 34 2019: 35

As part of contributing to greater environmental awareness, we annually follow up and report the number of capacity development initiatives.



Agriculture provided a new way of life

When Baringo in Kenya was hit by severe drought in 2017, crops were devastated and livestock died. The inhabitants of Baringo are pastoralists, itinerant cattle herders, and completely dependent on their animals for their livelihood. Cattle theft between communities is common, often leading to violence and conflict. The inhabitants of Baringo have now received training in agriculture and, with methods adapted to the arid area, have successfully started growing vegetables. Agriculture provides greater opportunities to earn a living while reducing the risk of conflict. An important part of the project has been for residents to see that they themselves can drive the change they want to achieve. ■



Sharifa and Akhi Akther live in Thakurgaon, northern Bangladesh. They have taken part in a project that encourages girls to defy gender norms by cycling. This has given the sisters greater freedom of movement. Photo: Gustav Hugosson

THE AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

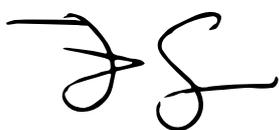
To the annual meeting of Diakonia, corporate identity number 802017-3517

Engagement and responsibility The Board of Directors is responsible for ensuring that the statutory sustainability report for 2019 on the pages 50-67 has been prepared in accordance with the Annual Accounts Act.

The scope of the audit Our examination of the statutory sustainability report has been conducted in accordance with FAR's auditing standard RevR 12 Auditor's report report on the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion A statutory sustainability report has been prepared.

Stockholm 29 April 2020



Jonas Grahn, Authorized Public Accountant



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The climate crisis is real and it is happening now. Those hardest hit are often the people with the lowest carbon footprint. The Andes in Peru are home to the world's largest tropical glaciers. The glaciers are important freshwater reservoirs that provide water to the region during dry periods. In recent years, the glaciers have melted at a terrifying speed, with only about 10% now remaining. Here, Luisiana Tacuri Misarayme and the other inhabitants live off what the alpacas provide. The women are responsible for herding the animals, and when drought strikes, they have to walk tens of kilometres a day to ensure their animals are fed. Together with the local population, we are working on developing smart, simple methods to save water for the dry seasons. Everyone in the village, young and old, has come together to improve the situation. A dam that retains rainwater in a large reservoir is one of the most important results of the project. It provides the villagers with water during the dry season. By the end of 2019, the villagers had taken 4 000 cubic metres of water from the reservoir. By planting trees, we also want to increase the water in the land near the village so that grass can grow all year round.

Knowledge is a requirement for finding solutions. Organization is required if we wish to join forces to achieve lasting change. It is only when we have knowledge and are organized that we can seriously influence our situation. Together, we are people who are changing the world.

