



Annual report 2018



**People
change
the world**

Together, we can change the world

The space we have to operate in is shrinking. Things are tough and dangerous. The situation for human rights in the world is worrying to say the least. Working for a just, equal and sustainable world entails mortal danger in many of the countries in which we work. This became particularly evident in 2018.

But another thing also became clear. And that is the determination that the people we encounter display as they continue to fight. These are people who have had enough, who are putting up resistance and defying norms and oppression. Together they are finding new ways ahead and clever methods, and refusing to give up. With Diakonia's partner organizations behind them, people are gaining the strength and courage to stand up for their rights.

Like Netty Mushanu from our partner organization Musasa, on the cover of this Annual Report. She works to prevent sexual violence in Zimbabwe, where rape is so common that one in every three women is raped at some point in her lifetime. Fifteen-year-old Precious*, who had been raped, came to Musasa's women's refuge. She is now being supported in getting the man who raped her charged.

Netty and Precious are two of the women who remind me to be brave and put up a fight. In our Annual Report you can read about many more people around the world who are organizing and resisting. Who are changing the world.

* Not her real name.

Georg Andrén
Secretary General of Diakonia

Photo. Around 350,000 children are estimated to live in what is currently the world's largest refugee camp: Cox's Bazar in Bangladesh. The conditions there are tough, and many remain traumatised from their experience of fleeing their homeland. Together with our partner organization, we create safe places in the refugee camp where children can play and learn. Read more on page 25. Photo: Diakonia

Cover photo: Anna Hugosson. Graphic design: Treativ. Printing: Åtta45 Tryckeri. Address: Diakonia, Box 14038, SE-16714 Bromma, Sweden. Visiting address: Gustavslundsvägen 18, Bromma.
Tel: +46 (0)8-453 69 00. Contact: diakonia@diakonia.se
Website: www.diakonia.se Plusgiro: 90 33 04-4



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The year in brief

365 days' work for a just, equal and sustainable world. Here are some significant figures from Diakonia's activities in 2018, along with references for further reading.

403

partner organizations

See which ones on page 48.



Women



Men

Gender distribution among Diakonia's employees in 2018. Read more on page 44.

Funds raised from supporters

2018

SEK 19,742,000

Read more about Diakonia's finances on page 35.

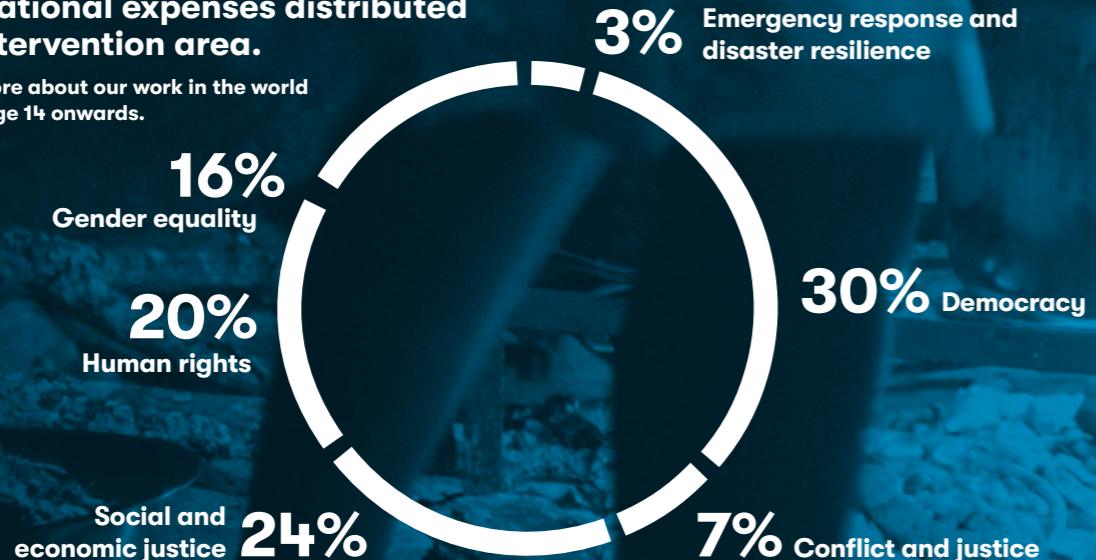


10,817 supporters and donors

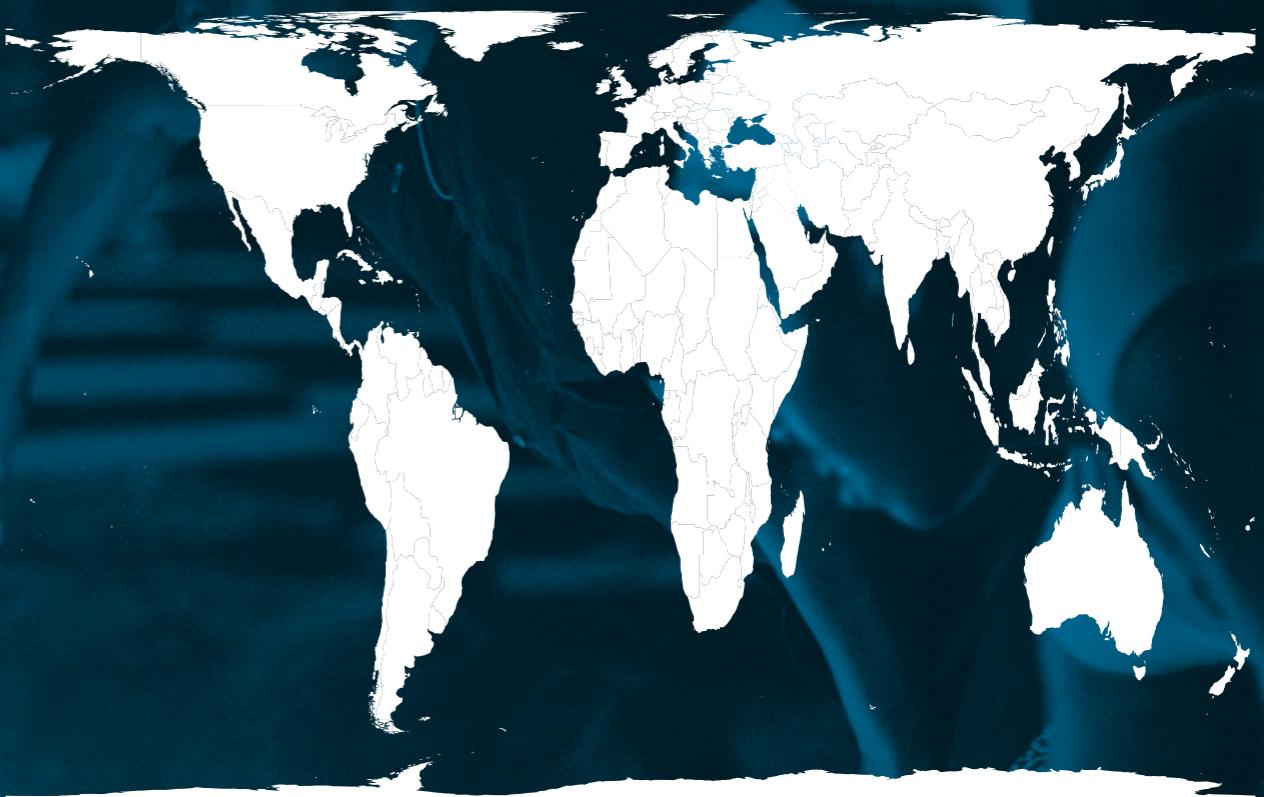
Operational expenses SEK 476 million

Operational expenses distributed by intervention area.

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



Number of employees



Sweden: 44. Middle East: 25. Asia: 39. Africa: 107. Latin America: 51. Total: 265

Number of questions that children posed to politicians via the Children's Thinktank (Barnens Tankesmedja)

Read more about the Children's Thinktank on page 26.

1022

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 partners and other strategic 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.

The winning team in the football cup in Thakurgaon, Bangladesh celebrates its victory with music and dance. Our partner organization MKP uses sport as a tool in its work against child marriage and for women's rights. Photo: Martina Holmberg.

Diakonia in the world

We work with a rights-based approach with around 400 locally rooted movements and organizations in 25 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 resilience.

- Programme
- Regional and country office
- Country office

Bangladesh (1)
Bolivia (2)
Burkina Faso (3)
Colombia (4)
Democratic Republic of 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)

How we work

When people who have gained knowledge about their rights join forces and demand they be respected, change can take place. Our extensive experience and the fact that we are firmly established in 25 countries sees us working with organizations and individuals to change the world.

Diakonia is a development organization based on Christian values with a conviction that all people are of equal worth. Our founding churches are the Swedish Alliance Mission and the Uniting Church in Sweden. We fight on their behalf for people's liberation and redress, and for the creation of fair structures. No individual has the right to violate another person's human rights. That is why our vision is a just, equal and sustainable World.

Our strategy for effecting change is simple. Knowledge is a requirement if improvements are to take place. 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. But reality is complex. That is why it is necessary for us to have an in-depth understanding of the context and problems in order to find clever solutions to the world's biggest challenges. Driven by this insight, we have established country offices in 23 countries and work with 400 partner organizations. We work

to establish flexible, long-term relationships with our partner organizations. Relationships based on common values, trust, honesty, shared responsibility and transparency.

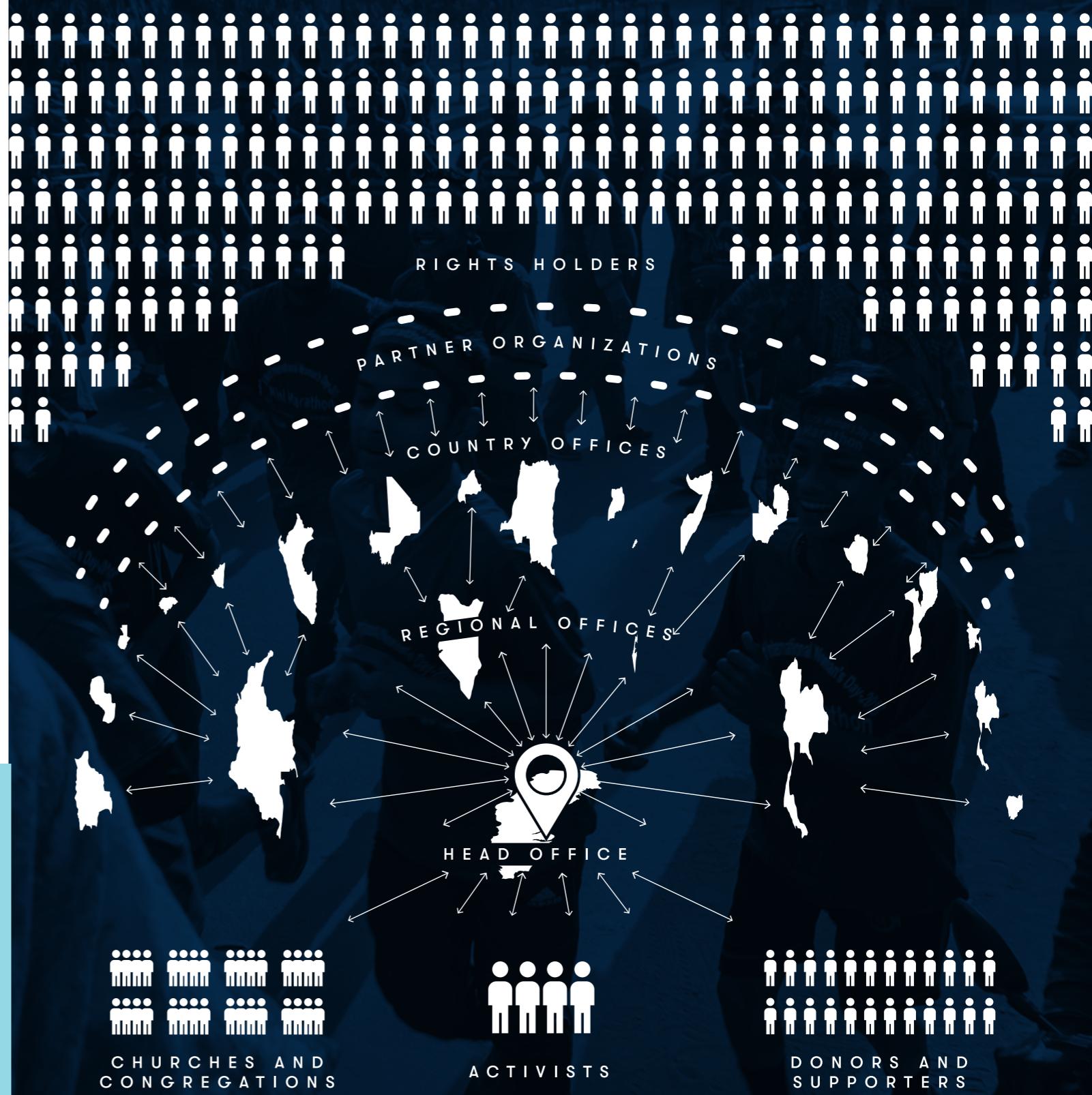
In order to ensure this, we rely on common guidelines and frameworks, but above all it is a question of establishing close, open dialogue. Together we analyse problems and opportunities that people are faced with and build up operations. All our activities take a rights-based approach, regardless of whether conducted at national or global level.

We also know that in order to have an impact on the major structural problems, we need to work on a broad front and on several levels simultaneously. There need to be many of us who believe in human rights and support 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, and Emergency Response and Disaster Resilience.

Our organization





A tool for the future

Learning from each other and identifying major currents and trends. These are two of the reasons why last year Diakonia launched Gender Context Analysis as a key tool for its future work.

The analysis means that Diakonia investigates various social, political and economic factors and analyses how they affect gender equality, women's rights and LGBTI person's rights in the countries in which it has operations.

"When we use the analysis to describe reality, it's not only about taking a snapshot of how things look at that moment, but rather about making a film that shows how we came to the point we've arrived at," says Jenny Enarsson, Gender Equality Advisor. "Implementing the analysis in the countries where Diakonia operates helps us keep abreast of what's going on," she points out.

"It's crucial for us to not just keep tabs on the gender equality issue in every country we work in, but also to be able to carry out a global analysis, identify-

ing currents, trends and tendencies," she says. From a list of fifteen social, political and economic factors, each country chose five that they analysed in-depth. Social norms, economic systems and media were the factors that ended up on most countries' list of what influences gender equality. The survey makes it easier for Diakonia to understand how it can play a role in influencing gender equality issues and contribute to the changes it wishes to see.

"The individual country offices' analysis is also reinforced when they see that the same patriarchal root causes influence gender equality in all countries, even if this may take different guises," says Jenny Enarsson. The analysis also provides clues and tools for understanding how the future will be shaped and what will shape it."

Success for global centre for international humanitarian law

Offering training programmes for stakeholders such as journalists, students, diplomats and humanitarian actors, and cooperation with the UN, Diakonia's global centre for humanitarian law has become a key humanitarian actor within a short space of time.

Since 2004 Diakonia has worked with international humanitarian law (IHL) via its resource centre in Jerusalem. This work was expanded in 2017 through a new global programme that aimed to generate greater respect for and knowledge of IHL in areas afflicted by conflict. In addition to the resource centre in Jerusalem, two other centres were established: one in Mali and one in Lebanon for Syria. The programme was launched in Sweden in 2018, with an international resource centre located in Stockholm.

"International law, and in particular international humanitarian law, is easily overlooked in governments' crisis management programmes. Often because they quite simply don't know what international law applies. Diakonia's work on highlighting humanitarian law began almost 15 years ago in Israel and Palestine, and we're now also expanding this work on encouraging respect for international humanitarian law to other countries," says Georg Andrén, Secretary General of Diakonia.

A workshop was held together with senior UN employees in the Middle East at the end of 2018 to raise the level of knowledge regarding how they can use IHL in the various contexts in which they work, and to discuss challenges and opportunities.

"2019 will be an exciting year when we'll be continuing to build on the recognition we received in 2018. Our work on creating interesting and engaging activities focused on IHL in some of the world's most challenging conflict areas will continue," says Stephen Wilkinson, Global IHL Advisor at Diakonia.

Large photo: Lilian Matiska, Programme Officer at Diakonia's country office in Zimbabwe gives a presentation to other members of Diakonia's global Gender Working Group.
Photo: Diakonia

Diakonia launches smart toolboxes



All the work that Diakonia does – itself, in networks or with partner organizations – regardless of whether it is to fight poverty, change political structures or counteract gender-based violence, is characterised by three perspectives: gender equality, environment and conflict sensitivity. **We have now produced two "toolboxes"**, one for gender equality and one for conflict sensitivity. The aim is to facilitate the practical work of mainstreaming a perspective. The toolboxes consist of manuals for each stage, enabling organizations to guarantee they have applied the various perspectives in their activities. The toolboxes are available on Diakonia's website and are free for everyone to download and use.

1% target saved in budget

In connection with work on the budget for 2019, it became clear that the budget proposal of the Moderate Party and the Christian Democrats was expected to get a majority. The budget motions of the Moderate Party for development assistance have not previously reached the equivalent of one percent of GDP, and there was now a risk that this would be enshrined in the Riksdag's decision on the budget. In Diakonia's party leader questionnaire prior to the election, leader of the Christian Democrats, Ebba Busch Thor, had promised to only support a budget that amounted to the equivalent of one percent of GDP during the government's entire term of office. We highlighted this in the media. The Christian Democrats responded that the development assistance would be ring-fenced, and the Moderate Party agreed to compromise on this point. The difference between the Moderate Party's starting point and the result corresponded to SEK 1.5 billion in development assistance for 2019.

Human rights

41 projects to empower human rights defenders. 15 projects for the fulfillment of women's rights. 34 projects for the fulfillment of human rights commitments.

Global sustainability goals – read more on page 51

1 POVERTY 5 GENDER 10 SUSTAINABILITY 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

20% Diakonia's operational expenses totalled SEK 476 million, and of these 20 percent, i.e. SEK 95 million, were used for the intervention area Human rights.

Human rights. Along with its partner organizations, Diakonia is tirelessly continuing to educate, mobilise and exert an influence to ensure that human rights are respected everywhere. In 2018 the UN's Universal Declaration of Human Rights celebrated its 70th anniversary, and the UN Declaration on Human Rights Defenders celebrated its 20th. These are two key milestones – and tools – for work on human rights well worth celebrating. At the same time, human rights are under attack in an increasing number of countries. Attacks on human rights defenders are increasing, and we and our partner organizations are being forced to adapt our operations in order to be able to continue. Political and financial elites are learning from each and doing what they can to shrink the space for organizations and people working for the equal worth of all people. But despite the depressing global statistics, more people than ever before are getting involved and fighting for change.

New direction in country X

Country X. Sometimes, it is too dangerous to talk about our work. When the new legislation for civil society organizations was adopted, our partner organizations were forced to adapt their work. Planned projects were no longer possible to implement, and several employees were forced to flee the country. We supported them in drafting new security plans and risk analyses. At the same time, a young and robust movement was emerging, mainly united via digital channels. Large demonstrations were organized, and several of our partner organizations were involved in planning and holding these with the goal of protecting the democratic space. When this space starts to shrink, our support needs to be reprioritised and altered so that we can provide optimum support to our partner organizations in their work for human rights.

Key shadow report in Cambodia

Cambodia. In 2018 Cambodia was scrutinised by the UN Human Rights Council. Our partner organization CCHR coordinated the process of producing civil society shadow reports. Eleven reports were written in total, with contributions from 60 organizations including several of Diakonia's partner organizations. The alternative reports were about the rights of indigenous peoples and electoral reform, for example. A plan has been drafted for following up on the recommendations issued to Cambodia's government by the UN.

Greater protection for human rights defenders

Colombia. 321 people were murdered in the world in 2018 for standing up for fundamental human rights. Colombia is one of the most dangerous countries in which to be a human rights defender. Our partner organizations have been fighting for several years for the Colombian government to take responsibility for protecting human rights defenders. As a result of this, in 2018 the government adopted a statute that clarifies the obligations and responsibility of local authorities. This is to identify aspects including the areas with the highest risk of attacks, and to generate systems and tools for direct contact with leaders and activists in vulnerable organizations.

Miskitu people win against the government

Nicaragua. All over the world, indigenous people are fighting for their right to a life free from violence on land where they have lived and worked for generations. On the north coast of Nicaragua, Diakonia's partner organization CEJUDHCAN is working to support the Miskitu people in their struggle. In 2018 leaders of the Miskitu took part in a negotiation in the Inter-American Court of Human Rights for the first time. After training and guidance, they pleaded their case against the Nicaraguan government. In its judgement, the Court demanded that the government take action to eradicate violence in the area and protect the right of the indigenous population to life, land and cultural identity.



Democracy. Diakonia works for democracy with a focus on democratic culture, a strong civil society, good governance and broad political participation – work that takes place against the odds. In 2018 the number of people living in democratic countries decreased according to the Economist's Democracy Index. Repressive governments use legal and administrative tools to limit the opportunities of organizations and individuals to participate and exert an influence. Only 4.5 percent of the world's population are judged to live in genuine democracies. In many cases we cannot talk about what we and our partner organizations are doing. But we are also seeing increasing numbers of people, above all the young, turning anger and fear into action, going out into the streets and organizing themselves to demand responsibility and transparency and to protest against abuse, injustice and corruption.



Key steps for peace

Kenya. The turbulence surrounding the presidential elections in Kenya in 2017 continued in 2018. In order to contribute to peaceful solutions, Diakonia's partner organizations NCCK and the Inter-Religious Council of Kenya organized a forum for dialogue with religious leaders, civil society and other actors. As a result of the forum, the religious leaders subsequently met both the leader of the opposition and the president to mediate and get the two parties to meet. These meetings were key steps on the path towards the widely reported conciliatory handshake between the opposition leader and the president, which marked the start of the Building Bridges Initiative. This was an initiative and a pledge to work for a unified Kenya and for peace.

We're building democracy from the bottom up

The Democratic Republic of the Congo (DRC).

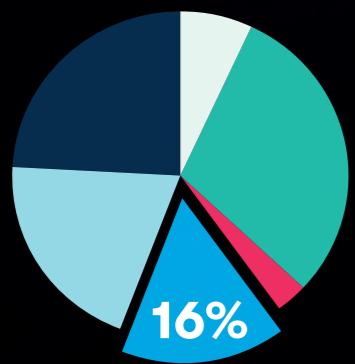
In a dictatorship with a politicised civil society, working for democracy is risky business. A key foundation for a democratic society is an active and resilient civil society. We are now supporting a project to create 26 regional platforms for dialogue and exchange of experiences between NGOs. The project has been forced to withstand threats, persecution and many obstacles along the way. But in 2018, 12 meeting places were actively working to strengthen relationships with authorities and other actors. When the regional platforms are up and running, the aim is to create a national forum for creating a permanent dialogue and unity in civil society. At the same time, intensive advocacy work is being conducted to improve opportunities for civil society. For example, they have managed to prevent a new law that would limit the opportunities of civil society to take action.

Major increase in women's representation

Sri Lanka. Women's political participation in the world is increasing, but still only 24 percent of the world's MPs are women. In Sri Lanka in 2017 a compulsory quota of 25 percent was introduced for women's representation at local level. Since then, Diakonia's partner organizations have trained and supported potential women candidates and informed the public of the importance of representation. As a result of their work, the number of women in municipal bodies increased in 2018 from three to 23 percent. Since 2014 there has been a sharp increase from 84 women representatives to 1,985 (out of 8,345) in 2018.



Gender equality



Diakonia's operational expenses totalled SEK 476 million, and of these 16 percent, i.e. SEK 76 million, were used for the intervention area Gender equality.

Global sustainability goals – read more on page 51.



46 projects to combat gender based violence. 16 projects for sexual and reproductive health and rights. 7 projects for LGBTI persons' rights. 1 project for men and boys for gender equality.

G

ender equality. Diakonia's work on gender equality challenges patriarchal structures, the aim being to transform power relationships between women and men and for all people to have the opportunity to influence their lives and communities. Over the past year, we have seen a shift in the public debate, where it is now more acceptable to say in public that gender equality is not something positive.

The space for women's rights and LGBTI organizations is shrinking in many places in the world, and we saw this more clearly than ever in 2018. Our partner organizations bear witness to how militarisation is forcing women and their organizations out of the public space and how women are being forced to step in when governments do not take responsibility for education and medical care, while young men are being manipulated by politicians to commit acts of violence in return for money. The work we do with our local partner organizations is more important than ever.

New centre monitors crimes against LGBTI people

Bolivia. Diakonia works in several countries to strengthen respect for the rights of LGBTI persons. A key part of this work is to document crimes against LGBTI persons, as they are often not visible in national statistics. In Bolivia our partner organization ADESPROC has launched a centre for LGBTI persons' rights. This is the first centre at regional and national level that monitors, follows up and informs of the rights of LGBTI persons. The centre's responsibilities include a digital platform with information, statistics and analyses. There, people who are the victims of crime and discrimination can easily report abuse.

Young feminists refine their arguments



Humiliating rape test forbidden

Bangladesh. Since 2013 our partner organization BLAST in Bangladesh has worked to ensure that what is known as the "two-finger test" performed on rape survivors is forbidden. The test, which entails a doctor putting two fingers into the vagina to determine whether or not intercourse has taken place is humiliating, unscientific and has no value in terms of forensics. Along with several other human rights organizations and medical experts, they have pushed for the new legislation and involved the public in the issue. In April 2018 the work produced results, and the supreme court in Bangladesh has now forbidden the method. The new legislation also requires that the responsible authorities use health protocols designed in line with World Health Organization guidelines, and produce guidelines for how to protect rape survivors.

Latin America. Within the scope of Diakonia's regional gender equality programme, its partner organization REDLAC creates meeting places where young people have the opportunity to reflect together and discuss issues regarding stereotypes and gender roles, gender-based violence and the opportunities of young people in society. In the discussions, the young people identified the need to reclaim the term "feminism", as it had become stigmatised and constituted an obstacle to the work of feminist organizations. Four digital debates have been organized so far on themes such as child marriage, political participation, social norms and sexual and reproductive rights.

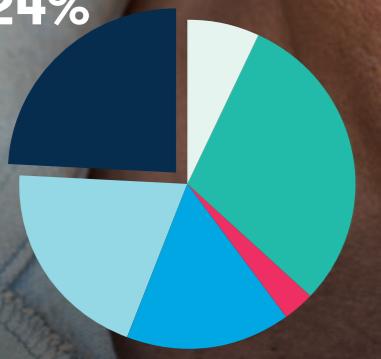
Large photo: Guadalupe Perez, head of Diakonia's partner organization Colectivo Rebeldia in Bolivia. They work to encourage respect for women's rights and sexual and reproductive rights. Photo: Diakonia



Social and economic justice

Global sustainability goals – read more on page 51.

24%



47 projects for fair distribution of wealth and access to natural resources. 25 projects for economic empowerment of women. 12 projects for decent work and fair income. 21 project for sustainable development and climate justice.

Diakonia's operational expenses totalled SEK 476 million, and of these 24 percent, i.e. SEK 114 million, were used for the intervention area Social and economic justice.

1 POVERTY	2 ZERO HUNGER	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES	13 CLEAN WATER AND SANITATION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS

Social and economic justice. Diakonia works for a world free from poverty and oppression, where prosperity and access to natural resources are fairly distributed and people, regardless of gender, have the opportunity to make decisions about how their money is used. And we want to see development that is sustainable and fair in terms of climate. In global terms, extreme poverty is on the decline, but this development is not constant or evenly distributed. In certain countries and areas it has come to a halt, and we are also seeing how poverty has started to increase in several areas. At the same time, the gap between rich and poor is growing. 821 million people currently live in hunger, and more than 150 million children in the world are suffering from malnutrition. The struggle for economic justice goes hand in hand with the work for human rights and requires intelligent solutions and innovative methods. Along with our partner organizations, we work on a broad front to support people and influence structures and those in power with control over resources and assets.



Asparagus plantations leave Ica dry

Peru. The dry climate in the Ica valley in Peru has proved favourable for growing asparagus. Export companies harvest large amounts of it – twice a year. The problem is that it takes about 1,000 litres of water to produce one kilo of asparagus. The groundwater level has sunk to 100 metres underground in some areas, and more shallow wells have dried up. The lack of water is making the inhabitants sick and preventing small-scale farmers from being able to support their families. Diakonia's partner organization Codehica works locally to spread knowledge of the issue and put pressure on companies and authorities to take their responsibility. Swedish supermarkets are aware of the situation but are poor at following up on the impact of their suppliers' actions on people and the environment. We produced a report with Swedwatch and Codehica in 2018. It was shared far and wide on social media and in printed news outlets in Sweden. The report resulted in dialogue between the affected local community and the local companies responsible that was not previously possible. As a result the major Swedish buyers will be visiting the communities concerned with Diakonia in 2019.

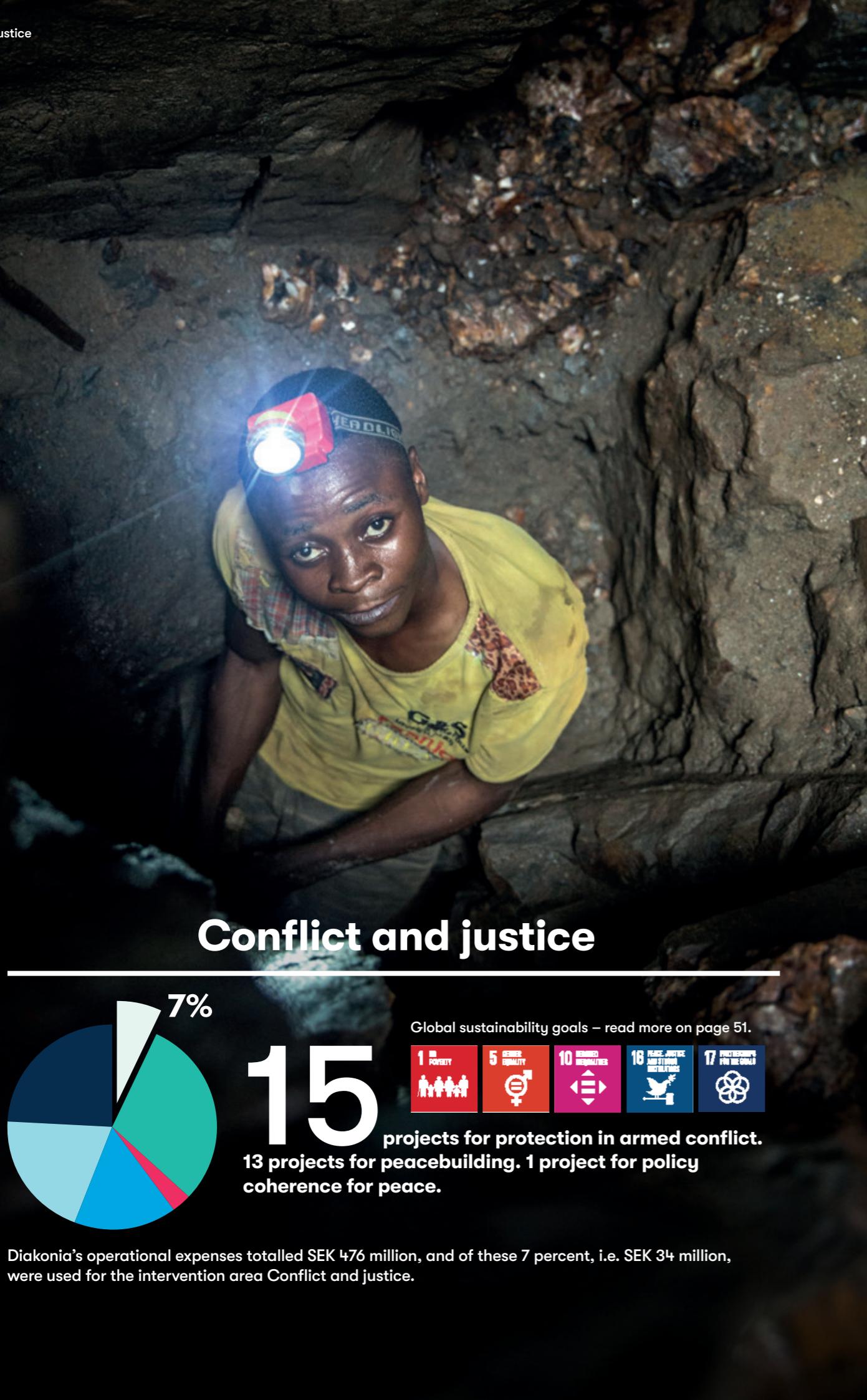
Ministers and grassroots meet

Kenya. For the first time, small-scale miners from ten different mining communities in Kenya are being invited to the Kenya Mining Forum led by the Ministry of Petroleum and Mining. This is a key step in terms of the government and industry understanding the role of small-scale miners in the sector and taking responsibility for the issues that affect them, such as forced migration or the right to compensation for land. Since Diakonia – along with Caritas Kenya, Groots and NCCK – started working with miners' rights in Kakamega, Migori, Taita and Kitui, the workers have gone from working illegally to organizing themselves and cooperating with local and national authorities.

Strategic support for women entrepreneurs

Kuba. Our partner organization CCDR works closely with 30 women entrepreneurs in the textile and craft industries who, through workshops, have been educated in law and economics and given the opportunity to meet other entrepreneurs in the same situation. Following completion of the project, 25 of them have now set up their companies, 12 are making a profit and 8 are ready to make further investments.





Conflict and justice. 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. We are seeing armed conflicts becoming more complex and increasingly difficult to resolve. Many factors exert an influence, including violent religious extremism, organized crime and the fact that the number of armed actors in each conflict is growing. As the number of refugees increases, political and economic tensions are also on the rise. At global level, extreme poverty is visibly concentrated in areas affected by conflict. People in conflict areas are also more vulnerable to natural disasters, and this vulnerability increases further through climate change among the groups that are already the most at risk.



With a focus on preventing radicalisation

Burkina Faso. Violent extremism is increasing around the world. At the same time, the international community is not coming up with many sustainable solutions. We are running projects in Mali, Sri Lanka, Myanmar and now also in Burkina Faso to counteract this trend. In Burkina Faso the security situation is deteriorating after repeated terrorist attacks. And areas with high youth unemployment and poverty are becoming a breeding ground for extremism. Here, Koran schools have become a recruitment base for local extremist groups. We are now working to combat the radicalisation of vulnerable young people in Koran schools through dialogue and education. Along with local leaders, religious actors and teachers in Koran schools, we have created forums for dialogue and peace, carried out campaigns for children's rights and identified 200 young people who are to receive vocational training. The project has already led to greater confidence among the young people.

Swedish industry must take responsibility

Globally. Diakonia works to ensure that the major Swedish technology companies take responsibility for their trade in natural resources and demand that human rights be respected. Extraction of and illegal trade in conflict minerals has played a crucial role in conflicts in Central and West Africa, Asia and South America. We educate and talk to companies to expand their knowledge of the issue and get them to take action. In 2018, in collaboration with Diakonia, the industry organization Teknikföretagen (Association of Swedish Engineering Industries), which has over 4,000 members in the Swedish manufacturing industry, carried out its first training programmes and implemented tools for the industry ahead of the forthcoming EU Regulation in 2021. Sweden is thus a leading country in Europe when it comes to making more stringent demands of minerals suppliers. Companies that have used Diakonia's exhibition about conflict minerals report that it has been seen by over 3,000 people.

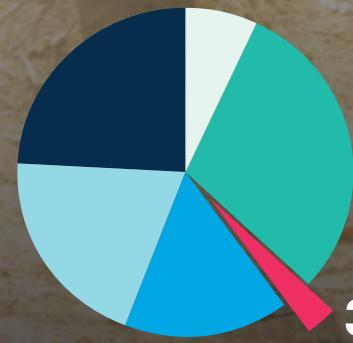
Young peace-builders

Myanmar. In Myanmar extremists use religion to create conflict between different groups. In order to strengthen resilience against violent religious intolerance, Diakonia's partner organizations have trained 23 young "peace role models". They have then drawn up action plans, with peace talks, training shows and workshops taking place in several villages with the aim of spreading information on peace and how different religious groups can live together.

Large photo: Barak Sastifa works deep underground in narrow mine shafts, a task that is assigned to the younger miners. His life is on the line as he hacks away at the ore. Above his head, many tonnes of stone are being held up by just a few simple pegs wedged fast into the rock face. Photo: Jeppe Schilder



Emergency response and disaster resilience



9
projects for preparedness, relief and recovery.
3 projects for disaster risk management.



Global sustainability goals – read more on page 51.

Diakonia's operational expenses totalled SEK 476 million, and of these 3 percent, i.e. SEK 14 million, were used for the intervention area Emergency response and disaster resilience.

Emergency response and disaster resilience. Diakonia works to ensure that people, organizations and countries are less susceptible to disasters. At the same time, we and our partner organizations are already on the spot and able to quickly save lives, reduce suffering and offer support when disaster strikes. The world's need for emergency response is greater than ever, and increasing rapidly. The number of people in need of humanitarian assistance is over 131 million, which corresponds to one in every 70 people in the world. The number of refugees is also continuing to rise – during 2018 the figure was 68 million. In 2018, along with our partner organizations and networks, we continued to carry out initiatives that have a major effect in both the short and long term.

Room to play in the refugee camp

Bangladesh. Persecution, violence and murder in the state of Rakhine in Myanmar have forced 720,000 Rohingya people to flee to Bangladesh since autumn 2017. There, they live in what is now the world's biggest refugee camp. Diakonia's partner organization UTSA offers psychosocial support to adults and children – giving people a place for learning, play, theatre, music and discussions and enabling them to process their experiences and gain tools to manage their daily lives. The theatre plays address everyday problems such as gender-based violence and child marriage, which often increase in humanitarian disasters. This provides an opportunity for greater security, recovery and play.

1,000 families received assistance during drought

Mali and Burkina Faso. Food shortages and malnutrition as a result of severe drought are major problems in Mali and Burkina Faso. In 2018 our partner organizations carried out a joint emergency response initiative in the two countries to support families that were particularly affected. The results are promising: for example, illnesses linked to malnutrition have significantly decreased in the affected villages. The project has helped 1,000 households to survive the severe drought. We have also provided gruel to malnourished children and trained their parents in hygiene routines and food preparation techniques so that they are better equipped for similar situations in the future.

Emergency response in 2018

Bangladesh Emergency humanitarian support for Rohingya people forced to flee from Myanmar to Bangladesh in the form of psychosocial support for children, young people and women in refugee camps. Partner: UTSA, 24 months, SEK 1,506,000. Sector: protection and psychosocial support

Burkina Faso Emergency response implemented with the country office in Mali for a famine caused by a drought in the Sahel area. The project provided food assistance to 220 households and emergency nutritional supplies to 81 breastfeeding mothers in Burkina Faso. Partner: ATAD, 3 months, SEK 396,000 (2018) Sector: food, nutrition

Guatemala Disaster response through cash-based assistance and hygiene-focused activities, in connection with the eruption of the Fuego volcano, which forced over 12,000 people to flee. Partner: ACT Alliance, 9 months, SEK 150,000 (2018) Sector: water, sanitation and hygiene; protection; psychosocial support

Lebanon Two projects to strengthen Diakonia's country office in Lebanon and its partners based on the Core Humanitarian Standard on Quality and Accountability. Partner: ABAAD and DAA, 2 months, SEK 352,000 (2018) Sector: disaster preparedness

Mali Emergency response implemented with Burkina Faso for a famine caused by a drought in the Sahel area, which through two projects provided food assistance to 600 households and emergency nutritional supplies to 40 breastfeeding mothers in Mali. Partner: AMSS and AFAD, 3 months, SEK 1,104,000 (2018) Sector: food, nutrition

Somalia Emergency humanitarian assistance for 14,400 people affected by the severe drought in Puntland. Partner: KAD, SEK 468,000, 15 months. Sector: food, water

Uganda Supportive humanitarian and capacity-building work in connection with the return of around 4,300 people who fled from their home village in northern Uganda. Partner: GWED-C, 6 months, SEK 788,000 (2018) Sector: food, nutritional supplements

Large photo: Children playing outside our partner organization UTSA's children's corner in the Cox's Bazar refugee camp. Read more in the text above. Photo: Diakonia.



Courage and resistance

Democracy in the world is being threatened and human rights are being called into question. Ahead of the election in Sweden, we wanted to focus on the big issues and discuss what kind of world we actually want to live in.

There was plenty of enthusiasm when 120 scouts came together at the MOD scout camp outside Rättvik. One of the activities was a workshop using materials from the Children's Think Tank campaign.

"The very first time I heard about the Children's Think Tank, I felt it was a typical scout activity," says Kersti Vikström, one of the organizers of the scout camp. The scout's law says that "a scout feels responsibility for her/himself and others". In the think tank, children get the chance to put themselves in other people's shoes, and play an active part in influencing the people who make the decisions in Sweden regarding the situation of children in the world.

The idea behind Diakonia's Children's Think Tank campaign is to increase children's participation and influence in society and to put human rights on

the agenda during election year. It is a politically independent forum in which children can talk about human rights and ask Swedish politicians questions about injustices in the world – through workshops with crafts, games and exercises. During the year, teachers, children's leaders in churches, activists and other people involved in the issues organized think tanks all over Sweden, with a high level of engagement from the children. We collated more than 1,000 questions from children, most of which were about human rights, war and gender equality. Three questions were selected and sent to all 986 politicians on the candidate lists for the Riksdag (parliamentary) election. 143 of them responded to the children's questions.

We also conducted a survey among the leaders of all the Riksdag parties containing 14 questions related to poverty eradication, gender equality and human rights. And we were pleased to find that there is broad support among the parties for innovative foreign policy. Among other things, more than half said yes to binding rules to increase respect for human rights among Swedish

in the Swedish election

companies. The Moderate Party and Sweden Democrats are the only parties that do not support the 1-percent goal.

"The survey responses will be important during the entire term of office of the new government, and we will remind the parties of their promises to us and to the electorate. We have been monitoring many of these questions for several years, and the survey shows key fluctuations and trends in politics that we need to react to," says Cecilia Nilsson Kleffner, Head of Policy and Advocacy at Diakonia. All over Sweden, Diakonia and voluntary election ambassadors organized a series of talks between politicians and the public entitled Vilken värld vill du leva i (What world do you want to live in)? A total of 62 Riksdag and municipal politicians took part.

"The aim of the talks was for politicians to get the chance to talk with no interruptions about their political vision for democracy and justice in Sweden and the world. Despite the fact that Sweden is a small country, we play a key role in democracy on the international stage, and regardless

of the election results, we need courageous politicians who will continue to lead Sweden in that role." The talks began with the documentary Mod och motstånd (Courage and resistance), in which five people from Zimbabwe, Honduras, Cambodia, Uganda and Sweden talk about why they continue to fight for human rights despite the fact that they personally have been forced to pay a high price. Of those who listened to the talks, 81 percent stated that they subsequently felt more committed to work for human rights where they live and work. Unfortunately the election debate in Sweden was not characterised by issues relating to human rights and global challenges, but the children and adults that Diakonia encountered during the year will keep up the fight and demand that Sweden continues to be a key voice for human rights.



A safe place for playing and living

The refugee camp outside Beirut in Lebanon is a challenging place, where more than 17,000 people live in an area built for 5,000. But there are bright spots. Like the centre where children get the chance to be children, created by Diakonia's partner organization Najdeh. With the help of dance, play and other therapeutic methods, the children receive support to deal with their experiences and everyday life – both individually and in activities with their parents.

"I'm entitled to have a name, a nationality, to express myself, to have a house, to have a family, to not be exploited, to have a large space to play in." Eight-year-old Hasnaa rattles off her rights quickly and exuberantly when we meet her. So much so, that she nearly stumbles over the words.■

Photo: Diakonia

Diakonia's Board of Directors and Secretary General hereby submit the following annual accounts for 2018.

Annual accounts

Management report

General information about operations. Diakonia is a Swedish non-profit development organization based on Christian values. 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 being aware of their rights and organizing themselves to jointly assert these rights. Our founding churches are the Christian denominations the Swedish Alliance Mission and the Uniting Church in Sweden.

Diakonia works using a rights-based approach with long-term development cooperation, emergency response, mobilisation and advocacy work. We work with around 400 locally and popularly rooted movements and organizations in 25 countries around the world. Diakonia is a member of ACT Alliance, a coalition of churches and Christian development organizations that works in more than 125 countries. Together we constitute a worldwide network of people who are striving for sustainable change for those living in poverty, oppression and violence.

Our activities are funded by donations from parishes and individual donors, along with grants from Sida (Swedish International Development Cooperation Agency), the EU, Radiohjälpen, the Swedish Postcode Lottery and other donors. Diakonia carries out fundraising 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.

Significant events during the year. During the year Diakonia has continued to develop and adapt the or-

ganization to ensure that goals are achieved efficiently and sustainably and that they are relevant. Carrying out activities in a decentralised structure requires effective organizational governance, systems and procedures.

In 2018 Diakonia focused on a number of key areas, such as improving quality assurance and financial follow-up, clarifying leadership functions, and further elucidating thematic and advocacy work in the organization. A more in-depth study of the capacity of the combined regional and country office for the Middle East to work in a complex regional context was implemented in January 2018. The study indicated the need to restructure the office and create a specific country office for the Palestine programmes. For this reason, the regional office was temporarily moved to the Head Office in Stockholm in June 2018. A Swedish regional director was employed, and key measures were initiated to boost the country office. In 2018 the design of a new global framework for fundraising and resource mobilisation was initiated.

The long-term purpose of the framework is to improve the conditions for long-term financial and organizational sustainability. The holistic perspective of the framework is to help ensure that fundraising from private Swedish donors and resource mobilisation from institutional donors is mutually strengthening, and generates synergies, while more effective guidelines and procedures are to increase clarity in roles and division of responsibilities within each area.

2018 was the year when the global ACT Alliance's General Assembly met in Sweden, with the Church of Sweden and Diakonia as hosts. The General Assembly adopted a strategy for the coming eight years,

focusing on collaboration on three cornerstones: advocacy work, humanitarian efforts and development cooperation. Guidelines for Diakonia's own advocacy work were also drafted during the year. The aim of the guidelines is to improve quality and coherence in advocacy work by clarifying methods and structure. Guidelines and a checklist for gender mainstreaming in advocacy work were also produced during the year. As part of increasing fundraising from private donors in Sweden, Diakonia developed an online gift shop where people can donate in the form of a specific gift product. Diakonia has also updated its graphical profile for the entire organization, with the aim of modernising its visual identity.

Two new directors replaced the ones leaving their posts at the Head Office in 2018. Lena Lundin took up the post of Human Resource Director. Deputy Secretary General and Administrative Director Krister Adolfsson left his post, which was converted into that of Administrative Director, which Ann-Sofie Lasell took up in November 2018.

External factors affecting the organization. Shrinking democratic space for civil society continue to be a negative trend on a global scale. This trend is accelerating and mainly affecting groups that are already vulnerable in civil society, such as human rights defenders and organizations working for women's, indigenous peoples' and LGBTI people's rights and/or on land and natural resource issues. Authoritarian behaviours and greater oppression of dissidents, along with the abuse of administrative and legal institutions in order to silence and intimidate political opposition, free media and civil society, have become increasingly common. This has influenced our work in several of the countries in which we operate, where we have seen partner organizations subjected to threats and restrictions being imposed on their opportunities to carry out activities. This has also had an impact on Diakonia's potential to play its role in a number of countries.

New forms of mobilisation, for example via social media, have become an increasingly important form of resistance against authoritarian regimes. Respect for human rights is on a downward spiral, and a shift in values is taking place towards greater authoritarian use of power, and towards populism and isolationism that is spreading in several countries. There are more states experiencing a backlash against democracy

than there are countries able to demonstrate a positive trend, and the conditions for achieving the goals in the 2030 Agenda are being undermined. 2018 was characterised by major contrasts in the gender equality area. We witnessed a number of important successes at national level, for example Bangladesh's ban on the "two-finger test" performed on rape survivors. At global level, the extremely disquieting development continues in various forms, for example the fundamentalist anti-gender equality wave sweeping through Latin America.

In 2018 the number of people in need of humanitarian assistance as a result of conflicts and natural disasters has reached record levels. An increasingly important explanation for the increased humanitarian need is a decline in the security situation, with widespread violence, gang criminality and deteriorating democracy creating increasingly unsustainable situations in places such as Central America, Myanmar/Burma, Bangladesh and the Democratic Republic of the Congo (DRC). During this year's United Nations Climate Change Conference in Katowice, Poland (COP24), the countries of the world adopted the regulations that are to govern the implementation of the Paris Agreement. These comprise planning and follow-up of activities concerning emissions reductions and adaptation, as well as financing. The rules are extensive but not binding, and they contain a number of loopholes. Thus, in order for it to be possible to achieve the targets set out in the Paris Agreement, a strong and demanding civil society is required, along with an ambitious climate policy focusing on human rights and gender equality in all countries.

Swedish politics in 2018 was characterised by an election campaign and government negotiations, rather than specific changes in foreign and development policy. At EU level, development policy was dominated by a number of key processes, including the drafting of the EU's long-term budget. This has not been completed at the time of writing but there are indications of a major risk that the EU's resources for future poverty eradication will be swallowed up by initiatives that aim to stop migration, such as coast guards and border controls, or financing the military. At OECD level, too, key negotiations are in progress regarding this delimitation, as well as managing deductions for asylum costs and different types of collaborations with private actors in development

cooperation that may have major consequences for development cooperation in the future.

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

In 2018 we saw our activities influenced by the increasingly challenging climate for human rights, and, along with our partner organizations, in several countries we are being forced to regroup and find new ways and methods for our work. We are continuing our efforts in Palestine, together with the organization Palvision, to secure the rights of people with disabilities, including by training 60 young people in leadership. They then organized a conference that resulted in the creation of the Disabled People Organization.

Our work for transparency and democracy in Burkina Faso is continuing to achieve results. The citizens' dialogue television programme, which was started by our partner organization, allows citizens to call in and ask the responsible politicians questions. Eleven ministers took part in the programme in 2018. During the year, Diakonia's Country Director in Burkina Faso was invited to the UN General Assembly to present the work on the Presimetre democracy initiative. This is a digital platform where citizens can demand accountability from politicians. During the year, we worked with a number of humanitarian disasters as well as with disaster resilience. One example is in Myanmar, where almost 1,000 people took part in preparatory analyses to identify risks and strategies to prevent disasters and mitigate the consequences.

Our partner organization has also told us how the participants have gained new insights into the consequences of climate change and the importance of sustainability work. In Egypt our partner organization has worked on providing education and informa-

tion to religious actors to generate greater knowledge of the negative consequences of child marriage. The work of our partner organizations on supporting people subjected to sexual violence in conflicts paid off in 2018. In the Molina Theissen case in Guatemala, four high-ranking members of the military were sentenced for crimes against humanity. During the year, the verdict was also confirmed in the widely discussed case of Sepur Zarco in Guatemala, which means that it can no longer be appealed and the 11 women who were the aggrieved parties have obtained redress.

In several countries we are fighting for the right of indigenous peoples to land that they have utilised for generations. In Thailand our partner organization Karen Development Service Foundation has been working for three years for people in 46 Karen villages to gain entitlement to their land. In 2018 a consensus agreement was signed between rights holders and the authorities that gives the village residents the

	Revenues	Operational expenses	
Year	TSEK		
2018	516 892	476 232	92%
2017	506 481	460 697	91%
2016	450 585	411 183	92%
2015	463 331	440 622	95%
2014	450 571	422 920	94%

right to live on and farm their land. Read more about our results on pages 15–27.

Performance and financial position

In 2018 Diakonia's revenues increased, amounting to almost SEK 517 million. This increase of around SEK

	Funds raised	Fundraising expenses	
Year	TSEK		
2018	68 679	7 058	10%
2017	63 201	9 850	16%
2016	54 540	9 121	17%
2015	43 447	6 041	14%
2014	36 832	6 298	17%

10 million compared to 2017 is due to factors such as higher grants from Swedish embassies in Africa. 92

percent of the revenue for 2018 was used for mission expenses, which totalled SEK 476 million.

Funds raised in 2018 amounted to just over SEK 68 million, which means an increase of SEK 5.5 million compared to 2017. The number of monthly donors increased in 2018, donating an additional SEK 1 million compared to 2017. Diakonia's involvement in the Världens barn fundraising campaign contributed SEK 5 million during the year, an increase of SEK 3 million, and the Postcode Lottery contributed SEK 28 million, an increase of SEK 3.5 million compared to 2017. The Postcode Lottery's surplus goes to charitable organizations, with Diakonia being one of the beneficiaries. Donations from private individuals (apart from monthly donors) decreased in 2018.

text in which Diakonia works with development cooperation. The conditions of local employees are regulated by Diakonia's internal guidelines and by local employment terms and legislation. In 2018, 44 people worked at the Head Office in Stockholm, and six 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 frameworks, policies and guidelines to follow up on its commitments. As part of improving accountability and to enable all those affected by Diakonia's activities to hold us accountable, Diakonia has a complaints response mechanism.

Total costs per region						
	2018		2017		2016	
Middle East	61,987	12%	51,708	10%	50,963	12%
Asia	55,930	11%	58,913	12%	59,496	13%
Africa	219,232	43%	219,801	44%	183,435	41%
Latin America	111,207	22%	104,856	21%	95,534	21%
Sweden and globally	27,876	5%	25,419	5%	21,756	5%
Jointly	36,432	7%	38,530	8%	37,609	8%
Total	512,664	100%	499,226	100%	448,792	100%

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. The ethical criteria do not permit investment in activities including those that involve arms, pornography, violation of human rights, alcohol, tobacco or environmental destruction. Shares received as gifts are sold immediately, and the sale value is recorded as revenue.

Sustainability information. Diakonia has a decentralised organizational structure. Diakonia has a total of 265 employees. The majority of them, 215 people, are employed in the countries in which Diakonia has operations. This creates continuity and helps ensure effectiveness and a good understanding of the con-

In 2018 the Board of Directors adopted an updated version of Diakonia's Code of Conduct. The rules link clearly to Diakonia's Child Safeguarding policy. Diakonia plans to apply for Core Humanitarian Standard (CHS) certification, and in 2018 an internal review was performed in which areas that need improving prior to certification were included in an action plan. CHS promotes respect for fundamental human rights in emergency response. Diakonia puts great emphasis on all its work being rights-based. Emergency response is governed by humanitarian principles. Read more on page 50 of Diakonia's Sustainability Report.

Future development. In 2019/20 the focus will be on producing a new global strategy for the coming years. A key part of this entails analysing and updating Diakonia's Global Policy. The aim is for the organization to be well equipped for the opportunities

and challenges we will be facing in the future, and to improve the conditions for achieving our overall goals and being able to contribute to a better world for people living in poverty and oppression in the countries in which we operate. In 2018 Diakonia has worked on developing its change theory. This theory will form the basis of our work on strategy and values and also contribute to reinforcing programme development through all activities being planned, implemented and followed up based on our predictions for long-term change.

Diakonia will continue to develop and reinforce internal communication in 2019, as this is a basic condition for the effectiveness of the decentralised organization. A key part of this work will involve upgrading our global intranet. Diakonia is a member of an e-learning partnership between sister organizations. In 2018 two key training programmes were produced: one about our Code of Conduct and one about the complaints response mechanism. Both of these programmes will form the basis for the launch of e-learning at Diakonia in 2019. Diakonia will apply to become CHS certified in 2020. In order to achieve this, a number of improvement measures will be implemented in 2019. Examples include updating procurement rules and improving the mechanism for complaint and incident management. Diakonia will continue to develop its global programme activities, focusing on the global IHL programme. The opportunity to open further resource centres for humanitarian law in conflict areas will be investigated in 2019.

Management. The Annual Meeting is Diakonia's highest decision-making body that takes decisions on potential changes to the organization's policy, which includes Diakonia's mission and basic values. The Annual Meeting elects the chairperson, vice chairperson, other members of the Board of Directors, nominating committee, authorised public accountants and internal auditors. It 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. The Board of Directors is ultimately responsible for Diakonia's activities. It makes decisions on strategy, the overall operational plan and 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 accounts and preparing matters to be dealt with at the Annual Meeting. The Board of Directors met on five occasions in 2018. In 2018 the Board of Directors consisted of Chairperson Pether Nordin (attendance 5/5); Vice Chairperson Ann-Sofie Lasell resigned at an Extraordinary Annual Meeting on 18 November 2018 (attendance 3/4). At the same Extraordinary Annual Meeting on 18 November 2018, Board member Anette Drewitz was elected Vice Chairperson (attendance 4/5), and Linnea Gullholmer was elected to the Board of Directors (attendance 1/1). The Board of Directors has otherwise consisted of Göran Gunner (attendance 5/5), Oskar Permwall (attendance 5/5), Christer Daelander (attendance 3/5) and Ingela Svedin (attendance 5/5). The Secretary General is Diakonia's most senior officer and is accountable to the Board of Directors. The Secretary General represents the organization in various contexts and is to ensure that the organization follows the guidelines and decisions adopted. The Secretary General delegates authority and responsibility to the Human Resource Director and to the operations directors for the various intervention areas. Diakonia's order of delegation describes the division of responsibility in the organization.

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/Burma, Sri Lanka and Thailand.

Latin America. Regional office: Colombia. Country offices: Bolivia, Colombia, Guatemala, Honduras, Nicaragua, Paraguay och Peru.

Middle East. Regional office: Palestine until 31 May 2018, thereafter a temporary move to the Head Office in Stockholm. Country offices: Lebanon and Jerusalem.

Other information. Diakonia is a member of the Swedish Fundraising Council (FRII), Svenska Postkodföreningen (which administers the proceeds from the Swedish Postcode Lottery that go to charitable organizations) and the global ACT Alliance network. We participate in several different groups linked to ACT, such as ACT EU, ACT Europa, E8, ACT Nordic and in ACT EU's working groups for advocacy work on climate, the Middle East and Central America. We also take part in local ACT forums in several of our partner countries. We are represented on several boards, including Concord Sverige, European Network for Central Africa, Swedwatch and Världens Barn. During the year, the Secretary General has also served on the board of 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 in Sweden, the Forum for Security Co-operation and the various networks of the framework organizations. At European level we take part in organizations such as Concord Europe, Eurodad, EU-LAT Network for Latin America and Zimbabwe Europe Network. Where humanitarian work is concerned, we are members of the Core Humanitarian Standard, Charter for Change, SNHA (the Swedish Humanitarian Network), and SNKR (the Swedish Network for Disaster Risk and Resilience). We are also members of the Global Network of Civil Society Organisations for Disaster Reduction (GNDR).

Diakonia's digital channels in Sweden are:

diakonia.se
facebook.com/diakonia.se
twitter.com/diakoniasverige
instagram.com/diakonia_sweden
peoplechangetheworld.org



From left: Pether Nordin (Board Chairperson), Anette Drewitz (Vice Chairperson), Linnea Gullholmer (Board member), Göran Gunner (Board member), Christer Daelander (Board member) and Oskar Permwall (Board member). Ingela Svedin (Board member) is not pictured. Photo: Martina Holmberg

Profit and loss statement

	Not	2018	2017
Revenues of the association			
Grants		469 079	457 889
Gifts		45 851	46 413
Other revenues		1 962	2 179
Total revenues of the association	2, 3, 4	516 892	506 481
Costs for the association			
Operational costs for projects		-476 232	-460 697
Fundraising and marketing costs		-7 058	-9 850
Administration costs		-29 374	-28 680
Total costs for the association	2	-512 664	-499 226
Result of operations		4 228	7 254
Result from financial investments			
Result from securities and receivables accounted for as fixed assets	5	112	2 107
Other interest income and similar profit/loss items	6	1 014	2 142
Interest expense and similar profit/loss items	7	-1 493	-7 664
Total income from financial investments		-366	-3 416
Net profit/loss for the year		3 862	3 838
Variation of earmarked funds	4		
Profit/loss for the year according to the profit and loss statement		3 862	3 838
Utilisation of earmarked funds		3 401	2 259
Utilisation of Fund for operations and investment		-2 000	-1 400
Other earmarked funds not utilised during the year		-2 793	-4 611
Remaining balance/profit/loss brought forward		2 470	85

The totals may deviate from the subtotals due to round figures.
All figures are in TSEK when otherwise not stated.

Balance sheet

As per 31 December

	Note	2018	2017
Assets			
Fixed assets			
Intangible assets			
Capitalised expenditure for software	8	0	404
Tangible assets			
Equipment	9	117	63
Financial assets			
Investments held as fixed assets	10	110 022	118 027
Total fixed assets		110 139	118 495
Current assets			
Current receivables			
Other receivables		2 856	2 866
Prepaid expenses and accrued income	12	17 847	10 191
Total current receivables		20 703	13 056
Cash and bank balances		129 484	81 755
Total current assets		150 187	94 811
Total assets		260 327	213 306
Equity and Liabilities			
Equity			
Fund for operations and investment		13 073	11 073
Earmarked funds		4 221	4 830
Profit/loss brought forward		83 209	80 739
Total equity		100 503	96 641
Provisions			
Provisions for pensions and similar commitments	14	16 737	10 353
Current liabilities			
Accounts payable – trade		3 018	1 356
Liabilities to financiers	13	121 629	92 099
Other liabilities		3 004	1 704
Accrued expenses and deferred income	16	15 436	11 152
Total current liabilities		143 086	106 311
Total equity and liabilities		260 327	213 306

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

Equity

	Earmarked funds	Fund for operations and investment	Profit/loss brought forward	Total equity
Opening profit/loss	4 830	11 073	80 739	96 641
Utilisation of Fund for operations and investment		2 000		2 000
Earmarked funds not utilised	2 793			2 793
Utilisation of earmarked funds	-3 401			-3 401
Remaining balance			2 470	2 470
Closing profit/loss	4 221	13 073	83 209	100 503

Scope and purpose of Diakonia's equity. The purpose of Diakonia's equity is related to responsible management. If there would be a possible need of a liquidation of Diakonia's operations, 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 109 MSEK, which is reported as operational costs, according to agreements with Sida. The expenses of the Head Office amount to approximately 36 MSEK, of which 29 MSEK is reported as administration costs and 7 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.

Cash flow statement

	2018	2017
Operating activities		
Result of operations	4 228	7 254
Depreciation	623	868
Other items not included in cash flow	5 192	2 428
Interest received	922	2 142
Dividends received	1 176	800
Interest paid	-1 401	-7 664
Cash flow from operating activities before working capital changes	10 740	5 828
Increase/decrease in other current receivables	-7 647	-3 191
Increase/decrease in accounts payable	1 662	-2 944
Increase/decrease in other current operating liabilities	35 113	-27 530
Cash flow from operating activities	39 868	-27 837
Investing activities		
Investments in tangible fixed assets	-145	-87
Investments in financial fixed assets	-32 836	-36 190
Investments in financial fixed assets	40 842	32 921
Cash flow from investing activities	7 861	-3 356
Cash flow for the year	47 729	-31 193
Cash at beginning of the year	81 755	112 948
Cash at the end of the year	129 484	81 755

Liquidity of 129 MSEK consists of bank account holding and petty cash at Head Office (110MSEK) 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 (BNF) rule BFNAR 2012:1 (K3) and FRII'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 exchanging experience 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 as-

sets 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 are not yet fully fulfilled will be reported as liability.

Provisions. A provision is reported when Diakonia has a legal or informal undertaking resulting from events that have occurred and where Diakonia expects that payment will be demanded to settle the undertaking 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 not outside 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 2018

	Operation with partners ¹⁾	Operation within Diakonia ¹⁾	Administration ¹⁾	Non-project fundraising	Other funds provided ²⁾	Total	Total
Reserved funds for projects, 1 January 2018						2018	2017
Raised funds for projects, 1 January 2018						37 388	17 653
						4 830	2 477
Public grants	276 991	163 376	28 712			469 079	441 101
Raised funds	6 123	15 753	2 000	21 975		45 851	63 201
Other revenues					1 962	1 962	2 179
Total revenues 2018	283 114	179 129	30 712	21 975	1 962	516 892	506 481
Middle East	28 574	33 413				61 987	51 708
Asia	41 706	14 224				55 930	58 913
Africa	150 127	69 105				219 232	219 801
Latin America	78 304	32 903				111 207	104 856
Globally	428	27 449				27 876	25 419
Common expenses			29 374	7 058		36 432	38 530
Total costs 2018		299 139	177 093	29 374	7 058	0	512 664
Results of operations	-16 024	2 036	1 338	14 917	1 962	4 228	7 254
Net utilisation of earmarked funds						-608	2 353
Net utilisation for projects						-1 752	19 735
Reserved funds for projects, 31 December 2018						35 636	37 388
Raised funds for projects, 31 December 2018						4 221	4 830

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	2018	2017
Raised funds	68 679	63 201
Public grants	446 252	441 101
Other revenues	1 962	2 179
Total	516 892	506 481
Gifts	2018	2017
Gifts from direct debit donors	14 165	13 399
Gifts from private donors	5 577	9 920
Gifts from congregations	1 020	248
Gifts from organizations and companies	1 178	134
Donations by investments in funds	1 661	1 479
Donations by legacies	1 436	1 199
Swedish Postcode Lottery	21 000	20 000
Accrued project funds	-187	33
Total	45 851	46 413
Private grants	2018	2017
The Children of the World campaign	5 175	2 286
Other grants Swedish Radio Assistance	6 524	4 096
Swedish Postcode Lottery	7 261	4 615
Other private grants	3 860	3 427
Accrued project funds	24	2 419
Repaid grants	-16	-54
Total	22 828	16 788
Total raised funds	68 679	63 201
Public grants are distributed as follows	2018	2017
Sida CivSam ^{1,2}	153 416	152 693
Sida Info ^{1,3}	4 900	4 700
Sida RegLA ^{1,4}	5 300	4 860
Sida Hum ^{1,5}	17 398	19 517
Sv Amb. Middle East ⁶	8 200	7 000
Sv. Amb. Africa ⁶	145 728	137 657
Sv. Amb. Asia ⁶	14 600	14 000
Sv. Amb. Latin America ⁶	42 639	52 219
EU Middle East	449	3 146
EU Asia	0	857
EU Africa	12 631	12 940
EU Latin America	15 874	16 958
The Norwegian Association of Disabled	1 870	3 575
Foreign Embassies	15 360	10 637
Other financiers	16 047	22 667
Accrued grants	1 915	-22 188
Repaid grants	-10 076	-136
Total	446 252	441 101

1) Swedish International Development Cooperation Agency

2) The unit for civil society, CivSam, is part of the Department for global cooperation

3) Information and communication work, is part of the unit for civil society

4) The Latin-America department, after reorganization the regional work in Latin America is found in the Department for conflict and post conflict cooperation

5) Humanitarian aid - subdivision under the Department of conflict and post conflict cooperation

6) Sectors for Development Cooperation 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 2018	Budget 2018	Deviation 2018
Revenues of the association			
Public grants	454 412	468 881	-14 469
- Allocated project funds/Rепaid grants	-8 161	-8 161	
Raised funds	68 857	59 843	9 014
- Allocated/Rепaid grants	-178	-178	
Other revenues	1 962	868	1 094
Total revenues of the association	516 892	529 592	-12 700
Costs of the association			
Operational costs for projects	-476 232	-491 651	15 419
Fundraising costs	-7 058	-8 790	1 732
Administration costs	-29 374	-32 072	2 698
Total costs for the association	-512 664	-532 513	19 849
Results of operations	4 228	-2 921	7 149
Results from financial investments	-366	0	-366
Net profit/loss for the year	3 862	-2 921	6 783
Distribution of net profit/loss for the year			
Net profit/loss for the year according to the profit and loss statement	3 862	-2 921	6 783
Utilisation and reserve of earmarked funds	608	1 400	-792
Utilisation of Fund for operations and investment	-2 000	-2 000	
Remaining balance, profit/loss brought forward	2 470	-1 521	3 991

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

	2018	2017
Dividends	1 176	800
Profit/loss sale of fixed assets	-855	1 306
Return/write down fixed assets	-208	
Total	112	2 107

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

	2018	2017
Bank interest	1 014	2 142
Total	1 014	2 142

Note 7. Interest expense and similar profit/loss items

	2018	2017
Interest charges and interest on overdue payment	-2	-1
Gains/losses of currency transactions	-1 491	-7 663
Total	-1 493	-7 664

Note 8. Intangible fixed assets

	2018	2017
Capitalised expenditure of software		
Opening acquisition value	17 856	18 076
Capitalised expenses for the year		
Disposal for the year	0	-221
Closing accumulated acquisition value	17 856	17 856
Opening depreciation		
Depreciation for the year	-17 452	-17 126
Disposal for the year	-404	-547
		221
Closing accumulated depreciation	-17 856	-17 452
Closing residual value according to plan	0	404
Note 9. Tangible fixed assets		
Capitalised expenditure for equipment	2018	2017
Opening acquisition value	5 872	6 112
Capitalised expenses for the year	145	87
Disposal for the year		-327
Re-classification		
Closing accumulated acquisition value	6 017	5 872
Opening depreciation	-5 809	-5 815
Translation difference	128	
Depreciation for the year	-219	-321
Disposal for the year		327
Re-classification		
Closing accumulated depreciation	-5 900	-5 809
Closing residual value according to plan	117	63

Note 10. Long-term investments held as fixed assets

Holdings in funds and equivalent	2018	2017
Initial cost	118 027	114 758
Acquisition	32 836	36 190
Sales	-40 842	-32 921
Outgoing acquisition value	110 022	118 027
Outgoing carrying amount	110 022	118 027
Market value	116 393	129 026

	2018	2018	2017	2017
	Booked value	Market value	Booked value	Market value
Banco Humanfond	10 930	14 718	10 889	16 108
Swedbank Robour SICA	151	230	151	233
Aktieansvar Sverige	347	1 005	320	978
Handelsbanken Lux	98	113	98	113
Aktieansvar Europa	6	6	6	6
Penningmarknadsfonden	12 052	12 094	10 444	10 532
Nordea Kapitalfond	85 588	87 276	85 266	90 235
Nordea Institutionell Kortränta	281	383	10 190	10 156
Individual shares	569	569	664	664
Total	110 022	116 393	118 027	129 026

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

Note 11. Leasing

	2018	2017
Leasing contracts		
Within 1 year	7 342	6 232
1-5 years	15 133	14 954
Later than 5 years	2 962	1 528
Total	25 437	22 715
Leasing fees 2018 amounted to 7 398 TSEK (7 195 TSEK)		
Note 12. Prepaid expenses and accrued income		
	2018-12-31	2017-12-31
Prepaid rent	793	425
Accrued project revenues	15 556	8 941
Prepaid project expenses	396	175
Other items	1 103	650
Total	17 847	10 191

Note 13. Liabilities to financiers

	2018-12-31	2017-12-31
Project balance	35 636	37 388
Liabilities to financiers	33	296
Deferred project income Sida	55 624	20 160
Deferred project income EU	14 414	6 887
Deferred project income Swedish Postcode Lottery	9 224	16 485
Deferred project income other	6 697	10 883
Total	121 629	92 099

Note 14. Provisions for pensions

Provisions outside the security agreement*	16 737	10 353
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* Refers to pension commitments to local employees

Note 15. Salaries, remuneration and social security contributions

	2018	2017
Secretary General*	1 307	1 306
Employees in Sweden*	28 721	27 425
Employees with overseas agreements	3 658	3 541
Employees with local agreements	76 363	60 227
Total salaries and remuneration	110 049	92 500
*Salaries employees in Sweden	20 793	20 331
Of which social security contributions for employees in Sweden including pension.	6 834	6 277
Of which pension costs	2 402	2 122

* Of the pension costs, TSEK 295 (TSEK 196) refers to the Secretary General of the organization. The chairman of the board is remunerated according to decision at the annual meeting in 2018. The members of the Board have not received remuneration from Diakonia for their work. Compensation may be paid for loss income. All staff with Swedish contract of employment are covered by a collective agreement. Salary and pension costs for 2017 include the Secretary General and former Secretary General during parts of the year. The gross salary amount for the organization's Secretary General was at the end of the year 62,5 TSEK (60 TSEK).

		2018		2017
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	30 029	30 029	28 731	28 731
The Middle East	161	23 995	0	14 247
Asia	735	7 543	1 114	6 975
Africa	1 680	32 292	1 678	27 194
Latin America	1 082	16 191	749	15 352
Total	33 687	110 049	32 272	92 500

The increase in costs for local employees is due to increased activity with more local employees in Africa, personnel costs in connection with reorganization of regional and country offices in Palestine and previously unallocated pension funds for staff at the Palestine office.

Note 16. Accrued expenses and deferred income

	2018-12-31	2017-12-31
Holiday pay	1 356	1 567
Accrued expenses, social security contribution	584	487
Special employer's contribution	514	722
Other accrued expenses, personnel	2 428	1 452
Accrued project expenses	2 093	2 143
Other items	8 460	4 781
Total	15 436	11 152

Note 17. Average number of employees

	2018		2017	
	Number of full-time employments	Of which men	Number of full-time employments	Of which men
Contract form				
Employees in Sweden	44	30%	43	26%
Employees with overseas agreements	6	52%	7	45%
Employees with local agreements	215	42%	211	44%
Total	265	40%	261	41%
Geographic location				
Sweden	44	30%	43	26%
The Middle East	25	22%	26	30%
Asia	39	31%	38	35%
Africa	107	57%	103	57%
Latin America	51	31%	50	32%
Total	265	40%	261	41%
Board members and senior management				
	Number as per 2018-12-31	Of which men	Number as per 2017-12-31	Of which men
Board members	7	57%	7	57%
Secretary General and management group	6	17%	6	33%

Note 18. Estimates and judgements

Diakonia makes forward-looking estimates and judgements. 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

In January, work began on developing a new global strategy and revising Diakonia's core values.

Bromma, Sweden 27th of April 2019

Pether Nordin
Chairperson of the Board

Annette Drewitz
Vice Chairperson of the Board

Ingela Svedin

Linnea Gullholmer

My audit report was presented on 27 of April 2019

Jonas Grahn, Authorised Public Accountant, PricewaterhouseCoopers AB



The struggle for the right to their land

Mother-of-nine Loveness Kamwendo in the village of Kabwela in northwest Zambia lost farmland when the nearby copper mine Kansanshi expanded its operations. She has not yet been compensated for lost income, and the patch that she still has left gives scant maize harvests and now needs to be fertilised. She believes that the crop failure is due to the land being polluted by mining waste and excessive iron concentrations in the groundwater. Our partner organization Youth Alliance for Development has created a platform where village residents, the mining company, local authorities and organizations from civil society can meet to find joint solutions in the long term. ■

Photo: Diakonia

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 2018. The annual accounts are included on pages 29-44 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 2018 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 2018 (pages 1-28, page 45 and pages 48-49) and Sustainability Report 2018 (pages 50-63) (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 of the association's 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 the association's 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 the association 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 Diakonia for 2018.

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, 27 April 2019



Jonas Grahn
Authorized Public Accountant



Our partner organizations

Here you can see the countries and partner organizations that received funding in 2018.

Bangladesh (1) Number of partner organizations: 11

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

Bolivia (2) Number of partner organizations: 8

FUNDACION SUMAJ HUASI, Centro de Estudios Juridicos e Investigacion Social, Centro de investigacion y promocion del campesinado, Asociacion Colectivo Rebeldia, Union Nacional de Instituciones para el Trabajo de Accion Social, Coordinadora de la Mujer, Centro de promocion de la mujer Gregoria Apaza, Asociacion Civil de Desarrollo Social y Promocion Cultural Libertad

Burkina Faso (3) Number of partner organizations: 39

Association des Femmes Juristes du Burkina Faso, Association SEM-FILMS, Centre pour la Gouvernance Démocratique, Association tout pour tous-Yennenga, Forum for African Women Educationalist, Reseau Afrique Jeunesse, Centre de Recherche et d'Intervention en Genre et Développement, Commission Justice et Paix - Burkina, Association pour la Promotion des Oeuvres Sociales, Cadre de concertation des ONG actives en Education de Base, ASSEMBLEE NATIONALE, Association pour la Promotion et le Développement du Gulmu, 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, Alliance Technique d'Assistance au Développement, Union des Religieux et Coutumiers du Burkina, Association Monde Rural, Groupe d'Etude et de Recherche sur la Democratie et le Developpement Economique, Reseau National de Lutte Anti-Corruption, Mouvement Burkinabè des Droits de l'Homme et des Peuples, Centre National de Presse Norbert Zongo, Association d'Appui et d'Eveil Pugsada, Association IQRA, Cercle d'Etudes, de Recherches et de formation Islamiques (Dialogue et changement social), Burkina Business Incubator, SOS Penitencier, Centre d'Information de Formation et d'Etudes sur le Budget, Association des Blogueurs de Burkina, Association Tin Tua, Institut de Recherche en Sciences de la Santé, SECRETARIAT PERMANENT DU CONSEIL NATIONAL POUR LA PROMOTION DU GENRE, Plate-forme d'Actions à la Sécurisation des Ménages Pastoraux, Programme de Marketing Social et de Communication pour la Santé, Association Tout pour Tous Yennenga, Secrétariat permanent du Conseil national de lutte contre la pratique de l'excision, Ministère du Commerce, de l'Industrie et de l'Artisanat, Association des Femmes Tisseuses de Ponsomtenga

Colombia (4) Number of partner organizations: 17

Corporacion Comite cívico por los derechos humanos del Meta, Pensamiento y Acción social PAS, Corporación administrativa de formación y construcción de paz del Foro Interétnico Solidaridad Chocó- COADFORPAZ, Corporación para el Desarrollo de los Territorios, Asociación Movimiento Feminista por la Paz Ruta Pacífica de las Mujeres, Oficina Internacional de Derechos Humanos-Acción Colombia, Consejo Comunitario Mayor de la Asociación Campesina Integral del Atrato, Fundación Centro de Investigación y Educación Popular, 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, Corporación Desarrollo y Paz del Magdalena Medio, Corporación Sisma Mujer, Red Departamental de Mujeres Chocoanas, Colombia Diversa, Centro de Estudios para la Justicia Social Tierra Digna, Colombia Diversa

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

Conseil Régional des Organisations non gouvernementales de Développement du Bas-Congo, Comité National Femme et Développement, Organisation Congolaise des Ecologistes et Amis de la Nature, Femmes des Medias pour la Justice au Congo, Centre d'Etudes sur Handicap, Justice et Résolution 1325, Caritas Congo Asbl, Cadre de concertation nationale de la société civile RDC, Centre National d'Appui au Développement et à la Participation Populaire, Nouvelle société civile congolaise, 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, EURAC NETWORK

Egypt (6) Number of partner organizations: 5

The Integral development Action of Minia, Bishopric of Public Ecumenical and Social Services, Eparchial Development Office, Coptic Evangelical

Organization for Social Services, Human Rights Association for Community Development in Assiut

Guatemala (7) Number of partner organizations: 18

Bufete Jurídico de Derechos Humanos, Asociación de Mujeres Q'eqchies Nuevo Horizonte, Asociación Grupo Integral de Mujeres Sanjuaneras AGIMS, Centro para la Acción Legal en Derechos Humanos, Instancia de Consenso del Pueblo Maya Q'eqchi'-Poqomchi' de Alta Verapaz, K'amol B'e, Fundación para el Desarrollo y Fortalecimiento de las organizaciones de Base, IBIS Guatemala, Asociación de Mujeres Aqabal, Fundación Myrna Mack, Centro de acción legal ambiental y social de Guatemala, Instituto de Estudios Comparados en Ciencias Penales de Guatemala, Unidad de Protección a Defensoras y defensores de Derechos Humanos de Guatemala, Concejo Ecuménico Cristiano de Guatemala, Asociación Consejo de Unidad Campesina de Guatemala CUC-G, Asociación Civil Gente Positiva, Asociación Union Nacional de Mujeres Guatemaltecas, Agronomos y veterinarios sin Fronteras (Francia), ACT Alliance (partner)

Honduras (8) Number of partner organizations: 14

Christian Aid, Foro ACT Honduras/HEKS, Fundacion para la Salvaguardia del Medio Ambiente en el Democrático Desarrollo Socioeconómico y de las Instituciones, Asociación Comité por la Libre Expresión, ASONOG, Fundación Equipo de Reflexión Investigación y Comunicación de la Compañía de Jesús, Centro de Derechos de Mujeres, Centro de Estudios de la Mujer - Honduras, Organismo Cristiano de Desarrollo Integral de Honduras, Movimiento de Mujeres por la Paz Visitação Padilla, Comisión de Acción Social Menonita, Comité de Familares de Detenidos Desaparecidos en Honduras, Fundación San Alonso Rodríguez, Asociación Colectivo Violeta

Cambodia (9) Number of partner organizations: 17

Center for Alliance of Labor and Human Rights, Banteay Srei, The NGO Forum on Cambodia, Cambodian Center for Independence Media, Building Community Voices, Gender and Development for 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, Cooperation Committee for Cambodia, Cambodia Indigenous People Organisation, AMARA, Women's Resource Center, Committee for Free and Fair Elections in Cambodia

Kenya (10) Number of partner organizations: 18

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

Cuba (11) 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 Latinoamerica y el Caribe

Lebanon (12) Number of partner organizations: 12

Arab NGO Network for Development, Lebanese Union for People with Physical Disabilities, arcenciel, Dar Al Amal, Lebanese Women Democratic Gathering, Community Based Rehabilitation Association, Association Najdeh, Lebanese Observatory for Rights of Workers and Employees, Lebanon Support, ABAAD-Resource Center for Gender Equality, Amel Association, Naba'a Development Action without Borders

Mali (13) Number of partner organizations: 18

Norwegian Church Aid - NCA, Helvetas Swiss Intercooperation, SNV Nederland Development Organisation, 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, Observatoire des Droits Humains et de la Paix-ODHP, Association de Formation et d'Appui au Développement, Association Malienne pour la Promotion au Sahel, Association d'Appui au Développement Communautaire, Oui pour une Enfance Noble au Mali, Yam-Giribilo-Tumo, Service de Développement Intégré, Réseau Plaidoyer Lobbying, Women in Law and development in Africa Mali, Association

Malienne pour la Survie au Sahel

Moçambique (14) Number of partner organizations: 16

Associacao de Cegos e Amblíopes de Moçambique, Associação Amigos da Criança Boa Esperança, Associação Mulher Lei e Desenvolvimento, Rede da Criança, Associação Parlamento Juvenil, Centro de Estudo de Democracia e Desenvolvimento, Associação Moçambicana das Mulheres de Carreira Jurídica, Rede Contra Abuso de Menores, Gender Links Moçambique, Instituto Fanelo Ya Mina, Centro de Aprendizagem e Capacitação da Sociedade Civil, Nucleo de Amigos da Natureza e do Ambiente, ASSOCIAÇÃO JUVENIL OTHOKO, Forum das Radios Comunitárias de Moçambique, Associação para o Desenvolvimento das Mulheres de Morrua, Associação das Mulheres Domésticas da Zambezia

Myanmar/Burma (15) Number of partner organizations: 14

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

Nicaragua (16) Number of partner organizations: 13

Centro Alexander Von Humboldt, Centro de Derechos Humanos, Ciudadanos y Autónomos, Centro por la Justicia y Derechos Humanos de la Costa Atlántica de Nicaragua (CEJUDHCAN), Asociación de Mujeres Indígenas Costa Atlántica AMICA, Centro de Información y Servicios de Asesoría en Salud, Instituto de Liderazgo de las Segovias., Coordinadora Pueblos Indígenas Chorotegas, Centro de Prevención de la Violencia, Centro Nicaraguense de Derechos Humanos, Acción Médica Cristiana, Instituto para el Desarrollo y la Democracia, Instituto de Liderazgo de Las Segovias, ILSS, Red Nicaraguense por la Democracia y el Desarrollo Local

Palestine and Israel (17) Number of partner organizations: 30

Adalah – The Legal Center for Arab Minority Rights in Israel, B'Tselem – The Israeli Information Center for Human Rights in the Occupied Territories, Kerem Navot (Naboth's Vineyard), Palestinian Vision Organization, Small Enterprise Center Association, Community Based Rehabilitation Association (CBR central West bank), Society of St Yves-Catholic Center for Human Rights, 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, Baseera Forum for Blind, Future Society for Deaf Adults, Palestinian Medical Relief Society, Farah Center, 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, BADIL Resource Center for Palestinian Residency and Refugee Rights, Al Mezan Centre for Human Rights, Palestine Medical Relief Society, CBR Nablus, Voices society for the rights of persons with intellectual disability, General Union of Palestinians with disability, Bethlehem branch, Palestinian Consultative Staff for Developing NGOs, Al Salam Sports Club for persons with disabilities, Birzeit University

Paraguay (18) Number of partner organizations: 12

Instituto de Estudios Comparados en Ciencias Penales y Sociales, Organización de Mujeres Campesinas e Indígenas, Asociación Nacional de Productores Agropecuarios, Base Investigaciones Sociales, Centro de Documentación y Estudios, Coordinadora de Derechos Humanos del Paraguay, Federación Nacional Campesina, Servicio Paz y Justicia Paraguayo, Panambi Asociación de Travestis, Transgéneros y Transexuales, Tierraviva a los Pueblos Indígenas del Chaco, Memetic.Media, Coordinadora de Líderes Indígenas del Bajo Chaco

Peru (19) Number of partner organizations: 12

Centro para el Desarrollo de los Pueblos Ayllu, Comisión de Derechos Humanos de Ica, 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, COOPERACION, Acción Solidaria para el Desarrollo, Centro Peruano de Estudios Sociales, Asociación Para el Desarrollo Andino Amazónico - Huñuq Mayu, Movimiento Ciudadano frente al Cambio Climático

Somalia (20) Number of partner organizations: 8

Galkayo Education Center for Peace and Development, Ministry of Constitution Federal Affairs & Democratisation, Puntland, Kaalo Aid and De-

velopment Organization, Forum For African Women Educationalists- Somalia Chapter, Samo Development Organization, Somali Family Services, We are Women Activists, Puntland Office of Human Rights Defender

Sri Lanka (21) Number of partner organizations: 13

Plantation Rural Education and Development Organization, Suriya Women's Development Centre, Eastern Human and Economic Development, Women's Development Centre, Law and Society Trust, Transparency International Sri Lanka, VILUTHU - Centre for Human Resource Development, Sri Lanka Centre for Development Facilitation, People's Action for Free and Fair Elections, Samadana/m, Centre for Environmental Justice, Eco Friendly Volunteers (ECO V), Muslim Women's Research & Action Forum

Thailand (22) Number of partner organizations: 16

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

Uganda (23) Number of partner organizations: 17

Born Again Faith Federation of Acholi, Chapter Four Uganda, Deutsche Stiftung Weltbevölkerung, Center for Policy Analysis, Uganda Joint Christian Council, Cross cultural Foundation of Uganda, Church of Uganda, Forum for Women in Democracy, Human Rights Focus, Rights Evidence Action, Human Rights Network - Uganda, Gulu Women Economic Development & Globalization, ZOA, Teso Initiative for Peace, Uganda Women's Network, Action for Development, Human Rights Network - Uganda

Zambia (24) Number of partner organizations: 10

Caritas Solwezi, Non-governmental Gender Organisations' Coordinating Council, Southern Africa Center for Constructive Resolution of Disputes, Women for Change, Media Institute for South Africa- Zambia, Jesuit Centre for Theological Reflection, Caritas Zambia, Foundation for Democratic Process, Extractive Industries Transparency Alliance, Youth Alliance for Development

Zimbabwe (25) Number of partner organizations: 16

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

Latin America Regional Number of partner organizations: 11

Elige Red de Jóvenes por los Derechos Sexuales y Reproductivos, A.C., Women's link worldwide, Colombia Diversa, Red de salud de las mujeres latinoamericanas y del Caribe, DEMUS Estudio para la Defensa de los Derechos de la Mujer, Comité de América Latina y el Caribe para la defensa de los derechos de las mujeres, Observatorio de Conflictos Mineros de América Latina, Amigos de la Tierra América Latina y el Caribe, Centro de Estudios de Derecho, Justicia y Sociedad, Centro por la Justicia y el Derecho Internacional, Red Latinoamericana de Mujeres Defensoras de los Derechos Sociales y Ambientales

Africa regional Number of partner organizations: 9

Transparency International Kenya, Tax Justice Network Africa, Reality of Aid Africa Network, Anglican Development Services - Nyanza, Bench Marks Foundation, Gender Links, Women in Law and Development-Afrique de l'Ouest, African Network & Forum on Debt and Development, Southern and Eastern African Trade, Information and Negotiations Institute - Uganda, Eastern African Sub-Regional Support Initiative for the Advancement of Women

Global IHL programme Number of partner organizations: 2

Geneva Academy of International Humanitarian Law and Human Rights, Legal Action Worldwide (LAW)

Sustainability Report

FOCUS ON ACCOUNTABILITY AND HUMAN RIGHTS

Sustainability and accountability are fundamental for Diakonia's work. Our vision is a just, sustainable and equal world, and this is impossible to achieve without a broad sustainability perspective. We are of the opinion that working for human rights is working for sustainability. Diakonia works with around 400 local organizations in 25 countries that run projects to support people in escaping from poverty and oppression themselves. Diakonia has a strong local presence and works with local partners through dialogue and capacity building. By supporting our partner organizations working at local and national level to strengthen rights holders – particularly women and other marginalised groups – and by involving decision makers, real and sustainable change is possible. Diakonia's programmes have been prepared on the basis of a thorough contextual analysis and strategic choice of intervention areas to ensure the programmes' relevance in specific contexts. The causes of poverty, violence and oppression are often found in unjust political and economic structures. This is why we not only provide support to our partner organizations, we also work with political advocacy. Our work also involves engaging people in Sweden and spreading knowledge about global development cooperation, our work in the world and our overarching issues.

REPORT PROFILE, STRUCTURE AND LIMITATIONS
2018 is the second year in which we are reporting on the basis of the new legislation that rests upon an EU directive that seeks to produce more transparent and comparable data on how companies and organizations are working on sustainability. The aim of the report is to describe the steering documents and procedures that form the cornerstones of our work for a sustainable world. In the report we analyse and reflect upon what we already do to con-

tribute to sustainability, but also upon weaknesses that need to be addressed in order for Diakonia to improve and develop. The Sustainability Report has been drafted in accordance with the Global Reporting Initiative (GRI) G4 Guidelines, Core level, including NGO Sector Disclosures. The report covers all Diakonia's work in Sweden and internationally. Diakonia's Sustainability Report is produced annually, and this report concerns the 2018 calendar year. Each year, selected areas are followed up using specific indicators. 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.

DIAKONIA'S INTERVENTION AREAS AND THE 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. This enhances opportunities to work in a coordinated way for long-term sustainable economic, social and environmental change and to hold governments accountable for their commitments. The 17 Sustainable Development Goals (SDGs) encompassed by the 2030 Agenda aim to end all forms of poverty, fight injustice and mitigate the consequences of climate change, while ensuring that no one is left behind. At their core are human rights and gender equality, and the protection of our planet and natural resources is to be guaranteed. Diakonia strives towards and actively works to achieve the SDGs through long-term development cooperation, emergency response, advocacy and mobilisation. Diakonia's mandate to work with the root causes of poverty and inequality provides good opportunities and conditions to contribute. As a new and

universally adopted commitment, the 2030 Agenda can be used to drive forward the demands of rights holders and partner organizations. Diakonia works with local partner organizations and other strategic actors to fulfil the right of all people to live a life in dignity. Diakonia's close partnership with local organizations and actors is in line with the joint principles that the UN established for the implementation of the 2030 Agenda. Local ownership, participation and engagement are vital for reaching the goals. The 2030 Agenda touches on all aspects of Diakonia's work, and shall therefore be integrated and mainstreamed in the work.



Diakonia's work mainly contributes to the Sustainable Development Goals 1, 2, 5, 8, 10, 13, 16 and 17. Photo: Anna Hugosson.

GOVERNANCE

Ethics, integrity and accountability. Ethics, integrity and accountability. Diakonia's commitment to uphold the highest standards throughout its work is governed by its two guiding principles: 1. Our strategy for change – knowledge, organization and

advocacy with a rights-based perspective leads to change, and 2. Long-term and respectful partnership. To follow up on its commitments, Diakonia has adopted a set of important frameworks, policies and guidelines. An overview of these is provided in the table below.

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	Investment policy	Board of Directors
Resource mobilisation	Global fundraising policy	Board of Directors
Procurement	Procurement guidelines	Secretary General
Environment		
Environment	Environment policy Environment implementation plan	Board of Directors Secretary General
Social		
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 Respons Mechanism policy Transparency and Accountability guidelines	Board of Directors Secretary General

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

The Code of Conduct. Everyone working for, or representing, Diakonia has an obligation to act in accordance with legislation and Diakonia's Code of Conduct. Everyone also has an obligation to prevent misconduct. This includes e.g. corruption, fraud, sexual exploitation and abuse, and ensuring child safeguarding. The main purpose of Diakonia's Code of Conduct is to outline the key responsibilities of

employees in relation to the people with whom Diakonia works and to their welfare and rights. The aim is to protect rights holders, partner organisations, citizens, employees and other stakeholders with whom we come into contact. The Code of Conduct seeks to help Diakonia's employees to better understand the behaviour expected of them and their obligations. Directors at all levels in Diakonia have the responsibility to ensure that all staff are aware of the content of this Code of Conduct, know how it is to be applied and take action when it is not applied.

Risk management. The overall objective of Diakonia’s risk management is to work in a systematic way to identify, analyse and manage risks that may prevent the fulfilment of the organization’s objectives. In 2018, 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. Risks can either be contextual or operational. Contextual risks are always external and derive from factors beyond Diakonia’s control. Operational risks derive from either our own operations, or from the operations of partner organizations or other implementing stakeholders. Diakonia uses the COSO model² to calculate the seriousness of the risk to the operation. Risk management is a decision-making process that involves choosing between four options: accepting, avoiding, mitigating or eliminating the risk. The most important risks that Diakonia has identified at global level are corruption risks, the decline in democratic space for civil society, disaster situations caused by natural disasters or social/armed conflicts, financial risks and cyber-related risks.

Complaint and incident management. As part of an ongoing process to improve accountability, Diakonia has a complaints mechanism (a digital system for complaints management) that Diakonia's employees can use to report incidents. The system also makes it possible for individuals and organizations to submit complaints and give feedback on Diakonia's and its partner organizations' work. There may be occasions when Diakonia does not meet the expectations of all stakeholders, or is failing to live up to its commitments. When or if this occurs, rights holders, partner organizations, other stakeholders and Diakonia staff have the right to report this. Complaints and incidents are handled in the strictest confidence, and reports can be made anonymously in the system.

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

2018: 9

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

2018: 0

Indicator. Percentage of programmes including corruption in their risk analysis:

2017: 32% 2018: 100%

Specific initiatives were implemented in 2018 in order to strengthen internal capacity for risk analysis.

Anti-corruption work. All operations conducted by Diakonia shall be characterized by a high professional standard as regards fighting corruption. Corruption³ is acknowledged to be one of the greatest constraints in fighting poverty and ultimately affects individuals. It has proved to have harmful and sometimes devastating effects on investments and economic growth, administrative performance and efficiency, and political development. It stifles entrepreneurial spirit, misuses national resources, and weakens administrative capacity and democracy. For Diakonia, the participation of civil society in the fight against corruption is a key priority, as anti-corruption measures would risk being jeopardised without civil society and its monitoring and scrutiny processes.

Example of a case finalised in 2018. A partner organization submitted its annual report late. When the report was analysed, it emerged that the partner organization's financial report was different to that in the auditors' report. Diakonia investigated the matter and found that the partner organization's administrative capacity is weak. With the support of Diakonia, which has also had discussions with the partner organization's accountant, they were able to show that no misconduct had taken place, and were able to produce correct annual accounts. Diakonia's support was a first-time contract to trial a new partnership. Diakonia will not be continuing this partnership.

1) Diakonia's definition: Accountability is the means through which power is used responsibly. It is a process of taking into account the views of, and being held accountable by, different stakeholders, and primarily the people affected by the power exercised.

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.



STAKEHOLDER ENGAGEMENT AND MATERIAL ASPECTS

Diakonia works with rights holders, local organizations and other actors that contribute to sustainable change in different roles and capacities. For Diakonia, long-term collaborations and partnerships with established organizations are a basic strategy for change. In the same way that Diakonia is an actor in Swedish civil society, its partner organizations are actors in their own right in their respective countries. Diakonia has various roles in change processes. The role of "accompanying partner", of which dialogue based on trust is a key component, has been defined as a key added value. Diakonia strives to increase partner organizations' and rights holders' participation in and influence on all parts of the interventions – planning, implementation and evaluation.

Local ownership is a requirement for sustaina-

bility. The work on changing unjust structures is complex and requires many different forms of alliances and new, innovative work methods. Regardless of the type of relationship, stakeholders are encouraged to monitor Diakonia's performance against its commitments and hold Diakonia accountable, should it fall short of its commitments. In the above picture, the aspects presented have been identified as the most significant for Diakonia's sustainability work. This assessment has been made by Diakonia's employees, in collaboration with partner organizations and rights holders. But it also reflects the perspectives of other stakeholders. The aspects have been identified through what is known as a materiality analysis, a method that is used in line with GRI's Sustainability Reporting Guidelines. They are categorized into three spheres of responsibility: economic, environmental and social.



Economic responsibility

Diakonia's goal is to ensure that the organization's funds are used in the best possible way, thus contributing to sustainable change for the rights holders. Economic sustainability includes compliance with legislation, and ensuring that fundraising and resource mobilisation takes place in an efficient and ethical manner, that finances are managed and followed up in a correct and transparent way, and that procedures and control mechanisms are in place and applied. Some of the most important aspects are analysed in the following section.

Economic performance. Diakonia's economic performance is presented in the annual accounts on page 29.

Socially responsible investments. Diakonia's investment policy highlights the need to consider environmental, social and ethical aspects in its investments. The criteria have been divided into two complementary groups. The first group refers to the advocacy areas used to identify improvement potential in the companies in which Diakonia invests, for example in human rights, working conditions, environmental issues and corruption. The second group refers to exclusion criteria for activities and products from which Diakonia actively distances itself and in which it refuses to invest. These criteria are based on a number of international guidelines regarding the relevant environment, social and ethical aspects.

Financial sustainability. All resource mobilisation at Diakonia must adhere to the policy for resource mobilisation. 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. A higher degree of diversification presumes greater capacity to

collaborate with, and manage funding from, various types of donors. Diakonia has worked on developing systems, tools and capacity for resource mobilisation and the management of funds. The decentralised organizational structure has provided greater scope for employees to approach donors at different levels. It also makes the development of several central functions necessary, such as identifying synergies between programmes, strengthening supporting and controlling mechanisms, benefiting from global and international donors and alliances, and boosting innovation.

Indicator. Percentage of income from Swedish state funding via Sida or other Swedish agencies:

2017: 73% 2018: 73%

Diakonia strives for diversification of its revenues in order to manage risks in the event of the loss of a financier at country or global level.

Indicator. Total number of private donors:

2017: 10669 2018: 10817

Diakonia strives to increase the number of private donors.

Procurement practices. Diakonia sets a high standard for its own work. 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. For consultants, Diakonia's Code of Conduct also applies. The procurement guidelines are linked to Diakonia's anti-corruption work. When an employee uses the guidelines, this also serves as insurance against unethical or corrupt actions when negotiating or purchasing goods from suppliers.

Photo: Ezequiel Sanchez.

Environmental responsibility

Climate change is a global threat to human survival, and its effects are felt the most in developing countries. We seek to exert a positive influence on this development by supporting partner organizations that focus on sustainable development, for example through the responsible use of land and natural resources. Also, Diakonia advocates for climate justice and promotes resilience and the ability to adapt. 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.

CO2 emissions. Diakonia is an international organization with operations in 25 countries. The work requires travel 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 2018 work continued on developing procedures for environmental management to reduce carbon emissions. A few examples are improved procedures for planning trips and visits, a reduced number of trips, coordinated field trips and more 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. 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.

Indicator. Number of flight kilometres (related to CO ₂ emissions):	
2017: –	2018: 891600
<small>In 2018 Diakonia introduced a new measuring method for following up emissions from travel. As of September we have reported the number of flight kilometres instead of CO₂, as the latter measurement method entails too much uncertainty. These months have been a learning curve, and we will not be able to establish a new baseline until next year.</small>	

Positive environmental effect. In 2018 Diakonia supported approximately 50 partner organizations and projects that focus on the environment or climate change. Examples of focal areas are natural resources, sustainable water management, community rights in hydropower development, agricultural monitoring and consumption patterns. 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. Skills development regarding climate change and its effects, internally and among partner organizations, is crucial to achieving the goals in the implementation plan. The figures below show the number of educational activities carried out in 2018.

Indicator. Number of capacity building initiatives aimed at partner organizations (climate justice and environmental issues):	
2017: 57	2018: 84
<small>Number of internal capacity building initiatives (climate justice and environmental issues):</small>	
2017: 30	2018: 34
<small>As part of contributing to greater environmental awareness, we annually follow up and report the number of capacity development initiatives.</small>	



Social responsibility

All activities that Diakonia carries out are focused on promoting and defending human rights, so that all women and men can live a life free from poverty and oppression. This is our most important contribution to a sustainable world and social responsibility. Diakonia sees democracy and human rights as mutually dependent and reinforcing. People living in poverty have indicated many times how their lives have changed when they have become aware of their rights. This is why Diakonia always focuses on rights holders. Diakonia's operations are characterised by its guiding principles and a rights perspective (which includes participation, accounta-

bility, freedom from discrimination, 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. In order for Diakonia to contribute in the best possible way to long-term economic, social and environmental sustainability, it strives for high quality and accountability in all our operations.

Diakonia uses results-based management to ensure that all funds are used to achieve the stated re-

Photo: From left: Gabriella Riddez, Fundraising Officer at Diakonia, along with village chief Mawarire and his wife Sifiso Chekedzerai and Julia Gerstrand, Communications Officer at Diakonia during a visit to Zimbabwe. Photo: Anna Hugosson

sults, and that lessons to be learned are identified and integrated in the work. Quality assurance covers all processes to ensure effectiveness and appropriateness, reliability of reporting and compliance with applicable laws and regulations. Diakonia's guidelines for planning, follow-up and evaluation are the most important steering document for internal control. The guidelines contain instructions for both long-term development cooperation and humanitarian work.

Public awareness and trust. Diakonia works on the basis of principles of accountability and transparency and strives to handle all issues that concern communication and information from this perspective. Diakonia aims to communicate clearly and openly so that members, donors, authorities, partners, rights holders, staff and the public can see who we are, how we work, how our financial resources are used and how results are achieved.

Security practice. Diakonia works in countries and contexts where good security practice is crucial to conducting activities in a responsible and secure manner with respect to staff, partner organizations and rights holders. The points below are fundamental to Diakonia's security practice (in certain cases where there is an increased risk, further specific measures are required):

- *Context analysis, including conflict sensitivity analysis and context-specific contingency plans*
- *Incident reporting and Code of Conduct*
- *Transparency*
- *Risk management*
- *Coordination with other actors*

Diakonia has identified that security practice is a high priority and it will continue to be developed and strengthened.

Gender equality and diversity. Diakonia works 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. We strive to ensure that all operations take a gender equality perspective, with particular focus on

the active participation and rights of women and girls. This is a requirement for tackling structural injustices giving rise to poverty and it contributes to initiatives that are sustainable in the long term. Our work encompasses all people, regardless of sexual orientation and sexual identity.

Human resources. The key factor for success and sustainability in our organization and 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. The decision was taken in 2018 to produce a local co-operation agreement that was to cover all staff and lead to greater influence and better understanding of operations, thus resulting in more well-founded decisions. All directors are to promote diversity and equal opportunities at the workplace and work together with the employees to achieve this. Diakonia has zero tolerance of sexual harassment and works actively to counteract a culture of silence. Diakonia has started to follow up on and annually evaluate how the organization is complying with the provisions on diversity. The work is based on the grounds of discrimination defined in the Discrimination Act of 2017. We strive to maintain a high professional standard and provide good conditions for staff to develop their skills. Skills supply is to an increasing extent designed to be easily accessible and to support professional, personal and organizational growth. Since 2017, Diakonia has been a member of the ActLearn e-learning platform to strengthen and further develop systematic learning. E-learning provides increased opportunities for staff to participate in important and relevant training programmes, as well as improving the spread and exchange of knowledge within our decentralised organization.



The innovative farmer

It can be easy to feel despondent in the face of climate challenges and the difficulties that local farmers encounter. But Zin Myo Lwin's story proves that it is definitely possible to achieve positive change. As a 24-year-old university student in Myanmar, he was destined to earn a steady income working in an office. But after agricultural training provided by Diakonia's partner Kalayana Mitta Foundation, his life changed direction.

"Before the training, I didn't know myself. But afterwards I knew who I was, what my interests were and what I should do. I felt that I needed to go home and become a farmer," he explains. And the training and support Zin received from KMF, including an organic farming internship in Bhutan and participation in a young farmer's project, which incorporated things like decision-making and public speaking, produced results. Zin is now a successful farmer, with the help of organic fertiliser that he produces himself. ■

GRI Index

The following is a presentation of Diakonia's report in a GRI index to G4 Core level including NGO Sector Disclosures.

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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 that the statutory sustainability report for 2018 on pages 50-63 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. The auditor's 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, 27 April 2019

Jonas Grahn, Authorized Public Accountant



All around the world, people are fighting courageously and defiantly to defend their rights. Like in Zimbabwe, for example. There, rape is so common that one in three women is raped at some point during her lifetime. Together with the organization Emthonjeni Women's Forum, Diakonia works to strengthen women and girls in rural areas in Matabeleland Province. During the project we have met 1,500 women to discuss and share knowledge of human rights, safety nets and the reporting of violence and abuse. 55 advisors have been trained and subsequently travelled around and offered advice to around 1,000 women who have been subjected to violence. 108 women have obtained redress through their attackers being charged and sentenced in court. The project works simultaneously on conveying knowledge to authorities, institutions, traditional leaders and to men who are violent.

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.