

Advocacy for Change, Financial Report 2016

The Ministry provided Solidaridad Euro 7.3 million in 2016, paid on 18 March (Euro 4.3 million) and on 21 November (Euro 3 million) to cover a total budget in 2016 of Euro 5.1 million. The actual expenditure was Euro 3.5 million, 32% lower than budgeted.

DSO Budget (€)	Inception report budget		Contracted to RECs 2016	Actual 2016	Diff 2016	% 2016
	Total	2016				
Income from Ministry	32,000,000	7,300,000	7,300,000	7,300,000		
Carry Forward	-	-				
TOTAL Income	32,000,000	7,300,000	7,300,000	7,300,000		
Result Area Sustainable Landscapes (SL)						
Country Programmes						
1 Administration & PME	691,200	118,404	118,404	87,711	(30,693)	
2 Lobby & Advocacy	2,304,000	470,713	470,713	314,672	(156,041)	
3 Capacity Development	6,325,000	908,739	905,739	522,432	(386,307)	
4 Innovation & Knowledge Mgmt	2,199,800	533,959	536,959	296,336	(237,623)	
Subtotal Country Programmes	11,520,000	2,031,815	2,031,815	1,221,151	(810,664)	-40% 1)
Global / Continental Programmes						
1 Administration & PME	768,000	107,520	107,520	107,520	-	
4 Innovation & Knowledge Mgmt	512,000	71,680	71,680	36,680	(35,000)	
Subtotal Global / Continental Programmes	1,280,000	179,200	179,200	144,200	(35,000)	-20% 2)
Total Result Area Sustainable Landscapes (SL)	12,800,000	2,211,015	2,211,015	1,365,351	(845,664)	
Result Area Enabling Policy Environments (EPE)						
Country Programmes						
1 Administration & PME	600,000	58,062	58,062	48,385	(9,677)	
2 Lobby & Advocacy	2,600,000	352,773	388,707	317,109	(35,664)	
3 Capacity Development	4,800,000	612,610	581,609	425,693	(186,917)	
4 Innovation & Knowledge Mgmt	1,600,000	320,555	315,622	176,432	(144,123)	
Subtotal Country Programmes	9,600,000	1,344,000	1,344,000	967,620	(376,380)	-28% 3)
Global / Continental programmes						
1 Administration & PME	1,362,000	190,680	190,680	205,658	14,978	
2 Lobby & Advocacy	4,214,261	733,340	742,340	575,819	(157,521)	
3 Capacity Development	2,659,409	452,540	443,540	250,334	(202,206)	
4 Innovation & Knowledge Mgmt	1,364,330	217,580	217,580	141,521	(76,059)	
Subtotal Global / Continental Programmes	9,600,000	1,594,140	1,594,140	1,173,332	(420,808)	-26% 4)
Total Result Area Enabling Policy Environments (EPE)	19,200,000	2,938,140	2,938,140	2,140,952	(797,188)	
GRAND TOTAL	32,000,000	5,149,155	5,149,155	3,506,303	(1,642,852)	-32%
NET BALANCE	32,000,000	2,150,845	2,150,845	3,793,697	1,642,852	carry forward

1) Sustainable landscapes, Country Programmes

Seven projects were started in 2016, in various regions throughout the world. Besides that, there were two investments budgeted in task forces for climate change and sustainable landscape innovation, both coordinated from Europe.

All seven projects experienced a delay in spending, ranging from 25% (South East Asia) to 63% (Paraguay). The main reason is that the establishment of the stakeholder platforms is in the initiation phase which needs less financial investment than the implementation phase. The delayed spending will be compensated during the implementation phase scheduled for 2017 until 2019.

Sustainable Landscape Innovation, Country	2016 Budget	2016 Actual	Diff	%
Ganga Basin, India	388,617	292,345	-96,272	-25%
Mount Merapi, Central Java, Indonesia	92,890	74,974	-17,916	-19%
Kilimanjaro Transboundary region, Tanzania	278,377	160,104	-118,273	-42%
Kafue River, Mazabuka District, Zambia	182,840	96,953	-85,887	-47%
Zona Litoral del Norte, Honduras	571,450	344,832	-226,618	-40%
Southern Autonomous Region of Carribean Coast, Nicara	196,255	132,233	-64,022	-33%
Chaco, Paraguay	260,400	96,968	-163,432	-63%
Sustainable Landscape innovation, coordination Europe	33,000	22,742	-10,258	-31%
To be allocated	27,986	0	-27,986	-100%
	<u>2,031,815</u>	<u>1,221,151</u>		

2) Sustainable landscapes, Global Programmes

A small portion of budget intended for Knowledge Management & Innovation to for our Learning Agenda remained unused and will be carried over to 2017.

3) Enabling Policy Environments, Country Programmes

Enabling Policy Environments, Country	2016 Budget	2016 Actual	Diff	%
Mozambique, Fruit & Vegetables	161,280	81,734	-79,546	-49%
Uganda, Tea and Fruit & Vegetables	161,278	111,989	-49,289	-31%
Bangladesh - Aquaculture	161,280	111,601	-49,679	-31%
Europe	299,615	271,129	-28,486	-10%
Ghana - Cocoa	80,639	80,973	334	0%
Ghana - Gold	80,641	80,973	332	0%
Indonesia - Tea	161,280	125,740	-35,540	-22%
Bolivia - Gold	80,639	50,620	-30,019	-37%
Bolivia - Soy	80,641	52,860	-27,781	-34%
Innovation and Knowledge Management	76,707	0	-76,707	-100%
	<u>1,344,000</u>	<u>967,620</u>		

The projects presented in the table above focus on enabling policy environments. The two projects in Mozambique and Uganda experienced the highest absolute and relative delayed spending. The main reason for all delayed spending is again that the projects are in their initiation phase, establishing new partnerships and multi-stakeholder platforms which needs less financial investment than the implementation phase. The delayed spending will be compensated during the implementation phase scheduled for 2017 until 2019.

Much of our attention in 2016 was focused on mobilization of partners, raising awareness among our RECs and stakeholders about our project, and building trust and new relationships. Doing this carefully requires time. Having carried out an initial capacity assessment in 2016, we will concentrate in 2017 on providing more active support to Civil Society Organizations. Expenditures on Capacity building will increase from 2017 onwards.

4) Enabling Policy Environments, Global & Continental Programmes

Enabling Policy Environments, Global	2016 Budget	2016 Actual	Diff	%
Continental Fruits & Vegetables Programme	70,000	47,094	-22,906	-33%
Continental Livestock Programme	70,000	0	-70,000	-100%
Continental Soy Programme	70,000	18,582	-51,418	-73%
Continental Coffee Programme	70,000	70,001	1	0%
Continental Sugarcane Programme	70,000	69,586	-414	-1%
Continental Textiles Programme	70,000	68,170	-1,830	-3%
Continental Tea Programme	70,000	69,834	-166	0%
Continental Palm Oil Programme	70,000	53,073	-16,927	-24%
Global Gender Programme	150,000	51,383	-98,617	-66%
Global Sector Transformation	585,000	504,387	-80,613	-14%
Innovation and Knowledge Management	40,000	12,100	-27,900	-70%
Admin & PME	236,880	209,122	-27,758	-12%
To be allocated	22,260	0	-22,260	-100%
	<u>1,594,140</u>	<u>1,173,332</u>		

The global component of Enabling Policy Environments comprises eight projects on a continental level. The Livestock and Soy programmes experienced delays in identifying the right partnerships on the ground, but will gear up in 2017.

The global gender programme, that aims to build our internal capacity on gender, is executed by our global gender coordinator based in Kenya. Unfortunately, she was seriously ill in 2016 due to which programme elements were delayed. She has recovered and is working on the gender programme with renewed energy.

The programme “Global Sector Transformation” focuses on the transformation in each of our 13 global commodities (see pages 9-10 in our Annual Report). The average under-expenditure per global commodity is low and will be compensated in 2017.

A small portion of budget intended for Knowledge Management & Innovation will be carried over to 2017.

5) Accounted for by partners

Solidaridad Netherlands participates in the global Solidaridad Network that consists of nine Regional Expertise Centers (REC). These RECs have a strong local mandate and identity. They are locally governed but linked to an interconnected Solidaridad network in such a way that they can contribute to Solidaridad’s global strategies and quality systems. The RECs play a key role both as recipients and implementers of programmes and as partner and funder of other local organizations in order to build a network of empowered actors.

The Southern RECs execute their projects partly with external implementing partners. Solidaridad follows an accounting policy according to which partner expenditures are accounted for in the year that they will be executed according to the budget that is specified in the contract. The difference between contracted and paid to the partner is presented in the balance sheet. The total committed (= contracted) value to partners in 2016 **was Euro 697,437**.

Actual expenditure by partners is continuously monitored by project managers of the RECs. In general, project managers have a close working relationship with their partners. Before partners are selected for a first time, the partner undergoes a review. On a global level, Solidaridad is working on a management information system (Plaza)

in which in future, partners can directly upload their actual expenditure and request for payments on the basis of their progress.

As a general policy, 60% of the contracted annual budget with the implementing partner is disbursed early in the year. After receipt and approval of expenditure actuals for the period, the remaining budget for the period is disbursed.

All REC auditors have followed DSO's Dialogue and Dissident Audit Protocol. If materiality levels require, a partner project audited is executed.