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Reyna Rivera. ActionAid and partner FUMDEC, developed policies to strengthen women's producer organizations, improve food and nutrition security, and increase their income by promoting the quality of its production, preservation and supply of Creole seeds. Nicaragua.

**Antonio Ramírez/ActionAid**

# Message from the Chair and CEO

In 2014 the people with which we work, those living in poverty and exclusion, faced unprecedented challenges to their lives and livelihoods.

The effects of climate change are a cruel reality to the women, men and children we work with worldwide, as they become increasingly vulnerable to natural disasters such as droughts and floods. Across the globe, ActionAid worked with communities to reduce their susceptibility to disasters through our resilience programming as well as bringing our rights based approach in our humanitarian response efforts to 29 disasters. We have also strengthened our engagement in climate change policy work and negotiations, playing a pivotal convening role in bringing together six global organisations in an alliance to influence climate talks from a poverty perspective.

Continued trends in 2014 show the rapidly increasing concentration of wealth and power in the hands of the elite few; insufficient state capacity and political will to provide services as rights; and public policy capabilities weakened by tax dodging. Working alongside our partners, ActionAid intervened at a variety of levels in this cycle of exclusion. At the local level in Brazil, Senegal and Tanzania we worked with communities to challenge and reclaim land that was taken over by local or multinational corporations, and exposed company and government violations of the rights of people living in poverty. We have engaged in various initiatives alongside local communities to ensure public services are delivered by the State to all citizens. This, coupled with our multi-country campaign on tax continues to expose, denounce and push for public policies to end the loopholes that allow tax dodging by multinationals.

*“2014 was a year of change for ActionAid in itself. Our federation made significant changes in efforts to increase accountability and democracy, and to increase our ability to listen to the diverse constituencies and to deepen our primary accountability to people living in poverty by including their movements in our platforms...”*

The capture of the state power by the corporations and elites comes together with an acute shrinkage of political space for citizens and social movements. During 2014 we faced various situations in which ActionAid and its partners were threatened or repressed by authorities due to our campaigning and programming activities. In various countries we also observed a number of legislative initiatives aimed at preventing rights based work and limiting or controlling civil society organisations. In all cases we worked with broad civil society alliances to resist such shrinkage.

We continue promoting women's rights across all aspects of our work. In most countries, ActionAid

continues to work with local women's groups and movements to claim access to and control over land. Our education work continues to focus on enabling girls' education, and is based on our approach to promoting rights in schools. This report includes several stories of women's economic empowerment and our work on overcoming violence against women, illustrating our success in these programmatic areas.

In spite of the difficult external context, we witnessed social movements renewing their strategies and continuing to achieve rights across the world and we proudly took sides with their struggles. We built solidarity movements to confront the power of the 1% and to hold duty bearers to account by contributing to rights holders own initiatives and supporting the organisation of their movements to forming broader alliances with diverse movements.

We continued to operate in a context of low economic growth in our traditional fundraising markets. Due to global fundraising efforts we managed to maintain our achieved low income growth from our European affiliated members, and continued to grow in other markets, including some emerging countries, Brazil, the USA, Australia. We also identified new important growth opportunities in other countries in the global South, making our fundraising more diverse and less vulnerable by reducing our dependence on a few established markets.

2014 was a year of change for ActionAid in itself. Our federation made significant changes in efforts to increase accountability and democracy, and to increase our ability to listen to the diverse constituencies and to deepen our primary accountability to people living in poverty by including their movements in our platforms. Building on our Federation's path of internationalisation we continue to welcome members into the federation, tapping into expertise these members bring with an effective

**Irene Ovonji-Odida, ActionAid's International Board Chair**

*Irene Ovonji-Odida, Ugandan (Chair) is a human rights lawyer and activist with 21 years' experience in development work with marginalised groups in society such as women, pastoralists and persons living with HIV/AIDS. She has worked in the public sector in law reform and on public sector ethics for eight years and been an elected legislator in the East Africa regional parliament for five years. Irene has been involved with ActionAid in Uganda since 2003, becoming national board Chair in 2005 and was elected as International Board Chair in June 2009.*



**Adriano Campolina, ActionAid's new Chief Executive**

*Adriano Campolina has worked for ActionAid for 14 years, mainly in his home country Brazil. Before taking on the role of Chief Executive in April 2014 he was Executive Director of ActionAid Brazil, and prior to this was International Director for ActionAid in the Americas. During this time he successfully supervised ActionAid's response to the Haiti earthquake. In 2002 and 2003 he led ActionAid's international campaign and advocacy efforts to promote farmers' rights and food security during the trade negotiations at the World Trade Organization.*





Malati Maskey, ActionAid Nepal women's rights coordinator with local women from Panga after receiving temporary shelter materials. Nepal.  
Srikanth Kolari/ActionAid

**“** *We could not have hoped to accomplish any of this work in isolation and would like to acknowledge and sincerely thank our partners, supporters, funders and all those who have continued to believe in and contribute to ActionAid's mission to fight against poverty and injustice ...”*

Secretariat to support our growth. Through diligent oversight we ensured that we had minimal disruption to work during implementation of these changes. Our greater emphasis on integrated planning contributed to our successes, however we realise there is still a long way to go.

As we strengthen our democratic federation, we continuously deal with issues of power inequality. Changes have already been made to strengthen the role of countries in decision making processes. Addressing these imbalances will remain a priority for the federation as well as striking the optimum balance between decentralisation and devolution and our ability to pool resources collectively for the greater good of the federation.

We could not have hoped to accomplish any of this work in isolation and would like to acknowledge and sincerely thank our partners, supporters, funders and all those who have continued to believe in and contribute to ActionAid's mission to fight against poverty and injustice. We also could not have had such impact without the outstanding work and commitment of our staff who courageously take sides with the poor and their movements in countries we work.

As we finalise this report, we are once again faced with the vulnerability of the poor and excluded in disasters as we implement our response to the earthquake that shook Nepal in April 2015. We also mourn the loss of two ActionAid colleagues in Afghanistan, Dr Jawid Ahmad Sahai and Mohammad Mohammady, who were killed in an attack by an armed group in Kabul in May 2015. We would like to dedicate this report to these two colleagues who worked with us in the fight against poverty and injustice and to those 8 000 people who lost their lives in the Nepal earthquake. ■



Ma Kyi Myint, 44, member of the local Mother Group which campaigned to have a dam built in the village to tackle the issues of drought. Myanmar.  
**Greg Funnell/Actionaid**

## ActionAid key highlights in 2014

This year we kept the spotlight on women's rights in all our work. This included supporting women and indigenous groups to strengthen their control over land and natural resources by lobbying for fairer and more sustainable policies governing these resources, and supporting them in adapting to effects of climate change. ActionAid Kenya, Mozambique, Sierra Leone and Nepal worked with partners to combat harmful traditional practices, such as female genital mutilation, and gender-based violence, while ActionAid The Gambia created a 'One Stop Centre' to provide services to victims of gender-based violence, enabling more people to report violations.

Advocacy and campaigning are powerful tools for creating awareness and empowerment. Innovative examples of this during 2014 were ActionAid Pakistan's focus on ending child marriage by establishing a helpline, and ActionAid Brazil's focus on reducing the sexual exploitation of girls –including awareness-raising to deter sex tourism and exploitation – through its forceful Do not Play with *My Right* campaign during the 2014 FIFA World Cup. Our fight for public services that prioritise the needs of women and girls resulted in more girls transitioning from primary to secondary school.

We also gained momentum in our international campaigning, linking local issues to our global agenda. For example, coordinated campaigning by ActionAid in communities across Africa as part of our Tax Power campaign influenced African governments to make a major regional commitment to change corporate tax laws. Our campaign work also significantly influenced the content of the African Union's High Level Panel on Illicit Financial Flows report and recommendations (adopted by Heads of State in January 2015) which acknowledged corporate tax avoidance as the biggest flow out of Africa and the negative impact this has on development.

**“** *Rooted in our human rights based approach we responded to 29 disasters in 19 countries, including the Syria refugee crisis, Typhoon Haiyan in the Philippines, the Gaza crisis and the Ebola outbreak in West Africa ...”*

Meanwhile, our #Land-For campaign worked in 20 countries to safeguard the rights of women and marginalised communities to land, and to stop land grabs by foreign companies – it has already influenced the drafting of Kenya's Community Land Bill. And our Safe Cities for Women campaign resulted in changes such as improved street lighting and clean water supplies to benefit women in cities in Democratic Republic of Congo.

Rooted in our human rights based approach we responded to 29 disasters in 19 countries, including the Syria refugee crisis, Typhoon Haiyan in the Philippines, the Gaza crisis and the Ebola outbreak in West Africa. For example, women's leadership and strong community networks in communities were essential in the fight against Ebola. In Sierra Leone and Liberia, women from affected communities were involved in planning the response in their communities, and were trained as social mobilisers to raise awareness of Ebola prevention in their communities. We supported over one million people and secured just under €11.2 million for these responses.

ActionAid also maintained the urgency around climate change and co-convened the Climate 7 (C7) group of international non-governmental organisations, producing a strong critique on how 'climate-smart agriculture' may further exclude smallholder farmers in developing countries. We took part in negotiations on the Sustainable Development Goals at the UN General Assembly, producing a strong statement on how to ensure there is sufficient funding (through tax reform) to deliver on these ambitious goals.

In 2014 we appointed a new Chief Executive and rolled-out our renewed organisational vision to deepen the impact of our work, ensure the organisation's financial sustainability and become more democratic, accountable and effective. We also restructured the International Secretariat (IS) and created new ways of working, including setting up 'International Platforms' which are spaces where countries can come together to share and integrate their plans, make decisions on policy research, advocacy and campaign initiatives, and share learnings and experience. This report shares more on our achievements, our challenges and our learning in 2014. ■

# ActionAid at work

**Who are we:** ActionAid is a global Federation working in solidarity with poor communities to find lasting ways to end poverty and injustice. We work in 46 countries in over 400 programme areas, and partnership is central to how we work. Through child sponsorship we link over 400,000 citizens worldwide in acts of solidarity.

As of December 2014, the ActionAid Federation comprised 26 members (21 Affiliates, 5 Associates) and 19 Country Programmes, plus a presence in the Arab Region and the Philippines<sup>1</sup>.

**What we do:** ActionAid works to end poverty and injustice through purposeful, individual and collective action (*partnerships*), led by people living in poverty, supported by those willing to stand in *solidarity*, and through developing and promoting *alternatives* and campaigns rooted in *human rights*. This is our '*theory of change*'.

**How we do it:** ActionAid challenges the structural causes of poverty and delivers long-term, sustainable programmes by developing with our partners alternative and new ways forward; linking people and movements across the world and across issues; connecting our work locally, nationally and globally; and linking our programme, policy, campaigning and fundraising work. Our community-based child sponsorship model is a good example of our theory of change at work: an ActionAid sponsored child bears witness to the human rights change in her community and

## ActionAid Federation members

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

This table shows the number of countries working on ActionAid's five key areas of work, the number of partners (alliances, community-based organisations, non-governmental organisations, networks, movements and cooperatives) we worked with, and the number of people we engaged with (made up of those we work with in our local rights programmes, total number of supporters (financial or campaign) or any stakeholders involved in ActionAid's work).

Key areas of work	No. of countries involved	No. of partners/ coalitions involved	No. of people engaged
Rights to agriculture and natural resources, especially women	34	4,800	610,000
Holding those with power to account	31	1,000	2,320,000
Strengthening rights to education for children and young people	34	2,000	1,100,000
Protecting rights during conflict and emergencies	24	700	600,000
Securing women's and girls' rights	30	1,700	530,000

benefits from the long-term and sustainable approach of our work.

Our work is rooted in our *human rights-based approach*, which involves empowering people to take action to change the policies and practices that deny them their rights and perpetuate poverty.

*Partnership*, the core principle of ActionAid's approach, encompasses our work with poor communities, partner organisations, people's organisations, social movements, donors and other allies such as think tanks and research organisations. It is fundamental to the success of our work. Partnership with communities means helping them analyse their situation and develop solutions to bring change; while

work with partner organisations helps strengthen their capacity to, for example, adopt a human rights-based approach, build solidarity networks to help confront powerful institutions and increase their degree of success through campaigning and advocacy. Partnerships with social movements and people's organisations that genuinely represent their members can build greater legitimacy and pressure for change. Working in coalitions and alliances can mean that actors are more effective in campaigning and mass mobilisation than they would be alone. And relationships with academic and research institutions can help to improve our rigour and deepen the evidence base for our work.

Read on to see how our theory of change, human rights based approach and values of solidarity, partnership, and looking for alternative ways forward brought real change in 2014, and look out for our red ticks indicating which of our ways of working have helped bring that change about. ■

“ I am really proud of ActionAid, since you are now speaking out more and more and daring to show an edge. This is wonderful as no matter how hard aid organisations work, deeply entrenched injustices can only ever be patched over with aid and one can never achieve true change. I am behind you all the way!”

**Hedevig, UK supporter**

✓ Solidarity   ✓ Partnership   ✓ Human rights based approach   ✓ Theory of change   ✓ Alternatives

**1 Affiliate Members** have full membership of the ActionAid Federation and have equal powers in our General Assembly; **Associate Members** are members making the transition towards full Affiliate membership. They are semi-autonomous interdependent entities with their own national boards and management structures. It is intended that – in time – all Associates become Affiliates; **Country Programmes** are legal branches of ActionAid International or ActionAid UK, and do not have their own national boards or assemblies. While their values, vision and mission are consistent with those of ActionAid International, they are not yet independent members with the rights and obligations of Associates and Affiliates; Four (4) country programmes commenced the membership development process in 2014 **Presence:** ActionAid has a presence in countries where there is no Affiliate or Associate Member, or Country Programme present, but is carrying out activities in line with our mission, either through a Member or the International Secretariat.

## The global context in which we worked: challenges and opportunities

2014 was a year of significant international upheaval. The Ebola crisis exposed the fragility of global south health systems; Israel's bombing of Gaza killed over 2000 people; Boko Haram kidnapped over 200 school girls hundreds of women in Nigeria; ISIS made gains in Iraq and Syria with untold suffering meted on women and children. Meanwhile, Ukraine entered into civil war, with serious impacts on international cooperation, and China officially replaced the US as the world's largest economy. And while the climate crisis continued to exacerbate natural disasters and undermine progress on tackling hunger, the Intergovernmental Panel on Climate Change reported that climate change impacts would be severe, pervasive and irreversible.

Inequality continued to increase within countries – globally 7 out of 10 people now live in countries with rising inequality. Economic growth and progress in developing countries appeared to be increasingly decoupled, most notably in places experiencing a boom in extractives industries: the wealth of the 10 richest Africans now matches the wealth of half the continent. Global efforts to end poverty and marginalisation, advance women's rights, protect the environment, protect human rights and promote fair and dignified employment for all continued to be undermined as a consequence of such concentration of wealth and influence in the hands of a few. But amidst this there was recognition even by the IMF of the damage caused by rising inequality – a signal that the issue has entered mainstream discussions.

Although women's movements achieved significant victories on women's rights in various countries and internationally, we continue to face increasing trends in violations of women's rights particularly in the areas of gender based violence, lack of access to and control of natural resources, women's political participation and economic empowerment.

The resurgence and enactment of national laws that aim to control and restrict citizens and civil society in demanding accountability from national governments continued, with some governments creating new regulations and measures that repress citizens' mobilisation and make the work of organised civil society, non-governmental organisations and social movements more difficult. This had an impact on our work and campaigns, and endangered our staff and partners as well as citizens. At the same time, we started to see a coming together of civil society to challenge the climate of extreme imbalance in wealth and power, and a rise in the emergence of a range of organisations able to build power from the grassroots.

In 2014, many high-income countries continued to grapple with fallout from the global financial crisis, and emerging economies were less dynamic than in previous years. Global growth in 2014 was lower than initially expected, which dampened progress in fundraising. Against this backdrop we focused our work to make the most of our resources and to remain flexible and innovative. This report is a snapshot of what we did well, the lessons we learnt and where we can do better. ■



Euphrasia (left) and Domina (right) cultivate a field with other members of the Abishyizehamwe cooperative, who work with HIV positive women in Kibilizi, Rwanda.  
Laura Elizabeth Pohl/ActionAid

# ActionAid's impact in 2014

## **1** Rights to agriculture and natural resources, especially for women

Sustainable small-scale farming sustains people and resources by using practices and methods that are productive, environmentally sound and good for communities. It is mainly done by women and is critical for reducing hunger. This year ActionAid supported women and indigenous groups to strengthen their control over land and natural resources, helping them adapt to climate change and call for fairer and more sustainable policies governing their food systems and natural resources.

In Brazil, women collectively mobilise themselves to claim their rights through active participation in networks, national alliances, as well as rural social movements to secure their rights to land.

In other countries, we used Reflection-Action community 'learning circles' to build community mobilisation for land rights at the local level. For example, in Nepal, various policies on land and access for women were influenced by advocacy and pressure from ActionAid's partners, the Land Rights Forum, the Women Rights Forum, and Reflect Circles established by ActionAid Nepal. Each district developed a campaign plan to encourage joint land ownership contributing to the introduction of a 40% discount on land registration fees for women living in remote areas by the government of Nepal to increase the landholdings of women.

In 2014, we continued to support marginal and smallholder farmers to practise climate-resilient sustainable agriculture (CRSA), including reducing chemical inputs, supporting soil conservation practices and the use of local seeds to improve farming methods and boost income from agricultural production. As a result, communities we work alongside Federation-wide have seen improvements such as reductions in food shortages; increased crop yields; increased land productivity; improved quality, quantity and diversity of food; and nutritional improvement among children.

## Women organise to develop sustainable agricultural alternatives, Nepal

Last year, women farmers in Udaypur, Nepal, faced three problems: the use of costly and harmful chemical fertilisers and pesticides; lack of good quality seeds; and climate change-related water shortages.

In response, ActionAid Nepal helped them organise farmers' groups to promote sustainable agriculture instead of using chemicals. The groups registered with the District Agriculture Development Office, which provided them with seeds and irrigation, and the village development committee provided financial support for training in organic farming techniques. Meanwhile, ActionAid Reflection-Action circles were set up to help farmers discuss new and alternative solutions.



The 'alternative' the group chose with the support of ActionAid Nepal was a collective farming practice called 'one house, one compost pit', which promoted the use of compost and manure, preventing nutrient loss from the soil. In order to address problems with irrigation, farmers started using water harvest tanks, drip irrigation and drought-resistant crop varieties. Through the use of these sustainable farming techniques, smallholder farmers improved their productivity and the quality of their produce. The compost improved soil structure and fertility, and the sustainable practices significantly reduced farmers' production costs, meaning the women are able to invest more in healthcare and education for their children.

Groups have also been able to use the cooperative savings scheme for a loan to invest in extra income generating activities. The organisation of farmers into cooperatives and local groups has improved community solidarity, while ActionAid's capacity building on sustainable agricultural alternatives, and raising awareness on the responsibility of relevant government institutions, helped smallholder farmers empower themselves. The groups have managed to build a relationship with local agriculture offices, allowing farmers to access seeds for future farming.



*ActionAid was actively involved in local and national coalitions in 12 countries, coordinating opposition to land grabs and supporting land reforms ...”*

ActionAid Mozambique and its partners set up 66 CRSA ‘demonstration fields’ in schools and communities and worked with universities, agriculture schools, government extension officers and local facilitators to roll out CRSA training to local farmers. Some families reported a drop from five to three in the number of months during which they did not have enough food. Trainers who trained fellow community members were successful in Ghana, Malawi and The Gambia – in Ghana the innovative idea of female extension volunteers provided CRSA services to 1,750 women smallholder farmers in 19 communities. One group member reported a doubling of her maize production on the previous year.

ActionAid’s #LandFor multi-country campaign, launched in 2014, worked in 20 countries worldwide to challenge and reduce government and donor incentives that fuel land grabbing. ActionAid was actively involved in local and national coalitions in 12 countries, coordinating opposition to land grabs and supporting land reforms. Multi-stakeholder platforms, which include government authorities, intergovernmental agencies and/or the private sector in addition to community-based organisations, were created in Guatemala, the Netherlands and Senegal, and strengthened in France and Mozambique.

ActionAid Kenya reported influencing the drafting of the Community Land Bill (yet to become law), while an appeal launched in 2013 by ActionAid France (Peuples Solidaires), Greece and Italy and signed by 71,300 supporters led the European Commission to investigate the impacts of its ‘Everything But Arms’ trade agreement with Cambodia. Following this, ActionAid Cambodia engaged with communities and authorities who are in an ongoing dispute in Oddar Meanchey Province, where land was grabbed for sugar production.

Meanwhile, ActionAid USA worked with allies to prevent the US administration adopting a ‘new biofuel pathway’ that would have permitted the expansion of the US mandate for corn-based biofuel, providing another incentive for biofuel companies to continue ousting farmers in poor countries from their fertile land and leaving them unable to grow their own food or afford the food in local markets. Biofuels are also affecting people’s access to the natural resources they rely upon, particularly water as it is diverted from wells and into irrigating the biofuel crop.

ActionAid Senegal published a report on the Ndiel land grab case and led the local, national and international Urgent Appeal to stop the land grab. This was followed by a petition that gathered over 100,000 signatures worldwide. ■

#### FEDERATION-WIDE:

**160,000**

women have a greater understanding of their rights and entitlements to land and natural resources or have attended training on these issues.

**270,000**

farmers are now practising or have been trained to practise climate-resilient sustainable agriculture.



Members of Shiksha Panchayat during a meeting with AMIED (ActionAid partner) which works in rural pockets of Rajasthan to fulfil the educational and other social needs of the population. India. Florian Lang/ActionAid

## 2 Holding those with power to account

In 2014, ActionAid focused on building the capacity of communities (and especially women) to hold local public service providers to account for the services they provide (or fail to provide) and raising people's awareness and supporting them to access the services to which they are entitled.

ActionAid Afghanistan worked with the Ministry of Rural Rehabilitation and Development to implement its National Solidarity Programme in two provinces, supporting the Community Development Councils (CDCs) responsible for getting the local community involved in strengthening local governance, welfare, unity, equity, justice, transparency and accountability. CDC members were trained on social mobilisation, rural research skills, gender issues, financial management, social audits, conflict resolution and environmental and social safeguards. As a result they completed 102 projects including some providing irrigation and education.

**“** In 2014, ActionAid continued to work for the redistribution of resources to finance public policies that reduce poverty ... ”

ActionAid Lesotho and its partners acted as a bridge between communities and departments of education, health and agriculture at meetings to improve accountability for the quality of services provided. In 2014, MPs and ministers reflected on commitments made the previous year, and National Community Parliaments – platforms where governments can consult communities – used this opportunity to present their demands and ensure these were budgeted for in 2014-2015.

ActionAid India established Information Resource Centres in five states to spread information on how people could access government schemes. As a result, approximately 70,000 families accessed benefits such as social security schemes, widow and disability pensions, ration and health cards.

In 2014, ActionAid continued to work for the redistribution of resources to finance public policies that reduce poverty. To this end, ActionAid Bangladesh supported its partners in discussions with the National Board of Revenue, Ministry of Planning and various think tanks about the poorest people's tax burden. As a result of continuous lobbying by ActionAid, supported by the Democratic Budget Movement, a progressive taxation policy was demanded and in 2014, the government said it would allocate the resources to do this in eight districts as a pilot scheme. Through coordinated campaigning by ActionAid offices across Africa in national and regional policy spaces, we significantly influenced the content of the African Union's High Level Panel on Illicit Financial Flows. The report and its recommendations, which were finally adopted by Heads of State

### FEDERATION-WIDE:

**1,000**

local governments took steps to increase accountability to communities, including consultation, planning and open information initiatives and monitoring.

**33 coalitions**

ActionAid was active in 33 strong coalitions and campaigns on tax justice, providing capacity building and technical support, facilitating networking and lobbying.

## Community organising wins right to social housing, Brazil



In 2014, land on which the community of Passariño lives was claimed by the private company Indústria e Comércio Pré-Moldados Nordeste Ltda., and in September that year residents were informed of their imminent eviction. The process had started in 2007.

Marcia is a member of Espaço da Mulher, a community organisation that helps women fight for their rights. News of the eviction was received a few days before the launch of ActionAid's Safe Cities campaign, so Marcia used the campaign launch as an opportunity to condemn the eviction. This was important, as representatives from the Municipal and State government, members of various movements and networks and the press were present. A support network was established, and, along with ActionAid, community organisations identified strategic actions, including a request for the court to reconsider the decision based on procedural irregularities, and street protests and meetings with key government sectors. Media and social networking engaged yet more support.

In November 2014, the solidarity network, representatives of Pernambuco and State Forum of Urban Reform, ActionAid partners and the community successfully passed a motion of repudiation in the Federal Council of Cities, which resulted in the eviction being suspended. A follow-up meeting was convened by the Archbishop of Olinda and Recife, the mayor of the city and community members, allowing the community to highlight the housing problem as well as abandonment of the community by the city in recent years, and the need for investment in public services, especially for women. The same day the State government issued a decree declaring Passariño as an area of social interest for housing purposes, a significant victory for the community. The community's political organisation through various committees was the key success driver.

**ACTIONAID THEORY  
OF CHANGE AT WORK**



**Solidarity**



**Partnership**



**Human rights based approach**

in January 2015, include language that clearly names corporate tax avoidance as the biggest cause of financial flows out of Africa, and made a clear link between this and continuing under-development.

ActionAid Mozambique helped bring about budget increases in the education, health and water sectors. These were due to local people taking part in district and local planning processes, where they demanded that community-identified priorities had a 'gender responsive public services approach', meaning women benefitted from maternity wards and better access to water resources, and more classrooms were built.

ActionAid Uganda and its partners mobilised over one million farmers to petition parliament, challenging unfair taxation of agricultural inputs despite limited investment in the sector. As a result, the Ugandan parliament abolished the budget proposal to introduce taxes on agricultural inputs.

ActionAid India invested in several Knowledge Hubs on issues such as urban poverty, South-South solidarity, peace and justice, child rights and land and livelihoods. ActionAid Bangladesh began developing a regional Knowledge Hub on development alternatives, with a specific focus on tax and redistributive policies to further support the Tax Power campaign. ActionAid Nepal also began developing a Knowledge Hub focusing on how to engage local people in democracy so they are involved in decision-making on public services provision, and how to build links between local and national advocacy work. ■

**3**

## **Strengthening the rights and education of children and young people**

Half the world's population is under 25, but the rights and voices of children and young people are consistently denied. ActionAid works in the poorest communities to make sure government schools are accessible to all, and that the rights of girls and boys are respected.

Promoting Rights in Schools is the framework that provides the blueprint for our education work, and it is based on 10 core rights including free, quality, compulsory education, trained teachers, non-discrimination, non-violence and adequate school buildings and facilities. In ActionAid Bangladesh, Brazil, Malawi, Nigeria and Somaliland, all or some of the 10 core rights have been integrated into the national education policy as a result of our advocacy and lobbying alongside partners. Meanwhile, ActionAid Ghana worked with local community organisations to present a paper at the 2014 National Education Sector Review requesting action on the imbalance in teacher ratios across the country – a recommendation that was accepted by the Ministry of Education and which led to commitments of extra teachers being sent to rural areas.

In an effort to get children more involved and have a greater say in the way their schools run, ActionAid Bangladesh, Burundi, India and Malawi and their partners helped establish school councils to raise awareness of the 10 core education rights. In Malawi, children voiced their demands, and as a result got access to more teachers, desks and materials, and to drinking water in schools. In India, schools were given good quality light bulbs following children's complaints about lighting.



Precious, 15, is a member of a Girl's Club in, Kaduna state. She goes out into the community to encourage other girls to go to school, Nigeria.  
**ActionAid**

## Women work in partnership for girls' right to education, Kebbi, Nigeria

The Enhancing Girls' Basic Education project improved the enrolment of girls in schools in 16 communities in Kebbi, Nigeria – a state particularly hard hit by poverty and where cultural gender roles are deeply ingrained. Many parents keep girls out of school, as they see the girls' role as becoming good wives and mothers.



The project worked with teachers, school management boards, girls and mothers, and established Mothers' Associations, through which ActionAid Nigeria trained 40 women in vocational skills and made them aware of the importance of girl-child education. These

women now use their increased earnings to help send girls in their community to school and speak with parents on why education – specifically for girls' – is necessary.

Fifteen-year-old Jemila is an important advocate for girl-child education in her community. She belongs to the Girls' Club, which encourages girls to stay in school and to become actively involved in bringing about change in their communities. For instance, the girls support the school management boards by identifying and mapping out which children are not in school, and why.

"I feel sad when I hold my bag and see other children like me hawk [sell items on the street] during school hours," she says. "It is a very bad thing to do. Many of the parents claim they are poor and their children would not go to school. This is a big challenge for children like me in this community." Jemila and the Girls' Club members understand the need for children to help bring in money for the family – in fact, Jemila herself works after school – but they believe there must be a balance. By the time this project ended in 2014, there had been a 20% increase in the enrolment of young girls in the communities' project schools.

**ACTIONAID THEORY  
OF CHANGE AT WORK**



**Partnership**



**Alternatives**



**Human rights based**

Taking the argument for sustainable domestic resourcing of education to the international level, strategic links were made to the international Tax Power campaign. ActionAid co-published a key report with UNESCO, influencing the replenishment of the Global Partnership for Education (which successfully mobilised US\$2.1 billion from donor countries and US\$26 billion in domestic resource pledges from developing countries).

In 2014, ActionAid worked to harness youth leadership to end poverty and injustice. In Liberia, support for advocacy and policy analysis was provided to eight youth accountability forums through ActionAid's Activista network of young campaigners. These accountability forums brought together young people to discuss participation in decision-making and in holding those with power and responsibility to account. As a result, youth forums held consultative meetings in three communities to find out about youth participation in decision-making at district and country levels on poor healthcare delivery, lack of recreational facilities in schools and corruption in the allocation of government scholarships. These Activistas were later engaged to support ActionAid Liberia's Ebola response activities, including door-to-door outreach, distribution of infection



Students at a school which is part of the Small School Network, which aims to stop the closure of small schools and improve the quality of education through community participation. Thailand. ActionAid

control materials, contact tracing and record keeping. They also wrote a response and awareness song about Ebola which later became a national hit.

Meanwhile, Activistas in Nepal strengthened links with other youth networks to create a critical mass of young people across the country to take on all forms of social injustice. Activistas in Nigeria took part in the National Youth Summit on Tax, and the Organising for Change Camp, to deepen their knowledge on how to lobby for tax justice, and took action on school fee rises, which included producing and distributing pamphlets to raise awareness, and picketing the State Governor's office.

In Palestine, young people held local authorities to account on issues of unemployment and the right to work, while in Greece, 'Actionteens' identified 15 teen ambassadors, deepened their engagement in campaigns for human rights, and launched a video on xenophobia and racism.

ActionAid Bangladesh, Liberia and Malawi contributed to the role young people can play in the accountability of the new Sustainable Development Goals by engaging them to write and review the 'Democracy Watchdogs' report, and provide case studies on approaches using social audits, scorecards and budget tracking. This work will support ActionAid's international advocacy on the role young people can play in accountability processes, such as at the World Democracy Forum. ■

**FEDERATION-WIDE:**

**3,300**

schools significantly progressed on two or more of the 10 core education rights in the Promoting Rights in Schools programme.

**210,000**

young people were mobilised through ActionAid platforms to take action together on poverty and injustice.



ActionAid community volunteer, John Bindi, educates the residents of Fengehun village, near Bo, on the dangers of Ebola. Sierra Leone. Tommy Trenchard/ActionAid

## 4 Protecting rights during conflict and emergencies

This year we responded to 29 new disasters in 19 countries, and continued to respond to needs in the wake of the 2013 Syria refugee crisis, the Philippines' Typhoon Haiyan, and India's Cyclone Phailin. Floods were the most common hazard, resulting in 14 flood responses (see map). We also supported over 270,000 people affected by the Ebola virus in Sierra Leone and Liberia.

In 2014 the number of countries working on 'resilience' increased – this means protecting people from the impact of conflict, disaster and climate-related crises by helping them be as prepared as possible, defending their human rights during crises, and helping recovery afterwards.

“ We helped more than 800 women in disaster and climate change-affected communities reduce their risks and vulnerability by creating community-based risk-reduction plans ... ”

ActionAid's work in Malawi was a good example of this. We helped more than 800 women in disaster and climate change-affected communities reduce their risks and vulnerability by creating community-based risk-reduction plans; in addition, 28 communities formed disaster risk reduction networks on how to adapt to climate change so they could share their knowledge and influence policy, while 75 women, in partnership with local people's organisations reviewed and analysed local government budgets, policies and practices on resilience. As a result, four lobbying meetings were held to present the budget and policy review recommendations, highlight gaps in district level government policies, practices and budgets, and request action. In addition, alternative ways of working to mitigate the effects of climate change on agriculture in Malawi included boosting production of local fertilisers, while women started using energy efficient stoves which allowed them to cut their firewood use by two thirds.

In Nepal, disaster management plans were used to mobilise local resources for disaster preparedness and response. One community developed guidelines for mobilising emergency funds and raised their own response funds through savings and reserving grains for food stocks. Locally available resources were used to reduce the impact of hazards, including stone and gabion caging to protect river banks and manage flow, and targeted planting.

Meanwhile, ActionAid Australia, in collaboration with ActionAid Nepal, Bangladesh, India and Pakistan developed the South Asia Women's Resilience Index, establishing key social, economic, institutional and infrastructure indicators for governments to support the role of women in



preparing for and recovering from disasters. ActionAid maintained a leadership role in the Global Network on Disaster Reduction and took part in the Climate Action Network, Equity and Ambition Group, Climate Justice Now and other climate coalitions.

ActionAid continued to influence regional and international policies and practices. Two key briefing papers were developed in 2014: Ensuring Disaster Risk Reduction is Inclusive was released at the Asian Ministerial Conference on disaster risk reduction, and a paper on problems with 'climate-smart agriculture' was released at the New York Climate Summit for Change. Both papers were widely read by government representatives and civil society networks, and had a significant influence on debates on the issue. ActionAid also continued to make sure the issue of loss and damage maintained a high profile and support at the United Nations Framework Convention on Climate Change. ActionAid's Emergency Preparedness and Response Handbook – rooted in our human rights-based approach – was rolled out across the Federation. ■

**FEDERATION-WIDE:**

**43**

of ActionAid's Local Rights Programmes have integrated risk reduction strategies and allocated budgets to address capacity gaps.

**1.1 million**

people reported having received humanitarian assistance in ways that respected their rights.

**Women lead disaster risk reduction and resilience in Pakistan**



In 2010, heavy monsoon flooding caused severe damage in the Khyber Pakhtun Khwar, Sindh, Punjab, and Baluchistan regions of Pakistan. ActionAid and local partners supported two communities to build their resilience against disasters through a women-led Disaster Risk Reduction and Resilience project. We took this approach because women are often the worst affected by disasters – as their security is compromised and incidents of violence against them increase – and they are therefore best-placed to develop solutions that work for them.

Momal is a community activist who works to increase local women's awareness and capacity to protect themselves against disasters. She took part in ActionAid-supported leadership workshops to build the capacity of 1,000 rural women, which in turn benefitted a further 800 men and 50 children.

These groups led to the formation of women's groups that can negotiate with key council departments for effective risk reduction planning for disaster-prone areas that takes into account women and girls' needs. Communities prepare contingency plans using traditional methods: early warning bells, building homes on high bases, cultivating near rivers, and building simple structures on riverbanks to protect the land from erosion (a major cause of flash floods). These committees and groups are also linked to the media to highlight issues more widely.



Zahra, 28, is the community facilitator for the Reflect group in her village. Zahra teaches the women of the Reflect circle to read and write, supervises the handicrafts produced and leads on women's rights. Afghanistan.

**Lorenzo Tugnoli/ActionAid**

## 5 Securing the rights of women and girls

ActionAid works to end the poverty and violence women often endure, to empower women and girls on their right to a life free from violence and to increase women's and girls' control over their bodies. This year, ActionAid and partners in Kenya, Mozambique, Sierra Leone and Nepal built the capacity of local groups to combat harmful traditional practices such as female genital mutilation (FGM) and gender-based violence. Women Watch Groups in Ethiopia prevented cases of such abuse, supporting women and girls to report incidents from community to district level.

**“** *I had a terrible experience with FGM and I don't want my girls to go through the same pain as I did... In the women's group we have learnt how to advocate against FGM amongst our girls, which is important as it is an incredibly bad practice... Working with ActionAid has taught us a lot about standing up for our rights as women. My message to ActionAid supporters is that they have hugely helped our community by realising the potential of our girls. We want to be able to expand our women's network into other villages and secure new converts so that other women can join us in the fight against FGM... The number of girls who are now being cut is decreasing, but my hope for the future is that one day there will be no girls being cut ...”*

**Theresa Chepution, Kongelai Women's Network, Kenya**



In ActionAid Pakistan, community vigilance groups (men and women) stopped 47 child marriages by raising awareness of the practice, and its consequences for girls' health. These groups have been linked to district level women's networks and government department support, and the social welfare department has seen a drop in the number of cases. ActionAid Pakistan, alongside partners in the Alliance against Child Marriages, lobbied the Punjab government and established a helpline for women to report cases of violence and child marriage.

In 2014 we continued to campaign and work for economic alternatives and policies to benefit women, helping them claim more power over resources (e.g. land, tools and credit) and demand recognition for and a reduction in the unpaid care they provide. ActionAid's Unpaid Care Work programme became part of our work with smallholder farmers in Ghana and Rwanda – as a result, in Rwanda the government recognised the unpaid care work of women smallholder farmers and allocated more of its budget to the National Women's Council, the Gender Monitoring Office (GMO) and the National Children's Commission. The GMO is now looking into how to



“ We were very excited with the news of the new lighting in Heliopolis community. This is a victory of the Safe Cities for Women campaign in Heliopolis, São Paulo. With the support of the region’s Women’s Movement and in partnership with ActionAid Brazil, in 2014 we held a flashlight march in the community, walking through the dark streets of Heliopolis and demanding public lighting. It should be fully guaranteed so that all residents, especially women, can return to their homes safe later in the day ...”

**Lidia Tavares, Heliopolis Women’s Movement Coordinator**

increase budget allocations for activities to reduce unpaid care work, including increasing access to safe drinking water to within 500m of a water source, energy saving stoves and early childhood development centres where children can be looked after whilst women go to work.

ActionAid Bangladesh supported women engaged in individual or income-generating activities, who reported that in addition to setting up their own sustainable alternative sources of income – for example weaving, rope making, paper bag making, tailoring, etc. – they have more voice in family decision-making. Their mobility has also increased, especially for those who have found a niche for themselves in the local market. This initiative has helped women to communicate with buyers and build their confidence as members of the market management committee. Meanwhile, in Haiti, 12,355 women reported having more control over their incomes and negotiating power in the home. Through focus group discussions, women reported how the additional income was used for children’s education and to buy more and better quality food for their families.

ActionAid’s Safe Cities for Women campaign, launched this year in Brazil, Cambodia, Democratic Republic of Congo, Liberia, Bangladesh and Ireland, calls for cities to be made safer for women, challenges the attitudes and behaviours that result in violence against women and girls in urban spaces being seen as ‘normal’, and confronts the inaction of public authorities. Mass protests, lobbying initiatives and media coverage produced tangible results.

ActionAid South Africa’s Safe Cities for Women team supported the biggest ever Soweto Pride (comprised of 5,000 supporters), while Activistas took part in community marches and events, connecting communities to the Safe Cities for Women work and recruiting others to participate in mobilisations including flash mobs at central bus stations, parks and other public spaces in Johannesburg. In Democratic Republic of Congo, local authorities in Kisenso committed to provide public lighting and clean water to reduce the level of violence against girls and women –

the result of a mobilisation that took place on International Women's Day 2014.

ActionAid Brazil led on engaging ActionAid's Safe Cities for Women work with Habitat III, getting women's rights on the agenda in discussions around urban development and ensuring the voice of poor communities in urban design.

ActionAid Nigeria was one of the first organisations mobilising to "Bring Back our Girls" after the shocking abduction by Boko Haram. We continued to be at the forefront nationally and internationally to put pressure on the government to act more effectively and to defend the right to education. **!**

**FEDERATION-WIDE:**

**23**

countries reported evidence of state and local government making significant steps to protect girls and women from violence.

**480**

community-driven initiatives were taken to protect women and girls from harmful traditional practices.

**47,000**

women reported increased control over income and greater negotiating power.



**Women farmers scale-up organic farming, Guatemala**

ActionAid supports families in Petén, northern Guatemala, by running agricultural workshops on how to cultivate land without using chemical products, but still achieve good results. Olga Marina Asig Bol, 35, is an agricultural promoter. At the workshop she learned about soil preservation, producing organic manure, land grabs and healthier food.

She applied what she'd learned by using organic fertiliser on maize and beans – replacing the chemicals she used to use on her crops – and has been very successful with her chilli pepper plants. "Now my land produces more and better, I don't have to waste money on any chemical products to fertilise the soil. I have other land near my house but in the rainy season my land is flooded, so I need to be able to produce in this small portion of land at home."

Olga committed to replicate the workshops in her village, Semuy, with those interested in her newly learned techniques. She now regularly visits 10 families who were willing to practise them on their own land. Olga is proud of her work, and local authorities have asked her

to teach them how to make organic fertiliser. "Just last year I shared seven to eight workshops with 23 neighbour women who were interested in learning ... Now, recently married young women are also interested in learning, and I am willing to teach them. I am very happy learning and practising new things."

# Learning and reflection

**A**s a Federation we need to learn continuously from what we do, reflect on how we can share and absorb our successes across the Federation, and identify areas in which we can improve our effectiveness. At the same time we need to be able to identify the challenges we face and work together to address these.

## Internal Resources

The need for capacity development continues to be highlighted across the Federation. These capacity gaps are being addressed through strategic prioritisation and technical inputs to strengthen programming, policy work and campaigning. Twenty-five ActionAid countries and ActionAid Denmark's Training4Change initiative formalised our human rights based approach (HRBA) support network (comprising 60 staff members), which aims to harness and share the rich HRBA knowledge, expertise, experience and talents of ActionAid staff, partners and allies.

Our extensive media coverage and influence through civil society networks throughout the year, particularly during emergencies, highlights the importance of developing consistent issue-based leadership to ensure media and allies look to us for expertise. For example, ActionAid UK's proactive media work in the early stages of the Ebola crisis raised ActionAid's profile and helped secure €1.24 million, in addition to €870,000 from Disasters Emergency Committee funding. This makes us more influential, but highlights the need to keep investing in our expertise. While health and security measures and restrictions are essential during emergency outbreaks, the prolonged

## Engaging young people and enhancing livelihoods

Khawhkring Lalawmzuala, 25, lives in Dampui village, Manipur, India, and is an active member of his local youth club, often helping in village affairs whenever the need arises. In April 2014 he was selected by ActionAid India to attend a one-month skills-training course in carpentry – a vocation in which he was always interested.

Following the training he has successfully set up a joinery business, making beds, TV stands, frames for house building and ventilation etc. He now plans to enhance his skills and design abilities in the state capital Aizawl, and then return to the village to practice his craft.

Khawhkring is now a role model for others in the village. "I believe that if work is created at home the young people not need migrate to other places for employment," says Khawhkring. "Thank you CPD (*ActionAid India partner*) and ActionAid for creating opportunities for young people like me."



ban on staff travel to West Africa limited the technical support that could be provided by other staff across the Federation.

New fundraising investments have produced great successes, however the organisation remains very dependent on ActionAid UK, Italy and Denmark. Strategic investment in fundraising is critical to sustaining the work we do across the Federation. Support to new fundraising countries can be strengthened further and we may need to consider a more strategic focus on such investments. Funding for smaller scale emergencies remains a challenge. Requests for support from our internal Disaster Preparedness and Response Fund (DPRF) were higher in 2014; of the 29 responses we carried out, only 15 could be supported by DPRF, with a total investment of €330,000.

## Programming

In countries where there is strong resistance from government and corporates on land reform, we need to conduct robust risk analysis and adopt appropriate tactics in preparation for exposing cases of land-grabbing. We also need to explore how we can influence national legislation through implementation of globally agreed tenure guidelines. ActionAid Mozambique and Cambodia also identified a lack of synergy between civil society organisations as a challenge in relation to land rights issues. ActionAid Mozambique addressed this by establishing a Land Grabs Alliance, clearly defining the roles and responsibilities and the added value brought by different members to the platform.

The links between agriculture and climate change emerged as an important area, particularly as opportunistic new (and sometimes false) solutions emerge in the climate arena. ActionAid has a clear voice on land grabs and other relevant issues and is well positioned to spot and challenge emerging threats to agriculture and land rights from such solutions.

ActionAid's focus on strengthening economic literacy and budget analysis work at local levels is not reflected sufficiently at national level. Stepped-up engagement at the national level should be considered, which could strengthen the work of the Tax Power campaign. A promising area of work developed in 2014 with the collaboration of the women's rights team was on gender-responsive public services. Preliminary work undertaken in six countries in 2014 brought together a number of issues that ActionAid works with, from accountability work in public services to gender issues and budgets and budget advocacy.

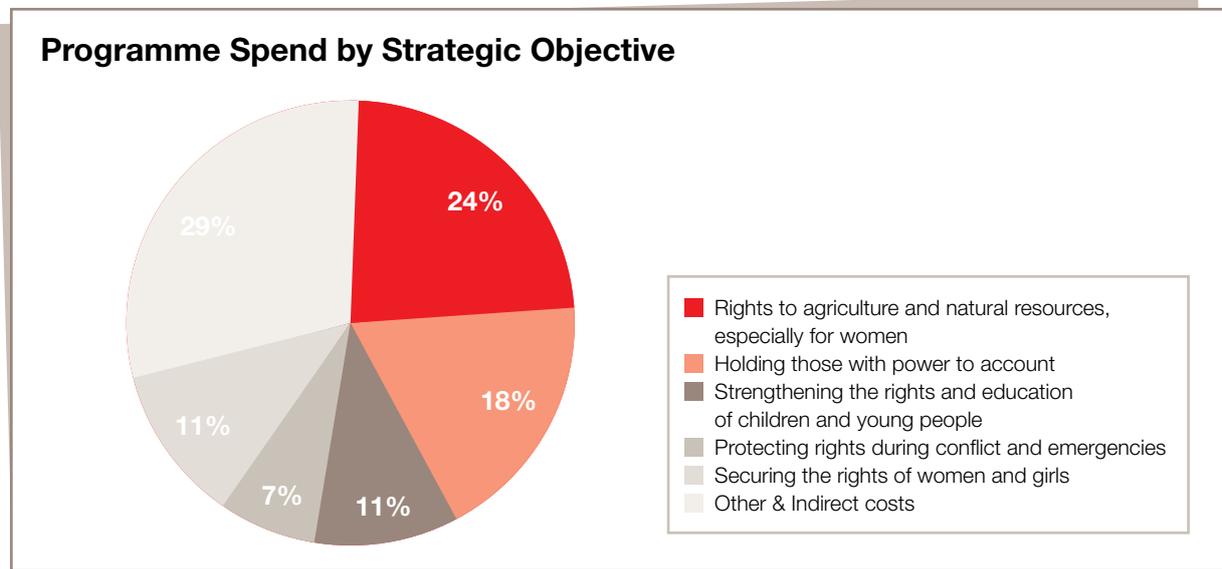
Much has been done to mainstream the Promoting Rights in Schools framework in national education policies, but we need to continue to track policy implementation in practice. In the face of increasing privatisation and liberalisation of education we need to mobilise with teachers' unions and national coalitions more effectively, defining collective actions and collaborating to defend public education. There is an increasing need to focus on secondary schools, particularly for girls, as deep-rooted patriarchy and caste discrimination continue to be major challenges for young women and youth from marginalised and excluded communities. ■

# Finance and funding overview

ActionAid’s total income in 2014 was €229 million. This reflects an increase of 2% on the prior year and increase of 5% compared to plan. The income performance, after removing the impact of exchange rate fluctuations, reflects the slow growth in our mature fundraising markets, and lower-than-anticipated growth in emerging fundraising markets. The global economy showed few signs of recovery, affecting both high income and emerging economies.

ActionAid’s total expenditure in 2014 was €227 million. This is an increase of 6% on the prior year and increase of 7% compared to plan. After removing the exchange rate impact, the expenditure performance is a smaller increase and reflects the expenditure in emergencies in the Philippines, Palestine as well as West Africa for Ebola.

The financial resources invested in programme activities reflect the prioritisation of countries in the areas of rights to agriculture and natural resources, especially for women, holding those with power to account, followed by education and youth and emergencies. This reflects the strong alignment of country strategy to International strategy.



Changes in exchange rates, notably the Euro weakening by 5% against the British Pound compared to 2013, increased our income reported in Euros. The strength of the British Pound and to a lesser extent the Euro, compared to those currencies in our implementing countries, has supported the delivery of programmes within our budgets.

ActionAid’s resource allocation framework sets out the targets that are depicted in the table below. We aim to achieve these targets within the Strategy, ensuring accountability to our supporters

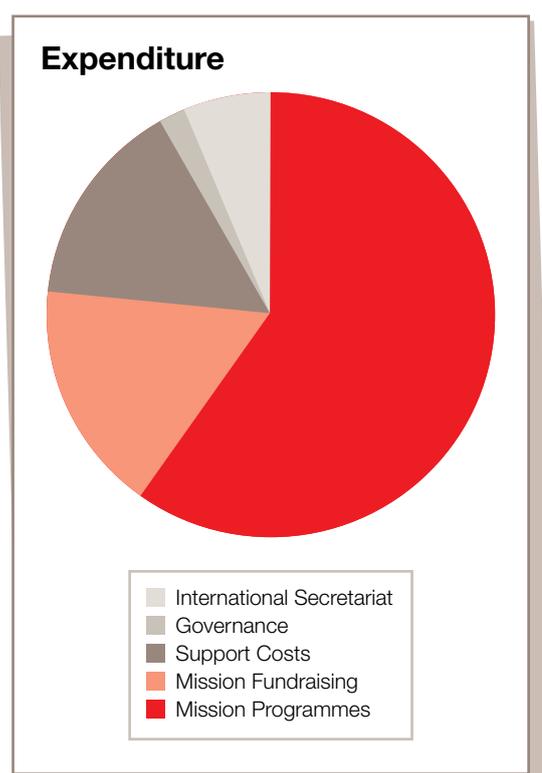
and focusing our resources on our Mission, to ensure maximum impact. The below table shows that our expenditure is increasingly meeting these targets with constant efforts to increase our programme spend and optimise our support spend through efficiencies.

### Resource Allocation Framework Table

	2013	2014	Targets
<b>Fundraising Costs</b>	37290	38656	
as a % of Total Income	17%	17%	<b>&lt;22%</b>
<b>Programme Costs</b>	135 144	145 688	<b>&gt;65%</b>
as a % of Total Expenditure	63%	64%	
<b>Support costs</b>	38 612	39 322	<b>&lt;15%</b>
as a % of Total Expenditure	18%	17%	
<b>Mission costs (Prog + FR)</b>	172 435	184 344	
as a % of Total Expenditure	81%	81%	<b>&gt;80%</b>
<b>IS costs - unrestricted</b>	16 958	16 956	
as a % of Total Expenditure	8%	7%	<b>&lt;8%</b>
<b>Total Income</b>	<b>225 180</b>	228 845	
<b>Total Expenditure</b>	<b>213 434</b>	226 593	

The net surplus for the year after unrealised gain on investment and (un)realised exchange gains/losses is €6.2 million. The overall Reserves in the Federation stand at €98 million, of which 70% is restricted. Total reserves comprise Liquid funds and Treasury reserves of €86.7 million and Property, Plant & Equipment reserves of €11.3 million. Our reserves policy is to hold a minimum of 2.5 months of operating expenditure for unrestricted activities, and as at 31 December 2014, we are holding approximately 4.5 months. The excess reserves are being designated for investment in new and emerging fundraising markets in 2015 to diversify and grow our income.

ActionAid income across the Federation: our funding comes from a wide range of sources and partners. Income from committed giving income streams generated €143.4 million, and represents 63% of our total income. The ActionAid fundraising map, although becoming increasingly more global, continues to have the highest volumes of income raised in Europe, and the organisation remains reliant upon both high value and supporter marketing in a few big markets. We continue to put the majority of investment where acquiring links with supporters is



more expensive, because this brings in more money. Brazil showed constant growth in supporter numbers and income. High-value income exceeded planned targets by 8%, reaching €28 million from major donors, trusts and foundations, major foundations and corporates.

The International Secretariat-managed Asia Hub was successfully launched. It exceeded the target set for the first year by over 37%, with two new grants from The Prudence Foundation and Nokia. The Hub developed an Asia Case for Support, set up an Advisory Board, and raised the profile of ActionAid in Asia by attending high profile networking events and prospect meetings, leading to numerous bespoke proposals and concept notes being developed for securing funds for early 2015. There has also been successful market entry into Switzerland through cross-border fundraising initiatives carried out by ActionAid UK and Italy.

This year €77.5 million came from institutional income streams and ActionAid made good progress on funding from three new sources – the European Union, bilateral donors (Finnish Ministry of Foreign Affairs, Norwegian Agency for Development Cooperation) and multilateral institutions (including the United Nations Democracy Fund).

Overall numbers of child sponsorship links and other regular giving links of 472,129 were down by 1.1% on 2013. Although numbers of child sponsorship links grew slightly, we fell short of 2014 planned targets.

This year, ActionAid Uganda, Pakistan and Sierra Leone piloted our Programme-led Funding Planning approach, which puts our global and national strategies, our theory of change and politics at the heart of our fundraising so we can attract the right amount of money and the right kind of money to match our programming objectives. As this is a new approach, it will take time for our systems and ways of working to adjust so we can fully take advantage of these types of fundraising opportunities.

Practical examples of this in 2014 were a number of strategic funding grants secured for multi-country programming, including a €5million grant (over three years) for tax justice work and a €3.6million grant (over four years) for informal labour work in India from the EC. ■

# Strengthening systems and strategies: our organisational priorities

Our way of working – engaging people to take purposeful action to claim their rights and reduce poverty – needs well-resourced staff, systems and strategies to secure and measure success. This year our resources to do this were under pressure on many fronts in terms of reduced funding, restrictions on civic space and increasing emergencies (including climate-related disasters), but we focused our work to make the most of them and restructured where necessary to do things better.

“I have been a supporter of ActionAid for over 40 years, and am just writing to say how touched I was by the November 2014 letter (only just received) from ActionAid India outlining the story of Prathiba and Srinivasan in connection with your work with “Evidence”. I have often felt really upset and impotent that caste and gender discrimination is still so prevalent in India, but what Rashmi told me makes me so glad that I have made a small contribution towards your wonderful work, which is clearly making a difference. I have copied and sent the letter to several members of my family and to friends, and hope they too will support your very worthwhile projects ...”

**Mr Kumar, former child sponsor and ActionAid India ‘Next Step’ supporter.**

The most prominent external challenge was around political contexts threatening civic spaces, which slowed implementation of our work and in some cases threatened the security of our staff in countries such as Afghanistan and Zambia. We ran a workshop on shrinking political space, organised by the International Secretariat (IS) and with participation of countries and external organisations, to agree actions to help staff deal with this trend. We also focused on ensuring our programme work is rooted in our human rights-based approach – the bedrock of our mission – by providing HRBA capacity support through roving advisors and training programmes; 86% of programmes are now HRBA compliant.

In 2014, campaigning capacity continued to be a challenge. Though many partners in the countries we work in still require capacity building, there have been significant achievements by partners as a result of ActionAid training initiatives. We ran a global skills-share to boost capacity for national campaigning – critical to our theory of change – thereby increasing the numbers of partners and community members trained in campaigning approaches and techniques. ActionAid Malawi reported that investment in enhancing the capacity of partner organisations in organisational development, as well as programming, is essential to ensure overall better programme quality.

## ActionAid Greece raises funds and awareness in solidarity with people living in poverty and those excluded in Palestine



Active financial supporters were asked to increase donations and support for Palestine through ActionAid Greece's *Support a Country* regular giving programme. In total, almost 2,000 new country supporters for Palestine were recruited, with an estimated incremental annual income of almost €300,000 for rights based poverty eradication programs, and a new child sponsorship programme for Hebron recruited 2,000 new sponsors in just two months.

Communications were critical to this success: in a five-month period, 50 Facebook posts brought 111,052 engagement actions (likes, shares, comments) with a 5,741,528 total reach. An interactive public awareness activity held in Athens was attended by 2,000 people and featured in the media over 100 times. In addition, the screening of an ActionAid documentary about Hebron was attended by more than 1,000 people. And for young people, ActionAid Greece launched a Global Education Programme in its educational centre to educate children and pupils on structural causes of poverty in Palestine, including issues of restriction, occupation and war – in one year more than 1,000 children will be reached by this initiative, further influencing the next generation.

ActionAid Greece also stepped up its advocacy and alliance-building work in solidarity with people living in poverty and those excluded in Palestine, including a petition by Greek citizens against the bombing in Gaza, in July 2014.

**ACTIONAID THEORY  
OF CHANGE AT WORK**



**Solidarity**



**Partnership**



**Human rights based**

Our non-financial supporters grew over the past year, largely thanks to an increase in supporter engagement through our campaigning work. Encouraging Federation-wide engagement with our multi-country campaigns (Tax Power, Safe Cities, and #LandFor) has enabled countries to increase their number of campaign supporters. The Federation needs to continue to build upon this supporter growth, and will expand its investment in this area.

In 2014, we have been able to improve tracking of our digital communications – including online and website monitoring – revealing a rise in website visits from 1.8 million in 2013 to 1.9 million in 2014, and a 33% rise in Twitter followers. There was also an increase in online actions from 7,000 in 2013 to 130,000 in 2014, and our biggest ever social media reach of 2.4 million people in mid-2014 following an ActionAid Facebook post on land grabbing. Globally, ActionAid and partner organisations used TV shows, theme tunes, flash mobs and online petitions to raise the profile of issues such as survivors of violence, the need for safer cities, the call for action on the Nigerian schoolgirls abducted by Boko Haram, and the response to the Ebola virus.

Improvements were made in monitoring our impact and change in countries with the roll-out of our Global Monitoring Framework. As a Federation we are making strong efforts to report against global indicators, though comparison of countries on overall progress is challenging, as countries report against diverse and content-specific indicators. This is the second year reporting against the Framework, and while we have made headway in standardising reporting and aggregation, there is still progress to be made, including the further development of our definitions for indicators and data collection methods. Using the annual reporting process as a learning opportunity, we will continue our efforts to provide results-based reporting for donors, endeavouring faithfully to reflect our progress in ways that are meaningful and insightful for our partners, communities and other stakeholders.

2014 was also a year of transition as our new Chief Executive, Adriano Campolina, came on board with an ambitious mandate for change to ensure we are a sustainable, strong Federation, adaptable to our environment. This meant internally we focused on the design, development and launch of the new organisational vision, which would be operationalised through new ways of working and an International Secretariat restructure. The vision aims to deepen the external focus and impact of our work, ensure financial sustainability for the Federation and strengthen it to be more democratic, accountable and effective. To enable this, a Federation Leadership Team was formed to provide executive leadership for the Federation as a whole, delegated to take management decisions and set priorities for issues that may affect all ActionAid countries. The Federation Leadership Team is made up of a regional representation of Country Directors, as well as the Chief Executive and Deputy Chief Executive – thereby involving countries in federal decisions. International Platforms were set up as spaces to integrate plans and share learnings amongst countries working within each strategic area. We also promoted the delegation of responsibilities for particular international strands of work to benefit from countries that are in a strategic position to lead, for example Women's Rights in Emergencies, Organisational Sustainability, and Democratic Governance is being led by Federation members ActionAid Australia, Bangladesh and Denmark respectively.

During 2014, the International Secretariat underwent a restructure process which peaked during the third and fourth quarters. Understandably a restructure of this magnitude impacted planned priorities and milestones for 2014 due to transition, headcount freezes and reduced momentum with country engagement brought on by the change process. In anticipation of the restructure impact, leadership further prioritised against the 2014 International Secretariat Plan to minimise disruption. The restructure process was completed efficiently and on time and achieved its aims. We had an extensive consultation with those affected and ensured they each had the support of the Federation in finding alternative roles or employment outside of ActionAid.

There has been continued exploration and scoping of expansion in three new countries (Mexico, Indonesia and Turkey), and the Federation has also invested internally, with 10 countries receiving fundraising investments (totalling €4 million) to enable us to continue internationalising and diversifying our global fundraising. ■

## Sustainability: Monitoring the environmental impact of our work

Led by ActionAid Bangladesh, the Federation made significant process on measuring and reducing its carbon emissions. This year, nine new countries reported their greenhouse gas emission data, with some deciding to invest in alternatives – for example, ActionAid Italy switched to electricity from renewable source (hydropower) instead of traditional sources.

Other country programmes started to build emission reductions into their programme work. Part of ActionAid Bangladesh's child sponsorship programme includes organising young people to plant trees in children's spaces, while ActionAid Vietnam invested in biogas plants in communities to protect the environment and help communities – especially women – reduce their workload by limiting the need to search for firewood to produce charcoal.

### Our people

People are ActionAid's biggest asset. In line with our people-centred theory of change, it is important that our staff know their rights, are empowered, and feel committed to deliver our challenging strategy. We are committed to promoting best practice in relation to human resources (HR) across the Federation, and ensuring all ActionAid staff feel valued, are treated fairly and are respected.

The ActionAid Federation continues to maintain its People In Aid Quality Mark 1 Accreditation, 'Committed to the People In Aid Code of Good Practice', and is working towards achieving Quality Mark 2 compliance by November 2015.

As of June 2014, we had reached our target of 50% overall female representation, and maintained

**“** I first got involved with ActionAid in 2010. Pakistan had been devastated by severe flooding and I felt I had to try to raise some money to send in aid. I organised a fundraiser in a local restaurant and persuaded some friends to sing to an audience of family and friends. Although it was an absolutely terrifying experience it began my voluntary relationship with ActionAid.

Since the fundraiser I got more and more involved with ActionAid's campaigns on aid and biofuels. In 2014 I became one of the first Local Organisers and arranged an event in my area on tax dodging. I've found myself doing things I would never have done on my own – my best experience with ActionAid was travelling to Brussels, to the European Parliament, to lobby MEPs against the use of biofuels.

Over the years I've worked with some truly dedicated people who, like me, want to see an end to inequality and injustice. I am now lucky enough to be working at ActionAid UK as an Administrative Assistant on the International Tax Justice Project ...”

**Sophie Wills-Virk**

the overall target of a 50:50 male-female workforce. A total of 33 Health and Safety Incidents were reported, with HR managers required to report on action taken to minimise such incidents. The extrapolated Federation annualised voluntary attrition rate is 13%, which is greater than our target of less than or equal to 10% staff turnover rate. ActionAid prides itself on offering staff market rates salaries – to see a breakdown of our compensation structure please visit [www.actionaid.org](http://www.actionaid.org).

**Women’s rights internally:** Overall women’s representation in leadership was less than our 50% target; 44% in 2014, with a 3 % decrease from 2012. This includes members of the Senior Leadership Team and functional Heads in the International Secretariat, and across all countries of the Federation. Of the 11 members of our International Board, six are women. A recommitment to women’s leadership at all levels is therefore aimed at reversing this declining trend.

A Feminist Leadership and Monitoring Group (FLMG) has been set up to develop a plan and priorities for enhancing women leadership. We continue to be committed to strengthening women’s leadership development, and conversations on how to align with the already successful Senior Leadership Development Programme are in progress. There has been active engagement with the International HROD Board Committee, with updates on developments within women’s development initiatives. The HROD Board Committee has committed to retaining a standing agenda on women’s development, and to propose accountability mechanisms in International and National Boards.

We still face challenges across the Federation in implementing our commitments around promoting women rights in our work. Feedback received from different women’s fora highlight concerns around implementation of human resource policies and work-life balance. A decision has been taken to put the women’s development and the feminist leadership issue on the risk register in order to start monitoring our agreements and commitments. Women’s rights in the organisation and externally are a priority for 2015, as illustrated by the CEO’s commitment to actions that aim to significantly enable women’s leadership and respect of women’s rights. A few of these include:

- A Middle-management Leadership Development Programme for the Federation, whereby we anticipate the representation of 60% women as middle managers; the module will equip middle-level women managers to take on higher level roles in the future.
- An organisational talent and succession planning pilot launched with Myanmar, Cambodia, Malawi, Australia, anchored by IS that will focus on senior level managers, and focus on critical positions held by women staff; the module will provide women in leadership roles with better insight into career and succession plans.
- An international, post-exit follow up survey for all voluntary women leavers across the Federation, which will be followed up by contacting a sample of leavers by phone to gather their insights to help ActionAid International improve its retention of more women staff members.

**Staff Development:** According to results gathered through our global engagement staff survey in 2014, we have improved our career and learning and development opportunities over the last several years. Career development opportunities in 2014 included 161 promotions across

the federation as well as a total of 64 dual roles and 37 secondments, allowing staff to learn new skills, gain new experiences in different parts of the Federation and deepen their contribution to our mission. Furthermore, in 2014 the Federation spent 1.41% of its total staff cost on learning and development activities with over 80% (2533) staff members being trained<sup>2</sup>.

We continue to invest in our senior leaders, both within the Federation and in the wider NGO sector. 29 participants attended our Senior Leadership Development Programme in 2014, including 6 delegates from Amnesty International and Greenpeace – who wanted to explore participating in our programme as a collaborative venture going forward. This programme seeks to foster and accelerate leadership development in ActionAid and specifically encourages representation of women leaders, providing a vital space for feminist leadership conversations.

**Staff safety and security:** ActionAid acknowledges that working for human rights, especially in challenging situations and circumstances, involves a high likelihood of political and security risks for staff. We therefore strive to ensure that staff are aware of the risks associated with our work and have the necessary security management in place. Rather than seeing it as a restrictive necessity, ActionAid considers security management to be a way of enabling our mission by ensuring continuation of our work under difficult conditions. Creating a safe and secure working environment requires careful planning, commitment and a collective sense of awareness and responsibility, and must be fully integrated into programme design and management, and not seen as a standalone issue. In 2014, risk updates were regularly produced in collaboration with countries and cross-functional groups to alert the Federation and inform its action on high risk countries, including the following:

- ActionAid Zambia was supported to monitor and mitigate the circumstances that surrounded a threat to ActionAid Zambia's Country Director; actions included a series of risk oversight meetings and the temporary relocation of the Country Director to a neighbouring country, and mitigation measures were put in place with the involvement of ActionAid Zambia's board.
- ActionAid Afghanistan faced a difficult external and internal environment and this is a concern that has been closely monitored and supported; with the Presidential Elections and heightened threats by armed groups, the Afghanistan team has been supported in updating their preparedness plans and security management infrastructure and protocols. A high level Afghanistan support group continues to support the team in programme and management issues. Sadly in May 2015, two of our staff were killed in an attack on a guest house where they were staying while attending a training workshop in Kabul.
- Proactive, timely, effective and extensive support for the staff and Federation were provided in Ebola affected countries. We were able to hold large international meetings, deploy and enable staff to travel safely without operational disruption or any critical security/safety incident. This is a huge success and contribution of the security function to enabling Federation's mission. ■

<sup>2</sup> Training is considered as a course attended by an employee in which a new skill related to the job function is learned.

# Accountability

In 2014 ActionAid rolled out its Accountability Charter principles Federation-wide. Accountability questions were included in 2013 and 2014 reporting and 2015 planning processes to enable us to assess progress against our five principles (see below). Based on country self-assessment, the vast majority of countries reported on at least one accountability principle and were aware of the Accountability Charter principles (44 countries in 2014, up from 41 countries in 2013). The majority of countries reported having leadership commitment and accountability systems in place.

## Accountability Principle 1: Participation and inclusion

Based on self-reports, this is the most practised principle of all, with countries increasing stakeholder awareness of their work using methods that invite communities to take part in reviewing and feeding back on activities carried out.

ActionAid Kenya's mid-term country strategic plan review showed evidence of activities being identified by communities, though there was insufficient engagement with people living in poverty and exclusion. This led to 14 Local Rights Programmes (LRPs) re-targeting processes to ensure women and those excluded were involved and participating in ActionAid interventions, demanding services from government and holding ActionAid accountable.

## Accountability Principle 2: Transparency

Out of the 40 countries reporting, at least half reported using participatory activities with communities in order to be transparent. Notably, around 12 reporting countries associate organisational transparency mainly with financial transparency and reporting.

The sharing of ActionAid's local rights programme (LRP) budget with communities in two LRPs in Pakistan enhanced transparency. The communities went through the annual plan and budget in detail and compared it with the annual PRRP. In addition, Transparency Boards, displaying key facts and figures on allocation of resources in the area, are posted outside most of our LRP offices and these remain an influencing example of our commitment to transparency in our work with communities.

### Accountability Principle 3: Complaints response and resolution

There has been an increased formalisation of complaints handling processes as reported by most countries in 2014, compared to 2013.

In Somaliland, rights holders at local rights programme level complained about the limited number of activities undertaken by ActionAid in 2014. This led to discussions with the village development committee and women coalition leaders. ActionAid Somaliland shared operational and resource plans and collectively developed a work plan to further align our programming to community needs.

### Accountability principle 4: Evaluation and learning

Country reports suggest that operations or programmes have improved based on lessons learned.

Regional efforts have helped tribal people assert their rights and increase access to forest resources in several states in India. However this has not resulted in tribal people gaining full control over their forests. There is much scope for work on the Forest Rights Act, on both individual and community rights and this has informed new strategies

While these lessons might be local in nature, given the grounded nature of programming there is a potential for shared learning across countries which has not been systematically harnessed. Deliberations on how to improve sharing of lessons and best practice across the federation are on-going led by the Institutional Development and Programme Directorates of the International Secretariat.

### Accountability Principle 5: Monitoring compliance/mutual accountability

The Governance and Board Development Committee provides oversight on member compliance to core standards as part of mutual accountability. In addition to financial compliance, programme compliance and delegations, Federation members also engage in peer review processes and external assessments on core compliance commitments. The 2015 planning process incorporated a peer-to-peer review process of country plans.

At a Federation-wide level we now have a better overview of our strengths and weaknesses when it comes to operationalisation of the accountability principles – *participation and transparency* being the strongest area of our expertise and practice, with room for improvement in *evaluation and learning, monitoring compliance and mutual accountability, and complaints handling*. ■

# Governance

ActionAid's distinctive governance structure aims to transform the organisation continuously to enable greater impact, gain credibility and legitimacy, enhance accountability and provide a platform for growth by attracting other organisations to join us. The governance structure<sup>3</sup> comprises the International General Assembly (hereafter referred to as the Assembly), International Board (hereafter referred to as the Board), four Board committees (Governance and Board Development (GBDC); Finance and Funding (FFC); Audit and Risk (ARC); Human Resources and Organisational Development (HROD)); two Assembly committees (Assembly Organising and Election Committee), and 26 national boards.

This year we made progress on internationalisation and membership development to strengthen the Federation through facilitating the admission of ActionAid Bangladesh and ActionAid France (Peuples Solidaires) as ActionAid affiliates, and supporting and enabling the advancement of membership development processes in six countries: ActionAid Rwanda, South Africa, Vietnam, Cambodia, Mozambique and Nicaragua. This continues to be the primary process through which our Federation aims to further distribute power – transforming country programmes into autonomous members, (as associates and then as full affiliates) of the ActionAid Federation.

*ActionAid International Members are registered locally and have their own governance structure with oversight for their activities at national level. Organisations that become Members of ActionAid International are required to have constitutions that prescribe governance processes in line with the standards set by ActionAid International. They are also governed by regulations established under the constitution which require compliance with a range of policies and procedures that establish a series of operating standards across ActionAid International. A separate agreement between ActionAid International and ActionAid UK provides for the International Secretariat to manage country programmes that have not yet become locally registered organisations and were branches of ActionAid UK.*

In 2014 the International Board demonstrated its commitment to addressing governance challenges, including implementing recommendations from the 2013 Governance Model Review, commissioned as part of commemorating a decade of internationalisation, and the Governance Learning Team Report, commissioned in response to challenges in governance-management relations in 2013. This included amendments to membership regulations, governance manuals

<sup>3</sup> Details of the structure and the powers of the Assembly and Board are set out in the ActionAid International constitution: please refer to our website [www.actionaid.org](http://www.actionaid.org)

and the constitution; reconstituting the HROD Committee to acknowledge the importance of people in delivering our mission; investment in governance capacity building; and supporting the Interim CEO and Senior Leadership Team in the initial processes of redefining the new organisational development vision for the Federation and managing the transition in the leadership of the Secretariat.

This year also saw the recruitment of the new Chief Executive and the Board provided support to the CEO in the process of co-creating the new organisational vision and ways of working for the Federation, which puts countries and country leadership at the centre of our work.

The Governance and Board Development Committee (GBDC) was tasked with assisting the Board to develop action plans for implementing the governance reviews, which led to the approval of amendments to the constituent documents and governance manual. The GBDC also focused on increasing member participation in international governance processes as part of strengthening and building a networked Federation. The GBDC, on behalf of the Board, continues to oversee the membership development processes, in an effort to see the Federation grow its membership and also strengthen its democratic processes and delivery of the mission in the remaining period of the current strategy.

The Finance and Funding Committee (FFC) continued its oversight of financial and fundraising performance, strategies and policies on a regular basis with management, discussing financial and non-financial information, and the success of fundraising investments in new and emerging markets<sup>4</sup> across the Federation. Proposals by management for additions to or changes in our systems and policies for managing and reporting on our finances are reviewed by this committee.

Our investment portfolio is now managed by Sarasin & Partners, fund managers. The FFC manages the relationship with our fund managers and receives reports on portfolio performance.

Strategic discussions were held ahead of the Assembly on the Corporate Sector Engagement Framework (approved 2014) and preparation for review and revision of the Resource Allocation

### **Members of the International Board**

- *Alexandra Mitsotaki, Greece*
- *Andrew Purkis, United Kingdom*
- *Chiara Somajni (Vice Chair), Italy*
- *Emira Woods, USA (elected June 2014)*
- *Irene Ovonji-Odida (Chair), Uganda*
- *Janet Sallah-Njie, The Gambia*
- *Kibuga Kinyua Kariithi, Kenya (retired June 2014)*
- *Michael Lynch-Bell (Treasurer), United Kingdom (elected June 2014, after a period of appointed tenure)*
- *Poguri Chennaiah, India*
- *Roberto Kishinami, Brazil*
- *Trine Pertou-Mach, Denmark*
- *Vijay Shunglu, India*

<sup>4</sup> Details of the structure and the powers of the Assembly and Board are set out in the ActionAid International constitution: please refer to our website [www.actionaid.org](http://www.actionaid.org)

Framework to ensure sufficient pooled resources for collective decision-making to meet the long-term ambitions of the Federation.

In strengthening the Federation, we established a Treasurer's Network for the National Treasurers of our 26 members, creating the opportunity for networking and sharing information nationally and internationally.

The Human Resource and Organisational Development (HROD) Committee was reconstituted during the first quarter to support and advise management and the Board on matters relating to human resources and organisational development in the Federation, and was instrumental in providing support and advice to the CEO and Secretariat Leadership on reorganising the International Secretariat. The HROD Committee also embraced and demonstrated its commitment by endorsing the CEO's commitment on practical strategies and actions to realise women's rights and enhance women's leadership across the Federation.

The Audit and Risk Committee (ARC), with the assistance of our internal audit function supports the Board by providing oversight on risk management and continues to identify and review the major strategic, business and operational risks that ActionAid International faces, confirming that appropriate systems are in place to manage and mitigate those risks. The assurance is underpinned by work undertaken by the executive leadership team, country management teams, national boards and the ActionAid International Board in managing risks across the Federation. All members, country programmes and the International Secretariat have risk registers which are regularly reviewed by respective managements and Boards. The main risks facing the Federation as discussed by the International Board (including actions being taken to address them) include the following:

- The steadily shrinking political space for civil society in many countries where we work. ActionAid continues to build knowledge internally and externally through networks, coalitions and alliances to strengthen collective action, deepen understanding and advance our political space. We commit to undertaking regular and rigorous political risk analysis to inform our preparedness and response, whilst strengthening community-based organisations to challenge repressive legislation and policies at the country, regional and international level. A working group on Shrinking Political Space was created by the Federation Leadership Team to provide leadership and set the direction for confronting these challenges in countries.
- ActionAid's programme on resilience in the face of climate change and its impact on poor communities. Our response includes initiatives such as the Climate Resilient Sustainable Agriculture (CRSA) toolkit and the development of country programming frameworks on hazards to enable countries to assess and respond to natural disasters. ActionAid USA and ActionAid Bangladesh have been delegated to lead on our climate policy work at an international level; five countries will test a methodology to assess loss and damage from climate impacts. Furthermore, a Humanitarian Director has been recruited to increase ActionAid's emergency response capability to respond to future emergencies.

- ActionAid's financial sustainability, owing to continued low growth in the countries that are the main sources of funds. This is being addressed through the restructuring of the IS, multi-year investments to promote growth in income, a revised institutional fundraising strategy and regular and timely reporting on reserves.
- Adequate systems and processes to effectively support financial and contract management, monitoring and evaluation (M&E) and reporting. These are essential to meet accountability requirements internally and externally. Failure to do so could lead to loss of income and credibility. ActionAid continues to invest in developing and integrating Federation-wide systems including finance and contract management and minimum standards in M&E. Intensive support to develop high standards in M&E include members identified for each strategic objective International Platform, in addition to further development of the Evaluation and Accountability Global Leaders (EAGLES) network.

The Assembly Organising Committee aims to ensure efficient preparation for and conduct of Assembly Meetings in accordance with ActionAid International's Constitution, Regulations and Governance Manual, and works in cooperation with and support from the current Board, Governance & Board Development Committee, Election Committee and Secretariat. The Election Committee Convener works closely with the Assembly Convener. At least one member of the Governance & Board Development Committee sits on the AOC and the EC Committee.

This year the General Assembly – the highest governing body of the ActionAid Federation comprising the Affiliate Members and Associate Members – addressed motions including: approving ActionAid France (Peuples Solidaires) and Bangladesh as the federation's newest Affiliates; passed the Board motion on the Corporate Sector Engagement Framework with recommendation to management to review progress on implementation and any changes required to be brought to the attention of the Board over the next year; approved the 2013 Annual Report, Financial Report and Accounts.

A special thanks to Kibuga Kinyua Kariithi who retired from the Board and a warm welcome to Emira Woods who joined us in 2014. Additional thanks goes to Michael Lynch-Bell for his continued service through his re-election as Treasurer. ■

### International Governance Participation and engagement in 2014:

Governance Structure	Number of meetings held	Average Participation (%)
International Board	5	76%
Governance & Board Development Committee	4	81%
Finance & Funding Committee	4	75%
Audit & Risk Committee	2	58%
Joint Finance & Funding and Audit and Risk Committee	2	58%
HROD Committee	3	72%
2014 Assembly	1	100%
Assembly Organising Committee	4	75%
Election Committee	5 (including 1 in 2013)	73%

# Looking ahead: Our plan 2015–2017

2015 continues to be challenging in terms of the increasingly difficult external environment and our commitment to advancing the work of the ActionAid Federation through implementing a new organisational vision. There will also be a change in the chairmanship of the International Board, with Irene Ovonji-Odida completing her second term as Chair. The search for her successor is underway.

Overall, global growth is expected to rise moderately to 3% in 2015, and average about 3.3% through to 2017. High-income countries are expected to see growth of around 2% over the next three years, on the back of gradually recovering labour markets, ebbing fiscal consolidation, and still-low financing costs. In developing countries, as the domestic headwinds that held back growth in 2014 ease and the recovery in high-income countries slowly strengthens, growth is projected to gradually accelerate.

In the context of the current economic environment, the financial plans reflect an economic growth rate of 3% per annum from 2015 through to 2017. Total income for 2015 is planned for €238 million growing to €257 million in 2017 with a focus on investment in new and emerging markets, with a 25% increase in investments over the next three years.

New tools and organisational ways of working will help us deepen the external focus and impact of our work, to ensure financial sustainability for the Federation and make it more democratic, accountable and effective. Achieving financial sustainability remains a key priority for the Federation as it impacts on our ability to deliver our mission. We are committed to strategic prioritisation of our resources, to ensure we support growth of income in new and existing markets, as well as investing in our people, including the promotion of women's rights internally, and in our systems to ensure we can deliver efficiency and effectiveness.

Promoting 'local democracy' and accountability around the delivery of social services, budget tracking and gender-responsive public services, and campaigning to increase corporate tax revenues in developing countries by stopping harmful tax incentives, will characterise our agenda to hold the powerful to account. We will also develop ActionAid's role in international policy and advocacy on the problem of restrictions on civil society, targeting the UN System and other global institutions through the work of the Working Group on Shrinking Political Space.

*“ We will encourage more countries to adopt the Promoting Rights in Schools framework through training staff and partners on the Right to Education monitoring tool, and producing citizen's reports to inform policy, advocacy and campaigning work ... ”*



We will encourage more countries to adopt the Promoting Rights in Schools framework through training staff and partners on the Right to Education monitoring tool, and producing citizen's reports to inform policy, advocacy and campaigning work. We will be more vocal in challenging the rising tide of privatisation in education and defending well-resourced and accountable public education systems. Countries will be supported to build on ActionAid's learning on violence against girls in schools, and where relevant to link this to Safe Cities programming and campaigning.

The Humanitarian Response team will build Federation-wide capacity and expertise to effectively prepare for and respond to disasters. In order to continuously learn and improve our emergency response, our future plans and strategies will be informed through learning from emergency evaluations in Gaza, Kenya, the Philippines, Syria, and the Ebola response. We will continue to play a vocal and active role in the climate arena, challenging land grabs and emerging threats to agriculture and land rights from false climate change solutions.

This year we will make the argument for linking our programming on economic justice and women's control over their own bodies – exploring the multiple ways in which economic issues exacerbate gender-based violence. Women and communities will be mobilised at local levels with strong national and global links to feminist activists, academic research, women's movements, women's networks and coalitions for joint programme implementation, shared learning around unpaid care work, gender responsive public services and tackling violence against women and girls.

There is recognition across the Federation that ActionAid has had too many messages and priorities about the changes it is working for in the world, and that this hampers our impact. We need to speak more with one voice on a common agenda. We are therefore increasingly emphasising a connecting 'story' – one of shifting power away from the powerfully wealthy and towards ordinary people, to enable a more equal society. We are reorienting our campaigns and policy engagement to emphasise this connecting narrative and to make our priorities and focus clearer.

The changes ActionAid is working for are rightly ambitious, and require stepping up our work to help strengthen alliances and movements even more – helping to convene like-minded organisations and also working to build power from below to challenge injustice locally, nationally and internationally. ■

# Introduction to our financial accounts

The financial report and accounts for the period ended 31 December 2014 bring together the activities and financial position of all of the entities that work under the name ActionAid International. Financial statements encompass ActionAid International (International Secretariat and country programmes managed by ActionAid International), Affiliate and Associate Members, as described in the Financial and accounting policies.

“ the ActionAid International Board, accountable to the ActionAid International Assembly, has overall responsibility for the system of internal control in the International Secretariat and country programmes, and through the internal audit function monitors the control environments of ActionAid International’s Members ...”

The Audit & Risk and Finance & Funding Committees, in joint session, have responsibility for monitoring and challenging, where necessary, the integrity of our annual report and financial accounts, establishing and overseeing the Federation’s relationship with the external auditor, including the monitoring of its independence and expertise, the terms of reference of its engagement and fees, assessing the effectiveness of the audit process, agreeing the scope of the external auditors annual audit plan and reviewing the output. In addition, these two committees have overseen a tender process for the appointment of a new external auditor to provide audit services for the 2015 year and onwards.

The joint committees considered, amongst other matters, a number of significant issues in relation to the financial reporting of the Federation, including revenue recognition, restricted and unrestricted income, treatment of foreign exchange, management of expenditure through partners, procurement and general expenditure, compliance with local laws and regulations, country specific risks, the level of our reserves and the aggregation process.

**Internal control:** the ActionAid International Board, accountable to the ActionAid International Assembly, has overall responsibility for the system of internal control in the International Secretariat and country programmes, and through the internal audit function monitors the control environments of ActionAid International’s Members. The system provides reasonable but not absolute assurance that ActionAid International operates efficiently and effectively, safeguards its assets, maintains proper records and complies with relevant laws and regulations.

The national boards have the primary function for oversight and monitoring performance at

national level. The Members of the ActionAid International Board oversee a comprehensive accountability system. This includes rolling three-year plans, approved annually by Members' boards and on an aggregated basis by the Board Members of ActionAid International. The ActionAid International Board compares actual results with plans and forecasts and non-financial performance data. Other controls include delegation of authority and segregation of duties. The ActionAid International internal audit function regularly reviews internal controls across ActionAid International and submits reports to the Audit and Risk Committee.

The ActionAid International Board has accepted responsibility for the preparation of these aggregated non-statutory financial statements for the year ended 31 December 2014, which are intended to give a true and fair view of the state of affairs of ActionAid International at that date and of its surplus for the period then ended. They are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), adjusted to include the creation of a property, plant and equipment replacement reserve, with additional voluntary disclosures appropriate to an international NGO.

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

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Stated whether appropriate accounting standards have been followed subject to any material departures being disclosed and explained in the financial statements.
- Prepared the financial statements on the going concern basis as they believe that ActionAid International will continue to operate for the foreseeable future.

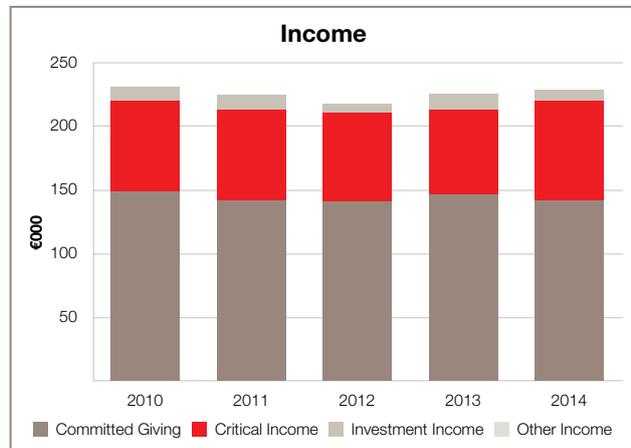
Members of the Board are responsible for ensuring that adequate accounting records are kept for ActionAid International and for monitoring the standard of record keeping of Members and country programmes, so that they can disclose, with reasonable accuracy, the financial position of ActionAid International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

# Financial Accounts

## Treasurer's message on financial performance 2014

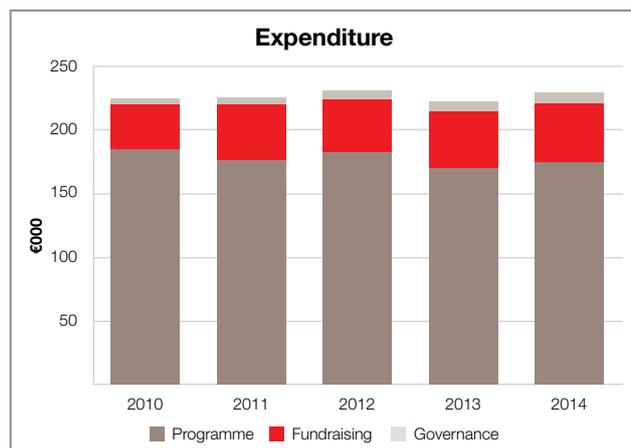
ActionAid's financial performance remained steady in 2014 in the context of a difficult operating environment. Our performance in Europe, which generates more than 85% of our resources, was impacted by continued economic and political uncertainty. In our new and emerging markets we continued to generate increased returns, albeit from a smaller base. These markets are also seeing slower economic growth than seen in recent years. We increased investment in fundraising in our mature markets, where it is becoming more expensive to attract and retain supporters and successfully win tenders.

ActionAid's total income in 2014 was €229 million. This reflects an increase of 2% on the prior year and an increase of 5% compared to plan. The underlying income performance, after removing the impact of exchange rate fluctuations, reflects the slow growth in our mature fundraising markets, and lower-than-anticipated growth in emerging fundraising markets. Our committed giving income is derived mainly from Child Sponsorship and other committed giving fundraising products.



Committed giving income also includes income from trusts, corporate bodies, some individuals and other NGOs. There was a small decrease in this income largely due to the decrease in funding in emergencies, with the majority of income for the Philippines emergency response raised in 2013, and expended in 2014. Our sister organisation, Ayuda en Accion, generated €5.5m of Child Sponsorship income for ActionAid's work.

Institutional income increased by 18% to €78m in 2014, and after removing exchange rate effects, the main contributors for the increase were the UK and Australian governments with a number of new projects, including in Nigeria and Afghanistan, respectively.



ActionAid's total expenditure in 2014 was €227 million. This is an increase of 6% on

the prior year and increase of 7% compared to plan. After removing the impact of exchange rates, the expenditure performance is a smaller increase and reflects the expenditure in emergencies in the Philippines and Palestine, and for the West Africa Ebola response.

Fundraising costs increased by 4% compared to prior year. However, after removing exchange rate impacts, the costs were relatively flat, with increased investments in emerging markets offset by lower investment in mature markets, and with caution applied in areas where we are seeing a continued increase in costs of retention and acquisition of supporters.

The 8% increase in programme costs in 2014 reflects a strong focus on programme delivery, including emergency responses in Syria and the Philippines, and despite the challenges we face in high security or political risk countries. We have commenced reporting along our strategic programme objectives (see page 21 in this report), which demonstrates the strong focus on rights to agriculture and natural resources, holding those with power to account, for which we also have increased spending through our Tax Power Campaign. We will continue to develop reporting in this area and include linking financial inputs to outcomes and input.

Support costs increased by 2% on the year before, but removing exchange rate impacts, this declined through improved focus on value for money and operational efficiency. There was a higher increase in governance costs (22%), covering internal and external audit and cost of governing bodies, in line with the development of our country programmes into independent members, as well as increased focus on internal controls and compliance.

The net surplus for the year was €6 million after gain on investments and exchange gains, resulting in total reserves of €98 million. The restricted reserves of €68m comprise 70% of the total, and make up the majority of the total increase. The unrestricted reserves of €30 million comprise 70% liquid funds and treasury reserves and 30% property, plant and equipment reserve, which rose with the acquisition of the previously rented premises in Denmark during 2014.

### **Losses through financial irregularities, including fraud**

The total recorded losses through fraud in 2014 were €45,196, involving 12 cases in eight countries compared to €169,092 in 2013, €50,700 in 2012 and €11,500 in 2011. A total of six staff members were dismissed for fraud-related offences in 2014 while two partnerships were terminated. Three other partnerships are currently being considered for termination. Other non-fraud related losses amounted to €108,240 in 2014 compared to €23,884 in 2013. Irregular expenditure by a partner on activities not agreed with ActionAid accounts for 75% of the losses, and we continue to focus our efforts to recover the amount from the partner organisation.

The Federation continues to face losses on donor-funded projects resulting in repayments to donors for disallowed expenditure (for example) after final audits of completed projects. The number of projects has reduced this year to only one project with an amount of €36,423 (this compares to €174,117 in 2013 and €170,225 in 2012) which relates to projects that have been completed for

some years, requiring our teams and partners to access documents more than 10 years old.

Our actions to address these risks have included fraud awareness and training on reporting for staff and our partners, pre-implementation training of all project stakeholders, implementation and improvement of global finance policies, standards and processes, and early identification of high-risk projects for management and board attention.

## Outlook for 2015

The outlook remains relatively conservative with European growth in development aid uncertain, driven by political and economic uncertainty across many European countries with leadership changes. This will impact on our overall income plans in mature markets. We are increasing our investment in developing fundraising diversification across more markets, including Nigeria, South Africa, Ghana, Kenya, Vietnam and Thailand, and deepening our investment in Sweden, Switzerland, Brazil and India.

As we increase our fundraising in emerging markets, we face increased risks relating to exchange rate, and we are developing more robust policies and processes to manage and mitigate these risks, and ensure we minimise the effects of exchange rate fluctuations to ultimately support programme delivery and meet stakeholder accountability requirements.

Our approach to engaging with corporates is more aligned across our campaigning, fundraising, procurement and investment units, and while we face challenges in enhancing operational efficiency through global accounts for procurement, we may face challenges in our campaigning stance on large corporates, and we will continue to seek mutual benefits in these partnerships.

Our growth in institutional income continues as we invest in our systems and capacity internationally and nationally, and how we work with other INGOs in consortia to deliver on joint projects, leveraging our strength and resources, and delivering greater impact.

One of the key objectives for finance is to improve our systems support and also improve the quality and timeliness of our financial information. This will require additional financial investment and training and support. We will continue to build on our successful finance transformation project which began in 2013.

## Reserves policy and performance

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

### We divide our funds into:

- Restricted reserves: funds which are earmarked for particular purposes, e.g. an appeal to

help victims of disasters, but have not yet been spent

- Unrestricted reserves, being general funds which can be used for any expenditure.

These funds are invested in largely short-term funds, with banks and other institutions with some held in longer term investments. Our policy is to hold 2.5 months of reserves based on planned operating expenditure in the following year.

### **Reserves are defined as:**

- Funds from supporters, typically committed givers, excluding property, plant and equipment. Balances which result from grants of partnership income, for example from official donors, are not included within this definition of 'reserves';
- Unrestricted funds held by Affiliate and Associate Members and ActionAid International. During 2014 we reviewed compliance with this policy. In performing this review, each of the country programmes, Affiliate and Associate Member activities were reviewed separately. This is because, in dealing with shortfalls against our policy, the flexibility granted by our donors varies depending on the activity of the various entities.
- We are broadly satisfied that country programme reserves of restricted funds are in line with this policy and, where they are not, plans are in place for them to be brought into line within three years. In coming to this conclusion, we took account of ActionAid International reserves which are sufficient to compensate for individual members' temporary shortfalls compared to the minimum required under the policy.
- We are assured that Affiliate and Associate Members held three months of expenditure, based on their planned activity in the following year
- Furthermore, there is a level of additional reserves required for certain defined risks to ActionAid International's future income and expenditure.

The unrestricted liquid funds and treasury reserves of €30 million at the end of 2014 (as shown in note 14) represented a margin of €7 million over the minimum required.

## **Investment policy and performance**

The Board's policy in relation to ActionAid International's long term investments is that they should achieve a higher income than is achieved on ActionAid International's liquid resources while over time benefiting from the capital growth available from equities.

The majority of Investments are held by ActionAid International and in 2014, the total return (income and capital growth) achieved on the portfolio was 14%. This return on investment exceeded internal benchmarks, and overall investment performance reflected the recovery on global markets. During the year, we appointed new Discretionary Investment Managers to manage the International investments and the transition was completed successfully. All investments were made in line with ActionAid International's ethical investment policy. 

# Auditor's Report

## Report of the independent auditor Buzzacott LLP to the members of ActionAid International (The Association)

We have audited the aggregated non-statutory financial statements of ActionAid International for the year ended 31 December 2014. ActionAid international comprises the entities listed in the basis of aggregation accounting policy. These aggregated non-statutory financial statements comprise the aggregated statement of comprehensive income, aggregated statement of financial position, aggregated statement of cash flows, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report has been prepared for the Association's Members, as a body, solely in connection with their wish to publish aggregated non-statutory financial statements and in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Members those matters that we are required to state to them in this report, and for no other purpose. We acknowledge that the Members wish to make this report (with the aggregated non-statutory financial statements to which it relates) available for public inspection, to enable readers to verify that an auditor's report has been commissioned by the Members and issued in connection with the associated aggregated non-statutory financial statements.

This report was designed to meet the agreed requirements of the Association's Members, as a body, determined by the needs of the Association at the time. This report should not therefore be regarded as suitable to be used or relied upon by any party wishing to acquire rights against us other than the Association's Members, as a body, or the Association, for any purpose or in any context. Any party, other than the Association's Members, as a body, or the Association, who obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's Members, as a body, for our work, for this report or for the opinions we have formed.

## Respective responsibilities of board members and auditors

As described on pages 46 and 47, the Members of the Board of ActionAid International have accepted responsibility for the preparation of these aggregated non-statutory financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the aggregated non-statutory financial statements in accordance with the terms of our engagement letter dated 25 January 2010.

## **Scope of the audit of the aggregated non- statutory financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the aggregated non-statutory financial statements sufficient to give reasonable assurance that the aggregated non-statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Association's Members; and the overall presentation of the aggregated non- statutory financial statements. In addition, we read the other information accompanying the aggregated non- statutory financial statements to identify material inconsistencies with them. Our audit report refers to the aggregated financial statements dated 26 June 2015 and accompanying information which comprises the sections set out on the contents page from the Message from the Chair and CEO up to this report. In our opinion the accompanying information is consistent with the aggregated non-statutory financial statements.

## **Opinion on aggregated non-statutory financial statements**

In our opinion the aggregated non-statutory financial statements:

- Give a true and fair view, of the state of ActionAid International's affairs as at 31 December 2014 and of its result for the year then ended
- Have been properly prepared in accordance with IFRSs as adopted by the European Union

In our opinion the information given is consistent with the aggregated non-statutory financial statements. ■



**Buzzacott LLP**  
**Chartered Accounts**  
**June 2015**

# Aggregated statement of comprehensive income

year ended 31 December 2014

	Note	Restricted €'000	Unrestricted €'000	<b>2014 Total €'000</b>	2013 Total €'000
<b>Income</b>	2				
Committed Giving		86 733	56 710	<b>143 443</b>	147 479
Institutional		65 020	12 508	<b>77 528</b>	65 670
		151 753	69 218	<b>220 971</b>	213 149
Investment income		177	925	<b>1 102</b>	765
		151 930	70 143	<b>222 073</b>	213 914
Other income		470	6 302	<b>6 772</b>	11 265
Total income		152 400	76 445	<b>228 845</b>	225 179
<b>Expenditure</b>					
Fundraising	3	10 206	37 252	<b>47 458</b>	45 547
Programme	4	135 401	40 104	<b>175 505</b>	165 162
Governance	5	1 465	2 165	<b>3 630</b>	2 725
Total expenditure		147 072	79 521	<b>226 593</b>	213 434
<b>Net surplus/ (deficit) before transfers and investment profit</b>		5 328	(3 076)	<b>2 252</b>	11 745
Gross transfers between funds		(791)	791	-	-
Gains on investments	11	-	568	<b>568</b>	522
<b>Net Surplus/(deficit)</b>		4 537	(1 717)	<b>2 820</b>	12 267
<b>Statement of movement in funds</b>					
Net Surplus/(deficit)		4 537	(1 717)	<b>2 820</b>	12 267
Foreign exchange gains/(loss)		524	2 853	<b>3 377</b>	(2 547)
<b>Net movement in funds</b>		5 061	1 136	<b>6 197</b>	9 720
Total funds brought forward at 1 January 2014	14/15	63 326	28 462	<b>91 788</b>	82 068
<b>Total funds carried forward at 31 December 2014</b>		68 387	29 598	<b>97 985</b>	91 788

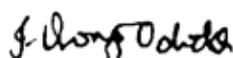
Notes 1 to 17 form part of these accounts. There are no recognised gains and losses other than those shown above. All incoming resources and resources expended derive from continuing activities.

# Aggregated statement of financial position

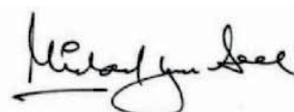
year ended 31 December 2014

	Note	2014 €'000	2013 €'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	11 331	3 079
Investments	11	15 105	13 197
		<b>26 436</b>	16 276
<b>Current assets</b>			
Receivables	12	22 239	20 267
<i>Cash and cash equivalents</i>			
Short term bank deposits		6 269	7 004
Cash at bank		74 297	72 582
<b>Total Current Assets</b>		<b>102 805</b>	99 853
<b>Current liabilities</b>			
Payables	13	(29 290)	(22 263)
Net current assets		<b>73 515</b>	77 590
<b>Non-Current liabilities</b>			
Loan payable		(1 966)	(2 078)
<b>Total net assets</b>		<b>97 985</b>	91 788
<b>Funds</b>			
	14		
<b>Restricted funds</b>			
Liquid funds and treasury reserves		65 935	61 584
Property, plant and equipment reserve		2 451	1 742
		<b>68 386</b>	63 326
<b>Unrestricted funds</b>			
Liquid funds and treasury reserves		20 719	27 125
Property, plant and equipment reserve		8 880	1 337
		<b>29 599</b>	28 462
<b>Total funds</b>		<b>97 985</b>	91 788

Approved by the Assembly of ActionAid International on 26 June 2015 and signed on its behalf by:



**Irene Ovonji-Odida**  
Chair, ActionAid International



**Michael Lynch-Bell**  
Treasurer, ActionAid International

# Aggregated cash flow statement

year ended 31 December 2014

	<b>2014</b>	2013
	<b>€'000</b>	€'000
<b>Cash flow from operating activities</b>		
Net surplus before transfers and investment losses	<b>2 252</b>	11 745
Investment income net of investment fees	<b>(1 102)</b>	(765)
Profit on disposal of property, plant and equipment	-	(2 199)
Depreciation	<b>1 616</b>	1 344
Increase in receivables	<b>(1 972)</b>	(1 019)
Increase/(decrease) in payables	<b>6 915</b>	(1 311)
<b>Net cash inflow from operating activities</b>	<b>7 709</b>	7 795
<b>Cash from investing activities</b>		
Investment income	<b>1 102</b>	764
Purchase of property, plant and equipment	<b>(9 738)</b>	(1 334)
Purchase of investments	<b>(1 324)</b>	(3 992)
Proceeds from sale of property, plant & equipment	-	2 623
Proceeds from the sale of investments	<b>1 232</b>	2 838
	<b>(8 728)</b>	899
Impact of exchange rates on cash and cash equivalents	<b>2 559</b>	(2 379)
<b>Net increase in cash and cash equivalents</b>	<b>1 540</b>	6 315

	Cash	Short term bank deposits	Cash held by investment managers	<b>Total</b>
	€'000	€'000	€'000	<b>€'000</b>
Cash and cash equivalents at 1 January 2014	72 582	7 004	835	<b>80 421</b>
Net increase in cash and cash equivalents	1 715	(735)	560	<b>1 540</b>
<b>Cash and cash equivalents at 31 December 2014</b>	<b>74 297</b>	<b>6 269</b>	<b>1 395</b>	<b>81 961</b>

# Notes to the financial statements

31 December 2014

## 1 Accounting Policies

### **Basis of preparation:**

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

### **Endorsed**

- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions (*issued on 21 November 2013*)
- Annual Improvements to IFRSs 2010–2012 Cycle (*issued on 12 December 2013*)
- Annual Improvements to IFRSs 2011–2013 Cycle (*issued on 12 December 2013*)

### **Yet to be endorsed**

- IFRS 9 Financial Instruments (*Issued on 24 July 2014*)
- IFRS 14 Regulatory Deferral Accounts (*issued on 30 January 2014*)
- IFRS 15 Revenue from Contracts with Customers (*issued on 28 May 2014*)
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (*issued on 18 December 2014*)
- Amendments to IAS 1: Disclosure Initiative (*issued on 18 December 2014*)
- Annual Improvements to IFRSs 2012–2014 Cycle (*issued on 25 September 2014*)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor

# Notes to the financial statements

31 December 2014

and its Associate or Joint Venture (*issued on 11 September 2014*)

- Amendments to IAS 27: Equity Method in Separate Financial Statements (*issued on 12 August 2014*)
- Amendments to IAS 16 and IAS 41: Bearer Plants (*issued on 30 June 2014*)
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (*issued on 12 May 2014*)
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (*issued on 6 May 2014*)

## **Basis of aggregation**

For the purposes of these aggregated financial statements “ActionAid International” comprises ActionAid International (International Secretariat and country programmes managed by ActionAid International), Affiliate and Associate Members, as established under the legal structure pertaining in 2014. All parts of ActionAid share a common strategy and are committed to aiding every member to attain full Affiliate status where this is practical in the medium term. Currently Associates and country programmes, moving along this path to full Affiliate status, are all at different stages of development. They contribute to all activities as far as their capacities allow. For this reason, management believe it is appropriate to include all entities in this aggregation and no longer to make the distinction, which is becoming increasingly difficult, between Affiliate and Associate Members. As the changes in relationship have been gradual, establishing a specific date on which to apply the new treatment is subjective. For this reason, the Board has elected to use the most readily understandable method. The assets and liabilities of new Members have been incorporated in to these financial statements as at 1 January 2009 and their income and expenditures from that date onwards. No new external entities were affiliated during 2014.

The financial statements have been prepared from financial information supplied to ActionAid International by each constituent entity in a common agreed format. Balances due at the year-end date and transactions arising during the year between the constituent entities are eliminated as part of the aggregation process. The Affiliate and Associate Members of ActionAid included in these financial statements are the ActionAid entities in the following Countries: Australia, Bangladesh, Brazil, Denmark, France, Ghana, Greece, Guatemala, India, Ireland, Italy, Kenya, Malawi, Mozambique, Nepal, The Netherlands, Nigeria, Sierra Leone, Sweden, Tanzania, Thailand, The Gambia, Uganda, UK, USA and Zambia.

# Notes to the financial statements

31 December 2014

## **Fund accounting**

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

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

## **Committed giving**

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

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

# Notes to the financial statements

31 December 2014

## Accounting for income

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

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

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

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

## Expenditure

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

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

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

# Notes to the financial statements

31 December 2014

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

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

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

## Property, plant and equipment and depreciation

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

	In Europe/US	Outside Europe/US
Freehold buildings	25 years	10 years
Office equipment -computers	3 years	3 years
Office equipment -other	5 years	3 years

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

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

## Investments

Investments are classified according to the purpose for which they were acquired. ActionAid International designated its investments as "fair value through profit and loss" on IFRS adoption and will continue to do so. Under this method of accounting, investments are

# Notes to the financial statements

31 December 2014

recorded at fair value in the statement of financial position and all changes in value are recognised in the statement of comprehensive income. This designation has been made in accordance with paragraph 9 (b) (ii) of IAS 39 on the basis that the investments are held with a view to generating a total return over an extended period and that management measures this total return based upon total changes in fair value, in line with ActionAid International's established investment policies. As proceeds from disposals are generally reinvested, the distinction between changes in value crystallised by sale and those arising through adjustment to fair value is not considered meaningful. As all equities and bonds are main index stocks and traded on active, regulated exchanges, fair values are determined directly by reference to published current bid prices.

## **Cash and cash equivalents**

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

## **Pensions**

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

## **Foreign currencies**

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

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

# Notes to the financial statements

31 December 2014

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

## **Critical accounting estimates and judgements**

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

- **Introduction of new Members into the aggregated financial statements**

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

- **Contingent liabilities**

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

- **Completeness of submissions from Members into the aggregated financial statements**

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

# Notes to the financial statements

31 December 2014

## 2 Income

2 a) Committed giving	Restricted	Unrestricted	2014 Total	2013
	€'000	€'000	€'000	€'000
Australia	405	1 618	<b>2 023</b>	1 191
Brazil	3 274	-	<b>3 274</b>	2 393
Denmark	103	1 235	<b>1 338</b>	910
France	-	465	<b>465</b>	426
Greece	5 478	2 427	<b>7 905</b>	8 017
India	436	-	<b>436</b>	465
Ireland	1 119	770	<b>1 889</b>	1 728
Italy	24 072	20 961	<b>45 033</b>	43 023
The Netherlands	11	679	<b>690</b>	466
Sweden	2 214	1 670	<b>3 884</b>	3 534
UK	24 430	23 542	<b>47 972</b>	40 503
USA	56	156	<b>212</b>	260
Sub-total	61 598	53 523	<b>115 121</b>	102 916
<b>High Value and Other Donors</b>				
UK Disasters Emergency Committee	3 650	458	<b>4 108</b>	3 567
Donations from companies, trusts and NGOs	7 787	2 729	<b>10 516</b>	21 688
Contribution from Ayuda en Acción	5 494	-	<b>5 494</b>	5 943
Other donations	8 204	-	<b>8 204</b>	13 365
<b>Total committed giving</b>	<b>86 733</b>	<b>56 710</b>	<b>143 443</b>	<b>147 479</b>
<b>2 b) Institutional income</b>				
	Restricted	Unrestricted	2014 Total	2013
	€'000	€'000	€'000	€'000
Government of Denmark	29 753	5 150	<b>34 903</b>	35 401
Government of United Kingdom	985	6 392	<b>7 377</b>	6 698
European Union	7 948	296	<b>8 244</b>	10 250
United Nations - World Food Programme	1 725	-	<b>1 725</b>	3 872
Government of The Netherlands	1 552	-	<b>1 552</b>	2 239
Government of Australia	4 075	-	<b>4 075</b>	864
Government of Ireland	1 306	-	<b>1 306</b>	877
All other governments	4 211	10	<b>4 221</b>	857
All other United Nations agencies	2 002	-	<b>2 002</b>	1 046
Other contributions from official bodies	11 463	660	<b>12 123</b>	3 566
<b>Total institutional income</b>	<b>65 020</b>	<b>12 508</b>	<b>77 528</b>	<b>65 670</b>

# Notes to the financial statements

31 December 2014

## 2 Income

<b>2 c) Investment income</b>	Restricted €'000	Unrestricted €'000	<b>2014 Total €'000</b>	2013 €'000
Investment income	10	568	<b>578</b>	311
Bank interest	167	357	<b>524</b>	454
<b>Total investment income</b>	<b>177</b>	<b>925</b>	<b>1 102</b>	<b>765</b>

<b>2 d) Other income</b>	Restricted €'000	Unrestricted €'000	<b>2014 Total €'000</b>	2013 €'000
Realised foreign exchange gain /(losses)	-	(312)	<b>(312)</b>	753
Profit on sale of fixed assets	-	-	<b>-</b>	2 272
Charitable Trading	-	5 972	<b>5 972</b>	5 687
Other	470	642	<b>1 112</b>	2 553
<b>Total other income</b>	<b>470</b>	<b>6 302</b>	<b>6 772</b>	<b>11 265</b>

## 3 Fundraising costs

	Restricted €'000	Unrestricted €'000	<b>2014 Total €'000</b>	2013 Total €'000
Committed giving costs	7 906	13 913	<b>21 819</b>	19 838
Cost of other donations	1 712	12 403	<b>14 115</b>	14 787
Cost of raising contributions from institutional bodies	588	1 687	<b>2 275</b>	2 475
Cost of raising voluntary institutional income	10 206	28 003	<b>38 209</b>	37 100
Costs of fundraising trading	-	324	<b>324</b>	118
Investment management costs	-	123	<b>123</b>	72
	10 206	28 450	<b>38 656</b>	37 290
Support costs allocated to fundraising (note 6)	-	8 802	<b>8 802</b>	8 257
<b>Total fundraising costs</b>	<b>10 206</b>	<b>37 252</b>	<b>47 458</b>	<b>45 547</b>

# Notes to the financial statements

31 December 2014

## 4 Programme costs by country

	Grants €'000	Direct programme €'000	2014 Total €'000	2013 Total €'000
<b>Affiliates &amp; Associates</b>				
Australia	-	1 445	1 445	2 152
Bangladesh	1 689	1 734	3 423	3 519
Brazil	4 114	45	4 159	3 509
Denmark	1 170	27 942	29 112	23 149
France	55	481	536	390
Ghana	1 966	1 701	3 667	2 759
Greece	-	483	483	526
Guatemala	1 301	81	1 382	1 872
India	7 107	2 244	9 351	10 790
Ireland	-	101	101	77
Italy	-	3 512	3 512	5 063
Kenya	738	7 465	8 203	11 225
Malawi	1 237	2 858	4 095	3 303
Mozambique	1 016	2 117	3 133	2 328
Nepal	1 747	1 330	3 077	3 336
Netherlands	242	947	1 189	709
Nigeria	1 931	2 241	4 172	3 526
Sierra Leone	500	1 418	1 918	2 236
Sweden	-	358	358	776
Tanzania	514	936	1 450	1 801
Thailand	177	122	299	317
The Gambia	944	848	1 792	2 090
Uganda	1 390	5 237	6 627	5 904
UK	2 198	6 119	8 317	5 334
USA	-	772	772	870
Zambia	1 501	207	1 708	1 996
	<b>31 537</b>	<b>72 744</b>	<b>104 281</b>	<b>99 557</b>
<b>Country Programmes</b>				
Afghanistan	1 900	567	2 467	1 947
Burundi	87	944	1 031	697
Cambodia	724	1 039	1 763	1 629
China	524	289	813	937
DRC	122	1 258	1 380	1 010
Ethiopia	3 797	818	4 615	4 144
Haiti & DR	-	789	789	1 059
Lesotho	175	800	975	694
Liberia	175	969	1 144	946
Myanmar	2 823	1 608	4 431	4 122
Pakistan	1 591	856	2 447	2 666
Palestine	-	1 078	1 078	666
Rwanda	586	747	1 333	1 561
Senegal	540	649	1 189	939
Somaliland	91	1 137	1 228	1 079
South Africa	-	1 880	1 880	954
Vietnam	691	1 338	2 029	1 632
Zimbabwe	1 345	877	2 222	2 033
	<b>15 171</b>	<b>17 643</b>	<b>32 814</b>	<b>28 715</b>
<b>Other:</b>				
AAI Secretariat	-	8 594	8 594	6 872
<b>All countries</b>	<b>46 708</b>	<b>98 981</b>	<b>145 689</b>	<b>135 144</b>
Support costs allocated to programme (note 6)			<b>29 816</b>	30 018
<b>Total programme costs</b>			<b>175 505</b>	<b>165 162</b>

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

# Notes to the financial statements

31 December 2014

## 5 Governance costs

	Restricted €'000	Unrestricted €'000	2014 Total €'000	2013 Total €'000
Internal audit	510	247	757	597
External audit	282	555	837	810
Legal	156	238	394	268
Costs of governing bodies	517	421	938	713
	<b>1 465</b>	<b>1 461</b>	<b>2 926</b>	<b>2 387</b>
Support costs allocated to governance (note 6)	-	704	704	338
	<b>1 465</b>	<b>2 165</b>	<b>3 630</b>	2 725

External auditors' remuneration included in governance costs was:

	2014 Total €'000	2013 Total €'000
Audit of aggregated financial statements - Buzzacott LLP	117	141
Audit of aggregated financial statements - Buzzacott LLP (related to prior year)	19	-
Other audit work - Other auditors	701	669
	<b>837</b>	810

## 6 Support costs

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

	Restricted €'000	Unrestricted €'000	2014 Total €'000	2013 Total €'000
Local management	2 093	1 882	3 975	4 131
Communications	360	751	1 111	1 221
Finance	2 975	4 554	7 529	8 577
Human resources	1 985	3 794	5 779	3 883
Impact assessment support	128	788	916	725
Information technology	992	3 568	4 560	4 764
Office administration	3 856	4 645	8 501	9 257
Organisational development	426	2 449	2 875	3 137
Property	1 728	2 348	4 076	2 918
	14 543	24 779	39 322	38 613
Allocated to fundraising	-	8 802	8 802	8 257
Allocated to programme	14 543	15 273	29 816	30 018
Allocated to governance	-	704	704	338
	14 543	24 779	39 322	38 613

# Notes to the financial statements

31 December 2014

## 7 Employees

	2014 Total	2013 Total
<b>The average number of employees throughout the year was:</b>		
Programme	1 371	1 395
Support	1 084	1 016
Fundraising	437	445
Governance	57	39
	<b>2 949</b>	<b>2 895</b>
<b>Total remuneration of employees was:</b>		
	<b>€'000</b>	<b>€'000</b>
Gross salaries, wages and other benefits	<b>62 925</b>	57 065
Payroll taxes	<b>5 549</b>	4 977
Pension contributions	<b>3 368</b>	2 707
	<b>71 842</b>	<b>64 749</b>
<b>The emoluments of the International Directors, the senior executive management team, comprise the following:</b>		
	<b>€'000</b>	<b>€'000</b>
Salaries	<b>688</b>	605
Pension contributions	<b>68</b>	60
Other benefits (housing, school fees, relocation payments)	<b>33</b>	62
Tax paid on behalf of employees	<b>26</b>	13
One-off redundancy costs arising from restructuring of the International Secretariat	<b>144</b>	-
	<b>959</b>	<b>740</b>

During the year the CEO was appointed on 1 April 2014. The Chief Executive of the ActionAid International Secretariat received the following remuneration from April 2014: salary €115,928 (2013: €95,511 for 8 months), pension contributions €11,602 (2013: €9,511 for 8 months) and housing and other allowances €6,889 (2013: €12,603). The Acting Chief Executive was also paid a total of €52,081 as salary, €5,208 as pension contributions and €7,643 as housing and other allowances in his Acting capacity for 4 months to April 2014.

In the course of normal employment arrangements, payments of expenses are made on behalf of Directors which are then reimbursable. At 31 December 2014, amounts were outstanding from 4 International Directors (2013: 3) which amounted to €16,074 (2013: €6,173).

## 8 Trustees' remuneration

No remuneration or other payments have been made to the Board or Committee Members of ActionAid International for their services as Board or Committee members or for other services provided to the organisation in 2014 (2013: € nil).

Directly incurred expenses are reimbursed, if claimed, and in 2014, this amounted to € 56,358 for travel and accommodation relating to Board and Committee meetings (2013: € 54,765).

# Notes to the financial statements

31 December 2014

## 9 Property, plant and equipment

	Freehold property €'000	Office equipment €'000	Motor Vehicles €'000	<b>2014 Total €'000</b>
<b>Cost</b>				
At 1 January 2014	1 586	6 977	9 693	<b>18 256</b>
Foreign exchange differences	-	279	460	<b>739</b>
Additions	7 784	891	1 063	<b>9 738</b>
Disposals	(144)	(124)	(524)	<b>(792)</b>
At 31 December 2014	9 226	8 023	10 692	<b>27 941</b>
<b>Depreciation</b>				
At 1 January 2014	439	5 622	9 116	<b>15 177</b>
Foreign exchange differences	25	213	326	<b>564</b>
Charge for year	392	662	562	<b>1 616</b>
Disposals	(144)	(79)	(524)	<b>(747)</b>
At 31 December 2014	712	6 418	9 480	<b>16 610</b>
<b>Net book value</b>				
At 31 December 2014	<b>8 514</b>	<b>1 605</b>	<b>1 212</b>	<b>11 331</b>
At 31 December 2013	1 147	1 355	577	3 079

## 10 Financial Assets and Liabilities

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

**Capital Management:** ActionAid International has €87m of liquid funds and €15m has been invested on a long term basis. Investments in equities and bonds are all in mainstream products on active, regulated exchanges. The portfolio is valued at the year-end using

## Notes to the financial statements

31 December 2014

market prices. The remaining cash is held on deposit with mainstream banks or in short term financial instruments to be available within periods of between one day and three months.

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

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

**Exchange rate risk:** The majority of ActionAid International's reserves are held as cash or short term deposits, as set out in the statement of financial position. Cash balances are held in a number of currencies, predominantly British Pounds, Euros, US and Australian Dollars. Exposure to exchange rate risk is managed through the reserves policy, not through the use of hedging instruments. Currencies are held broadly in proportion to the currencies of ActionAid International's income. Exposure to the impact of exchange rate movements in the local currencies of the developing countries where we work is reduced by retaining balances in relatively stable currencies until needed for expenditure in country. Receivables and payables set out in notes 12 and 13 are denominated in a number of currencies. Exchange risk relating to these balances is managed in the manner described above in relation to cash and deposits.

**Liquidity and credit risk:** Some of the funds received from donors are subject to both liquidity and credit risk. ActionAid International manages these risks on an individual contract basis, using prudent income recognition and in advance funding where possible to mitigate the exposure to such risks. The carrying value of all cash and cash equivalent balances, receivables and payables are the same as their book value.

# Notes to the financial statements

31 December 2014

## 11 Investments

	<b>2014 Total</b>	2013 Total
	<b>€'000</b>	€'000
Market value at 1 January 2014	<b>12 362</b>	10 736
Foreign exchange differences	<b>688</b>	(50)
Additions	<b>1 324</b>	3 992
Disposals	<b>(1 232)</b>	(2 838)
Net investment (loss)/gain	<b>568</b>	522
<b>Market value at 31 December 2014</b>	<b>13 710</b>	12 362
Cash held for investment	<b>1 395</b>	835
Market value at 31 December 2014	<b>15 105</b>	13 197
Historic Cost as at 31 December 2014	<b>11 688</b>	10 318
<b>The market value is represented by</b>	<b>2014 Total</b>	2013 Total
	<b>€'000</b>	€'000
Equities	<b>10 720</b>	9 537
Bonds	<b>2 990</b>	2 825
	<b>13 710</b>	12 362
Cash	<b>1 395</b>	835
<b>Total</b>	<b>15 105</b>	13 197

## 12 Receivables

	Restricted	Unrestricted	<b>2014 Total</b>	2013 Total
	€'000	€'000	€'000	€'000
Amounts due from official bodies	5 240	20	<b>5 260</b>	4 396
Other receivables and prepayments	10 010	3 851	<b>13 861</b>	13 757
Tax recoverable	2 139	60	<b>2 199</b>	1 446
Amounts due from employees	728	191	<b>919</b>	668
	18 117	4 122	<b>22 239</b>	20 267

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

# Notes to the financial statements

31 December 2014

## 13 Payables

	Restricted €'000	Unrestricted €'000	2014 Total €'000	2013 Total €'000
<b>Amounts falling due within one year:</b>				
Loan Payable*	-	167	167	148
Trade payables and accruals	7 818	12 889	20 707	15 808
Amounts due to employees**	3 159	2 633	5 792	4 434
Taxation and social security	673	1 256	1 929	1 804
Deferred income	649	46	695	69
	12 299	16 991	29 290	22 263
<b>Amounts falling due more than one year</b>				
Loan Payable	-	1 966	1 966	2 078

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

\*\* Amounts due to employees include accruals of gratuities that become payable when staff leave

## 14 Analysis of fund balances

	Restricted		Unrestricted		2014 Total	2013 Total
	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000	Liquid funds and treasury reserves €'000	Property, plant and equipment reserve €'000	€'000	€'000
At 1 January 2014	61 584	1 742	27 125	1 337	91 788	82 068
Net movement in funds	4 351	709	(6 406)	7 543	6 197	9 720
At 31 December 2014	<b>65 935</b>	<b>2 451</b>	<b>20 719</b>	<b>8 880</b>	<b>97 985</b>	<b>91 788</b>
<b>Represented by:</b>						
Property, plant and equipment	-	2 451	-	8 880	11 331	3 079
Investments	14 963	-	142	-	15 105	13 197
Current assets	63 271	-	39 534	-	102 805	99 853
Current & non-current liabilities	(12 299)	-	(18 957)	-	(31 256)	(24 341)
	<b>65 935</b>	<b>2 451</b>	<b>20 719</b>	<b>8 880</b>	<b>97 985</b>	<b>91 788</b>
Accumulated exchange differences taken directly to funds and included as at 1 January					(7 160)	(4 613)
Net exchange difference arising during the period and taken to reserves					5 987	(2 547)
Accumulated exchange differences taken directly to funds and included as at 31 December					(1 173)	(7 160)

# Notes to the financial statements

31 December 2014

## 15 Movement in Funds

	At 1 January 2014	Income	Expenditure	Internal Income/ expenditures	Transfers	Exchange & Other Movements	At 31 December 2014
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Associates</b>							
Australia	5 462	5 354	(3 398)	(2 509)	-	141	5 050
Bangladesh	1 343	3 791	(4 315)	(235)	(36)	133	681
Brazil	(91)	7 810	(7 104)	217	(320)	156	668
Denmark	4 101	36 968	(31 449)	(7 148)	-	2 419	4 891
France	142	880	(1 216)	359	-	(39)	126
Ghana	1 570	4 583	(4 510)	300	(17)	(71)	1 855
Greece	739	8 322	(2 774)	(5 500)	(20)	18	785
Guatemala	1 015	2 397	(2 004)	(143)	(10)	87	1 342
India	6 062	10 517	(11 714)	118	(87)	817	5 713
Ireland	239	3 298	(824)	(2 140)	(44)	47	576
Italy	5 947	49 096	(18 377)	(25 348)	(4 804)	-	6 514
Kenya	3 424	9 840	(9 973)	(269)	(29)	186	3 179
Malawi	3 611	5 757	(4 822)	(97)	(29)	249	4 669
Mozambique	1 143	3 510	(3 867)	40	-	46	872
Nepal	2 143	3 669	(3 534)	(179)	(12)	121	2 208
Netherlands	242	2 783	(2 136)	(561)	-	9	337
Nigeria	1 756	6 579	(5 620)	465	-	89	3 269
Sierra Leone	1 608	2 643	(2 499)	(58)	(10)	211	1 895
Sweden	(336)	4 022	(2 148)	(1 700)	-	171	9
Tanzania	345	2 181	(2 117)	139	(2)	30	576
Thailand	699	20	(515)	372	-	40	616
The Gambia	1 211	2 826	(2 489)	(135)	(22)	75	1 466
Uganda	4 693	5 842	(7 439)	(168)	(24)	262	3 166
UK	15 211	77 218	(24 611)	(45 315)	(8 682)	2 287	16 108
USA	1 212	3 188	(1 565)	(1 694)	(119)	119	1 141
Zambia	883	2 258	(2 031)	(52)	-	57	1 115
	<b>64 374</b>	<b>265 352</b>	<b>(163 051)</b>	<b>(91 241)</b>	<b>(14 267)</b>	<b>7 660</b>	<b>68 827</b>
<b>Country Programmes</b>							
Afghanistan	360	3 213	(3 008)	(53)	(17)	11	506
Burundi	454	1 343	(1 499)	31	-	15	344
Cambodia	1 410	2 505	(2 077)	(79)	(2)	96	1 853
China	857	607	(1 098)	479	-	55	900
DRC	529	1 610	(1 917)	671	-	40	933
Ethiopia	2 542	6 335	(5 261)	(248)	(9)	400	3 759
Haiti & DR	99	1 452	(1 302)	103	-	17	369
Lesotho	680	1 054	(1 242)	(17)	-	33	508
Liberia	182	2 459	(1 606)	457	(12)	(262)	1 218
Myanmar	1 928	5 497	(5 115)	454	(27)	138	2 875
Pakistan	1 496	2 977	(2 925)	(205)	-	87	1 430
Palestine	-	1 012	(1 291)	101	-	441	263
Rwanda	593	1 864	(1 700)	37	-	44	838
Senegal	370	1 873	(1 871)	(50)	-	(69)	253
Somaliiland	772	1 680	(1 620)	382	-	57	1 271
South Africa	438	1 730	(2 448)	789	-	19	528
Vietnam	1 806	2 902	(2 524)	158	(7)	121	2 456
Zimbabwe	649	2 819	(2 937)	(49)	-	30	512
	<b>15 165</b>	<b>42 932</b>	<b>(41 441)</b>	<b>2 961</b>	<b>(74)</b>	<b>1 273</b>	<b>20 816</b>
AAI Secretariat	12 249	12 512	(22 101)	(2 234)	14 446	(6 530)	8 342
Aggregation adjustment	-	(91 951)	-	90 514	(105)	1 542	-
	<b>12 249</b>	<b>(79 439)</b>	<b>(22 101)</b>	<b>88 280</b>	<b>14 341</b>	<b>(4 988)</b>	<b>8 342</b>
<b>Total</b>	<b>91 788</b>	<b>228 845</b>	<b>(226 593)</b>	<b>-</b>	<b>-</b>	<b>3 945</b>	<b>97 985</b>

# Notes to the financial statements

31 December 2014

## 16 International Secretariat Costs

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

	Restricted €'000	Unrestricted €'000	<b>2014 Total €'000</b>	2013 Total €'000
Programme	4 289	4 305	<b>8 594</b>	6 872
Support	-	9 769	<b>9 769</b>	10 520
Governance	61	720	<b>781</b>	715
Fundraising	-	2 162	<b>2 162</b>	1 303
	4 350	16 956	<b>21 306</b>	19 410

The Key roles of the International Secretariat, as per AAI constitution include, among others:

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

## 17 Related Party Transactions

The Board Members are not aware of any related party transactions which require disclosure under IAS 24 other than disclosures related to transactions with Board and Committee Members and senior management, which are set out in notes 7 and 8 to the financial statements.



**ActionAid** is a global movement of people working together to achieve greater human rights for all and defeat poverty. We believe people in poverty have the power within them to create change for themselves, their families and communities. ActionAid is a catalyst for that change.

ActionAid International is incorporated in The Hague, The Netherlands  
Registration number: 27264198

Website: [www.actionaid.org](http://www.actionaid.org)  
Telephone: +27 11 731 4500  
Fax: +27 11 880 8082  
Email: [mail.jhb@actionaid.org](mailto:mail.jhb@actionaid.org)

ActionAid International Secretariat,  
Postnet Suite 248, Private Bag X31, Saxonwold 2132,  
Johannesburg, South Africa.

**FRONT COVER:**  
Jyoty Chauhan, with her daughters Tanya, 5 months and Nandini, 6, during the Beti Utsav, a celebration of the birth of girls in the community, India.

**CREDIT:**  
Poulomi Basu/ActionAid

