



# Annual Report 2020

Terre des Hommes Netherlands

**terre des hommes**  
stops child exploitation



# Foreword

## **Dear friends and supporters,**

Fifty-five years ago, the founders of Terre des Hommes Netherlands were inspired by the simple notion that 'if they are well cared for, all children have the chance to develop their talents'.

That motivation is still very much alive in our work. And in that pursuit, we continue to focus on some of the most vulnerable children on the planet, the ones who are confronted with people who instead of caring for them, exploit them at the expense of their childhood.

In 2020, we faced unusually difficult circumstances in reaching these victims of exploitation and in working on systematically improving their plight, at a time when children's rights and wellbeing were challenged more than ever. The corona pandemic led to a sharp increase in child exploitation, for many with irreversible consequences.

All the more reason to be particularly grateful for the trust and loyalty given to us by the many individual donors, volunteers, governments, companies, foundations, partners and staff who stepped up to maintain and even increase their various contributions. At a time when we needed to work harder than ever for exploited children, you did too.



In this annual report you can read how we met the challenges despite tough odds, to make 2020 a successful year with project innovation, a new strategic direction, and fundraising success to name just a few highlights. A great result through an amazing collective effort.

On behalf of the children we work for, thank you all!

**Carel W.J. Kok**  
Managing Director







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# 1. Management report

The year 2020 will undoubtedly be remembered as the year of the pandemic. The Covid-19 crisis had a major impact on our work, from processes in The Hague and regional offices to the actual work in the field. And yet, there are many results to be proud of. In fact, in many ways, 2020 was a very successful and pivotal year for Terre des Hommes Netherlands.

'With everyone locked down at home in almost all the countries, we will never be able to achieve our 2020 goals.' This is what Khalid Siddiqi, our programme manager for the Girls Advocacy Alliance (GAA) that fights violence against girls and young women, told me in April 2020. However, through innovative interventions such as working through first responders, our teams and partners managed to adjust and meet objectives. Not only did the 5-year GAA programme end successfully at the end of 2020, but its success also spawned a new 5-year programme, She Leads (page 35).

It is just one example of which you will see more in this report. Stories such as how our adjustments to the GOOD (page 40) and Mica programme (page 36) turned a difficult situation into a success and even a foundation of a future direction. The pandemic also led to innovative developments. In several programmes in Asia, where our teams and partners faced travel restrictions, we quickly capitalised on new opportunities in e-learning. Using digital platforms we ensured that we reached out, through others, even to beneficiaries without direct digital access. In this way, the pandemic actually accelerated developments that will continue to positively impact our future programming.

The need to adapt many of our projects led us to introduce a simplified, rapid management change process allowing us to quickly and efficiently respond to requests to redesign projects at short notice. In this way, and with the cooperation and support of many donors, we ensured that key support was maintained, and that field operators were directing resources to where they were most needed. But more than agile management techniques, it was the creativity and dedication of field staff and partners that ensured that few projects missed their 2020 deliverables (page 24).

The year was also pivotal because our multi-year investments in fundraising capacity, supported by a resource mobilisation mindset at all levels in the organisation, began to pay off. With over € 82 million of institutional donor proposals submitted, of which € 32 million in multi-year funding was actually granted, we outperformed our expectations in a way not formerly considered possible. A collective team achievement that we are very proud of (page 63).

"The pandemic actually accelerated developments that will continue to positively impact our future programming."



“Our network of more than 40 Terre des Hommes shops suffered long closures.”

We are proud of the trust shown by foundations and governments that chose to work with us for the first time, and also by trusted partners who again renewed their support (page 62). We are particularly proud of our growing cooperation with the European Commission, both DG ECHO and DG DevCo, the new partnerships with the Dutch Ministry of Foreign Affairs, and the first time partnership with the US Government Department of Labor, as well as the Global Fund to End Modern Slavery. These are a few examples of our growing and increasingly diverse funding base. Last but certainly not least, we are particularly grateful to the Dutch Postcode Lottery for committing to another five years of € 2.25 million annual core funding support.

Unfortunately we were not able to stave off the effects of Covid-19 everywhere. Our network of more than 40 Terre des Hommes shops suffered long closures, severely affecting income from this channel. We had to close the shops due to concerns for the health and safety of the more than 1700 committed and dedicated volunteers who run them. Even so, many volunteers started producing and selling facemasks and stepping up their (online) activities to continue to generate some income (page 71). We also used this timeframe to begin to revitalise our network and to develop a multi-year growth plan.

“We were able to secure  
€ 32 million in multi-year  
funding!”

Thirty one years after the United Nations Convention on the Rights of the Child was adopted, it is an outrage and fundamental injustice that child exploitation is still rampant. *Exposing Hidden Exploitation, so Children can be Children* is the theme of our new five-year strategy for 2021-25 (page 90). It is a strategy that builds squarely on the unique position and experience of our organization. Our focus on systemic change through a holistic, multi-stakeholder approach to issues of child exploitation will be more than ever delivered through equitable cooperation with local, regional and global partners in academia, government, private sector and civil society. What is new in our Strategy for 2021-25 is the specific focus on discovering and researching hidden or underexposed forms of exploitation, to then design and prove solutions that will often involve technology. Through campaigning and awareness raising we will mobilise the partners and actors who are part of the holistic solution to eliminate exploitation with the aim of handing over our solutions to those who can best implement them. In this specific role definition we will be issue driven, build cooperative models, be geographically flexible, continue to inject technology into our programme design, remain critical when we have to, and be more focused on awareness raising, campaigning and advocating. We invite you to join us as we focus more than ever on empowering the most vulnerable children on earth to be freed from blatant exploitation, so children can be children.







# 2. This was 2020

## Highlights of our results for children

### Financial facts

In 2020, we spent € 26 million of which more than € 20 million was invested in projects to end child exploitation. We raised € 22 million in 2020 and we were able to use € 2.3 million from previously raised funds for multi-year projects. The remaining gap was primarily the result of the fact that we had to close all Terre des Hommes shops for many months due to the Covid-19 pandemic.



of all income was spent on achieving our objectives

**This means that we spent 85 cents of every euro on our fight against child exploitation.**

We ran **74 projects** in **Asia, Africa and Europe** to fight **child labour, child abuse, child sexual exploitation and child trafficking**  
(read more at page 30)

Despite the pandemic, we are proud that we have achieved for children what we were hoping for.





## Results with impact!

Terre des Hommes aims to structurally eliminate the worst forms of child exploitation by using an integrated approach. Here are some of the highlights of how we helped children in 2020.

**805**

children were trained on sexual exploitation and how to report cases

**9,928**

children were enrolled in schools

**10,676**

children in emergency situations were supported with protection activities, psycho-social support and child friendly spaces

**3,531**

community members (excluding families) with vulnerable children were supported in setting up alternative sources of income

**2,042**

children were trained as agents of change

**2,186**

children received legal aid

**491,156**

community members participated in awareness meetings

**1,885**

early married girls were provided assistance with earning sustainable incomes





8.2

is the (increased) overall satisfaction  
score of our donors  
with donor service peaking at **8.6!**  
(page 67)



### Individual giving

The lockdowns didn't stop our donors from being as loyal as ever:

**they generously gave over € 7 million for vulnerable children worldwide**

Read more at page 66.

## Stronger together!

More  
than  
**1,700**

committed volunteers

(page 71)

**42**

Terre des Hommes  
shops

(page 71)

**44,636**

signatures  
on our petitions

(page 68)

**71,404**

individual donors

(page 67)

**144**

employees in Europe,  
Africa and Asia

(page 79)

€ 32 million  
in multi-year  
funding

## New, adjusted and extended programmes

### A few highlights:

- **Joining Forces for Africa** (JoFa), a three-year project supported by the European Commission (DG DevCo), started in 2020 and was designed to specifically respond to the Covid-19 crisis (page 63).
- The Dutch Ministry of Foreign Affairs approved a € 5 million extension to our Down to Zero programme: **Building Back Better**. This programme focuses on children in Asia and Latin America forced into sexual exploitation (page 63).
- Together with the US Government funded **Global Fund to End Modern Slavery** (GFEMS), we co-created a new programme against sexual exploitation of children in Kenya and Uganda (page 65).
- Together with UNDP, UNICEF and RMI we were awarded a \$4 million US Department of Labor multi-year grant, to fight child labour in **Mica mining in Madagascar**, building on our successful programming approach in India (page 37).



## 8 emergency relief operations

- Four (out of six) of our submissions to the European Civil Protection and Humanitarian Aid Operations (ECHO) were honoured. This gives us the opportunity to help children in crisis situations in Bangladesh, Kenya and Burkina Faso, where we will carry out two relief actions (page 56).
- In addition, the support from the Dutch Ministry of Foreign Affairs through the Dutch Relief Alliance allowed us to continue our relief operations in **Syria, Nigeria and Burkina Faso** (page 54).





## Nationale Postcode Loterij continues its support!

In 2020, the Nationale Postcode Loterij decided to prolong their partnership with another 5 year commitment of over € 11 million! The significance of this is far more than financial, as it is also recognition of the support of the Dutch public, and is based on a thorough audit of our organisation (page 68).

## Valuable partnerships

In 2020, we built an increasing number of partnerships at the national and local government levels in a number of our operating regions. A few examples:

- The European Commission requested our input for the new **EU Strategy on the Rights of the Child** including elements on fighting (online) sexual exploitation of children (page 28).
- The Dutch Ministry of Foreign Affairs allowed us to adjust the **Voice for Change programme** to respond to the Covid-19 crisis (page 39).
- We also assisted the Cambodian government to establish a solid basis for the **National Action Plan for Violence Against Children**, by doing research on the prevalence of online child sexual exploitation and mapping vulnerabilities of children (page 45).
- In the Netherlands, we were invited to participate in the latest version of the **Organised Crime Field Labs**, focussing on human (child) trafficking. This Harvard University guided initiative brings in partners to develop and test new approaches to combating sexual exploitation (page 45).
- We are extremely proud and grateful that the **European Commission (DG ECHO)** selected us for another 7 year partnership agreement (page 56).

## Recognitions & certifications

- The Terre des Hommes federation was awarded with Level 1 re-certification by the KCS network for keeping children safe according to leading international Child Safeguarding Standards (page 18).
- Our implementing partners in India received honourable mentions from the district administration, in recognition of our well organized Covid-19 humanitarian response (page 37).
- We continued to work on improving quality, integrity and compliance, through certifications such as the Core Humanitarian Standards, the Preventing Sexual Exploitation, Abuse and Harassment self-assessment, and the new Partos extension to our ISO certification (page 80).









### **3. This is Terre des Hommes Netherlands**

In 2020 we have existed for 55 years. Since 1965 we have fought for the rights of children worldwide, from Asia to the Middle East, Africa and South America. In 2020, Terre des Hommes Netherlands was active in 17 countries, helping vulnerable children, irrespective of faith, skin colour, gender or culture.

## Our vision

A world in which children are no longer exploited. We will continue our work until all children are protected and live in a safe environment.

## Our mission

Terre des Hommes Netherlands prevents child exploitation, removes children from exploitative situations and ensures these children can develop in a safe environment.

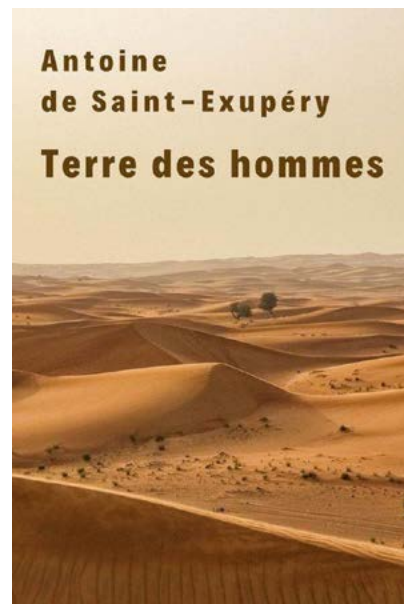
## Our history

Edmond Kaiser founded Terre des Hommes in Lausanne, Switzerland in 1960 'because if they are well cared for, all children have the chance to develop their talents'. The name Terre des Hommes means 'people of the earth'. It originates from a book by the aviator Antoine de Saint-Exupéry, who concluded: 'There is no third world. There is one world and we are all responsible for it.'

## A strong, international network

In 1966, Terre des Hommes groups from France, Germany and the Netherlands joined forces to become the Terre des Hommes International Federation. Each organisation in the Federation develops programmes and fundraises in its own country, and has its own board and projects. As a federation, we have 945 projects running in 76 countries.

Today, the Terre des Hommes International Federation consists of a close network of Terre des Hommes organisations in Denmark, France, Germany, Italy, Luxembourg, The Netherlands, Spain and Switzerland (page 78).



## certification

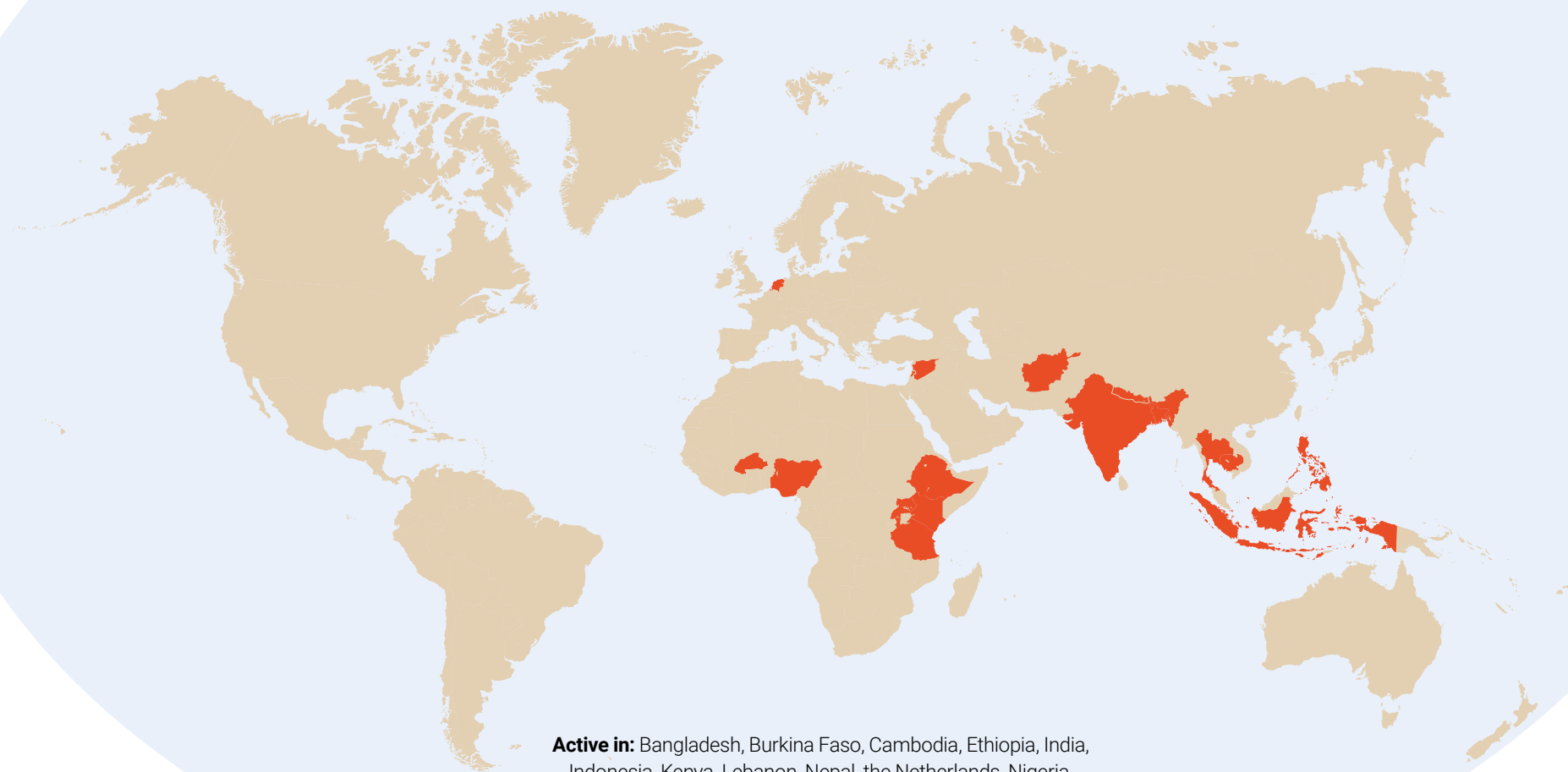
In May 2020, the Terre Des Hommes International Federation was awarded with Level 1 re-certification by the KCS network for keeping children safe according to leading international Child Safeguarding Standards.





## Where we work

The head office of Terre des Hommes Netherlands is located in The Hague, and its regional offices in Phnom Penh, Cambodia and Nairobi, Kenya.



**Active in:** Bangladesh, Burkina Faso, Cambodia, Ethiopia, India, Indonesia, Kenya, Lebanon, Nepal, the Netherlands, Nigeria, Philippines, Syria, Tanzania, Thailand, Uganda.

**EU Lobby and Advocacy:** Brussels (Belgium)

**Regional offices:** Nairobi (Kenya), Phnom Penh (Cambodia)

# How we fight child exploitation

To fight the worst forms of child exploitation, we focus on the following themes:



## Child labour

Children have a universal right to live safely and to go to school. But children often have to work due to family poverty or war. Working children are often in danger, for example in unregulated mines and factories. Terre des Hommes has been combatting the worst forms of child labour for a long time, in accordance with the International Labour Organisation (ILO) Convention 182. We ensure that children go to school and we improve conditions for families (e.g. by obtaining better prices for the extraction of mica, and ensuring alternative sources of income). This is how we fought child labour in 2020 (page 36).



## Emergency aid

Children have the right to protection against exploitation, especially during crises. But war, famine, disease and natural disasters make children highly vulnerable to exploitation, even in their homes. In such extreme situations, we provide emergency aid to children and their families, often in collaboration with other NGOs. We provide medical help and education in safe places where children cannot be abused. This is how we provided emergency assistance in 2020 (page 52).



## Child abuse

No child should be abused, but sadly this happens in many ways all over the world. As household slaves, children face physical and mental violence, and may be forced into sex. And worldwide, millions of girls are forced to marry young or endure genital mutilation. This is how we fought child abuse in 2020 (page 31).



## Sexual exploitation

Children are sexually exploited more and more, and this happens not only in poor countries. They are forced to have sex in exchange for money, clothes or something else. We fight against child sexual exploitation, because we believe that every child has the right to grow up in safety. And no child should be forced into sex. This is how we fought sexual exploitation in 2020 (page 38).



## Child trafficking and unsafe migration

Children have a right to safety. Worldwide, many children are sold, trafficked and then forced into work and sex. Their parents are usually poor, and are convinced by traffickers of the benefits of selling their children. We actively fight child trafficking, working with different partners in, for example, Ethiopia and Uganda. This is how we fought child trafficking in 2020 (page 46).





# 4. This is our approach

## Our Theory of Change

Terre des Hommes works globally to make the world a better place by structurally eliminating child exploitation, so that children can develop in a safe environment. Education, legislation, awareness, shelter, discussion of harmful traditional practices and ensuring a broad playing field are all important parts of what we do.

We use an integrated Theory of Change approach, focusing on five strategies (listed on the next page) and six stakeholders in order to realise structural change. This approach ensures quality, and guarantees sufficient levels of education, awareness, regulations, healthcare and child protection, anchored in a country's policies. **This leads to sustainable solutions that give children opportunities to develop themselves.**

In addition, we offer direct aid through temporary shelter, school supplies, the provision of starting capital to generate alternative income, or aid in emergencies, if required.

To achieve our mission we work together with a variety of other stakeholders including public authorities, judicial bodies and police, local civil society organisations, companies, communities and last but not least, the children themselves.





## Our approach

Our current programmatic focus is on stopping child exploitation in all its forms using the '5P approach'. With this approach we target four categories of actors, i.e. government at all levels, civil society organisations, private sector and communities, and religious and cultural leaders.



### Prevention

systemic change



### Provision

for the victims



### Promotion

advocating and upholding  
child rights



### Prosecution

of offenders



### Partnerships

to maximise impact

## Working together

In 2020, our staff cooperated with project partners on a daily basis to ensure high quality implementation of 74 projects (excluding humanitarian aid). We support and closely monitor the progress of these projects. To ensure high quality project implementation, we expect our project partners to apply suitable policies, including:

- Networking and influencing children's rights policies at local and national level;
- Ensuring that projects are supervised in a results-oriented manner;
- Accurate reporting that provides learning points for the future.

## Monitoring & learning

### Covid-19: Agile management techniques

In 2020, the Covid-19 pandemic meant that a significant number of our projects needed to be adapted at short notice. This required us to use agile management techniques, and we introduced a simplified, rapid change management process that allowed us to quickly and efficiently respond to requests to redesign projects at short notice. In this way we were able to support children and their families in mitigating some of the harsh economic and other consequences following from the pandemic and the lockdowns that it caused.

Our Project Management Office also helped to build the operational performance of Terre des Hommes by simplifying and streamlining various processes, including project development and reporting.

Furthermore, an analysis and review of our projects and programmes was presented against the organisational Theory of Change, looking at Key Performance Indicators of effectiveness and impact across countries, thematic areas, and regions.

Also, a new data collection tool that allows partners and country teams to collect data on mobile devices was piloted. **The collected data is stored online and can be more easily analysed, allowing us better access to key findings and best practices.**

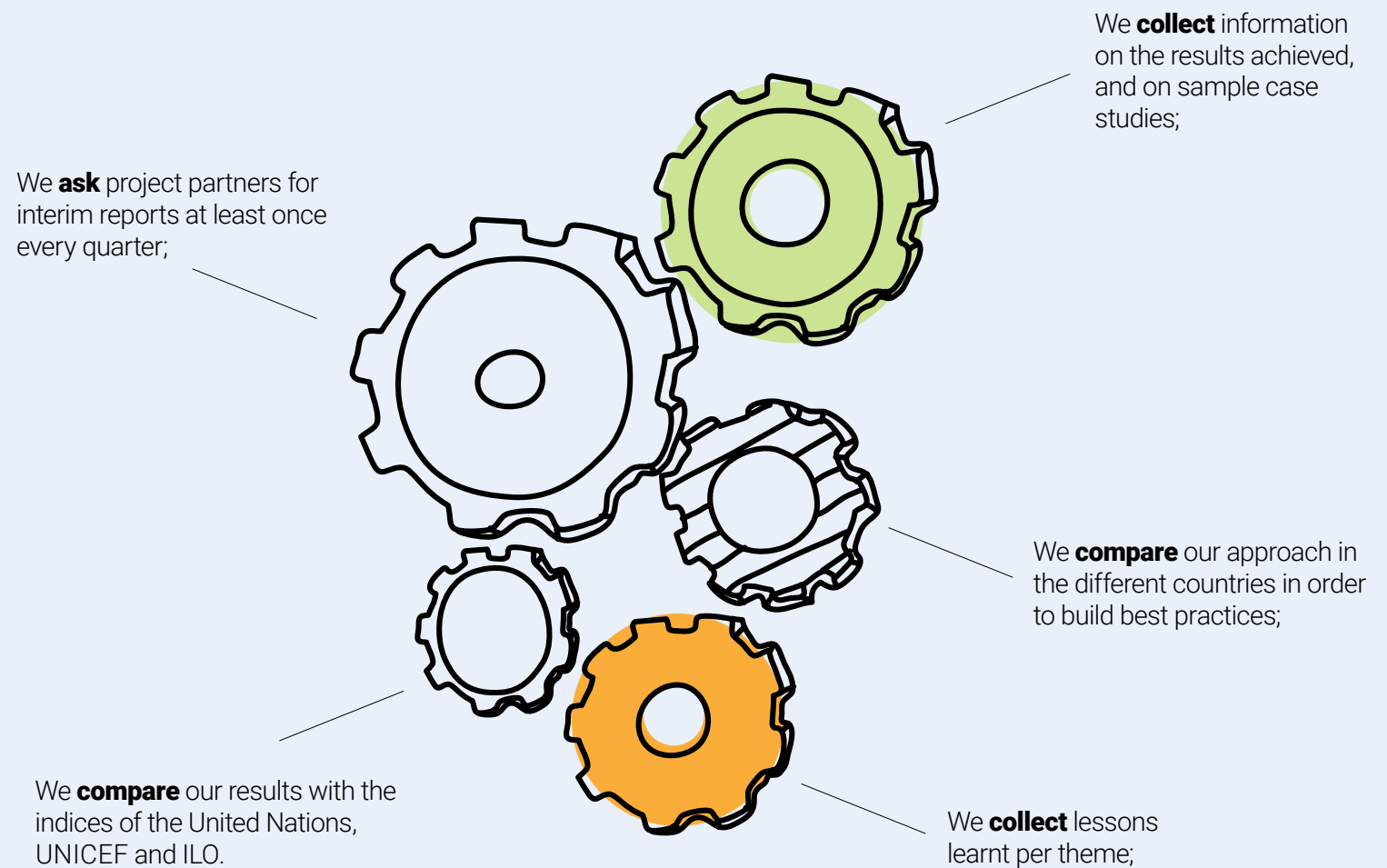
Lastly, we oversaw delivery of the End Evaluation for the Down To Zero Programme, which included child empowerment workshops in ten countries. This process enabled children to measure their own levels of empowerment, and how these have changed since the beginning of the project.





## Planning, Monitoring & Evaluation

We use PRIMAS, a planning, monitoring and evaluation system to measure and monitor the impact of projects. This fairly new system allows us to analyse the data from projects and further improve and refine our operations.



## Lobby & Expertise

Our Lobby & Expertise (L&E) department holds the expertise on our key themes and provides this as a quality input to support the work of the other departments, including programme design, project proposals, training and updating information on child safeguarding, initiating research, gathering and spreading knowledge through the organisation, and participation in lobbying and knowledge building networks. Sharing our expertise within the organisation in regions and countries has led to capacity building and better programmes and project design. Thanks to this, we were able to answer the needs of exploited children or children at risk in a more effective and professional way.

**In 2020, Covid-19 created additional risks for the most vulnerable children, but it also created opportunities to develop innovative solutions for remote working with children, as well as for advocacy in support of sustainable solutions, and for international solidarity for children at risk.**

Terre des Hommes, together with other NGO platforms and the Terre des Hommes International Federation, formulated position papers and policy letters addressing several aspects of Covid-19 related risks for vulnerable girls and boys. Internally, we issued a Guidance Memo for staff and partners providing advice about their behaviour regarding child protection, and health security for adults and children.

### Lobby & advocacy

Active participation in many lobbying networks and alliance programmes required a strategic network mapping, to define where our impact is most relevant. A new staff position was created in Brussels to strengthen our lobby and advocacy towards the EU institutions on the topic of sexual exploitation of children. On child labour, we deepened our representation in the relevant lobbying networks concerning child labour in mica, including new covenant initiatives (e.g. the financial sector) and programmatic collaboration with UN agencies (UNICEF, ILO, UNDP).



BEATA KARPINSKA, TECHNICAL ADVISOR  
AT TERRE DES HOMMES:

“Because of the crisis, many joint initiatives arose”



“We called on the EU to take responsibility for the most vulnerable children.”

“I work for our Lobby and Expertise department in The Hague. We influence policies and regulations to combat child exploitation. We also raise awareness among different focus groups, so that child safety will be on the agenda of businesses, the Dutch government, the European Union and globally. In doing this, we aim to collaborate with partner organisations, so that our voice becomes stronger.

“In 2020, many joint initiatives arose because of the Covid-19 crisis. Various platforms for humanitarian aid, migration, sexual and reproductive rights, as well as the Children’s Rights Collective (KRC) and collaborating children’s rights organizations in Brussels, drew attention to the impact of Covid-19 on vulnerable children. We cooperated on topics such as access to education, female genital mutilation, child marriage, child labour, access to healthcare and online sexual exploitation of children.

By looking at the calendars of the Dutch and the European Parliaments, we determine where we can provide input. We often do this through evidence-based work, by substantiating our opinions with research and reports. But our role is also to draw attention to the stories that we hear from the countries themselves. **In 2020 our field experience was recognised by ILO which invited us to participate in a webinar to share expertise in addressing child labour in mica mining.**

At the end of 2020, we gave input to the “Disappeared” campaign, developed by our fundraising and communications department. We drew attention to the impact of Covid-19 on the most vulnerable children. We called on the EU to take responsibility, as required of all states by the United Nations Convention on the Rights of the Child. The campaign was widely picked up by the media and led to parliamentary questions. Minister Kaag acknowledged our points and promised to raise the issue in Brussels - a good example of what we can achieve together.”

Ultimately, our work remains a step by step process and a matter of patience. But when we succeed, it has a profound and lasting impact. We are driven by this ambition.”

**Children's  
Rights  
Coalition**

Together with approximately 100 Dutch NGOs, led by the Children's Rights Coalition, we presented a 'list of issues prior to reporting' to the United Nations Committee on the Rights of the Child, concerning the implementation of children's rights by the Dutch government. This process is parallel to the Dutch 2020 periodic report on the measures taken to implement the state's obligations under the United Nations Convention on the Rights of the Child.

**Terre des Hommes took the lead in writing the chapter on the status of the rights of the child concerning sexual exploitation and trafficking.** The Committee on the Rights of the Child took on board our concerns requesting clarification from the authorities of the Netherlands. The full NGO report was published on 1 May 2021.



# Partners & alliances

We believe it is important to increase our effectiveness and the impact of our work by collaborating with other (children's rights) organisations and governments.

A selection:



Together with Plan Nederland and Defence for Children-ECPAT, we work in the Girls Advocacy Alliance to eliminate violence against girls and young women and to strengthen their opportunities in society. We do this at the request of the Ministry of Foreign Affairs.



We take part in Down to Zero, together with Plan International Nederland, Defence for Children - ECPAT, Free a Girl and ICCO Cooperation. Our goal: to eliminate commercial child sexual exploitation in 10 countries in Asia and Latin America. We do this in collaboration with the Ministry of Foreign Affairs.



We are part of Giro 555. For each action, we check if we or any of our Terre des Hommes sister organisations already operate in the respective area. This year we did not participate in any actions.

## Terre des Hommes International Federation

Where we can mutually reinforce each other as Terre des Hommes, we collaborate with our sister organisations of the Terre des Hommes International Federation.



The Responsible Mica Initiative is a unique partnership between development organisations and companies that work together to tackle exploitation in mica mines. Terre des Hommes is a co-founder and board member.



In Back to the Future we collaborated with War Child, AVSI in Jordan and Lebanon to provide education to refugee children.



Together with five other NGOs (Save the Children, ChildFund Alliance, SOS Children's Villages, Plan International and World Vision) in the Joining Forces Alliance, Terre des Hommes calls global leaders to account for them to deliver on the promises made through the ratification of the Convention on the Rights of the Child.



In the Dutch Kinderrechten in Ontwikkelingssamenwerking – KROS (Children's Rights in Development Cooperation) we worked together with 10 other development organisations that raise the issue of children's rights in the House of Representatives in the Netherlands. They were also our partners in the development process of the Child Labour Due Diligence Law.

## KINDERRECHTEN.nl

This year, we became a member of the Dutch Kinderrechtencollectief – KRC (Coalition for Children's Rights) that is committed to safeguarding children's rights in the Netherlands.



Together with 23 other organisations we constitute the Dutch CSR Platform that aims at promoting corporate social responsibility.



Together with the US Government funded Global Fund to End Modern Slavery (GFEMS), we co-created a new programme against sexual exploitation of children in Kenya and Uganda.



We expanded our programme addressing child labour in the mica mines to Madagascar, in partnership with UNDP and UNICEF.

## DUTCH RELIEF ALLIANCE

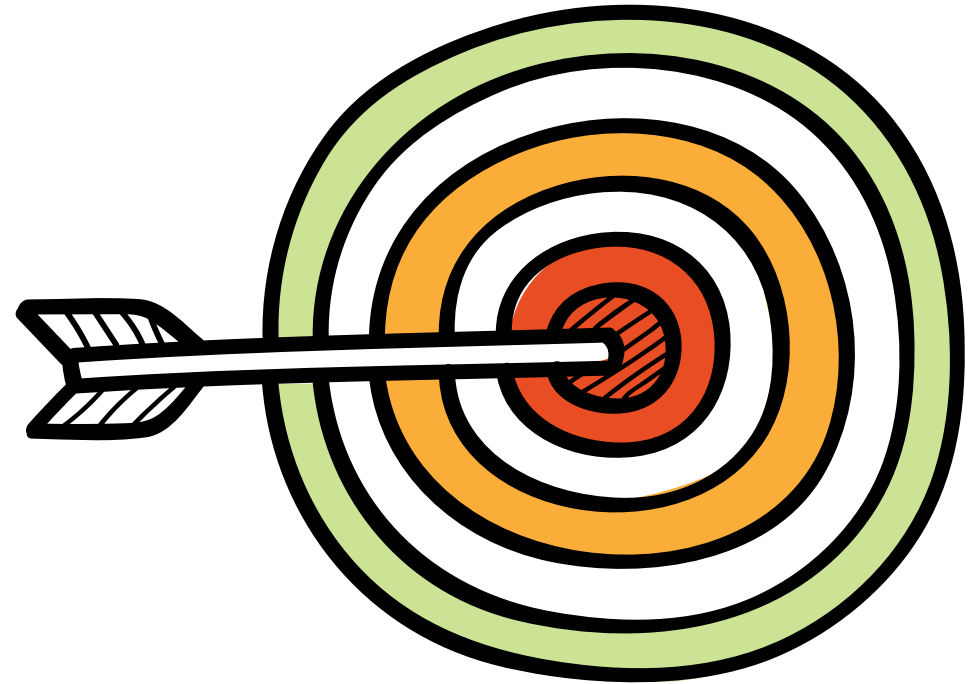
The Dutch Relief Alliance (DRA) is a coalition of 15 Dutch aid organisations in partnership with the Dutch Ministry of Foreign Affairs (MoFA). The structure of the DRA enables us to respond to major international crises in a timely and effective manner.

## She Leads

She Leads is a five-year joint programme of Plan International Netherlands, Defence for Children - ECPAT the Netherlands (DCI-ECPAT), African Women's Development and Communication Network (FEMNET), and Terre des Hommes (TdH) Netherlands, in partnership with the Ministry of Foreign Affairs of the Netherlands.



## 5. Impact



### How we helped children in 2020

Terre des Hommes aims to structurally eliminate **the worst forms of child exploitation**. Education, legislation, awareness, shelter, and discussing harmful traditional practices are all part of this. We collaborate with partner organisations and communities as well as governments, and also with the police and judicial authorities to create awareness of children's rights. Here are some of the highlights of the impact that we achieved in 2020.

## 5.1. Child abuse

Terre des Hommes fights child abuse, such as child marriage and female genital mutilation. Child marriage has devastating effects on the lives of millions of girls, particularly in Asia. It usually means the curtailment of education, and dangerous early pregnancies. Globally, complications during pregnancy and birth are the biggest cause of death in girls aged between 15 and 19. In Tanzania, the harmful ritual of female circumcision among the Kuria tribe leads to psychological trauma and a risk of forced marriage as well as physical mutilation. Terre des Hommes is addressing these issues through cooperation with communities, children and families in affected cultures, which is crucial to ensure that this practice disappears forever.

### Genital mutilation or female circumcision in Tanzania

The harmful tradition of female circumcision remains a threat to the girls of the Kuria tribe in Tanzania. Terre des Hommes continued to work with a local partner to break this tradition by offering an alternative ritual and by engaging in discussions with the community. In 2020, 473 girls were saved from genital mutilation by giving them temporary accommodation in our partner's shelter during the circumcision period and providing sex education. This makes them more resilient and confident within the framework of the Kuria traditions.

**They participate in an alternative ceremony to celebrate their womanhood, and parents sign a contract in which they promise not to have their daughter circumcised.**

After the ceremony, many girls are committed to protecting other girls from circumcision. In 2020, the Covid-19 pandemic restrictions prevented many of our activities on the ground, and the school closures provided an opportunity for traditionalists in the Kuria community to begin off-season cutting of girls. This forced 246 girls and 2 boys to flee their homes and seek shelter at our local partner ATFGM's Masanga Centre, in addition to 227 girls and 4 boys who had already been rescued and were using the shelter.

But the pandemic also led to some positive developments. It offered the opportunity of increased online networking with other civil society organisations (CSOs) and enhanced use of mobile phones and village networks

in the rescue process. Cross-border female genital mutilation (FGM) stakeholder forums were activated, as well as a gender-based violence (GBV) focused network that came live digitally. This modern approach was another step forward in delivering on our mandate, and led to reductions in costs of travel, meals and accommodation.



### Key results agents of change

We invited vulnerable and exploited children to participate in awareness-raising sessions, so that they can act as agents of change on child rights. In 2020:

- 9 girls (and 6 parents) attended court as witnesses;
- 34 cases of FGM and child marriage were reported by girls (plus 9 by parents and 36 by village executive officers);
- **473 girls and 6 boys were safeguarded at ATFGM's Masanga Centre;**
- 69 girls, more than half reintegrating from the rescue centre, organised themselves and started providing awareness on the bad effects of FGM and child marriage;
- 48 children reported 89 cases of child abuse and drop outs from school, and forced child marriage. Action was taken immediately and as a result the children reported back to school.



## Key results other actors

In our fight against FGM and child marriage, we also involved communities, governments and police. In 2020:

- **4 former traditional mutilators rescued 56 girls who were at risk of being cut. They sheltered the girls in their houses, then secretly referred them to the Masanga centre;**
- 2 traditional leaders under community pressure to cut their girls refused to give in to the pressure;
- 4 police stations actively followed up cases with abused children.

Traditional leaders and traditional mutilators are still often the most frequent initiators of FGM, child marriage and other forms of gender-based violence. Some political leaders are pro FGM and those against FGM were not accepted in the community and most were not elected.

Overall, despite the challenges, our country office in Tanzania achieved its planned project targets with an outcome achievement of above 95 percent.



*Our FGM-project in Tanzania that fights genital mutilation, achieved - despite the COVID-challenges - almost all planned project targets and safeguarded 473 girls and 6 boys from this harmful traditional practice.*



### IMAGE: Initiatives for Married Adolescent Girls' Empowerment in India

Our IMAGE project (Initiatives for Married Adolescent Girls' Empowerment) is a unique intervention focusing on the sexual and reproductive health rights (SRHR) of early married girls (EMGs). IMAGE concentrates on the social issues affecting these girls, who were 13 to 16 years old at the start of the project. Their issues - physical and mental trauma experienced by child wives and mothers - never received the attention they deserved due to prioritisation by the government of efforts to prevent child marriage altogether.

In 2020, there was an increase in child marriages as poverty increased due to the Covid-19 pandemic. More children and girls were working to support their families, which reduced their participation in project activities.

**On the positive side, the pandemic brought new opportunities in e-learning, use of digital platforms, and effective virtual management of the project.** More girls and young women were mobilised through the digital platform, even though many of them were unable to access the digital tools at first.

The project is implemented by six civil society organisations (CSOs) in Karnataka, India, with the support of Terre des Hommes. It covers 3,077 girls who were married before the age of 18, with the overall objective of empowering them towards socio-economic independence, by transforming them into agents of change in preventing child marriage and exploitation, and by involving the government, civil society organisations and their communities.

In 2020, more early married girls were mobilised through the digital platform.



#### Key results IMAGE

- 3,077 early married girls and 5,694 vulnerable children participated in awareness raising sessions on child rights, education, health, social protection, SRHR and Gender based Violence (GBV).
- **1,690 early married girls received educational services and vocational training.**
- 3,496 families were counselled on SRHR, health and GBV.
- 4,098 community members participated in child protection committees.
- 26,068 community and family members of early married girls and vulnerable children participated in awareness raising activities.
- 130 CSOs participated in networks for promotion of child rights.
- Nine input sessions given to government on child right policies and laws.
- 37 media campaigns were conducted for addressing child rights policies.

The lives of vulnerable girls who use the forum have been transformed, and positive energy has been passed on, providing motivation for other vulnerable girls. **These girls have become agents of change and now have the confidence to voice their demands, requirements, and needs for services directly to the government.** They shared their experience of reality on the ground and demanded precautionary measures to stop child marriage and child exploitation. We enabled them to raise their voices against injustice and child exploitation.



#### Looking ahead

#### Scaling up

In 2021 we will nurture the movement of early married girls who demand their rights and access to available services and opportunities. We will also scale up the IMAGE model in other districts and states, and we will continue to integrate technology and digital applications in supporting early married girls.

### **IMAGE Plus: fighting child marriages in Bangladesh**

This project focuses on early married girls in Bangladesh, to realise their rights and potential towards a dignified life. In 2020 the project reached out to support a total of 9,132 girls under 18, through community based awareness raising initiatives. It further included vocational training, income generating and sexual reproductive health support. This 3 year programme received funding from the Royal Netherlands Embassy in Bangladesh and was concluded in 2020.

### **Cambodia: contributing to reduction in prevalence of child marriage in Mondulkiri**

A third initiative which aimed to address Early Child Marriage in the Asia region is being implemented in Mondulkiri province in Cambodia. This 3 year initiative managed to reach out to young people through a community based initiative and active involvement of youth groups.

In this far flung area, there are only a few organisations active with a specific aim to support children. **Terre des Hommes and its partner organisations, including the local government, reached out to 3,716 children under 18. Last but not least, 2,287 community members and a total of 300 government officials were reached.**



### Girls Advocacy Alliance: empowering girls and young women

Together with Plan International Nederland and Defence for Children-ECPAT, we worked in the Girls Advocacy Alliance (GAA) to eliminate violence against girls and young women, and to increase their economic opportunities in society,

issues we see as being deeply intertwined. The programme aims to change the social norms and values that cause the marginalisation of women and girls. This requires changes in attitudes and behaviour, and the programme aimed to achieve changes and results among four groups: communities, civil society

organisations, the government, and the private sector. Terre des Hommes works with youth advocates to explain the issues in Bangladesh, Ethiopia, India, Kenya, the Philippines and Uganda.



#### Key results Girls Advocacy Alliance

- 36 child protection committees were supported
- 26 court cases were followed up/ attended by partners
- 158 civil society organisations participated in networks for promotion of child rights
- 12 dialogues were established between civil society organisations and private sector representatives
- 25 inputs on child rights policies and laws were given to government decision makers
- **2,232,968 community members participated in awareness raising sessions**
- 775 campaigns on gender based violence (GBV) and economic empowerment towards policy makers took place
- 1,574 dialogues with communities, religious and traditional leaders took place
- 598 dialogues with targeted civil society organisations took place
- 15,784 government officials were sensitised
- 826 inputs were given to government
- **1,013 public awareness campaigns were conducted at community level**
- 136 research reports were published on the benefits of gender based violence elimination and decent work for the private sector
- 1,860 targeted civil society organisations were trained in gender policy and practices
- Private sector representatives participated in 462 training courses on gender based violence and decent work



#### Looking ahead

### She Leads

After 5 years, the GAA programme finished at the end of December 2020. But given the good results, we are continuing the strategic partnership that will again be funded by the Dutch Ministry of Foreign Affairs. The lessons learnt from the programme and its evaluations have been taken forward into a new 5-year programme, She Leads, which started on 1 January 2021.

Youth advocates are continuing to advocate for girls' rights, even after the closure of the programme.



## 5.2 Worst Forms of Child labour

Worldwide, millions of children are driven by poverty to do dangerous, dirty jobs. Even at very young ages, they are exploited in mines and factories, and as house slaves and sex slaves. This means they cannot attend school or escape poverty. We fight extreme forms of child labour everywhere, because children have the right to feel safe today and better about tomorrow. This is why we offer education, information and help for poor families.

**During the last three years, our focus has mainly been on combatting child labour in the mica mines in India. This year, we undertook a study on child labour in Madagascar, which will lead to active projects in 2021.**

### Fighting child labour in India

In India, Terre des Hommes runs two projects with the support of Stichting de Roeper and Daimler. Many children here work in illegal mines extracting mica - a raw material with many uses. The children are poorly paid, the work is dangerous, devastating for their health and development, and they rarely go to school. We provide children with information, education, help for their communities to improve incomes and, through that, a path to the future. We also take political actions: we lobby for better laws, regulations and support for the children, their families and communities.

### Increased poverty

In 2020, the projects incorporated lessons learnt from their mid-term review, which demonstrated the success of the multi-stakeholder approach. The Covid-19 pandemic and subsequent lockdown posed challenges for the mica mining communities, as demand dropped and their income was drastically reduced. Moreover, people who lost their jobs in the cities often returned home to pick mica as the only possible source of income.

### Our response

But the lockdown also presented opportunities. For example, the programme had initiated home-based Early Childhood Education, which continued during lockdown and countered the loss of learning that would have occurred due to the schools closing. The children's forum (Balmanch) was very effective in ensuring the academic engagement of children through enrolment/re-enrolment into school, extensive promotion of peer sharing and learning, facilitating easy access to online academic sessions, and effective management of mobile school libraries.

Despite Covid-19, the Mica Programme outperformed its target.



### Key results Mica Programme

- 2,415 children benefited from home-based early childhood education.
- **1,954 children were ensured continuing academic engagement.**
- 40% income boost for Mica Programme families.
- 2,699 families were safeguarded from the potential risk of community infection with Covid-19 through support of comprehensive 'safety and hygiene kit'.
- 1,117 families received a 'dry ration kit' to ensure their food security until the commencement of the early relief programme by the government.



The children's forum Balmanch also cooperated with village-based child protection mechanisms, and together they were instrumental in preventing child marriages. This was achieved through successful counselling of parents and overall promotion of children's rights.

Moreover, the project was able to increase family incomes by 40% on average, and there are emerging trends of community-led socio-economic empowerment processes across all the villages. **The endline evaluation of the Mica Programme showed that the project outperformed its target.**

#### Honourable mentions

### Honourable mentions for our COVID-response

In response to the pandemic, we improved the coordination with government authorities to support families with food and safety kits. Our implementing partners, the Jago Foundation and Rastriya Jharkhand Seva Sansthan (RJSS), received honourable mentions from the district administration, in recognition of our well-organised Covid-19 humanitarian response.



### Looking ahead

### New projects in Madagascar

In 2021, the Mica Programme will start implementing two projects in Madagascar, the world's leading exporter of sheet mica. The report of Terre des Hommes from 2019 noted that approximately 11,000 children work in the mica supply chain in Madagascar. Terre des Hommes will implement a project to eliminate child labour in mica producing communities, financed by the Dutch Enterprise Agency (Rijksdienst voor Ondernemend Nederland, RVO). Terre des Hommes will also implement a project to eliminate child labour in mica producing communities with UNDP, UNICEF and the RMI, funded by the US Department of Labor. This will take place in other communities than the RVO project.

## 5.3 Commercial sexual exploitation of children

Sexual exploitation of children is increasing in the developing world. They are forced to have sex in exchange for money, clothes or other favours. Terre des Hommes is committed, both in the Netherlands and in other countries, to address this form of child abuse through a number of projects. We fight passionately against child sexual exploitation and our expertise in this area is often sought, because no child should ever be forced into sex.

**Commercial sexual exploitation of children (CSEC) is a phenomenon that affects two million children worldwide. Terre des Hommes Netherlands has been leading the 'Down to Zero' Alliance, together with Plan International Netherlands, Defence for Children-ECPAT, Free a Girl and ICCO Cooperation, aiming to end commercial sexual exploitation in ten countries in Asia and Latin America, with funding from the Dutch Ministry of Foreign Affairs. In 2020, the Down to Zero Alliance implemented two programmes: Down to Zero (ending in 2020) and Voice for Change (starting in 2020).**

In 2020, the Covid-19 pandemic hampered service provision and rescue missions, with movement restrictions, lockdowns, closure of borders and other national government measures. Recent easing of restrictions has led to an increase in numbers of boys and girls who have been rescued from CSEC and/or provided with specialised services.

The pandemic increased poverty levels, and reduced attention and funding for child protection and awareness activities at community and government level meant we invested more time in connecting with the relevant people and putting CSEC on the agenda again. Children and young people were doing their school-work at home, and activities had to be adjusted to ensure that they had sufficient commitment to work with us on the training and advocacy trajectories. While the online environment provided opportunities for some to enlarge their audience and for more participants to take part, in other instances it was detrimental.

### Down to Zero

The five-year Down to Zero programme enabled children and young people to defend their own rights, enabled communities to become safer and protective of their children, and enabled governments to improve and implement related policies, laws and regulations. The Alliance also collaborated with the private sector, for example in the tourist industry. One of the results was the production of a toolkit that focuses on boys as victims of sexual exploitation, a taboo subject that has hitherto lacked professional attention and care. The toolkit explains this phenomenon, and helps professionals engage with boy victims and address their specific needs.

Down to Zero enables children and young people to defend their own rights.





### Key results Down to Zero

- 1,209 children received specialised services, such as shelter, health services, and educational services.
- **17 core leading children and young people were trained to initiate project proposals related to the implementation of peer education, awareness raising campaigns on sexual exploitation of children, peer support and to report the situation of children who are at risk to key duty bearers.**
- 70 community members (mainly teachers) were trained on child online protection measures and how to implement such measures in their schools.

### Voice for Change

The Voice for Change programme (March 2020 - June 2021) is a follow-up from Down to Zero, again fully funded by the Dutch Ministry of Foreign Affairs, which focuses on providing knowledge and skills to youth advocates to increase awareness of CSEC in order to improve child protection systems. The new programme is being implemented in Colombia, Dominican Republic, India, Indonesia, Nepal and Thailand, and includes training and tool development components. **Lessons from our Down to Zero 1.0 programme (2016-2020) show that the active contribution of children and young people is key to sustainable development of protection systems.** Voice for Change therefore focuses on child sexual exploitation, and aims to empower children and young people, increasing their knowledge of CSEC and enabling them to influence decision makers to sustainably improve child protection systems.





*In 2020, the GOOD project has trained 2,719 exploited and vulnerable girls as agents of change, providing them with education and job oriented vocational training, and has also sensitised communities and duty bearers.*

### **Child empowerment for GOOD: preventing child 'dedications' in the Devadasi community in North Karnataka**

In the Devadasi community in North Karnataka, India, thousands of girls are illegally 'dedicated' as sex slaves. With the support of the Children of India Foundation, Terre des Hommes runs the project 'Child Empowerment for GOOD' in North Karnataka, to address the issue through Child Participation and Child Empowerment.

number of cases, resulting in a loss of livelihood for daily wage earners, making it extremely difficult for them to survive.

**Despite the challenges, we have found ways to reach out to children and their families and provide them with necessary relief and rehabilitation measures.**

The Covid-19 pandemic resulted in a nationwide lockdown starting in March 2020. This posed big challenges to villages in GOOD Project operating locations, which were made worse by the rise in



### **Key results GOOD programme**

- 2,719 girls were mobilised into child clubs.
- 110 child clubs were formed, including 78 libraries.
- **2,547 children were trained as change agents and in life skills.**
- 263 vocational training courses were held.
- 484 girls were supported with formal education services.
- 107 temple priests, 43 para legal volunteers and 334 media participants were sensitised.
- 5,079 people were reached through community awareness and informed about protection systems and rights.
- 145 government officials were trained in the issues of sexual abuse/exploitation, child marriage, etc.
- 2,215 dry ration and hygiene kits were provided as part of the corona response.
- 2,161 children received psycho-social care.
- 362 children benefited from the provision of 12 tablet computers with pre-installed syllabuses for Secondary School Leaving Certificate exam revision.
- 7,000+ community members were sensitised through pamphlets, banners and audio-visual materials created by Kishori Girls.





### **Ethiopia: Reducing Sexual Exploitation of Girls in Bahir Dar**

The commercial sexual exploitation of children (CSEC) project in Bahir Dar (Ethiopia) was a three year (2018-2020) project, funded by Terre des Hommes Netherlands, that ended in December 2020.

The main challenge in 2020 was the Covid-19 pandemic, which was followed by a state of emergency in the Tigray region, which prevented the project from providing services for victims of commercial sexual exploitation of

children by enrolling them in the project safe home. However, Terre des Hommes and its partner ECO devised a successful strategy where such support was provided without admitting the girls to the safe home.

**This strategy resulted in the following results for the girls and their families and local communities - and these results were in line with what we hoped to achieve.**



### **Key results** **Ethiopia**

- **50 girl victims of CSEC were withdrawn, rehabilitated and re-integrated within the community after receiving psycho-social counselling, vocational training and start-up capital.**
- 35 of them have already started their own business.
- 50 girls who were vulnerable to CSEC were supported with educational materials to continue their education.
- 9 girls trafficked from rural areas and unidentified in Bahir Dar town were reunited with their families.
- 1,200 community members were made aware of issues such as CSEC, gender equality and child protection.
- A functional network among civil society organisations working in Bahir Dar was created.
- More than 300 families were provided with emergency support (food and sanitary materials) following the Covid-19 outbreak.





### Sexual exploitation in the Philippines

Terre des Hommes is the lead organisation in the Down to Zero (DTZ) and Girls Advocacy Alliance (GAA) in the Philippines; both projects ended in 2020. Other multi-year projects in the Philippines (CARE and OCSE Projects) continued their interventions and strategies. The projects included capacity building, awareness raising, networking and service provision, and contributed to the capacities and practices of victims, survivors and children at risk of commercial or online sexual exploitation, by strengthening their personal resources and internal capacities.

### CARE for commercial sexual exploitation of children

This three-year project in the Philippines is supported by Vriendschapsband Haarlemmermeer-Cebu (VHC) and implemented by FORGE in Cebu City and Lapu-Lapu City. The project aimed to develop community-supported foster care for rescued victims of sexual exploitation. The Covid-19 pandemic greatly hampered home visits and assessment of potential foster families in 2020. The placement of 15 victims and survivors of sexual exploitation, and licensing of foster care families progressed slowly considering that FORGE needs to comply with the Philippines' Department of Social Welfare and Development (DSWD) mandates.



### Key results CARE Project

- 288 families participated in community awareness sessions about commercial sexual exploitation of children (the anti-people-trafficking law), and other child protection laws.
- 153 children took part in art therapy sessions as psychological first aid intervention for children affected by the Covid-19 pandemic.

Children in the Philippines are now more aware of how to protect themselves against online sexual exploitation.

#### Comprehensive Prevention and Response to Online Child Sexual Exploitation in Cebu

This multi-year project is designed to explore learning and best practices through ecological research. It brings together various relevant actors in Cebu who all play an important role in tackling the growing concerns of online child sexual exploitation. This project works closely with the local government units and aligns with government efforts to fight this serious form of child exploitation.

The Covid-19 pandemic caused the partnering local government units to shift their priorities to addressing social protection services in the communities. The project also expanded its geographic scope through coordination with sub-villages in the three barangay administrative districts, to allow awareness-raising sessions and seek potential foster families.



#### Key results Philippines

- 110 children, community members, local and regional government and NGO representatives participated in a learning and training needs assessment.
- 11 youth scholars completed foundational training with Paglaum Training International, Inc. (PTI).
- 4,560 families received behavioural change communication materials and family food packs.
- 428 parents and 441 children participated in the Covid-19 survey.

We also designed an ecological research which aims to bring together all parties involved in fighting online sexual exploitation of children. This project connects six local government units in Cebu. **In 2020, both the government and civil society organisations in Cebu, increased their capacity to prevent and respond to the online sexual exploitation of children.** Families and communities contribute to the protection of children, and children are more aware of how to protect themselves.







### WATCH in Cambodia

In Cambodia, our WATCH project contributes to building an environment in which children are protected by communities (their peers, guardians and teachers) and institutions (police and commune councils) and are empowered to raise their voices.

The Covid-19 restrictions in 2020 created challenges to providing psycho-social support to victims, and we explored online engagement of child volunteers as a new approach. We radically changed the way we raise awareness and influence behaviour change in schools and communities by initiating a new model of child clubs with a curriculum focused on rights, peer support, and fun. **The project engaged more than 200 children twice a month to join forces and raise their voices on social media to advocate for better child protection.**

We also published important and unique research in 2020 on the evolution of sexual exploitation in Cambodia, to inform our own project design, as well as government, and other stakeholders and NGOs.



### Key results WATCH Cambodia

- 23 children received emergency support after being rescued from exploitative situations.
- 35 children were supported to be reunited with their families and communities.
- **35 child leaders were trained and coached to become influencers in their communities, both online and offline, and to advocate for children's rights and child protection.**



## A national action plan to prevent children in Cambodia from online sexual exploitation

In close collaboration with the Cambodia National Council for Children, we also conducted research to identify the prevalence of online sexual exploitation of children. The recommendations of this report allowed us to support government efforts to develop a national action plan to prevent children from falling victim to this serious form of child abuse. Also through the establishment of an internet hotline, our partner APLE was able to introduce a reporting system that allows children to report cases of abuse directly. Reports are channelled to the responsible mechanisms for follow up. It was intended to launch the national action plan in 2020 at an event hosted by the deputy prime minister, but due to Covid-19 pandemic outbreak and restrictions, the event was delayed until 2021. An important step to fulfilling Cambodia's commitment made as a Pathfinder Country.

### WATCH NL: fighting sexual exploitation in The Netherlands

Sexual exploitation of children in the Netherlands is an increasing challenge. The police and judiciary often lack the tools, jurisdiction or manpower to follow all leads or to take pre-emptive measures. Based on the successful handling of child sex tourism in Asia, and partially funded by Porticus, Terre des Hommes initiated WATCH NL, a special operational observation unit that not only pursues leads, but also proactively seeks (potential) exploiters in both the physical and virtual world.

In 2020, sexual exploitation of minors in the Netherlands increased because of the Covid-19 pandemic. Choices had to be made regarding our interventions, and the focus shifted to quality over quantity. The partnerships with Law Enforcement Agencies (LEAs) and government bodies developed through a series of workshops in the Harvard Field Labs Human Trafficking (a 3-year development programmes from the national public prosecutors' office), and mutual understanding improved.



Our expertise on the online sexual exploitation of minors and the sexual exploitation of boys is highly appreciated and drives an integrated approach forward. The structure of the programme itself was also improved, and better integrated into Terre des Hommes' processes. All this led to better investigations, and higher quality cases were transferred to LEAs. As a result, 3 perpetrators were convicted in court.

### One of the important results in 2020 was the start of the new, improved hotline in November.

The hotline which we have set up in cooperation with CoMensha, aims to ensure better support for (potential) victims of sexual exploitation in The Netherlands..



### Key results Watch NL

- **84 reports to the hotline.**
- 74 investigations started.
- 25 cases transferred to the police.
- 2 court cases and multiple perpetrators convicted.

## 5.4 Child trafficking and migration

Worldwide, many children are sold, trafficked and then forced into work and sex. The poverty of their parents causes them to be more easily convinced by traffickers of the benefits of selling their children. They promise a better life, but these children often end up in dangerous situations and become exploited. Terre des Hommes provides safety and the chance to go to school. We help families earn better incomes so their children can continue living at home. And we help police and government officials track down and punish traffickers.

**In 2020 we made a particular effort to address this issue in East Africa, where children often migrate from the countryside to the city in search of a better life. The grass is rarely greener in the city, and the children are often exploited. In East Africa we work with different partners in Ethiopia, Kenya, Tanzania and Uganda.**



### Ethiopia: Paths to Safer Childhood

Our Paths to Safer Childhood project focuses on child trafficking and unsafe child migration in the north-western migration corridor of the Amhara region in Ethiopia. Here, Terre des Hommes works together with two local partners.

Besides the pandemic, which impacted activities involving engagement in schools and communities, the project also had to deal with ethnic conflict and instability in the target areas of the project.

Despite these challenges, the project produced a considerable catalogue of results. **Child victims of trafficking and unsafe migration were successfully rehabilitated and reunited with their families, and continued their education.**

Children and their families and communities were protected, informed and supported through training and materials, and also through events, television and radio messages.

We also found that building capacity for support through workshops and consultative meetings with private sector representatives (bus station workers and hotel managers) helped them with their roles and responsibilities in protecting children from CTM. Strong collaboration and networking with government stakeholders and other CSOs also enabled the project to provide quality rehabilitation, reunification and reintegration services. **Overall, we are happy to report that most of our targets in fighting child trafficking were reached, and many were exceeded.**



#### Key results Ethiopia

- 383 child victims were reunited with their families and provided with rehabilitation and reintegration services.
- 6 temporary shelters with psycho-social and medical services, as well as food, were established.
- **1,850 children vulnerable to trafficking & unsafe migration were supported through educational services.**
- 963 members of self-help groups (families of boys and girls vulnerable to trafficking and unsafe migration) were strengthened through income generating activities (IGAs).
- 4,199 children were strengthened through awareness raising in and out of school activities.
- 144 government stakeholders and 102 private decision makers were supported through review meetings, technical and material support.
- 83 civil society organisations were involved in review and network meetings.
- 9,828 community members took part in community dialogues and other awareness raising activities.





### Tanzania: fighting child trafficking for domestic labour

In Tanzania, we fight child trafficking in the Ukerewe and Mwanza districts. In 2020, the Covid-19 outbreak restricted movement and travel, and hampered the rescue of trafficked children. Rescued children could not reintegrate because of lockdowns.

However, new opportunities for online engagement with other stakeholders emerged. The Tanzania Country Office spearheaded the formation of a network and alliance of civil society organisations (Child Trafficking First Responders Alliance), registered with the Tanzania Child Rights Forum (TCRF) and participated in a government-led Child Welfare forum that brought together stakeholders fighting child exploitation. These developments increased the chances of receiving external funding.

In 2020, 105 out of 136 children safeguarded by June 2020 were trained as peer educators. They conducted peer to peer sessions with community members on issues relating to child trafficking and child rights, and identified and reported children at risk. They reported 20 cases of suspected child trafficking. **After initial fears when reporting suspected cases of child trafficking and other child abuses, confidence grew and reporting of violations began.**



#### Key results Tanzania

- 84 reports to the hotline.
- 489 children were safeguarded at the Masanga ATFM shelter.
- 618 children were safeguarded at KIWOHEDE's shelter.
- **105 former victims were trained as peer educators.**
- 80 victims and vulnerable children accessed our Child Protection services.
- 240 families were made aware of the dangers of child trafficking.

### Kenya: building the foundations for child-trafficking-free zones

In Kenya, we fought child trafficking within our project 'Building the foundations for child-trafficking-free zones'. The Covid-19 pandemic affected the rhythm of implementation, and led to the reallocation of funds to cushion the families affected by the pandemic.

The project uses several strategies such as awareness raising, which is key to combating child trafficking in communities. The enrolment of vulnerable and affected children in school, and supporting them with learning materials, was also crucial. School gave children a chance to pursue their dreams, to be informed of their rights, to be able to identify the dangers of being trafficked, and to be able to protect themselves.

In 2020, the project focused mainly on reintegration, and on legal provision for the victims of trafficking. **We achieved good results on the identification and provision of services, including legal help, temporary shelter, and reintegration of the victims of child trafficking.**



#### Key results Kenya

- **267 children were reached through safeguarding with various services.**
- 849 adults were reached with training and awareness sessions.
- 68 families participated in income generating activities within the year.

We also learned that coordination with stakeholders and governments through capacity building enhances service provision, supervision, and the sustainability of the project. This led us to support the development of a policy document that will guide and shape the environment around trafficking in Kenya.

### Uganda: responding to child trafficking and unsafe migration

Uganda is a source, transit area and destination for victims of child trafficking. In recent years, there has been an increase in the number of children trafficked to Kenya for commercial sexual exploitation and domestic work. Terre des Hommes works on the protection of vulnerable children in Uganda, as part of the Girls Advocacy Alliance, supported by the Dutch Ministry of Foreign Affairs.

In 2020, the Covid-19 pandemic caused increased insecurities in Karamoja, because higher numbers of guns led to more cattle raids, and other violence which put the lives of our partner's staff at risk. This area also experienced heavy floods and an invasion of locusts in 2020, and access to children's homes, and availability of targeted stakeholders for planned engagements were hampered by many conflicting priorities.

The pandemic led to initiatives that increased collaborations



### Key results Uganda

- **57 children were rescued, rehabilitated and successfully reintegrated into safe families and communities.** All received school fees and learning materials in the first term.
- 156 children who did not meet our eligibility criteria were referred to other partners for further care and support
- 68 families participated in income generating activities within the year.

On the other hand, the Covid-19 pandemic led to initiatives that increased collaborations among CSOs, and eased regional and international collaborations. Participation in international meetings, for example at the United Nations or the African Union, became less expensive and complex, and the simplicity of online engagement allowed us to attend regional and international meetings from the comfort of our offices or homes, without incurring high costs. **Online engagements of our children and young people in conferences, webinars, advocacy campaigns and experience sharing at all levels also increased.**

Overall, among many activities, we raised awareness, contributed to strengthened systems at the community and national levels, oriented prosecutors to enable increased and improved prosecutions of child trafficking cases, and provided information to the police to increase and improve victim identification, investigation and support.



### Looking ahead

### New projects in 2021

In prevention, a major change for local partners Dwelling Places and Rahab Uganda was that the GAA project came to an end in 2020, while 2021 saw the start of new projects funded by GFEMS and Vital Voices. For Dwelling Places, as opposed to working in only one sub-county, the prevention programme will now be rolled out to 4 new sub-counties.

## CASE STORY

# From begging on the streets to child rights advocate

Molly\* (12 at the time, now 17) was living in Karamoja, Uganda when a group of women promised her a better life in Kampala. Because of the hunger at that time, she and her sister agreed to go to the capital city. After arriving in Kampala, the very next day, the women took them to Kisenyi slum to start street begging. She used the first 100 shillings that she earned to pay for the toilet. When they returned “home,” they were denied food and warned never to return empty handed.

They endured this life for one long week. As luck would have it, one day, staff from Terre des Hommes’ partner Dwelling Places came to Kisenyi and Molly and her sister were taken to Dwelling Places’ home for 3 months, and later returned to Karamoja where they enrolled in primary school. Here, Molly joined the Child Rights Club, where she passionately shared her experiences with other children and her community to protect them from going through the experience she and her sister had suffered.

During a dialogue organised between government delegates and members of the community, she got a chance to share her story, with tears rolling down her cheeks. She begged other children to stay at school because street life was a nightmare. Her story moved many members to tears, prompting one of the Members of Parliament present to make a commitment to sponsor Molly’s education.



Molly’s story moved many Members of Parliament to tears, prompting one of them to sponsor her education.

*\*Molly is not her real name.*





## 5.5 Humanitarian Aid

For many families with children, their homes become dangerous during emergencies and we are forced to intervene, often in collaboration with other NGOs. Children are particularly vulnerable in times of crisis, and exploitation is a real danger. When doing humanitarian aid, we often work together with different partners in the so called 'joint response' projects, which are carried out by the Dutch Relief Alliance. In this way we were (mostly together with our sister organisations within the federation and other NGOs) active in 8 emergency responses in 2020.

**In 2020, the horrors of the Syrian crisis continued, and we assisted displaced people within Syria and Kenya, but also in surrounding countries such as Lebanon.**

**We maintain an active presence in Bangladesh, Nigeria and Burkina Faso, where political unrest is a danger to vulnerable children. We apply preventive measures, and provide education, healthcare, Covid-19 response, water and sanitation, cash, food security and livelihoods, to improve the living conditions of children living in these disaster zones.**

### Back to the Future

Hundreds of thousands of refugee children from Syria are waiting in Lebanon for peace so that they can return to their homes. Most of them are in a hopeless situation. They live with their families in camps and are especially vulnerable to exploitation, such as child trafficking and child labour. They often cannot attend school. The project 'Back to the Future' (BTF) answers their educational needs, and will help build a brighter future for Syria and the region.

The programme is a cooperation between Terre des Hommes Italy, the EU Madad Fund, AVSI, and War Child Holland, supported by the European Union Regional Trust Fund. It collaborates closely with the Lebanese Ministry of Education and Higher Education, and aims to increase the access of vulnerable girls and boys in marginalised communities to integrated and high quality education and protection services.

Due to the Covid-19 restrictions in 2020, and the general instability in the country, many children lost access to education and their regular social environment, while many more households faced new socio-economic challenges related to the complex crisis affecting them.

BTF consortium partners had to constantly re-evaluate their intervention strategy to ensure the continuity of educational opportunities for the most vulnerable children enrolled in both formal and informal education activities, as well as to ensure access to essential services and protective environments for children. **This was successfully achieved with the full transition of the curriculum online, where all learners, caregivers and educational staff progressively adopted this new approach.**

All educational services for the most vulnerable children continued, with the full transition of the curriculum online.





### Key results Back to the Future

- 3,965 out-of-school children were provided with informal education opportunities, including:
- **1,651 children were provided with Early Childhood Education.**
- 2,314 children were provided with Basic Literacy and Numeracy activities.
- 1,174 children and adolescents were referred to formal education.
- 121 children with disabilities had access to specialised services such as speech and language therapy.
- more than 1,500 individuals were reached through Covid-19 awareness raising activities.
- 132 new work opportunities were created in the areas of implementation of the project (88% of whom were women and 12% men).







### Dutch Relief Alliance

The Dutch Relief Alliance (DRA) is a coalition of 15 Dutch aid organisations in partnership with the Dutch Ministry of Foreign Affairs (MoFA). The structure of the DRA enables us to respond to major international crises in a timely and effective manner. In 2020, we continued our work in Nigeria and Syria - with our sister organizations in Switzerland (Lausanne) and Italy, respectively - and we were also part of the Burkina Faso Acute Response (with Terre des Hommes Lausanne).

The Covid-19 pandemic was undoubtedly the biggest challenge for these projects in 2020. Some processes were delayed because of movement restrictions and lockdowns, and activities had to be coordinated remotely, which took more time and resources, also for monitoring. More resources were also needed in order to ensure the safety of communities and staff.



### Key results Dutch Relief Alliance per country

In **Syria**, Terre des Hommes mostly provided assistance to people with disabilities in Jaramana, Qattana, Daf El Shok, Eastern Ghouta (rural Damascus) and Jeble (Aleppo). Our activities included providing food vouchers, psycho-social support and physical rehabilitation and physiotherapy. **In 2020, 12,945 people (and 6,557 children) were reached (4,884 with food vouchers, 2,724 in health and 4,970 in Covid-19 response).**

In **Nigeria**, our activities included water, sanitation and hygiene, natal education, cholera/ malaria/measles awareness, and community-based management of childhood illnesses - through mobile teams, psycho-social support, child protection in emergencies awareness, and case management. **In 2020, 78,430 people (and 80,105 children) were reached (73,653 in WASH, 7,245 in health, 150 in cash and 8,488 in protection), and 31,688 with Covid-19 prevention and response services.**

In **Burkina Faso**, we responded with service provision, including in primary health care, natal care, Gender-Based Violence treatment, child protection, psycho-social support, and Covid-19 response. **In 2020, 77,702 people (and 37,364 children) were reached (51,336 in health and 34,419 in protection), and 21,691 with Covid-19 response.**

In Burkina Faso, we also provided an integrated emergency response in health and protection for Internally Displaced Persons (IDPs) and the host communities affected by the security crisis in Titao. The security situation in the province of Loroum worsened, leading to population displacement. This had a negative impact on the healthcare system, with nearly 102,350 people affected. **In response, a Terre des Hommes mobile team concentrated its efforts in the neighbourhoods with the most IDPs.** With the support of community based health workers, the project team was able to help the vulnerable groups with healthcare provision and referral activities.



### Key results Dutch Relief Alliance Burkina Faso

- 15,642 women received healthcare services.
- **15,552 girls received curative and preventive care, screening for Covid-19 and reproductive health care.**
- 7,120 men received curative care and screening for Covid-19.
- 12,922 boys received curative and preventive care and screening for Covid-19.
- 176 patients (73 children, 18 pregnant women and 11 people aged over 60) received referrals to the secondary level.



### CASE STORY

Belem Azéta (24) is visiting one of our mobile health clinics in Burkina Faso:

"At the moment, we live in Aka near Titao, because we have been displaced by the conflicts. I got to know Terre des Hommes through my sisters. Life before that was really not easy. Thanks to your support, especially your help with medical care, raising awareness and cheering up our children every week, we are able to forget a little about our worries. I have seen real improvements in our health and safety, and also in our mental health, thanks to your compassion. My dream is that all this will come to an end and that we will finally be able to go home."





Funded by  
European Union  
Civil Protection and  
Humanitarian Aid

### ECHO

The European Commission's department for Civil Protection and Humanitarian Aid Operations (ECHO) funds relief operations for victims of natural disasters and conflicts outside of the European Union. Every year there are calls for proposals in the most-affected countries. DG ECHO funding provides a great opportunity for securing humanitarian assistance funding. The main challenge with ECHO is that it is highly competitive, and it is paramount that proposals are strong and the track record in the country is solid. **In 2020 we submitted six proposals and secured four (in Kenya, Bangladesh and two in Burkina Faso), a remarkably high success rate!** Our ECHO-funded projects are implemented in partnership with our sister organisation Terre des Hommes Lausanne.





### Bangladesh: access to quality health and child protection services for refugees

In Bangladesh, we aimed to enhance the safety and dignity of Rohingya refugees and host communities through integrated, multi-sectoral humanitarian assistance. In 2020, we increased access to quality health and child protection services, notably through integrated, community-based mechanisms. **In 2020, we supported a total of 28,761 people (14,381 children), and the project's objectives were successfully reached.**

We increased access to quality health and child protection services, notably through integrated, community-based mechanisms.



#### Key results Bangladesh

- 2,788 people were reached in protection activities: case management services, semi-structured psycho-social support activities.
- 25,932 people were reached with operational maintenance to, and upgrade of their waste management systems to include fecal sludge management (FSM).
- **19,645 people were reached with health services: primary health consultations, mental health consultations, awareness activities that include general maternal and newborn health topics, gender-based violence concepts and services available, and vaccinations.**
- 13,308 people were reached with water, sanitation and hygiene (WASH) services.
- 43,000 primary health consultations were provided.

### Burkina Faso: strengthening the health system in the context of Covid-19

In Burkina Faso, one project was focused on supporting the Ministry of Health to alleviate the Covid-19 pandemic by intervening in 260 health structures. An integrated Health-Protection-Water Hygiene Sanitation approach aimed at improvement of health services to prevent Covid-19, and responding to the immediate care needs of vulnerable people by strengthening the skills of health personnel and the capacities of health structures. The impact was thus felt by children, and the entire community.



#### Key results Burkina Faso

- **17,080 people (of which 1,253 children) reached.**
- 260 community actors engaged.

### Burkina Faso: improving disaster risk preparedness and response capacities

The other project in Burkina Faso aimed to improve health preparedness and response to disasters in 27 communes in Boucle du Mouhoun, by deploying an innovative surveillance system, to anticipate seasonal risks and provide rapid and appropriate responses.



#### Key results Burkina Faso

- **441,966 people (of which 69,639 children) reached.**
- 311 community actors engaged.







### **Kenya: protecting the most vulnerable children in the Dadaab refugee camp**

This project, implemented within the Dadaab refugee settlement, was proposed to ECHO to continue through 2021 and 2022. We helped strengthen the Child Protection (CP) system to prevent and respond to violence, neglect, abuse and exploitation of the most vulnerable children affected by displacement in Dadaab. In this case, Terre des Hommes' country office in Kenya expanded its role and proposed to conduct CP assessments in the camp, and capacity building training on child trafficking risks and mitigation measures for the community, community based organizations, and organisations within the camp, as well as engagement in monitoring and evaluation.

Because of Covid-19 restrictions, the 2020 projects had to be adapted to prevent the spread of the virus, and also to respond to the challenges that the countries were facing. New activities included provision of personal protective equipment to communities and staff (i.e. face masks, hand sanitisers), as well as awareness raising about transmission and prevention. Other activities had to be implemented remotely, such as psycho-social support activities and case management.

**In 2020, we reached 1,958 people (1,917 children) in Dadaab with protection activities.**

### **Renewed certifications**

In 2020, we were also able to renew some of the certifications related to our humanitarian work: the Framework for Partnerships Agreement, the Core Humanitarian Standards and the Preventing Sexual Exploitation, Abuse and Harassment self assessment.

This proves that we are certified to provide emergency relief and that all our policies and standards are in place.



### **Giro 555 collects € 15 million of donations for Beirut**

A huge explosion hit Beirut on 4 August 2020, destroying the port area of the city, killing 200, injuring thousands and making 300,000 people homeless. Terre des Hommes started its response immediately after the blast, since our Italian sister organisation was already present in Beirut. Giro555, a Dutch Foundation of Cooperating Aid Organisations, soon launched a national campaign that led to € 15 million of donations. Terre des Hommes received 2,63 % of this amount to spend on helping children and their families in the affected area.

The project 'Lebanon 2020: Supporting vulnerable boys, girls and caregivers, affected by the Beirut Blast' was launched, through which we implemented psycho-social support sessions during the lockdown period.

Since the start of the project, 523 affected children have been engaged in recreational activities coordinated by Terre des Hommes and 115 have been provided with psycho-social support activities. We are continuing to work in the area.



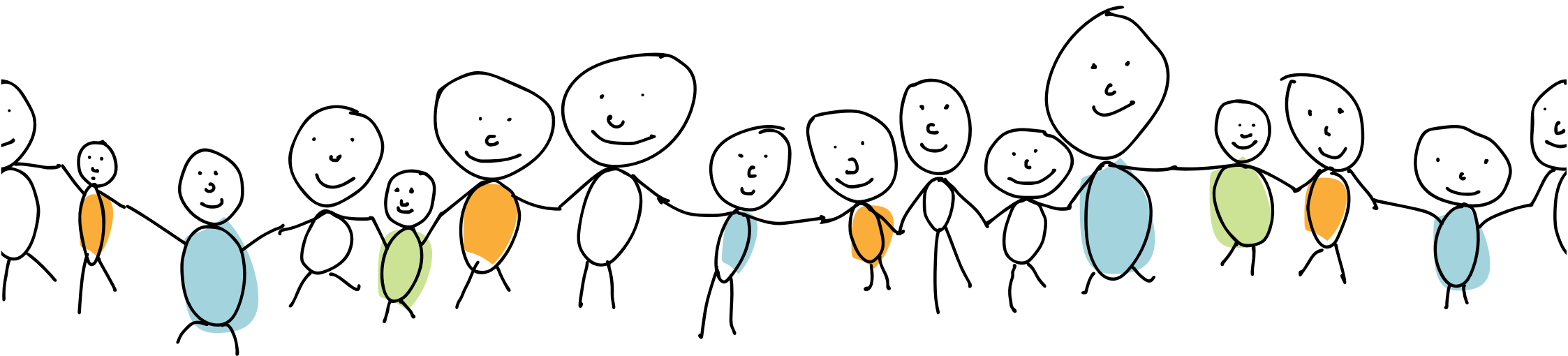




# 6. Our friends & supporters

**You make our work possible!**

We are proud of the trust shown by foundations and governments that chose to work with us for the first time, and also by trusted partners who again renewed their support. This includes private donors and foundations that showed even stronger financial commitment towards children during the Covid-19 pandemic than before. It is because you stand side by side with us that we can continue to contribute to the fight against the exploitation of children!



## Institutional partnerships

In 2020, we received support from institutional donors and over 20 foundations and funds, in our fight against child exploitation. We received additional funding, we saw foundations renewing their commitment to Terre des Hommes, and we celebrated the new support received. Overall, we learnt that the competition for funding is high, but our projects are well received and highly rated.

**The Covid-19 pandemic didn't allow the physical contact with partners we needed, and the time required to adapt our programmes to the pandemic restrictions delayed some fundraising efforts. However, we reached our objectives as we explored new potential funding sources, and successes included additional funding from the Dutch Ministry of Foreign Affairs, the European Union (including ECHO), foundations and the Dutch Relief Alliance (DRA).**

A lot of the available institutional funding switched its focus to Covid-19 related interventions. We are very pleased with our cooperation with the Joining Forces Alliance in responding to the EU call for Africa in a Covid-19 context. We were also pleased to see the even stronger commitment to children during Covid-19 by private foundations in projects towards ending child trafficking in Ethiopia (Paths to Safer Childhood programme, see page 47), sexual exploitation in the Netherlands (WATCH Netherlands, see page 45) Uganda and India (our GOOD project, see page 40) and child labour in Bangladesh and India (the Mica programme, see page 36).

### **Joining Forces: united to end violence against all children**

Joining Forces is an alliance of the six biggest child-focused international NGOs: Terre des Hommes International Federation, ChildFund Alliance, Plan International, Save the Children International, SOS Children's Villages International, and World Vision International. Terre des Hommes Netherlands, as a member of the Terre des Hommes International Federation is an active member of the alliance.

The alliance works in more than 20 countries worldwide, helping children to raise their voices, to take action as agents of change, and to hold us to account, ensuring that the experiences and views of children shape the solutions for the problems they face.

In 2020, members of Joining Forces visited Brussels to discuss how to place children and children's rights centrally on the agenda of the new Commission and Parliament, and more specifically, to encourage investment in child protection, ending violence against children, and guaranteeing child participation. This was followed up with an open letter to world leaders,

stating that 1.5 billion potential learners are out of school and that experience from other crises teaches us that many will never return, and a policy brief was sent titled 'Ending Violence against Children and Covid-19'.

As a result, European Union policy makers approached Joining Forces to develop a project to address this problem. **In August, the new project "Joining Forces for Africa" was launched.**







## Looking ahead

### New programmes secured

In 2020, we were also able to secure funding for the existing coalition Down to Zero, which will continue as Voice for Change (see page 39) and Building Back Better (to be implemented in 2021). Based on the Girls Advocacy Alliance, which ended in December 2020, the Dutch Ministry of Foreign Affairs also committed to support the new 5-year advocacy programme in Africa and the Middle East, She Leads (see page 35), starting in 2021.

And because we were awarded funding from the US Department of Labor, we will be able to expand our programme addressing child labour in mica mines to Madagascar, in partnership with UNDP and UNICEF (see page 37). Last but not least, we received funding from the Global Fund to End Modern Slavery (GFEMS), an international fund to support new programmes focused on the prevention of sexual exploitation of children (SEC) and trafficking in Kenya and Uganda.

We are extremely grateful for this valuable support. Together we can accelerate our mission to put an end to child exploitation worldwide.

### We're Talking, Are You Listening?

In November 2020, Joining Forces hosted a global forum on children's right to be heard. Young people from around the world exercised their right to be heard, as given by the Convention on the Rights of the Child, with a special focus on Covid-19 response and recovery. Feedback from children during the event was incorporated into a new Joining Forces policy brief released in January 2021, titled We're Talking, Are You Listening?

In 2020 European Union policy makers approached Joining Forces to develop a project to address ending violence against children.

### Joining Forces for Africa (JOFA) - protecting children during the Covid-19 crisis and beyond

In 2020, Joining Forces secured a € 10 million grant from the European Commission for a programme in five countries in Africa: Ethiopia, Kenya, Mali, Senegal and Uganda. The JOFA programme started in August 2020 and will run for 3 years. **It will benefit 718,000 children from direct participation in project activities, over 3,000 child protection service providers and 23,000 parents and caregivers will be supported, and 2,800 teachers will receive training.**

Implementation in 2020 focused on the needs assessments and baseline studies. Technical workshops allowed country teams to learn about Joining Forces agencies' evidence-based methodologies and best practices in child protection programming. The official launch was a high-level event on 20 January 2021.

## CASE STORY

# “We simply cannot afford internet and devices for online education”

Cute, 16, from Zimbabwe, is involved in our Joining Forces programme, and explains how the pandemic has affected children in her community.

“I’m Cute. I know what you’re thinking, but that is actually my name! I am a 16-year-old girl and I live in a small rural community in Zimbabwe. Like a lot of people in my community, my mum is not formally employed. The Covid-19 lockdown meant our stall at the local market had to close. We had no more money coming in, and could only afford two small meals per day.

Shortage of clean water is a huge problem in my community. Community wells have dried up and the few boreholes available are simply not enough. As a result, me and my peers wake up as early as 4am to join the long queues at the boreholes. Even then, there is no guarantee that you get the water. A lot of girls my age are abused by borehole queue marshals, who ask for sexual favours in exchange for a place in the front of the queue. Often, we have no choice but to take the little money we have and buy water instead of food.

The Covid-19 lockdown meant schools were also closed. **Everyone started talking about online education. For this, you need a smartphone and funds to pay for access to**

**the Internet.** For me and the majority of my peers, this is pie in the sky. We simply cannot afford it, and our right to education has gone!

A lot of children have turned to drug abuse and child prostitution because of these problems. It is a desperate situation and most children have lost hope. The world has used Covid-19 lockdowns in order to avoid infection and possible death. How does that make sense to children who do not know if there will be food to eat tomorrow and could die from hunger anyway?”





## Looking ahead

### **New programmes supported by the Global Fund to End Modern Slavery (GFEMS)**

In 2020, we co-created a new programme against sexual exploitation of children in Kenya and Uganda, together with the US Government funded Global Fund to End Modern Slavery (GFEMS). The programmes started at the end of 2020 and will run until July 2022. Both programmes are focused on the prevention of trafficking of children for sexual exploitation.

In Kenya, 'Building a Future' aims to improve access to inclusive quality education and sustainable household livelihoods for child victims and those at risk of sex trafficking in Kwale and Kilifi counties. In Uganda, we aim to end child trafficking and sexual exploitation in Napak district, Karamoja through community action.

GLOBAL  
FUND  
TO  
END  
MODERN  
SLAVERY





## Fundraising private market

2020 turned out to be a rollercoaster year, and this also influenced our fundraising efforts. What makes us really proud is the fact that so many donors remained loyal, even though also for them this was a challenging year. And we are very pleased that in this difficult year, we have been able to realise our overall income targets.

A big part of our support and income comes from our private donor base. Our donors enable us to help vulnerable children worldwide. Only together can we make the impact we want and need to make.

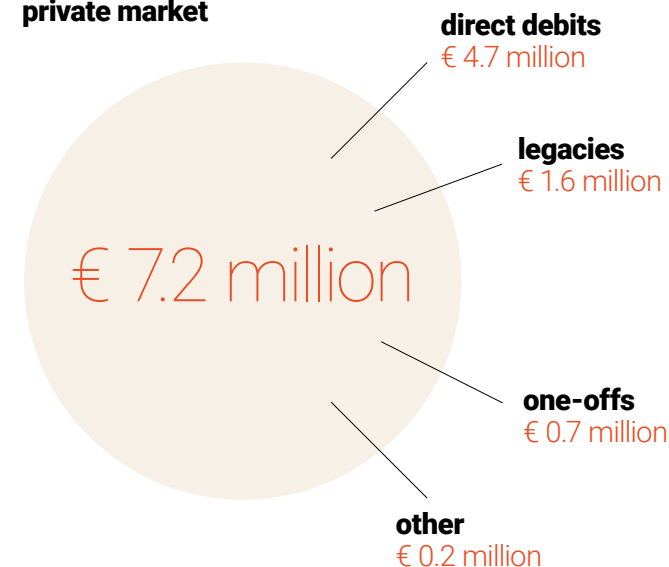
We put a lot of emphasis on keeping our donors central to how we think and communicate. We want to keep our donors and supporters informed and inspired. Loyal and committed donors is what we strive for. Therefore we always seek for the best suitable channel, message, moment and frequency of communication and interaction.

Every year we face some turnover, donors leave our organisation because they set different priorities, their financial situation has changed, or they pass away. In order to keep a stable base or grow a little, we need to recruit new donors. We want to reach, inspire, touch and commit new donors to become part of our mission. We do this through lead generation mechanisms, and following these up through e-mail and telemarketing. We also do door-to-door canvassing, have online campaigns, reactivate lapsed donors through telemarketing campaigns, send direct mailings, and promote or create our own fundraising actions.

The biggest challenge in 2020 was, of course, the outbreak of the Covid-19 pandemic. During the first lockdown for example, we had to stop our door-to-door activities. We changed quickly towards more online and telemarketing campaigns and started focussing on loyalty activities to keep our donors close and express our gratitude for their support.

**Despite these circumstances, we were able to meet or exceed all our targets – the private market, our direct debit income, our legacy income, and our major donor income.** We did not meet our targets for income from the corporate market, as we do not have capacity to explore new opportunities. Also, our third party action budget was not realised as the Covid-19 pandemic hit this type of income quite hard due to the cancellation of sports and other events. In 2021 we will reduce the risk of third party actions by putting more emphasis on actions that are not connected to existing sports events.

### Fundraising income private market



### Supporters

We reached millions of people in the Netherlands with our campaigns. We shared our mission, the story of children at risk of exploitation, and the help we and the public can provide for these children. Our private donors are very important for funding our work. We are happy that the total number of people who support us has increased to 71,404 private giving donors - almost 10 % more than in 2019 (almost 65,000). In 2020, we welcomed 10,596 new pledge donors and 5,247 one-off donors. We are lucky to have a very loyal donor base. However, every year we also say goodbye to a number of donors, in 2020 for various reasons we lost 5,929 of our pledge donors.

### Major donors & inheritances

A very special way of giving are the inheritances that we receive from our donors. In 2020, we were grateful to receive an amount of € 1.6 million (2019: € 1.8 million).

### Donor Satisfaction Survey

In 2020 we conducted a Donor Satisfaction Survey, as we do every year. In 2020, the number of respondents increased, and nearly 1,800 people completed the questionnaire.

**We are happy that the overall satisfaction of our donors increased to a score of 8.2** (2019: 8.1). More people gave us a mark that was over 9, and fewer people gave us an insufficient score than in previous years. Our donor service, with a score of 8.6, deserves special praise.



In 2020 we reached millions of people in the Netherlands with our campaigns.





### **Kids@Home Challenge**

The Kids@Home challenge was initiated because many events were cancelled in 2020, and most of us were stuck at home. The first edition was during the spring holiday during the first lockdown, and the second challenge took place during the Christmas holidays in the second lockdown. The aim was to entertain children while they were not in school, providing space for parents to work, and at the same time getting parents and children acquainted with the work of Terre des Hommes and letting them raise funds for our work. The challenge raised a total of € 2,500, and we received a lot of positive feedback.

### **Non-financial support**

There are many ways to join our fight against child exploitation, not only financially, but also by sharing your time or by donating in kind (see page 71). Or by signing one of our petitions, and thus showing your support to our cause. In 2020, as many as 44,636 people signed one of our petitions. With great results! Read more at [tdh.nl/petitions](https://tdh.nl/petitions)



### **Our cooperation with the Nationale Postcode Loterij continues!**

Since 1996 we have been proud beneficiaries of the Nationale Postcode Loterij. In the last 5 years, this valuable funding has allowed us to fight sexual exploitation of children in Asia by making possible our Sweetie 24/7 project. At the end of 2020, we received the good news that the Nationale Postcode Loterij will continue to support us financially on a structural basis for the coming 5 years on the same terms as in the past 5 years, with an annual amount of 2.25 million euro. This cooperation with the Nationale Postcode Loterij is of strategic importance for our organisation, and we are very happy to be one of the organisations supported by the Nationale Postcode Loterij.

We spend the regular contribution of the Nationale Postcode Loterij on organisational costs and opportunity-driven lobbying activities, so that we can respond to *ad hoc* current events. We also spend the contribution on developments within our own innovation agenda.





**JONNE ARNOLDUSSEN, HEAD OF THE CHARITY DEPARTMENT  
AT THE NATIONALE POSTCODE LOTERIJ:**

“We look for  
professionalism,  
passion and  
inspiration”

“The Nationale Postcode Loterij supports charities with money that comes from the people who participate. We therefore find it important that the organisations we assist have broad public support, which we measure, for example, by the number of donors and volunteers. The organisation should also not be dependent on our contribution, and another condition is that its own annual income should be at least € 1 million.”

“We also look for professionalism. The employees must be professionals, and the organisation should be managed effectively, efficiently and responsibly, adhering to the existing codes for the charity sector, such as the Good Governance Code and the guidelines of Goede Doelen Nederland. And finally, we look for the same passion and inspiration that we feel in the pursuit of a sustainable and just world.

The Sweetie 24/7 project that we support maps perpetrators with digital bait profiles, and transfers them to law enforcement officers, and is therefore crucial. This project is also a good example of our last criteria: good performance and ambition in the fields of entrepreneurship, innovation and impact.”

And this passion is, of course, the main reason that we have been supporting Terre des Hommes since 1996. Unfortunately, the fight against child exploitation is still essential. For example, during the Covid-19 crisis, especially during the lockdowns, children were much more active on social media, which makes them vulnerable to sexual exploitation.



terre des hommes  
stopt kinderuitbuiting



BOEKEN

GEEF BOEKEN  
EEN TWEEDE LEVEN  
ÉN KINDEREN  
EEN BETERE TOEKOMST



terre des hommes  
stopt kinderuitbuiting



WINKEL



## Shops

All retailers faced a tough year due to the Covid-19 pandemic. The more than forty Terre des Hommes shops in the Netherlands, run by our volunteers, were also badly affected, and income from our shops decreased considerably in 2020 compared to the year before. However, 2020 also showed the strength of the shop team, and especially the more than 1,700 very committed volunteers, who came up with innovative solutions in over 40 cities.

We had to close all the shops in early March due to the first lockdown, for the sake of the health of our customers and volunteers. The shops were closed for several months in the two full lockdown periods, and when they could reopen, it was often with limited opening hours. Many volunteers were very eager to open up the shops again, but the restrictions meant that there were fewer customers, and our volunteers' availability was also reduced because many are in the most vulnerable age group.

The fact that the shops were closed for months, then operated with reduced opening hours, meant that they produced less than half of the normal level of income: about € 600,000 compared to € 1.5 million in 2019. Two shops (Zundert and Roosendaal) decided to close permanently in 2020. This was due to issues in rentability and issues in having enough volunteers for running the shops.

Fortunately, the crisis also showed the talents and commitment of our volunteers. Very soon, many shops started producing and selling face masks, and a lot of other activities were undertaken to realise as much income as possible from each shop in this difficult period. The shops also started selling more items online.

**And there's also good news: in March we opened a unique new bookshop in Den Bosch, and in the summer of 2020, we reopened a beautiful rebranded shop in Alkmaar, which came under the direct governance of Terre des Hommes.** A lot was also done in 2020 to improve the support from our head office to our different shops, and we made a plan for further strengthening the shops and their income in the coming five years. We see that the shops, with their committed volunteers and local presence, provide a lot of opportunities in terms of branding and income, and they are also important places for telling the Terre des Hommes story.

Shops, with their committed volunteers and local presence, are important places for telling the Terre des Hommes story.



### Facts & figures

- 42 Terre des Hommes shops.
- 41 cities.
- **More than 1,700 volunteers.**
- € 600,000 net income in 2020.



# 7. Reaching out

## Communications & media



At Terre des Hommes, we want to show our passion for our work on behalf of vulnerable children worldwide, while sharing the positive impact that we have and maximising transparency. We value our supporters greatly, and we aim to keep them informed and inspired in the best possible way.



### Terre Magazine & Terre Online

Through our membership journal Terre Magazine, which appears three times per year, we share stories, results and information about our projects. The magazine covers all the topics that we are involved in, and there is also an online edition: Terre Online. In 2020, we struggled with the Covid-19 pandemic, which made it difficult to visit projects and show our work through stories, pictures and videos. Still, a survey in 2020 showed that the general appreciation of the magazine is very positive.

### Our supporter base

- **Terre Magazine:** over 40,000 copies.
- **Terre Online:** 20,116 subscribers (more than twice as many as the year before).
- **Digital newsletters:** 36,916 subscribers (an increase of 5,000).
- **Followers on social media:** 68,726 (an increase of nearly 3,000).

### Our online fan base

	2020	2019
<b>Facebook</b> (page likes)	53,700	53,813
<b>Instagram</b> (followers)	3,726	2,875
<b>LinkedIn</b> (followers)	5,680	3,695
<b>Twitter</b> (followers)	5,620	5,595

### Online is the way to go

In 2020, our new website was launched with a clear focus on donations. It allows visitors to join the fight against child exploitation themselves, through different kinds of donations (of money, time or in kind). The second focus is dynamic content: we have a lot of stories to share, and news updates and stories play a major role in the new website.

Social media has become an indispensable tool for engaging in dialogue and communicating with our supporters. In 2020, we focused on increasing our engagement among our followers by posting impactful content at the right times, through the right channels, in an inspiring way. As a result, the number of reactions, likes, shares and click links was many times higher than in previous years.

We also focused on webcare online customer support. More and more people are engaging with Terre des Hommes digitally, whether it is to enter into a dialogue or to pass on a change of address. People often meet Terre des Hommes for the first time online.

### Donor research

In 2020, as every year, we conducted a survey among our donors. Many respondents said that they find Terre Magazine an important and pleasant way to stay informed. They appreciate the transparency and are happy with the way their donations are being used. Both readers and non-readers were positive about Terre des Hommes. Lastly, one third of the readers indicated that they had taken action in response to the magazine, an important fact that exceeded the benchmark. Overall, our supporters value our communications with scores of 7.4 - 7.7 (similar to 2019).

## Media

Our appearances in the media also had obviously and unavoidably strong connections with the Covid-19 pandemic, and the closure of schools worldwide. We sought publicity, often in partnership with other aid organisations, as a way of seeking solidarity due to the consequences of the pandemic in developing countries.

Our autumn campaign in November, about the exploitation of children 'out of sight' as a result of the school closures, was featured in many newspapers. And our research among 1,100 Dutch parents showing their worries about the impact of Covid-19 on their children and children worldwide received much attention from national media.

## Our ambassadors

Our ambassadors have an important and valuable role in promoting our work. In 2020, we had to be creative due to the lockdown restrictions, and they focussed on creating and sharing videos. The radio and television presenter Roelof Hemmen lent us his voice and acted as a voiceover. The pop band 3JS performed in our shops on special occasions, and their lead singer Jan Dulles spoke about our autumn campaign in a television programme.



**Roelof Hemmen**  
journalist & presenter



**3JS**  
pop band



**Lucy Woesthoff**  
writer



**Thekla Reuten**  
actress



**JOURNALIST AND PRESENTER ROELOF HEMMEN:**

**“I am happy that  
the donors of  
Terre des Hommes  
have remained loyal  
in this difficult year”**



“I have been an ambassador for Terre des Hommes since 2007. An honour. I have met wonderful staff members who dedicate their entire lives to helping children. They go to the streets to connect with children in need and take them to a safe place - a place where they can relax. 2020 was a year in which more children got into trouble, because of the corona crisis. Children who are no longer able to go to school and who are wandering the streets are vulnerable. I am happy that the donors of Terre des Hommes have remained loyal in this difficult year. They make the difference between a child who is exploited week after week, and a child who goes to school and has a chance of a happy and successful life.”



# 8. Our organisation

## Who's doing what, where and how

Terre des Hommes Netherlands is an organisation that is committed to fighting the exploitation of children. This motivates our donors and supporters and connects our employees and volunteers. We are an organisation with 41 people at our office in The Hague and 84 in our project offices in Asia, East Africa and in The Netherlands. In 2020, we ran 74 projects. A well-functioning organisation with expert staff is crucial in our fight against child exploitation, and over the past years we have built just that. Terre des Hommes is managed by a leadership team of 8, with Carel Kok as Managing Director. A Supervisory Board of currently 5 members monitors, gives advice on and supervises the functioning of our organisation and its achievement of results.

### Operational integrity

We want to be as impactful as possible, and to work as lean and mean as possible in order to be able to support children in very difficult circumstances. Therefore we took major steps in several areas to improve our organisation in 2020. All HR processes were reviewed and a number were improved. This included the onboarding and recruiting processes as well as administrative processes and HR reporting to management. In the area of Operations, many certifications were positively concluded as part of our donor requirements and quality management.

**Certification processes on integrity helped us to define further improvements in our safeguarding and integrity policies.** Terre des Hommes values the satisfaction of its employees, and staff turnover decreased by 8%, although there is still room for improvement in 2021. A fire in the head office in late 2019 necessitated renovations which improved the working environment for our employees. We believe it is important to be able to work in a healthy and pleasant working environment. When Covid-19 restrictions forced us to work online and from home, we helped with supporting staff in improving their home office environments.

### Organisational structure and employees

Terre des Hommes Netherlands is an independent foundation consisting of the head office and project staff in The Hague, regional offices in Nairobi (East Africa Region) and Phnom Penh (Asia Region) as well as country offices. An affiliated foundation, Terre des Hommes Winkels, was established during 2020 and operates one shop. In addition, there are 41 Terre des Hommes volunteer operated shops organised as independent foundations. Four Dutch volunteer associations also help generate income for Terre des Hommes Netherlands. Terre des Hommes Netherlands carries out all activities under its own management, from fundraising and communication up to the implementation and evaluation of field projects.



### Terre des Hommes International Federation

We have been an independent member of the Terre des Hommes International Federation (TDHIF) since 1966. This umbrella organisation consists of six full members and three associate members. Each member organisation has its own independent structure and projects. We collaborate centrally as well as in the field wherever we can. In addition, through the International Secretariat of the Federation, with two small lobby offices in Brussels and Geneva, we pursue a common lobbying agenda at the regional and global level. Carel Kok is one of the board members of the International Federation.

### Leadership team

The leadership team consists of eight members including the Managing Director. Carel Kok has been the Managing Director of Terre des Hommes Netherlands since 2017.



### Our Federation

#### Full member organisations

Terre des Hommes France, Terre des Hommes Germany, Terre des Hommes Italy, Terre des Hommes Netherlands, Terre des Hommes Switzerland (offices in Geneva and Basel), and Terre des Hommes Foundation (Switzerland, Lausanne).

#### Associate members

Terre des Hommes Denmark, Terre des Hommes Luxembourg, and Terre des Hommes Spain.

Together the member organisations operate in 76 countries worldwide with an overall budget of more than € 210 million and 945 projects. Terre des Hommes Netherlands is active in various working groups of the Federation in the areas of lobbying, programming, campaigning, and emergency assistance. We also work together on grant applications and carry out projects with and for each other.



**Carel Kok**  
Managing Director

### Leadership team 2020



**Lone Vaerndal**  
Head Fundraising  
& Communication



**Raphael Kariuki**  
Head East Africa



**Eric van der Lee**  
Head Asia



**Arelys Yanez**  
Manager Institutional  
Partnerships



**Leonard Zijlstra**  
Manager Lobby  
& Expertise



**Arnold van Boven**  
Head Finance & ICT  
(Since 1 June)



**Desiree Willemsen**  
Manager HR  
& Operations

### Key figures 2020

At the end of 2020, the workforce consisted of 144 employees (138.7 FTE).

	Total	Head office	Netherlands project staff	Asia	East Africa
<b>Number of FTEs at year end 2020</b>	<b>138.7</b> (2019: 130.7)	<b>39.9</b> (2019: 33.1)	<b>10.8</b> (2019: 11.7)	<b>59</b> (2019: 54)	<b>29</b> (2019: 32)
<b>Number of employees at year end 2020</b>	<b>144</b> (2019: 137)	<b>41</b> (2019: 36)	<b>13</b> (2019: 15)	<b>61</b> (2019: 54)	<b>29</b> (2019: 32)

The number of FTEs at the head office increased in 2020, primarily because of capacity added in programme management. In the regions, there was an increase in Asia from 54 to 61 due to the fact that a number of consultant and volunteer staff became regular employees. In East Africa, the number of staff decreased slightly from 32 to 29 due to the completion of two projects.

#### Interns

By making internships available, we contribute to the development of young talent and show the impact NGOs can have in the fight against child exploitation. In 2020, we hosted five interns at our head office in The Hague: one in Lobby & Expertise, two in the WATCH Nederland programme and two in Fundraising and Communications.

#### Volunteers

Volunteers are very welcome at Terre des Hommes. **We are grateful for the continuous support of more than 1,700 volunteers who operate the Terre des Hommes shops in the Netherlands.** This is a small decrease compared to 2019, mainly because some of our older

volunteers stopped working due to the risk of Covid-19 infections. Apart from the shops, three volunteers joined us at the head office to support the Institutional Partnerships department and five other volunteers contributed and worked in our implementing countries.

#### Health & Safety

At Terre des Hommes, we attach great importance to the health of our employees, and ensure that their working environment is safe and suitable. The rate of sick leave at head office was 4.8% in 2020 (2019: 4.8%), mainly due to a few long-term sickness cases. Human Capital Care is the organisation that we have contracted to help us to handle absence and sickness cases and to support employees in these circumstances.

#### Whistle-blower policy

Terre des Hommes has a whistle-blower policy that makes it possible for both employees and third parties to report on issues the organisation should but is not responding to. No reports were made in 2020.

#### Counsellor

Our confidentiality counsellor received one case in 2020, concerning a request for advice rather than a complaint.

#### Fraud

No cases of fraud were detected or reported in 2020.

#### Staff representation

Our staff representative body (PVT) represents the employees and consists of three members who meet with the HR & Operations Manager on a monthly basis, and each quarter with the Managing Director and the HR & Operations Manager. The day-to-day functioning of the organisation is discussed during these meetings. The PVT monitors, reviews and advises on organisational policies.

### Human Resources

In 2020, the HR department reviewed its basic processes and made improvements in effectiveness and cost efficiency. By the end of the year, we were proud to have:

- the right people in the right places
- more professional HR services to support management and employees
- a solid induction programme for new employees

### Quality assurance

Terre des Hommes is certified in accordance with the Partos ISO 9001:2015 Standard. **In March 2020, the organisation achieved a renewal of this certification, which is a sector-specific application of the ISO 9001 Standard in which additional requirements are set with regard to integrity.**

The Standard requires the organisation to fully understand the context in which it operates, to adjust its strategy and policy accordingly, to be able to identify risks and to apply control measures to said risks. Terre des Hommes is expected to look at both internal and external factors that may influence the quality of its work. The organisation works with a quality management system that provides the leadership team with insight into the risks that might jeopardise its continued operation, so these may be adequately controlled. In the unlikely event that something goes wrong, there are protocols in place to flag errors, trace their causes, and implement mitigating measures.

In addition to the ISO standard, the quality of governance of Terre des Hommes is ensured by a separation between the supervisory and management roles. The Supervisory Board monitors the functioning of the leadership team, and the general state of affairs within Terre des Hommes. The organisation also follows the Good Governance Code for Charities in the Netherlands. Since 2008, this code has been incorporated into the CBF (Central Bureau for Fundraising) Regulations for recognition of charitable organisations.

#### **In addition to the Good Governance Code, Terre des Hommes observes the following codes and guidelines:**

- SBF-Good Governance Code
- RJ650 for Fundraising Institutions
- CBF Recognition Regulations
- DDMA directives for Privacy
- Guidelines for ANBI status
- Guidelines for Misconduct Disclosure
- PSEA (Prevention of Sexual Exploitation and Abuse)
- KCS (Keeping Children Safe)
- CHS (Core Humanitarian Standards)

### External supervision is carried out by:

- PricewaterhouseCoopers (financial audit)
- CBF (verification of CBF Recognition for Charitable Organisations)
- Mazars (ECHO Framework Partnership Agreement application)

### Integrity

Terre des Hommes continued to strengthen its rules of conduct and their application amongst employees in 2020.

**All employees have signed the code of conduct and know how to deal with a given situation and how to report (child) abuse.** Terre des Hommes strives to further improve its integrity system, and obtained the Partos ISO 9001 certification in March 2020. This certifies the quality standards laid down by the Ministry of Foreign Affairs with regard to integrity. In addition, Terre des Hommes is a participant in the sector-wide Joint Integrity Action Plan for Emergency Aid and Development Organisations. In 2021, Terre des Hommes will focus on further implementing policies and procedures to support PSEA, Partos, Keeping Children Safe and the child safeguarding policy.





### Child Safeguarding Policy

Safeguarding involves doing all we can as an organisation to reduce risks, prevent abuse, harm, misconduct, and unintentional negative outcomes arising from projects involving children and young people. In 2020, Terre des Hommes received four reports and opened four investigations to understand if the Child Safeguarding Policy had been breached. In addition, two cases were carried over from 2019, and by the end of the year, six case investigations were in progress.

Embedding a safeguarding into policy and practice is a continuous learning process. **To help strengthen our approach, a safeguarding policy review was undertaken in the fourth quarter of 2020 to support the development of a safeguarding improvement plan.** Key strengths identified in the Terre des Hommes policy framework were:

- child abuse is unacceptable and the organisation has a zero tolerance policy
- safe recruitment and hiring standards are rigorously applied
- a global Code of Conduct prioritises the well-being and care of all people, including children and young people.

Areas identified for improvement included:

- Use and oversight of safeguarding risk registers.
- Regular review of the management of safeguarding issues
- Escalation of safeguarding issues from implementing partners to Terre des Hommes

We are recruiting an Integrity Officer in order to further develop the integrity framework. The Integrity Officer will be responsible for addressing issues in the existing policy framework and for the development of new complementary policies.

### Complaints

Despite the fact that our programmes are usually well-received and highly regarded, the scale and nature of our work makes it inevitable that we receive complaints. These may come from companies, institutions or individuals. We take them seriously so that we can learn from them and optimise our processes even further. We may receive complaints by telephone, e-mail, online, surface mail, social media and face-to-face. All complaints are looked at

thoroughly and answered within a maximum of five working days. In 2020, we received a total of 112 complaints, which was considerably fewer than in 2019 (142). We are happy to report that 99.1% of these complaints were solved in a satisfactory way for the people who filed them. Most complaints (42) were related to door-to-door recruitment, 14 were related to our shops and 11 to telemarketing. **We strive for donor satisfaction and are proud of our high donor satisfaction score of 8.2** (see page 67).

### Corporate social responsibility

Terre des Hommes recognises its role in the community, society and the world, and actively participates in the process of making the world a better place. We contribute to ensure that we act as responsible citizens, not only through our programmes, but also during our internal activities, such as purchasing. Emissions of CO2 are also part of corporate social responsibility, and the insulation of the head office building in The Hague was completed in 2020. The building now meets the government requirements for sustainable energy utilisation.

## Risk management

Each year, during the Management Review, we assess our business operations and the risks that can affect our organisation. In principle this is done as part of the creation of our annual plans in which we look back as well as forward.

Through creative project redesign, most of our project implementation goals were achieved or exceeded.

### Covid-19

During 2020, the Covid-19 pandemic had a significant impact on our organisation. Global government measures to fight the pandemic impacted our ability to carry out our projects, not least because of the global travel restrictions. **However, through creative project redesign, and a fast process for considering adjustments to our field implementation, most of our project implementation goals were achieved or exceeded.** The impact on our productivity caused by working from home in the Netherlands and a few other countries was minimal. The macro-economic uncertainty, however, does lead to risks for the balance between expected income and planned expenditure. As we have seen, in 2020, our income from shops was severely affected by the enforced closure of the shops caused by Covid-19 restrictions. Donor loyalty, however, has remained very high. The longer-term economic consequences for our organisation remain uncertain at this time.

### Strategic risks

During the year, we check on a quarterly basis whether our short-term objectives as set out in the annual plan are being achieved. This is done on the basis of comprehensive reviews of all projects including our annual risk assessment. Each quarter we assess whether additional actions are required to achieve the expected outcome and financial objectives. Since 2019, we have collected and analysed financial project details on a

monthly basis, to further improve the assessment of implementation risks in our projects. This also gives us an early indication of potential challenges to achieving the project goals. In the medium term, the main risks are unforeseen declines in funding from institutional partners and private donors. Reputational risks are discussed during the weekly media consultations. Effective implementation of our projects is, however, also essential. Achieving the required impact is explicitly set as a target for all our projects through our Theory of Change. **Our projects will always contribute to our objectives in a long-term and sustainable manner.** A less significant but not negligible risk is the increased competition experienced by our shops, and the shorter term impact of Covid-19 related closures.

### Operational risks

The operational risks relate, in part, to the people we work with. We have guidelines against corruption, bribery and fraud, and also unacceptable behaviour. This code of conduct includes a procedure on how to respond to a violation of the guidelines. There is also a whistle-blower policy for those cases in which a Terre des Hommes employee suspects improper use of funds or other wrongdoing. The behaviour of our own staff, or information that comes from outside our organisation may also create a negative perception of Terre des Hommes. The probability of this risk occurring is low, but the impact may be huge.

For those cases where publicity threatens our reputation, a media protocol has been drawn up and spokespersons have been appointed.

**Terre des Hommes uses PRIMAS (based on the NGO Online system) as a project management system to monitor the effectiveness of our projects.** It allows us to monitor and administer the entire project management cycle, and enables effective and efficient collaboration with external implementing partners, and measurement of qualitative outcome (including reporting in International Aid Transparency Initiative).

### Financial risks

Financial risks are continuously monitored, primarily through our monthly and quarterly reports. Our priority is to spend the funds entrusted to us to the maximum extent possible on our objectives. This is ensured through proper organisation of processes and use of additional guidelines. We pay particular attention to risks associated with continuous cash flows and to efficient and effective expenditure. In 2020, Terre des Hommes had no securities portfolio or money outstanding on deposits. Our solvency and liquidity ratios were more than adequate, and there was no requirement for additional financing. We did not plan any investments or activities in the area of research and development in 2020. The funds received that were not spent on our objectives, are spread across various banks.

The guiding principle of our cash policy is stability and availability of funds, and minimisation of the impact of negative interest from the banks.

We are reviewing options to keep part of our financing

portfolio in US dollars and to partly invest non-current cash balances in low-risk investment funds to mitigate the negative sentiments on the financial markets.

The share of fundraising costs in our total expenses increased to 17% from 12% in 2019. A decline in programme spending during the Covid-19 pandemic caused this relative increase in our fundraising costs. Terre des Hommes maintains a continuity reserve to cover short-term risks and to ensure that future obligations can be met. The level of our continuity reserve complies with the Financial Management Directive of Goede Doelen Nederland, and is not allowed to exceed the annual costs of the organisation's work, times 1.5. Based on the Directive, the maximum continuity reserve is € 13.5 million. Our current reserve (€ 4.0 million) complies with the Directive.

### Reporting

The PRIMAS system is used to report the progress of all projects. For our financial reporting we use three different accounting systems: Exact Online for head office and consolidation, Quickbooks for countries, and Visma for shops.

The use of different software is based on customisation and ease of use for local users; the head office has direct access to all data for analysis and consolidation. **These applications, in combination with Salesforce for our marketing and donor administration, provide a solid base for efficient and reliable financial administration and control.** All our applications operate in the cloud on a Google platform, which reduces the risk of data loss.



### Accounting & project control

It is essential to monitor our financial performance in order to achieve our objectives, to direct our organisation in general and to satisfy our donor requirements. The Finance and ICT department closely monitors the organisation's financial performance to ensure that we remain in a healthy financial position, and provides the system infrastructure to support this. **In 2020, we separated financial accounting and business control, to provide better control of the recording and analysis of financial transactions.**

We introduced a new management reporting tool to provide monthly insight into project performance and indirect costs. Within the Finance team, we created a project back office to monitor the processes of projects from design to implementation and final evaluation, to provide administrative support and to support our programme teams in setting up new projects and partnerships.

The back office evaluates progress and quality, provides management information, develops standards and processes, and owns the PRIMAS development and training across the entire organisation, including our implementing partners.







## **9. Report from the Supervisory Board**

Stichting Terre des Hommes Nederland has a Supervisory Board which, in accordance with Article 12 of the Articles of Association, supervises the Managing Director and the general course of affairs. The Supervisory Board also acts as a sparring partner for the Managing Director and the Leadership Team.

The major restructuring over recent years had strong and positive effects in 2020.

2020 was an exceptional year for Terre des Hommes Netherlands in many ways. The impact of the Covid-19 pandemic on our projects and their beneficiaries, on the organisation in Asia, East Africa and the Netherlands, and on all our stakeholders, required the utmost energy, creativity and perseverance from our staff under unprecedented and difficult circumstances.

The way our organisation dealt with the various challenges presented by the pandemic was impressive, and among other things, the potentially negative consequences for our beneficiaries were limited as much as possible given the situation. The pandemic increased the vulnerability of our beneficiaries, and the active and committed support we received again in 2020 from our donors and partners in supporting and reaching out to them was overwhelming.

The major restructuring over recent years had strong and positive effects in 2020. These shaped not only the level of quality and professionalism throughout the organisation and its processes, but also the realisation of, for example, successful institutional fundraising activities, and developing new projects and initiatives.

In early 2021, the Supervisory Board approved the new strategy for 2021-2025, the result of a process started in the second half of 2020 under the title 'Exposing hidden exploitation so children can be children'. Our role will focus on identifying, researching, exposing and responding globally to hidden and hitherto unknown forms of exploitation. This strategy will enable us to play an independent, essential and unique role in the fight against child exploitation.

Terre des Hommes Netherlands remains financially robust and healthy. Despite the negative impacts of the Covid-19 pandemic on our shops and on door-to-door fundraising, we were privileged with strong backing and loyalty from many of the existing and new, private, corporate, and institutional donors.

The Supervisory Board approved a change of accounting method with respect to the timing of recognition of project related costs. In combination with restructuring costs and the financial impact of Covid-19, especially on the income from our shops, this resulted in an expected negative result for 2020.

Our Managing Director Carel Kok indicated in the middle of 2020 that he intends to step down to take on a new challenge once the new strategy process has been finalised and approved in 2021. We are very grateful for Carel's tremendous commitment and more than outstanding contribution to Terre des Hommes Netherlands. We do realize that, thanks to Carel, our organisation is fit for the future and has a compelling new strategic direction.

We would like to take the opportunity to thank all our staff, volunteers and ambassadors for their huge commitment and contribution to our mission. **We are very grateful to our donors and sponsors who continue to support us so generously in our shared fight against the exploitation of children.**

On behalf of the Supervisory Board,

**Maarten Koopman**  
Chairman



### Separation of supervision, management and implementation

The separation of supervision and management has been formally secured in the articles of association and formalised in the so-called management regulations. This means that the Managing Director is responsible for the day-to-day management and is ultimately answerable for the implementation of the policy plan and the activities of the foundation. The Supervisory Board appoints the Managing Director and supervises the functioning of the Leadership Team.

### Composition and term of office

The Supervisory Board consists of at least five people. It appoints its members on the basis of a profile. In 2017, the Supervisory Board decided that, in line with the Governance Code for the Cultural Sector, the members would be appointed for a term of four years, which can be extended to a maximum of a second four year term.

### Compensation

The Supervisory Board members do not receive any remuneration and have no business relationship with Terre des Hommes.

#### Tasks of the Supervisory Board

- Approving the annual plan and strategy, including the budget and investments.
- Supervising the implementation of the strategy, the realization of the objectives and the general course of events.
- Approving the annual accounts and annual report.
- Appointing the Managing Director.
- Acting as a sparring partner for the Managing Director and the Leadership Team.

### At the end of 2020, the Supervisory Board consisted of:



#### Maarten Koopman

Chairman and member of the Remuneration Committee

Appointed: March 23, 2016

Chairman of Supervisory Board Dutch Infrastructure Fund (DIF)

Member of the Supervisory Board 'Stichting TDH Winkels' as of 17 June 2020



#### Pim Oomens

Member and Chairman of the Audit Committee

Appointed: November 28, 2012\*

Non-executive board member of various companies

Member of the Supervisory Board 'Stichting TDH Winkels': 17 June 2020

*\*At the request of the Supervisory Board, Pim has stayed on beyond the agreed maximum term of two times four years, to support the continuity of knowledge and experience when two new members joined during 2020.*



#### Bas Verheijen

Vice chairman as of July 2020

Appointed: September 18, 2017

Co-Founder Picnic online supermarket

Independent consultant

Chairman of the Supervisory Board 'Stichting TDH Winkels': 17 June 2020



#### Ilse Griek

Member of the Remuneration Committee

Appointed on June 17, 2020

Alderman of the Amsterdam Centre District

Member of the Supervisory Board 'Stichting TDH Winkels': 17 June 2020



#### Sigrid Jansen

Member of the Audit Committee

Appointed on June 17, 2020

Partner at Allen & Overy, Restructuring and Banking

Member of the Supervisory Board 'Stichting TDH Winkels': 17 June 2020



**ILSE GRIEK JOINED THE SUPERVISORY BOARD IN 2020:**

“I am proud  
of the excellent  
results and  
objectives  
achieved”

“At the moment I work as a council member for the Centre District in the Municipality of Amsterdam, but prior to this I spent most of my career working in the field of human rights - and a large part of that time with NGOs. I wanted to stay connected to that community - to keep helping the vulnerable - and to feel that I was still contributing.”

“I already knew Terre des Hommes a bit, but the more I got to know the organisation, the more enthusiastic I became. This was mainly due to the focus on protecting children from exploitation. Children are vulnerable, you cannot expect them to stand up for themselves. Someone has to do that for them.

Terre des Hommes demands that attention is given to underexposed issues. We solve problems in an innovative, creative and sustainable way, together with partners. This has been given additional attention in the new strategy, for which the foundation was laid in 2020: a greater knowledge management role, more research, more emphasis on exposure of wrongdoing, and the empowerment of local organisations. In this way, more ownership will lie with the countries themselves.

2020 was an extremely difficult year - people became isolated, projects suffered because face-to-face meetings, events and gatherings were cancelled. But by far the most tragic effect of Covid-19 restrictions was the impact on children.

Terre des Hommes shifted gears as quickly as possible to attune our work and operations to the new situation. We drew attention to the risks to children, to expose the forms of exploitation they were suffering in the midst of this pandemic. We adjusted protection standards in our shelters as a preventative measure. And we responded to Covid-19 restrictions by supporting vulnerable families and providing humanitarian aid such as food, financial aid and hygiene kits, because socio-economic hardship brought on by the pandemic caused real risks to the well-being and protection of children. I am proud of the excellent results and objectives achieved, which were accomplished thanks to a flexible attitude.”

### Main activities of the Supervisory Board in 2020

- Four regular meetings with Terre des Hommes Managing Director and selected members of the Leadership Team, preceded by a private meeting;
- Three additional strategy sessions and one informal meeting with the Managing Director, Leadership Team and selected Terre des Hommes staff;
- Approving financial results, including a meeting with the auditors PWC;
- The Audit Commission met twice to discuss matters such as financial reporting, internal control, risk management, information technology, audit planning and audit reporting, with the Managing Director, Head of Finance & IT and the external auditors.

In addition, various meetings were held between individual board members and the Managing Director and some members of the Leadership Team to discuss specific subjects or files. Throughout the year, the Chairman met with the Managing Director on a regular basis to discuss general or specific matters.





# 10. Our ambitions

Strategy 2021-2025

## Exposing Hidden Exploitation so that **Children can be Children**

We are living in a time of particularly disruptive change, including the digital revolution, changing expectations regarding engagement in society, and political upheaval and challenge. Positive developments in civil society, the shifting balance of power, and the localisation of development and humanitarian work requires International Non-Governmental Organisations (INGOs) to reassess how best they can add value in a rapidly changing world. While each organisation tackles this question differently, there is a growing consensus on the need for INGOs to change and broaden their approach. INGOs are now shifting away from delivering services, and towards a focus on collaboration and solidarity in addressing the universal systemic issues of inequality, rights, and lack of economic opportunity. They achieve this through provision of knowledge, power of voice, advocacy, and networking to help address the issues.



Since beginning our fight against child exploitation in 1965, Terre des Hommes Netherlands has evolved from a purely humanitarian organisation focussed on immediate needs, to one focussed on tackling the underlying causes of child exploitation, in order to deliver lasting change. In this time we have developed extensive expertise, skills and knowledge to address these issues. Despite global progress, there remains much to do, with greater urgency and with more coordinated and collaborative efforts. Inequality is growing, a new and larger generation of children is at risk, and protective systems are failing or outdated. We know that a large portion of exploitation occurring every day is hidden or underexposed, affecting

millions of children. **The majority of those suffering are among the poorest, most vulnerable and marginalised, often trapped in exploitative situations, and unable to speak out due to fear of reprisal, stigma or lack of support.** The challenge in addressing exploitation is compounded by research and information gaps, lack of awareness of what constitutes child exploitation in certain contexts, or worse still, deliberate concealment of exploitative situations, ensuring that exploitation remains unidentified, insufficiently addressed, or purposely hidden from the world.

Changes in the world around us, and in child rights globally, challenge us to keep

adjusting our approaches and strategies. In the second half of 2020, we developed a strategy that will guide our work until 2025. It builds on our recognised strengths, while also embracing current ideas and discussions on the changing role of INGOs. With this strategy, as a small to midsize child rights focused INGO, we will deliver effective and meaningful contributions in the fight against exploitation. It is a strategy that is specific in its contribution, complementary to the work of others, sustainable in its attractiveness to donors, exciting to its staff and stakeholders, suiting our size, and aware of the global trends that demand new roles for INGOs.

We will reveal to the world the continuing injustice endured by so many children, and share our anger about it, then mobilise the appropriate parties to take action to stop it.

Our mission and vision are unchanged: 'to prevent child exploitation, remove children from exploitative situations and ensure these children can develop in a safe environment' to ultimately reach 'a world in which children are no longer exploited'. They are inspired and guided by international human rights instruments and standards, in particular the United Nations Convention on the Rights of the Child, the Council of Europe's Lanzarote Convention, and the International Labour Organisation Conventions, and they are aligned with the achievement of the UN Sustainable Development Goals (SDGs), in particular Goals 5, 8, 16 and 17.

Our mission and vision can only be achieved through long-term collaborative efforts which include a wide variety of actors. Eradicating exploitation requires the mobilisation and involvement of many different stakeholders, and often the contributors to the problem also hold the key to the solution. This requires us to be clear about our specific role in achieving this complex objective.

**Our role will focus on revealing and responding to the hidden and unexposed forms of exploitation taking place all over the world.** We will seek out and uncover situations where children are structurally and criminally

abused. We will be recognised as the organisation that identifies and exposes these egregious situations, that coordinates knowledge and information, and is a beacon of hope for the unheard and hidden sufferings of millions of silently exploited children. Hope that comes from our experience as a humanitarian as well as a development organisation, giving us the ability to ground our creativity in decades of real field presence. Our aim will not only be to expose unrecognised forms of child exploitation, but also to co-design solutions to eliminate them. Knowing that we cannot do this alone, an important part of our mission will be to inspire and mobilise others to take their responsibilities seriously, and cooperate and mobilise with us. We will criticise and advocate against them when necessary, but in the spirit of SDG 17.16, always with an outstretched hand to solve the problem together with those who have come to understand and accept that they have a role to play in addressing the fundamental injustice of child exploitation.

In order to find and expose this exploitation, we will act as a focal point that collects and distributes information. In this way we will spread news and knowledge about globally hidden or underexposed exploitation, using networks and experts to help create

solutions, to initiate innovation, and to bring actors together to drive and implement those solutions. Our role will be based on exploring, uncovering, exposing, designing and coordinating with others, including donors, partners and children themselves, to uncover hidden exploitation and build sustainable solutions.

This approach means we will work on the issues wherever they arise. We are not limited by geography or location, instead focussing our attention on criteria including the severity of the problem, the numbers of children affected, and where we can make the most difference.

With our new strategy, we believe Terre des Hommes Netherlands can continue to empower children by making a unique, fresh and much needed contribution to the quest to end exploitation in the coming years. We will help them see light at the end of the tunnel, release them from the hidden pockets of exploitation, and call the many types of perpetrators to justice. We will reveal to the world the continuing injustice endured by so many children, and share our anger about it, then mobilise the appropriate parties to take action to stop it. **So that children can be children.**

## SDG's

### Related SDG targets



Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.



Eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour by 2025.



End abuse, exploitation, trafficking and all forms of violence against, and torture of, children.

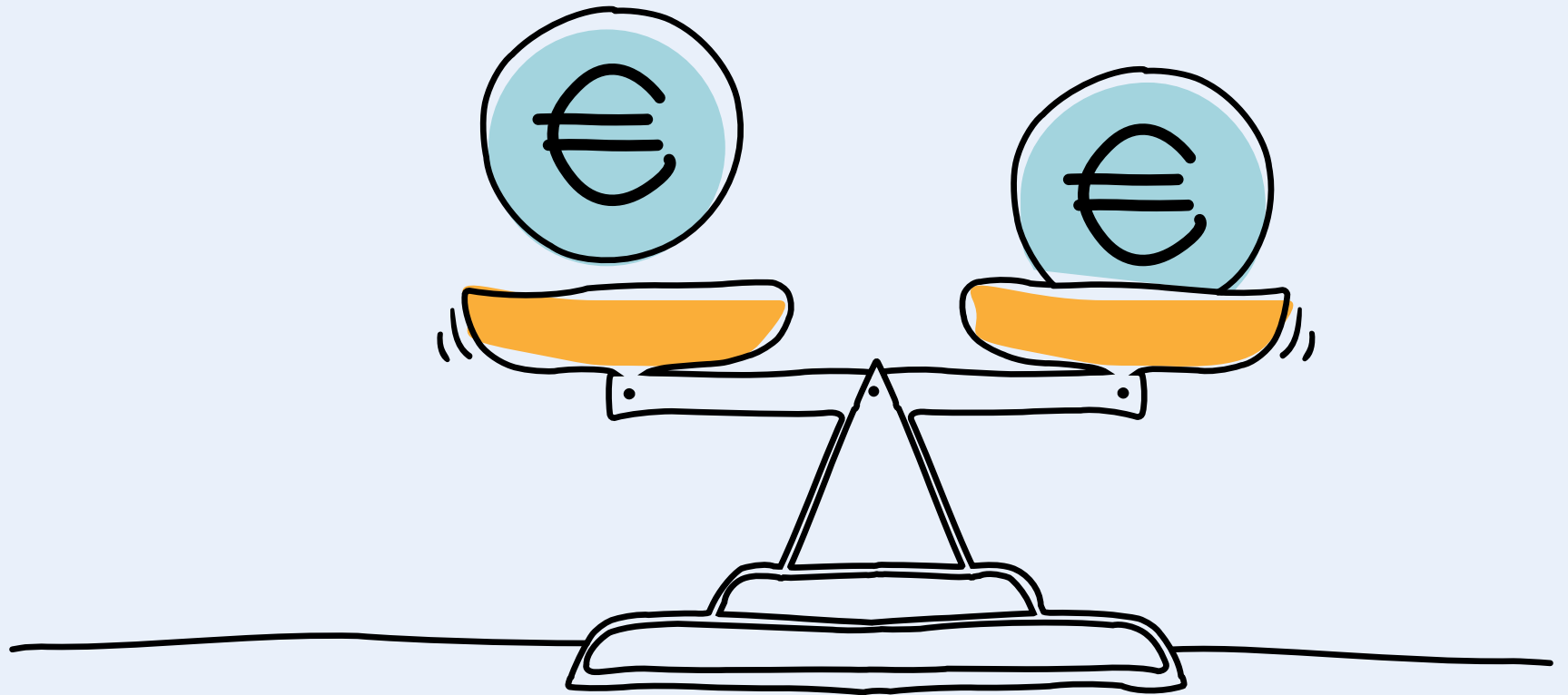


Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the SDGs.





# Annual accounts



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# 1. Consolidated financial statements

## 1.1 Balance Sheet (after appropriation of results)

Consolidated balance Sheet		31-12-2020	31-12-2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(1)	1,310,030	1,106,431
Financial assets	(3)	-	100,000
		<b>1,310,030</b>	<b>1,206,431</b>
<b>Current assets</b>			
Receivables and accrued income	(2)	6,471,732	5,310,632
Other current assets	(3)	100,000	-
Cash and cash equivalents	(4)	15,462,618	22,691,690
		<b>22,034,350</b>	<b>28,002,322</b>
<b>Total assets</b>		<b>23,344,380</b>	<b>29,208,752</b>
<b>Liabilities</b>			
<b>Reserves</b>			
Continuity reserve		4,000,000	4,000,000
Reserves available for objectives		9,753,035	14,300,237
	(5)	<b>13,753,035</b>	<b>18,300,237</b>
<b>Funds</b>			
Designated funds		199,004	242,004
	(6)	<b>199,004</b>	<b>242,004</b>
<b>Reserves and Funds</b>		<b>13,952,038</b>	<b>18,542,241</b>
<b>Current liabilities</b>			
Current liabilities	(7)	9,392,342	10,666,512
		<b>9,392,342</b>	<b>10,666,512</b>
<b>Total liabilities</b>		<b>23,344,380</b>	<b>29,208,752</b>

## 1.2 Statement of income and expenses

Consolidated Statement of Income and Expenses		Actual 2020	Budget 2020	Actual 2019
<b>Income</b>				
Income from private donors	(9)	7,214,273	7,110,000	7,258,059
Income from companies	(10)	204,315	120,000	293,405
Income from lotteries	(11)	2,513,562	3,347,000	2,613,076
Income from government grants	(12)	10,630,705	9,842,000	14,307,115
Income from affiliated non-profit organisations	(13)	101,491	-	-
Income from other non-profit organisations	(14)	519,054	841,000	485,861
<b>Sum of fundraising income</b>		<b>21,183,399</b>	<b>21,260,000</b>	<b>24,957,516</b>
Income in return for the delivery of goods and/or performance of services	(15)	442,582	1,407,000	1,397,594
Other income	(16)	7,517	4,000	40,455
<b>Sum of income</b>		<b>21,633,498</b>	<b>22,671,000</b>	<b>26,395,564</b>
<b>Expenditure</b>				
Structural development aid	(17)	15,848,873	17,480,293	16,756,615
Emergency aid and rehabilitation	(18)	4,420,783	3,209,209	6,203,794
<b>Spent on objectives</b>		<b>20,269,656</b>	<b>20,689,502</b>	<b>22,960,410</b>
Fundraising expenses		4,449,428	4,605,465	3,289,040
Management and administrative expenses		1,346,834	1,311,033	1,046,592
<b>Sum of expenses</b>		<b>26,065,917</b>	<b>26,606,000</b>	<b>27,296,042</b>
<b>Balance before financial income and expenses</b>		<b>(4,432,419)</b>	<b>(3,935,000)</b>	<b>(900,478)</b>
Financial income and expenses	(19)	(109,753)	4,000	1,407
<b>RESULT</b>		<b>(4,542,171)</b>	<b>(3,931,000)</b>	<b>(899,071)</b>
<b>Results appropriation</b>				
		<b>Actual 2020</b>	<b>Budget 2020</b>	<b>Actual 2019</b>
<b>Surplus/(deficit) is added to / drawn from:</b>				
Designated funds & reserves		-		-
Reserve available for objectives		(4,542,171)	(3,931,000)	(899,071)
<b>Surplus / (deficit)</b>		<b>(4,542,171)</b>	<b>(3,931,000)</b>	<b>(899,071)</b>

### 1.3 Cash Flow statement

Consolidated Cash Flow Statement	31-12-2020	31-12-2019
<b>Cash Flow from operating activities</b>		
Surplus / (deficit)	(4,542,171)	(899,070)
<b>Adjustment for:</b>		
Depreciation (1)	303,323	130,838
Changes in earmarked reserves and funds (5+6)	(48,031)	(131,103)
<b>Changes in Working Capital</b>		
Receivables and accrued income (2)	(1,161,101)	(702,444)
Current liabilities (7)	(1,274,170)	5,541,973
<b>Net Cash Flow from operating activities</b>	<b>(6,722,150)</b>	<b>3,940,194</b>
<b>Cash Flow from investing activities</b>		
Purchase of property, plant and equipment (1)	(826,831)	(535,571)
Disposal of property, plant and equipment (1)	319,910	-
<b>Net Cash Flow from investing activities</b>	<b>(506,921)</b>	<b>(535,571)</b>
<b>Cash Flow from financing activities</b>		
Changes non-current liabilities	-	-
<b>Net Cash Flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net Cash Flow</b>	<b>(7,229,071)</b>	<b>3,404,623</b>
Cash and cash equivalents 1/1	22,691,690	19,287,067
Cash and cash equivalents 31/12	15,462,618	22,691,690
<b>Increase/(decrease) cash and cash equivalents</b>	<b>(7,229,071)</b>	<b>3,404,623</b>

## 2. Principles of valuation and determination of results

### 2.1 General

Stichting Terre des Hommes Nederland is an independent foundation located at the Zoutmanstraat 42-44 in The Hague, the Netherlands. The foundation is registered in the Dutch Trade Register under number 41149287.

### 2.2 Applied standards

The financial statements are prepared in accordance with the Guideline RJ650 which applies to Dutch fundraising institutions, issued by the *Raad voor de Jaarverslaggeving*. Terre des Hommes adopts the remuneration regulations of *Goede Doelen Nederland*.

### 2.3 Reporting period and currency

The financial statements have been prepared for the calendar year 2020. Unless stated otherwise, the financial statements are presented in Euro (€), which is the functional and presentation currency of Terre des Hommes. The valuation principles and method of determining the result are the same as those used in the previous year.

### 2.4 Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. This applies in particular to the valuation of legacies to be received. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected by the revision.

### 2.5 Going concern

These financial statements are prepared in accordance with the going concern principles.

### 2.6 Group entities

Terre des Hommes Nederland ('Terre des Hommes') aims to provide effective and immediate aid to children in need, in their own environment, anywhere in the world, without distinction on the grounds of race, religion or political affiliation. Terre des Hommes has access to various offices and legal entities to carry out its activities. The financial statements of the below entities have been consolidated in these consolidated financial statements.

#### Stichting Terre des Hommes Nederland

##### Head office

Terre des Hommes' head office is located at the Zoutmanstraat 42-44 in The Hague, the Netherlands.

##### Regional offices

Stichting Terre des Hommes Nederland operates in 10 countries in South Asia (India, Bangladesh, Nepal), South East Asia (Cambodia, Thailand, Philippines) and East Africa (Kenya, Uganda, Ethiopia, Tanzania). The offices are registered locally, according to legislation in the relevant countries. The trade name of each office is 'Terre des Hommes Netherlands' followed by the applicable country name.

#### Stichting Terre des Hommes Winkels

In July 2020, an affiliated foundation - Stichting Terre des Hommes Winkels - was established to manage the retail activities of Stichting Terre des Hommes Nederland. Stichting Terre des Hommes Nederland has full control over this foundation as it is the sole statutory director of the foundation.

The foundation operates one shop run by volunteers.

#### Volunteer groups

At the end of 2020, 46 volunteer groups (2019: 47) operated in the Netherlands on behalf of and under the responsibility of Terre des Hommes to support fundraising initiatives of Stichting Terre des Hommes Nederland. Of these volunteer groups, 41 (2019: 44) are foundations, 4 (2019: 3) are associations and 1 (2019: 0) operates under the direct responsibility of Stichting Terre des Hommes Winkels. Contractual agreements are in place with all volunteer groups to ensure that funds raised on behalf of Terre des Hommes are actually spent on the objectives of Terre des Hommes. As a result of these agreements, the results of the volunteer groups are included in these consolidated financial statements.

### 2.7 Subsequent events

Events that provide additional information about the actual situation on the balance sheet date and that arise up to the date of preparing the financial statements, are reflected in the financial statements. Events that do not provide additional information about the actual situation on the balance sheet date are not reflected in the financial statements. If such events are significant for the judgement of users of the financial statements, their nature and their estimated financial consequences are explained in the financial statements as subsequent events.



## 3. Accounting principles

### 3.1 Balance sheet

#### 3.1.1 Consolidation

The consolidated financial statements include financial data of Stichting Terre des Hommes Nederland and the legal entities that operate as 'Terre des Hommes' under a single name and also as such appeal to public generosity, and other entities over which it can exercise a dominant control.

**The following legal entities are part of the consolidation scope:**

- Stichting Terre des Hommes Nederland;
- Stichting Terre des Hommes Winkels;
- Terre des Hommes volunteer groups (45) (see appendix for listing).

The objectives of each entity are the same as for Stichting Terre des Hommes Nederland. Intercompany transactions, intercompany income and expenses and intra-group claims and debts between entities within the consolidation scope are eliminated.

Valuation principles of the legal entities included in the consolidation have been amended where necessary to ensure consistency with the valuation principles in force for Stichting Terre des Hommes Nederland. The individual gross and net results of the volunteer groups are specified in the annexes to the financial statements.

#### 3.1.2 Transactions in foreign currencies

Transactions in foreign currencies during the reporting period are incorporated into the balance sheet at the exchange rate on the transaction date. Receivables, debts and liabilities in foreign currencies have been converted at the exchange rate applicable on the balance sheet date. Expenses and income in foreign currencies have been converted at an average rate. Exchange rate differences resulting from the conversions are included in the statement of income and expenses. The financial statements of the regional offices are in foreign currencies and are converted at the exchange rate prevailing on the balance sheet date for the purpose of inclusion in these financial statements. Exchange rate differences relating to the opening and closing balance and changes in equity in the course of the calendar year are recognised in equity. Exchange rate differences in both monetary and non-monetary items are recognised in the statement of income and expenses. The items in the financial statements are valued taking into account the currency of the economic environment in which the activities are carried out (the functional currency).

#### 3.1.3 Operational leases

Terre des Hommes may have lease contracts for which a large part of the advantages and disadvantages associated with ownership does not lie with Terre des Hommes. These lease contracts are reported as operational leasing activities. Lease payments are amortised on a straight-line basis in the statement of income and expenses during the term of the contract, taking into account reimbursements received from the lessor.

#### 3.1.4 Property, plant and equipment

Non-current assets are valued at the cost of acquisition less accumulated straight-line depreciation over the estimated economic useful life of the assets. The residual value of the assets is set at nil. We apply the following depreciation periods:

- |                                    |              |
|------------------------------------|--------------|
| • real estate                      | 40 years     |
| • other tangible assets            |              |
| • computer equipment:              | 3 years      |
| • vehicles:                        | 4 years      |
| • office equipment and renovations | 5 - 10 years |

No provision has been made for future costs of major maintenance to the buildings. Costs are capitalised and recognised in the statement of income and expenses by means of amortisation. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

At the balance sheet date, an assessment is made as to whether there are indications that an asset may be subject to impairment. If any such indication exists, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An asset is impaired if its carrying amount exceeds its recoverable amount; the recoverable amount is defined as the higher of the fair value less costs to sell and the value in use. Impairment losses are recognised as expenses in the statement of income and expenses while simultaneously reducing the carrying amount of the asset. The realisable value is derived from a binding sales agreement; if no such agreement exists, the realisable value is determined using the active market, whereby the current bid price is usually considered as market price. The costs to be deducted in determining the realisable value are based on the estimated costs directly attributable to the sale and necessary to make the sale. To determine the value in use, an assessment is made of the future net cash flows generated from the continuing use of the asset.

### 3.1.5 Current Assets

#### **Stocks**

Commercial stocks available on the balance sheet date, for example for volunteer groups and other stocks such as welcome gifts for new donors, are not included in the balance sheet, but these are charged against the profit in the year of purchase.

#### **Receivables, pre-payments, and accrued income**

Receivables are initially stated at fair value of the consideration to be received and subsequently at amortised costs. If receipt of the receivable has been deferred on the basis of an agreed extension to a payment term, the fair value is determined on the basis of the present value of the expected receipts and interest income is credited to the statement of income and expenses based on the effective interest rate.

#### **Other current assets**

Other current assets are valued at amortised costs less bad debt provisions.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of cash, bank balances and demand deposits with terms shorter than 12 months. Cash and cash equivalents are valued at face value.

### 3.1.6 Reserves and funds

The equity of Terre des Hommes consists of a continuity reserve, designated reserves and designated funds. The continuity reserve is in place to enable Terre des Hommes to meet its long-term obligations. As per the recommendations of *Goede Doelen Nederland* the value of the reserve is maximised at 1.5 times the yearly operating costs. The operating costs are defined as the direct cost of own fundraising and cost of work. The designated reserve for projects relates to funds designated by the board to be spent on specific projects to achieve the objectives. The

designated funds are related to funds designated by a third party to be spent on a designated purpose. Withdrawals from the designated funds are based on commitments made in the relevant calendar year that are related to the fund.

### 3.1.7 Current liabilities

The current liabilities consist of short term commitments and accrued liabilities. Liabilities are recognised in the balance sheet at the moment the contractual liability originates and are initially recognised at fair value. Transaction costs that are directly attributable to the liabilities are included in the valuation upon initial recognition. After initial recognition, liabilities are carried at amortised cost, being the amount received, taking into account any premium or discount and after deduction of transaction costs.

### 3.1.8 Financial instruments

Financial instruments include trade and other receivables, funds, loans and other financial obligations, trade and other payables. Where financial instruments have not been explained differently, the following principles apply. Financial instruments are initially recognised at fair value and subsequently at amortised cost according to the effective interest rate method. Terre des Hommes does not make use of derivatives.

## 3.2 Statement of income and expenses

### 3.2.1 General

Income is recognised in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an

increase of a liability arises of which the size can be measured reliably. Income and expenses are allocated to the respective period to which they relate.

### 3.2.2 Income from private donors

Income from private donors consists of direct donations and legacies. Direct donations are accounted for in the year in which they are received. Legacies are accounted for in the year in which the amount can be determined reliably, based upon the statement of assets.

### 3.2.3 Income from companies

Income from companies is recognised in the year in which the commitment is made.

### 3.2.4 Income from lotteries

Income from lottery organisations is recognised in the relevant calendar year in accordance with recoverable net proceeds, as far as they are not designated for specific projects. Income is recognised if it is probable that it will be received. Designated income from lotteries is recognised as income in the year in which the subsidised costs have been made or income was lost, or when a subsidised operating deficit has occurred. Amounts still to be received at the balance sheet date are recorded as current assets in the balance sheet.

### 3.2.5 Income from government grants

Income from government grants are recognised as income in the year in which the subsidised costs have been made or income was lost, or when a subsidised operating deficit has occurred. Income is recognised if it is probable that it will be received.

### 3.2.6 Income from affiliated non-profit organisations

Income from affiliated non-profit organisations includes income received from SHO (*Samenwerkende Hulp*)

*Organisaties*). This income is recognised as income in the year in which the related costs have been made or income was lost, or when an operating deficit has occurred. Income is recognised if it is probable that it will be received.

### **3.2.7 Income from other non-profit organisations**

Income from other non-profit organisations includes donations from foundations. It is recognised in the year in which the commitment has been made, as far as it is not designated for dedicated projects. Designated income is recognised as income in the year in which the related costs have been made or income was lost, or when an operating deficit has occurred. Income is recognised if it is probable that it will be received.

### **3.2.8 Income in return for the delivery of goods and/or performance of services**

Income in return for the delivery of goods and/or performance of services includes the net proceeds from the sale of items by the volunteer groups. The income is recognised in the year in which the actual sale has taken place.

### **3.2.9 Other income**

Other income relates to income other than from normal activities and is recognized as income in the year the entity is entitled to the related revenues.

### **3.2.10 Expense on objectives**

Expenses related to structural development aid and humanitarian aid are accounted for as expenses on objectives in the year the performance was delivered. The expenses relating to aid directly resulting from a major disaster and for which the period of aid does not exceed a period of three years, are accounted for under 'Emergency aid and rehabilitation'. The provision of aid facilitated through one or more actions of SHO (*Samenwerkende Hulp Organisa-*

*ties*) is also accounted for under 'Emergency aid and rehabilitation'. All other forms of aid are accounted for under 'Structural development aid'.

### **3.2.11 Fundraising expenses**

Expenses for fundraising include all expenses incurred to induce individuals, companies, lottery organisations, governments and other (fundraising) organisations to donate money for our objectives.

### **3.2.12 Management and administrative expenses**

Management and administrative expenses include expenses incurred in the context of (internal) management and operations that are not attributed to the objectives or the acquisition of income, including employee benefits and pensions.

### **3.2.13 Employee benefits**

Employee benefits are charged to the statement of income and expenses in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments.

The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the statement of income and expenses. Termination benefits are employee benefits provided in exchange for the termination of employment. A termination benefit is recognised as a liability and an expense when the organization is demonstrably and unconditionally committed to make the payment of the benefit. Termination benefits are measured in

accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenses required to settle the liability.

### **3.2.14 Pensions**

Terre des Hommes offers its employees a defined contribution pension plan based on an average pay scheme. The plan is administered by PFZW (*Pensioenfonds Zorg en Welzijn*). At the end of December 2020, PFZW's 12-months average coverage rate was 92.6%. The basic principle is that the pension charge to be recognised in the reporting period is equal to the pension contributions payable to the pension fund over that period. Premiums payable that have not yet been paid at the balance sheet date are recognised as a commitment. If the premiums already paid exceed the premiums due at the balance sheet date, a prepayment and accrued income is included to account for any repayment by the pension fund or settlement with premiums owed in the future. There are no other obligations apart from the premiums payable.

### **3.2.15 Depreciation of property, plant and equipment**

Depreciation costs are not presented as a separate item in the statement of income and expenses. These costs have been recognised in other components of the statement of income and expenses, i.e. management and administrative expenses, fundraising expenses and expense on objectives. Property, plant and equipment are depreciated over their estimated useful lives as from the moment they are ready for use. Future depreciation is adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.



### **3.2.16 Financial income and expenses**

Financial income and expenses include realised and unrealised exchange gains and losses. These are recognised in the relevant calendar year. Interest income and expenses are recognised on a straight-line basis, taking into account the effective interest rate of the relevant assets and liabilities. When processing the interest expense, the recognised transaction costs on the loans received that are included as part of the calculation of the effective interest rate, are taken into account.

## **3.3 Cash flow statement**

The cash flow statement has been drawn up using the indirect method. The funds in the consolidated cash flow statement consist of cash and cash equivalents. Cash flows in foreign currencies have been converted at an average exchange rate. Exchange rate differences arising from this conversion have been included in the consolidated statement of income and expenses.

## 4. Notes to the consolidated Balance Sheet

### 4.1 Property, plant and equipment

TABLE 1. PROPERTY, PLANT AND EQUIPMENT			
	Real estate	Other tangible assets	Total
<b>COST 31-12-2019</b>	<b>1,878,529</b>	<b>1,903,723</b>	<b>3,782,252</b>
<b>ACCUMULATED DEPRECIATION 31-12-2019</b>	<b>(1,082,826)</b>	<b>(1,592,995)</b>	<b>(2,675,821)</b>
<b>Net Book Value 31 December 2019</b>	<b>795,703</b>	<b>310,729</b>	<b>1,106,432</b>
Additions	506,841	319,991	<b>826,832</b>
Depreciation	(160,738)	(142,585)	<b>(303,323)</b>
Disposals	(283,707)	(201,605)	<b>(485,312)</b>
Disposals - cumulative depreciation	(24,336)	189,737	<b>165,401</b>
<b>COST 31-12-2020</b>	<b>2,042,983</b>	<b>2,022,044</b>	<b>4,065,028</b>
<b>ACCUMULATED DEPRECIATION 31-12-2020</b>	<b>(1,209,220)</b>	<b>(1,545,778)</b>	<b>(2,754,998)</b>
<b>Net Book Value 31 December 2020</b>	<b>833,763</b>	<b>476,267</b>	<b>1,310,030</b>

All non-current assets are held as necessities for the business operations of Terre des Hommes. Disposals concerned mainly the book value of the first phase of the renovation of the head office building and the write-off of old inventory. Additions include the investments in a new website, the second phase of the renovation of the head office building and further development of PRIMAS, the project management system.

### 4.2 Current assets

Current assets consist of grants and other gifts to be received, prepayments to Terre des Hommes country offices and third parties, other receivables and accrued assets, and cash and cash equivalents. All current assets have a maximum duration of one year.

#### 4.2.1 Receivables and accrued income

TABLE 2. RECEIVABLES AND ACCRUED INCOME	31-12-2020	31-12-2019
Projects, regional offices and postings abroad	198,824	70,350
Legacies	1,540,048	1,199,547
Nationale Postcode Loterij	2,250,000	2,250,000
Other gifts and grants to be received	2,366,863	1,771,255
Other prepaid and receivable amounts	115,998	19,479
<b>Total Receivables and Accrued Income</b>	<b>6,471,732</b>	<b>5,310,631</b>

Legacies concern the balance of the amounts that are included in the results and the actual payments received. The receivable regarding the Nationale Postcode Loterij concerns the maximum contribution Terre des Hommes will receive in 2021 from the lottery revenue realised in 2020. The line item 'other gifts and grants' mainly concerns written promises received from sponsors and grants still to be received.

#### 4.2.2 Other current assets

TABLE 3. LOANS AND RECEIVABLES AND OTHER CURRENT ASSETS	31-12-2020	31-12-2019
Not overdue		45,000
Past due less than three months	45,000	37,000
Past due more than one year	55,000	18,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

In 2016, Terre des Hommes granted a loan of € 100,000 to Studio Jux, to finance workstations at their subsidiary (Be Suited) in Nepal. No interest is payable on this loan. A repayment in three yearly instalments from 2018 had been agreed; the repayment did not take place in 2020 and is expected to be received during 2021. The loan has been reclassified from non-current to current assets.

### 4.2.3 Cash and cash equivalents

TABLE 4. CASH AND CASH EQUIVALENTS ASSETS	31-12-2020	31-12-2019
Current accounts head office	10,580,888	7,757,814
Savings accounts	3,036,504	13,285,750
Deposits	75,000	75,000
De Saint-Exupéry Fund	88,769	88,769
Current accounts shops	535,693	588,277
Current accounts regions	1,145,764	896,080
<b>Total Cash and Cash Equivalents</b>	<b>15,462,618</b>	<b>22,691,690</b>

The reduction in cash is mainly caused by the payment of expenses on multi-year projects, for which the funding had been received in earlier years. The balance of cash and cash equivalents is sufficient to meet the current liabilities of € 9.8 million (2019: € 10.7 million). All balances on the current accounts and savings accounts are available on demand. The balances on the deposit account to hedge the rent guarantees of the shops (€ 75,000) and part of the De Saint-Exupéry fund (€ 56,723) are not freely available. The shops may retain 3 months' worth of rental costs in their own bank accounts; at the end of 2020 this amounted to € 371,586. The balances on accounts and funds are held in Euro accounts with Dutch banks (ABN Amro, ING, Triodos Bank and Rabobank). In addition, current accounts in the regions are partly kept with other banks in US dollar and local currencies.

### 4.2.4 Financial instruments

#### Liquidity risk

Terre des Hommes is not exposed to material liquidity risks. The board ensures that the cash position is sufficient to meet the financial obligations towards creditors, employees and partners.

#### Foreign exchange rate risk

The foreign exchange rate risk is considered limited for Terre des Hommes.

The organisation is exposed to currency risk on project grants and obligations that are denominated in a currency other than the contractual currency of the grant contract that relates to such a project. These project transactions are primarily denominated in Euro (€), whereas a minority of transactions take place in other currencies.

#### Fair value

The fair value of the financial instruments stated on the balance sheet, including cash and cash equivalents, current receivables and current liabilities, is approximately equal to their carrying amount.

### 4.2.5 Off-balance-sheet assets

For the coming years, 1,728 (2019: 1,682) benefactors of Terre des Hommes have pledged contributions to Terre des Hommes by means of a (notarial) deed of donation. The annuity instalments to be received under these deeds of donation have not been taken into account in the Balance sheet. These will be recognised as income in the year of receipt. At the end of 2020, there are 8 legacies with usufruct; the value of the financial impact of the benefits cannot be estimated reliably due to the rights of the usufructuary to decapitalise, alienate or invest.

## 4.3 Reserves and Funds

TABLE 5. RESERVES	Available for objectives	Continuity reserve	Total
<b>1 January 2020</b>	<b>14,300,234</b>	<b>4,000,000</b>	<b>18,300,234</b>
Changes to reserves	-5,028		-5,028
Result financial year	-4,542,171		-4,542,171
<b>31 December 2020</b>	<b>9,753,035</b>	<b>4,000,000</b>	<b>13,753,035</b>

#### 4.3.1 Continuity reserve

The Continuity reserve is formed in accordance with the recommendations of *Goede Doelen Nederland* and is intended to safeguard continuity of the operations of



Terre des Hommes, should the organisation experience a temporary drop in funding. The total operating expenses as formulated by *Goede Doelen Nederland* amount to € 8.9 million. The coverage of the operating expenses by the continuity reserve is 45%, and therefore within the limits defined by *Goede Doelen Nederland* (see 3.1.6).

#### 4.3.2 Reserves available for objectives

There are no reserves earmarked by the board for specific projects or public relations activities. Such allocations are not legally enforceable and there is no external obligation. At the end of 2020, the reserves available for objectives amounted to € 9.8 million (2019: € 14.3 million). The decrease of € 4.5 million was driven by:

- **Impact of changes in accounting principles applied in 2019 (€ 2.3m) \***

In 2019, we restated our accounts due to a change in accounting principles for project commitments and liabilities and correction entries for 3 government funded programmes. The total impact of the restatement was € 8 million - which increased our reserves position, the majority of which had already been absorbed in the annual accounts of 2019. The remaining € 2.3m was drawn from our reserves in 2020, in line with the restatement outcome in 2019 and the approved budget for 2020;

- **Additional expenses on organisation and fundraising (€ 1.4m).**

An additional budget (€ 1 million) was made available by the Supervisory Board to facilitate a series of activities addressing some overdue organisational changes. Another € 400k was approved by the Supervisory Board to accelerate our door-to-door fundraising campaign after the first release of lockdown measures in the Netherlands due to the Covid-19 pandemic;

- The remaining decrease in reserves available for objectives was due to lower than budgeted results, which was largely caused by the (negative) effects of the Covid-19 pandemic and consequently the income from our volunteer groups (shops) in particular.

- **\* The change in accounting principle for project liabilities**

Prior to 2019, expenses for structural emergency aid were recognised in full at the time of external commitment. As of 2019, these expenses are recognised at the time of an unconditional obligation. The opening balance for 2019 had been adjusted for expenses that were originally recognised in previous years as a result of (multi-year) contract obligations. This increase in reserves was reversed over a period of two years (2019-2020).

#### 4.3.2 Designated funds

TABLE 6. FUNDS				
	De Saint-Exupéry Fund	Van Breen-New Future Fund	Mr. P.J.F. Scheefhals Fund	Total
1 January 2020	56,723	30,109	155,174	242,004
Additions	-	20,000	-	20,000
Utilisation		-45,000	-18,000	-63,000
31 December 2020	56,723	5,109	137,174	199,004

The designated funds are earmarked for a specific project or purpose as indicated by third parties.

##### *De Saint-Exupéry Fund*

Until 31 December 2034, an amount of € 56,723 is not freely available pursuant to a notarial deed of donation that stipulates that the donation from 2004 must be kept as base capital for 30 years. Only the annuity may be used directly by Terre des Hommes. In 2020, no amounts were added or withdrawn from the fund.

##### *Van Breen – New Future Fund*

In 2013, the Van Breen family entered into a 5-year agreement with Terre des Hommes. With five annual instalments of € 20,000 the family wants to make a contribution to helping vulnerable girls in developing countries to prevent and combat sexual exploitation – in particular child prostitution. Both the deposited core capital and the returns are available for spending on this objective. In January 2019, a 5-year extension of the cooperation was agreed. In 2020, the family invested € 20,000. In consultation with the Van Breen family, an amount of € 45,000 was withdrawn and spent on the GOOD project in India.

##### *Mr. P.J.F. Scheefhals Fund*

This fund originates from the legacy of Mr. P.J.F. Scheefhals and is intended for the financing of projects for children who are victims of violence, mistreatment, abuse, exploitation, repudiation or abandonment. Each year, € 18,000 is freely available for objectives. In 2020, € 18,000 was withdrawn from the fund and spent on project objectives.

## 4.4 Current liabilities

### 4.4.1 Current liabilities

TABLE 7. CURRENT LIABILITIES	31-12-2020	31-12-2019
Current liabilities projects	7,574,696	1,308,976
Current liabilities regions	648,225	534,710
Other current liabilities	1,169,421	8,822,826
<b>Current liabilities</b>	<b>9,392,342</b>	<b>10,666,511</b>

Current liabilities consist of prepaid grants, payables to Terre des Hommes country offices and third parties, and other debts and accruals. All current liabilities have a maximum term of one year.

Project liabilities relate to project grants that have not been spent. The balance includes grants from the Ministry of Foreign Affairs for the new 5-year She Leads programme (€ 2.1 million), and a designated grant awarded by the Nationale Postcode Loterij for our #Sweetie24/7 project (remaining value € 2.4 million).

### 4.4.2 Off-balance sheet liabilities

TABLE 8. COMMITMENTS				
	< 1 year	1-5 year	> 5 year	Total
Rental payments shops	629,788	918,161	59,289	<b>1,607,238</b>
Company cars	8,520	21,840	-	<b>30,360</b>
Printers and copiers	1,785	-	-	<b>1,785</b>
Rental HSD (Cyber unit)	55,708	-	-	<b>55,708</b>
Project commitments	2,234,171	-	-	<b>2,234,171</b>
<b>Total commitments as per 31-12-2020</b>	<b>2,929,972</b>	<b>940,001</b>	<b>59,289</b>	<b>3,929,262</b>

Terre des Hommes guarantees, by means of a bank guarantee, payment of three months' rent for 16 shops (2019: 15 shops), for a total amount of € 63,244 (2019: € 56,723). In addition, corporate guarantees have been issued for 21 shops (2019: 15) for a total amount of € 68,077 (2019: € 92,340).

Terre des Hommes rents four printers from Grenke Finance. The rental agreement expires on 1 September 2021.

At the end of 2020, we leased one company car for a maximum period of 48 months. It concerns an operating lease contract. The car is used on a daily basis for visiting the shops and the volunteers in the Netherlands. In 2020 we included € 8,144 lease charges in the statement of income and expenses.

For our Cyber unit that supports the Watch/Sweetie projects, we rent office space at an external location where organisations with strict data safety requirements are accommodated. The lease contract has been signed for 12 months.

At the end of 2020, Terre des Hommes had concluded contracts totalling € 2.2 million with project partners that are to be carried out in 2021.

## 5. Notes to the consolidated Statement of Income and Expenses

### 5.1 General

The year 2020 showed a negative balance of income and expenses of -€ 4.5 million. The deficit against the approved budget for the year amounted to -€ 0.7 million, which was largely due to the negative effects of the Covid-19 pandemic which slowed down the results of the volunteer groups in particular. Our 42 shops were closed for more than 5 months, resulting in an overall € 1.0 million negative impact on the result.

From the remaining deficit, we budgeted € 2.3 million for the implementation of multi-year projects which were financed through unearmarked funds recognised in our reserves available for objectives in 2017 and 2018. This was due to the change in accounting principle introduced in 2019, which had a positive impact on the opening balance of our reserves in 2019 (release of external liabilities), followed by an increase in expenses as incurred by our implementing partners. During 2020, the Supervisory Board approved two additional expense types to be funded from our reserves available for objectives (€ 1.4million); € 1.0 million was approved for dedicated internal projects to improve our operational efficiency, and € 0.4 million as extra budget for our door-to-door fundraising activities after the end of the first lockdown in the Netherlands due to Covid-19.

### 5.2 Income from private donors and companies

TABLE 9. INCOME FROM PRIVATE DONORS	2020	2019
Donations and gifts	5,578,978	5,485,343
Legacies	1,635,295	1,772,716
<b>Total income from private donors</b>	<b>7,214,273</b>	<b>7,258,059</b>

TABLE 10. INCOME FROM COMPANIES	2020	2019
<b>Income from companies</b>	<b>204,315</b>	<b>293,405</b>

Income from private donors and companies exceeded the budget by € 0.2 million in line with 2019. Designated company donations are used for the implementation of our Mica programme in India.

### 5.3 Income from lotteries

TABLE 11. INCOME FROM LOTTERIES	2020	2019
Nationale Postcode Loterij (regular contribution)	2,250,000	2,260,000
Nationale Postcode Loterij (additional contribution)	243,680	328,722
Other lotteries	19,883	24,354
<b>Total income from lottery organisations</b>	<b>2,513,562</b>	<b>2,613,076</b>

In 2020, Terre des Hommes received € 2.25 million from the Nationale Postcode Loterij. This concerned the net contribution from the lottery revenue realised in 2019. The Nationale Postcode Loterij has supported Terre des Hommes with an annual contribution of € 2.500,000 since 1996. At the same time, Terre des Hommes participated in the so-called "Dream fund" of the Nationale Postcode Loterij, and therefore deposited 10 percent of the contribution in this Dream Fund.

In 2019, the Nationale Postcode Loterij awarded Terre des Hommes a three-year grant of € 2.97 million designated for our #Sweetie24/7 project. This grant was already received in cash in 2019 and will be spent over a period of three years. In 2020, we spent € 243,680 of the grant. Due to the Covid-19 pandemic the project execution slowed down in 2020, and we are exploring options with the Nationale Postcode Loterij to extend the grant period or to accelerate expenses.



## 5.4 Income from government grants

TABLE 12. INCOME FROM GOVERNMENT GRANTS	2020	2019
Ministry of Foreign Affairs - Down To Zero Alliance	3,170,178	3,261,949
Ministry of Foreign Affairs - Girls Advocacy Alliance	2,256,468	3,525,617
Ministry of Foreign Affairs - Dutch Relief Alliance	3,193,811	4,068,863
Dutch Embassy - Bangladesh	746,468	822,543
ECHO	1,239,882	2,125,182
Madad	-	153,403
Other grants	23,898	349,557
<b>Total income from government grants</b>	<b>10,630,705</b>	<b>14,307,114</b>

In 2020, income from government grants was € 0.8 million higher than budgeted. In 2019 we received additional one-off grants for structural (€ 0.6 million) and emergency aid (€ 1.2 million), as a result of which the total income from government grants in 2020 was lower than in 2019. We continued our partnership with Terre des Hommes Lausanne for the application for emergency aid grant from the European Commission. Of the total grant for the Down to Zero Alliance, an amount of € 2,499,370 was intended for use by our alliance partners; this amount is included as costs for structural aid. The grant allocated to Terre des Hommes amounted to € 716,839. The grants from the Dutch Embassy in Bangladesh and the MoFA grants for Girls Advocacy Alliance and Down to Zero were of a structural nature and have been concluded up to the year 2020. The other grants are incidental in nature. The grant settlements have been approved up to and including the year 2020.

## 5.5 Income from affiliated non-profit organisations

TABLE 13. INCOME FROM AFFILIATED NON-PROFIT ORGANISATIONS	2020	2019
SHO Giro 555	101,491	0
<b>Total income from affiliated non-profit organisations</b>	<b>101,491</b>	<b>0</b>

In 2020, Terre des Hommes participated in the National fundraising campaign "Samen in actie voor Beiroet" from Giro555. The total grant from the national initiative was € 395,488 which was received as cash. The income reflects the share of the amount that was expended during 2020. The remainder will be expended in 2021.

## 5.6 Income from other non-profit organisations

TABLE 14. INCOME FROM OTHER NON-PROFIT ORGANISATIONS	2020	2019
Corporations and foundations	519,054	485,861
<b>Total income from other non-profit organisations</b>	<b>519,054</b>	<b>485,861</b>

Terre des Hommes received donations from foundations and private funds. This income was higher than in 2019. The time it takes between the initial contact with new foundations and when donations are actually received, is decreasing and we now have a fully operational dedicated team, resulting in more proposals being sent out with a higher success rate.

## 5.7 Income in return for the delivery of goods and/or performance of services

TABLE 15. INCOME IN RETURN FOR THE DELIVERY OF GOODS AND/OR PERFORMANCE OF SERVICES	2020	2019
Gross revenues Terre des Hommes shops	1,531,817	2,501,440
Direct costs shops	-1,156,309	-1,099,589
<b>Net results Terre des Hommes shops</b>	<b>375,509</b>	<b>1,401,851</b>
Gifts received	116,334	79,693
Other income	20,297	49,115
Direct costs head office	-69,558	-133,065
<b>Total income in return for the delivery of goods and/or performance of services</b>	<b>442,582</b>	<b>1,397,594</b>

For the allocation of costs of the shops we apply the Guideline RJ650 (650.316), which states that 'the cost price is defined as the purchase value of the goods, increased by the direct costs related to the purchase and sale'. Costs that may be included in the cost price are both costs incurred by the shops themselves (costs of the shop premises including furnishings, costs of the volunteers and the facilities to register the flow of goods, to complete the sale and to receive the funds) as well as costs incurred for the shops by the head office and the new shops foundation. The decrease in these costs in 2020 was mainly due to the effects of the Covid-19 pandemic, which caused all shops to remain closed for more than 5 months. This also includes writing off the loss of four closed shops (€ 9k, 2019: € 34k). In the appendix to these financial statements we include a detailed overview by shop.

## 5.8 Other income

TABLE 16. OTHER INCOME	2020	2019
Rental income	-	36,400
Other income	7,517	4,054
<b>Total other income</b>	<b>7,517</b>	<b>40,455</b>

The rental of part of the head office building to CKM (*Centrum tegen Kinderhandel en Mensenhandel*) was terminated during 2019. Income from providing roof space for antennas on our head office to a telecommunication provider is recorded as other income.

## 5.9 Expenses on objectives

TABLE 17. STRUCTURAL AID	2020	2019
Asia	5,010,233	5,651,310
East Africa	4,589,067	5,013,419
Netherlands / Other	3,750,203	3,933,893
Remittance to alliance partners	2,499,370	2,157,993
<b>Total structural aid</b>	<b>15,848,873</b>	<b>16,756,615</b>

In 2020, spending on our objectives was slightly lower than budgeted and lower than in 2019. This was partly due to a slow-down in project execution caused by Covid-19, where we could not easily reach our beneficiaries in certain countries. We successfully re-designed part of our project portfolio to step up in Covid-19 affected areas while still reaching our objectives.

TABLE 18. EMERGENCY AID AND REHABILITATION	2020	2019
Using own resources	60,912	-
Using SHO resources	98,172	-
Using grants	4,261,699	5,610,550
Remittance to alliance partners	0	593,244
<b>Total emergency aid and rehabilitation</b>	<b>4,420,783</b>	<b>6,203,794</b>

2020 was the final year of two large government programmes, Girls Advocacy Alliance (mainly in East Africa) and Down To Zero, where Terre des Hommes has been the lead alliance partner. About € 2.5 million of these expenses was realised through our alliance partners. The Ministry of Foreign Affairs topped up the Down To Zero grant with a small extension in 2020 (Voice for Change) and a € 5 million additional grant in 2021 to fight the impact of Covid-19. Terre des Hommes remains the lead alliance partner for these additional grants.

In the Netherlands, we spent € 3.7 million on programme support to the regional project execution, and on direct support to our Mica and Sweetie programmes.

## 5.10 Fundraising expenses

In 2020, fundraising costs were higher than in 2019, but € 0.2 million lower than budget. We increased our fundraising budgets, in order to improve our brand awareness and donor loyalty in a saturated fundraising market in the Netherlands. Costs to attract individual donors continue to rise. We see that donors commit for less time while at the same time costs for door-to-door fundraising increase. In the second half of the year, we successfully completed an additional door-to-door fundraising campaign to mitigate part of the adverse Covid-19 effects.

## 5.11 Management and administrative expenses

Management and administrative costs amounted to 5 percent of total expenses (2019: 4 percent). Total costs were in line with budget and increased compared to 2019. Due to the tightness of the labour market in the Netherlands, we were again forced to work with temporary workers and external advisors for longer than planned and desired. In addition to 2019, we also used additional budget to improve part of our operational processes to support our activities on objectives.

## 5.12 Personnel costs

TABLE 19. PERSONNEL EXPENSES	2020	2019
Wages and salaries	2,702,925	2,258,533
Social security charges	408,045	330,100
Pension charges	275,875	239,790
Other personnel costs	2,082,110	937,853
<b>Total personnel costs</b>	<b>5,468,954</b>	<b>3,766,276</b>

The cost of salaries, social security and pension charges increased by 19 percent compared to 2019. This is explained by an increase in the average number of full time equivalents and inflation and merit increases for regular staff. The increase in other personnel costs was mainly due to interim staff to fill long standing vacancies. At the end of 2020, the number of staff employed in the Netherlands totalled 54 (2019: 51), which corresponds with 50.7 FTE (2019: 44.7). We employed 71 staff (2019: 86) in other countries at the end of 2020. The total number of employees at the end of 2020 was 125 (2019: 137).

## 5.13 Financial income and expenses

TABLE 20. FINANCIAL INCOME AND EXPENSES	2020	2019
Foreign exchange rate gains / (losses)	-75,326	-5,649
(Negative) interest current account / savings account / deposits	-36,263	2,623
Interest received by regional offices	1,836	4,433
<b>Total financial income and expenses</b>	<b>-109,753</b>	<b>1,407</b>

The Euro (€) appreciated against most of the countries' local currencies, resulting in a foreign exchange rate loss of € 75k. From April 2020, all Dutch banks where Terre des Hommes holds current and savings accounts, introduced negative interest on cash balances. We do not hedge against interest rate risks and incurred a € 36k interest rate loss for the year.

## 5.14 SHO allocation key

TABLE 21. SHO ALLOCATION KEY	2020	2019	2018	
Total costs emergency aid and reconstruction assistance	4,262	5,565	2,033	x 1,000
Income from own fundraising	8,380	4,433	8,738	x 1,000

The amount of emergency aid and reconstruction aid offered, is excluding SHO funds and any funds passed on to other organisations as administrative coordinator / horizontal lead (as in the case of a DRA lead role).

The income from own fundraising in 2018 and thereafter, are excluding SHO funds and in accordance with the RJ650 categories for income: income from private donors, income from companies, income from other non-profit organisations and income in return for the delivery of goods and/or performance of services.

In 2020, there were no cases which Terre des Hommes had to share with Giro555 for approval for inclusion in the above table.



## 5.15 Cost allocation to the different activities

**TABLE 22. COST ALLOCATION**

	Spent on objectives		Fundraising costs	Management and administrative costs	Actual 2020	Budget 2020	Actual 2019
	Structural aid	Emergency aid					
Grants and contributions	10,236,219	4,359,871	-	-	<b>14,596,090</b>	15,630,000	17,746,254
Remittance to affiliated organisations	2,499,370	-	2,202,449	-	<b>2,499,370</b>	1,975,000	2,751,815
Communication costs	-	-	1,545,992	-	<b>2,202,449</b>	2,022,000	1,545,992
Personnel costs	2,515,719	49,221	1,815,693	1,088,322	<b>5,468,954</b>	5,668,000	3,766,275
Housing costs	68,249	1,335	49,258	29,525	<b>148,367</b>	132,000	149,649
Office and general costs	458,888	8,978	331,198	198,519	<b>997,584</b>	1,018,000	1,250,508
Depreciation	70,427	1,378	50,830	30,467	<b>153,102</b>	161,000	85,547
<b>Total</b>	<b>15,848,873</b>	<b>4,420,783</b>	<b>4,449,428</b>	<b>1,346,834</b>	<b>26,065,917</b>	<b>26,606,000</b>	<b>27,296,040</b>

Where possible, direct costs are allocated to the objectives, fundraising costs, and management and administration. The target percentage for management and administration costs is a maximum of 5 percent of the total costs; no targets are defined for the split to costs spent on objectives and fundraising. Indirect costs are based on the number of persons employed in full-time positions (FTE) and are allocated to the main activities in accordance with an allocation key, which is calculated at the start of the year based on the planned staff formation (ex-ante) and at the end of the year based on actual staff formation (ex-post).

Audit costs are included in the office and general costs. In 2020 these costs were:

- audit of the 2020 Annual Accounts: € 84,700;
- settlement of the audit of the 2019 Annual Accounts: € 30,250;
- audit of the strategic partnerships (DTZ and GAA): € 14,300;
- costs for fiscal advisory and other non-audit services: nil.

## 5.16 Giro555 / Samenwerkende Hulporganisaties (SHO)

TABLE 23. SAMEN IN ACTIE VOOR BEIROET

	2020		Total	Up to and including 2020		Total
	Emergency aid	Rehabilitation		Emergency aid	Rehabilitation	
<b>INCOME</b>						
Income from campaigns by third parties			395,488			395,488
Interest						
<b>Total income</b>			<b>395,488</b>			<b>395,488</b>
<b>Cost of preparation and co-ordination</b>						
ICR			27,684			27,684
<b>Total available for aid activity</b>			<b>367,804</b>			<b>367,804</b>
<b>EXPENSES</b>						
- aid provided via the implementing organisation	367,804		367,804	367,804		367,804
- aid provided via the international umbrella			-			-
- support provided via the participant			-			-
<b>Total expenses</b>	<b>367,804</b>	<b>-</b>	<b>367,804</b>	<b>367,804</b>	<b>-</b>	<b>367,804</b>
<b>Total available scope for commitment</b>			<b>0</b>			<b>0</b>
<b>PARTICIPANT CASH FLOWS</b>						
- aid provided via the implementing organisation	250,000		250,000	250,000		250,000
- aid provided via the international umbrella			-			-
- support provided via the participant			-			-
<b>Total Transfers by the participant</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>
<b>LOCAL EXPENSES</b>						
- aid provided via the implementing organisation	94,852		94,852	94,852		94,852
- aid provided via the international umbrella			-			-
- support provided via the participant			-			-
<b>Total Spending on location</b>	<b>94,852</b>	<b>0</b>	<b>94,852</b>	<b>94,852</b>	<b>0</b>	<b>94,852</b>

This table has been prepared in accordance with the definitions and guidelines from the SHO Campaign Regulations

## 6. Managing Director and Supervisory Board

### 6.1 Remuneration of the Managing Director

TABLE 24. REMUNERATION MANAGING DIRECTOR	2020	2019
Name	C.W.J. Kok	
Position	Managing Director	
<b>Employment contract</b>		
Duration	indefinite	indefinite
Hours	40	40
FTE percentage	100%	100%
Period	1/1 - 31/12	1/1 - 31/12
<b>Remuneration</b>		
<b>Annual salary</b>		
gross salary	128,375	125,000
holiday allowance	10,112	10,000
year-end allowance	-	-
gratifications / unused holiday payment	-	-
<b>Total annual salary</b>	<b>138,487</b>	<b>135,000</b>
Taxable allowances	-	-
Pension contribution (employer's share)	23,461	23,163
Pension compensations	-	-
Other long-term rewards	-	-
Benefits for termination of employment	-	-
<b>Total remuneration</b>	<b>161,948</b>	<b>158,163</b>
<b>Maximum annual salary (as per Goede Doelen Nederland)</b>	<b>162,397</b>	<b>156,754</b>
<b>Maximum remuneration (as per Goede Doelen Nederland)</b>	<b>201,000</b>	<b>194,000</b>

The statutory Board of Terre des Hommes consists of one person, being the Managing Director. The Managing Director is appointed by the Supervisory Board of Terre des Hommes. The Supervisory Board determines both the remuneration policy of the Managing Director and the remuneration and emoluments to be paid to the Managing Director. The remuneration policy is updated periodically, lastly in February 2021. In determining the remuneration policy and establishing the actual remuneration and emoluments of the Managing Director, Terre des Hommes follows the guidelines 'Regulation for the remuneration of directors of charitable organisations for use by managements and supervisory boards' and issued by *Goede Doelen Nederland*. The guidelines determine a maximum annual salary based on weighted criteria. The Remuneration Committee of the Supervisory Board has weighted the criteria and the position of Managing Director was rated to 520 points (the so-called BSD score) with a maximum salary of € 162,397. The actual annual salary of the Managing Director does not exceed the maximum annual salary as set by *Goede Doelen Nederland*. The total remuneration of the Managing Director amounts to € 161,948. The Guidelines has set the maximum remuneration to € 201,000. The taxable allowances, pension contributions and other long-term benefits were in reasonable proportion to the annual income. Therefore, Terre des Hommes complies with the regulations. At year-end the Managing Director had no outstanding loans, advances or guarantees from Terre des Hommes.

### 6.2 Supervisory Board

Members of the Supervisory Board do not receive any remuneration for their work, and they are not entitled to any loans, advances, or guarantees from Terre des Hommes.

### 6.3 Additional positions

During 2020, the CEO held the following unremunerated additional positions.

- **Responsible Mica Initiative (RMI)**, Board member (vice-chairman)
- **Terre des Hommes International Federation**, Board member (vice-chairman)
- **Stichting Samenwerkende Hulporganisaties (SHO)**, Board member
- **CEO meeting of the Dutch Relief Alliance**, Member
- **Stichting Beheer Subsidiegelden Dutch Relief Alliance**, Supervisory board member
- **Stichting Steunfonds Jeugd Rotterdam**, Board member (chairman)
- **Terre des Hommes Sweden**, Board member (chairman)
- **Save Sweetie Now (UK)**, Trustee



## 7. Statutory financial statements

### 7.1 Balance Sheet (after appropriation of results)

STATUTORY BALANCE SHEET	31-12-2020	31-12-2019
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment (1a)	1,176,764	1,017,417
Financial assets	-	100,000
	<b>1,176,764</b>	<b>1,117,417</b>
<b>Current assets</b>		
Receivables and accrued income (2a)	6,474,274	5,310,632
Other current assets	100,000	-
Cash and cash equivalents (4a)	14,926,925	22,103,413
	<b>21,501,200</b>	<b>27,414,045</b>
<b>Total assets</b>	<b>22,677,963</b>	<b>28,531,462</b>
<b>Liabilities</b>		
<b>Reserves</b>		
Continuity reserves	4,000,000	4,000,000
Reserves available for objectives	9,753,035	14,300,237
	<b>13,753,035</b>	<b>18,300,237</b>
<b>Funds</b>		
Designated funds	199,004	242,004
	<b>199,004</b>	<b>242,004</b>
<b>Reserves and Funds</b>	<b>13,952,038</b>	<b>18,542,240</b>
<b>Current liabilities</b>		
Current liabilities (7a)	8,725,925	9,989,222
	<b>8,725,925</b>	<b>9,989,222</b>
<b>Total liabilities</b>	<b>22,677,963</b>	<b>28,531,462</b>

### 7.2 Statement of Income and expenses

STATUTORY STATEMENT OF INCOME AND EXPENSES	Actual 2020	Budget 2020	Actual 2019
<b>Income</b>			
Income from private donors	7,214,273	7,110,000	7,258,059
Income from companies	204,315	120,000	293,405
Income from lotteries	2,513,562	3,347,000	2,613,076
Income from government grants	10,630,705	9,842,000	14,307,115
Income from affiliated non-profit organisations	101,491	-	-
Income from other non-profit organisations (14a)	1,086,868	2,248,000	2,016,520
<b>Sum of fundraising income</b>	<b>21,751,213</b>	<b>22,667,000</b>	<b>26,488,175</b>
Income in return for the delivery of products and/or services	-	-	-
Other income	7,517	4,000	40,455
<b>Sum of income</b>	<b>21,758,730</b>	<b>22,671,000</b>	<b>26,528,629</b>
<b>Expenditure</b>			
Structural development aid	15,848,873	17,480,293	16,756,615
Emergency aid and rehabilitation	4,420,783	3,209,209	6,203,794
<b>Spent on objectives</b>	<b>20,269,656</b>	<b>20,689,502</b>	<b>22,960,410</b>
Fundraising expenses	4,449,428	4,605,465	3,289,040
Management and administrative expenses	1,416,392	1,311,033	1,179,657
<b>Sum of expenditure</b>	<b>26,135,475</b>	<b>26,606,000</b>	<b>27,429,107</b>
<b>Balance before financial income and expenses</b>	<b>(4,376,745)</b>	<b>(3,935,000)</b>	<b>(900,478)</b>
Financial income and expenses	(109,812)	4,000	1,407
<b>RESULT</b>	<b>(4,486,557)</b>	<b>(3,931,000)</b>	<b>(899,071)</b>
<b>RESULTS APPROPRIATION</b>	<b>Actual 2020</b>	<b>Budget 2020</b>	<b>Actual 2019</b>
<b>Surplus/(deficit) is added to / drawn from:</b>			
Earmarked funds & reserves	-		-
Reserve available for objectives	(4,486,557)	(3,931,000)	(899,071)
<b>Surplus / (deficit)</b>	<b>(4,486,557)</b>	<b>(3,931,000)</b>	<b>(899,071)</b>

### 7.3 Cash Flow Statement

STATUTORY CASH FLOW STATEMENT		31-12-2020	31-12-2019
<b>Cash Flow from operating activities</b>			
Surplus / (deficit)		(4,486,557)	(899,071)
<b>Adjustment for:</b>			
Depreciation (1a)		166,608	107,875
Changes in earmarked reserves and funds		(103,645)	(131,103)
<b>Changes in Working Capital</b>			
Receivables and accrued income (2a)		(1,163,643)	(702,444)
Current liabilities (7a)		(1,263,297)	5,541,973
<b>Net Cash Flow from operating activities</b>		<b>(6,850,533)</b>	<b>3,917,230</b>
<b>Cash Flow from investing activities</b>			
Purchase of property, plant and equipment (1a)		(645,396)	(526,171)
Disposal of property, plant and equipment (1a)		319,442	-
<b>Net Cash Flow from investing activities</b>		<b>(325,955)</b>	<b>(526,171)</b>
<b>Cash Flow from financing activities</b>			
Changes non-current liabilities		-	-
<b>Net Cash Flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net Cash Flow</b>		<b>(7,176,488)</b>	<b>3,391,059</b>
Cash and cash equivalents 1/1		22,103,413	18,712,354
Cash and cash equivalents 31/12		14,926,925	22,103,413
<b>Increase/(decrease) cash and cash equivalents</b>		<b>(7,176,488)</b>	<b>3,391,059</b>

## 8. Notes to the statutory Financial Statements

### 8.1 General

The principles of valuation and determination of results, and the accounting principles for the statutory financial statements are the same as those applied to the consolidated financial statements.

In the notes to the statutory accounts only those notes that deviate from the notes to the consolidated accounts, are included.

### 8.2 Property, plant and equipment

TABLE 1. PROPERTY, PLANT AND EQUIPMENT			
	Real estate	Other tangible assets	Total
<b>COST 31.12.2019</b>	<b>1,761,414</b>	<b>592,129</b>	<b>2,353,543</b>
<b>ACCUMULATED DEPRECIATION 31.12.2019</b>	<b>(1,024,146)</b>	<b>(312,005)</b>	<b>(1,336,151)</b>
<b>Net Book Value 31 December 2019</b>	<b>737,268</b>	<b>280,124</b>	<b>1,017,392</b>
Additions	378,354	267,042	<b>645,396</b>
Depreciation	(51,173)	(115,435)	<b>(166,608)</b>
Disposals	(283,707)	(153,395)	<b>(437,102)</b>
Disposals - cumulative depreciation	(24,336)	142,021	<b>117,685</b>
<b>COST 31.12.2020</b>	<b>1,856,062</b>	<b>705,775</b>	<b>2,561,838</b>
<b>ACCUMULATED DEPRECIATION 31.12.2020</b>	<b>(1,099,655)</b>	<b>(285,419)</b>	<b>(1,385,074)</b>
<b>Net Book Value 31 December 2020</b>	<b>756,407</b>	<b>420,357</b>	<b>1,176,764</b>

The non-current assets in the statutory balance sheet are € 0.1 million below the non-current assets value in the consolidated balance sheet, due to the exclusion of real estate and inventories owned by the volunteer groups. All assets are held for business operations. Refer to note 4.1 of the consolidated balance sheet for more information.

### 8.3 Current assets

#### 8.3.1 Receivables and accrued income

TABLE 2A. RECEIVABLES AND ACCRUED INCOME	31-12-2020	31-12-2019
Projects, regional offices and postings abroad	198,824	70,350
Legacies	1,540,048	1,199,547
Nationale Postcode Loterij	2,250,000	2,250,000
Other gifts and grants to be received	2,366,863	1,771,255
Other prepaid and receivable amounts	118,540	19,479
<b>Total Receivables and Accrued Income</b>	<b>6,474,274</b>	<b>5,310,632</b>

Refer to note 4.2.1 of the consolidated balance sheet for more information.

#### 8.3.2 Cash and cash equivalents

TABLE 4A. CASH AND CASH EQUIVALENTS	31-12-2020	31-12-2019
Current accounts head office	10,580,888	7,757,814
Savings accounts	3,036,504	13,285,750
Deposits	75,000	75,000
De Saint-Exupéry Fund	88,769	88,769
Current accounts regions	1,145,764	896,080
<b>Total Cash and Cash Equivalents</b>	<b>14,926,925</b>	<b>22,103,413</b>



The cash and cash equivalents in the statutory balance sheet are € 0.5 million lower than the cash and cash equivalents value in the consolidated balance sheet, due to the exclusion of cash and bank balances of the volunteer groups. Refer to note 4.2.2 of the consolidated balance sheet for more information.

## 8.4 Current liabilities

TABLE 7A. CURRENT LIABILITIES	31-12-2020	31-12-2019
Current liabilities projects	7,574,696	1,308,976
Current liabilities regions	648,225	534,710
Other current liabilities	503,005	8,145,536
<b>Current liabilities</b>	<b>8,725,925</b>	<b>9,989,222</b>

The current liabilities in the statutory balance sheet are € 0.7 million lower than the value of the current liabilities in the consolidated balance sheet, as a result of the exclusion of assets from the volunteer groups from the financial statement. Refer to note 4.4.1 of the consolidated balance sheet for more information.

## 8.5 Reserves and funds

### **Reconciliation of Reserves & funds, and of net results between statutory financial statements and consolidated financial statements.**

In the consolidated financial statements, the Terre des Hommes shops are included. These shops are not part of the statutory financial statements. Each shop transfers their margins on a regular basis to Terre des Hommes. The shops have no own reserves or funds. In the statutory financial statements, these transfers are disclosed as income from other non-profit organisations. As a result, both the Reserves & Funds and the net results in the statutory financial statements are virtually the same as in the consolidated financial statement.

## 8.6 Income from other non-profit organisations

TABLE 14A. INCOME FROM OTHER NON-PROFIT ORGANISATIONS	2020	2019
Corporations and foundations	519,054	485,861
Terre des Hommes affiliated shops	567,814	1,530,659
<b>Total income from other non-profit organisations</b>	<b>1,086,868</b>	<b>2,016,520</b>

The 46 volunteer groups operate 42 vintage shops and all net proceeds (total income less expenses) are payable to Terre des Hommes based on contractual agreements in place with each volunteer group. The income represents the amounts paid during the calendar year. The decrease in income in 2020 was mainly due to the effects of the Covid-19 pandemic, which caused all shops to remain closed for more than 5 months. In the appendix to these financial statements we include a detailed overview by shop. Refer to note 5.6 of the consolidated statement of income and expenses for more information.

## 9. Events after the balance sheet date

There are no adjusting or non-adjusting events after the balance sheet date.

## 10. Preparation and adoption of the financial statements

The consolidated and statutory annual accounts are prepared by the Board consisting of:

- Mr. C.W.J. (Carel) Kok, Managing Director

The consolidated and statutory annual accounts are adopted by the Supervisory Board formed by:

- Mr. M. (Maarten) Koopman, chair
- Mr. W.H.J.C.M. (Pim) Oomens
- Mr. B.M. (Bas) Verheijen
- Ms. I. (Ilse) Griek
- Ms. S. (Sigrid) Jansen

# Other information

## 11. Appropriation of the results

The results of the consolidated and statutory accounts have been deducted from the reserves available for the objectives.

May 21, 2021

The Hague, the Netherlands



# Independent auditor's report



## Independent auditor's report

To: management and the supervisory board of Stichting Terre des Hommes Nederland

### Report on the financial statements 2020

#### Our opinion

In our opinion, the financial statements of Stichting Terre des Hommes Nederland (the organisation) give a true and fair view of the financial position of the organisation and the group (the organisation together with its subsidiaries) as at 31 December 2020, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

#### What we have audited

We have audited the accompanying financial statements 2020 of Stichting Terre des Hommes Nederland, The Hague. The financial statements include the consolidated financial statements of the group and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2020;
- the consolidated and company statement of income and expenditure for the year then ended; and
- the notes, comprising the accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

#### The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

S4CMDV7NKPSU-21419012-39

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## Independence

We are independent of Stichting Terre des Hommes Nederland in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

### Report on the other information included in the annual accounts

In addition to the financial statements and our auditor's report thereon, the annual accounts contain other information that consists of:

- the director's report (annual report);
- other information;
- appendix (results volunteer groups).

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the director's report pursuant to the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

### Responsibilities for the financial statements and the audit

#### Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board; and for
- such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the organisation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management should prepare the financial statements using the going concern basis of accounting unless the management either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

Stichting Terre des Hommes Nederland - S4CMDV7NKPSU-21419012-39



Management should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the organisation's financial reporting process.

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#### ***Our responsibilities for the audit of the financial statements***

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 31 May 2021  
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M. van Dijk RA



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#### ***Appendix to our auditor's report on the financial statements 2020 of Stichting Terre des Hommes Nederland***

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In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

#### ***The auditor's responsibilities for the audit of the financial statements***

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Appendix

## Results volunteer groups

Shop location	Gross revenue	Direct costs	Net revenue	Gifts and other revenue *	Total result
Alkmaar +	7,684	(16,933)	(9,249)	139	(9,110)
Alphen a/d Rijn	27,864	(25,328)	2,536	3,016	5,552
Amersfoort	63,514	(29,289)	34,225	6,081	40,306
Amsterdam	38,093	(22,918)	15,175	-	15,175
Apeldoorn	40,613	(20,632)	19,981	361	20,342
Arnhem	48,118	(25,584)	22,534	1,802	24,336
Assen	22,449	(24,463)	(2,014)	7,600	5,586
Barneveld	13,855	(2,784)	11,071	800	11,871
Bergen op Zoom	40,869	(18,836)	22,033	3,847	25,880
Beverwijk	1,315	499	1,814	97	1,911
Breda	48,780	(27,659)	21,121	4,464	25,585
Delft	44,689	(20,972)	23,717	5,177	28,894
Den Bosch	102,050	(57,794)	44,256	1,890	46,146
Den Haag	22,111	(22,276)	(165)	12,278	12,113
Deventer	20,266	(15,472)	4,794	124	4,918
Drachten	21,649	(18,947)	2,702	4,721	7,423
Eindhoven	43,128	(27,446)	15,682	772	16,454
Emmen	25,004	(16,431)	8,573	1,750	10,323
Enschede	23,600	(26,454)	(2,854)	8,653	5,799
Goes	27,750	(14,348)	13,402	2,113	15,515
Gouda	35,790	(26,109)	9,681	687	10,368
Groningen	17,207	(13,725)	3,482	-	3,482
Haarlem	36,569	(17,384)	19,185	261	19,446
Haarlemmermeer	20,789	(21,721)	(932)	3,810	2,878
Heerenveen	12,901	(17,579)	(4,678)	572	(4,106)

Shop location	Gross revenue	Direct costs	Net revenue	Gifts and other revenue *	Total result
Helmond	54,062	(29,291)	24,771	1,641	26,412
Hengelo	57,812	(31,851)	25,961	7,492	33,453
Hilversum	31,821	(26,881)	4,940	156	5,096
Leeuwarden	37,534	(24,950)	12,584	-1,538	11,046
Leiden	29,809	(13,920)	15,889	1,703	17,592
Maastricht	33,175	(23,454)	9,721	500	10,221
Middelburg	49,727	(26,973)	22,754	784	23,538
Nijmegen	14,654	(17,131)	(2,477)	1,300	(1,177)
Oosterhout	63,281	(33,521)	29,760	653	30,413
Pijnacker	77,942	^(119,052)	(41,110)	625	(40,485)
Roosendaal +	10,229	(13,962)	(3,733)	1,425	(2,308)
Rotterdam	39,961	(26,827)	13,134	2,718	15,852
Tilburg	34,412	(29,649)	4,763	2,977	7,740
Utrecht	26,841	(21,685)	5,156	1,605	6,761
Venlo	25,244	(4,138)	21,106	7,686	28,792
Wageningen	51,455	(26,253)	25,202	919	26,121
Zoetermeer	39,747	(38,596)	1,151	13,568	14,719
Zundert +	12,283	(11,865)	418	111	529
Zwolle	29,365	(31,996)	(2,631)	10,969	8,338
<b>Total shops (41)</b>	<b>1,526,011</b>	<b>(1,082,580)</b>	<b>443,431</b>	<b>126,309</b>	<b>569,740</b>
Alkmaar (EB)	16,827	(81,303)	(64,476)	8,803	(55,673)
Associations (4)	1,500				1,500
<b>Total volunteers</b>	<b>1,544,338</b>				<b>515,567</b>

\* Includes the proceeds from sales of rejected clothing.

^ Includes adjustment for accumulated depreciation € 109k

+ Closed down during 2020

In section 4.4.2 we included the amounts for guarantees issued by Stichting Terre des Hommes Nederland and the lease commitments for the shop premises.



# Colophon

## Concept & realisation

Terre des Hommes

## Chief editor

Cariene Joosten

## Final editing

Simon Delany

## Design and production

Newton21

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May 2021

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