

Annual report 2021



The
Development
Fund

Fighting hunger and injustice together

A year of impact

For The Development Fund, 2021 was in many ways a year of breakthroughs. At the same time, we faced major challenges as a result of the pandemic, the war in Ethiopia and climate change, as did our target groups and partners.

Economic impact

In 2021, we secured approximately NOK 170 million per year for the next five years to support 350,000 smallholder farmers in Ethiopia, Malawi, Somalia, Mozambique, Nepal and Guatemala. This enables us to double our reach compared to prior to the launch of the new strategy for 2021–2030. We signed several major agreements with Norad and the Norwegian Ministry of Foreign Affairs. A new framework agreement with Norad and the Transform programme to support 150,000 smallholder farmers in Malawi were particularly important.

The war in northern Ethiopia made it difficult to implement projects in the affected areas. Towards the end of the year we were forced to evacuate our local representative as riots were approaching the capital city. At the same time, we became involved in new projects to prevent further famine by offering seed support to smallholder farmers who are affected by the war. In other parts of the country, we secured both a project for further support of local farmers who are conserving the largest forests in southern Ethiopia, a major project for conservation agriculture and another to improve inclusion of people with disabilities.

Political influence

In 2021, The Development Fund's key issues rose to the top of the international political agenda: food security, small-scale agriculture and climate change adaptation. In connection with the UN's major food systems summit in New York in September (the UN Food Systems Summit), we worked intensively to highlight the importance of small-scale climate-adapted agriculture in the fight against hunger, for farmers' rights to seeds and for locally produced school meals.

When the Climate Panel stated in the August report that the climate is already changing rapidly, adaptation to climate change and compensation

for loss and damage became the main topics of the UN climate summit, which was held in Glasgow in November. The Development Fund is unique in its work on these issues in recent decades. At the summit we worked closely with many other organizations to pressure rich countries to increase their cuts to emissions and finance climate change adaptation for developing countries' smallholder farmers, who are most vulnerable to climate change.

Elections in Norway were held in the period between the food system summit and the climate summit. In the resulting administration, Labour and Senterpartiet (the Centre Party) placed great emphasis on the fact that Norway must do more internationally to level social differences, and in particular increase efforts



for food security, climate change adaptation and agriculture. This was also an important breakthrough.

Organizational impact

In 2021, the annual meeting decided to transform The Development Fund into a foundation, strengthening the board of directors in the organization. This had been a stated goal for many years, and finally came into place after thorough investigation and discussion.

This past year we were also planning to roll out our new campaign concept, Development Investor. The pandemic lockdown in the first half of the year delayed the campaign, which was implemented after the summer. Still, we reached the target of 750 new donors.

We were also successful in renewing and increasing the support from Norad for our informational work for the next five years. This was a strong achievement, as only half of the applicants received support.

In many ways, 2021 was a year of important breakthroughs for The Development Fund, but at the same time we experienced a number of challenges related to the pandemic, the war in Ethiopia and climate change. Coming challenges will include finding a balance between growth and new opportunities, and building a sufficiently strong organization.

Jan Thomas Odegard,
Secretary General



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Publisher: The Development Fund,
June 2022

Design: Elin Iversen

Front page: Small scale coffee
farmer in her coffee field in
Huehuetenango in Guatemala.
Photo: Carlos Zaparolli.

Photo: Page 3 (Somalia): Kristoffer
Nyborg;
Page 4 (Guatemala): Carlos Zaparolli;
Page 6 (Malawi): Julie Lunde Lillesæter;
Page 8, 9 and 12 (Ethiopia), 14 (Nepal):
Harald Herland;
Page 10 and 11 (Malawi): Tine Poppe.
All remaining photo: The Development
Fund.

The highs and lows of the year

In 2020, we changed this part of our annual report from presenting the highs of the year to also including the lows. As 2021 turned out to be another unusual year we continue to present both the positives and the negatives of the past year.



Coffee imports doubled

The Sierra de los Cuchumatanes, a mountain range in western Guatemala, is one of the highest in Central America, varying in height from 500 meters to over 3,800 meters above sea level. There are many small producers in this area who make a living producing and selling organic coffee. The coffee cooperatives ADAT and ADIPY have a high proportion of women and represent various branches of the Mayan indigenous people (Popti, Mam and Q'anjob'al). A small portion of the coffee produced was exported to the Norwegian company Kjeldsberg for the first time in 2020, as an initiative of The Development Fund. The Coordinating Organization for Development in Concepcion Huista, CODECH, assists the coffee cooperatives ADAT and

ADIPY with the organization of exports. The coffee from Guatemala became very popular, and Kjeldsberg decided to double its imports in 2021, from one to two shipping containers of coffee. This amounted to 41 tonnes and resulted in a higher income for the coffee farmers in the Cuchumatanes mountains. The development fund will continue to work to secure a wider international market for the coffee producers, which will provide a more predictable income to cover food expenses for families and schooling for their children. Coffee from our partners in Guatemala was also on the shelves of Rema 1000 in 2021, something that provided visibility for The Development Fund.

2021: yet another difficult year

Although we thought that the challenges had peaked in 2020, it turned out that 2021 was not going to be much easier. The pandemic characterized much of the first half of the year, with home offices and major restrictions on travel and meeting activities, including for our employees at the country offices. The pandemic also affected our partners and delayed the implementation of some activities due to infection control measures. Climate change continued to affect our target group. Drought severely affected several areas in Somalia and Ethiopia, leading to large crop losses, and many farmers in Nepal lost rice crops after unexpected extreme rain after the end of the monsoon.

In addition to drought, the war in Ethiopia continued to cause enormous challenges and suffering for the population. The war intensified and spread to areas south of Tigray. Several partners were forced to suspend all activity due to hostilities in the project areas. Under very difficult and uncertain conditions, The Development Fund and partners worked to maintain food production in areas affected by war.

Recruitment of Development Investors in public areas

A major campaign for the recruitment of Development Investors in public areas was launched in January 2021, in parallel with recruitment in social media. Recruiting from stands had to be put on hold at the end of the first quarter, when many areas of Norway shut down again, meaning the recruitment was delayed until after the summer. A national recruitment tour in the autumn ensured a solid number of new Development Investors from all over the country, but earnings were of course delayed.

New long-term agreements with Norad

In 2021, The Development Fund entered into a number of long-term agreements with Norad, making successful gains from our grant writing efforts during 2020. The most significant agreement is a five-year cooperation agreement with Norad in which all our programme countries are included. The agreement aims to strengthen the resilience of local communities in rural areas. We were also granted five more years for a forest management project in Ethiopia. Through this project, local communities contribute to the reduced deforestation of approximately 570,000 hectares of forest areas, while strengthening their rights. These new agreements give us, our partners and the target groups, crucial predictability in the coming years.

In the past year, we were also awarded funds from Norad for informational work in the next five years. We continued to build on the solid foundation of the website dinklimaframtid.no, which compares climate changes in Norway and Malawi. Last year, we also incorporated content from Guatemala, and we will expand the website with a new country for each year during the agreement period. When the pandemic prevented travel, we connected with talented freelance photographers and journalists locally in some of our programme countries, and they produced content that allowed us to communicate our positive stories.

New agreement in Malawi

After long preparations and a 15-month start-up, Kirkens Nødhjelp, NMBU and The Development Fund entered a multi-year agreement with the Norwegian embassy in Malawi. The Transform programme will contribute to increased food security for 150,000 farmers and their families in Malawi.

Successes and lessons learned

A major obstacle to good and sustainable development is the marginalization and exclusion of impoverished and particularly vulnerable rural groups. When large sections of the population are excluded from political processes and the decisions that affect them, it becomes difficult to develop policies and find solutions that safeguard their needs and rights. We also lose the valuable knowledge and resources that these groups have. In this way, divisions in society and the exclusion of large sections of the population are maintained.



Empowerment is recognized as an important approach within development work.

The Development Fund has worked, from the beginning, to ensure that impoverished people and their local communities are at the forefront of development. They are the ones who best know their own needs and how these can be taken care of in the most optimal way. Belief in local solutions and recognition of local knowledge have been cornerstones of our work for over 40 years. In our strategy for 2021-2030, these are important premises for our work. Strengthening the power and influence of local communities and grassroots organizations is one of three sub-goals that are crucial to achieving our overall goal of strengthening the resilience of rural local communities.

Strengthening, or empowerment, is a word often used in a development context, and is recognized as an important approach within development work. At the same time, it has also become a vague concept, and it is often difficult to measure concrete results and show how vulnerable groups have gained power and influence.

It is no easy task to achieve or measure concrete results. Empowerment is about changing the balance of power, transferring power from those who have a lot to those who have little or none. The theory may seem simple. Power can be transferred by rights being transferred from one institution or group to another. Increased knowledge and awareness of one's own rights makes it easier to make demands and hold the rights holders accountable. Influence is increased by facilitating participation. Increased income leads to increased financial independence. But in practice this is one of the most difficult things you can do, and probably one of the most important.

For over forty years, The Development Fund has worked to strengthen the rights of our target groups, and their influence in decisions and societal development. In meetings with women, young people, farmers' organizations or forest-dependent communities, they inform us of how our projects have helped to strengthen their rights and increase their influence. We see the changes when we meet the same groups after a few years. The women who never spoke up are now speaking out and criticizing the authorities for not following through on promises. We have seen farmer cooperatives and followed how they

change from when they have just started until they negotiate agreements on the sale of coffee or beans. These are important observations that show that we are successful in our work. At the same time, like so many others, we are struggling to find good ways to measure and show these important changes.

Through the years we have learned a lot. The work to strengthen women's rights has given us many learning points, and we are constantly striving to improve. As this year's lesson shows, we have gone from focusing on counting the number of women involved in our projects to realizing that we need a deeper understanding of women's challenges, needs and wishes in order to learn how we can work toward fundamental changes. The lesson is about a gradual realization that simple ways of measuring results do not help us understand whether we achieve the desired changes, and whether the people we work with gain increased life mastery and influence. This has also led to us taking new steps to increase our own knowledge, and in this way strengthen our work.

This year's success story shows how we have succeeded in increasing the influence of forest-dependent local communities and their rights to the forest, through formal agreements where use management and property rights are transferred from the state to local communities. In this way, local communities have received legally valid documents stating their rights, which is important for these rights to be respected. Formal transfer of rights also involves the transfer of power. By developing systems that show the contribution of these groups in caretaking the forest and preventing deforestation, their recognition in society is increased, which in turn is important to increase power and influence.

Elin Cecilie Ranum,
Head of Programme Department



This year's success story

Increased rights and influence for groups dependent on forests

Many local communities in Ethiopia are completely dependent on the forest for survival. Wild coffee and a variety of herbs and spices grow in the forest, providing an opportunity for income. Due to an enormous biological diversity, bee populations thrive in the dense forests. The trees ensure that climate change is less noticeable, which is important for agricultural production and livestock.



The indigenous forest in Ethiopia suffers as a result of deforestation and degradation.



Forest-dependent groups have taken care of the forest and its resources. But they have not had much influence on forest management and have had few rights to the resources that make up their livelihood.

Since 2013, The Development Fund, in collaboration with our local partner Ethio Wetlands and Natural Resource Association, has worked to change this, reducing deforestation and increasing local influence and rights of adjacent communities. In 2021, we renewed the agreement with Norad and the Norwegian Climate and Forest Initiative, and can build on the excellent results and our experience from the first eight years of collaboration.

The indigenous forest in southwest Ethiopia is one of the last remaining forests in the country. It has enormous carbon storage capacity and, despite its great ecological and socio-economic value, faces increasing challenges in deforestation and degradation. The Development Fund works to reduce the loss of indigenous forest through participatory forest management that strengthens

the rights of forest dependent communities in local decision making as well as providing the same communities with sustainable livelihoods

The Development Fund and our partners have continued to focus on the establishment and support of forest management groups with particular emphasis on women's involvement, including in leadership roles. Community groups (stakeholders) are empowered to better understand their collective and individual rights in the forest. At the same time, The Development Fund and partners work closely with the authorities (duty bearers) to strengthen the capacity to develop and implement policies that serve to strengthen sound forest management practices. A critical aspect of this work relates to issuance of collective forestland registration and certification to guarantee community legal ownership rights to the forest. In 2021, 66 community groups were awarded such certificates with full commitment from the

authorities. These measures give forest-dependent communities the opportunity to take an active part in local governance processes that affect their lives. Ultimately, it strengthens the social contract between citizens and the state.

To complement measures with a focus on local governance and land rights, The Development Fund and our partners are increasingly prioritizing the enhancement of livelihood opportunities for forest-dependent communities. In particular, the expansion of agriculture and of coffee production can contribute to a deterioration of the ecosystem and can reduce the forested area. To mitigate this, The Development Fund works to develop forest-friendly agricultural systems and to increase the income base for farmers. This is done through, among other things, better market access, providing incentives to take care of the forest.

In addition, The Development Fund has along with our partners created tools to monitor the development of the forest. The local communities use these tools, ensuring that illegal logging can be detected early and thereby prevented. These tools also help document the local communities' contribution in reducing deforestation and forest degradation, which is decisive for compensation for the important work done to reduce greenhouse gas emissions.

This also brings increased recognition of the contributions from forest-dependent local communities to fighting against climate change. When securing their forest property and usage rights, these local communities gain increased influence and power, which they can use to hold authorities accountable and ensure that one of Ethiopia's most important indigenous forests is protected.

Ulf Flink,
Country Director of Ethiopia and
Somalia



This year's lesson learned

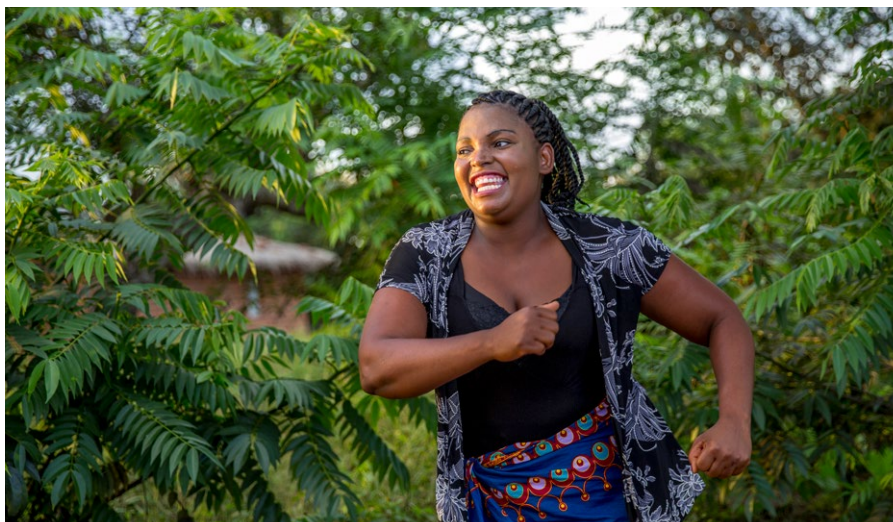
Women's participation and empowerment

- How do we create it and how do we measure it?

Strengthening the participation and rights of women is an important goal for The Development Fund. To achieve empowerment, women need access to resources, influence over decisions both at home and in the local community, and the opportunity to improve their living conditions. In 2021, The Development Fund worked on measuring women's participation to further strengthen our work.



In 2021, The Development Fund has worked to improve the measurement of women's participation in order to further strengthen this area of work.



In the agriculture sector in our target areas, the formal positions are traditionally male-dominated. Most agronomists are men, men own the land and mostly men participate in the formal economy linked to agriculture. At the same time, it is women who do most of the work in the fields. The development work within the agricultural and environmental sectors was previously criticized for being gender blind. Like many other organizations within this sector, The Development Fund lacked a clear strategy or sufficient awareness of the importance of ensuring female participation in projects. Since 2012, we have put in substantial efforts to increase this participation. Today, 57% of participants in Malawi are women, and the corresponding numbers are 82% in Nepal, 48% in Ethiopia, 62% in Mozambique, 64% in Guatemala and 40% in Somalia.

Participation in The Development Fund's projects gives women access to resources such as raw materials, improved tools, new technology, knowledge, skills and income. The Development Fund also works to increase the participation of women in grassroots organizations such as savings and loan groups, agricultural cooperatives, et cetera, including support for gaining leadership positions. One successful example: from 2017-2020 the proportion of women in leadership positions in the grassroots organizations we support increased from 28% to 49%.

These figures show that we have succeeded in including more women in our work. But fully understanding the impact of projects on the power and influence of women requires analysis beyond participation in projects and grassroots organizations. In Malawi, we have examples of women who participate in savings and loan groups, but upon returning home they pass the funds on to their husbands. In addition, even if we have success with women gaining places on the boards of organizations, can we be sure that they have influence?

In May 2021, The Development Fund conducted a short survey of women's active participation in grassroots organizations. A selection of female members and board members in all programme countries were asked how often they attend meetings, whether they express their opinions at the meetings, and whether they are heard. Almost 60% of the women had a high score on these three topics. This shows that women have real influence on local community issues through their participation in grassroots organizations, and that there is also room for further improvement.

Through our projects, thousands of women have gained access to credit and increased their incomes. We work to increase awareness of equality and women's rights among both women and men. Better access to drinking water and to energy-efficient wood stoves means that women and girls spend less time fetching water, with more time available to invest in agriculture and/or participate in other economic activities. These are important results. But to what extent has this changed the balance of power in the household and has it led to women increasing their influence in the household economy?

The balance of power in households develops based on complex relationships. As we have succeeded in including women and increasing their participation and income, we see a need to better understand these complex relationships, to strengthen our work and contribute to increased rights for women and increased equality. Through focus group discussions, we hope to gain more knowledge concerning this. We still lack a clear set of rules on how best to measure increased influence and power. As we take new steps along the way, learn lessons and take action based on what we learn, we hope to find positive solutions.

Anette Kirkebø,
Results Documentation Consultant



Aid work in a country torn by conflict

Ulf Flink is country director of Ethiopia and Somalia for The Development Fund. For almost two years he has lived in the Ethiopian capital Addis Ababa with his wife and two small children. He has 15 years of experience working in the context of conflict and post-conflict. We asked him a few questions about the experience of carrying out aid work for The Development Fund in a conflict-ridden Ethiopia in 2021.



The Development Fund has contributed with the replacement of livestock and equipment that went lost in Ethiopia in 2021.

What has it been like to work in Ethiopia in this last year, considering the war and the pandemic?

It has been a turbulent year for me personally, to say the least. Although Addis Ababa has largely been protected from direct conflict, the fact that large areas of the country have been at war since autumn 2020 has been a major stress in everyday life. In addition to conflict, there have been pandemic restrictions, which made it difficult to establish social contacts. Toward the end of 2021, the conflict also began to approach Addis, which led to us having to evacuate to Norway on short notice. I have worked in this type of unsafe environment before, but not with my family and our small children. When that is the case, the risk assessments are different.

Concerning our work in Ethiopia in 2021, I have worked in conflict and post-conflict before, and have extensive experience in establishing, developing and implementing crisis management plans for programmes. I have been able to use experience from Syria and other contexts. If conflict affects the areas where we work, we must rapidly establish how to get information out, how to suspend the work, how to rebuild the programme – in short, how we can ensure that The Development Fund will get the work done.

This crisis management is demanding and intensive. It's not only about ensuring the welfare of employees, both materially and psychologically, but also about the programme, in other words how we can continue to operate in a safe manner.

How does the war affect our work and our partners?

Overall, the war has had enormously negative consequences in a very short time. Prime Minister Abiy Ahmed was elected and came to power in 2018. At the beginning, we saw great positive development trends. Ahmed and the party worked for the liberalization of the economy, the opening of a democratic space in Ethiopia, and established peace with Eritrea, which led to Ahmed being awarded the Nobel Peace Prize. Then the conflict between Tigray and government forces broke out just 24 months after Ahmed took office. The effects have been enormous, and we have seen a terribly macabre use of violence, and assaults on civil society, by groups and affiliates on both sides of the conflict. Mass rape of women and girls has been committed, there are huge numbers of internally displaced persons. Many farms, as well as hospitals and service providers, have been completely destroyed. It will take many years to rebuild what has been lost.

This has of course created enormous consequences for those we support in our programmes. The war has resulted in us not being able to meet the needs of around 80,000 of the households we and our partners work with, because we have not had access to their areas, and because people have fled.

What steps have we taken to get our work done?

Internally, we started updating and activating crisis

management plans quite early on. We had a strong channel to The Development Fund's management team in Oslo. This is how we were prepared for different scenarios: What is happening in Addis, where our employees live? What is happening in the country where our employees have their families? It is incredibly important to look after the psychological well-being of employees when they have an ongoing trauma in their country, and have family, relatives and friends in the country directly affected. We had to make sure that our employees were as safe as possible.

Regarding our external work with the programmes, we quickly contacted partners to get a security assessment, and to understand how The Development Fund could change course and make changes. Within the framework of the programmes, we adjusted and rebuilt to meet needs on the ground, so we weren't stuck in theory or results-based frameworks. For example, in the Amhara region, before the conflict we worked long-term on climate smart agriculture and access to markets. Then the war started, and many were forced to flee, and livestock were killed or abandoned. There was no point in returning and looking at market access. We had to be more pragmatic, and rather work on access to seed, and on equipping the population so they could plant. A lot of farming equipment, such as ploughs, was destroyed or stolen. So we could provide support with a new plough.

We have therefore carried out a recalibration of the programmes, and assisted with what was necessary here and now, in line with the aims of the programme. We had to be much more practically focused than long-term, and ensure that the programmes are needs-driven. This meant many conversations and clarifications with partners on the ground and with Norad, but it was an important step in getting our work done.

We were also able to establish new partnerships and funding via the embassy, to strengthen food security in the local communities. In this way, we have actually been able to increase our efforts, with more funding that from the very beginning was aimed at increasing the resilience of agriculture, creating a secure livelihood, and good management of natural resources.

What have we achieved in 2021, despite the difficult situation?

Despite an incredibly turbulent year, we have been able to strengthen our brand in Ethiopia. We have been a credible player, shown flexibility and achieved a lot. We have strengthened our credibility with the authorities, both in Tigray and centrally. We have shown that The Development Fund has been extremely important even in a conflict-ridden environment. We have contributed so the local communities are better equipped to catch up, and the increased credibility will benefit The Development Fund and those we support, even when the conflict is over.

Food security and climate change adaptation

- the work of The Development Fund makes the international agenda

The core issues of The Development Fund were elevated to the top of international and national politics in 2021.



Farmers rights to seeds has been placed on the agenda in 2021. Image shows a seed bank in Nepal.

At The Development Fund, we are proud to support 350,000 smallholder farmers in six countries. This is significant for each individual farmer, in addition to their families and local communities, who can create a better life without hunger and extreme poverty.

If these problems are to be solved on a larger scale, we must also promote policies that can improve conditions for all 545 million smallholder farmers in the world. In 2021, there were three major opportunities to do this: first at the UN Food System Summit in New York in September, then during the Norwegian election, followed by the climate summit in Glasgow in November.

Problems with the food system

In 2019, UN Secretary-General Antonio Guterres initiated the first global Food System Summit to gather the world community to define the most important measures to mitigate increasing hunger, malnutrition and environmental challenges. These developments were at odds with, among other things, Sustainability Goal 2, to eradicate hunger by 2030, and the negative trends needed to be reversed.

Scientists had calculated that the hidden social and worldwide environmental costs of the path of food from farm to table, and then to the waste heap, were greater than the market value of the entire world's

food production. The world's food systems are simply dysfunctional. The topic became even more relevant when the Covid-19 pandemic in 2020 increased the number of starving people in the world by over 100 million, especially affecting vulnerable groups such as farmers living in poverty.

The Development Fund made the decision to contribute and to promote three key issues at the summit: the importance of small-scale agriculture for food security, the rights of farmers to seeds, and locally produced school food. The promotion proved to be demanding. Due to Covid-19, the preparations and the meeting were held online. International organizations such as CARE and WWF were given central roles to ensure an inclusive process. The discussion centered around five paths of action: achieving zero hunger, a healthy diet, eco-friendly food production, less inequality and increased resilience. Behind the scenes, however, global agricultural firms worked to influence the outcome in their favor. The process was described as "a labyrinth where the walls kept moving." Indigenous groups, smallholder farmers, youth, rights organizations and the environmental movement threatened boycotts several times in order to be heard. Some groups eventually chose to organize an alternative meeting.

The Development Fund and other Norwegian players established an alliance, with the achievement that farmers' rights to seed became one of 50 themes of priority among 2,000 proposals at the meeting. At the summit itself in September, Prime Minister Erna Solberg mentioned in her keynote speech that seed security is absolutely a central issue for Norway. Together with Norwegian farmers' organizations, we also contributed to Norway joining a broad alliance of countries that stood behind the proposal to prioritize locally produced school food. We convinced Norway to join the Zero Hunger Alliance, where authorities, the private sector and organizations come together to support the cause of smallholder farmers.

Immediately before the summit, the UN Climate Panel launched the report "Code Red for Humanity," which shows, among other things, how increasing climate change threatens global food security. In support, most world leaders at the summit declared that food systems must change. Nevertheless, there was a vague and non-binding final declaration, in which the countries were encouraged to improve their national food systems. The UN's leadership then forwarded the selected measures to UN food and agriculture organizations in Rome for follow-up.

Food safety is top priority in Norway

In 2021, Norwegian politics revolved around preparations for the parliamentary elections in September. We put forth proposals both for party leadership, the parties' programmes and in government negotiations. We emphasized that

if we are to achieve the sustainability goals, then food security, climate adaptation and support for smallholder farmers must become priority topics in Norwegian development policy. There was plenty of competition in getting the message across, and our topics were not prioritized by the other organizations. Therefore, we were very pleased when food security and support for small-scale agriculture were among the six highest priority fields for aid specified in the government platform from the Labour Party and the Centre Party. The new Minister of Development, Anne Beathe Tvinning, stated that food security and smallholder farmers were the most important topics. In addition, the government was to triple the support for climate adaptation. It was already in the budget for 2022, and the minister increased the investment in food security by half a billion kroner.

Focus on climate change adaptation

The Development Fund's general secretary attended the 26th UN Climate Summit in Glasgow, Scotland in November 2021. The meeting had been postponed one year due to the pandemic, and 30,000 impatient participants were required to adhere to strict social distancing rules. Together with other Norwegian organizations in the Forum for Development and the Environment, we worked toward common goals. As a member of the global Climate Actions Network, consisting of 1,500 environmental and development organizations, we highlighted the importance of climate change adaptation for food security in developing countries. This brought the topic to the forefront in the final declaration, where rich countries also promised to double their support for climate change adaptation by 2025.

It was far more difficult to gain traction for what many call the third pillar in the climate negotiations, next to emission cuts and climate change adaptation: loss and damage. Many poor countries and over 300 organizations demanded that rich countries must recognize their responsibility for losses and damages caused by climate change in developing countries. Rich countries, such as Norway, continued to deny responsibility, despite a number of reports showing that the economic damage from climate change in developing countries is three times higher than in rich ones. The reason is that the US fears liability from poor countries if they make such a concession, which would be extremely costly. It therefore caused a stir when Scotland, a province in Belgium and several large private donors nevertheless chose to support a new financing mechanism for loss and damage. It is expected that the topic will be even higher on the agenda at the next climate summit in Egypt in November 2022.

Jan Thomas Odegard,
Secretary General



Fundraising and Communications

During the past year, the Fundraising and Communications department has worked on recruiting more Development Investors, preparing new websites and a new profile, organized a political influence campaign and much more, in order to increase knowledge of The Development Fund's work in our target groups.



The process of new websites in collaboration with Good Morning Naug was commenced i 2021.

Recruitment of new Development Investors in the past year

In 2021, our fairly recent donor concept of Development Investors entered a second full year. Every quarter we report on the progress of selected projects from start to finish. In 2021, the Development Investors have contributed to, among other things, agricultural technology for women in Nepal, training for honey producers in Malawi, a treatment plant for processing coffee in Guatemala, clean-burning ovens and forest conservation in Ethiopia and a hydrodam in Somalia.

Despite a destructive pandemic, ambitions were high. Thanks to recruitment in public areas, in close collaboration with the agency Concept Communications, we were able to welcome even more Development Investors to support the organization's important work. A five-month pandemic lockdown made recruitment from street stands demanding and unpredictable, but a summer tour across the country meant that more people had the opportunity to get to know us. Many thanks to all new and existing Development Investors.

Information support and www.dinklimaframtid.no

In the past year, we reported on the work of the previous three years, the significant information project with Norad, and we were awarded new funds for informational work for the next five years. We continued to build on the solid foundation of the website dinklimaframtid.no, which compares climate changes in Norway and Malawi. Last year we provided content from an additional country, Guatemala, and are in this way expanding the site with a new country each year. As the pandemic prevented us from travelling, we contacted talented freelancers locally in some of our programme countries. For Guatemala we received informative interviews, excellent photographs and film footage that was turned into content on dinklimaframtid.no.

Influence

Toward the end of the year, in close collaboration with the PR agency Geelmuyden Kiese, we created a political campaign to ensure that climate adaptation and food security are prioritized in the foreign aid budget.

New websites and new profile

Fundraising and the communication strategy laid the foundation for stronger growth, both in terms of funding and visibility, in the years to come. The year 2021 was a different kind of year, and it was even more important to initiate projects that did not involve travel. The work with sub-strategies, new websites and a new profile was therefore important and used a high level of capacity in the past year, whereas the final product was not visible until this year. A big thank you goes to the agency Goodmorning Naug for solid cooperation in several of these processes.

Strong support from existing and new major donors

Every year, The Development Fund receives significant amounts of funding from companies and organizations that are seeking to make a difference. We are proud that so many are interested in entering into a partnership with The Development Fund, both regarding financial and professional cooperation. A big thank you goes to our main collaboration partners Fred. Olsen Social Engagement Group, on behalf of Bon Heur ASA and Grotmol Solutions. A big thank you also goes to our close partners in the organizations Norges Bondelag, Norges Bygdekvinnevalg and Norges Bygdeungdomslag. In addition, we are supported by many smaller companies and organizations, and we hope to announce several new partners in 2022. Together, we are investing in sustainable solutions for the future.

The Development Fund is growing!

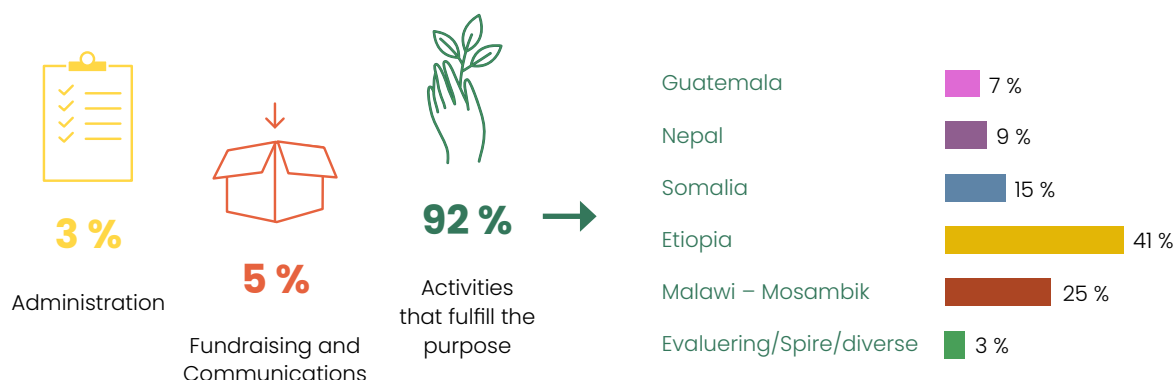
In the coming year, the Fundraising and Communications department will increase the engagement in our work on climate change adaptation and food security, so that even more people can free themselves from poverty and reach their full potential.

In order to create more engagement around our issues, we depend on the spread of information and visibility in the public debate. Like and share our message on social media! Together we make a difference, we fight hunger and we change lives!

Ann Askim,
Head of Fundraising and
Communication



Where the money goes



Statement of financial activities

Financial report per
31.12.2021 per 31.12.2020

Available funds

Grants		
i) Government grants	100 209 086	105 344 818
ii) Other grants in Norway	1 537 188	0
iii) International donors	9 509 696	11 509 361
Collected funds, gifts, etc	8 658 561	6 502 880
Financial and investment revenue	42 266	29 609
Other incomes	1 580 238	
<u>Total income</u>	<u>121 537 035</u>	<u>123 386 668</u>

Use of funds

Costs for acquisition of funds:

Cost of fundraising	4 860 026	2 709 532
Other expenditure for the acquisition of funds	911 074	923 211
Costs for communication	0	0
<u>Total costs for the procurement of funds</u>	<u>5 771 100</u>	<u>3 632 743</u>

Cost of programs:

Malawi – Mozambique Country Program	27 556 454	19 179 214
Ethiopia Country Program	45 440 674	56 114 557 18
Somalia Country Program	16 716 891	402 834
Nepal Country Program	10 137 973	9 206 626
Guatemala Country Program	7 737 381	7 938 452
Evaluation & risk reduction	414 884	298 300
Information	3 168 666	2 927 509
Spire, youth organization of DF	323 038	458 093

<u>Total cost of program</u>	<u>111 495 962</u>	<u>114 525 585</u>
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Administration expenses

	4 412 826	3 449 436
<u>Total costs</u>	<u>121 679 887</u>	<u>121 607 764</u>
<u>Profit/loss of the year</u>	<u>-142 852</u>	<u>1 778 905</u>

To/from equity with external restrictions	0	64 363
To/from equity with self-imposed restrictions	235 799	-959 590
Profit for the year, to/from other equity	- 92 946	-883 678
<u>Total transfers</u>	<u>142 852</u>	<u>-1 778 905</u>

Greetings from the chairman

When I was asked to take on the role as chairman of the board at The Development Fund, I was initially a little apprehensive, but that quickly turned to delight and anticipation to get started. I now think that I can use my experience from similar tasks, and see that any shortcomings are compensated for by a very skillful general secretary, a dedicated staff and a professionally strong board.

What is it about The Development Fund that makes me glad?

I am glad about the loyalty shown to the smallholder farmers and food security. For more than 40 years, The Development Fund has worked in areas beyond where the asphalt ends, among the poorest populations in the countryside, where nothing is the slightest bit fancy. Development aid from affluent countries only provides a measly 3-6% of funding to agriculture. Health, industry and schools are important, but what good is it if children don't have food, if countries can't feed themselves? And it is the smallholder farmers who produce most of the food in poor countries.

I am glad that we are professionally at the forefront. The Development Fund has developed many good methods of support, such as seed banks, model farmers and local climate change adaptation, and put it together holistically so that technology, markets, loss of natural resources, climate change and strengthening civil society are all taken into account. This century's most important research report on food security, Ceres2030, has now confirmed that the issues that The Development Fund has been working on for so many years are key to eradicating hunger.

I am glad about the progress in organization and finances in recent years, indicating that we can more than double our efforts towards 2025 and support far more people.

In the 1980s and 1990s I worked for the UN, fighting the famine in Ethiopia. Only then did I learn the difference between famine and hunger caused by poverty. Famine is a total lack of food, where societies are torn apart. It is a disaster and a trauma, and the effects remain in the population. People will tell you when and where it happened. Poverty-caused hunger spreads over time and space and affects individual families

while the society at large is apparently functioning. Two or three centuries ago, famine was common on all continents, including in the Nordic countries. Today, famine has been eradicated in almost all countries. This is a fantastic advance. We can predict shortages in advance and we have enough food in the world so that we can provide emergency aid. The exceptions are countries where war prevents emergency aid.

Poverty hunger requires long-term work. The hunger is no less serious, and every day 25,000 people die from causes where hunger and malnutrition are decisive factors. The number has decreased, but far too slowly. In the last five or six years, we have unfortunately seen a constant increase in starvation. The Ceres2030 report shows how 500 million people can work their way out of hunger by 2030. Our part in the effort is to double the support for smallholder farmers in poor countries. Is there any more important task now than eradicating hunger while respecting the tolerance limits of nature?



Dag Hareide,
The Development Fund's chairman

**SMALLHOLDER
FARMERS CAN
ERADICATE WORLD
HUNGER.**

**HOW QUICKLY
CAN WE GET
YOUR SIGNATURE?**



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