

Annual Report & Annual Account 2021





**Annual Report
&
Annual Account

2021**

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LIST OF ABBREVIATIONS

BOT	Bachelor of Occupational Therapy	MT	Management Team
CANTEEN	Collaboration and Networking to Enhance Education and Nutrition	MPUH	Medicine and Pharmacy University of Ho Chi Minh City
CBF	Central Bureau Fundraising	NIOPH	National Institute of Public Health
CBR	Community Based Rehabilitation	NSA	Nutrition Sensitive Agriculture
CD	Country Director	NCE	No-cost extension
CDF	Community Development Fund	OT	Occupational Therapy
CHC(s)	Commune Health Centre(s)	PAM	Program Assessment Memorandum
CHW(s)	Commune Health Worker(s)	PDR	People's Democratic Republic
CMH	Community Mental Health	PFES	Payment for Forest Environmental Services
CMH(L)D	Community Managed Health (Livelihood) Development	PFZW	Pensioenfonds Zorg en Welzijn
CoDA	Community Development Association	PPC	Provincial People's Committee
CRC(s)	Community Rehabilitation Centre(s)	PT	Physiotherapy/physiotherapist
CSO(s)	Civil Society Organization(s)	PWD	People with Disability
CU5	Children under 5 years	PY	Phu Yen province
CWD	Children with Disability	QT	Quang Tri province
DARD	Department of Agriculture and Rural Development	QTFSCGA	Quang Tri Smallholder Forest Certification Groups Association
DOET	Department of Education and Training	REDD+	Reducing Emissions from Deforestation and Forest Degradation
DOH	Department of Health	RVO	Rijksdienst voor Ondernemend Nederland
DPO	Disabled People's Organization	SFM	Sustainable Forest Management
EC	European Commission	SALT	Speech and Language Therapy/Therapist
ED	Early Detection	SB	Supervisory Board
EMCD	Ethnic Minority Community Development	SEA	Southeast Asia
EO	Exact Online	SRHR	Sexual and Reproductive Health and Rights
FAA	Fixed Amount Award	UHS	University of Health Sciences
Fte	Full time equivalent	UNFPA	United Nations Population Fund
FSC	Forest Stewardship Council	VDC	Village Development Committee
GOL	Government of Laos	(V)DF(s)	(Village) Development Fund(s)
HDMU	Hai Duong Medical University	VPA/FLEGT	Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade
IE	Inclusive Education	VHW(A)	Village Health Workers (Association)
IG(A)	Income Generating (Activity)	VUA	Vrije Universiteit Amsterdam
LEARN	Lao Equity through Policy Analysis and Research Networks	WE	Women Empowerment
M&E	Monitoring & Evaluation		
MoH	Ministry of Health		
MOT	Master of Occupational Therapy		
MPH	Master of Public Health		

A – ANNUAL REPORT INTRODUCTION

In 2021, MCNV continued to implement our existing projects and programs. These projects and programs have been aligned to the new strategic programming areas identified in our newly approved strategic plan 2021-2025: (1) Health & nutrition, (2) Quality service for people with disability and elderly, (3) interventions in the context of climate change adaptation, and (4) Livelihoods. The new strategic plan was approved by MCNV Supervisory Board in the first half of 2021 based on the draft that all staff has contributed to during the development process that started already in 2020.

MCNV's total expenditure in 2021 was 1,733,662 Euro, spent over a total number of ten projects (9 in Vietnam and one in Laos) of different scales. The funding contributions in 2021 are from our private donors, foundations (such as Hulza, and others) and institutional donors (such as European Union, USAID, and the Dutch Government).

In terms of charity seal, MCNV continues to be audited and certified by the Dutch Central Bureau of Fundraising (CBF).

The situation of COVID-19 in 2021 has had impact on MCNV's project/program implementation. The teams however have learned from the experience in 2020 and included in the implementation plans alternative steps to ensure the maximum number of activities implemented in the given situation. As a result, the overall performance of the project/program implementation presented clear achievements of the key objectives and targets as per plan. Our incomes vs. expenditures are also in a good balance at the end of 2021.

This report includes six chapters. Chapter 1 explains the policy and strategy of MCNV. Detailed reporting on program implementation and management in Vietnam and Laos can be found in chapter 2. Chapter 3 explains MCNV's governance structure, provides information about the members of the Supervisory Board, their rotation schedule, etcetera. Chapter 4 pays attention to issues concerning transparency and accountability of MCNV. Here, information can be accessed regarding external complaints, risk- and quality management. Chapter 5 offers information on what MCNV accomplished in terms of communication, public relations, and fundraising in 2021. Finally, chapter 6 shows the financial policy and annual accounts of MCNV.

Marijke Postma-Rustenhoven (Chair Supervisory Board) & Huyen Hoang (Board of Director)

1. POLICY AND STRATEGY

In our strategic plan for 2021 – 2025, MCNV identified the following.

1.1 Legitimacy

The following three aspects justify MCNV's legitimacy for its work in the coming 5 years:

1. **The needs: In Vietnam**, although the development has been much better large disparities remain among vulnerable groups, particularly in the quality care for people with disabilities and elderly, livelihoods, and nutrition improvement for ethnic minority people and those who are affected by climate change.

In Laos, high rate of poverty and very low outcomes of health care including primary health care, including poorly trained health personnel. Child death and child malnutrition remain the highest in the region. In addition, climate changes and related environmental problems are urgent for both countries.
2. **MCNV's technical capacity**: this strategic plan is evolved around the existing and past technical capacity of MCNV as an organisation, including that in the area of health, nutrition, livelihood, and support to people with disability as well as promoting health research.
3. **MCNV's capacity to mobilize financial resources**: the focus and scale of the strategy is also made in relation to funding opportunities and the analysis of MCNV's ability to mobilize the financial resources to support addressing the identified needs. In addition to our long-term committed individuals in the Netherlands, we will include in our fund-raising plans foundations and institutional donors.

1.2 Thematic focus, Vision, and Mission

in 2021, we implemented on-going projects and programs which have been also aligned to the four thematic focus that are stated in MCNV's strategic plan 2021-2025. These includes:

- Health & nutrition
- Quality care service for people with disabilities and elderly
- Interventions in the context of Climate Change Adaptation
- Livelihoods

Our vision: "We envision a world in which the society supports all people in their development to the maximum well-being and full social position. Especially in countries in Southeast Asia which are in a phase of transition, marginalized groups need to be empowered to obtain equitable access to health care, education, housing, and food security, so that they can influence the processes, systems and individuals that presently limit their development"

Our mission: Our mission is to enhance the equitable and sustainable access of marginalized people to resources and services that improve their health and inclusion in developing countries in Southeast Asia.

2. COUNTRY PROGRAMS AND MANAGEMENT

MCNV supports projects and programs in Vietnam and Lao PDR. The projects and programs are coordinated by our country office set up in these two countries. In this chapter you will find the progress on MCNV's country program implementation and management issues in Vietnam and Lao PDR in 2020.

2.1 Programs and management in Vietnam

In 2021 MCNV Vietnam has implemented ten projects among which three of them with a scheduled ending date in 2021. All three were extended till March 2022 due to slow progress caused by the COVID-19 pandemic. These projects are I-THRIVE, EMCD, and NSA.

In 2021, the COVID-19 pandemic still created difficulty in project implementation for MCNV as well as for our partners and other stakeholders. The situation in the year 2020 was repeated in the year 2021. All projects that have activities at community level such as NSA, EMCD, WE, and PROSPER experienced delay or cancellation of certain activities, as direct impact of the social distancing measures. The new project Tropical Fruit quality improvement was not able to start due to these measures and thus we had to report to the donor on slow project progress and budget under-spending. For projects involving rehab training/education including OT, ST, and I-THRIVE, the University courses were interrupted, due to social distancing measures. The ban of international travel also made it impossible for trainers from India and Australia to come to Vietnam to provide lectures as planned. We had to adapt to the situation by changing to online training and with simulation approach. In the end, we could manage to keep the project progress on the right track, however, we are unsure if the quality of training/education fully meets our expectations.

During the last quarter of the year 2021, MCNV Vietnam team worked especially hard to prepare bidding proposals for USAID sub-grants which are part of the bigger program funded by USAID to improve inclusion for people with disabilities in Vietnam for the period 2021-2025. At the end of the year, we were notified of a positive award for two of the three bidding proposals that we submitted: the Inclusion 1 and Inclusion 3 projects with a total amount of funding of about USD 900,000, for implementation in 2022. The other bidding proposal, Inclusion 2 is likely to be awarded in 2022.

Overview key figures as per December 31st, 2021

Programs and projects: total 10 project	<p>4 projects on disability, including OT education funded by USAID and AWF, ST education funded by USAID and AWF, I-THRIVE funded by USAID, Support Centre in Dien Bien funded by PwC and MCNV private fund.</p> <p>2 projects on women empowerment, including Microfinance in Binh Dai District, Ben Tre province, Women Cooperatives in Ben Tre funded by Jumpstart.</p> <p>4 projects on nutrition and livelihoods, including: Nutrition Agriculture Sensitivity in Phu Yen funded by MCNV and WOTRO; Ethnic Minorities Community Development in Quang Tri funded by Hulza and Jumpstart; Forest Sustainable Management (PROSPER) funded by EU and MCNV; Improvement of quality of tropical fruit in Vietnam sponsored by RVO.</p>
Total number of fte staff	13 (8 Fte at Hanoi office, 5 Fte at CVN office).
Estimated direct beneficiaries	About 5,000 people
Estimated indirect beneficiaries	N/A (not able to estimate)

Country leadership

In 2021, there was no change in the country leadership in Vietnam and the team remained to be strong and independent in program management, quality control, organizational development, and governance.

Program management including fund raising/acquisition

During the year 2021, MCNV Vietnam worked closely together with the Amsterdam based staff to prepare proposals for new potential projects. During the year, we received confirmation of a funding from the Bel Foundation to support NSA project in Phu Yen. During the last quarter of the year, the team worked really hard to prepare bidding proposals to submit under the USAID grant for the Inclusion of PWD in Vietnam. This turned out to be a remarkable success and by the end of the year we received positive news with confirmed funding of more than one mil USD for this work on disability to be implemented during 2022. We will continue building our profile under this funding partnership and hopefully this will remain our key funding in the coming years, until 2025.

In terms of program management, MCNV Vietnam team planned to work more on improving M&E database management. This is one area where MCNV as an organisation needs to improve on. We work hard, make a difference but we lack an effective system in place to document and be able therefore to show what we have achieved. A database system and good documentations need to be built up and will be put at a high priority by MCNV Vietnam in 2022.

Financial management

In 2021, the team continued to gain more experience and appreciation regarding the use of Exact Online software in finance management. We especially found it useful in reporting and in the ability to timely share data on expenditures among offices. However, sometimes we could not access the

software due to technical reason. This will need further support from Amsterdam Office to connect with Exact-online support desk.

In 2021, MCNV in Vietnam applied a new procurement manual, which helps our procurement management more professionally. This is, however, only focused on the project level. Due to limited budget, we do not have a procurement specialist for the whole organisation yet, hopefully with more funding from the USAID sub-grants, we hope to have this position in the team in Vietnam.

Communication & Branding

Apart from maintaining our regular communication work through Facebook and website, and the exchange of information with donors, visitors, partners, in 2021 we made even more efforts in improving communication on specific programs and project, especially to promote our new profile on sustainable forestry under the PROSPER project. During the year, many media products and documentation were produced and disseminated that facilitate MCNV's expansion of networks. Vietnam Film Institute discussed and asked MCNV for cooperation to organize an event in Quang Tri in which films about solidarity between the Dutch and Vietnam will be screened. Due to COVID, the event was delayed and will be held in 2022.

2.2 Programs and management in Lao PDR

In 2021, MCNV in Lao PDR focused on finalizing the last year of CANTEEN project implementation (also including 6 months no-cost extension from July – December 2021). We included a small budget from our own money to do initial situation analysis on mother and child health in Savannakhet province, with support from health experts from Quang Tri province, but due to COVID19 restrictions, no international travel was possible and thus no field visits were conducted. In addition, we also tried to raise funds for new projects in Laos and we got one grant approved by the AFAS foundation for mother and childcare improvements in Nong and Sepone districts, Savannakhet province. Considering the procedures for MOU approval for new project implementation, we have asked the donor for starting the project only in 2022.

Overview key figures as per December 31st, 2021

Number of projects	1
Total number of fte staff	7
Total number of direct beneficiaries	CANTEEN: 27,705 men, women, and children in the 20 selected villages in Nong district, 125 local staff from district authority offices and CoDA staff
Total number of indirect beneficiaries	CANTEEN: 50 other villages (non-targeted) in Nong district; other districts in Savannakhet province who learned from the multi-sector approach to nutrition.

Country leadership

In 2021, due to reduced program profile and budget, MCNV decided not to have an expat country director who is based in the country. Instead, we operated with the Amsterdam based general director acting as country director for Laos, together with a local team of three staff who shared

responsibilities and coordinated with each other for the operations and program implementation in the country. This model of management worked well during the year 2021.

Program management

Program management for CANTEEN went well including all procedure approval for no-cost extension for the last six months from July to December 2021. Despite difficulties and impacts related to COVID19 restrictions, the project implementation was maintained at a satisfactory level, and we could finally close the project implementation with considerable achievements as acknowledged by the different stakeholders including partners and donors at the closing workshop in December 2021. All original targets of the project are achieved and presented in the final report to the Government of Laos and to the EU.

Fund raising/acquisition

As mentioned, in 2021, with all efforts, we were successful in securing a new grant funding for another 3 years (2022 – 2024) to improve mother and child health situation in Nong and Sepone districts, Savannakhet province. The total budget for this project is 607,000 euro fully funded by the AFAS foundation.

Financial management

Financial management in Laos in 2021 went well along with the harmonization of MCNV financial practices and administration. The local team has become more experienced with the system and started to make more improvements in terms of budget/expenditure monitoring through sharing of monthly budget vs. expenditures for cross-checking and verification. There remain practical issues concerning the exchange rate and accounting for profit/loss in the consolidated balance sheet, but this is being discussed with the Amsterdam office.

HR management

Due to the reduced profile of project and program implementation, compared to the year before, MCNV staffing in Laos in 2021 was also reduced. During 2021, we reduced our staff to only the CANTEEN project team of five plus one finance manager and one admin/HR manager. In total, we had seven local staff based in Laos in 2021, with distance support from the general director based in Amsterdam. For this, we have agreed on a common framework which included key areas of work and a clear assignment of the tasks to the three senior staff based in Vientiane. Every 2 weeks the general director has an online meeting with these three staff to coordinate the work. These three staff also took turn to join the general director in the MCNV management team skype meetings.

Communication & Branding

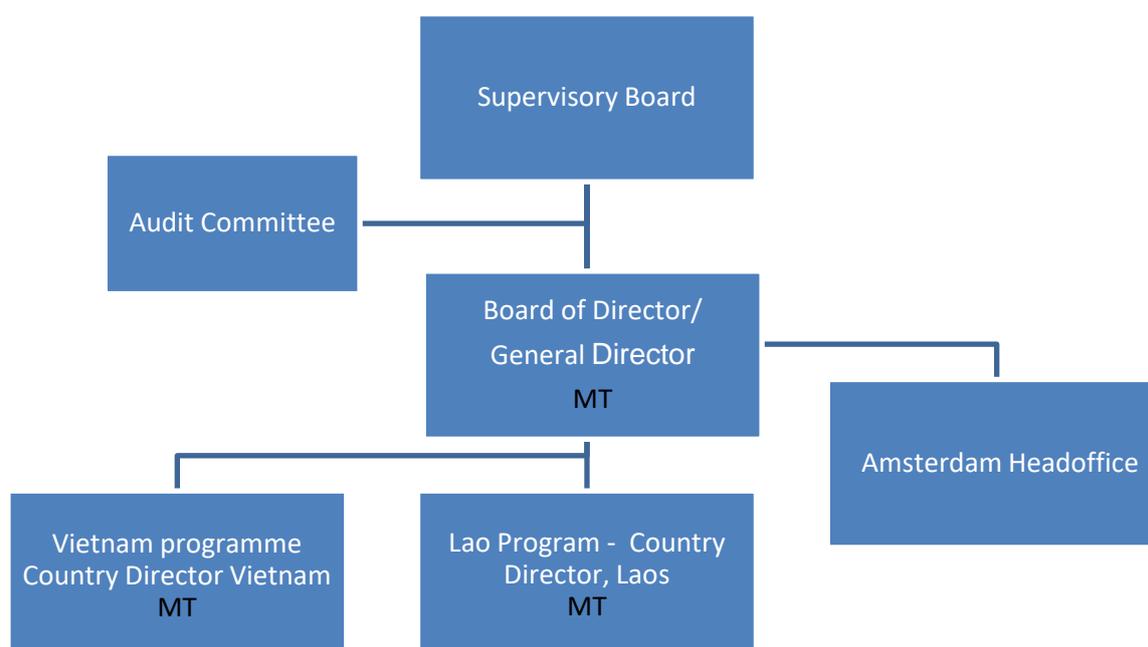
In 2021, we continued to improve the support and coordination between project staff and admin/HR staff to have up-to-date communications and dissemination of project information/stories. As these results, there was more information, stories, case-studies, and video clips, on the CANTEEN project shared on MCNV's website, on our Facebook page as well as through other networks within Laos and internationally through the EU delegation.

3. MCNV – ORGANIZATION

3.1 Governance structure

The governance structure of MCNV remained the same in 2021 as before. The Board of Director, however, also fulfilled the role of Lao Program and Country Director:

The functions of supervision and management are formally separated and stated in the statute. The roles of the various sections within the organization are defined in the Code of Good Governance, which is based around the Wijffels Code and the Central Fundraising Bureau Quality Seal. Supervisory Board and the Board of Director together ensure that (apparent) conflicts of interest are avoided.



Board of Director

In 2021, Ms. Huyen Thi Hoang stayed in the position of Board of Director (also referred to as General Director) of MCNV. She also functioned as country director for Laos during 2021. There is, however, no change in the governance structure of MCNV, with Ms. Hoang as one person Board of Director providing overall management for MCNV and being responsible for the implementation of its programs and activities in compliance with the relevant law and the Articles of the Foundation. The Board of Director is also responsible for the programmatic and financial management of MCNV through periodical evaluation of financial, narrative/programmatic and performance (team) reports. The consolidated annual account showed MCNV's expenditures and financial position. The Board of Director informs the Supervisory Board in written reports on quarterly basis. These written reports include announcements and decisions made by the Board of Director during the concerned period. All announcements and decisions made in 2021 by the Board of Director are registered in the SB meeting document folder.

Supervisory Board

The structure and functions of the Supervisory Board are stated in MCNV's Articles of Association. The SB's functions and duties are separated from the Board of Director. The main responsibility of the SB is to review and approve the key resolutions proposed by the Board of Director, which include multi-year strategic plan, annual plan and budget, annual reports and any decisions that are outside the day-to-day management authority of the Board of Director. Membership of the SB is voluntary. Apart from direct costs of travel, members of the SB receive no remuneration.

In 2021, MCNV had one change in the composition of its SB, with Mr. Henk van de Ruit having finished his two terms. We welcomed Ms. Lucianne Corien Roeters as a new financial expert of the SB. Ms Roeters also replaced Mr. Henk van de Ruit as member of the audit committee. The table below provides the list of the members of MCNV's SB and their function and expertise as of 2021:

Name	Function	Date of Appointment	Date of Reappointment	Date of Resignation
Mattijs Smits	Member	26-02-2015	26-02-2019	26-02-2023
Pieter van den Hombergh	Member	16-06-2016	16-06-2020	16-06-2024
Marijke Postma-Rustenhoven	Chair	16-06-2016	16-06-2020	16-06-2024
Agnes Gebhard	Member	21-06-2018		21-06-2022
Lucian Roeters	Financial expert	01-02-2021		01-02-2025

Audit committee

MCNV's audit committee consists of two SB members and in 2021 they were Ms. Lucian Roeters and Ms. Marijke Postma-Rustenhoven. In 2021, the audit committee held two meetings, one in May 2021 to discuss the management letter from the annual audit, and the other one in October 2021 to discuss key figures related to the 2022 annual plan and budget.

Evaluation

The SB and the Board of Director evaluated themselves annually. The results of this self-evaluation were shared in a SB meeting. Below are overviews of the evaluation by the SB and the Board of Director for 2021.

Self-evaluation by Supervisory Board

In 2021 Ms. Lucian Roeters accepted SB-membership as well as the financial portfolio in the SB. During the year two SB-members, Mr. Mattijs Smit (nearly at the end of his second term) and Ms. Marijke Postma (in her second term) expressed their wish to be replaced as SB-member, both for personal reasons.

After an update of the profiles, a recruitment procedure started and was completed successfully. Two qualified candidates started early 2022.

The SB is satisfied with the information given by the Board and the formats of this reporting and appreciated the way Board and all staff coped with the Covid-restrictions and the difficulties this caused.

In 2021 six SB-meetings including two meetings of the audit committee were organized, mostly fully virtual. Despite difficulties in communication with the country offices and the impossibility to organize organisation-wide workshops and/or meetings, in the spring of 2021 the strategy plan 2021 - 2025 could be finalized and approved. Compliments to the working group who brought the process to a good end, with a realistic and motivating result.

At the end of 2021, the Amsterdam office of MCNV became a virtual office. Given the circumstances of housing and the financial consequences of hiring another office, this decision got the consent of the SB. How this works out for both Board and staff will be evaluated.

Self-evaluation by Board of Director

The Board of Director sees MCNV's overall performance in 2022 as satisfactory and positive. She is happy with the coordination, collaboration, and performance among the teams in different countries. We had effective, open, and constructive discussions at all levels within the organisation, which resulted in, in addition to the overall positive performance mentioned, the finalization and approval of the new strategic plan for 2021-2025. 2021 was, however, busier for the Board of Director as she needed to take on the responsibilities of the Country Director for MCNV in Laos, while her working contract remained at 60 % FTE. COVID19 situation made this even more challenging as travelling to Laos was not possible and thus the coordination and direction work had to be based on virtual methods. Fortunately, she received sufficient support from all teams and the Supervisory Board throughout the year.

3.2 Executive organization

In 2021, MCNV maintained the same executive organizational structure as in 2020, with head office in Amsterdam, and offices in Vietnam and Laos. The staffing in Laos had some changes, without any expat position but only local staff and the Amsterdam based Board of Director acting as country director for Laos. In Vietnam all our staff are Vietnamese, which is the same as in 2020.

The Management team (MT), which officially consists of the Board of director and two country directors from Vietnam and Lao PDR, meets regularly to coordinate activities, propose key decisions, and communicate directives and plans approved by the SB to all staff. In practice, the MT meeting is always attended by the head of the CVN (Central Vietnam) office and in 2021, we asked senior members of the Laos team to take turn attending the MT skype calls.

Approach to monitoring and evaluation

MCNV's approach to monitoring and evaluation remained the same in 2021. The performance of the projects, programs and other operational activities is monitored through MCNV quarterly and annual planning and reporting system. The activity plan includes the objectives and expected results and outputs each of the projects want to achieve as well as accompanying resources. The annual plan and budget are prepared by the country teams, consolidated by the Amsterdam office, and then approved by the Supervisory Board. The quarterly reports include key performance indicators (technical and financial, in line with objectives/expected results/outputs and resources set out in the annual plan) under each of the area of work, and each project or program. This provides information on how progresses are made towards achievement of these key indicators, justification for variance if any and actions to be taken in the next quarter. This report is prepared and reviewed by concerned

staff including the project coordinator, program manager, fund raising advisors, country directors, Board of director and the SB members.

Program and project monitoring and evaluation was done according to the requirements of the donor and the size of the program. Institutional donors and foundations received reports in writing as per agreed frequency and format. In case of a labelled private donation the donor received a written report at the end of the activity. In addition, MCNV reported to our private donors and other stakeholders in her newsletter and in the annual report.

Human resource

In 2021, MCNV employed a total number of 27 staff, equivalent to 22.37 full time employee (FTE). We had 2.12 FTE in Amsterdam office, 13.08 FTE in Vietnam and 7 FTE in Laos. In 2021, MCNV does not have any expat staff based in any of our offices. All our staff is local. An overview of MCNV's 2021 staffing, their duty station and staffing cost is shown below. MCNV's staffing cost structure consists of salary and other legal contributions as per local labor law. In the Netherlands, MCNV applies a salary scale with reference to the average salary index for nonprofit in the Netherland, while the salary scales of MCNV in Laos and Vietnam are based on periodical local salary survey among similar the international NGOs working there.

Staff from Amsterdam office	Number	FTE (average 2021)	Total staff cost in 2021 (Euro)
General Director MCNV	1	0.60	50,676
Sr. Advisor Fundraising & Communication	1	0.60	57,172
Business Manager	1	0.60	44,205
Donor and Financial Employee (retired per 15 August 2021)	1	0.32	13,714
Subtotal	4	2.12	165,767

Staff from Vietnam	Number	FTE (average 2021)	Total staff cost in 2021 (Euro)
Country Director Vietnam	1	1.00	48,609
Chief of Office/ Program Manager	1	1.00	31,189
Finance manager	1	1.00	23,873
Accountant A	2	2.00	36,951
Assistant A	3	2.00	20,320
Program Coordinator	4	4.00	81,004
Program Officer	2	0.83	7,881
Project assistant	1	0.25	3,347
Communication coordinator	1	1.00	13,554
Subtotal	16	13.08	266,728

Staff from Lao PDR	Number	FTE (2021)	Total staff cost in 2021 (Euro)
Senior agriculture project officer	1	1	12,647
Project officer	2	2	20,623
Finance manager	1	1	20,966
Program manager	1	1	21,082
HR & admin manager	1	1	16,051
Finance and administrative assistant	1	1	10,695
Subtotal	7	7	102,064

3.3 Volunteers

As in 2020, In 2021, MCNV received support from our long-term volunteers in the Netherlands, including members of the SB, and the editorial staff of MCNV's newsletter. Our volunteers do not get paid but they get a refund of the related travel expenses, upon submission of travel receipt.

After her retirement, the employee donor- and financial administration joined the volunteer staff. She receives a monthly compensation as allowed per Dutch tax laws. The table below includes the number of hours and persons who volunteered for MCNV in 2021.

Volunteers in 2019	Number of persons	Amount of time in days
Supervisory Board	5	40
Editorial staff	4	32
Donor and Financial administration (As of 1 October 2021)	1	26
Total	10	98

Students

Due to COVID situation in 2021, MCNV did not have any student from the Netherlands, nor within the countries, who came to work with our programs or projects in Laos or Vietnam.

4. TRANSPARANCY AND ACCOUNTABILITY

4.1 Quality of the organization

The following standards and certifications are applied in MCNV's operations during 2021:

- Seal for charity standards certified by the Dutch Central Bureau of Fundraising (CBF). This approval applies to our accountability and transparency policies and practices.
- As member of PARTOS, we use PARTOS'S guidance regarding code of conduct and quality of nonprofit organisation. We also applied the requirements of the Code of Good Governance from the committee Wijffels.

In addition, MCNV ensures quality management by implementing recommendations from the management letters of our accounting firms. In 2021, MCNV's financial statements in Vietnam are audited by Deloitte, in Laos they are audited by PricewaterhouseCoopers. In the Netherlands, Coney Minds was commissioned for the annual group audit of all MCNV's financial statements, including in Lao PDR, Vietnam, and the Netherlands.

4.2. Risk Management

The risk and mitigation plan for 2021 is presented in the Annex B-3. Most of the risks are related to specific project implementation and country program operation and were managed well according to the detailed mitigation plan in Annex B-3. Organizational risks in 2021 remained with the question related to MCNV's ability to sustain funding for programming work in Laos and Vietnam. The 2021 confirmed funding available for Laos was limited and thus since the beginning of 2021 we had to discontinue the expat position of country director based in Laos.

4.3. Integrity

We maintain our communication schemes with our donors, partners, and beneficiaries to learn about their perspective on our program performance and operation. This is reflected in the regular communications and formal documents that we share with our stakeholders, such as partnership agreements, reports, website updates and bulletins. Through these we exchange with our donors, partners, and beneficiaries not only on achievements but also improvements. With our private donors in the Netherlands, we occasionally organize meetings to share what we do and hear their ideas for new programs as well as ideas on how to improve the organization's performance. Details of meetings and communication with donors in 2021 are reported under the fundraising and communication section.

In our partnership agreement with partners on each of the projects we implement, we have identified focal points and a contact person with whom concerned donor, partner, and beneficiaries can get in touch for any issues concerning the project. In the agreement also terms are set out on procedures to follow in case of further concern or conflict.

Internally, MCNV has included integrity in the personnel manual. The manual also provides the procedure and guidance on how staff can raise concern and the steps the organization needs to take to respond to concerns made by staff against the organisation. The personnel manual also includes other related policies and procedures including code of conduct, anti-corruption, child protection, and conflict of interest, which are applicable to all employees.

Starting 2021, we have used a small list of questions to ask our staff for their reflection on our own transparency policies and practice. This is an effective way to remind staff on the content and coverage of the policies; to raise their awareness further on the issues as well as to remind staff on their responsibility to make report on incidents or suspicion if there is. No incident is reported or suspected by our staff in 2021 and staff overall is aware of the related MCNV's policies.

4.4. External complaints

MCNV has a procedure for external complaints that is applicable to our stakeholders¹ and through which our stakeholders can file a complaint or concern related to MCNV's work and service. This is monitored and complaints from our stakeholders are registered and responded to as per procedure. In 2021, we received one complaint from one of our private donors that could be answered and settled satisfactory. Through the function for comment and complaint on our website, MCNV was contacted nine times in 2021, of which six regarding a change of address or information on a deceased private donor and three asking for information. All were answered appropriately.

5. COMMUNICATION, PUBLIC RELATIONS & FUNDRAISING

MCNV's fundraising and communication work aims to build relationships with our donors to seek financial support towards programs in livelihoods, health, nutrition, disability inclusion, education, policy changes and much more, which are needed to improve the lives of disadvantaged people in Southeast Asia.

Fundraising

Our main goals for fund raising and acquisition for 2021 are to: (1) strengthen relationships with private donors in the Netherlands resulting in modest increase in private donor income for MCNV compared to 2020, including indications of legacies; and (2) accelerate building partnerships with external donors including foundations and institutional resulting in new partnerships and funding.

For objective 1: we maintained the existing mechanisms we had set up such as the monthly donation and the 4 annual special campaigns to fundraise for specific projects, namely (1) support teams in Vietnam and Lao PDR; (2) Mother and Child support in Lao PDR; (3) Sustainable Forestry and farming in Quang Tri, Vietnam and (4) Nutrition in Phu Yen, Vietnam. Total amount of funds raised from our private donor presented with a modest increase as compared to our budget. Details are presented in the financial section of the report. In addition, our staff is also in close contact with our private donors to raise their interest and participation in our legacy program.

¹MCNV identified the following groups as our clients and stakeholders: (1) project beneficiaries and partners in Vietnam, Lao PDR; (2) Private donors in the Netherlands; (3) Private funds (family and asset funds); (4) Institutional donors; (5) Corporate donors.

For objective 2: In 2021, we tried our best to write proposals and establish new long-term partnership and funding relationship with external donors. Our efforts included a new Vietnam – Laos cross-border project proposal on sustainable livelihoods, Mother and child health in Laos and boosting income for women in Phu Yen, Vietnam. During 2021, one of the mentioned new projects, the Mother and Child health in Laos, is approved for funding for three years by AFAS foundation, with a total funding of 607,000 euro. In addition, we also received a grant of 20,000 euro from the French Bel foundation for improving school canteens in Dong Xuan district, Phu Yen province, Vietnam.

Communication and Public Relations

For communications in 2021, MCNV set out only one objective which is to strengthen communication work to make it more effectively supporting our fundraising plan. Our teams worked together to have most up-to-date information and stories from our projects and programs to share with our private donors and funding partners through website, Facebook pages, newsletters, and magazines.

We continued to issue four printed magazines with informative stories and pictures to share with our regular private donors in the Netherlands. In these magazines, we communicate about the progresses in the projects we do in Vietnam and Laos. We also included information about the specific campaigns that we raise funds for during the year as mentioned under fundraising.

In 2021, due to COVID, we were not able to organize any of the face-to-face meetings or events with our private donors in the Netherlands as we did in the past. Also, no donor tour (to Vietnam and Laos) was organized. We could however manage to share (online) our strategic plan and directions for the period of 2021-2025 and hold one online discussion with a group of our private donors to discuss about what we are doing in Vietnam, why and what MCNV is focusing on in the coming years.

6. FINANCIAL POLICY & MANAGEMENT AND QUANTITATIVE DATA

6.1 Budget and realization of plan 2021

MCNV's 2021 annual plan and budget was approved by the Supervisory Board in December 2020, with a total budget of 2,079,343 Euro. The total income by 31 December 2021 was 2,285,545 Euro, presenting a positive result in the balance. The detailed results for 2021, as well as differences in program budget versus realization can be found under section 6.6.

6.2 Contract processing

MCNV has processed all project contracts as per annual plan and the report is made on actuals. In 2021, based on the annual plan and budget that are made by Vietnam and Lao office, MCNV made contracts with our local offices for the approved projects and results are reported as per actual expenditures.

6.3 Financial administration

Financial administration remains the same in 2021 as in 2020. MCNV uses Exact Online as the accounting software for our financial recording in all our offices in the Netherlands, Vietnam, and Laos. Our financial administration is based on the cycle of annual plan with budget, with requirements on quarterly reporting (financial and narrative) and annual reporting (narrative and annual account). In MCNV's financial administration and financial management there was a division of responsibilities to guarantee a good organization quality:

- The daily accounting and budget control was done by MCNV, an external administration office was consulted when necessary.
- The consolidated financial quarterly reports were produced by the external administration office and MCNV.
- The draft financial statements and balance files were drawn up by the external administration office, supported by MCNV's finance administrator based in Amsterdam.
- The draft annual account was approved by the Board of Director, subject to the adjustments discussed. This draft was discussed with the audit committee.
- The Board of director was informed about changes in the draft annual account and annual report and gave feedback.
- The auditors audited the annual accounts for Vietnam, Laos and a group audit was performed in the Netherlands.
- The SB approved the annual report and annual account, the auditor issued an approving statement.
- Each year the auditing firms in Vietnam, Laos do separate audits in the country and coordinate management letters with the group auditor in the Netherlands. The group auditor consolidates the management letters into one audit report. This report was discussed with the audit committee, Board of director and concerned staff.

6.4 Development of capital and appropriated funds

MCNV's policy concerning its capital is to maintain a continuity fund. In case of stagnation of income, the continuity fund is meant to meet the obligations towards projects and personnel in a careful manner. For the 2021 financial account the continuity fund has been recalculated using the risk

assessment instructions issued by Goede Doelen Nederland. In the coming years, this assessment will be done in December as part of the budgeting cycle.

In addition, MCNV spends its regular income from donations in line with the objective, as much as possible in the same year. Unspent amounts raised for a specific purpose were kept in an appropriated fund. Contracts signed with partners determine the amount charged to a specific appropriated fund. The remaining will stay available for the same kind of activities for which the funds were received unless the Board of director has informed the concerning donors about the change of use of the concerned remaining fund.

6.5 Investment policy

The majority of MCNV's funds is put in saving accounts.

In 1997 MCNV received stocks and shares with a total value of € 890,000 including shares of Wolters Kluwer and a mix fund as a gift from a family. Those shares and stocks have been put in one of our bank accounts as per the date the gift was made. MCNV does not do any active trading with these. Annually in a SB meeting the minimal sale value of the shares are set. The Board of director has the overall responsibility for monitoring the values of the shares and include it in the quarterly and annual accounts to present to the SB. The Board of director can sell shares when the following conditions set by the SB are met:

- The Board of director cannot make this decision by himself/herself but must make it in agreement with either the financial manager or the financial expert of the SB.
- The reason for the sale of an X number of shares should be clearly justified.
- The Board of director can only sell shares when the sale value is equal or higher than the minimum value set out in the SB meeting.

Only in consultation and after approval of the SB exceptions of these conditions can be made.

In 2021 the value change on this was € 1,240,742. Unrealized profit per 31-12-2021: € 392,359

6.6. 2021 Income and explanations

This section presents key information and explanation about MCNV 2021 incomes. Further details are provided in the financial statements/annual accounts in the annex. MCNV's incomes are categorized into three groups: (1) from private donations; (2) from non-profit organizations; and (3) from governmental and institutional grants.

Income from private donations

MCNV made budget on these as objectives for our fundraising activities, and estimations are based on the result from the previous year and on what is known to us regarding legacies. On these incomes, we present the budget and the result as per our accounts but with no further explanation.

- **Annual campaigns/actions with private donors:** In 2021 MCNV had four fundraising campaigns among our private donors in the Netherlands. The benefit was 12 % more than budgeted.
Budget: € 115,000 – Result: € 128,416
- **Non-specific donations from private donors:** The benefit was 6.4 % more than budgeted.
Budget: € 258,000 – Result: € 274,545
- **Specific donation:** the benefit was 41 % less than budgeted. Budget: € 5,000 – Result: €2,050
- **Inheritance and legacies:** In 2021, we received a total amount of € 85,272 from inheritance and legacies. We put an estimation of € 85,000 in the budget and the result was about as expected.

Income from non-governmental/non-profit organizations

The income from non-profit organizations in 2021 was 33.8 % more than target. This positive difference is explained by the receipt in 2021 of contributions from Wotro delayed from 2020, from VU in The Netherlands and SFCG and An Vui fund in Vietnam. Budget: € 261,200 – Result: € 349,713

Income from Governmental & Institutional Grants

MCNV formulated a policy on generating income from institutional grants from governments and other institutes. The annual income on this is estimated based on the balance and stage of the existing contracts that we have with the government and institutional donors. The budget for each of the grants is linked directly to the plans and rapports that MCNV has with the donors. Variances between budget and results are explained in the specific grant reports.

In 2021, the total benefits from government and institutional grants were 22.5 % less than budgeted. The biggest difference contributing to this is related to two of our grants, including the USAID/Viethealth- Speech Therapy and the Topical fruit grant funded by RVO (Dutch Government). COVID situation did not allow international consultants to come to Vietnam and thus the related activities had to be delayed or moved to online which lowered the costs. As these projects are on-going, the delays or changes in the activity implementation were communicated sufficiently to the concerned donors as per agreed procedure. Budget: € 1,268,366 – Result € 983,456

Among these institutional grants, MCNV focuses on those that contain a contribution for MCNV's own organization costs for management and advice. In 2021, the followings grants were running that contained MCNV's own contribution:

CANTEEN

€ 1,310,980

This is an EU funded project and implemented by MCNV in Lao PDR, between Jan 2017 – December 2021. MCNV's own contribution for implementing the program (20%) is € 262.196, covered by co-financing of programs with WOTRO and AFAS.

VALOR – Occupational therapy – extension

US\$ 413,077

This is a two-year extension (Oct 2020- Sept 2023) of the Vietnam Advancing Leadership on Rehabilitation (VALOR) five-year program funded by USAID, Oct 2015 – Sept 2020. The program is focused on the development of a University Course Occupational Therapy. During this extension phase, MCNV's committed cost share in this is US\$ 69,255 covered by a contribution from a Foundation in the Netherlands.

VietHealth - Speech therapy**US\$ 1,125,210**

This is a five-year (Oct 2017 – Sept 2022) program funded by USAID on the development of Speech and Language Therapy (SALT). MCNV's cost share in this is 15%, or US\$ 280,809. MCNV's cost share is covered by contribution from a Foundation in the Netherlands.

PROSPER – Sustainable Forest management**€ 800,000**

This is a three-year (Feb 2020 – Jan 2022) EU funded project to strengthen forest sustainable management that contributes to achieving target of REDD+ provincial and national program in Quang Tri province, Vietnam. MCNV's co-financing requirement in this is 25 %, or € 200,000. This contribution is covered by MCNV's private donations and other sources as appropriate and allowable.

6.7. 2020 Expenses for Objectives and explanations

The table below shows the comparison between the result 2021 and budget of MCNV's expenses for objectives.

Type of expenses	2021 result	2021 budget	Percentage Result vs. budget
Structural projects			
Projects on transaction base	359,745	426,468	
Projects on cash based	992,790	1,240,211	
Other project expenses	16,945	27,714	
Subtotal structural projects	1,369,480	1,694,393	80.8 %
Other expenses			
Staff expenses	89,136	97,947	
Housing	12,102	-779	
Office and general cost	12,470	83,838	
Depreciation and interest	218	142	
Subtotal other expenses	113,926	181,148	62.9%

The total percentage of the expenses in structural projects is 80.8 % of the 2021 budget, presenting 19.2 % underspending compared to the budget. This is linked to the result of income from government and institutional grants presented and explained in the above section on income. The underspending is recognized in the specific grants with donors and taken into the 2022 activity plan and budget. Other expenses present a total result of 62.9 % of the budget, i.e., 37.1 % lower than we budgeted. This is explained by the fact that the planned expenditures did not occur, due to situation of COVID, such as for travelling to Vietnam and Laos or for consultancy from Vietnam to Laos for the situation analysis of the mother and child health care program.

6.8. Explanation of other key figures*Fundraising cost vs. income*

As per requirement of the Central Bureau on Fundraising (CBF), MCNV reports on the expenses for fundraising over a period of three consecutive years. The requirement from CBF states that the organization's fundraising expenses shall not exceed the average of 25 % of the total benefits from

fundraising activities. An overview of MCNV's cost for fundraising for the last three years are shown below.

	Expenses of Fundraising	Total Benefits of Fundraising activities	Percentage
2019	€ 68,365	€ 507,116	13.6 %
2020	€ 91,907	€ 714,326	12.9 %
2021	€ 87,978	€ 490,283	17.9 %
Average over three years:	€ 82,917	€ 570,575	15.8 %

Percentage of management and administration cost

Also, as per the CBF's regulation, MCNV established a standard for the maximum expenses of management and administration. MCNV's SB set out the maximum for these cost during a year at 9 % of the total expenditures. The table below is our actual percentage for cost of management and administration over three executive years.

	Expenses of Management & Administration	Total Expenditures	Percentage
2019	€ 111.052	€ 1,987,200	5.5 %
2020	€ 92.853	€ 2,183,534	4.7 %
2021	€ 82,976	€ 1.734.367	4.8 %

Expenditures on objectives vs. income

Below is an overview of the total expenditures on objectives compared to the total income

	Total expenses on Objectives	Total Income	Percentage
2019	€ 1,794,522	€ 2,140,706	83.8 %
2020	€ 1,782,560	€ 2,383,525	74.9 %
2021	€ 1,563,413	€ 2,285,545	68.0 %

6.9. Remuneration of the director and supervisory board members

MCNV follows the Remuneration Regulation for Directors of Charity Organizations (see www.goededoelennederland.nl). MCNV has only one executive function, i.e., the Board of director which falls into this category. The supervisory board members do not receive remuneration.

The regulation sets a maximum standard for annual income based on BSD score of [430] points with a maximum annual income of EUR 119,322 (1 FTE / 12 months). The total income of MCNV Board of Director, Ms. Huyen Thi Hoang in 2021 was 48,975 (0.6 FTE / 12months). This reward remained within the applicable limits.

The annual income, the taxed allowances / additions, the employer's contribution to the pension, the pension compensation, and the other long-term benefits (for Ms. Huyen Thi Hoang, with an amount of 9,975 EUR) remained within the maximum amount per year included in the scheme and these costs were in a reasonable proportion to the annual income.

The amount and composition of the remuneration are explained in the table below and in financial statements in the notes to the statement of income and expenditure. In 2021, we did not provide any other special payment in relation to any of our executive positions.

MCNV	Director 2020
Type of contract	Indefinite
Hours	22,5
FTE Percentage	60%
Labor Period	12 months
Gross salary per year	32,836
Holiday allowance	2,577
Other taxable allowances	
Variable income	-
Subtotal remuneration	35,413
Social Security costs (paid by employer)	6,202
Taxable disbursements	-
Pension contributions	6.827
Other (future) benefits	553
Severance pay	-
Subtotal other costs	13,562
Total Salary Costs	48,975

Amsterdam, 24 June 2022

Huyen Thi Hoang
Board of director, MCNV

M.I.A. Postma-Rustenhoven
Chair MCNV Supervisory Board

Annex A-1 Program/project annual reports

A-1.1 Programs in Vietnam

Key achievements under programme 1 – support people with disability

Project 1: Occupational Therapy Education:

Phase 1 of this project has finished by 30th September 2020. Then USAID and HI agreed to extend cooperation with MCNV for another two years, from 1st October 2020 to 30th September 2022. The co-financing Dutch undisclosed family fund also allowed MCNV to use the under-spending amount of their funding to share (15%) the cost of the extension phase. During the year 2021 this project gained the important milestones below:

- 5 teachers at Hai Duong Medical Technology University (HMTU) and Ho Chi Minh University of Medical and Pharmacy (UMP- HCM) completed the first year of the Master OT course in India. They will finish the course in June 2022.
- 46 students of the second BOT course in two Universities were recruited and started the first year.
- A network of OT professionals in Vietnam is active in sharing OT experience practices and for the development of a National Association of Occupational Therapists in the future.

Project 2: Speech Therapy Education:

- 14 Master students completed all lectures of the second year and progressed into their thesis preparation and defence.
- 20 Bachelor students completed the third year and continue study the final year.
- A website of Vietnam ST is well remained as platform for ST practitioners to exchange experience and information.

Project 3: Interdisciplinary Rehabilitation for Children with Intellectual and Developmental Disability (I-THRIVE):

- 24 health staff received certificate of 12-month course in OT provided by Hue University of Medicine and Pharmacy (UMP).
- 21 health staff received certificate of a 12-month course in SALT provided by the Danang University of Medical Technology and Pharmacy (UMTP).
- 11 health staff received certificate of 12-month courses in PT provided by Danang UMTP.
- 54 health staff in Thua Thien Hue and Quang Nam provinces completed OT, SALT, and PT coaching by international and national volunteers.
- 2 teachers at Hue UMP received CME certificates specialized in OT, provided by Hue UMP.
- 3 ADL labs are set up in Quang Nam and Thua Thien Hue province.

Project 4: Development of Supportive Centre for Children with Disability in Dien Bien:

- 20 staff of the Support Centre and Dien Bien DoET attended capacity building activities in education for children with disabilities.
- 150 education managers and teachers participated in disability capacity building to implement education for children with disabilities
- 20 children with disabilities received support from the Support Centre for their education in mainstream schools.
- 06 pre/primary schools identified as satellite/ pilot inclusive education practice schools.

- 50 children with disabilities received early intervention and education in the Centre.
- Basic counselling and support after screening undertaken in 05 pre-schools for 100 persons including school managers, teachers, and parents of the screened children.

Challenges

Due to Covid-19, several activities were delayed including the following:

- The graduated students had to focus on activities related to Covid-19 prevention and control at the local. As a result, they were not able to follow the agenda of coaching plan. Besides, the volunteers could not travel to provide on-site coaching for 4 trainees in Thua Thien Hue and Quang Nam provinces. Those trainees could only experience online coaching and that affected the quality of the coaching.
- ADL Lab: Due to Covid-19, the ADL lab in Que Son DHC will be handed over to the health facility in January 2022 instead of December 2021.
- The underspending of 2021 will be reallocated to some proposed activities in 2022. Those activities should be done in a short time by the end of the Project.

Lesson learned

- The grant from USAID is important for Disability Program, however, it was much more challenging in implementation because of strict regulation and heavy involvement from the donor.
- Support from a non-disclosed Dutch family fund was much appreciated for this important program.
- Adequate capacity building for local counterparts is essential for handing over the results of the project
- The strong network and expertise of MCNV are key for successfully convincing USAID for a grant as well implementing of the project on OT and SALT Education in partnership with Medical Universities and Ministries.

Key achievement under Program 2: Women Empowerment (WE) in Ben Tre province

Project 1: Comprehensive Livelihood Adaptation for The Poor Women Suffering from Drought and Salinity Condition in Mekong River Delta 2017 – 2020 - Jumpstart funding – Phase 2:

- 19 cooperative groups in Binh Dai, Ba Tri and Cho Lach district were developed and maintained in which 12 groups are new established and 7 existing groups are remained
- About 540 members of cooperatives improved their capacity of finance management.
- Cooperate with Ben Tre Fund for Poor Women to disburse 45,000 Euro to provide loans for 300 women for business development - (This is the last objective of this project in Ben Tre in 2021).

Project 2: Microfinance for poor women in Binh Dai district, Ben Tre province. MCNV long term funding project.

- Handover this fund to local authority was well prepared and ready for process in 2022.
- Maintain the smooth operation of the project with about 1,800 regular clients for micro-finance services in 11 communes of Binh Dai district.

Challenges

- COVID-19 had negative impact on the starting up and operation of all cooperative groups that we developed in Ben Tre under this project. Firstly, it reduced the market opportunities for many groups that lead to the dissolvent of the group before getting disbursement from the project. Secondly, most of the established cooperative groups faced with diminishing market demands for their products and services. This thus leads to the reduction in members' income and in the longer-term leads to the working spirit of members. It is estimated that most of the established groups will resume their operation when Vietnam opens its economy soon after the national vaccination strategy is completed in the early to middle of 2022.

Lesson learned from program implementation in Ben Tre province:

- The most vulnerable members in cooperative groups are often the ones who run most serious risks in this project. There should be a mechanism for support among group members and with a special focus on the most vulnerable members (in terms of technical skill support and financial support for them).
- The poverty reduction effort should be put in a more harmonic framework which also includes other factors such as climate change and social development in the region.
- Economic interventions from this project also contributed to gender equality improvement among members' families. The economic potential from cooperative work encouraged more sharing between husband and wife in a family.

Other Project 1: Nutrition Sensitivity Agriculture (implemented in Xuan Hoa District, Phu Yen Province)

- The District Training and Education Depart has scaled up school meal program in all upland nursery school for 425 kids at 15 nursery schools.
- In Quarters 3 and 4, the district DARD of Dong Xuan has integrated nutrition-agricultural models including raising fishes and raising chickens in villages of Phu Mo commune

Challenges:

- There are two activities that involve international participation that will be cancelled because of the Covid-19.
- Difficult to find new long-term funding for the NSA

Other Project 2: Ethnic Minority Community Development in Quang Tri

- 06 production groups are established and strengthened
- 01 cooperative is established and operated
- Delivering 04 basic and advanced vocational training to the participating production groups
- Provided 03 sets of equipment and tools for the newly established production groups
- Creating about 105 jobs for both females and males working in cooperatives, especially for bamboo production
- Increasing an extra income of 30% for 195 households through joining bamboo production, trading, and ecotourism.
- Linking with at least one enterprise inside and/or outside Quang Tri province to supply bamboo materials or trade bamboo products
- 01 traditional bamboo village is built and operated for tourism

Challenges

- The Covid-19 pandemic had negative influence on all the project's interventions during the fourth quarter of 2021. The group's members had gained humble income from the production and trading of bamboo products. The progress of developing Chenh Venh Eco-Tourism Village was also delayed because of the pandemic.

Other project 3: Promoting sustainable partnership between CSOs and enterprises for sustainable forestry management in the context of climate change (PROSPER) funded by EU and MCNV

- 40 CSOs capable of implementing and monitoring SFM, forest certification, REDD+ and PFES
- Completed guideline on participation of CSOs in monitoring REDD+ and PFES
- 600 farmers participated in 2 certified supply chains of acacia and tung oil
- Forest certification service is maintained by Quang Tri SFCG Association. The results of the audit have allowed the SFCG Association to maintain the service in 2021 and be prepared for the evaluation of the next cycle.

Challenges

- The Covid-19 pandemic has strongly impacted on the progress of project implementation in 2021, especially during the fourth quarter. Due to travel and gathering restrictions, many activities could not be implemented as planned, especially trainings and workshops, exposure visits and communication through big events.
- The impacts of Covid-19 also caused barriers for the SFCG Association, its sub-associations, and the communities to reach out to potential enterprises. In 2021, L. Co, for instance, could not buy tung seeds from Huong Hoa in the seed harvest season. The enterprises in the market of trading acacia wood-log and NTFPs are also facing certain difficulties in 2021.
- Until the reporting period, the MARD of Vietnam has not yet given guidelines to the provincial DARDs concerning the policies on PRAP and greenhouse gas emissions. For this reason, the DARD of Quang Tri has still not developed the provincial PRAP 2021-2025 and the interventions of the PROSPER project over this issue are still pending.

Lesson learned

- Applying IT in forest database management is a long-term solution to improving effectiveness and efficiency for the SFCG Association. In 2022, MCNV and the SFCG Association will continue apply IT in FM for the sub-associations in the mountainous area.
- Creating NTFPs market linkages for communities in the buffer zones contributes to reducing pressures on natural forests. In 2021, MCNV made efforts in supporting the communities to reach to the markets with NTFPs such as bamboo, rattan, locust and tung seeds. Despite difficulties due to Covid-19, there are still good signs after the two community forests in northern Huong Hoa were certified with FSC.
- For the community forest management boards, creating a sustainable mechanism of benefit sharing will promote their responsibility and participation in forest management and protection. Though there have not been many sources of income for the two management boards in 2021, MCNV has identified to diversify the finances for this work in 2022 through mobilizing potential donors and investors who are interested in ecosystem services such as carbon sequestration, water protection and ecotourism services.

Other Project 4: Improve the Quality of Tropical Fruit in Vietnam (implemented in provinces of Binh Thuan, Long An, Ben Tre and Dong Thap):

Due to COVID-19 pandemic, the Dutch consultants could not travel to Vietnam to support MCNV team and partner to conduct the technical activity. As a result, the project progress was remarkably delayed. In the year 2021, we just implemented some activities to start the project.

- Organize kick-off meetings with partners in the Netherlands and with 4 provinces
- Apply for a permit with the Government of Vietnam
- Select key farmers in 4 provinces
- Build 4 demonstration sites
- Organize 5 trainings for farmers and local farmer union staff

A-1.2 Programs in Lao PDR

Programme 1: Collaboration and Networking to Enhance Education and Nutrition – CANTEEN:

As mentioned, 2021 was the final year of the project and the project was successfully concluded with considerable achievements. COVID19 situation presented difficulties for the project implementation but overall, the team could manage the achievement of all the key targets as agreed in the project design.

Below are **key achievements** gained under CANTEEN by the end of 2021:

- The multi-sector coordination mechanism in Nong district is established and functioning well, with regular meeting to review and coordinate the activities and resources needed to improve nutrition and food security in the villages. This model of the multi-sector coordination is replicated to all 15 districts of Savannakhet province.
- Training of trainers and refresher training courses were organised to build capacities for local staff and personnel who are trained and got confidence in conducting similar training topics to other people in the district and at village level, not only during the project cycle but also for the years to come. In total, 215 local staff and personnel benefited from these capacity building activities.
- 4,286 people from the 20 villages benefitted from roll-out training and awareness raising activities conducted by the local trainers to improve their knowledge on health, nutrition, childcare, gender and so on.
- 20 VDCs have successfully completed their full cycle of the small grant (design-implement-monitoring and evaluation) proposals.
- The small grant proposals by the VDCs helped 1,906 households, including 9,392 people in 20 villages benefitted from the water and hygiene improvement
- 1,996 children (874 girls) from the 5 schools benefiting fresh vegetables and frog meat every week harvested from the school gardens and frog pond and a regular educational agenda on nutrition and hygiene.
- 587 households in 20 villages benefitted from their home gardening
- 209 households benefiting from fish and frog rearing
- 254 households in 20 villages to benefit from the chicken raising
- 136 households in 18 villages benefiting improvement field rice with total 112.4 ha to higher harvest product

Key lesson learned from CANTEEN program in 2021 include:

- Under COVID- 19 situation, the team has tried its best to find alternative ways to implement activities including changing to on-line meetings. This did not work, however, at all levels, especially at lower levels, including district and village level due to unavailability of the internet infrastructure and the internet capacity of the concerned stakeholders.
- Also due to COVID-19, no exchange visits were organized outside the district, but the project organized instead exchange visit between the villages who were more advanced or more successful with the project implementation, together with other villages who had more difficulties in advancing with their project activity implementation. The sharing among these villages were useful for the less experienced villages to see and hear directly from their neighbors and thus gained more confidence in their project activity implementation.

Annex A-2 Training courses, seminars, and webinars of MCVN staff 2021

MCNV	Training course/ seminar/ webinar	By
Vietnam	Vu Thi Hong Nhung PhD candidate on Climate change and Sustainable Development	Hanoi National University, Vietnam
	Nguyen Dinh Dai PhD candidate on Food and Nutrition Security	Vrije University, Amsterdam, Netherlands
	Tu Phi Yen Design for Marketer	RIO Class

Annex A-3 Risk Management

In 2021, MCNV identified the following risks, its potential impacts and mitigation strategies:

Risks	Potential Impact	Strategy for mitigation
Due to COVID19, we might not find appropriate candidate for coaching PT, ST, and OT for I-THRIVE project	Cannot meet the targets/ milestones already committed to USAID. This especially for I-THRIVE project as it is FAA. We will not be able to receive reimbursement if milestone not met	- Reduce on-site coaching time and increase on-line coaching time to ensure total coaching time committed with USAID.
Covid-19 pandemic becomes worse and uncontrolled in Vietnam	No hospitals accept students' clinical placement, teachers from India for OT and from Australia for ST cannot come to Vietnam	- Virtual clinical practice will be considered to apply
WE program continues to suffer from delays and underspending, not meeting expected outcomes	There is substantial risk for delay of program as it was in last 2 years. The main reason was the funding exceeds limited capacity of partner – Ben Tre WU, MCNV staff cannot fully engage with field work as expected	- Develop practical plan of implementation. If necessary, WE team needs to recommend MCNV and Jumpstart to adapt the project objectives flexibly.
FSC Association of Quang Tri cannot participate as full as expected because of limited staff	This can negatively impact the progress of project performance as well as targets	- Need to develop specific plan together with all parties involved in project and support FSC Association, especially DARD of Quang Tri province and province REDD+ program.
Not fully implement the Fruit tree project as per plan and thus behind commitment with donor.	Unable to timely complete promised results if partner companies change their priority or arrange less resources to contribute in kind as committed. Delay due to lack of input of lead technical adviser in the field and key Vietnamese partner- VNFU may not be satisfied with high management/field cost ratio	- Internal discussion within the coordination team is needed on: (1) re-assignment of coordination and reporting duty and (2) reallocation of budget from management to field activities.
EU does not approve NCE for CANTEEN & expresses official complaint about the quality of the project completion	The completion of certain project activities will be in a rush and may not be in time. MCNV's credibility will be affecting future application of project proposals with the EU	- Detailed implementation plan for each of the project activities remaining in 2021. - Advance planning for multi-tasking, even with help from external facilitator if needed. - Strong internal support regarding quality of final reporting

<p>GOL is not interested in collaborating with MCNV on village health worker capacity building</p>	<p>Not possible for MCNV to further build our profile in supporting primary health care in Laos.</p>	<ul style="list-style-type: none"> - Maintaining open discussion with existing partners throughout process - Proposing further collaboration between the DOH of Quang Tri and Savannakhet - Emphasizing relevance of the work to local needs and how it is relevant and contributing to strengthening the existing system
<p>No approval from the potential donor for the village health worker capacity building project</p>	<p>Question on longer term programming in Laos due to lack of funding</p>	<ul style="list-style-type: none"> - Continue following up with potential donor(s) - Invest in gaining more specific information from the field (villages, district) to make new proposals to approach other donors.

B – 2021 ANNUAL ACCOUNTS

B-1. Balance Sheet 31 December 2021

	31 December 2021		31 December 2020	
	€	€	€	€
ASSETS				
<i>Fixed assets</i>				
Tangible fixed assets		2.171		2.063
Financial fixed assets		1.240.742		848.383
		1.242.913		850.446
<i>Current assets</i>				
Receivables	88.351		207.340	
Cash and cash equivalents	816.397		669.106	
		904.748		876.446
		2.147.661		1.726.892
EQUITY AND LIABILITIES				
Foundation equity				
Continuity reserve	1.013.655		565.437	
Reserve for replacement of tangible fixed assets	2.171		2.063	
Reserve for development strategic goals 2021-2025 VN	50.000		50.000	
Reserve for development strategic goals 2021-2025 Lao	110.000		110.000	
Revaluation reserve	0		0	
		1.175.826		727.500
Appropriated funds		444.358		341.507
		1.620.184		1.069.007
<i>Provisions for liabilities and charges</i>		63.753		61.390
<i>Short-term liabilities</i>		463.724		596.495
		2.147.661		1.726.892

B-2. Consolidated Income Statement 2021

	Result	Budget	Result
	2021	2021	2020
	€	€	€
INCOME			
Benefits from private individuals	490.283	463.000	714.326
Benefits from companies	17.470	44.871	34.351
Benefits from lottery organisations			
Benefits from governmental grants	983.456	1.268.366	1.226.057
Benefits from related non-profit organizations			
Benefits from other non-profit organizations	349.713	261.200	331.738
Benefits from products and consultancy	-2.840	0	225
Result from Investments	409.284	25.000	70.725
Other income	38.179	16.997	1.943
Total Income	2.285.545	2.079.434	2.379.365
EXPENDITURES			
Expenses for Objectives			
Structural project support	1.483.406	1.847.827	1.911.127
Communication	80.007	98.109	87.647
	1.563.413	1.945.936	1.998.774
Expenses for Fundraising			
Expenses private fundraising	87.978	86.319	91.907
Expenses for joint actions	0	0	0
Expenses for actions by third parties	0	0	0
Expenses for raising Governmental & Institutional grants	0	0	0
Expenses for shares	0	0	0
	87.978	86.319	91.907
Expenses for Management & Administration			
Expenses for Management & Administration	82.976	76.136	92.853
Total expenditure	1.734.367	2.108.391	2.183.534
Result	551.178	-28.957	195.831
Change			
FOUNDATION EQUITY	551.178	-28.957	195.831

	Result	Budget	Result
	2021	2021	2020
The profit/loss has been charged to the foundation equity as follows:			
<i>Appropriated funds</i>			
Sexual & Reproductive Health and Rights	1.943	0	-2.496
Disability	0	0	-13.342
Canteen		-36.338	
Community Manged Health & Livelihood	21.455	25.000	0
Women Empowerment (WE)	0	0	0
LEARN (EU)	0	0	-49.703
Prosper		-37.640	
US-AID occupational training	22.226	2.466	35.955
US-AID speech therapy	23.428	-8.723	27.237
AFAS-FSN	0	0	0
Projectsupport Viet Nam	-6.786	25.000	14.178
Projectsupport Lao	11.758		0
Laos Mother & Child	28.828	0	0
Balance change appropriated funds	102.852	-30.235	11.829
Tangible fixed assets	108	0	-768
Continuity Reserve	448.218	1.278	24.770
Project Reserve			0
- Development strategic goals 2021-2025 VN	0	0	50.000
- Development strategic goals 2021-2025 Lao	0	0	110.000
Change Foundation EQUITY	551.178	-28.957	195.831

B-3. General Accounting Principles

General: the general principle for the valuation of assets and liabilities, as for determining the result, is the price of acquisition. Unless stated otherwise, assets and liabilities are shown at their nominal values.

Guideline for annual reporting 650 by the Dutch Accounting Standards Board: MCNV's annual account was composed in accordance with this guideline.

Foreign Currencies: in the balance sheet, foreign currencies are converted to € at the exchange rate of the balance sheet date. Transactions in foreign currencies are converted to € at the exchange rate on the transaction date. Currency results from advances and settlements of projects are in general reported at that specific project under own activities structural project support.

Continuity

The general accounting principles used in these annual accounts are based on the continuity of MCNV. The organisation has sufficient liquidity, and its solvency is sufficient to cover losses related to the COVID-19 measures in the short and medium term. For this reason, the continuity is for the time being not endangered.

Accounting Principles Balance Sheet

Tangible fixed assets: tangible fixed assets necessary for operational management are valued at acquisition value depreciated over their estimated lifetime. Depreciation is a fixed percentage of the acquisition value.

Tangible fixed assets that are used directly in the context of the objective and can be charged to one specific project, will be charged directly to this project.

Investments: investments in listed shares are valued at market value at the balance sheet date. Unrealized and realized differences in value are reported in the statement of income and expenses.

Receivables: receivables are recognized initially at fair value minus a provision in case they are unrecoverable. When a receivable is unrecoverable, it is written off.

Cash and cash equivalents: include cash-in-hand, bank balances and deposits held at call with maturities of less than 12 months. Cash and cash equivalents are stated at face value.

Equity

Continuity Fund and Project Reserve: part of the foundation's equity that is allocated to projects, allocated for replacement of tangible fixed asset, or is used as a fund for the continuity of the organization.

The continuity fund has been recalculated, following the Goede Doelen Nederland risk assessment instructions.

Appropriated funds

Appropriated funds represent the value of income that is not yet spent, this income is acquired for a specific purpose. There is not yet a contractual obligation for these appropriated funds. Appropriated funds can be created by a decision of the director. The average percentage of fundraising costs for the last 3 years is seen as overhead contribution.

Lao Employment termination fund

Termination fund is accrued monthly at 15% of employee's basic salary. Upon termination of service, employees will receive a termination payment in accordance with the following rates:

<i>Reason for termination</i>	<i>Length of service with MCNV</i>	<i>Termination payment</i>
Dismissal		None
Redundancy or Medical Disability	Between 1 and 11 complete months	15% of monthly compensation package for each month of service
	Between 12 and 35 complete months	15% of annual compensation package
	More than 35 months	15% of annual compensation package in form of pension as described below
Other than Redundancy or Medical disability or Dismissal	Less than 12 complete months	None
	Between 12 and 23 complete months	5% of annual compensation packages as pension
	Between 24 and 35 complete months	10% of annual compensation packages as pension
	More than 35 months	15% of annual compensation package as pension

The monthly compensation package is calculated based on the employee's latest monthly basic salary. The annual compensation package is twelve times the monthly compensation package.

Pension provision

MCNV is member of PFZW, this is a pension fund based on the average salary the employee receives. In the annual account the pension contribution of MCNV is administered as a defined contribution arrangement. The premiums paid in a year are justified as expenses in that year.

Future changes in pension contribution by the development of salaries, price indexation and return on investment of the income of the pension fund are a risk. In the balance sheet of MCNV these risks are not reflected in a provision. When a shortfall of PFZW occurs MCNV only has the obligation to pay higher future contributions, additional contributions are not applicable.

Liabilities

Short-term liabilities are liabilities with a maximum duration of one year.
Long-term liabilities have a duration of more than one year.

Principles Determining the Result

Income

Donations, legacies, inheritances, and benefits from actions are accounted for in the year in which the amounts were received.

Result from sales of goods is accounted for in the year in which the goods were sold.

Governmental & Institutional grants: are accounted for in the period in which they are awarded, and its activities started. Difference between received and committed benefits from grants are accounted for in the statement of income and expenditure in the year the differences appear.

Result on Investments: the realized and unrealized value adjustments on investments, the related income and expenses from interest and any dividends received in the year.

Expenditure

Expenses for Objectives are included under own activities. Differences between paid and committed expenses from grants are included in the statement of income and expenditure in the year in which the differences appear.

Received grants for programs that are not yet executed are accounted for as short-term liabilities. This way the grant remains available for program expenses to be spent.

The actual costs at the balance sheet date and corresponding grants are accounted for in the statement of income and expenditure under 'Governmental & Institutional grants' and 'Structural project support.'

Staff expenses of MCNV are allocated to the various projects and objectives based on an estimate of the hours spent per project.

MCNV's other implementation expenses are allocated to the project at the rate of the direct on behalf of the project or objective costs incurred.

Expenditure on behalf of the objective based on cash accounting: specific institutional donors require financial reporting on the programs they fund based on cash accounting. To meet the requirements of the institutional donor the local auditor certifies the financial reports on cash accounting. Condition is that the subsidized projects have a duration of more than one year.

To maintain the connection between the financial project reports to institutional donors and the other financial records, MCNV has chosen to only include those projects, on cash accounting, in the annual account when it is a requirement of the institutional donor.

Depreciation: depreciation of tangible fixed assets is calculated with $20 - 33\frac{1}{3}$ % of the acquisition value.

B-4. Clarification of Balance Sheet 2021

		31-12-2021	
1. BALANCE SHEET 31 December 2021			€
Tangible fixed assets			2.171
Inventory			
Purchase value 1 January 2021			54.389
Purchases 2021			774
			55.163
Accumulated depreciation until 2020	52.326		
Depreciation 2021	666		
			52.992
Balance as at 31 December 2021			2.171
The depreciation period for inventory is 3 or 5 years			
		31-12-2021	31-12-2020
	€	€	
FINANCIAL FIXED ASSETS		1.240.742	848.383
Shares			
Value of shares 1 January	848.383		794.151
Profit	392.359		54.232
Value of shares 31 December	1.240.742		848.383
The portfolio:			
BNP Netherlands Fund	190.134		148.046
Wolters Kluwer	1.050.608		700.337
	1.240.742		848.383
Receivables and accrued asset		88.351	207.340
Recapitulation			
Dividend taxes	2.538		2.474
Learn	0		67.583
WE program GSRD	0		2.514
Receivables/liabilities offices Viet Nam / Lao PDR	84.796		63.951
USAID / OT, Viet Nam	0		11.466
USAID / ITH, Viet Nam	0		58.597
Other receivables	0		755
Prepaid expenses	1.017		0
	88.351		207.340
<i>Taxes and social premiums payable</i>			
Dividend taxes	2.538		2.474

	31-12-2021	31-12-2020
	€	€
Learn		
Balance 1 january	67.583	-256.053
Correction	0	5.424
Received final payment	-78.085	0
Calculated grant 1/1 until 31/10	10.502	318.212
	<u>0</u>	<u>67.583</u>
WE program GSRD		
Balance 1 january	2.514	-523
Underspent	-2.514	0
Received advances	0	-55.000
Calculated subsidy	0	58.037
	<u>0</u>	<u>2.514</u>
Receivables offices Viet Nam/Lao PDR		
Viet Nam	76.134	26.021
Lao PDR	8.662	37.930
	<u>84.796</u>	<u>63.951</u>
<i>Other receivables</i>		
Various	0	755
	<u>0</u>	<u>755</u>
<i>Prepaid Expenses</i>		
Insurance and other fixed costs	1.017	0
	<u>1.017</u>	<u>0</u>
CASH AND CASH EQUIVALENTS		
<i>The Netherlands:</i>		
Cash	0	73
Receivables NL		
Triodos Bank, account-courant 760	122.185	70.144
ABN-AMRO Bank N.V., account - courant 047	55.687	197.066
ABN-AMRO Bank N.V., US \$ account	2.143	2.143
ABN-AMRO Bank N.V., account - courant 297	69.991	131.499
ABN-AMRO Bank N.V. Learn account-courant 209	79	91
ING bank 1090400	109.115	56.753
ING bank 1706415	100.831	6.636
Subtotal	<u>460.031</u>	<u>464.405</u>
<i>Vietnam & Lao PDR:</i>		
Vietnam central bank	276.547	148.724
Lao PDR office	79.819	55.977
Subtotal	<u>356.366</u>	<u>204.701</u>
TOTAL	<u>816.397</u>	<u>669.106</u>
Cash and cash equivalents are for free disposal		

	31-12-2021	31-12-2020
RESERVES AND FUNDS	€	€
Balance 1 January	565.437	540.667
Mutation	448.218	24.770
Continuity Fund	1.013.655	565.437
Appropriated Reserves		
Tangible fixed assets	2.171	2.063
Development strategic goals 2021-2025 VN	50.000	50.000
Development strategic goals 2021-2025 Lao	110.000	110.000
	162.171	162.063
Tangible fixed assets		
Balance 1 January	2.063	2.831
Supplement	774	0
Withdrawal	-666	-768
Balance 31 December	2.171	2.063
Development strategic goals 2021-2025 VN		
Balance 1 January	50.000	0
Supplement	0	50.000
Spent on objective	0	0
Balance 31 December	50.000	50.000
Development strategic goals 2021-2025 Lao		
Balance 1 January	110.000	0
Supplement	0	110.000
Spent on objective	0	0
Balance 31 December	110.000	110.000
Appropriated funds		
Disability (inc Phu Yen Special School)	59.591	59.591
Community Managed Health Development (CMHD)	0	0
CMD (srhr-sag)	29.946	28.004
LEARN (EU)	0	0
US-AID occupational training	78.158	55.932
US-AID speech therapy	178.454	155.026
Social Entrprise (KBU)	28.776	28.776
Prosper MCNV contribution	0	0
Project support Vietnam	303	14.178
Project support Laos	18.847	0
NSA (CMH-VN)	21.455	0
Mother & Child	28.828	0
Balance 31 December	444.358	341.507

	31-12-2021	31-12-2020
	€	€
Disability (inc Phu Yen Special School)		
Balance 1 January	59.591	72.933
Received donations	0	11.877
Contribution in overhead	0	-1.793
Spent on objective	0	-23.426
Balance 31 December	59.591	59.591
Community Managed & Health Development (CMHD)		
Balance 1 January	0	0
NSA	0	7.501
Received donations	0	16.476
Contribution to overhead	0	-2.488
Spent on objective	0	-21.489
Balance 31 December	0	0
CMD (srhr-sag)		
Balance 1 January	28.004	30.501
Correction 31th December 2019	0	8.631
Received donations	14.050	10.543
Contribution to overhead	-2.158	-1.592
Spent on objective	-9.950	-20.079
Balance 31 December	29.946	28.004
LEARN (EU)		
Saldo per 1 January	0	49.703
Supplement	0	24.646
Spent on objective	0	-74.349
Balance 31 December	0	0
US-AID / OT		
Balance 1 January	55.932	19.977
Correction 31th December 2020	0	14.434
Supplement	40.000	40.000
Contribution to overhead	0	0
Spent on objective	-17.774	-18.479
Balance 31 December	78.158	55.932
US-AID / ST		
Balance 1 January	155.026	127.788
Correction 31th December 2019	0	10.031
Supplement	50.000	50.000
Spent on objective at the expense of MCNV	-26.572	-32.793
Balance 31 December	178.454	155.026
Social Enterprise (KBU)		
Balance 1 January	28.776	28.776
Spent on objective	0	0
Balance 31 December	28.776	28.776

	31-12-2021	31-12-2020
	€	€
Prosper MCNV contribution		
Balance 1 January	0	0
Received donations	38.841	33.249
Contribution to overhead	-5.981	-5.021
Spent on objective	-62.715	-36.764
Over-spent	29.855	8.536
Balance 31 December	0	0
Project support Vietnam		
Balance 1 January	14.178	0
Received donations	15.399	16.700
Contribution to overhead	-2.371	-2.522
Lao 2020	-7.089	0
Spent on objective	-19.814	0
Balance 31 December	303	14.178
Project support Laos		
Balance 1 January	0	0
Lao 2020	7.089	0
Received donations	13.899	0
Contribution to overhead	-2.141	0
Spent on objective	0	0
Balance 31 December	18.847	0
NSA (CMH-VN)		
Balance 1 January	0	0
Received donations	25.360	0
Contribution to overhead	-3.905	0
Spent on objective	0	0
Balance 31 December	21.455	0
Mother & Child		
Balance 1 January	0	0
Received donations	34.075	0
Contribution to overhead	-5.247	0
Spent on objective	0	0
Balance 31 December	28.828	0
<p>MCNV organised several fundraising activities in 2021 to raise funds for a specific objective. These funds will only be allocated to that specific objective.</p>		
<p>The appropriated reserves were charged with a contribution in overhead costs. This contribution was a percentage of the received income from fundraising, the average percentage costs for fundraising over the previous three years (15,8% over the years 2019 till 2021).</p>		

	31-12-2021	31-12-2020
	€	€
Provisions for liabilities and charges		
Employee termination fund Lao PDR		
Balance 1 January	61.390	0
Changes in value until 2020	0	53.465
Provision made during the year	11.829	13.342
Paid during the year	-9.466	-5.417
	63.753	61.390
Short-term liabilities		
Recapitulation		
Creditors	3.769	4.136
European Commission	0	0
Food Security and Nitrition (FSN)	41.218	72.755
Wotro	0	5.542
AFAS	52.480	0
We program donor	5.331	159.317
We program GSRD	0	0
Microfinance for Mothers	0	0
European Commission Prosper	114.877	84.114
CA St. Bisschop Bekkers	6.340	10.456
RVO Tropical Fruit	134.980	157.946
Bel Foundation	20.000	0
Other short-term liabilities and prepayments	65.029	69.681
Other-short-term liabilities Viet Nam / Lao PDR	19.700	32.548
	463.724	596.495
Creditors	3.769	4.136
European Commission		
Balance 1 january	0	256.053
Received advances	0	0
Calculated grant 1/1 untill 30/4	0	0
Calculated grant 1/5 until 31/12	0	0
Calculated grant 1/1 until 31/10	0	-318.212
Correction	0	-5.424
Current receivable	0	67.583
	0	0
Canteen		
Balance 1 january	72.755	132.956
Received advances	192.504	196.860
Calculated subsidy	-224.041	-257.061
	41.218	72.755

	31-12-2021	31-12-2020
	€	€
Wotro		
Balance 1 january	5.542	26.821
Received advances	40.107	99.774
Calculated subsidy	-45.649	-121.053
	<u>0</u>	<u>5.542</u>
AFAS		
Balance 1 january	0	0
Received advances	52.480	0
Calculated subsidy	0	0
	<u>52.480</u>	<u>0</u>
WE program donor		
Balance 1 january	159.317	133.342
Received advances	0	58.000
Calculated subsidy	-153.986	-32.025
	<u>5.331</u>	<u>159.317</u>
WE program GSRD		
Balance 1 january	0	523
Received advances	0	55.000
Calculated subsidy	0	-58.037
Receivable	0	2.514
	<u>0</u>	<u>0</u>
Microfinance for Mothers		
Balance 1 january	0	10.000
Received advances	0	0
Calculated subsidy	0	-10.000
	<u>0</u>	<u>0</u>
European Commission Prosper		
Balance 1 january	84.114	194.408
Received advances	232.063	0
Calculated subsidy	-201.300	-110.294
	<u>114.877</u>	<u>84.114</u>
CA St. Bisscop Bekkers		
Balance 1 january	10.456	0
Received advances	0	10.456
Calculated subsidy	-4.116	0
	<u>6.340</u>	<u>10.456</u>

		31-12-2021	31-12-2020
		€	€
RVO Tropical fruit			
Balance 1 january		157.946	0
Received advances		30.000	160.000
Calculated subsidy		-52.966	-2.054
		<u>134.980</u>	<u>157.946</u>
Bel Foundation			
Balance 1 january		0	0
Received advances		20.000	0
Calculated subsidy		0	0
		<u>20.000</u>	<u>0</u>
Other short-term liabilities			
Holiday allowance/Holiday leave		17.445	19.575
Incom taks		2.781	3.420
Auditors fee		35.285	38.720
Administration office		6.000	7.000
Others		3.518	966
		<u>65.029</u>	<u>69.681</u>
Other short-term liabilities Viet Nam / Lao PDR			
Viet Nam		19.700	32.548
Lao PDR		0	0
		<u>19.700</u>	<u>32.548</u>

Off-balance sheet Rights and Obligations

Rights

Donations with an agreement periodic gift

Donations to an ANBI organization, like MCNV, can be tax deduct, under the condition that an agreement is signed for a periodic gift for a period of at least five years, using the format of the Dutch Tax authority. On 31 December 2021, the total of donations registered with such an agreement was € 92,717.

These donations are specified in the statement of Income and Expenditure

CANTEEN

On December 14th, 2016, MCNV signed a grant contract with the European Commission to implement a program in Lao PDR on nutrition: the CANTEEN program running for a period of 54 months, starting from January 1st, 2017, and ending in June 2021. The contract value is € 983.235.

PROSPER

Sustainable forest management is a three-year (Feb 2020 – Jan 2022) EU funded project to strengthen sustainable forest management that contributes to achieving target of REDD+ provincial and national program in Quang Tri province, Vietnam. MCNV's co-financing requirement in this is 25 %, or € 200,000. This contribution is covered by MCNV's private donations and other sources as appropriate and allowable. The contract was signed for an amount of € 800,000

US-AID - Handicap International

Vietnam Advancing Leadership on Rehabilitation (VALOR) is a five-year program funded by US-AID, Handicap International is the lead partner, MCNV a subcontractor. The program started August 2015 and Phase 1 has ended according to plan on 30 September 2020.

For Phase II MCNV signed a next subcontract for the period 30 September 2020 – 29 September 2022. for US\$ 343,823, being 85 % of the total project budget. MCNV contributes 15 % being US\$ 69,255 covered by a contribution from an undisclosed Dutch family fund.

US-AID – VietHealth

This five-year program aims at establishing a solid foundation for development of an official education system of SALT profession in Vietnam. Funded by US-AID, VietHealth is the lead partner, MCNV a subcontractor. The program started on October 1, 2017, and will end 30 September 2022. The sub-contract was signed in 2017 for an amount of US\$ 1,125,210.

With an undisclosed Dutch family fund MCNV signed a contract to cover MCNV's share in the co-financing of the US-AID Handicap International and the US-AID – VietHealth programs for the total amount of € 450.000. Of this amount € 200.000 is allocated to the US-AID Handicap International program and € 250.000 to the US-AID – VietHealth program.

US-AID – I-THRIVE

This 3,5-year program (2018 – September 2021) aims at improving the interdisciplinary rehabilitation system for children with intellectual and developmental disabilities. The project was signed for an amount of US\$ 734.909.

Tropical Fruit

In July 2020 MCNV signed a contract with Dutch governmental organisation RVO, for the project Impact Cluster Quality Improvement Tropical Fruit Vietnam, for the period 1 September 2020 – 1 September 2023. Because of Covid-19 related delays in the start-up phase the end date has been postponed until 31 August 2024. Total amount signed for is € 449,475

Obligations

Rental contract

In 1974 MCNV started renting the office building at the Weteringschans 32, Amsterdam. The rent is yearly indexed. From 1 July 2021 the rent is € 1,606.70 per month. Per mid November 2021 the lease has been ended on MCNV's request. As of that date the teamwork from home and MCNV rents a 'virtual' office space at the H.J.E Wenckebachweg in Amsterdam for official registration, registration of our phone number and a mailbox. Costs per month are € 91.

Pension provision

MCNV is member of the PFZW pension fund, risks (obligations) for MCNV in participating in PFZW are not shown as provision in the balance.

B-5. Clarification of Statement of Income and Expenditure 2021

	Result 2021	Budget 2021	Result 2020
	€	€	€
Benefits from private individuals	490.283	463.000	714.326
Actions donations	128.416	115.000	121.982
Non-specific donations	274.545	258.000	278.128
Specific donations	2.050	5.000	15.325
Inheritance and legacies	85.272	85.000	298.891
Total	490.283	463.000	714.326
Actions donations			
Community Managed Health & Livelyhood Development	0	0	16.476
Comm. Based Rehabilitation & IE	0	0	11.877
WE Womens Empowerment	0	0	70
CMD (srhr-sag)	0	0	494
FSN Laos MCNV contribution	841	0	44.617
Prosper MCNV contribution	38.841	25.000	33.249
NSA Phy Yen	25.360	25.000	0
MCNV General	0	25.000	0
Mother & Child	34.075	0	0
Project support Vietnam / Laos	29.299	25.000	15.199
Other	0	15.000	0
Total	128.416	115.000	121.982
Benefits from products and services			
<i>Results from sales of goods</i>			
Netto turnover	3.335	0	5.350
less: cost price	-6.175	0	-5.125
Gross result	-2.840	0	225
Benefits from companies			
Fundraising NLD	0	0	0
Fundraising Viet Nam	17.470	44.871	34.351
Fundraising Lao PDR	0	0	0
Total	17.470	44.871	34.351
Benefits from governmental grants			
<i>Registered on transaction base</i>			
VN NL-DGIS / Land use rights for PWD	20.213	0	61.434

	Result	Budget	Result
	2021	2021	2020
	€	€	€
<i>Registered on cash basis</i>			
NLD EU / LEARN	10.502	0	318.212
NLD EU / LEARN / Correction	0	0	5.424
NLD EU / Canteen / Food Security and Nutrition (FSN)	224.041	184.012	257.062
NLD EU / Prosper	201.300	202.880	110.294
NLD RVO / Tropical Fruit	52.966	177.921	2.054
VN US-AID / OT, received	107.487	160.358	110.343
VN US-AID / OT, accrued income	0	0	0
VN US-AID / ST, received	151.796	270.452	161.233
VN US-AID / ST, accrued income	0	0	0
VN US-AID / I-Thrive, accrued income	0	0	0
VN US-AID / I-Thrive	215.151	270.698	200.001
Other	0	2.045	0
	<u>985.477</u>	<u>1.270.387</u>	<u>1.228.077</u>
Benefits from other non-profit organizations			
<i>Registered on transaction base</i>			
VN Local partners	0	0	0
Fundraising Vietnam	0	0	0
<i>Registered on cash basis</i>			
NLD Wotro / Food Security and Nutrition (FSN) voor Laos	15.161	0	29.570
NLD Wotro / NSA voor Vietnam	12.378	0	63.930
NLD Wotro / General	18.110	0	27.554
NLD WE Ben Tre	0	0	10.000
NLD AW / OT	40.000	90.000	40.000
NLD AW / ST	50.000	0	50.000
NLD Jumpstart / WE	153.986	151.200	32.025
NLD GSRD / WE	0	0	58.037
NLD Hulza	10.000	10.000	10.000
NLD VU / Learn-MC	16.000	0	10.622
NLD SBB	4.116	10.000	0
VN SFCG	13.184	0	0
VN An Vui Fund	16.778	0	0
	<u>349.713</u>	<u>261.200</u>	<u>331.738</u>
Result investments			
<i>Shares</i>			
Result on change in value	392.359	10.000	54.232
Dividend shares	16.925	15.000	16.493
	<u>409.284</u>	<u>25.000</u>	<u>70.725</u>

	Result	Budget	Result
	2021	2021	2020
	€	€	€
Others			
Interest bankaccounts	0	0	0
NL Currency result	0	0	-2.291
NL Other	2.100	0	0
VN Currency result	19.866	0	0
VN Other	16.221	16.997	2.588
Lao Other	-8	0	1.646
	38.179	16.997	1.943
Income	2.287.566	2.081.455	2.381.385

EXPENSES FOR OBJECTIVES			
	Result	Budget	Result
	2021	2021	2020
	€	€	€
Structural project support			
Programs registered on transaction base	359.745	426.468	254.594
Settlements projects previous years	0	0	0
Programs registered on cash base	992.790	1.240.211	1.456.454
Other project expenses	16.945	27.714	82.328
<i>Grants and contributions</i>	1.369.480	1.694.393	1.793.376
<i>Programs registered on transaction base</i>			
CMD (srhr-sag)	0	0	0
Adolescent girls	0	0	0
VNM - Community Based Rehabilitation Inclusive Educ.	9.158	26.998	6.877
VNM - Nutrition Sensitive Agriculture (CMH-VN)	0	0	21.489
VNM - Women Empowerment (WE)	85.480	0	-
VNM - WE GSRD / Jumpstar / MFM / UPS	262.202	384.292	145.661
VNM - Wotro	0	0	57.553
VNM - CBR PWC	0	12.292	12.145
VNM - Emergency relief	2.905	2.886	10.869
Subtotal	359.745	426.468	254.594
<i>Programs registered according to actual project-costs per report-date (cash-base)</i>			
LAO - Learn	2.629	0	371.743
VNM - US-AID / OT	133.329	179.790	123.861
VNM -US-AID / ST	178.369	329.174	194.026
VNM - US-AID / I-Thrive	215.151	263.678	200.001
VNM - NSA / VN	12.379	34.305	0
VNM - NSA/PY	4.210	0	0
VNM - CMD	64.022	68.407	20.078
VNM - Land use rights for PWD	20.113	20.113	49.667
VNM - EU / SFM	0	0	145.785
VNM - RVO / Tropical Fruit	5.175	0	0
VNM - Agroforest	6.371	0	0
VNM - Other	3.657	0	0
LAO - RVO / Tropical Fruit	47.791	110.346	2.054
LAO - KIND / Tropical Fruit	2.100	0	0
LAO - FSN - Wotro	0	0	-
LAO - Wotro	18.109	0	27.554
LAO - FSN - Canteen	279.385	234.398	321.685
LAO - FSN - AFAS	0	0	0
Subtotal	992.790	1.240.211	1.456.454

	Result	Budget	Result
	2021	2021	2020
	€	€	€
Total	1.352.535	1.666.679	1.711.048
Other project expenses	16.945	27.714	82.328
Settlement projects previous years	0	0	0
Subsidies and contribution	1.369.480	1.694.393	1.793.376
Staff expenses	89.136	97.947	65.554
Housing expenses	12.102	-779	19.917
Office and general expenses	12.470	83.838	32.019
Depreciation and interest	218	142	261
Totale structural project support	1.483.406	1.875.541	1.911.127
Staff expenses			
Salaries	410.487	646.163	440.958
Social securities	100.735	110.110	75.167
Pensions	22.423	40.475	27.576
Other staff expenses	23.504	5.000	20.562
	557.149	801.748	564.263
Charged staff expenses	-357.775	-522.033	-389.407
Total	199.374	279.715	174.856
Number of FTE			
The Netherlands	2,12	2,93	2,29
Vietnam	13,08	13,00	12,60
Laos	7,00	9,00	8,81
Total	22,20	24,93	23,70

B-6. Clarification of Allocation Of Costs

Grants and Contributions

Grants and contributions were entirely allocated to direct project expenses.

Communication

Costs refer to three activities: structural project support, communication and fundraising. At the moment of spending the costs were allocated to one of these activities. The only exception is MCNV's quarterly newsletter, these costs were allocated as follows:

- 60% of the total costs are communication costs
- 40% of the total costs are fundraising costs

Staff expenses

For each staff member was determined annually how much of his/ her time (percentage) was for direct (project) costs and how much was indirect. Each staff member filled in a time registration sheet. A calculation was made of direct versus indirect time, to calculate the hourly rate.

Housing expenses

In Amsterdam, the housing expenses are spread over all activities. Starting point is to allocate staff costs from the Amsterdam office to activities. Housing expenses in Vietnam and Lao PDR are allocated entirely to structural project support.

Office and General expenses

Office and general expenses can be divided in:

- Expenses that are entirely allocated to Management & Administration
- Expenses with staff costs of the Amsterdam office as starting point
- Expenses with a fixed allocation for each general ledger account
- Expenses for which the allocated activity will be determined for each booking

Office and General expenses in Vietnam and Lao PDR are allocated entirely to structural project support.

Depreciation and interest

In Amsterdam, the depreciation and interest are spread over all activities. Starting point is to allocate staff costs from the Amsterdam office to activities.

Destination category of expenditure 2021	Expenditure towards objective		Expenditure towards fundraising					Management & Admin	Total
	Structural project support	Communication	Own fundraising	Joint actions	Third parties	Grants	Investments		
Revised Budget 2021 €									
Grants	1.666.679	0	0	0	0	0	0	0	1.666.679
Contributions	0	0	0	0	0	0	0	0	0
Procurements	0	0	0	0	0	0	0	0	0
Outsourcing	0	0	0	0	0	0	0	0	0
Communication	0	60.825	12.400	0	0	0	0	0	73.225
Staff expenses	97.947	31.459	58.219	0	0	0	0	16.585	204.210
Housing Expenses	-779	4.666	8.634	0	0	0	0	2.460	14.981
Office & General expenses	83.838	1.053	6.870	0	0	0	0	57.035	148.796
Depreciation and interest	142	106	196	0	0	0	0	56	500
Total	1.847.827	98.109	86.319	0	0	0	0	76.136	2.108.391
Destination category of expenditure 2021	Expenditure towards objective		Expenditure towards fundraising					Management & Admin	Total
	Structural project support	Communication	Own fundraising	Joint actions	Third parties	Grants	Investments		
Actual results 2021									
Grants	1.369.480	0	0	0	0	0	0	0	1.369.480
Contributions	0	0	0	0	0	0	0	0	0
Procurements	0	0	0	0	0	0	0	0	0
Outsourcing	0	0	0	0	0	0	0	0	0
Communication	0	41.120	13.140	0	0	0	0	0	54.260
Staff expenses	89.136	33.511	59.954	0	0	0	0	16.774	199.375
Housing Expenses	12.102	4.302	7.696	0	0	0	0	2.153	26.253
Office & General expenses	12.470	938	6.945	0	0	0	0	63.981	84.334
Depreciation and interest	218	136	243	0	0	0	0	68	665
Total	1.483.406	80.007	87.978	0	0	0	0	82.976	1.734.367

Destination category of expenditure 2020	Expenditure towards objective			Expenditure towards fundraising				Management & admin	Total
	Structural project support	Communication	Own fundraising	Joint actions	Third parties	Grants	Investments		
Actual results 2020 €									
Grants	1.793.376	0	0	0	0	0	0	0	1.793.376
Contributions	0	0	0	0	0	0	0	0	0
Procurements	0	0	0	0	0	0	0	0	0
Outsourcing	0	0	0	0	0	0	0	0	0
Communication	0	47.244	12.272	0	0	0	0	0	59.516
Staff expenses	65.554	30.997	59.154	0	0	0	0	19.151	174.856
Housing expenses	19.917	4.084	7.793	0	0	0	0	2.523	34.317
Office & general expenses	32.019	5.178	12.414	0	0	0	0	71.090	120.701
Depreciation and interest	261	144	274	0	0	0	0	89	768
Total	1.911.127	87.647	91.907	0	0	0	0	92.853	2.183.534

INDEPENDENT AUDITOR'S REPORT

To: The Management and the Supervisory Board of Stichting Medisch Comité Nederland-Vietnam

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of Stichting Medisch Comité Nederland-Vietnam based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Medisch Comité Nederland-Vietnam as at 31 December 2021 and of its result for 2021 in accordance with the 'RJ-Richtlijn 650 Fondsenwervende Organisaties ' (Guideline for annual reporting 650 'fundraising organisations' of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at 31 December 2021
2. the profit and loss account for 2021; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of Stichting Medisch Comité Nederland-Vietnam in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (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).

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

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- the management board report
- the other information

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

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

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is 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, in accordance with 'RJ-Richtlijn 650 Fondsenwervende Organisaties ' (Guideline for annual reporting 650 'fundraising organisations).

Description of responsibilities regarding the financial statements

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 'RJ-Richtlijn 650 Fondsenwervende Organisaties ' (Guideline for annual reporting 650 'fundraising organisations' of the Dutch Accounting Standards Board). Furthermore, management is responsible 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 company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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 included among others:

- 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 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 entity'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, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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. However, future events or conditions may cause a company 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.

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 findings in internal control that we identify during our audit.

Rotterdam, June 30 2022

Coney Assurance B.V.

was signed

N.C. Kaspers-Broekhuizen MSc RA