

Annual Report 2019

The Year of Ambition



Climate
Centre

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The Year of Ambition

MOZAMBIQUE RED CROSS VOLUNTEERS IN BEIRA LOOK AFTER PEOPLE
DISPLACED BY CYCLONE IDAI AND ARRIVING IN THE PORT CITY BY BOAT.
(PHOTO: DENIS ONYODI/IFRC-CLIMATE CENTRE)



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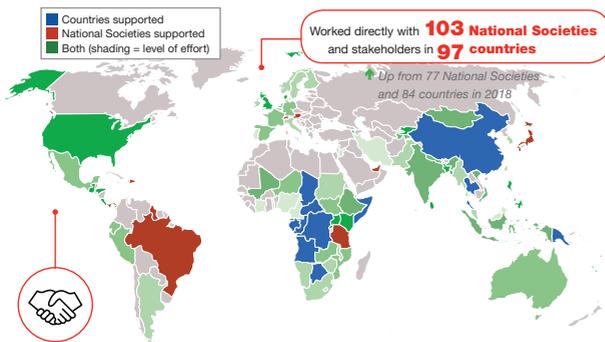
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Acronyms

| | |
|----------|---|
| AR6 | IPCC 6th Assessment Report |
| D&C Days | Development and Climate Days (at COP meetings) |
| DFID | UK Department for International Development |
| DREF | IFRC Disaster Relief and Emergency Fund |
| EO4HA | Earth Observation for Humanitarian Action |
| FbF/A | Forecast-based financing/action |
| GP2019 | 2019 Global Platform for Disaster Risk Reduction |
| ICLEI | Local Governments for Sustainability (founded as the International Council for Local Environmental Initiatives) |
| IPCC | Intergovernmental Panel on Climate Change |
| PfR | Partners for Resilience |
| UNFCCC | United Nations Framework Convention on Climate Change |
| WWA | World Weather Attribution |

Climate Centre high-level indicators

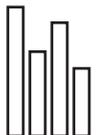
An overview of 2019 reach and impact



146
Active partnerships

Up from 94 in 2018

- Including:
- 13 UN organizations
 - 38 academic institutions, including eight from the global South
 - 15 national and local governments
 - NASA, Google, the World Bank and others



Nearly €250m

Influenced projects with a total value of

with an annual Climate Centre budget of just



Down from 3.8m in 2018

40+
Publications

Scientific journal articles, working papers or book chapters.

Maintained at 2018 level

With 140+ web stories

Examples

Led and contributed to **Innovative and impactful change** across practice, policy and science pillars worldwide

Partnered with NASA to strengthen the use of Earth observations to inform humanitarian action

Started roll-out of Y-Adapt across Asia Pacific as a playful tool to help youth understand climate change and take adaptive action

The Climate Centre helped shape the UN Climate Action Summit to highlight the most vulnerable, including through participating in the launch of the Risk-Informed Early Action Partnership (REAP)

Convened and contributed to key partnerships to use Impact-based Forecasting to inform anticipatory humanitarian action

Team diversity



67% female

33% male

28
6

Countries represented on the team

Continents

Team members hold

20+

Institutional affiliations beyond the Climate Centre

- National Societies
- Universities
- The World Bank
- Professional associations
- Foundations

Preface

WE COMPILED this annual report amid Covid-19 lockdown and a once-in-a-century global pandemic, inevitably struggling to compartmentalize our work in 2019; nothing will be quite the same again.

As we look back on the past year we see, if anything, two agendas moving in parallel, if not actually merging, but we believe our work on climate in 2019 [helped us respond to the pandemic](#) and begin to plan for recovery.

Covid-19 brought underlying vulnerability to shocks – already apparent with disasters and health emergencies – [into stark relief](#).

Like climate change the pandemic represents a genuinely global challenge with huge local impacts. We quickly realized it would be business as usual in terms of *climate*-related disaster: in locations as far apart as the South Pacific (Cyclone Harold) and the United States (tornadoes), the authorities faced acutely difficult decisions about how to evacuate people who are also social-distancing.

YAdapt youth training launched in Lebanon in 2019. But when will such interaction be possible again?



In East Africa, communities confronted [the triple threat](#) of Covid-19 and its economic consequences, locust invasions, and floods – a potentially perfect storm of compound risks of a kind we’re bound to see more of in a changing climate.

The Covid-19 crisis and ensuing stimulus recovery packages that will amount to over US\$ 10 trillion represent the best and perhaps last opportunity to redesign social and economic systems so they better meet the needs of the most vulnerable, protect nature, strengthen global solidarity, and align with global climate goals.

At the heart of this work is the need to be build resilience to a range of shocks.

More specifically, we are now focusing efforts to ensure systems shaped by stimulus packages will anticipate and prepare for compound risks. This includes identification of short and long-term risks and adjusting plans to account for changing reality.

It also includes strengthening capacities and systems at the local level to prepare for changing realities, and taking action accordingly.

It means lobbying for system change, including the role of social protection for supporting those most directly affected by climate and other shocks, and ensuring support reaches them in time.

In 2019 we saw an expansion of ambitious climate *action* in many vulnerable communities and countries – an investment that is already paying off in greater resilience, yet one that needs to be vastly expanded in the light of the growing threats, now and into the future.



Long-term priority #1 for the Maldivian Red Crescent?
[The climate threat](#)

Ed Nijpels
Chairman

Maarten van Aalst
Director

Policy and advocacy

BOTH WITHIN and beyond the Red Cross and Red Crescent Movement, the year saw greatly heightened ambition on climate action – with a strong focus on the consequences already facing the most vulnerable.

The links between the climate and humanitarian agendas reflect both the changing climate itself and its impacts, as well as years of joint effort by the climate, development and humanitarian communities bridging policy and practice, global ambitions and local action.

Nothing reflected this better than the much-heralded [Risk-informed Early Action Partnership](#) launched as a key commitment at the UN Climate Summit last September.

Some argued it was too little too late, but the new focus on early action in the face of rising risks is [paying off in practice](#).

Attention to humanitarian issues at the UN summit was mirrored by the statutory meetings of the Red Cross and Red Crescent in Geneva. On the first day of the 2019 General Assembly – after a two-year consultation with the entire Movement network plus specialist input from the Climate Centre – an IFRC [press release](#) endorsing its *Strategy 2030* said climate change was “a growing concern for nearly every one of the 192 National Red Cross and Red Crescent Societies”.

Strategy 2030 places climate change and environmental crises top of five global challenges for the coming decade – an unprecedented degree of emphasis on the issue.

The IFRC will now focus on reducing the humanitarian impacts of the climate and environmental crises, integrating climate risk management – including adaptation and mitigation – “across all of our programmes, operations and advocacy”.

By investing in climate adaptation and disaster risk reduction, including through efforts to improve early warning and anticipatory humanitarian action, the world can avoid... escalating suffering and ballooning humanitarian response costs

– Francesco Rocca, IFRC president (launching *The Cost of Doing Nothing* report)



Virtual event: International Conference links via Skype with COP 25 on-screen. In the picture from L to R, Professor Van Aalst, IFRC Secretary-General Elhadj As Sy, Regina Gujan of the Swiss Agency for Development and Cooperation, ICRC Director General Yves Daccord and its Regional Director for Africa Patricia Danzi

A historic [virtual event](#) connected COP 25 in Madrid and the International Conference of the Red Cross and Red Crescent – the first time senior figures from each meeting have been brought together in a webcast.

Opening the online exchanges, UNFCCC Executive Secretary Patricia Espinosa said there was now “a very close relationship” between climate and humanitarian agendas.

The International Conference also included a side-event on how to be climate smart, and the launch of a new consortium on climate research for the Movement; Princess Margriet of the Netherlands convened a high-level panel on climate-smart disaster risk reduction.

Alongside the rescheduled COP, the 17th annual [Development and Climate Days](#) went ahead in Madrid over a single day.

Ahead of the attention to climate at the statutory meetings and in *Strategy 2030*, the IFRC launched the global [#FacesofClimateChange](#) campaign, highlighting the humanitarian consequences of inaction on climate.

The Climate Centre was an important contributor to two major reports underpinning that campaign: our [Heatwave Guide for Cities](#), published in July at the UN in New York (see ‘Urban heat’), and shortly afterwards the IFRC’s [The Cost of Doing Nothing](#), which warned that the number of people needing humanitarian assistance every year after climate-related disasters could double by 2050.

The latter presented “some of the potential consequences should the global community fail to address the rising risks of a changing climate,” said the Climate Centre’s Julie Arrighi, a key contributor to both reports.

But it also highlighted positive outcomes “if the global community takes action now to build resilience, adapt and address the current climate crisis.”



PFR, Kediga Humed, farmer and cook, Afar, Ethiopia (see [We Bend, We Do Not Break](#), 2020 for details)

Forecast-based action

THE SCOPE of operational forecast-based financing and action broadened, notably with the first-ever use anywhere in the world of the FbA mechanism [now embedded](#) in the IFRC's Disaster Relief Emergency Fund, launched with the German government and Red Cross in 2018.

As the culmination of a process that began in October with agreement on the relevant operational protocols, local forecasts of an extreme winter in Mongolia triggered the [release in early January 2020](#) of nearly US\$ 220,000 to reduce its impact on vulnerable herders.

The FbA grant provided money to 1,000 families to help keep the animals on which they depend alive for the worst of the winter.

By year's end at least 11 protocols for Red Cross Red Crescent early action under the umbrella of DREF worldwide had been approved centrally or were under review, with a further 25 being developed by National Societies; they delineate responsibilities for rapid action when a humanitarian forecast threshold is reached.

This finance allows the Red Cross to help some of the most at-risk people before winter sets in'

– Mongolian Red Cross Society Secretary General, Bolormaa Nordov

Farmworkers on the Philippine island of Catanduanes [protectively harvesting abaca trees](#) with German forecast-based financing support ahead of Typhoon Kammuri, ensuring some income after the storm



The donor societies collaborating with the German trailblazers in supporting the International Federation's development of FbF/A now are: the American, Australian, Belgian, British, Danish, Finnish, French and Netherlands Red Cross.

Mark Lowcock, UN Under Secretary General for Humanitarian Affairs, told an audience in Berlin he was allocating US\$ 45 million from its Central Emergency Response Fund for food insecurity in Somalia, Ethiopia and Kenya.

Describing Germany as a [global thought leader](#) with its support for FbF piloting, the UN humanitarian chief said the international community needed to repeat the success of 2017 when “four consecutive failed rains brought Somalia to the brink of famine [but] early warning led to earlier action”.

There were also triggers for hydrometeorological events last year in Bangladesh, Niger and the [Philippines](#), supported by bilateral donors.

A new FbF programme in Mozambique was being scoped when Cyclone Idai struck in March, but the team [deployed resources](#) on a test activation in the north of the country and early positioning of emergency-shelter materials in Beira.

Advocacy work on FbF last year included a side-event at the [Global Platform for Disaster Risk Reduction](#) organized with FbF partners from the World Food Programme; and the fourth [Global Meeting on Innovation in Humanitarian Action](#) in Qatar, where the Climate Centre outlined National Society experience.

We helped scientists from [Mali, Mozambique, Uganda and Zambia](#) attend a study visit at the UK's University of Reading centred on flood forecasting, FbF triggers and the Global Flood Awareness System.



The FbF team in Beira, Mozambique [advise residents](#) the day before Cyclone Idai hit

Science

SCIENTISTS ON Working Group II of the Intergovernmental Panel on Climate Change – who since 2018 have included three colleagues from the Climate Centre – began work on their contribution to its sixth assessment of the global climate, due for publication in two years, which will inform the first major stocktake on the 2015 Paris Agreement.

Their first [lead-author meeting](#), in Durban, South Africa, included a field visit to a project described as a “great example of thinking globally and acting locally” – the community reforestation programme at Buffelsdraai, 30km north of the city.

Tree planting at the community reforestation programme at Buffelsdraai, north of Durban, an [IPCC field trip](#) for the first WGII lead-author meeting for AR6



Climate Centre Director Professor Maarten Van Aalst – who was joined in Durban by its Manager, Climate Science, Erin Coughlan de Perez, and Senior Pacific Climate Adviser Olivia Warrick, all of whom will all write for AR6 – said it was encouraging to see the IPCC involve more authors combining scientific backgrounds with humanitarian, disaster management, and development experience.

He added: “Another important role for these experts is to help get local knowledge on climate risk, drawn from their own field experience, recognized as a crucial part of the evidence base.”

This was a theme he returned to later in the year in his [inaugural lecture](#) as new Professor of Spatial Resilience for Disaster Risk Reduction at the University of Twente, where he called for the building of resilience “in a very practical manner”, connecting local and global challenges and solutions, linking the past, present and future, and connecting science to policy and practice.

Another exciting scientific collaboration last year – EO4HA – generated suggestions for ways in which risk might be made visible from space. Earth Observation for Humanitarian Action, a joint effort of NASA, the American Red Cross, the IFRC and the Climate Centre, is part of a wider movement to move from simply disseminating data to full integration of the science underlying humanitarian decision-making.

“Climate change is not a matter of the future, it is a matter of today – we need the science and we have the science now. The question is, are we listening to it?” outgoing IFRC Secretary General Elhadj As Sy asked the annual [Global Dialogue Platform on Anticipatory Humanitarian Action](#) in Berlin.

And indeed our work on science is only effective if it results in better policy and practice: the Bangladesh Red Crescent Society, for example, last year concluded that its “[operational decision-making](#) had become clearer and more straightforward” thanks to its improved use of scientific information centred on FbF.

Princess Margriet of the Netherlands with (at right) the Rector of the University of Twente, Thom Palstra, and Professor Van Aalst



The partnership with science is fundamental in identifying solutions for society. We need the enabling environment of governments that have the foresight of integrating science

– Debra Roberts, IPCC Working Group II Co-Chair

Attribution

THE ATTRIBUTION work the Climate Centre is a partner in was dominated by one hazard on one continent: European heatwaves.

World Weather Attribution first issued a [rapid assessment](#) of three days of scorching heat in France in late June, saying climate change had made the event five times more likely and had boosted the actual heat by about 4°C.

A [later WWA analysis](#) based on data from locations in France, Germany, the Netherlands and the UK said the second record-breaking heatwave in July was up to 3°C hotter and “much more likely because of climate change”.

“The heat in July broke records all around Europe due to climate change,” said Dr Friederike Otto, a member of the group, who added that the heatwave developed differently in different places, but was everywhere more likely now with climate change.

But what was also clear, even as the reports were released, is that the impact on people was less than in the past because governments have instituted measures to cope after the deadly game-changing 2003 heatwave.

Even at this regional scale over Europe, we can see these [heatwave] trends are much larger than what we would expect from natural variability

– Climate scientist Ruth Lorenz, Swiss Federal Institute of Technology

[Tropical Storm Imelda](#). American Red Cross volunteer Mark Escow surveys damage in coastal Jefferson County, Texas



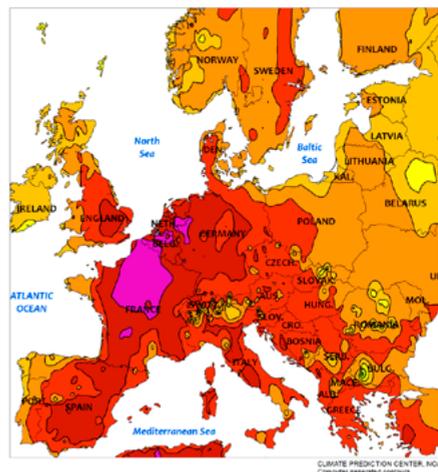
Our colleague Geert Jan van Oldenborgh, a senior researcher with the Royal Netherlands Meteorological Institute, said heatwave action-plans developed by governments had been shown to decrease mortality “substantially”.

Professor Van Aalst said these WWA findings were supported by a [later study](#) by the Swiss Federal Institute of Technology in Zurich which found that the average number of days of “extreme heat and heat stress” in Europe had more than tripled since the 1950s from less than two a year to more than six.

That study, which WWA was not involved with, found that seasonal cold and hot extremes had both warmed at almost all measuring stations involved – “a climate change signal that cannot be explained by internal variability”.

In another rapid analysis WWA scientists said the extreme rainfall and floods caused by [Tropical Storm Imelda](#) that affected Texas and Louisiana were made up to 2.6 times more likely due to climate change and up to 17 per cent more intense.

Climate change had “clearly led to increased precipitation during extreme events in south-east Texas,” said the WWA group, who also wrote in a [blog](#) that air pollution that blocked sunlight and increasing irrigation were among an array of factors masking a clear upward trend in extreme temperatures in India.



July 2019 heatwave mapped by US Climate Prediction Centre (purple areas >40°C)

CLIMATE PREDICTION CENTER, NOAA
Computer-generated contours

Urban heat

HEATWAVES, especially in the context of big cities, again dominated the climate and attribution agenda in 2019, with several major events and reports assisting the humanitarian community to address the issue.

In April the French Red Cross organized a conference on climate and health, dubbed “[the first humanitarian COP](#)”, in the Mediterranean city of Cannes that also marked the 100th anniversary of the founding of the IFRC. Dangerous heatwaves were high on the agenda, raising the profile of this hazard within the Movement itself.

IFRC President Francesco Rocca launched the [Heatwave Guide for Cities](#) at the high-level political forum on the Sustainable Development Goals at UN headquarters in New York in July, developed by the Climate Centre with at least 25 institutional partners.

In November, the Climate Centre’s first tactical urbanism event was hosted in Lusaka in collaboration with the Zambian group, People’s Process on Housing and Poverty, to raise awareness about heat risks in the cities.

The centre helped to facilitate the Movement’s fourth Urban Collaboration Platform in Beirut, and jointly organized a session on cities at the International Conference.

At the UN Climate Summit the IFRC joined a partnership initiative championed by Brazil and Kenya and including Climate Centre input: Building Climate Resilience of the Urban Poor.

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[Heatwave Guide for Cities](#) launch.
L to R, Julie Arrighi, Francesco Rocca,
Tommaso Della Longa



Today, nearly a third of the world’s population faces heat spikes for at least 20 days a year. By 2100, this could rise to 70 per cent... if nothing is done to limit global warming

– French Red Cross website, Health and Climate Change conference

Conflict and climate

THE VIEW that the climate crisis will over the next few years make humanitarian action even more complex and reliant on partnerships was put to an audience in Singapore by the ICRC's (then) Head of Policy, Hugo Slim.

As the ICRC's own strategy, issued in late 2018, put it, short-term humanitarian problems from conflict are aggravated by long-term factors like climate change, population, unplanned urbanization, and patchy development.

What is now often referred to as the “conflict-climate nexus” became yet more intractable last year, even before the massive complicating factor of Covid-19. The Climate Centre, a constituent part of the IFRC which also benefits from a deepening partnership with the ICRC, remained at the forefront of global efforts to make sense of it.

For example, we contributed to the International Committee's updated Near and Middle East strategy, one of whose six thematic areas is climate.

The International Federation and its Climate Centre is an increasingly important partner of the ICRC as we engage with people's experience of... conflict and climate shocks

– Hugo Slim,
(former) Head
of Policy, ICRC

The ICRC's Robert Mardini [addressing the UN Security Council](#)



The first of a series of [high-level round tables](#) on the interconnected impacts of climate and conflict was held in Nairobi amid heightened security after the attack in the city the same week.

Representatives from governments, financial institutions, international organizations, think tanks and universities framed a humanitarian perspective on climate and conflict.

Six more round tables followed, including one in [Jordan](#), the first in a Red Crescent country, and Abidjan, The Hague, Manila, Geneva and Washington, DC.

Another important first came when the ICRC's Permanent Observer to the UN, Robert Mardini (now the International Committee's Director-General), [told an open Security Council meeting](#) on climate and conflict that "climate change deepens vulnerabilities for communities affected by war".

The [2019 statutory meetings](#) between them saw many concrete commitments on climate: the International Conference, for example, included a side-event on how to run climate-smart programmes, along with the establishment of a consortium on climate research for the Movement co-chaired by Gilles Carbonnier, Vice-President of the ICRC, and Cecile Aptel, the IFRC's Director of Policy, Strategy and Knowledge.

Youth

AS MILLIONS of young people in at least 150 countries took to the streets to demand action on climate, the Climate Centre consolidated youth work that is now laid out in the [Climate Centre Youth Strategy](#).

Last year saw real progress on the promotion of youth and climate across the Movement, including the launch in Solferino of a dedicated [section](#) of the Climate Training Kit, and strategic engagement at the 13th Mediterranean conference reflected in the presence of youth as a key priority in the [Sarajevo Declaration](#).

We supported young people speaking on climate from Micronesia and Italy at the UN Climate Summit and at the European Conference on Climate Change Adaptation.

The Junior Researcher Programme engaged 14 students on climate work over the year and our flagship programme [Y-Adapt](#) continued to make its mark around the world.

A Y-Adapt specialist session, [Experience the Environment](#), developed with the Iranian Red Crescent was launched, and lessons learnt from our pilot-year in Haiti and Guatemala were woven into [resources](#) and a [five-step guide](#).

With the evidence base for a global launch of Y-Adapt established, National Societies in (alphabetically) Lebanon, the Marshall Islands, Micronesia, Palau, South Sudan and Uganda were developing plans for roll-outs aligned with their strategic objectives for young people.

No one is too small to make a difference

– Greta Thunberg
(book title)

Collaborations were established with education and environment ministries, NGOs and youth networks, enabling strategic scale-up.

Subsequent country-led Y-Adapt launches resulted in action by young people. Ugandan youth advocated for mosquito nets in school dormitories, for example, and in the Philippines young people planted new mangroves to protect vulnerable coastlines.

With increasing global demand for Y-Adapt a peer-to-peer approach was trialled at the [first-ever youth leadership supercamp](#) in Pohnpei, Micronesia, facilitated by the Philippine Red Cross.

First North Pacific [youth leadership supercamp](#) and Y-Adapt training, Pohnpei, Micronesia



Partners for Resilience

PfR AIMS to build the capacity of civil society to advocate for resilience and climate action, and to engage in dialogue on policy from the global to the local level. Much international work by the Climate Centre made possible by PfR is also covered elsewhere in this report, especially sections on policy and advocacy, youth, urban heat, and (*see next section*) the new Climate Training Kit.

Throughout 2019 we delivered strong messaging to a sequence of linked events, such as the Global Platform for Disaster Risk Reduction (GP2019) in Geneva, the [Asia Pacific Climate Week](#) in Bangkok, and the [UN Climate Summit](#) in September in New York, culminating in [COP 25](#) in Madrid.

At GP2019, PfR outlined updated [policy recommendations](#) and with the IFRC co-hosted a networking event, *We bend, we do not break*, named after the alliance [publication](#) launched there.

Activities in each project country ([PfR Annual Report](#)) were aimed at influencing policy and empowering action by women, young people and the media on climate and boosting early warning early action.

In Guatemala, Kenya and Uganda, PfR submitted proposals to support governments with resilience-related components of their Nationally Determined Contributions, and in Indonesia with its National Adaptation Plan.

We want dignified communities, self-reliant communities... able to be conscious of climate change, able to solve their own climate issues and hold their governments accountable

– Agnes Leina,
Director of Il'aramatak Community Concerns, Kenya

PfR-supported early-warning exercise, Saharsa district, Bihar, India



In Uganda, the alliance facilitated a [session for East African journalists](#) to explore thinking about climate and disasters, and the country became the first in Africa to roll out the PfR-supported [Y-Adapt curriculum](#); partners also engaged in policy dialogue on the draft national climate bill.

In India the Red Cross agreed to [strengthen collaboration with the meteorological department](#), while in Indonesia PfR supported an evolving national road map on land subsidence in coastal areas, helping to ensure climate and disaster risk were factored in.

In Haiti the alliance is also supporting flood preparedness in the Artibonite river basin through training for [mapathons](#): volunteers helped create detailed risk maps and explored how management of the changing local environment could enhance the resilience of local people, especially farmers.

In Mali, PfR has continued to support community coalitions centred on disaster risk reduction in the Inner Niger Delta, including helping women's unions advocate for equitable land tenure.

The Climate Centre has continued to provide technical assistance in PfR countries on heatwave preparedness and FbF, including early action protocols in Haiti, Indonesia and the Philippines.

[PfR2 in Mali](#), female empowerment. "I'm using my voice, and it's working," says Fanta Boucoum, 41, who lobbied officials, chiefs and landowners for changes to tenure and the allocation of land to women.



Capacity building

OVER THE PAST five years – for or with Movement and external partners – the Climate Centre and the IFRC have invested much time and resources in initiatives to build capacity to better manage climate risks and foster dialogue on policy.

This effort includes assistance with climate-smart programming and innovation and has been closely aligned with the new (2020) [Movement ambitions](#) on climate and the IFRC’s [2020 framework](#), whose vision is for “communities across the world to be more resilient and better prepared for climate change impacts now and in the future.”

Last year the Climate Centre and the IFRC jointly launched a new edition of the [Climate Training Kit](#), which draws heavily on PfR experience and includes a wide variety of tools on engaging with climate policy, climate-smart practices and innovation, as well as technical aspects of climate-risk management, policy, finance, early warning early action, FbF, youth and more.

The interactive kit – aimed at trainers and facilitators from the Movement and its partners – is a conscious attempt (even before Covid-19) to strengthen capacities worldwide *without* having to put specialists on aeroplanes.

Some kit highlights: the [Heatwave Guide for Cities](#), a new brief on [Collaborating with national climate and weather agencies: a guide to getting started](#), and another, [What is Climate-smart programming and how do we achieve it?](#) (Most of the kit will be available in French and Spanish by mid-2020.)

Action on climate change should reach the most vulnerable, and we need to continue to raise our ambition for this agenda, together with governments, the private sector, scientists, civil society and others

– Climate Training Kit, 2019

PfR-centred training on integrated risk management was carried out in several Indian states last year, like here in Gujarat’s Navsari district, shortly after the Indian Red Cross [signed an MoU](#) with the government to share meteorological information and data to assist community resilience



Innovation

THE CLIMATE Centre has continued to pursue innovative approaches to link science, policy and practice, consolidating previous explorations such as the humanitarian dimensions of geoengineering, with a presentation to [The Elders](#) and a workshop at Harvard University.

Additional refinements included widening the application of games for teleconferences and a collaboration with Deltares on the evaluation of machine-learning to support forecast-based financing.

[A Year Without A Winter](#), which included a chapter on the Climate Centre's use of art in reflections on the humanitarian implications of our changing seasons, was selected as one of the [best art books of 2019](#) by the [New York Times](#).

Our approach to the design and facilitation of events has continued to open doors for influencing thinking on climate risk: examples include the [FbF kinetic sculpture](#) at the Global Platform for Disaster Risk Reduction 2019 and our [hip hop-enabled session](#) at the UN Climate Summit (main photo).

We have consolidated an unconventional yet happily successful approach: [harnessing humour](#) to communicate risk.

For humanitarians access is key. Humour, deployed at the right time with sensitivity and empathy, can build bridges and open doors

– Marcia Wong, ICRC Head of Policy, Regional Delegation for the US and Canada



The Climate Centre's Carina Bachofen and Pablo Suarez with North Coast performers

In collaboration with the US cartoonist Bob Mankoff, this work has grown rapidly: a [TEDx Talk](#), a workshop at the [ICRC's InspiRED Days](#), numerous workshops at the UN Climate Summit, a [cartoon-infused summary of the IPCC's special report on oceans and ice](#), and a report to Climate-KIC on [humour for system dynamics](#), to name but a few.

New initiatives developed during 2019 included our exploration of people's feelings of depression and anxiety over climate change.

[From Darkness to Illumination: Climate Grief and Resilience in a Sea of Warnings](#) is a report that distills our session at Development & Climate Days, including neuroscience, psychosocial support in war zones, satellite art and musical soundscapes.

The goal? To improve our collective ability to anticipate, diagnose, and provide support on the journey from darkness to illumination and transformative action.



Humour triggers critical thinking, cartoons at the May dialogue platform for FbF in Latin America and the Caribbean

Communications

IN APRIL the Climate Centre added LinkedIn to its portfolio of social-media platforms (Twitter and Facebook), and we now have nearly 2,000 followers there, greatly adding to our audience reach.

Our chief content strand continues to be web news, including op-eds by the director, staff blogs, and cross-promotions of IFRC, ICRC and Thomson Reuters Foundation material, of which we generate nearly three per working week on average for an annual total of just over 140.

Our role as a reference centre for the Movement was reflected in the communications area, as elsewhere, by steadily increasing collaboration and cross-fertilization with the ICRC.

We reported in detail on two of the [round tables](#) held last year with the International Committee on the “conflict-climate nexus” and, for example, cross-promoted a wide-ranging [talk](#) by its (then) Head of Policy, Dr Hugo Slim, at a conference in Singapore.

A historic [webcast virtual event](#) from COP 25 in Madrid and simultaneously the International Conference was the first time the most senior figures from each meeting have been brought together and this included IFRC Secretary-General Elhadj As Sy, as well as the ICRC’s Director General, Yves Daccord, and its Regional Director for Africa Patricia Danzi.

What I took away from the session is that humour is about communication, not entertainment

– Margaret Arnold, Senior Social Development Specialist, World Bank



The humanitarian impacts of climate change – theme of 13th annual awards for humanitarian journalism, Delhi, jointly organized by the Press Institute of India and the ICRC, won by Urvashi Sarkar

The Climate Centre’s new collaboration with Bob Mankoff, cartoon and humour editor of *Esquire* magazine, was designed “to bring humour into humanitarian communications”, our [news report](#) said.

But in terms of simple audience reach, by far the greatest impact last year – indeed a clear record for any Climate Centre communications exercise – was achieved after we [deployed](#) our Kampala-based camera operator Denis Onyodi to Maputo shortly before Cyclone Idai struck Mozambique.

IFRC media-monitoring later found that of at least 11,000 media and social-media mentions linked to the Red Cross and Cyclone Idai, 600 had been triggered by Denis’s Climate Centre stills and footage, including drone aerials.

[Photos](#) by Denis taken on 15 March immediately after the Red Cross team emerged from their shelters were widely shared by news agencies and would have been seen by many millions of people worldwide.

Reuters published a photogallery using photos from the IFRC and the Climate Centre, whose deployment was made possible by the German Red Cross forecast-based financing team in Mozambique.



[Mural, D&C Days, Madrid](#)

Annual accounts 2019

Balance sheet as at 31 December 2019 (in euros)

| After appropriation of the result | | | | | |
|---|------------------|------------------|------------------------------|------------------|------------------|
| Assets | 12/31/19 | 12/31/18 | Liabilities | 12/31/19 | 12/31/18 |
| Fixed assets | | | Unrestricted reserves | | |
| Tangible fixed assets (1) | 20,578 | 25,551 | – going concern reserve (4) | 438,139 | 628,224 |
| Current assets | | | Restricted funds | | |
| Accounts receivable and prepayments (2) | 1,100,827 | 915,384 | – mission reserve (5) | - | 6,088 |
| Cash and cash equivalents (3) | 1,957,753 | 1,908,664 | Total equity | 438,139 | 634,312 |
| | | | Provisions (6) | 230,000 | - |
| | | | Short-term liabilities (7) | <u>2,411,018</u> | <u>2,215,287</u> |
| Balance | 3,079,157 | 2,849,599 | | 3,079,157 | 2,849,599 |

Statement of income and expenditure for 2019 (in euros)

| Income | Actual 2019 | Budget 2019 | Actual 2018 |
|--|------------------|------------------|------------------|
| Income from own fund-raising | | | |
| Grants, gifts and donations (8) | 1,548,966 | 1,284,923 | 946,800 |
| Government grants (9) | 1,993,916 | 2,135,065 | 2,477,173 |
| Other income and expenditures | - | - | 8 |
| Total available for Climate Centre's objectives | 3,542,882 | 3,419,988 | 3,423,980 |
| Expenditure | | | |
| Climate Centre operations | | | |
| – own activities (10) | 3,711,526 | 3,319,988 | 3,374,485 |
| – general operating costs (11) | 27,529 | 124,415 | 66,900 |
| Total expenditure for Climate Centre's objectives | 3,739,055 | 3,444,403 | 3,441,385 |
| Balance for the year | 196,173- | 24,415- | 17,405- |
| Appropriation of balance for the year | | | |
| – donor restricted funds | - | - | - |
| – mission reserve | 6 088- | - | 18,452- |
| – going concern reserve | 190,085- | 24,415- | 1,047 |
| Total | 196,173- | 24,415- | 17,405- |

| Brief summary | Actual 2019 | Budget 2019 | Actual 2018 |
|-------------------------------------|--------------------|--------------------|--------------------|
| Donor restricted funds | | | |
| – Income | - | - | - |
| – Expenditure | - | - | - |
| | - | - | - |
| Mission reserve | | | |
| – Dotation to Going Concern reserve | 6,088- | - | - |
| – Income | - | - | - |
| – Expenditure | - | - | 18,452 |
| | 6,088- | - | 18,452- |
| Going concern reserve | | | |
| – Addition from Mission reserve | 6 088 | - | - |
| – Income | 3,542,882 | 3,419,988 | 3,423,980 |
| – Expenditure | 3,739,055 | 3,444,403 | 3,422,934 |
| | 190,085- | 24,415- | 1,047 |
| Total | 196,173- | 24,415- | 17,405- |

Notes

The 2019 financial statements have been prepared in accordance with the provisions of the Guideline for annual reporting C1 “small not-for-profit organizations” (*Richtlijn voor de Jaarverslaggeving Kleine Organisaties-zonder-winststreven*) edition 2018. They aim to give an understanding of income and expenditure and the overall financial position of the Stichting International Red Cross Red Crescent Centre on Climate Change and Disaster Preparedness (“the Climate Centre”).

Principles of valuation and presentation

General

The financial statements have been drawn up on the historic costs. Unless stated otherwise, the assets and liabilities are posted at nominal value. Balance-sheet items in foreign currencies are converted at the rate on the date of the balance sheet, and the ensuing gains or losses in exchange are recorded in the statement of income and expenditure under the heading “investment revenues”. Unless stated otherwise, all amounts are given in euros.

The Climate Centre is statutory based in The Hague, The Netherlands and is registered with the Chamber of Commerce under number 27267681.

Financial Instruments

Financial instruments of the entity include receivables, cash items and also trade creditors and other payables. Financial instruments are initially stated at fair value, including discount of premium and directly attributable transaction costs. After initial recognition financial instruments are valued in the manner as described below.

Tangible fixed assets

These are stated at acquisition cost less cumulative depreciation. Depreciation is calculated as a percentage of the acquisition cost, according to the straight-line method on the basis of useful life. During 2019 the depreciation rate been reduced from 33.33 per cent to 20 per cent to align with the standard Dutch tax requirements.

Accounts receivable

Receivables are carried at amortised costs using the effective interest method (for the entity equalling the nominal value) less any bad debt provision deemed necessary.

Trade creditors and other payables

Trade creditors and other payables are carried at amortised costs using the effective interest method (for the entity equalling the nominal value).

Principles for determination of the result

Costs and revenues are allocated to the period to which they relate. The entities's pension plan is a defined contribution pension plan. Obligations for the contribution to this plan are recognised as an expense in the statement of income and expense as incurred.

Government grants

Grants that the provider has made dependent upon the costs of a project are included in the statement of income and expenditure for the year in which the subsidized expenditure was incurred.

Salaries

The Climate Centre follows the Dutch Red Cross collective agreement (CAO). The Dutch Red Cross has its own collective agreement (CAO) that is concluded with trade union FNV Abvakabo since 2006. Regarding the remuneration of employees the following is set: The starting point for determining the salary scale function is the function. To this end, all the functions arranged into a number of groups, called functional groups. Each function contains a number of features that are approximately equivalent. The severity of a function is determined by a job description. For each function there is a certain salary scale with a minimum and maximum salary. The Climate Centre scales have been developed with the Dutch Red Cross and have been approved by the board.”

Pension

The employees' pension plan is administered by the industry-wide pension fund Stichting Pensioenfonds Zorg en Welzijn. The retirement pension is a defined benefit plan based on (conditionally) indexed average salary. Indexation of the pension rights depends on the financial position of the pension fund. The premium to be paid to the pension provider is recognized as an expense in the income statement and, to the extent that the premium to be paid to the pension provider has not yet been paid, it is recognized as a liability in the balance sheet. The Climate Centre has no obligation to make additional contributions in the event of a deficit for the industry-wide pension fund, other than paying future higher premium contributions. For this reason, the premium contributions relating to a period are charged to the result in that period.

Notes to the balance sheet as at 31 December 2019 (in euros)

| Tangible fixed assets (1) | 2019 | 2018 |
|---|------------------|------------------|
| Book value at 1 January | 25,551 | 19,118 |
| Investments (computers) | 3,373 | 13,389 |
| Disinvestments | - | 800- |
| Depreciation charged for year (33.33%) | 8,346- | 6,155- |
| Book value at 31 December | 20,578 | 25,551 |
| Accounts receivable and prepayments (2) | 2019 | 2018 |
| Receivables activities | 1,049,388 | 853,766 |
| Receivables from related parties | - | 435 |
| Accrued interest and other receivables | 51,439 | 61,183 |
| Total | 1,100,827 | 915,384 |
| Almost all receivables have a remaining term of less than 1 year. | | |
| Cash and cash equivalents (3) | 2019 | 2018 |
| Current accounts | 1,957,753 | 1,908,664 |
| Total | 1,957,753 | 1,908,664 |

The cash and cash equivalents are at the Climate Centre's free disposal.

Equity

In accordance with the aforementioned guidelines, the Climate Centre's equity is broken down into restricted funds and unrestricted reserves. Restricted, earmarked funds are that part of equity to which a third party has dictated a specific use, and the Climate Centre can only use these funds for that purpose. The remaining equity is reported as unrestricted. The going-concern reserve will be allocated as unrestricted funding to carry out activities according to the mandate of the Climate Centre, as described in the articles of association.

| Going concern reserve (4) | 2019 | 2018 |
|---------------------------------------|----------------|----------------|
| Balance at 1 January | 628,224 | 627,177 |
| Appropriation of balance for the year | 190,085- | 1,047 |
| Balance at 31 December | 438,139 | 628,224 |

| Restricted reserve (5) | 2019 | 2018 |
|---------------------------------------|-------------|--------------|
| Mission reserve | | |
| Balance at 1 January | 6,088 | 24,539 |
| Appropriation of balance for the year | 6,088- | 18,452- |
| Balance at 31 December | - | 6,088 |

The mission reserve is a reserve for the mission of the Climate Centre, particularly focused on policy, innovation, and analysis. The funds placed in this reserve will be used for unfunded activities that further the mission of the Climate Centre, and it is our aim that funds invested in this reserve should be spent within five years of being invested in the reserve. The board has stipulated the restriction of the mission reserve.

| Provisions (6) | 2019 | 2018 |
|-------------------------------|----------------|-------------|
| Provision for VAT 2015-2019 | | |
| Balance at 1 January | - | - |
| Addition | 230,000 | - |
| Balance at 31 December | 230,000 | - |

| Short-term debts (7) | 2019 | 2018 |
|------------------------------------|------------------|------------------|
| Accounts payable | 188,383 | 128,960 |
| Taxes and social security premiums | 32,906 | 31,550 |
| Other creditors | 281,298 | 200,261 |
| Project related funds | 1,908,432 | 1,854,516 |
| Total | 2,411,018 | 2,215,287 |

| Project related Funds | Balance | Received | Expenditure | Balance |
|--|------------------|------------------|-------------------|------------------|
| | 1 Jan 2019 | | | 31 Dec 2019 |
| PFR II | 1,653,098 | 1,498,730 | 1,408,063- | 1,743,765 |
| PLACARD | 1,924 | | 1,924- | - |
| Chronic Crisis | 37,418 | | 37,418- | - |
| FBFII Mongolia | 36,195 | | 32,366- | 3,829 |
| 2038 – ZFRA Zurich Flood Resilience Alliance | 119,793 | | 51,582- | 68,211 |
| 4238 – FBF Zimbabwe Feasibility Study | 6,087 | | 2,585- | 3,502 |
| 4325 – 3 oceans French RC | | 66,500 | 32,208- | 34,292 |
| 4330 – Seadrif | | 44,870 | 40,353- | 4,517 |
| 4345 – Receipt | | 48,333 | 7,704- | 40,629 |
| 3501 – RP II | | 2,527 | | 2,527 |
| 4250 – Drought FBF and early action | | 7,159 | | 7,159 |
| Total | 1,854,516 | 1,668,119 | 1,614,204- | 1,908,432 |

Notes to the statement of income and expenditure for 2019 (in euros)

| Grants, gifts and donations (8) | Actual 2019 | Budget 2019 | Actual 2018 |
|--|--------------------|--------------------|--------------------|
| PNSs: Netherlands Red Cross | 25,000 | 25,000 | 25,000 |
| German Red Cross | 10,000 | 10,000 | 10,000 |
| Danish Red Cross | 7,000 | | |
| Swiss Red Cross | | 15,000 | 12,510 |
| British Red Cross | 15,399 | | |
| Other | 1,184 | 50,000 | |
| | 58,583 | 100,000 | 47,510 |

In addition to the funds received we also received a non-monetary contribution from New Zealand Red Cross in the form of staff on loan to the value of 243,000 New Zealand dollars and 145,000 euros.

| | | | |
|--|--------|--------|---------|
| 040 - IASC | | - | 18,452- |
| IDAMS (European Commission) | | - | 918- |
| 2028 World Bank NDC | | - | 12,464 |
| IFAD | | - | 38,014 |
| 2025 - PLACARD | 22,811 | 21,388 | 46,619 |
| 2035 - C2G2 Geoengineering animation project | - | - | 7,853 |
| 2036 - GFDRR Geoengineering Art Understanding Risk Project | - | - | 5,062 |
| 2037 - Climate KIC GAMES | - | - | 18,193 |
| 2038 - ZFRA Zurich Flood Resilience Alliance | 51,582 | 62,280 | 1,563 |
| 2039 - GRP Workplan: Actions for UNSG Summit and beyond | 38,248 | | |
| 3013 - Y Adapt Iran (IFRC) | 4,272 | - | 3,700 |
| 3501 - RPII | 74,503 | 75,500 | 82,523 |
| 3510 - Chronic Crisis Ethiopia | 366 | | |
| 4012 - WB challenge fund Dar Es Salaam | - | - | 4,337 |
| 4015 - Fathum | 51,508 | 57,500 | 53,980 |
| 4017 - Fathum Shear CCT | 11,249 | 30,940 | 11,277 |
| 4018 - Fathum Shear KB | 29,485 | 52,505 | 36,265 |
| 4111 - FBF Togo | 1,795 | - | |
| 4200/1/2 - FBF II German Private sector | 17,044 | 42,831 | 38,094 |
| 4223 - Fbf II Mongolia (BRC) | 32,366 | 43,318 | 36,138 |

| | | | |
|---|------------------|------------------|----------------|
| 4230 - ODI WISER (ODI) | 1,742 | - | 31,237 |
| 4235 - FbF Ikea (NRK) | 295,689 | 227,260 | 181,732 |
| 4236 - FBF Indonesia Workshop (Australian Red Cross) | - | - | 5,677 |
| 4237 - FBF Niger Mali (Belgian Red Cross) | 51,829 | 82,000 | 15,440 |
| 4238 - FBF Zimbabwe Feasibility Study (British Red Cross) | 2,585 | 6,668 | 1,234 |
| 4239 - FBF Nepal Feasibility Study | 18,765 | | |
| 4240 - FbF Vietnam | 19,001 | | |
| 4241 - FBF Niger French RC | 12,075 | | |
| 4300 - NASA (American Red Cross) | 29,166 | 24,445 | 15,748 |
| 4310 - InaSAFE Challenge Fund | 39,498 | | |
| 4320 - AFD Scoping Caribbean | 70,038 | | |
| 4325 - 3 Oceans FRC | 32,208 | | |
| 4330 - SEADRIF | 40,353 | | |
| 4340 - Danish Red Cross projects | 23,217 | | |
| 4345 - RECEIPT | 7,704 | 25,000 | |
| 4350 - ARRC | 22,230 | | |
| 5003 - ASP Sahel Adaptive Protection Program | 148,575 | 172,000 | 88,494 |
| 5008 - FAO SPCC | | - | 79,890 |
| 5009 - G0025 Mercy Corps Capacity Building workshop | 18,064 | | |
| 5010 - G0026 Mercy Corps Study remittanced pre-disaster fin | 11,309 | | |
| 5020 - Fractal II | 24,282 | 10,500 | 50,311 |
| 5021 - Climate KIC SME | - | - | 52,814 |
| 5022 - 5022 Climate KIC Urban Heat Risk | 79,040 | | |
| 5023 - 5023 Climate KIC Deep Demonstrator | 138,925 | | |
| 5030 - 5030 ICRC | 68,858 | | |
| Extreme Earth | | 50,000 | |
| Maie Curie ETN | | 56,955 | |
| Sudan Climate Change | | 10,000 | |
| DEVCO/EU - Eco DRR | | 25,000 | |
| MAINTAINS | | 34,500 | |
| Rutgers Volcanoes | | 28,333 | |
| FBF Zimbabwe | | 6,000 | |
| FBF Indonesia | | 20,000 | |
| FBF Central Asia | | 20,000 | |
| Total | 1,548 966 | 1,284 923 | 946,800 |

| Government grants (9) | Actual 2019 | Budget 2019 | Actual 2018 |
|---|--------------------|--------------------|--------------------|
| Partners for Resilience (Dutch Government) | 1,408,063 | 1,545,000 | 1,617,813 |
| Forecast Based Financing II (German Government) | 244,532 | 323,181 | 347,067 |
| BRACED (UK Government) | - | - | 96,010 |
| BRACED X (UK Government) | 258,849 | 266,884 | 315,901 |
| Other Government grants (1013) | 82,472 | - | 100,382 |
| Total | 1,993,916 | 2,135,065 | 2,477,173 |

| Climate Centre operations (10) | Actual 2019 | Budget 2019 | Actual 2018 |
|---------------------------------------|--------------------|--------------------|--------------------|
| Own activities | | | |
| Attributed to projects | 2,260,385 | 2,579,733 | 2,153,082 |
| Other employment expenses | 378,413 | 428,059 | 328,495 |
| Consultants/volunteers | 700,901 | 181,896 | 672,731 |
| Office and housings costs | 118,101 | 117,300 | 202,293 |
| Campaign materials | 21,938 | 13,000 | 15,227 |
| VAT reservation period 2015-2019 | 230,000 | | |
| Other direct costs | 1,787 | - | 2,657 |
| Total | 3,711,526 | 3,319,988 | 3,374,485 |

| Climate Centre Operations (11) | Actual 2019 | Budget 2019 | Actual 2018 |
|---------------------------------------|--------------------|--------------------|--------------------|
| General operating costs | | | |
| Employment expenses | | | |
| Salaries | 554,822 | 674,759 | 438,919 |
| Social security charges | 77,918 | 94,762 | 68,588 |
| Pension contributions | 67,261 | 81,801 | 65,914 |
| | 700,002 | 851,322 | 573,421 |
| Other general operating costs | | | |
| Other employment expenses | 12,156 | 5,000 | 15,922 |
| Consultants/volunteers | 1,511,702 | 1,757,826 | 1,559,768 |
| Office and housings costs | 64,291 | 85,000 | 65,554 |
| Other general costs | 236 | 5,000 | 5,318 |
| | 1,587,913 | 1,852,826 | 1,646,562 |
| Attributed to projects | 2,260,385 | 2,579,733 | 2,153,082 |
| Total | 27,529 | 124,415 | 66,900 |

During the financial year, the average number of FTE excluding consultants amounts to 7 (2018: 7.4).

No board member has received a salary, loans or guarantees.

The Hague, 8 September 2020

Board of Governors

Mr E.H.T.M. Nijpels
Mrs M. van Schaik
Mr Jagan Chapagain

Chairman
Treasurer
Member

Other information

Independent auditors report

To the board of governors of the Climate Centre:

A. Report on the audit of the financial statements 2019 included in the annual report

Our opinion

We have audited the accompanying financial statements 2019 of the Climate Centre, based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Climate Centre as at 31 December 2019 and of its result for 2019 in accordance with the Guideline for annual reporting C1 “small not-for-profit organizations”.

The financial statements comprise:

1. the balance sheet as at 31 December 2019
2. the statement of income and expenditure for 2019, and
3. the notes comprising 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 the Climate Centre 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.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the board report.

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.

The board is responsible for the preparation of the other information, including the board report in accordance with the Guideline for annual reporting C1 "small not-for-profit organizations".

C. Description of responsibilities regarding the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting C1 "small not-for-profit organizations". Furthermore, the board is responsible for such internal control as the board 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, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board 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.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment 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 skepticism 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board; MDM | accountants & belastingadviseurs
- concluding on the appropriateness of the boards 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the board, 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.

The Hague, 26 August 2020

MDM accountants B.V.

Signed by,
R. Munnikhof AA

Colophon

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The Netherlands

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Red Cross Red Crescent Climate Centre

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