

OPERATING REPORT

1/ OPERATING BUDGET

Despite the instability created by the health crisis the IECD's combined **operating budget** in 2021 was **€19.1 million** compared to €15.3 million in 2020. Growth in activity reached 24% this year, compared to 2% in 2020.

Over the last year **62 projects were carried out in 16 countries**. The IECD leads its activities in the **Mediterranean Basin (€8.6million)**, in **Sub-Saharan Africa (€6.5 million)**, in **Madagascar (€2.7 million)** and in **SouthEast Asia (€1.3 million)**. As in 2020 the three main countries of intervention in 2021 were Lebanon, Madagascar and Ivory Coast.

All 3 IECD regions of intervention are growing, notably:

- Our projects in Lebanon **(+45%)** with this year being the first full year of operations following the explosion in Beirut, notably with the Maharat Li Loubnan project, the launch of new activities to support entrepreneurs and the initiative for the restoration of Lebanese national heritage
- The impact of a full year of the major project launched in Liberia in 2021 on electrical engineering and the development of fishing.
- Projects in Madagascar **(+16)**, notably the education programme **(+26%)** due to the renovation of buildings and a major project for hospitality and catering training which involves local partners and which was launched at the start of the year.

This significant investment compensates for the handing over of the programme for the fight against sickle cell disease to our partners and for the reduction of our activities in Palestine. These decisions are part of the IECD's strategy.

Of the **11 key programmes** which structure the IECD's activities, courses which lead to a diploma in construction/industry and courses which lead to a qualification represent **40%** of the total, followed by education **(14%)** and support for small enterprises **(13%)**. The programmes as a whole thus make up for the delays seen in 2020 on our existing projects and on new projects.

2/ FINANCIAL RESULTS

The result of the financial year was **€2.2 million** (including €1.5 million linked to bequests and donations) in comparison with a result of €110,000 in 2020. This surplus for bequests is due to a change in accounting rules for associations. In 2021 **92%** of our resources were directly invested into the IECD's projects, showing good control of the costs of our support functions **(8%)** for a total of **€1.5 million** for the financial year. Bearing in mind the rapid progression of our activity in 2021 and our forecast for 2022, we must continue to develop the structure of our support teams.

As in 2020 the IECD benefitted from a strong balance between funding from public **(48%)** and private partners **(52%)** in 2021. These figures provide us with financial security.

In 2021 **60%** of the IECD's spending was audited by independent **auditing** firms. The results of these audits confirmed the rigorous financial management of our projects with ineligible expenses representing less than **0.1%** of the operating budget.

Last of all we should note the **52%** increase of the IECD's treasury with an increase in reserve funds and earmarked funds.

BREAKDOWN OF THE IECD'S FINANCIAL RESULT FOR 2021

| In thousands of € | Balance 2021 |
|---------------------------------|--------------|
| Projects | -68 |
| Strengthening our reserve funds | 860 |
| Bequests and donations | 1,451 |
| TOTAL | 2,245 |

3/ IT

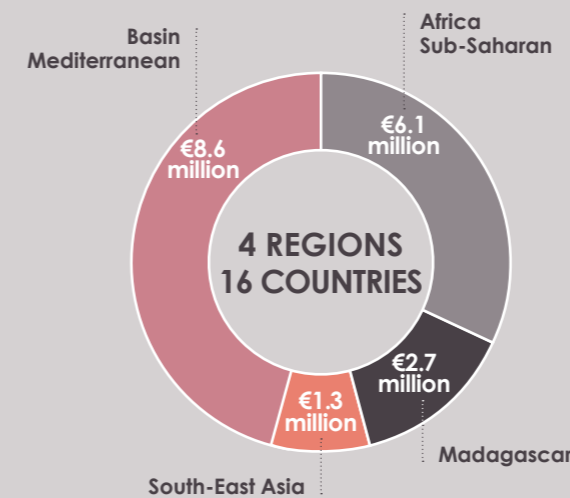
In 2021 the IECD closed its accounts for the first time using the AidPortfolio project management tool for development stakeholders. Its finance module brings **greater efficacy and reliability**, ensuring that the IECD respects all relevant procedures: approvals and commitments to spending, accountability, audits and budget management. The **harmonisation** of practices helps with providing traceability and real-time consolidated data for our financial indicators.



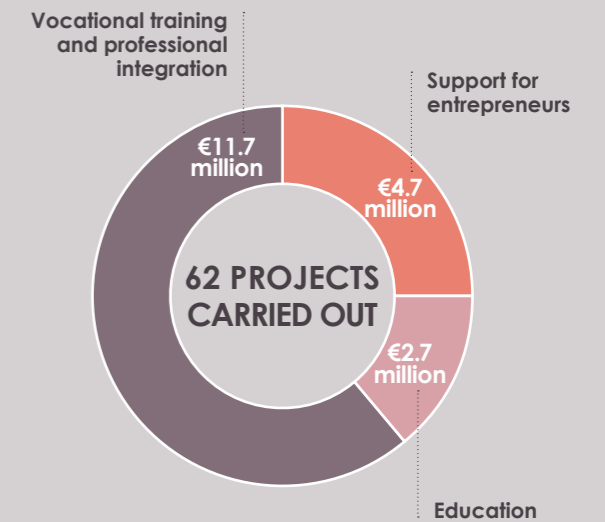
► Basic management training for entrepreneurs, Kinshasa.

FINANCIAL INDICATORS

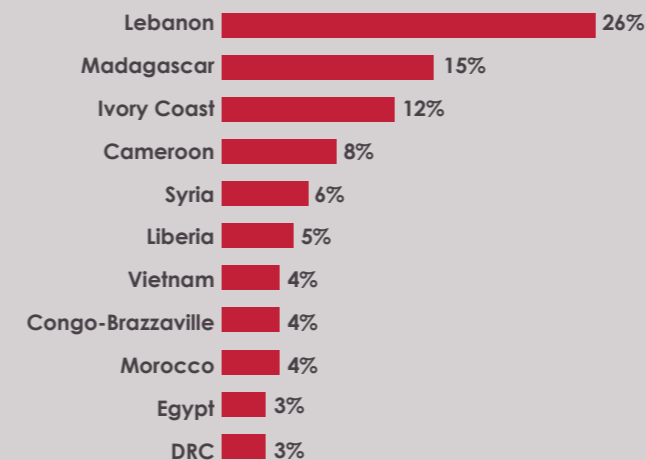
INVESTMENT BY REGION



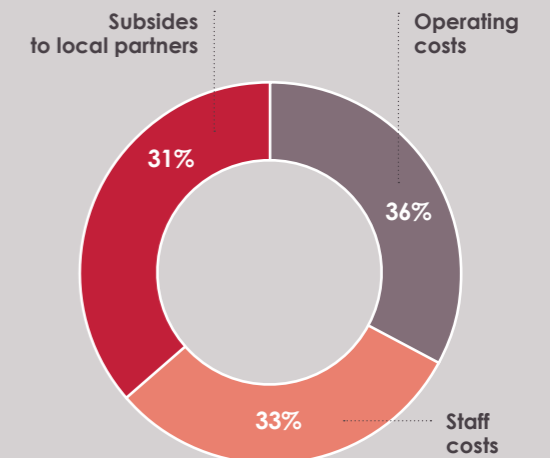
INVESTMENTS BY SECTOR OF ACTIVITY



OPERATING BUDGET BY COUNTRY

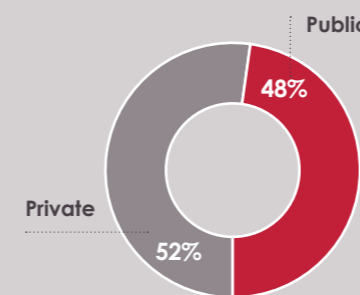


COSTS OF PROJECTS BY TYPE OF EXPENDITURE

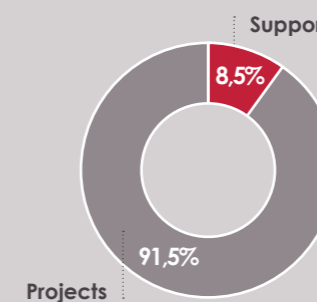


RESOURCES

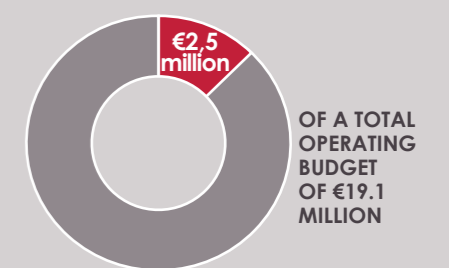
SOURCE OF FUNDING



BREAK-DOWN OF SPENDING



INVESTMENTS - NEW PROJECTS



BALANCE SHEET

CERTIFICATION OF ACCOUNTS

The annual accounts, closed on 31 December 2021, were audited by Mrs Estelle Le Bihan, HLP Audit, Statutory Auditor.

| In thousands of euros | Financial year 2021 | | Financial year 2020 | |
|---|---------------------|--------------|---------------------|---------------|
| | Gross | Depreciation | Net | Net |
| FIXED ASSETS | | | | |
| Intangible assets | 353 | 71 | 282 | 323 |
| Tangible assets | 3,009 | 673 | 2,336 | 2,372 |
| Assets received via bequest or donation | 32 | | 32 | 1,561 |
| Financial assets | 642 | | 642 | 642 |
| TOTAL (I) | 4,035 | 744 | 3,291 | 4,898 |
| CURRENT ASSETS | | | | |
| Receivables customers | 18,633 | | 18,633 | 114 |
| Receivables from bequests and donations | 5 | | 5 | 221 |
| Other receivables | 3,801 | | 3,801 | 3,046 |
| Grants to be received | 1,178 | | 1,178 | 1,165 |
| Cash in bank | 13,450 | | 13,450 | 8,846 |
| Deferred expenses | 678 | | 678 | 303 |
| TOTAL (II) | 37,745 | | 37,745 | 13,696 |
| BALANCE SHEET ASSETS (I + II) | 41 780 | 744 | 41 036 | 18 594 |

| In thousands of euros | Financial year 2021 | Financial year 2020 |
|---|---------------------|---------------------|
| EQUITY | | |
| Equity | 50 | 50 |
| Equity with counterpart assets | 3,196 | 3,196 |
| Reserves | 1,551 | 340 |
| Carried forward | 110 | 1,211 |
| Surplus/deficit for the year | 2,245 | 110 |
| New worth | 7,152 | 4,907 |
| Investment grants | 282 | 323 |
| TOTAL (I) | 7,434 | 5,231 |
| EARMARKED FUNDS AND PROVISIONS | | |
| Deferred funds - bequests | 36 | 1,563 |
| Earmarked funds | 13,312 | 8,762 |
| Provisions for risks and charges | 322 | 375 |
| TOTAL (II) | 13,669 | 10,699 |
| LIABILITIES | | |
| Financial debts | | 11 |
| Trade payables | 514 | 652 |
| Debts from bequests | 2 | 704 |
| Fiscal and social debts | 395 | 458 |
| Other liabilities | 334 | 125 |
| Deferred income | 18,688 | 714 |
| TOTAL (III) | 19,933 | 2,664 |
| BALANCE SHEET LIABILITIES (I + II + III) | 41,036 | 18,594 |

| In thousands of euros | Financial year 2021 | Financial year 2020 |
|---|---------------------|---------------------|
| OPERATING REVENUES | | |
| Sales of services | 279 | 243 |
| Income from third-party funders | 22,752 | 14,281 |
| Reversals from provisions | 347 | 269 |
| Use of earmarked funds | 6,166 | 6,949 |
| Use of deferred funds for bequests | 2,117 | 313 |
| TOTAL REVENUE | 31,661 | 22,056 |
| OPERATING EXPENSES | | |
| External expenses and other purchases | 7,099 | 3,040 |
| Financial aid | 5,312 | 4,586 |
| Taxes and similar payments | 333 | 71 |
| Payroll | 4,386 | 6,198 |
| Allowance for depreciation | 154 | 82 |
| Allowance for provisions | 295 | 346 |
| Carried forward in earmarked funds for projects | 10,105 | 5,689 |
| Carried forward in earmarked funds for bequests | 308 | 1,622 |
| Other expenses | 1,640 | 24 |
| TOTAL EXPENSES | 29,632 | 21,657 |
| OPERATING RESULT | 2,029 | 398 |
| FINANCIAL RESULT | 215 | -260 |
| EXCEPTIONAL RESULT | 0 | -16 |
| Tax on profits | 0 | 12 |
| SURPLUS/DEFICIT | 2,245 | 110 |
| Free provision of good and services | 0 | 2 |

COMBINED ACCOUNTS

Combined accounts are the equivalent of consolidated accounts for entities whose unity and cohesion stem from circumstances other than those outlined under article 357-1 of the French law of 24 July 1966 on commercial companies.

Thus the IECD can combine the entities which lead its missions in the 16 countries of intervention. These entities, governed by their local laws, are key partners which, together, form the IECD group.

The following key entities are combined here: **Semeurs d'avenir** in Lebanon, **PROMES** in Madagascar, **PEFACI** in Ivory Coast, **IECD in Morocco**, the members of the **Entreprises Développement Network, the Boulangeries Françaises and social enterprises**. The combined expenses identified here take into account amounts directly committed by the combined entities for a total of **€1.7 million** in 2021.

| In thousands of euros | Financial year 2021 | Financial year 2020 |
|--|---------------------|---------------------|
| RESOURCES (I) | | |
| Salaries and costs | 4,386 | 6,132 |
| Subsidies for implementation with partners | 5,312 | 4,586 |
| Expenses | 7,099 | 3,040 |
| Promotion of partners | 1,709 | 1,113 |
| Taxes | 333 | 71 |
| Other costs | 233 | 393 |
| OPERATING BUDGET (II) | 19,072 | 15,335 |
| Allowance for provisions | 295 | 346 |
| Carried over in earmarked funds | 10,413 | 7,405 |
| Other expenses | 1,640 | 24 |
| Financial products | -294 | -51 |
| Re-processing - promotion of partners | -1,709 | -1,113 |
| OTHER NON-OPERATING EXPENSES (III) | 10,345 | 6,611 |
| OPERATING SURPLUS (I - II - III) | 2,244 | 110 |

