

**MOTHER OF FOUR.
DAUGHTER.
SURVIVOR.
BREADWINNER.**

PALMERA

ANNUAL REPORT 2020



NUTRITIOUS FOOD.

SHELTER.

CLEAN WATER.

A DECENT EDUCATION.

ACCESS TO HEALTH CARE.

SAFE AND SECURE ENVIRONMENT.

**All fundamental for a life free
from hunger and poverty.**

**Yet millions of people can't
afford these basic needs.**



WE ARE ON A MISSION.

TO HELP SHIFT THE DIAL FROM

CHARITY **TO CHOICE**

We work with communities to rewire the systems that discriminates and economically excludes.

In doing this, we accelerate the path to a living income so families can stand on their own two feet.



ONLY WHEN A WOMAN, A FAMILY, CAN
SAFELY EARN A LIVING INCOME CAN
THEY HAVE THE GREATEST FREEDOM —

THE CHOICE
TO SAY NO.

NO TO
VIOLENCE
NO TO
TRAFFICKING
NO TO
HUNGER

WHERE WE DO IT

Our work reaches the excluded — those living in the last mile.

The last mile means not only serving the poorest of the poor, but also the people, places and small businesses that are excluded, where development needs are greatest, and where resources are most scarce.

We do work that works, focusing geographically in Sri Lanka and working in communities we know well.

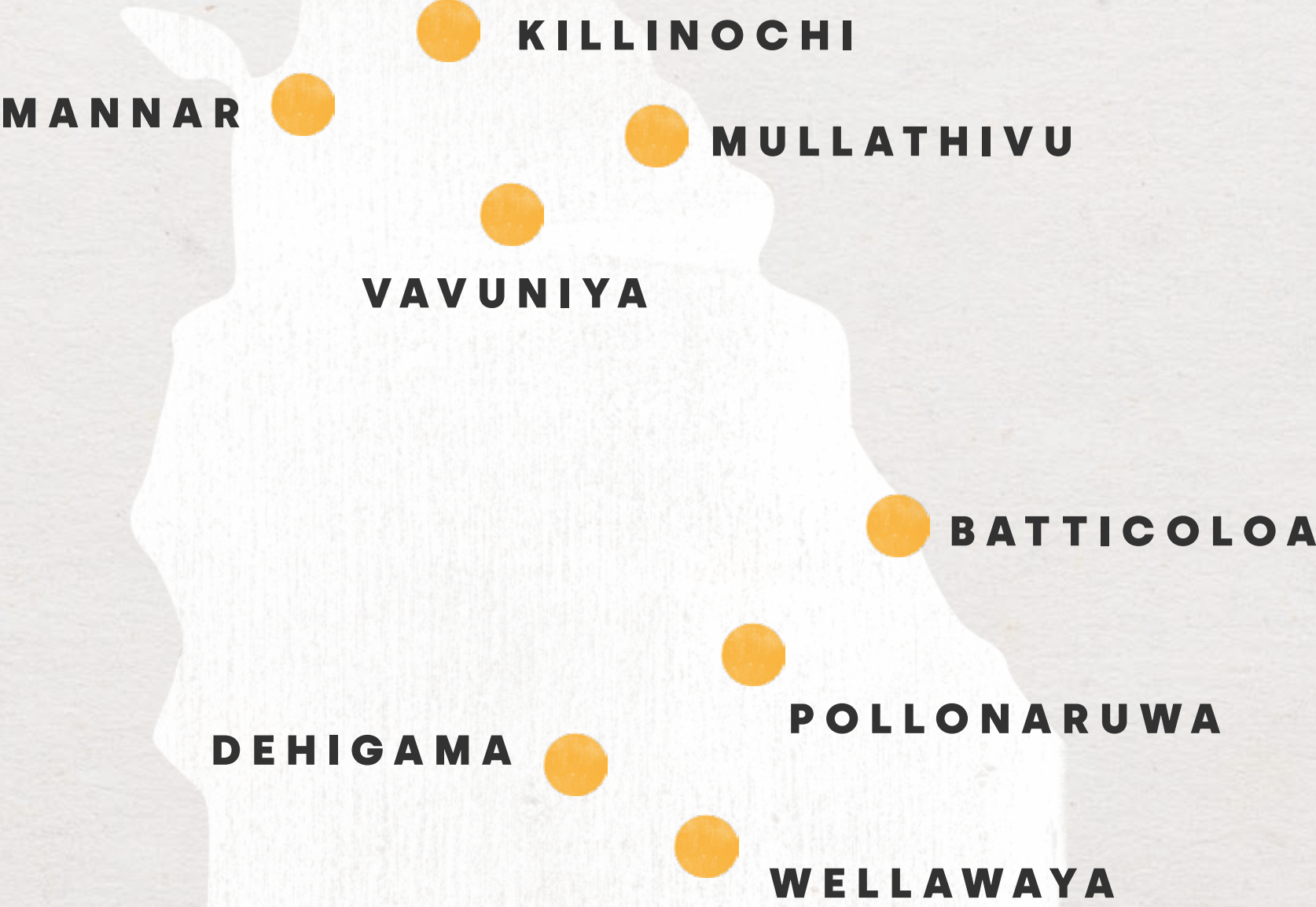
Roughly one quarter of the Sri Lankan population remains nearly poor, as defined by living above the national poverty line, US\$ 1.5 per day but below US\$2.50 per day.

We extend our reach through our work *Expertise for Impact*, sharing our learnings and providing support to global partners.

BANGLADESH

Expertise for Impact

Reach **5000** people



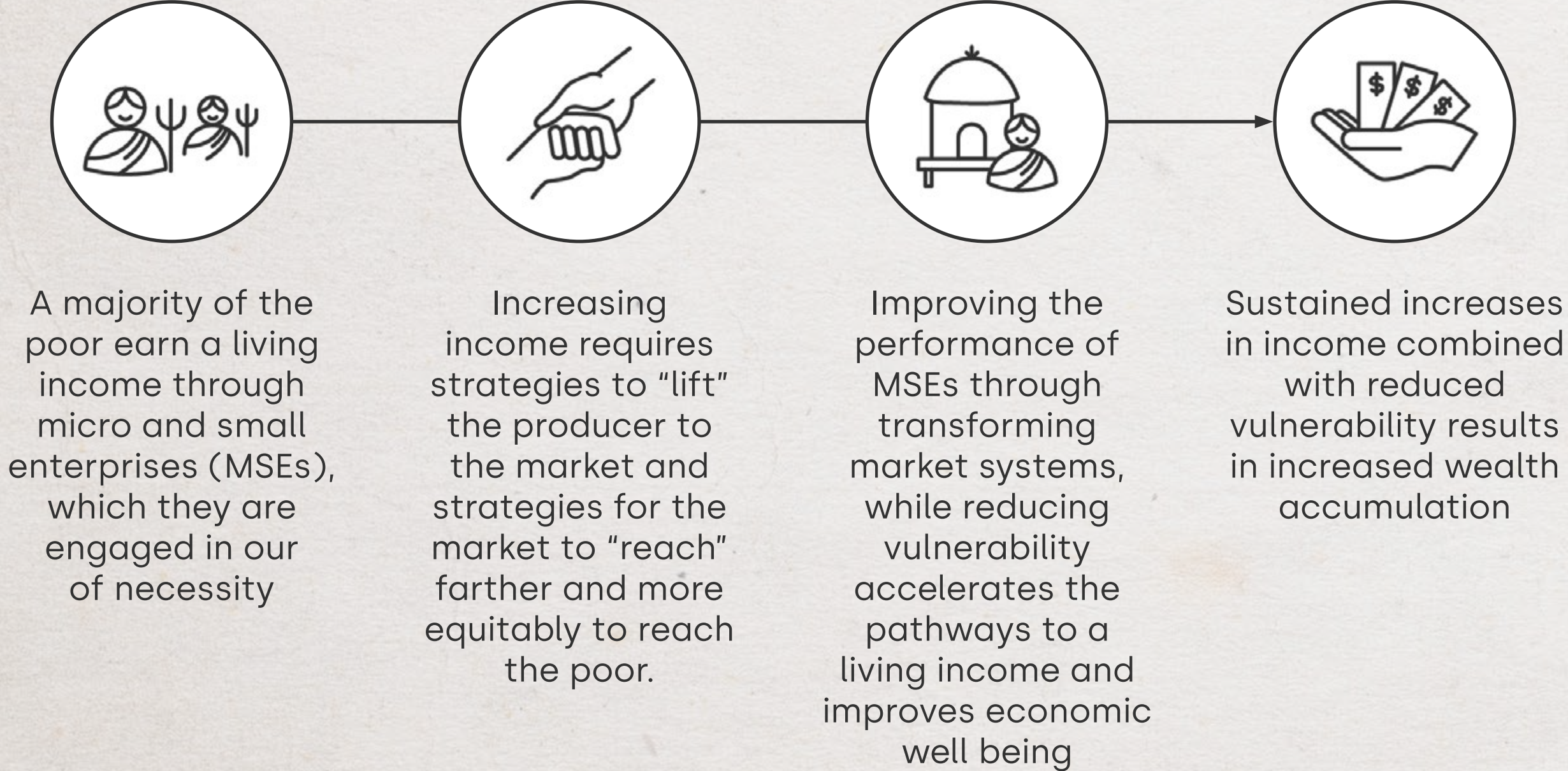
Work that Works

Reach **101,300** people

SRI LANKA

OUR PROGRAMMES ARE DRIVEN BY OUR THEORY OF CHANGE

OUR THEORY OF CHANGE



WE ACHIEVE OUR THEORY OF CHANGE THROUGH OUR FOCUSED PROGRAMMES



PALMERA IMPACT 2019

Flagship work: Village2Markets



16,300

people reached through our Village2Markets programmes



80%

increase in income



95%

women are now able to save on a regular basis and report a significant change to their ability to contribute to household decisions.



80%

families that have completed the V2M programme have graduated into higher wealth rankings

Other Livelihood Programmes



25,000

people reached through livelihood programmes



50

new and strengthened business serving 25,000 people in the last mile



85%

of poor farmers report improved services - critical to increase their income



80%

of poor farmers report increased income because of the improved services

Vulnerability Programmes



60,000

people reached through vulnerability programmes



50,000

people have access to improved health outcomes with our dental mobile clinic



10,000

people provided relief support following floods and Easter bombings.



4

emergencies responded to

VILLAGE — 2MARKETS



**“YOU HAVE SET
THE PATH FOR US,
NOW YOU
MUST DO THIS
FOR OTHERS.”**

Village member in a
village where our work is
concluding next year

We launched our village to markets model in 2015 in one village. Today we are working in 15 villages supporting

16,300

people and growing.

We work in a village for 5 years. During this time we transform the systems so that small rural entrepreneurs are equipped with the skills & networks needed to access and benefit from market opportunities and that the market transforms to better serve these producers.

When that happens, pathways to economic prosperity are created and families and villages graduate out of vulnerability.

By working with an entire village, with focused efforts, we ensure that no one is left behind.



VILLAGE2MARKETS IN NUMBERS

INCOME AND PRODUCTION

12,215

Farm families served

80%

Increase in income

112%

Increase in productivity across farmers we support

90%

Increase in village production volumes

MARKET SERVICES

112%

Increase in buyers across sectors where we work

90%

Increase in services providers across sectors where we work

90%

Increase in producer confidence accessing better services

90%

of families report improved access to market services

SAVINGS AND ASSETS

85%

increase in fixed and liquid assets

2,456

women engaged in savings programmes

95%

of women regularly savings

130%

increasing in cultivated lands

WOMEN EMPOWERMENT

90%

of women are now engaged in women networks

95%

women report improved social capital

65%

of women report a reduction in domestic violence

85%

of women report that they have improved decision making capacity in their homes

EDUCATION, HEALTH AND NUTRITION

100%

families investing income to improve these outcomes

40%

families report that children are now able to reach higher school grades and/or university levels

95%

families are now food secure

90%

families report improved child well being

VOICE OF THE POOR IN MARKETS

70%

increase in collective actions

112%

increase in collective activities

90%

adoption of new production practices improving bargaining position with buyers

90%

of the poor report they have improved platforms to advocate for their rights

VILLAGE2MARKETS LOCATIONS

VILLAGE	REACH	OUTSIDE VILLAGE	PROGRESS
Thervipuram B	800 people	2000 people	Year 4
Thervipuram A	1400 people		Year 4
Rajalagama	800 people		Year 4
Unagalawera	800 people	1200 people	Year 4
Colony	800 people		Year 3
Irrutumaddhu	800 people		Year 3
Central	400 people	500 people	Year 3
Theravil	800 people		Year 1
Ilankopuram	600 people		Year 1
Valluvapuram	600 people	500 people	Year 1
Periyakulam	800 people		Year 1
Sampukulam	600 people		Year 1
Kaddaikadu	600 people	500 people	Year 1
Rangankulam	600 people		Year 1
Kanthsamynagar	440 people		Year 4
Dehigama	800 people	500 people	Year 1
Wellawaye	800 people		Year 4

TOTAL

16,300 PEOPLE



THE STORY OF COLONY



When we arrived almost 90% of families relied solely on daily wages for income. Today, that number is less than 20%

We created this change by investing in three markets – Groundnuts, Dairy and the Chilli Sector. Over the three and half years we have been working in the village, with farmers and market actors, we have broken down the barriers that prevented their effective participation.



When we arrived families had small lands that remained unutilised. Today, 70% of families are now utilising lands for income

We created this change by introducing new technology, new practices, establishing new service providers, connecting with input & technical providers and connections to new buyers. These are long lasting market connections that continue to grow. Transforming the ecosystem resulted in the villages combined groundnut profits growing from \$2,500 to \$22,600 – a 800% increase



When we arrived there were no quality cows and no local collection centres. Today, there are more than 250 high breed cattle

In addition to introducing new technologies and practices to farmers and connecting them to critical market actors, the way we created the biggest change in this sector was through technologies to improve the breed of the cattle and access to quality vets. Through training and establishing new vets in the area, we could ensure that cattle could produce more milk and higher incomes for farmers.

WHEN WE ARRIVED

85%

Vulnerability

70%

Land in the village not effectively used



TODAY

15%

Vulnerability

5%

Land in the village not effectively used

THE STORY OF POLLONARUWA



When we arrived there were over 15 predatory finance companies. Today, the community bank stands alone, with low interest rates, they work in service for the poorest.

The Gamisarana, are a group of women who never thought that they would play the role that they do today. With a strengthened governance and team, they have grown from serving 200 to over 700 families. But even more importantly, they have extended their services beyond loans and provide a range of welfare and social protection services with their profits.



When we arrived families had small lands that remained unutilised. Today, 70% of families are now utilising lands for income

Before the programme farmers only grew cash crops on their land and were not growing crops that would lead to high income and produce fruit all year round – like coconuts and mangoes. Through focused mentor programmes (8 – 10 months) we provided detailed training and market linkages so they could understand land management strategies and, based on their income needs, plan their land for their short and long term goals.



When we arrived there were no quality cows and no local collection centres. Today, there are more than 250 high breed cattle

Through deep training and the introduction of hybrid cattle and breed improvement techniques, yield started to grow. A buyer came to the local area and set up collection points and as more barriers broke down, more families could increase their investment in the dairy sector. Profits increased as farmers were improving quality and able to access high prices and self producing a range of inputs, lowering their expenses.

WHEN WE ARRIVED

73%

Vulnerability

90%

Families reliant solely on daily labour



TODAY

35%

Vulnerability

20%

Families reliant solely on daily labour

LIVELIHOODS

**“ I THOUGHT OUR
FATE WAS SET —
BUT THE UNIVERSE
BLESSED US
WITH ANOTHER ”**

One of the Youth Vets
trained by Palmera's
3 year programme

Alongside our Village2Markets flagship programmes, we work to address other system failures beyond the village that impact the ability of last mile villages to be economically engaged, such as establishing or strengthening businesses that support vulnerable producers, or working with government ministries to influence policies and procedures

INCOME AND PRODUCTION



GRADUATING THE POOREST



THE STORY OF DAIRY COLLECTIVE



The Collective had little infrastructure but a lot of heart when we arrived. With a mission to serve their members, they have now tripled their reach into last mile areas. They offer their members up to 30% higher prices. Through a 6 fold matching of our dollar by the Sri Lankan Government, we were able to establish new buildings and purchase new value addition equipment. Working with our technical partners, Tech Ceylon, we were able to ensure that the new equipment was operational and serving all their members.

Over \$500,000 AUD has been leveraged through the Government and other actors for the 6 Dairy Cooperatives we support



Our support through the establishment of a fund, attached to the collective and business mentoring services, has seen the collective now registered as a cooperative bank. Members can take low interest loans to expand their livestock businesses. Most importantly, they reach farmers who would otherwise not have been able to access or afford a loan. 20% of those who have received loans are first time cattle farmers, and 70% are women.

4 of the 6 collectives we have supported are now registered as a cooperative bank



The Collective has established services so farmers can access the needed inputs, and pay once they have income from their milk. Through long standing relationships with their members, the Cooperative can manage this risk, while ensuring their members have the cattle feed & the medicines they need. In the past farmers were unable to afford these essential services and resorted to less than ideal practices for their cattle or at worse, disengaged completely from these profitable sectors.

All 6 Cooperatives have a range of services they now provide their members.

WHEN WE ARRIVED

50

Farmers reached

0

Additional services for farmers developed



TODAY

400

Farmers reached

12

Additional services for farmers developed

VULNERABILITY REDUCTION



“ MY HUNGER
IS NOTHING

SEEING YOUR CHILD
HUNGRY. THAT WILL
DESTROY YOU”

Mother from emergency
relief work during floods

VULNERABILITY IN NUMBERS

Without a living income, which is core to our work, families have little chance of breaking out of the poverty cycle.

However, for many, there are endless challenges even before they can think about a living income. Whether it be man made or natural disasters, families are sometimes thrown into depths of poverty or face extreme hardships.

Through our vulnerability reduction programmes, we complete our mandate in ensuring that no one is left behind.

60,000

Families served

50,000

People have access to improved health outcomes through the dental mobile clinic

10,000

People reached through 2 emergency responses

THE STORY OF THE MOBILE DENTAL CLINIC



When we arrived, there was a broken down vehicle, hardly used, and unable to service the community. Today, the mobile dental clinic is fully operational across Mannar's rural areas servicing in excess of 50,000 families each year. Visiting every school and ensuring that each child and mother has access to these needed services.



With state of the art equipment and additional seating for health professionals, the mobile dental clinic is able to undertake preventative and remedial services.



Out reach educational services by the clinic is having a large impact in communities. From upgraded physical models, teaching cards and materials, to short films with health messaging in local language these services are critical for the communities' continued well being.

WHEN WE ARRIVED

20%

utilisation of mobile dental clinic

15,000

people reached annually



TODAY

100%

mobile clinic utilisation

50,000

people reached annually

IN 2019
WE WORKED WITH
THE WOUNDED
FROM THE

EASTER BOMBING ATTACKS



On April 21 2019, Easter Sunday, a series of coordinated terrorist attacks left 259 people dead. The impact was far greater – on families, communities, the nation and the world.

The hospitals were filled with hundreds of burn victims. Palmera responded to local hospitals with much needed medical supplies to ensure victims were treated quickly and safely.



OUR COMMUNITY



**We're constantly inspired by
our community of passionate
supporters and fundraisers.**

**They're the reason why we can
keep doing what we do.**

RAISING FUNDS THROUGH LOYAL DONORS

As a grassroots agency, we diversify the funds we raise so we can ensure our work continues.

This is how we raise our funds.



**DO-IT-YOURSELF
EVENTS**



**REGULAR
MONTHLY GIVERS**



**CORPORATE
PARTNERSHIPS**



CROWDFUNDING



MERCHANDISE



GOVERNMENT



**HIGH-NET
DONOR PROGRAM**

DO-IT-YOURSELF EVENTS



What inspires us the most, is the events that our donors runs. Whether it be donations instead of gifts for a birthday, a show or something even more crazy, this year we have reached thousands through these campaigns.



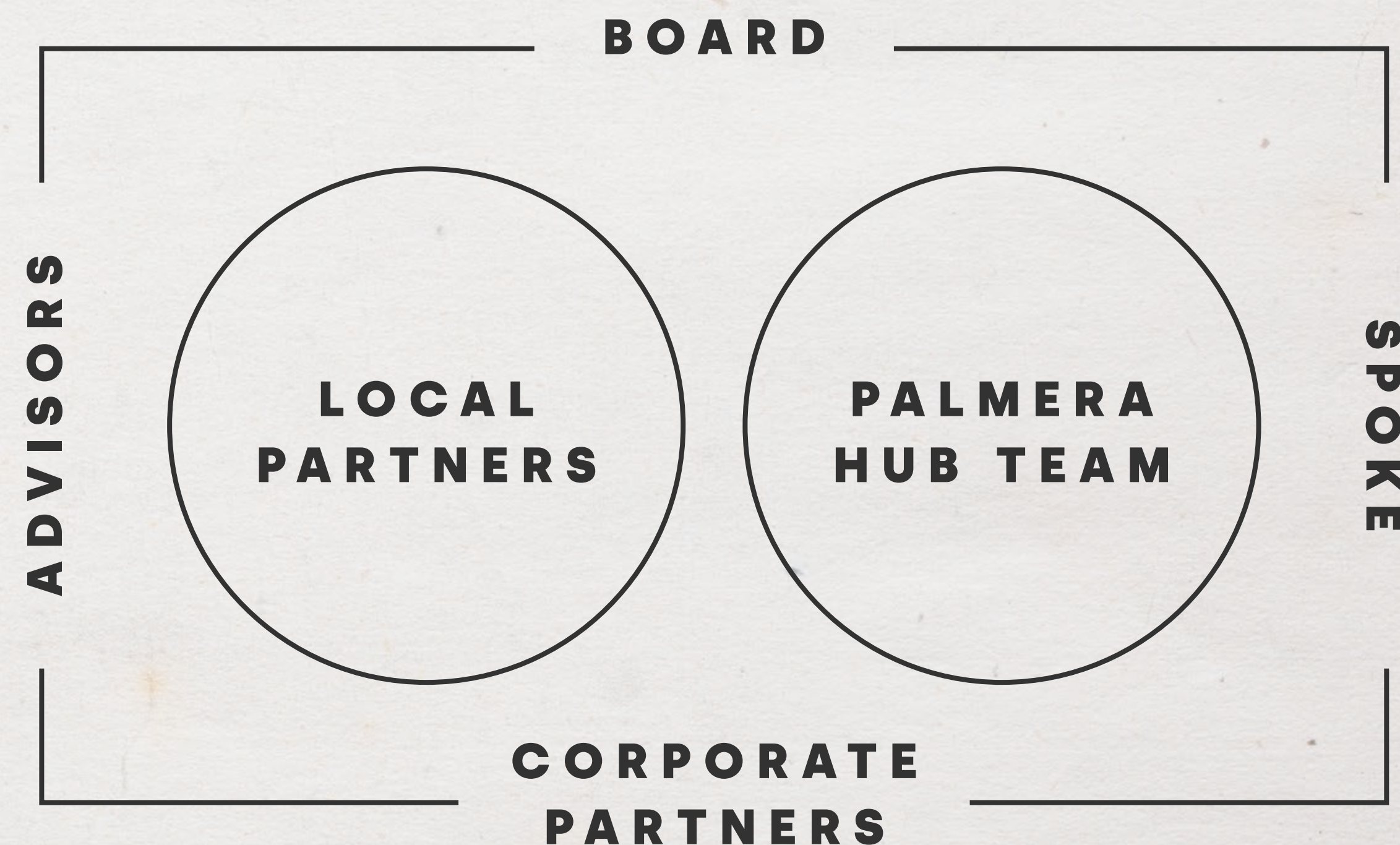
OUR TEAM

“ IF YOU WANT TO GO FAR
—GO TOGETHER ”



A UNIQUE MODEL FOR A UNIQUE BUSINESS

Charities have the tough job of solving the world's most challenging problems, with little money to spend on the A team. So we have to get creative. It doesn't make life easy, but it is one of the constraints of the charity model.



OUR BOARD

We are blessed to have a diverse range of skills from passionate individuals are leaders and experts in their fields and sectors.



TAMMY PARA
Board Chair

Director
Innovation and Impact, Uniting



ABARNA RAJ
CEO

Palmera



RICK MILLEN

Retired Executive Partner,
PWC
UNHCR Board Member



SHANE NICHOLS

CEO, Good Return



RAM KANGATHARAN

Managing Director and CEO
— Asia Pacific Group
Auto and General Holdings



MEGAN DONNELLEY

Innovation Consultant



PRAVEEN KARU

Head of Compliance
Group Company Secretary
Snowy Hydro

OUR EXPERTS

To create change, takes a village. And that is exactly what we are creating.



SPOKE

Every day we have crazy ideas. Putting them into practice takes unique skills that we don't have in our Hub team. Sometimes we need these skills a few times a year and sometimes we need them just once to bring an idea to life. This is where our Spoke team come in! They are artists, writers, videographers, editors, dancers, cake bakers, musicians and so much more!



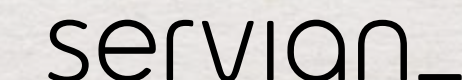
ADVISORS

Our work is impacting lives and we don't take that lightly. While it is not always possible for us to pay for experts, we have a team of advisors, whose skills range from gender to big data, and their advice is critical to our success.



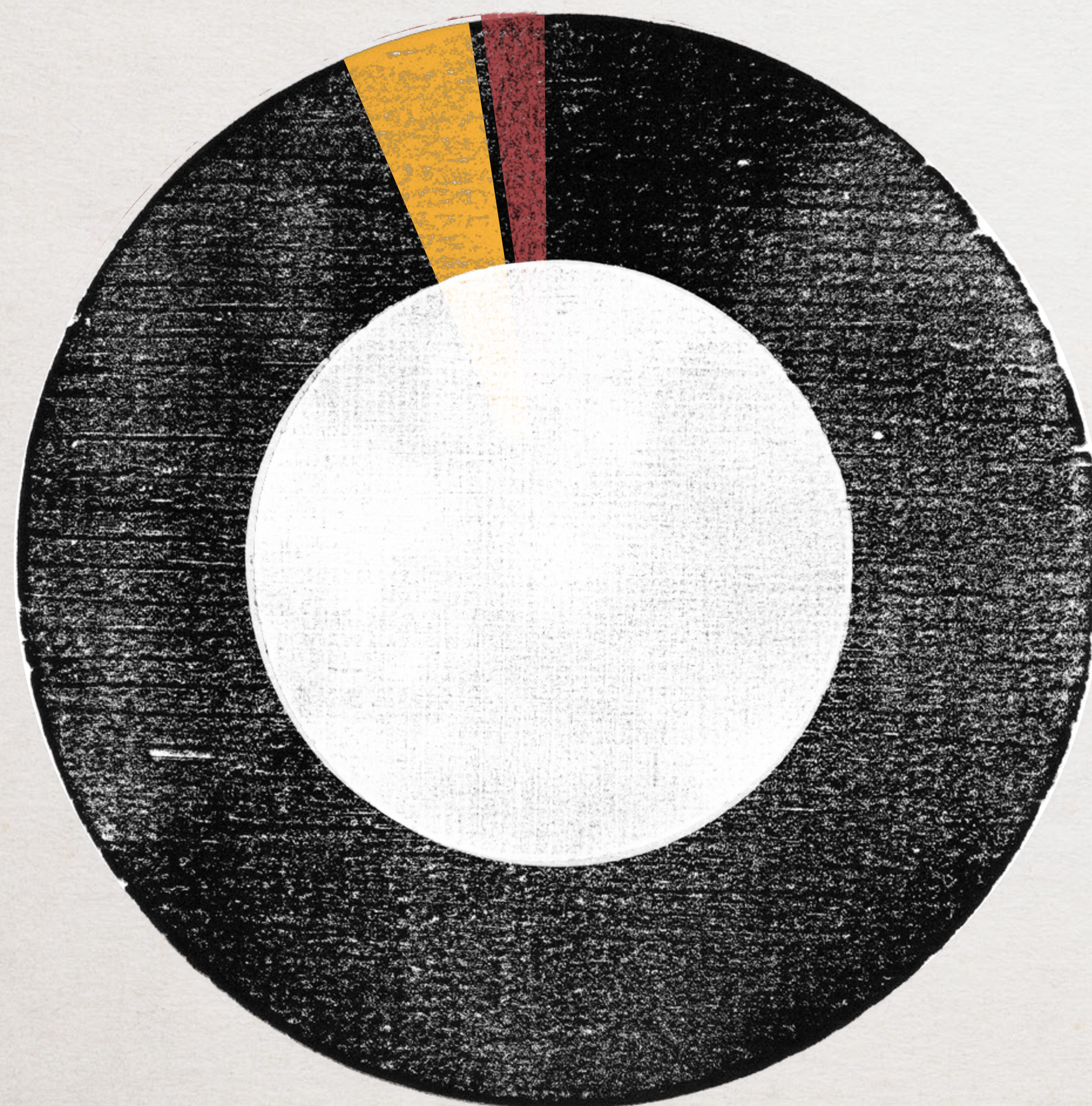
OUR CORPORATE PARTNERS

We have been blessed to have the ongoing support of corporate partners, who provide services from data analytics to design to legal advice on a probono basis. Without these services, we wouldn't be able to produce annual reports like these and keep our operations running with such low overhead costs.



FINANCIALS





89.7% programs



3.7% Accountability and Administration



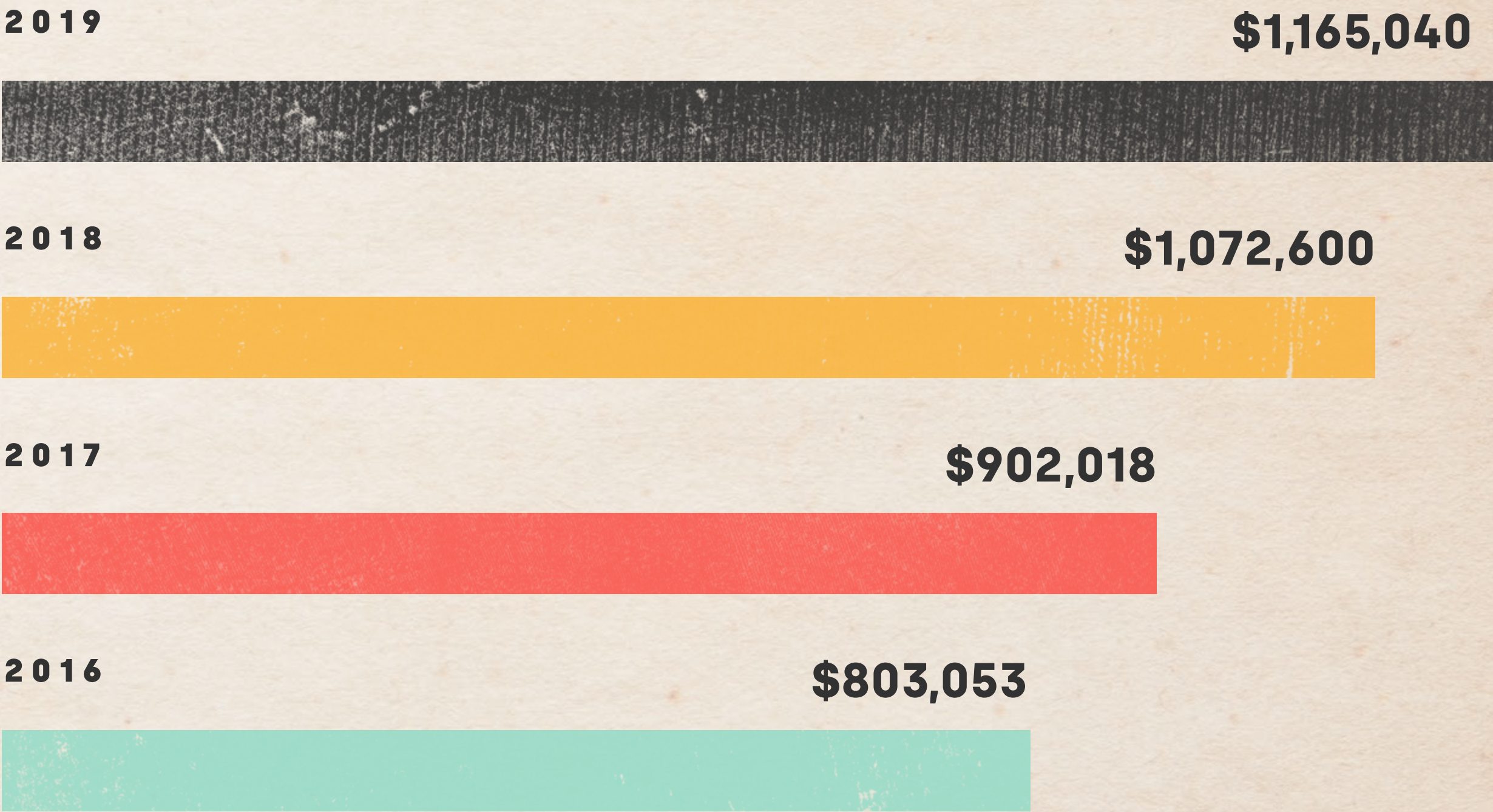
6.6% Fundraising

ADMIN FUNDRAISING

As donors we understand the need for efficiency and transparency.

We do everything in our power to reduce our overhead spend so that your dollar goes to the field.

From virtual offices, to probono support for back end services, to leveraging technology to reduce the need for administrative staff, for an organisation with little money to spend on overheads, we invest in our foundations to ensure that we can scale with efficiency as we continue to deliver and grow our work.



ACFID Code compliant financial statements for the year ended 31 December 2019.

This summary financial report is in accordance with the requirements set out in the ACFID Code of Conduct (Code). The report has been derived from and is consistent with the financial statements for the full financial year ended 31 December 2019.

For further information on the Code please refer to the ACFID website www.acfid.asn.au A copy of the full financial statements for the year ended 31 December 2019 is available upon request emailing hello@palmera.org.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 (\$)	2018 (\$)
REVENUE		
Donations & Gifts		
• Monetary	980,108	867,171
Grants		
• Department of Foreign Affairs and Trade	177,065	191,392
Other Income	7,867	14,037
TOTAL REVENUE	1,165,040	1,072,600
EXPENDITURE		
International Aid & Development Program Expenditure		
• Funds to International Projects	577,133	627,701
• Research Costs	64,508	122,136
• Program Support Costs	92,722	55,684
Fundraising Costs	54,125	40,566
Accountability & Administration Costs	30,476	23,805
TOTAL EXPENDITURE	818,964	869,892
EXCESS OF REVENUE OVER EXPENDITURE	346,076	202,708

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	2019 \$	2018 \$
ASSETS		
Cash and cash equivalents	1,434,577	1,118,051
Trade and other receivables	5,146	400
Total Current Assets	1,439,723	1,118,051
TOTAL ASSETS	1,439,723	1,118,051
LIABILITIES		
Trade and other payables	88,720	113,524
TOTAL LIABILITIES	88,720	113,524
Net Assets	1,351,003	1,004,927
EQUITY		
Retained surplus	1,351,003	1,004,927
TOTAL EQUITY	1,351,003	1,004,927

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Retained Surplus	Total
BALANCE AT 1 JANUARY 2018	802,219	802,219
Surplus for the year	202,708	202,708
Other comprehensive income for the year	-	-
BALANCE AT 31 DECEMBER 2018	1,004,927	1,004,927
BALANCE AT 1 JANUARY 2019	1,004,927	1,004,927
Surplus for the year	346,076	346,076
Other comprehensive income for the year	-	-
BALANCE AT 31 DECEMBER 2019	1,351,003	1,351,003

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Palmera Projects, the directors declare that:

1. The ACFID Code Compliant financial statements are consistent with the statutory audited financial statements of Palmera Projects for the year ended 31 December 2019.
2. The full financial statements and notes, as set out on pages 6 to 15: a) comply with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012; b) give a true and fair view of the financial position of the company as at 31 December 2019 and of its performance for the year ended on that date.
3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



TAMARA PARARAJASINGHAM
Chair — Director



ABARNA SUTHANTHIRARAJ
Director

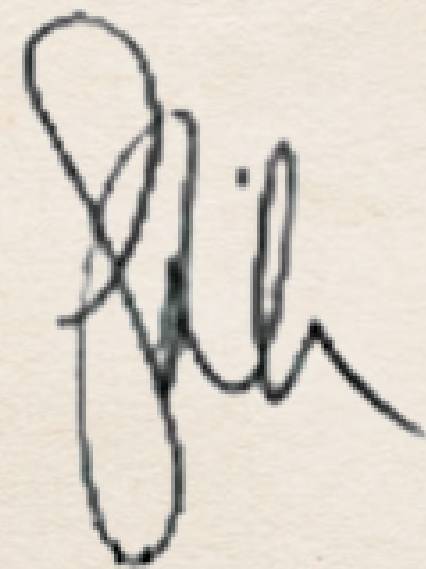
Report on the ACFID Code Compliant Financial Statements

The accompanying ACFID code compliant financial statements of Palmera Projects, comprising the Statement Of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Table of Cash Movements for Designated Purposes for the year ended 31 December 2019, and abbreviated explanatory notes, are derived from the statutory audited full financial report of Palmera Projects for the year ended 31 December 2019. We have expressed a qualified opinion on those statutory audited financial statements on our report dated 25 March 2020.

The ACFID code compliant financial statements do not contain all the disclosures required by applicable Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012. Reading the summary financial statements is not a substitute for reading the full audited financial report for Palmera Projects.

Responsibility for the ACFID code compliant financial statements

The directors of Palmera Projects are responsible for the preparation and presentation of the ACFID code compliant financial statements, and the basis of preparation is appropriate for the purpose in which they have been prepared in accordance with the Australian Council For International Development (ACFID) Code of Conduct.



STEVEN ZABETI
Partner
Felsers, Chartered Accountants

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to report on Summary Financial Statements.

Auditor's Opinion

In our opinion, the ACFID code compliant financial statements derived from the full audited financial report of Palmera Projects are consistent, in all material respects, with the audited financial statements from which it was derived. However, ACFID code compliant financial statements should be read in conjunction with our audit report on the full statutory financial reports which contain a qualified audit opinion.

THANK YOU

PALMERA.ORG