

HIVOS ANNUAL REPORT 2008

we
are
Hivos



people
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Alliance 2015

towards the eradication of poverty

**HIVOS
ANNUAL REPORT
2008**

Hivos a brief description

Mission

Hivos is a Dutch non-governmental organisation guided by humanist values. Together with local organisations in developing countries, Hivos strives for a world in which all citizens – both men and women – have equal access to resources and opportunities for development and can participate actively and equally in decision-making processes that determine their lives, their society and their future.

Hivos trusts in the creativity and capacity of people. Quality, cooperation and innovation are core values in Hivos' business philosophy. Hivos is committed to poor and marginalised groups in Africa, Asia, Latin America and South-East Europe. A lasting improvement in these people's situation is the ultimate measure for the work and efforts of Hivos. One of the guiding principles of our philosophy is strengthening the social position of women.

Core Values

- human dignity and self-determination
- rejection of dogmatism and authoritarian rule
- pluralism and democracy
- mutual solidarity
- responsible citizenship
- respect for people's cultural and social identity

Approach

Hivos supports over 800 partners in 30 countries in Africa, Asia, Latin America and South-East Europe. Hivos provides financial resources, knowledge and advice as well as political support to these local private organisations. In addition, Hivos itself is active in the area of policy advocacy, both on the international stage and in the Netherlands. Civil society building and sustainable economic production are Hivos' central policy themes. Part of the programme is implemented from the regional offices in Zimbabwe, India, Costa Rica and Indonesia. These offices take care of a significant part of the contacts with partner organisations, such as providing advice and support.

Roles

Hivos strengthens local organisations through capital, knowledge and contacts. Hivos is active in the area of policy advocacy and plays an important role in local civil society (through its regional offices). Hivos also stimulates the building up, exchange and application of knowledge for development. As a member of coalitions and broker of contacts, Hivos belongs to a large number of networks.

Themes

Hivos contributes to:

- Sustainable economic development
- Democratisation, human rights, gender and aids
- Culture, ICT and media

Cooperation

Hivos cooperates with many NGOs and other social organisations, companies and public authorities in the Netherlands, Europe and the South. Complementarity – in expertise, professional areas and roles – as well as the combination of forces is crucial to achieving our goals. In the European context, Hivos actively collaborates with like-minded development organisations in Alliance2015. Hivos preferably engages in international policy advocacy on recognisable themes and in close cooperation with prominent southern or international partner organisations, or in the context of the Eurostep network. In the Netherlands, Hivos combines forces with social organisations that specialise in one of its policy areas. Hivos also cooperates with related organisations in Partos, a national platform for civil society organisations.

Accountability

Hivos is a private organisation with a social objective that carries out a public function. Its main stakeholders are the Dutch public, (especially the humanist rank and file), the government, other financiers and development partners and the partner organisations in the South. Hivos operates under ISO certification and has the CBF (Dutch Central Bureau for Fundraising) quality mark.

HIVOS KEY FIGURES 2008

amounts x EUR 1,000

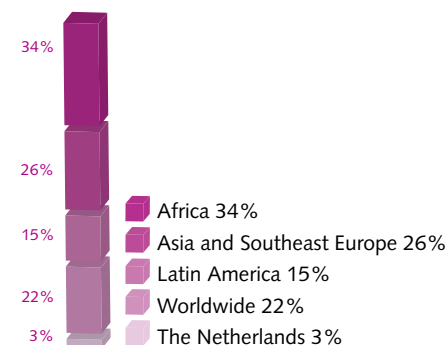
	2008	2007		2008	2007
<i>Figures in accordance with reporting guidelines for fundraising organisations</i>			PORTFOLIO (as at 31 December)		
PROGRAMME INCOME	98.026	100.534	Outstanding programme liabilities	86.250	84.286
Income from fundraising	1.358	1.202	Loans/Participations Hivos-Triadodos Fund (HTF)	43.574	36.157
Income from third-party campaigns	6.994	3.363	Number of partner organisations	834	838
Government grants – co-financing	68.356	69.117			
Grants – other (including EU)	18.308	25.476	HIVOS ORGANISATION		
Reallocation of released funds	3.051	1.376	Operational costs	10.847	10.027
			<i>of which management and accounting costs</i>	1.365	1.480
PROGRAMME EXPENSE			Results (after appropriation)	546	101
<i>(new liabilities)</i>	94.084	98.026	Net equity (reserves)	10.170	8.919
Sustainable production and financial services	34.125	35.913	Number of employees	(184,7 fte) 212	(160,7 fte) 191
Human rights, democratisation, women and development, HIV/AIDS	30.941	36.236			
Arts and culture, ICT and media	19.914	11.991			
Knowledge programme	5.726	5.390			
Strengthening public support and policy advocacy	3.378	8.497			

Liabilities

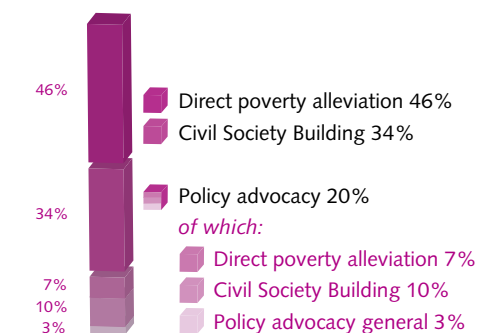
liabilities by sector



by region



by MFS (co-financing) targets



Hivos network

	total 2007	ended relationships	new relationships	total 2008
By region				
Africa	264	40	24	248
Asia and Southeast Europe	238	37	50	251
Latin America	204	14	15	205
Worldwide	99	26	29	102
The Netherlands	33	7	2	28
Total	838	124	120	834
naar sector				
Sustainable production	187	29	11	169
Financial services	62	6	11	67
Human rights and democratisation	165	31	21	155
Gender, women and development	117	6	14	125
Hiv/aids	84	10	11	85
Arts and culture	116	25	30	121
ICT and media	68	9	15	74
Knowledge programme	5	1	5	9
Development education and policy advocacy	34	7	2	29
Total	838	124	120	834

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01

MANAGEMENT REPORT

We are pleased to present the Hivos annual report for 2008. It was a year in which we concentrated on innovating our approach and which produced good results. It was also a year that ushered in a new era and many uncertainties, but at the same time opened up new opportunities for the world. Hivos celebrated its fortieth anniversary and looked back on four decades of distinctive history with due pride.

Change

One word that President Obama used so aptly to give a voice to the hopes and aspirations of millions of Americans and that motivated them to take action. Obama's vision also inspired many people outside the United States. In the South, in particular, expectations about the performance of America's first black president were high. This optimism is now being severely challenged, as the threat of a global economic crisis can no longer be averted. A sombre mood overshadowed the start of 2009. We also have reason for concern; the future is uncertain and our welfare is at stake. Still, Hivos wonders whether this crisis might not also be the source of positive change – change that is necessary to bring us closer to justice and welfare for all. If we look at this financial crisis carefully, it is primarily a crisis of values; the result of a model dominated by self-interest, greed and competition, which drove solidarity and sense of community out of the equation. In response to this, the need for social cohesion and sense of meaning is becoming more pronounced. These values, which are essential to every decent community, must be treasured and redefined as the guiding principle for national and international action. We consider this probably to be the most important task for the future: for citizens, for political leaders and for Hivos.

The financial crisis has further undermined the credibility of the western paradigm in the world. However, this should not mean that universal values such as individual freedom, openness and democracy that are closely linked to this paradigm can be simply put aside.

Under the influence of strong emerging countries such as China and Brazil, international centres of power are shifting and a new equilibrium is being established. Hivos sees this as an opportunity to bring about a fairer and more equal international order. Even then, the mentioned universal values remain essential and it is up to us – citizens and social organisations across the globe – to continue to advocate these values.

Modernisation

What will the attitude in the Netherlands be in relation to the world when times call for tightening the purse strings? No matter how serious the consequences of an economic crisis may be in the Netherlands, its effects will always be much worse for those who were already the most vulnerable: the over 1 billion people who live in extreme poverty. We sincerely hope that citizens and political organisations will be able to find the right balance between national interests and solidarity with these people. Only then will the Netherlands be coherent, reliable, and committed to long-term thinking. 'Our' problems are so inextricably linked with the rest of the world, whether it concerns the climate, migration or safety, that there is no other intelligent option. That's not just an issue of solidarity, but also one of self-interest.

New global relationships, new actors and new levels of understanding of what does and what does not work are reasons to reevaluate the nuts and bolts of development cooperation. This is also a strong conviction of Dutch Minister for Development Cooperation Koenders, who last year called for the modernisation of development cooperation on several occasions. A more political approach rather than the prevailing technocratic ideas, more cooperation rather than ill-fated competition between organisations, more room for the voice of the South instead of control and patronising donors. Hivos has repeatedly urged this change of approach and applauds these intentions. Hivos also emphatically cautions against the pitfalls of quick fixes. Development requires long-term investments and continuity. Only then can a climate of trust emerge in which a modern, innovative approach to development aid, and a margin for risks, is possible.

The minister also emphasises – and rightly so – the importance of effectiveness and harmonisation. In our view, however, this does not mean that everyone should do the same thing. It does mean acting judiciously on the needs and opportunities that present themselves, applying different implementation modalities and cooperating with a wide range of players. The Netherlands (and the Dutch Ministry of Foreign Affairs) is not necessarily the main or the only point of focus. Harmonisation with other partners and other donors – in Europe and in the rest of the world – is sometimes more relevant, more effective and can lead to bold partnerships, as Hivos was fortunate to experience in the past year.

Ongoing Innovation

A recurring theme in our work is innovation, in which we also invested substantially in 2008. This stems from the growing realisation that with all its networks, expertise and quality systems, Hivos can have a much bigger impact by assuming an individual and supplementary role alongside the partner organisations. In doing so, we want to respond to the need for critical mass, for joining forces and for a wide range of actors to contribute in order to make a real difference. Upscaling and a programmatic approach are essential in this process, which is why Hivos devoted much time and effort to setting up programmes in 2008 – with new development partners – in which this approach was applied in the real world. One such programme is Twaweza, which at the end of the year was ready to be launched in East Africa. After a year of preparation, we were able to get donors such as the Hewlett Foundation, SNV (Netherlands Development Organisation), DFID (Department for International Development) and SIDA (Swedish International Development Cooperation Agency) interested in participating in this programme to the tune of 65 million dollars. Twaweza aims to strengthen the assertiveness and self-sufficiency of citizens and to increase the accountability of governments. Mass media plays a central role in this process; it is also the approach underlying the Tanzania Media Fund, developed by Hivos to promote the quality and critical capacity of journalism in Tanzania.

In a different domain – but also backed by a good combination of expertise, diverse actors and larger scale dynamics – is the Biogas for Africa Partnership, which aims to give 70 thousand households in six countries access to clean energy generated from biogas. The Dutch government made 30 million euros available for this programme, which Hivos will implement in collaboration with SNV. Thanks to successful cooperation with a number of major financiers, in this programme as well as in others, Hivos has accomplished the task of significantly diversifying its sources of funding. We are pleased to confirm that Hivos now meets the requirement of the co-financing system (MFS) that a quarter of its income should

come from other sources. Our cooperation with international funds and the business sector, however, has also been of a more substantive nature. We are pleased that the positive responses have, above all, been due to the quality of the programmes and the recognition of the added value Hivos gives to their implementation.

Personnel and Organisation

The more programmatic approach has already brought significant results for the working organisation. In the past years, local offices have been established in over ten countries with a view to monitoring the successful implementation of programmes. Combined with budget growth and the diversification of funding sources, this impelled us to pay more attention to internal control and quality systems. Consequently, a start was made in 2008 to set up a new database and project administration and the financial and control systems were strengthened. As a result of these developments, the number of employees again grew and is now 212. Staff professionalism in a broader sense was given extra attention. The Hivos Academy, a long-term training programme for Hivos employees co-developed by bureau Context, was launched to a positive reception.

Education and Fundraising

Education about the work of Hivos partners is central to our activities in the Netherlands (the Building Bridges programme). With this programme, Hivos aims to promote a better perception of the South and to encourage behavioural change, both among the general public and among companies and political actors. Hivos' fortieth anniversary was the ideal occasion to let the South have centre stage. At The Power of Diversity event, the voice of the South rang loudly and festively, in discussions and in cultural performances. At the same time as the anniversary, the book 'Hivos! 1968-2008: Van ontwikkelingshulp naar andersglobalisme' (Hivos! 1968-2008: From development cooperation to alternative globalism) was presented. In this book, Frans Bieckmann and Ellen Lammers paint a portrait, sometimes in humorous tones, of the making of a distinctive Hivos against the background of wider social developments.

In addition to the Alliance2015 campaigns on child labour and HIV/AIDS, which have been running for some time, we also highlighted themes like climate change and gay emancipation. This resulted in raised awareness among and real action by governments, businesses and citizens. The Hivos Climate Fund grew substantially. Mama Cash and Hivos jointly set up the Riek Stienstra Foundation to promote the rights of lesbians in the South. Hivos also intensified its fundraising activities among its humanist rank and file, the general public and specific groups and businesses. The income from Hivos' own fundraising activities grew to 1.4 million

euros. In 2008, Hivos became a beneficiary of the Dutch National Postcode Lottery, from which it received 500 thousand euros in the past year. Not only does this represent a broadening of Hivos' financial support base, but also recognition for the quality of our work.

Programme and Finance

In addition to these new initiatives, in 2008 we also continued our efforts on the "People Unlimited" strategic plan. Under the terms of this plan, 834 partner organisations in the South received financial support from Hivos. It is these organisations – and the people concerned – who were (and are) the principal actors in fleshing out and implementing the objectives of the programmes. Hivos therefore again invested a lot towards improving the quality of their work, through specific organisation and capacity-building programmes. We also continued to renew – gradually – our partner base, which enabled Hivos to carry on creating new opportunities for innovative, young initiatives.

We are happy to report that our partners have made great progress in many areas. More small-sized producers gained access to markets and to better prices; in many countries the human rights situation improved, even though it was not always in leaps and bounds; women's organisations were able to incorporate women's rights into legislation and protocols. Sometimes the situation was at a standstill, or even worsened, for instance in Zimbabwe. Development is not a linear process, but that only strengthens our and our partners' resolve to combat oppression and poverty.

In cooperation with the Triodos Bank, we continued to support microfinance institutions. In 2008, 58 partners in the South received capital and recommendations from the Hivos-Triodos Fund (HTF). Especially encouraging was that the volume of financial services provided (loans, guarantees and participations) grew to 43.6 million euros, an increase of seven million compared to 2007. This was possible because of the increasing public interest in microfinance. The deposit taking for the Hivos partners through the North-South Savings Plan in cooperation with the Triodos bank increased from 36 million to 49.7 million euros and the number of savers rose from 4,246 to 5,700. For Hivos, the savings programme is one of the most important instruments in mobilising the active support of Dutch citizens for its work.

In all, Hivos reached 12.4 million people and their families. A total of 99.7 million euros was made available for Hivos' work, of which 94 million euros was allocated to partners in the South. The financial year closed with a profit of 546 thousand euros.

In Conclusion

In this annual report we give accountability to our donors, benefactors and partners.

We provide you with a summary of the most noteworthy activities of Hivos and its partners in 2009 – not only the success stories but also those aspects that did not work so well. After all, development and international cooperation are volatile undertakings and require a long-term perspective. This calls for optimism, trust in the power of people and ongoing commitment. Our ultimate goal is to bring more justice in the world, with better opportunities for all its citizens.

The Hague, April 2009

Manuela Monteiro, *General Director*

Allert van den Ham, *Director of Programmes and Projects*

02

POLICY AND STRATEGY

Development cannot be steered from the outside, but it can be encouraged. This is why Hivos trusts in the power and creativity of people in developing countries. Given the opportunity and the means, they can earn their own livelihood, stand up for their rights and shape their lives. Poverty is more than a lack of material wealth. It is caused above all by unequal social and political relationships, both at national and international levels. We believe that direct poverty alleviation (access to means of subsistence) goes hand in hand with fighting unjust power relationships. A key factor for this to succeed is ensuring that those groups with little or no prospects are given a say in political, economical and cultural processes. Hivos sets great store by the creativity and power of individuals. However, to bring about effective and permanent change, we need organisations. Citizens can only offer effective counter-strategies to the state and to economic powers by combining forces. This is why we support over 800 partner organisations in 30 countries; support in the form of money, but also by giving local organisations access to knowledge and networks or by setting up campaigns with them.

Strategies

Hivos works on the structural alleviation of poverty. This means that Hivos focuses not only on improving the circumstances and position of people living in structural poverty, but also on removing the root causes of poverty and oppression. Hivos works towards this goal together with its partners, both in the countries concerned and internationally, including the Netherlands. To achieve this we use a threefold strategy in which direct poverty alleviation, civil society building and policy advocacy mutually reinforce one another.

Direct poverty alleviation offers people the means to get out of poverty, for instance money to set up a small business (microfinance), knowledge giving them access to markets, education and technical resources to generate income.

Civil society building, or strengthening local organisations and advancing civil society as a whole, is central to Hivos' philosophy. Poverty, injustice

and inequality will continue to exist as long as people are not able to represent their common interests. In turn, effective organisations and a strong civil society are essential for direct poverty alleviation and policy advocacy.

Policy advocacy – aimed at local, national and international governments, institutions and businesses – is essential to making laws, regulations and markets work in favour of marginalised groups. Some partners specialise in policy advocacy, but most of the other organisations are also involved in this in one way or another. By deploying its own activities in this area, Hivos aims to influence the policy and behaviour of policymakers, entrepreneurs, social organisations and citizens.

Improving the position of women, gender mainstreaming, is an important aspect of Hivos' work. For this reason, not only do we support women's organisations, we also ask of our partners working in other areas that they promote women's rights and interests.

Choice of Countries and Local Presence

Hivos focuses on 30 countries in its work; we ourselves are present in some regions. In addition to our head office in The Hague, we have been running four regional offices – in Costa Rica, India, Indonesia and Zimbabwe – for a number of years now. Hivos employees cooperate at a distance in 'virtual' international teams. To be even closer to the partners, we have set up local offices in a number of countries, mainly for the implementation of large-scale programmes.

Roles and Partner Policy

Hivos supports local organisations through financial resources, but also in other ways. In recent years, Hivos has been stepping up its efforts in the area of knowledge. In 2007, a broad knowledge programme was launched which integrates different types of knowledge and makes this available to the partners. We also support our partners by initiating activities ourselves to influence the policies of governments, UN institutions and companies – in the Netherlands, Europe and worldwide.

Hivos selects its partners based on the policy choices described above. Some partners are active in international policy advocacy, while others are active at the level of local communities; membership organisations are of particular interest to us. Hivos takes the plans drawn up by the partners and assesses whether they are viable in terms of capacity and strategy. We aim, by design, to give budding initiatives that do not yet meet all the requirements a chance. Hivos prefers to support partner organisations in their entirety, rather than just their activities. This gives them the opportunity to invest in strengthening their own organisation and to learn from their experiences. In order to limit dependence on Hivos as the only donor, the period of financing is in principle limited to ten years.



03

ACCESS TO OPPORTUNITIES

Enterprising people can improve their own position, even if they are poor and marginalised. They must be able to sell their products at a reasonable price, however. A modest starting capital and access to knowledge helps many producers and entrepreneurs to get their businesses up and running. Access to Opportunities is a programme through which Hivos offers poor people a fair chance to provide in their own livelihood. Social justice, ecological sustainability and financial feasibility are integral elements in this programme. Access to Opportunities focuses on two thematic areas, Sustainable Production (including energy, climate and biodiversity) and Financial Services and Business Development (with microfinance and business development as core activities).

Main Objectives of the Access to Opportunities Programme:

- o Give small producers greater access to markets that pay a better price for quality products;
- o Give poor groups access to more financial services (especially microfinance);
- o Improve the policies of governments and companies in the area of sustainable economic development.

Main Results in these Areas in 2008:

General:

- o Hivos and its partners reached 8 million people through the Access to Opportunities programme;
- o Hivos provided support to 236 partners dedicated to promoting sustainable production and financial services;
- o These partners received over 32 million euros from Hivos for their activities in 2008.

Specifically:

- o Over 70 thousand farmers now qualify to meet the requirements of quality markets for produce like coffee, fruit, vegetables, nuts and rice. Despite the financial crisis, the demand for quality products with an organic or fair trade quality mark continued to grow in 2008;

- o The number of clients of microfinance institutions (MFIs) was 4.6 million, of whom 70 per cent were women. Five of the young, starting MFIs developed so well that they were no longer fully dependent on donations;
- o Hivos partners in fifteen countries succeeded in convincing governments and international organisations to take measures to promote the growth of national quality marks or sustainable agriculture;
- o In Nicaragua, India and Ecuador, partners active in the financial services sector successfully contributed to improving legislation in the field of microfinance.

Sustainable Production

Access to Markets

For many years farmers in developing countries had to contend with low prices for their products on the world market. The alternative was to produce for quality markets, which offered a much better price for (agricultural) products that meet specific social, quality and environmental requirements.

Producing for the organic or fair trade market has proven to be an effective instrument to alleviate poverty. In the meantime circumstances have changed; in 2008 food prices increased substantially and although the situation is stable for the time being, this tendency is expected to continue in coming years. Small producers now have a better chance of selling their products on the conventional markets. Hivos will therefore broaden its strategy and no longer focus exclusively on quality markets.

Access to (external) markets for poor producers is not just a question of ability, but also a question of resolve. Obstacles such as the import policies of rich countries and consumers' behaviour are critical, and many Hivos partners again concentrated their efforts on this in 2008. A noteworthy development in this respect is the success achieved by Phytotrade –

Activities in the area of Sustainable Production 2008 *amounts x EUR 1,000*

	Africa	Asia & Southeast Europe	Latin America	Worldwide	Total
Number of organisations	54	42	51	22	169
Liabilities	5.882	2.523	3.104	3.848	15.357
Sustainable Production as a percentage of total regional	20%	11%	25%	20%	18%

Activities in the area of Financial Services 2008 *amounts x EUR 1,000*

	Africa	Asia & Southeast Europe	Latin America	Worldwide	Total
Number of organisations	23	23	15	6	67
Liabilities	3.031	5.553	2.886	5.248	16.718
Financial Services as a percentage of total regional	10%	24%	23%	27%	19%

a trade association of producers, processing companies and purchasers of forestry products – with the European Union. Phytotrade convinced the EU of the necessity to open the European market for the fruits of the baobab tree. This means that millions of producers in Africa, mainly women, now have access to a new market and thus to more economic security.
www.phytotradafrica.com

Because of the high food prices, for the first time in many years the focus on agriculture in developing countries intensified. Hivos partners like FOEI and IFOAM played a key role in discussions organised by UN institutions about the future of agriculture. The outcome of these discussions is expected to result in more investments for the benefit of small farmers and a greater emphasis on sustainability.
www.ifoam.org | www.foei.org

Hivos helps producers improve their production processes, allowing these producers to respond to the ever-growing requirements of the market and increasing their reach. This approach was also productive in 2008: over 70 thousand organised producers were able to increase their earnings through quality marks. In Kenya, 10 thousand coffee farmers are now able to produce three times as much premium-grade coffee, which is more profitable. With our help Cooperativas Sin Fronteras, an alliance of cooperatives in Central America which pools over 12 thousand small producers of organic and fair trade products, is now exporting to Italy and from 2009 will also be exporting to France. In Indonesia, farmers' organisation Jatirogo supplied organic palm sugar to the Big Tree Farms trade organisation, enabling its members to bring in 65 per cent more for their produce than the conventional price. Cooperation with Woolworths department store and supermarket chain in South Africa and Ecom in

Kenya, involving over ten thousand producers of sustainable coffee and organic vegetables, was continued. Small producers in Limpopo saw their sales market for organic produce for Woolworths grow spectacularly after a number of larger growers encountered difficulties. This has strengthened the department store's confidence in smaller producers.

Sustainable production cannot thrive without ethical consumers. As a participant in the Tropical Commodities Coalition (TCC), the former Coffee Coalition, Hivos has for many years worked towards a bigger market share of 'fair' coffee. These efforts have not been in vain; the market share for certified coffee in the Netherlands grew further in 2008, from 30 to 38 per cent. Tea and cocoa are now the new growth markets. TCC was also successful in persuading Unilever in India from now on to procure 95 per cent of its coffee from certified, small farmers. Given the enormous quantities involved, this is a unique opportunity for thousands of producers.

However, the increasing market share of quality products also means a proliferation of standardisation and certification organisations, each with their own training methods. This does not contribute to effective support for the producers. Hivos belongs to the Sustainable Coffee Action Network (SCAN) and encourages the development of training courses aimed at enabling farmers in the coffee industry to qualify for several quality marks. www.coffeesupportnetwork.org | www.utzcertified.org | www.fairtrade.net | www.ifat.org | www.teacoffeecocoa.org

Knowledge Programme

Hivos wants to gain a better understanding of market mechanisms and the opportunities and threats for poor producers so that it can respond more effectively to these needs. In 2008, Hivos and the International Institute for Environment and Development (IIED) initiated the knowledge programme Small producers' agency in a globalized market. This programme combines scientific research and experiences from the development world in order to create new strategies that can improve the position of small producers.

Biodiversity

The preservation of biodiversity is still under threat from non-sustainable use of natural resources, agricultural monocultures, irresponsible use of pesticides and genetically modified organisms. Fortunately, an increasing number of policymakers and companies understand the necessity of preserving biodiversity, particularly the genetic variety of (food) crops. They realise that small farmers who integrate biodiversity in their production system are better equipped to adapt to changing markets and weather

conditions. Partner organisations are therefore setting up local gene banks, thereby guaranteeing access to a wide selection of high-quality sowing seed.

Hivos considers preservation of biodiversity within production processes as a very important means of sustainable poverty alleviation, and therefore supports activities in this field through the Biodiversity Fund (BDF). Established by the Dutch Ministry of Foreign Affairs and managed by Hivos and Oxfam Novib, this fund supports 25 international organisations. An external evaluation in 2008 showed that the activities of the fund contributed to more production and increased sales with preservation of biodiversity according to quality marks such as MSC (fishing) and FSC (forestry). BDF partners were also able to incorporate local experiences in international discussions on biodiversity.

BDF partner CBDC-BUCAP achieved a fine result, which goes to show that some investments take a long time to pay off. The organisation has been working on developing sowing seed for local farmers in five Asian countries for ten years. Thanks to these efforts, farmers in the Philippines can now develop new successful varieties themselves, which are then distributed to other farmers much more quickly. This leads to a significantly higher production. Encouraged by this success, governments in Vietnam and Bhutan now also cooperate with CBDC-BUCAP. Similar experiences in Africa confirm the need to disseminate this method on a much larger scale in the rice chain.

Energy

One of Hivos' spearheads is access to energy. This concerns biogas, improved wood stoves, small-scale hydropower plants and, since recently, solar panel systems. Investments in building up the programme have in recent years resulted in a diverse package of activities. The programme received an important boost in 2008 with the signing of the Biogas for Africa Partnership by Hivos, SNV and the Dutch Ministry of Foreign Affairs. With this initiative the participating organisations want to build at least 70 thousand biogas plants in six African countries within a period of four years. A programme is also scheduled to start in Indonesia. Women in particular benefit from biogas: they no longer have to collect wood and they can cook in a clean, smoke-free kitchen, which significantly reduces the chances of developing eye and lung problems. Biogas is generated from manure, which means saving on fuel and reducing greenhouse gas emissions. This is why the reduction of emissions through the use of biogas now also qualifies for the Clean Development Mechanism (CDM). www.snvworld.org

In Tanzania the introduction of improved wood stoves by our partner TaTEDO took off at a slower pace than expected; fewer stoves were installed than had been anticipated. TaTEDO has in the meantime recruited extra staff to iron out the programme glitches. In Guatemala, Hivos partner Fundación Solar built several small-scale hydropower plants and is currently working on a new plant. Besides funding from the Hivos Climate Fund, the programme was financed mainly through families purchasing the generated electricity. They are very happy to invest in more lighting, communication and productive activities in this remote region. Hivos supported pilot projects with Jatropa, a biofuel crop, in five countries. The objective of these pilots is to demonstrate the best method of producing and distributing the biofuel. Fundamental to this biofuel programme is the improvement of rural people's lives.

www.tatedo.org | www.fundacionsolar.org.gt

All biogas emission reductions are sold through the Hivos Climate Fund to compensate for emissions in the Netherlands, which in turn generates more money to improve and expand the programme. The Hivos Climate Fund grew slowly but steadily in 2008 and collected a sum of over 116 thousand euros through contributions by private individuals and companies.

www.hivosklimaatfonds.nl

Financial Services and Business Development

Microfinance

The microfinance sector is also being affected by the collapse of global financial markets. Banks are taking a more cautious attitude to investing in microfinance. One positive side effect of the credit crunch is the increased focus on a more sustainable way of banking. Hivos has for many years been cooperating with Triodos in the Hivos-Triodos Fund (HTF), which extends loans and participations to microfinance institutions (MFIs). The capital required for these investments is provided by savers' payments into the North-South Savings Plan (Noord-Zuid Spaarplan). While many established banks are losing savers, the North-South Savings Plan has experienced steady growth. In 2008 the savings volume rose from 36 million to 49.7 million euros and the HTF portfolio grew by 7 million euros to 43.6 million euros. The fund was able to provide 58 organisations with financial resources. The number of clients of these MFIs was 4.6 million, of whom 70 per cent were women. Hivos also participates in local investment funds such as Bellwether in India, which was established a number of years ago by HTF in association with the American Grey Ghost and an Indian entrepreneur. Today, Bellwether in turn invests in fourteen local MFIs that

extended loans to one and a half million clients, mostly women. This contributed to an improved income position for poor households and to more job opportunities.

www.triodos.nl

Hivos takes a 'growth model' approach for microfinance institutions. In addition to support for building up their organisation, starting MFIs receive a starting capital and substantive supervision, the so-called seed capital package. When they have become sufficiently strong organisationally and financially, the MFIs qualify for HTF loans on market terms or for other financing. This approach has been successful; since 2002 three-quarters of these partners have become self-funding. Most MFIs were able to increase their client base substantially. Of these organisations, 86 per cent offer services to the poorest groups in society and 81 per cent work in rural or remote areas. The number of female clients is high and increasing. Partners are extremely satisfied about the seed capital package and the way in which Hivos assists them. An example of a successful seed capital partner is Grameen Koota in India. In the past three years it managed to increase its client base substantially, from 25 thousand to 100 thousand. In 2008, five seed capital partners were able to grow further and attract capital on a commercial basis. In the past year Hivos forged relationships with three new organisations based on seed capital.

It is not Hivos' aim to support as many MFIs or extend as many loans as possible, but to contribute to sustainable poverty alleviation and social emancipation (particularly of women) through microfinance. It is therefore important to get a good overview of the social results of microfinance and to fine-tune the process where necessary. In cooperation with partners and specialised institutions, the methodology for this social performance management was worked out in further detail and introduced in the Hivos network.

Hivos partners are also active in providing services and insurance policies as well as savings plans to poor groups, particularly women and people with HIV/AIDS. In India the Micro Insurance Academy (MIA) operates as a regional knowledge centre and training institution for organisations that concentrate on micro insurance schemes. Thanks to MIA's activities, this year 50 thousand people were insured against medical expenses. This way a setback no longer means a step back into poverty.

www.microinsuranceacademy.org

Trade Finance

Hivos also provides trade finance to the agricultural processing sector, with the emphasis on companies that operate sustainable policies and practices.



Summary of credit portfolio Hivos and HTF 2008 *amounts x EUR 1,000*

	2008		2007	
	Organisations	Amount	Organisations	Amount
HTF				
Loans	46	30.769	47	26.614
<i>of which trade finance</i>	9	1.172	12	1.992
Participations	12	12.805	10	9.543
Guarantees	-	-	-	-
Subtotal HTF	58	43.574	57	36.157
Hivos: Participations	-	-	1	340
Total HTF en Hivos	58	43.574	58	36.497
Africa	18	12.176	19	11.963
Asia and Southeast Europe	13	15.752	11	12.287
Latin America	26	15.082	28	12.247
Worldwide	1	564	-	-
Total HTF and Hivos	58	43.574	58	36.497

The most important instrument here is the Triodos Sustainable Trade Fund (TSTF). Hivos contributed towards the initial expenses of this fund and to the starting capital to the tune of two million euros. In 2008, TSTF stepped up the volume of trade finance and provided some 10 million euros to 13 organisations in the area of sustainable production.

Business Development and Entrepreneurship

In addition to microfinance for small-scale trade and improvement of the income position and resilience of the poor, there is also the ongoing need for employment. Hivos therefore also supports medium and small enterprises, together with organisations like IntEnt. This organisation helps migrants from Morocco, Turkey, Ghana, Surinam, the Netherlands Antilles, Afghanistan and Ethiopia to set up a business in their country of origin. Migrants can act as a catalyst for development in these countries by applying the knowledge and experience gained in the Netherlands in their new business. By helping entrepreneurs realise their plans, both knowledge and investment are exported – brain gain instead of brain drain. In 2008, 63 prospective business owners participated in the programme, thirteen of

whom are in the process of starting a business. Hivos and IntEnt have been running a campaign called Migrants in the Spotlight with funds from the European Union since 2008. The objective of this campaign is to make migrants in Europe aware of the contributions they can make to development in their country of origin.

www.ondernemenoverdegrens.nl

In 2008, Hivos formed a partnership with MyC4, a web portal that brings individual entrepreneurs in Africa into contact with private investors in the North. Hivos helps MyC4 in navigating through the world of financing micro, medium and small enterprises. Today over 12 thousand investors in 83 countries have invested over 6 million euros in some three thousand businesses in Africa through this portal. In association with the FMO (the Entrepreneurial Development Bank of the Netherlands), Hivos finances a programme aimed at strengthening six local organisations that provide loans to entrepreneurs after selection.

www.MyC4.com | www.fmo.nl

The National Council for Netherlands-Nicaragua City Partnerships (LBSNN) is an alliance of municipalities and private city partnership organisations in the Netherlands. Hivos has been working with LBSNN and its partner organisations in Nicaragua in the programme Caminando Juntos since 2007. This programme aims to promote sustainable economic development in ten cities in Nicaragua and provides information about the Millennium Development Goals in Dutch partner cities, including the four big cities, Eindhoven and Nijmegen but also Helmond and Doetinchem, for instance. Hivos doubles the contributions from Dutch municipalities and private donors (totalling a budget of 4.45 million euros over four years). A number of projects aimed at strengthening education, professional study programmes, economic development and entrepreneurship in which local NGOs, companies and governments cooperate have in the meantime been launched.

www.lbsnn.nl

Better Policy for Microfinance

We support twelve networks of MFIs, in eight countries, whose mission is to promote better policy for microfinance. In order to function well, MFIs need adequate legislation and a constructive relationship with the supervisory bank. In many cases this is lacking. Moreover, MFIs cannot develop properly without specialised training and advice. Promoting better policy-making is one of the areas in which MicroNed operates. Hivos coordinates the activities of this network in the area of financial services in conjunction with Cordaid, ICCO and Oxfam Novib and since recently, the RaboBank Foundation. MicroNed provides training courses to the staff of the member organisations, organises policy development in relevant areas and coordinates the implementation of these activities in a number of key countries. The main objective of this is to improve the policy framework for microfinance. Within MicroNed, Hivos initiates policy development in the area of social performance management and seed capital packages and is responsible for formulating country strategies and coordinating activities in India, Indonesia, Tanzania and Ecuador. Hivos presides over MicroNed and houses the secretariat. In response to Dutch Minister Koenders' policy memorandum on developing the financial sector, MicroNed advocated setting up a fund to limit the consequences of the credit crisis for MFIs. MicroNed is also committed to making banks and financial institutions more aware of corporate social responsibility.

www.micro-ned.nl



04 CIVIL CHOICES

The rights of individuals and marginalised groups are central to Hivos' philosophy. Civil Choices is the programme that focuses on upholding human rights as well as promoting democratic relationships, gender equality and fighting AIDS.

Hivos wants to help men and women to be better equipped to take part in the political decision-making process, to defend their interests and to shape their lives according to their own preferences. Active citizenship and an organised civil society are both the means and the ends in this process. The programme consists of three main components: Human Rights and Democratisation, Gender, Women and Development, and HIV/AIDS.

Main Objectives of the Civil Choices Programme:

- o Enable social organisations to advocate better policy among governments and companies and promote their accountability to citizens;
- o Enable minorities, women and people with HIV/AIDS to organise themselves more effectively and to take action, thereby defending their interests.

Main Results in these Areas in 2008:

General:

- o Hivos reached 2.8 million people with the activities carried out within Civil Choices;
- o Thanks to Hivos' support, 365 partners were given a voice;
- o These partners received a total of over 28.5 million euros from Hivos in 2008.

Human Rights and Democratisation

- o Hivos partners were actively involved in reconstruction, democratisation and reconciliation in South Africa, Kenya and Bolivia;
- o Partner organisations in ten countries succeeded in bringing the impunity of human rights violations to the attention of judicial authorities;

- o In five countries proposals by partners concerning the protection of gay rights and combating child labour resulted in positive action by policymakers.

Gender, Women and Development

- o Partners in 21 countries put women's rights on the political agenda. Organisations in Bolivia, Ecuador, El Salvador and Kyrgyzstan effectively applied the UN Women's Convention to call negligent governments to account regarding their obligations in the area of anti-discrimination and gender equality;
- o Thorny issues such as maternal mortality due to illegal abortion in Latin America and violence against lesbian women and prostitutes in Kyrgyzstan were exposed by our partners there. Their criticism was taken on board by the UN.

HIV/AIDS

- o Partners in twenty countries participated in national or international forums on fighting AIDS. Sixteen partners became members of national AIDS bodies (Country Co-ordination Mechanisms), giving them more power to influence the biggest international AIDS fund (Global Fund to fight AIDS);
- o In a number of countries, including Cuba, Serbia and Malawi, volunteers trained by Hivos partners reached 780 thousand people with educational activities about preventing and fighting AIDS;
- o Partners in nine countries contributed to more and better access to AIDS medication. The number of people receiving treatment doubled to 1 million.

Human Rights and Democratisation

Hivos wants to give citizens the tools to participate in democratic processes and strives for better and more accessible judicial systems, for the application of universal human rights and for the strengthening of social

Activities in the area of human rights and democratisation 2008 *amounts x EUR 1,000*

	Africa	Asia & Southeast Europe	Latin America	Worldwide	Total
Number of organisations	46	62	36	11	155
Liabilities	3.991	6.252	2.037	1.411	13.691
Human rights and democratisation as a percentage of total regional liabilities	13%	27%	16%	7%	16%

Activities in the area of gender, women and development 2008 *amounts x EUR 1,000*

	Africa	Asia & Southeast Europe	Latin America	Worldwide	Total
Number of organisations	31	47	36	11	125
Liabilities	2.254	2.468	2.692	876	8.290
Gender, women and development as a percentage of total regional liabilities	8%	11%	21%	4%	9%

Activities in the area of HIV/AIDS 2008 *amounts x EUR 1,000*

	Africa	Asia & Southeast Europe	Latin America	Worldwide	Total
Number of organisations	35	15	29	6	85
Liabilities	3.197	2.067	676	640	6.580
HIV/AIDS as a percentage of total regional liabilities	11%	9%	5%	3%	7%

movements that defend the rights of marginalised groups. The year 2008 was marked by cautious progress in some countries, but also serious setbacks in others. A number of governments are intentionally pursuing a political agenda of criminalising social movements or activists with the objective of silencing critical voices.

Democratisation and Participation

The decline of democracy, governance and civil rights was most marked in Zimbabwe. In March, just after the opposition had won the elections, there had been a mood of elation. By creatively using mobile phones and the Internet, Hivos partners were able to report the outcomes of remote voting polls in Harare before any fraud could take place. Yet the government was still able to seize power by holding a second round of elections. Vigilantes and death squads took revenge on opponents, especially in the rural areas. Because of maladministration, the money economy has ground to a complete halt. In Harare, the Hivos regional office issued emergency funds to help people find shelter, food and clothes. A sanitation operation in the districts affected by cholera was set up in cooperation with the municipality of Harare. Information about the abuses is crucial in this context. Through Zimbabwe Watch, an independent coalition of organisations, local and other NGOs were able to pass on information to the outside world and consult with Dutch and other European diplomats. Despite the efforts of social organisations in the region to persuade their governments to impose sanctions, pressure from neighbouring countries in the Southern African Development Community (SADC) was, for a long time, not forthcoming. In the beginning of 2009 a coalition was finally formed, although its stability is questionable.

In Kenya, the incumbent party was not at all inclined to hand over power to the opposition at first. This resulted in ethnically motivated violence. Soon after, however, the African Union initiated a process of conciliation, in which six Hivos partners were actively involved. These partners have been working for many years on civil rights education and constitutional revision. After the division of power, an inquiry commission issued a meticulous analysis of the violence. The compilers of the Waki report were able to use detailed information provided by the Hivos partners. Hivos also supported many local initiatives for conflict mediation through the Urgent Action Fund. An evaluation of Hivos' human rights programme in Kenya demonstrated that the long-term process of voter education and political awareness reached a significant part of the population. This has contributed to a broad social call for the restoration of democracy. In South Africa, where many political and economic refugees – especially from Zimbabwe – sought refuge, tensions between South Africans and immigrants got out of control. This xenophobic violence is inextricably

linked to mass dissatisfaction about expectations that failed to materialise after the end of apartheid. In view of the high levels of youth unemployment, poverty, insecurity and an increasing divide between rich and poor, enterprising immigrants invoke envy and then become scapegoats themselves. The local Hivos office in Johannesburg immediately set up a fund for organisations that endeavour to mitigate the escalation of violence in the districts and to assist the migrants who have been chased out of their homes.

After a period of great social and political unrest in Bolivia, at the beginning of 2009 a constitutional bill was passed which firmly anchors the political and cultural rights of the indigenous population. This came about despite resistance by the mestizo elite, which has tried to create a breakaway nation in the richer part of the country. Many former employees of Hivos partners were involved in drafting the constitution. Hivos partners in the area of women's rights and gay rights were able to bring about much-improved protection of sexual and reproductive rights. Ecuador's new constitution also reflects the efforts of social organisations, particularly of the indigenous movement.

Strengthening the Rule of Law

After decades of hard work and lobbying by human rights organisations across the world, in 2008 the General Assembly of the United Nations finally reached consensus on the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights. This is a major breakthrough, as citizens will from now on have recourse to the law if their economic and cultural rights are violated. If this is not responded to in their own country, they can seek legal support with international institutions. This gives many Hivos partners the opportunity to contest discrimination in the workplace, for instance, as well as infringement of the territorial rights of indigenous groups.

Amid great public interest Impunity Watch, an international centre of expertise against impunity supported by Hivos, presented its first country reports in Guatemala and Serbia at the end of 2008. According to the reports, in both countries there has been insufficient truth seeking, legal prosecution of perpetrators and reparations for victims after periods of crimes against humanity. In Guatemala, Hivos partner CALDH has had to contend for many years with the powerlessness of the judicial system and obstruction by clandestine power groups in trying to bring its genocide case against former dictator Ríos Montt. Serbia, although it is undergoing democratic reforms, is doing too little in the area of truth seeking. Nonetheless, things are starting to change. Together with IKV-Pax Christi, Hivos organises truth and reconciliation meetings of citizens. These often

invoke intense emotions; however, hushing up violations and allowing conflicting 'truths' to persist puts peaceful coexistence between ethnic groups at risk. Impunity Watch is organising an exchange between the two countries in 2009 and will expand the activities to an African country. www.impunitywatch.net | www.ikvpaxchristi.nl

In many countries human rights activists' room to manoeuvre was further limited, including by governments, which – under a UN declaration – are in effect supposed to offer protection. Right-wing vigilantes, incited by local authorities in East Bolivia, attacked indigenous organisations and Hivos partners such as CEJIS. Offices were ransacked and seventeen people died. In Iran, organisations had to close their offices and travel bans were imposed on human rights lawyers. Even Nobel Peace Prize winner Shirin Ebadi was put under great pressure. Public sentiment against western support to the civil society was fuelled by the government. A spontaneous movement of women's activists who managed to secure broader support for its One Million Signatures Campaign without any external financial support is an encouraging development in this regard.

Support for the Gay Movement

In the second report of the American organisation LGBT Funders, Hivos once again emerged as the biggest donor worldwide in the area of gay and lesbian organisations in developing countries. We partly have American philanthropic organisations like ARCUS and TIDES, with whom we cooperate, to thank for this position.

www.lgbtfunders.org

Groups supported by Hivos that defend the rights of LGBTs (Lesbian, Gay, Bisexual and Transgender people) contributed to positive developments. In Nepal, the Supreme Court called on the government to guarantee, by law, equal rights for LGBTs, including the right to marry. Nevertheless, in many countries the situation for homosexuals remains precarious. While LGBT organisations in Uganda gradually became more confident in making their presence felt, there were also setbacks in the past year. Activists were prosecuted and legislation has been drafted to counter gay organisations. In Indonesia parliament passed a so-called anti-pornography law that defines homosexuality as 'aberrant sexual behaviour'. This law gives fundamentalist and homophobic groups an incentive to use violence against gays and lesbians and their organisations.

Fortunately, LGBT rights are being given an increasingly prominent place on the international human rights agenda. At the UN General Assembly 66 countries ratified the declaration against discrimination on the grounds of sexual orientation and gender identity, making it the first time that

a significant number of countries in all continents have declared LGBT rights to be human rights and that an end should be put to homophobic violence and criminalisation of homosexuality. The Dutch government is an important proponent of this approach and was one of the countries that drafted the declaration.

With the support of PSO, COC and Hivos have been working towards developing the LGBT movement in Southeast Europe for over five years. The results of the programme, which was concluded after these five years with a symposium in Zagreb, are patchy. Strong organisations have emerged in Croatia and Serbia, whereas the results in Albania and Montenegro were of short duration. Hivos continued to be actively involved in the Global Alliance for LGBT Education (GALE). This web community of 262 members has launched various projects. A guide for journalists in Africa is hoped to contribute to a more positive portrayal of homosexuality in the media. In Latin America, pilot projects about the gay-friendliness of schools were started in six countries.

www.ilga.org | www.lgbt-education.info

Gender, Women and Development

Hivos supports women's organisations that defend the rights of women and strive to increase women's participation in decision-making. International agreements – as laid down in the UN Women's Convention, the Cairo Action Programme and the Beijing Action Plan – are the most important guidelines for partner organisations. Hivos also promotes gender equality within the organisation and partner's programmes and strives to integrate gender equality in its sectoral policy (mainstreaming).

Political Agenda-Setting and Accountability

International treaties on equal rights for women and men are essential to improving the position of women. Women's organisations can invoke these treaties to put pressure on their governments in order to embed these rights in national legislation and policy. An important instrument in this process is the UN Women's Convention; each country must report on this once every four years to the United Nations. In 2008, it was Bolivia, Ecuador, El Salvador and Kyrgyzstan's turn. Our partners in these countries compiled their own shadow reports, as most governments painted an overly positive picture of their accomplishments in this area. In all cases, the UN adopted the points of criticism proffered by the Hivos partners. Recommendations by our Bolivian partners Coordinadora de la Mujer and Católicas por el Derecho a Decidir persuaded the Supreme Court to issue unequivocal decisions about the necessity of compliance with the right to

abortion. In Ecuador, the UN urged the government to take concrete measures to tackle unwanted pregnancies, illegal abortion and maternal mortality. The measures proposed by partners in El Salvador to counteract trafficking in women have been incorporated in the UN recommendations. Partners in Kyrgyzstan drew attention to the lack of active government intervention against polygamy, the 'tradition' of kidnapping brides and violence against lesbians, transgenders and prostitutes. It is now a question of actually implementing the necessary measures, and our partners will continue to champion this cause.

In Uganda partner organisation Akina Mama wa Afrika (AMWA) campaigned for the acceptance of the Protocol to the African Charter on Human Rights and Peoples Rights on the Rights of Women in Africa. This protocol, which has now been signed by 25 of the 53 African countries, entails the most far-reaching commitment in the area of sexual and reproductive rights and self-determination. Thanks to the efforts of a regional alliance headed by Hivos partner Gender Links, the SADC Protocol on Gender and Development was adopted during the annual meeting of government leaders in Southern Africa. Activities in the coming year will focus on ratification of the protocol by the individual countries. This means that they will commit to a quota of 50 per cent of political positions for women, full legal capacity for women, improvement of ownership rights and access to production resources.

www.genderlinks.org.za

It is Hivos' aim to improve national legislation, and to ensure that those laws are also enforced. In El Salvador, thanks to the work of ORMUSA, this resulted in a bill opposing sexual harassment in the workplace. In Honduras partner CODEMUH successfully advocated paid maternity leave and in Guatemala, after many years of efforts by partner Sector de Mujeres, a new law against femicide and other forms of violence against women was passed. It is the first time the different forms of violence are specifically named in legislation. Given the culture of impunity in Guatemala, the real-world implementation of this law will be a huge challenge. Almost six hundred women have been murdered since 2007. Despite the ongoing repression in Iran, which forced Hivos partners to close down their offices, a coalition of women's activists successfully blocked the enactment of discriminatory family law. This law envisaged the relaxation of polygamy and further curtailment of the right to divorce for women. For the time being, Hivos can only provide moral rather than financial support to the work of women's organisations in Iran.

Organisation Building and Leadership

Introducing good legislation is not enough to secure emancipation and

gender equality in practice. Citizens – women in particular – must call governments to account on compliance with that legislation. For this reason Hivos invests in new strategies and involving new groups in cooperation with Just Associates (JASS), an international network of activists, academics and popular educators. JASS is committed to strengthening the position of women and their organisations within social movements in twenty countries. In Central America there are now four hundred activists in the network. Cooperation between different generations in the women's movement is an important aspect of JASS' work. The leadership of established women's organisations is greying, while the population has an increasing number of young women. In Southern Africa JASS works with young women within organisations of people with HIV/AIDS, with the objective of strengthening women's leadership and control within the broader HIV/AIDS movement as well as fighting the exploitation of women in informal AIDS care. AWID plays an important role in the international gender debate, which was again demonstrated at the international forum on the power of social movements in Cape Town. Hivos was directly involved in putting together the forum.

www.justassociates.org | www.awid.org

Violence Against Women and Sexual and Reproductive Rights

Physical integrity and self-determination are under enormous pressure from various religious and political doctrines, where sex is a taboo subject. A training course for sex workers was prohibited in Uganda, for example, and partner AMWA had to resort to Kenya. In Indonesia, religious fundamentalist practices are becoming increasingly visible and there are now 36 local laws that curtail women's freedom. In Nicaragua, a witch-hunt was unleashed on women's organisations that fight for the right to physical integrity and against violation of that right by the government. False accusations are used to criminalise organisations. Hivos partners like Just Associates and Radio Fire participated in demonstrations and media campaigns.

In India, partner organisation Akshara led the advocacy campaign to make Mumbai a safe city for women. This resulted in establishing a helpline with the Mumbai Police, which soon received thousands of calls to which the police responded. Akshara also published an emergency aid handbook with instructions on how to help victims of violence.

Outside conflict areas, South Africa has the highest incidence of violence against women and girls in the world. Hivos has therefore launched a programme to support thirteen local organisations that are active in districts, neighbourhoods and villages. The organisations offer help to

victims, provide sexual education at schools and involve traditional leaders and boys in awareness activities and the prevention of violence. They also cooperate with local authorities to improve services. Hivos offers organisational advice and promotes cooperation.

Demus in Peru campaigned for compensation to women who had become victims of abuse and forced sterilisation during the armed conflict between the guerrilla movement Sendero Luminoso and the government. As a result of these efforts the mayor of Huancavelica, where many of these crimes took place, awarded the women a 'symbolic' compensation. Demus also advocates widening the legal scope of abortion, for example after rape. Liberalisation of abortion legislation is a drawn-out process in Latin America, where the Catholic Church often has a lot of political influence.

More Money for Emancipation and Women's Organisations

Hivos participated in the annual meeting of the UN Commission on the Status of Women as one of the independent experts appointed by the UN. However, the meeting failed to reach consensus on making more money available to women's organisations and emancipation programmes worldwide. As a positive exception to this impasse, in New York the Dutch government launched the MDG3 Fund, which makes 70 million euros available for women's organisations. Seventeen of the 45 applications accepted by the fund concerned Hivos partner organisations.

HIV/AIDS

Hivos considers HIV/AIDS to be a human rights and development issue and as such, a matter that transcends the confines of healthcare. Hivos supports organisations that defend the rights of people with HIV/AIDS and further these people's full participation in society. Of particular importance to Hivos are organisations that campaign, both nationally and internationally, for optimal education, prevention, and access to medicine and care in the South. Many partner organisations are active in the area of HIV/AIDS prevention among specific target groups (sexual minorities, sex workers, young people and women) as well as policy advocacy. Activities in the latter area are focused on access to care and medicine for people with HIV/AIDS and on enforcement of their rights.

Addressing Taboos and Discrimination

In almost all poor countries, effectively fighting AIDS depends on social norms and cultural beliefs about sexuality. Through campaigns and policy advocacy, Hivos partners strive to counteract discrimination against homosexuals, prostitutes and people with HIV/AIDS. This has proved

successful; in Peru, Ecuador, Bolivia and Nicaragua Hivos partners were able to put the theme high on the political agenda, despite the opposition they received. Famivida in Ecuador and the Minister of Public Health are in discussions on how to address discrimination against homosexuals and people with HIV. In India, partner organisation SIAAP increased acceptance by caregivers of people with HIV, homosexuals and prostitutes. Kanco, a coalition of eight hundred AIDS organisations in Kenya, succeeded in procuring government funds for AIDS prevention among homosexuals, even though homosexuality is officially illegal. In Namibia, Hivos supported Positive Vibes, a programme that provides information about HIV/AIDS, stigma and discrimination to people in slums and rural areas through creative initiatives. In 2009, the organisation's activities will be expanded to include businesses and government.

www.kanco.org | www.siaapindia.org | www.positivevibes.org

Global Forum on MSM & HIV (MSMGF) is a new partner that champions AIDS prevention and human rights for homosexuals on a global scale. Its efforts resulted in extra funding and the creation of new networks. The Global Forum brought together, for the first time, gays from the North and the South to explore further cooperation. At the international AIDS Conference in Mexico, MSMGF succeeded in drawing a lot of attention to the position of these men.

www.msmandhiv.org

Prevention and Education

Around 6,800 people are infected with HIV every day. From Guatemala to Zimbabwe, Hivos partners dedicate their efforts to providing HIV/AIDS education. Websites, e-mail, SMS, web portals and the like are increasingly important educational resources in this area. In countries such as Namibia, Malawi and Serbia, half of young people have a mobile telephone and SMS texting is an obvious means of pointing out the risks of HIV infection. The message that young people receive on their mobile phone on Friday evening before going out, enjoy life but stay safe, is extremely popular and has a wide reach. Hivos partners are becoming ever more innovative in providing education on AIDS, sex and condom use. In Namibia, Ombetja organised the African Cultural & Beauty Contest on Valentine's day to draw attention to AIDS. In Peru, IESSDH created a lot of interest among caregivers and policymakers by using art as a means to combat stigma and promote prevention. Partners in Cuba, Serbia and Malawi, for instance, deployed trained volunteers from the target group – peer educators – to provide AIDS education. Over ten thousand volunteers, mainly students (Southeast Europe) and high school students or local youths (Africa), participated in these programmes. This method significantly increases the organisations' impact, reaching no less than

780 thousand people. Often the trainers themselves are HIV positive, and the fact that they come forward with this encourages people to be tested.
www.cazas.org.yu | www.ombetja.org

Access to Medicine

Although over three million people with HIV receive medicine, many people in developing countries die every day due to lack of care. Hivos partners are among the pioneering social organisations that fight for better policy and better access to AIDS blockers. As a result of the campaigns of partner organisation TAC, amongst others, the new Minister of Public Health in South Africa reversed the discriminating policy of her predecessor and emphasised the importance of proper care and treatment for people with HIV. In nine countries where our partners strive for positive change in this area, access to treatment improved and a million people now receive AIDS medicine.

www.tac.org.za

Global Fund

In Bolivia, Hivos is the principal recipient of funds from the Global Fund to fight AIDS, Tuberculosis and Malaria, one of the principal donors in the area of AIDS prevention. In cooperation with local organisations, Hivos worked on AIDS prevention aimed at street children, young people, gays and sex workers. People with HIV/AIDS and their family members received support in setting up self-help groups and in addition to this, over five hundred people with HIV/AIDS had access to medicine and care through Hivos. Up until 2008, Hivos also operated as fund manager in Costa Rica on behalf of the Global Fund. Almost 90 thousand youths received education, including in prisons, and about four hundred of these young people were trained as peer educators. In order to reach schools the Global Fund successfully collaborated with the Ministry of Education. Although the number of gay men using condoms increased, it was less than anticipated. Many Hivos partners are actively involved in the management and operation of the Global Fund. In Serbia, Ojzas was appointed a member of the board of the Global Fund. Watchdog Observatorio Latino represented social organisations at the board meetings in Geneva. Sixteen Hivos partners participated in the national committees (CCM) of the Global Fund. In these committees, social organisations, groups of people with HIV and government bodies draw up project proposals.

www.globalfund.org | www.jazas.org

Stop AIDS Now!

Hivos has been working with the AIDS Fund and peer organisations Cordaid, ICCO, and Oxfam Novib in Stop AIDS Now! (SAN!) since 2000. Participants combine their expertise and introduce their partners to one



another in order to construct effective strategies. Within the framework of SAN! Hivos calls for more cooperation between AIDS organisations and MFIs (see Chapter 3). This can give people with HIV/AIDS a better chance at making a living. This is why Hivos established a platform of twenty microfinance and AIDS organisations in Tanzania to extend loans to people with HIV and to support MFIs in developing a (staff) policy in the area of HIV/AIDS. MicroNed also participates in this programme. In Nicaragua, Hivos and SAN! initiated a similar initiative with Redcamif, a regional network of local AIDS organisations and MFIs in Central America.

www.stopaidsnow.nl

AIDS Policy within Organisations

In the past year, Hivos has urged its partners to develop policy in the area of HIV/AIDS within their own organisations. Sixty per cent of the HIV/AIDS partners developed a so-called workplace policy. Organisations in the field of human rights, gender and microfinance have also set to work on developing an AIDS policy. Our African partners have taken the lead in this field. For this reason, Hivos partner organisation Safaids from South Africa has been asked to support organisations in Latin America.

www.safaids.org.zw

International AIDS Conference

In August, the seventh International AIDS Conference, with over 20 thousand participants, was held in Mexico. Hivos and more than twenty partners attended this conference to present success stories and to call attention to the rights of gays, prostitutes and people living with HIV/AIDS. Hivos organised workshops on the rights of these people, on addressing taboos on homosexuality and sex work, the role of ICT in prevention and microfinance and HIV/AIDS. The conference was an opportune moment for Hivos to consult with some fifty external experts and partners on its future HIV/AIDS policy.



05 CIVIL VOICES

The Civil Voices programme offers citizens in the South a platform to express their wishes and ideas about shaping a democratic and pluralistic society. Diversity, open communication, dialogue and the exchange of ideas and information are central to this process. The programme comprises two components: Arts & Culture and ICT & Media.

Main Objectives of the Civil Voices Programme:

- o Provide more scope for independent voices on cultural, political and socio-economic issues;
- o Improve the quality of artistic and cultural productions;
- o Enable social organisations to use ICT for their activities;
- o Increase the influence of partner organisations on policymakers and opinion leaders.

Main Results in these Areas in 2008:

General:

- o Hivos reached 1.6 million people in the South through the Civil Voices programme;
- o In the area of culture, ICT and media, 195 partners received Hivos' support;
- o These partners received a total of almost 18.6 million euros from Hivos for their activities in 2008.

Specifically:

- o Partner organisations in more than ten countries opened up debates about social and cultural issues such as tolerance, identity, taboos and cultural diversity;
- o Around a hundred productions and presentations that were staged with the support of Hivos received positive responses from the public, media and experts in terms of their artistic quality;
- o Hivos assisted over 150 partner organisations in strategically implementing ICT through Hivos programmes such as STAR (Africa), Bloom (India), ICT programmes (Indonesia) and RedDES (Central America), and through partners like APC and Mahiri;

- o Eight Hivos partners were directly involved in policy dialogues in the field of ICT and media in the countries in which they operate. Fifteen organisations contributed, indirectly, to national policy development and implementation through their involvement in the Global Information Society Watch report. Hivos partners Toxics Link and SPACE were given an advisory role by the governments of two federal states in India.

Arts and Culture

Hivos focuses on supporting and bringing to light creative and artistic expressions in the South, especially those that put cultural, social and political themes in the spotlight. Over the past years the importance of arts and culture for development has been increasingly recognised. This is demonstrated for instance by the UNESCO Convention for Cultural Diversity and the importance the European Union attaches to culture in its development policy. However, interest in the critical role of art and in free cultural expression by bilateral and private donors remains very limited.

In 1995 Hivos set up the Hivos Culture Fund for activities in the area of arts and culture. Through the fund and the various partnerships with third parties, Hivos wants to support cultural productions and the cultural sector, facilitate cultural exchange and debate, stimulate young talent and stage cultural productions from the South in the Netherlands.



Scope for Cultural and Artistic Expression and Debate

Many of the artistic and cultural productions Hivos supported in 2008 opened up social debate. A programme of female filmmakers during the One World film festival in Kyrgyzstan resulted in fervent discussions about women's rights. In Cameroon, a great deal of commotion ensued after Doual'art placed a twelve-metre high work of art in the capital city. The local press, international experts and the public discussed the meaning

of the piece and the ethnic origins of the artist and questioned whether he was sufficiently representative.

The Arts Collaboratory programme for visual artists' initiatives, established by Hivos and the DOEN Foundation in cooperation with the Mondriaan Foundation, took further shape in 2008. As well as financing joint activities of visual artists in the South, the programme also funds exchanges with Dutch art institutions and artists. In addition, the programme provides opportunities for South-South cooperation and exchange of knowledge and experience, for instance through an advanced website. Arts Collaboratory also maintains an innovation fund for new, talked-about initiatives. Twenty projects in nineteen countries were funded through this scheme. Participants will also exchange knowledge about art education and (re)writing the history of art, which is either incomplete or was documented by westerners. Direct cooperation has emerged between various organisations, for instance Art East in Kazakhstan and Espira in Nicaragua.

www.artscollaboratory.org

Many other cultural initiatives, such as the Harare International Festival of the Arts, also received support. Despite the extremely difficult economic and political circumstances in Zimbabwe this event – a diverse programme of circus, dance, music and theatre under the title of the Art of Determination – drew tens of thousands of visitors. This extremely popular festival offers the inhabitants of Harare a unique, high-quality cultural experience. With the help of the European Union, Hivos published Truth in Translation, a play about the hearings of the Truth and Reconciliation Committee in South Africa from the perspective of the translators, who have to record everything as faithfully as possible. The play was staged at a time when, all across Zimbabwe, militias of the ruling ZANU-PF party were beating up opponents and random people.

www.hifa.co.zw

Strengthening the Cultural Sector

One of the initiatives to emerge from the big African culture conference Hivos organised with partners in 2007 was the Arterial Network. It is difficult enough for arts and culture in Africa simply to survive, let alone grow and flourish. The Arterial Network considers Hivos an important facilitator in this regard. Now that its secretariat is housed in the Africa Centre in Cape Town, the network can be further developed. In 2008, the first projects were launched, including a training programme for art journalism and a 'winter school' aimed at strengthening the skills of artist groups in the area of cultural management. The Arterial programme also

enjoys the support of the DOEN Foundation, the Belgian Africalia, DCCD (Denmark) and the Strømme Foundation in Norway.

In December, Hivos – in association with partner Open Society Institute – organised an Asian version of the Arterial conference. Participants from Central Asia, India, Indonesia, Sri Lanka and Europe – 84 in total – gathered in Bangalore, India, to identify common themes and promote cooperation. The CultureAsia 2008 conference offered a unique platform for exchange, introductions and further cooperation between cultural actors from three very divergent regions. As a follow-up to this conference, exchange visits will take place between participants and a summer school will be organised.

At the request of Norad, the Norwegian Agency for Development Cooperation, Hivos manages a programme for five cultural partners in Zimbabwe. Hivos gives training courses in the field of financial and arts management. The programme also aims to strengthen the relationship between arts and media as a contribution to freedom of expression and opinion. The programme will be expanded in 2009.

www.norad.no

Dissemination and Exchange in the Netherlands and Europe

We were able to continue the Hivos-NCDO Culture fund in 2008. This resulted in a wide variety of activities, including new initiatives such as having artists from Asia and Africa participate in the Sonsbeek 2008 exhibition, Symphony Arabica by the La Vie sur Terre Foundation in the Tropentheater and the African literature festival Fasihi in the Lux theatre in Nijmegen. A total of 22 extraordinary productions from developing countries were supported to the tune of over one million euros. Our plan to find a third financial partner to broaden the basis of support has not yet come to fruition, but it remains on the agenda for 2009.

www.hivosncdocultuurfonds.nl

Policy Advocacy

In most of the countries in which Hivos operates the government, and often the private sector too, barely supports cultural initiatives. An effective cultural infrastructure in the form of training, exhibition possibilities, cinemas and theatres is also often lacking. Hivos wants to get the importance of culture high on the policy agenda; it therefore supported the Cross Cultural Foundation of Uganda, which conducted research and organised meetings for the cultural sector under the terms of the UNESCO Convention for Cultural Diversity. One of the goals was to persuade the Ugandan government to ratify the convention. In the Netherlands, Hivos – in association with the Prince Claus Fund, NCDO,

Activities in the area of Arts and Culture 2008 *amounts x EUR 1,000*

	Africa	Asia & Southeast Europe	Latin America	Worldwide	Total
Number of organisations	32	36	27	26	121
Liabilities	997	1.754	766	1.615	5.132
<i>of which NCDO</i>	0	0	0	449	449
Arts and Culture as a percentage of total regional liabilities	3%	8%	6%	8%	6%

Activities in the area of ICT and Media 2008 *amounts x EUR 1,000*

	Africa	Asia & Southeast Europe	Latin America	Worldwide	Total
Number of organisations	26	23	11	14	74
Liabilities	10.438	941	467	1.614	13.460
ICT and Media as a percentage of total regional liabilities	35%	4%	4%	8%	15%

the International Cultural Activities Foundation and the Mondriaan Foundation – organised the conference *Grenzeloze Nieuwsgierigheid* (Curiosity without Borders) in Rotterdam. The goal of the meeting was to call on the Dutch cultural field and development organisations to intensify cooperation and to achieve greater policy coherence between the Dutch Ministries of Education, Culture and Science and of Foreign Affairs. The conference was attended by 600 participants and had the support of the Dutch State Secretary for European Affairs, Timmermans, and the Dutch Minister for Development Cooperation, Koenders. Hivos wants to follow up the conference through initiatives such as a 'curiosity week' in 2010. Hivos participates in various consultations and conferences worldwide, including those of the European Union, to stimulate the role of culture within development cooperation.

<http://bijeekomst.krachtvancultuur.nl>

ICT and Media

Access to information and communication resources is essential for fair and equal development. By deploying ICT and new media, social organisations can act more effectively and reach more people. For this reason Hivos considers ICT an important tool in strengthening the role of these organisations in the public debate. In many countries freedom of information, freedom of expression and freedom of the media is under pressure. Independent media are of paramount importance for social change and democratisation. Blogs and interactive communities create new channels for citizens and their organisations to take part in the public debate.

'Citizen journalism', where partners combine media such as podcasts with local radio, has shown to be an effective means of disseminating other voices.

For many years Hivos has been encouraging its partner organisations to use ICT strategically. Increasingly, this has been through large-scale training programmes. Besides existing programmes like STAR and CJA in Africa, new initiatives have emerged from the Hivos regional offices in Central America (RedDES) and Indonesia.

Last year, Hivos devoted a lot of time and energy in setting up the Twaweza programme in East Africa. Through Twaweza, Hivos aims at encouraging citizens to develop their own initiatives to call on governments to guarantee basic facilities such as healthcare, water and education. Access to information and the media are key elements in this strategy. It is an innovative approach, since Hivos and co-financers of the programme – including the SNV and the Hewlett Foundation – want to step in at the level of (traditional) social connections in which people are already involved. The emphasis on active citizenship around specific needs partly stems from the research project on Civic Driven Change, which Hivos undertook in collaboration with other Dutch development organisations and the Institute of Social Studies (see Chapter 7). After the preparatory stage of the programme, the first activities will be implemented in 2009.

Another noteworthy event is the launch of the Tanzania Media Fund. Hivos was awarded the tender and will be in charge of setting up and managing the fund in the coming three years. The long-term goal of the Tanzania Media Fund, which supports the creation of critical journalistic productions, is to improve the quality of journalism through diverse media. Citizens and organisations can bid for a contribution from the fund, which will also provide training courses to successful candidates. The programme is financed mainly through the development agencies of governments in Switzerland, Denmark, Ireland, the United Kingdom and the Dutch embassy. www.tmf.or.tz

Strategic Use of ICT

Through strategic alliances with organisations like APC, SIMAS, Mahiti and IICD, Hivos supports 62 partners in other sectors in the strategic use of ICT. In addition, Hivos continued its efforts in capacity building of partner organisations. In Indonesia, seven partners participated in the second ICT training programme organised by the Hivos regional office. The knowledge learned was soon applied in practice. In Zimbabwe, Hivos partner Kubatana was able to alert citizens of irregularities in the elections through the smart use of mobile phones. Because the results of the polls were immediately available on their mobile phones, citizens knew what the actual results were. Thanks to this, the opposition could claim victory during the first round. www.kubatana.net

In cooperation with Tactical Tech and Fahamu, Hivos has expanded the successful NGO-in-the-Box series with a Mobile Active Box. It is a toolkit of tips, technical applications and user-friendly manuals aimed at enabling social organisations to use mobile communication for outreaching, interaction and educational purposes. During the elections in Kenya, SMS proved to be a powerful means for citizens to make their opinions on specific topics known to politicians.

www.tacticaltech.org | www.bungesms.com

Many Dutch businesses are interested in supporting development activities. At the same time, organisations like Hivos and its partners can benefit from the expertise the business community has to offer. We successfully cooperated with KPN in the STAR programme, with the support of PSO, for the fourth consecutive year. STAR's mission is to disseminate ICT expertise to Hivos partners in six African countries. KPN staff supported these organisations that work in the fields of HIV/AIDS and microfinance with their knowledge and experience. In 2008, the communication toolkit was issued, a package – designed in cooperation with twenty organisations in Mozambique, Namibia, Malawi, Kenya, Uganda and Malawi – with four ICT applications (website, radio, video and printing publications) to improve communications with their target groups. Cooperation with Logica in India, where staff contribute ICT knowledge to the MV Foundation's campaign against child labour, was continued and a similar project in Africa (see Chapter 6) was launched. <http://comtoolkit.wordpress.com>

Diverse and Pluralistic Media

In 2008, Hivos was able to support media and communication platforms in nine countries characterised by a lot of violence. Iran Gooya – a website aimed at Iran and the Iranian Diaspora – reached 30 thousand people a month and kept the political debate alive. Global Voices has developed into the most important international platform for citizen journalism, where the emphasis is on development themes. In 2008, 4.8 million people visited the platform, as compared to 2.2 million in the previous year.

www.roozonline.com

In Latin America, too, an independent press and free news gathering and dissemination is not evident. In countries like Venezuela and El Salvador, the government is trying to increase its grip on the media. El Faro, an online newspaper supported by Hivos, offers 50 thousand people an independent analysis of the news and critical political commentary, for instance on government policy. Through the Citizen Journalism in Africa programme, Hivos provided training in the use of digital journalism

resources and general journalistic skills to 89 organisations in six countries. The participating organisations can also hone their skills by means of an online learning platform. Journalism in the South also found a platform in the Netherlands through Metropolis TV, a joint production by Hivos and broadcasting corporation VPRO that airs weekly on Nederland 3. Young talented journalists from the South are given the opportunity to portray their world in a creative way. In November 2008, Metropolis won the NPOX prize of the Dutch Public Broadcasting network.

www.citizenjournalismafrica.org | www.metropolistv.nl | www.elfaro.net

Contribution to ICT and Media Policy

The exchange of information and knowledge between NGOs in the North and South – among themselves and with donors, funds and scientists – can greatly increase these organisations' impact both locally and internationally. Nonetheless, the global explosion in ICT in itself will not put an end to poverty and inequality, including in the virtual world. During the process surrounding the World Summit on the Information Society (WSIS) between 2003 and 2005, important agreements were made on the development of the information society until 2015. Eight Hivos partners succeeded in positively influencing government policy in the area of ICT. A prime example is in India, where Toxics Link and SPACE acquired an advisory role for the governments of two federal states.

APC and its members remain important players, nationally and internationally, in ICT policy advocacy. Together with APC and IteM, Hivos published the second Global Information Society Watch with essays on various ICT policy themes and a synopsis of the information society in 38 countries. This annual publication helps media, government and civil society to monitor developments and pro-actively contribute ideas on the implementation of agreements made in the WSIS process.

www.giswatch.org

AFRICA

ASIA & SOUTHEAST EUROPE

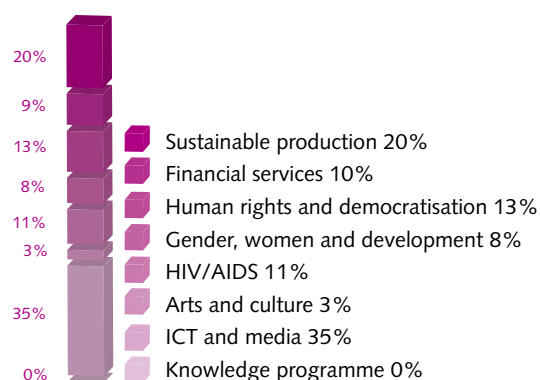
Key figures Africa amounts x EUR 1,000

	2008	2007
Liabilities	29.841	18.654
Number of partner organisations	248	264
Number of projects	286	295

Hivos supports organisations in:

East Africa Kenya | Uganda | Tanzania
Southern Africa Malawi | Mozambique | Namibia
 Zambia | Zimbabwe | South Africa

Liabilities Africa by sector:



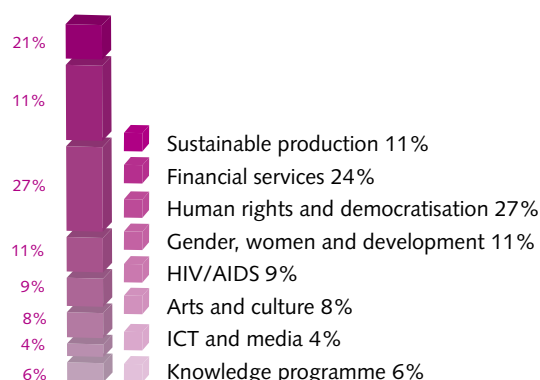
Key figures Asia and Southeast Europe amounts x EUR 1,000

	2008	2007
Liabilities	22.914	18.832
Number of partner organisations	251	238
Number of projects	300	302

Hivos supports organisations in:

India | Indonesia | Iraq | Iran | Kazakhstan | Kyrgyzstan |
 Serbia | Sri Lanka | Syria | Timor-Leste

Liabilities Asia and Southeast Europe by sector:



LATIN AMERICA

WORLDWIDE

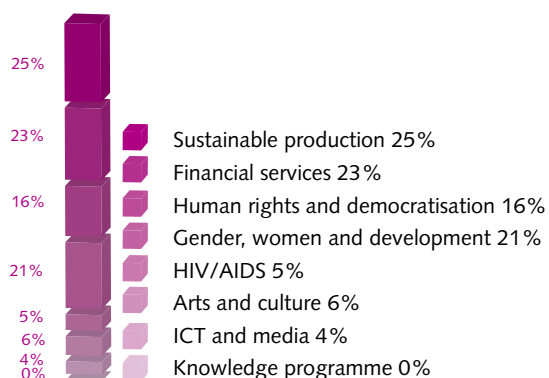
Key figures Latin America amounts x EUR 1,000

	2008	2007
Liabilities	12.628	32.008
Number of partner organisations	205	204
Number of projects	247	250

Hivos supports organisations in:

Central America Belize | Costa Rica | El Salvador | Guatemala | Honduras | Nicaragua
The Caribbean Cuba | *South America* Bolivia | Ecuador | Peru | Surinam

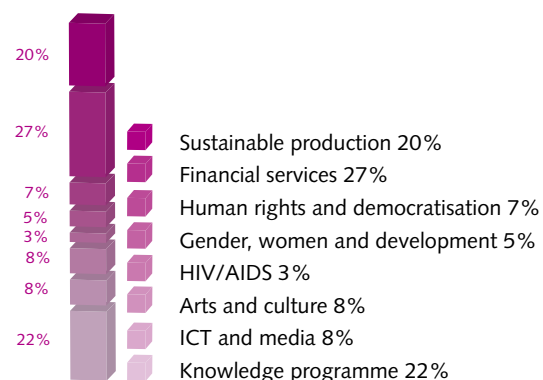
Liabilities Latin America by sector:



Key figures Worldwide amounts x EUR 1,000

	2008	2007
Liabilities	19.504	15.488
Number of partner organisations	102	99
Number of projects	150	141

Liabilities Worldwide by sector:





06 BUILDING BRIDGES

In order to increase the effectiveness of our efforts in the South, Hivos works closely with fellow development organisations and other social organisations in the Netherlands and in Europe. Hivos has chosen to collaborate with organisations that add to Hivos' work through their expertise or position. By combining forces we can broaden public support for international cooperation in the Netherlands and make information dissemination more robust and effective. Hivos also undertakes, on a modest scale, activities in this area.

With the Building Bridges programme we hope to mobilise social support in the Netherlands and Europe towards bringing about sustainable development on a global scale. The guiding principles of this programme are the importance of a robust social basis of support, political commonality between North and South and the crucial role of active citizenship.

Main Objectives of the Building Bridges Programme:

- o An improved and more realistic representation of international cooperation;
- o More active involvement by citizens, particularly within specific target groups like young people and humanists;
- o Heightened receptivity of (and behavioural changes in) policymakers, companies, citizens and consumers with regard to development issues.

Main Results in these Areas in 2008:

- o As in 2007, Hivos reached a wide public with monthly (sponsored) articles in daily newspaper Metro (circulation: 1.8 million). Metropolis, a VPRO programme produced in cooperation with Hivos, reached 150 thousand viewers a week for a period of six months;
- o Outreach to young people and humanists with targeted information. The Hivos-Linkis programme tied in better with Hivos' themes and the quality of the applications improved. Twelve thousand volunteers of the Dutch Society of World Shops received targeted information and nine hundred of them became active. Hivos also reached 100 thousand people in specific target groups;

- o The Hivos campaigns Stop Child Labour – School, the Best Place to Work and Virus Free Generation reached 3.5 million people in the Netherlands. As a result of the campaign against child labour, for the first time in many years the topic was on the agenda of the EU Ministers for Foreign Affairs and the European Commission initiated a study into the relationship between child labour, trade and corporate social responsibility.

Awareness Raising and Development Education

Hivos wants to contribute to a more realistic perception of international cooperation and life in developing countries, where the inherent power and initiative of people take centre stage.

Metropolis A good example of this approach is Metropolis, a television programme that Hivos devised and produced with the VPRO. This weekly programme features local reporters from all corners of the world. "Every correspondent contributes a piece of the puzzle", explains VPRO executive editor Stan van Engelen. "Together, these stories give us a peek into our global culture. Metropolis is a fantastic way of observing the similarities and differences between people all over the world." The first series of ten broadcasts received positive reviews in the Volkskrant, Trouw and NRC Handelsblad newspapers. Metropolis went on to air a new series of twenty episodes and the programme will be continued in 2009. www.metropolistv.nl

In 2008, Hivos continued its strategy to introduce the work of partners in developing countries to a wide audience. Featured topics included the significance of ICT and media for oppressed societies, the importance of arts and culture, the rights of gays and lesbians and biogas opportunities. Because of the circulation of almost 2 million copies and a wide distribution through public transport modes, Hivos was able to reach a wide and diverse group of people through Metro. In 2009, Hivos will again present a series of informative advertisements.

www.metronieuws.nl

ACTIVITIES EDUCATION AND PUBLIC SUPPORT <i>amounts x eur 1,000</i>				
	Development Education	Campaigns	Hivos Linkis	Total
Number of organisations	14	13	65	92
Liabilities	1.447	426	646	2.519

'Gay Rights are Human Rights'

Hivos has been drawing attention to the rights of homosexual men and women around the world for almost 20 years. Since last year, we have also started doing this specifically in the Netherlands. Hivos believes that it is important to promote solidarity among homosexuals around the world and to increase public support for gay emancipation in the Netherlands. Together with Mama Cash, Hivos established the Riek Stienstra Foundation, which specifically focuses on awareness among lesbian women. This fund invites committed women in the Netherlands to make a financial contribution to the work of lesbian women's groups that defend their rights and work on improving their position in society.

Hivos' participation in the Canal Parade during Gay Pride in Amsterdam in 2008 was noteworthy; this annual event is famous for skimpily clad gays and lesbians, much glitter and glamour, loud dance music and happy people cheering them on along the parade route. It is the ultimate party to celebrate the fact that in the Netherlands you do not have to hide your sexual orientation. Hivos took part in the parade with an empty boat, which symbolised all the people in developing countries who would also like to be openly homosexual where they live. Besides drawing a lot of media attention, the Hivos boat also sparked a vigorous debate on the website of the Gaykrant about the significance and necessity of our participation.

www.mamacash.nl/riekstienstrafonds | www.gk.nl

Hivos Climate Fund

Access to energy is an important precondition for development and welfare. Increasing welfare, especially in the North, has led to the emission of more greenhouse gases, which has an effect on the climate. Hivos wants to counterbalance climate change and at the same time promote development. Poor groups in developing countries have access to clean and sustainable energy through the Hivos Climate Fund. The resources that make this possible come from companies and organisations that want to compensate for the effects of their operations on the climate. Private individuals can also donate



(as compensation) to sustainable energy projects in the South. The Hivos Climate Fund experienced steady growth in 2008. A number of institutions, organisations and businesses compensate for their CO₂ emissions through the Hivos Climate Fund, for instance the City of Amsterdam, Milieudefensie (Friends of the Earth in the Netherlands), Natuurmonumenten, Perry Sport, Atos Origin and Oxfam Novib.

Hivos has been part of the HIER Campaign, a Dutch effort aimed at influencing 'energy behaviour', since 2007. Last year Hivos also received the 'climate vignette', a quality mark signifying that organisations that offer climate compensation are committed to clear quality criteria and to providing maximum transparency on their working methods to their customers.

www.hivosklimaatfonds.nl | www.hier.nu | www.klimaatcompensatie.nl

'We are Hivos': campaign and website

'We are Hivos' is the theme of the public campaign launched by Hivos last year to bring its work to the attention of the Dutch public. We achieved this through radio, Internet, outdoor advertising and free (stopper) advertisements in newspapers. In celebration of its fortieth anniversary, Hivos presented its new website, which gives visitors a clearer picture of the work of partner organisations, partnerships, networks and campaigns. This resulted in twice as many visitors to the site within a very short period.



www.hivos.nl

Humanist Alliance

It goes without saying that for Hivos, the member organisations in the Humanist Alliance are partners in the dissemination of information on development and fighting poverty. A good example is our cooperation with the University for Humanistics (UvH) in the sphere of humanism and global citizenship. This cooperation resulted in the UvH becoming actively involved in the Hivos knowledge campaign Promoting Pluralism (see Chapter 7). Hivos regularly presents items about current developments in its work, and that of its partners, through the website of Human, the Dutch Humanistic Broadcasting Society. Humanitas and Hivos jointly set up the initiative HHumanlink with the objective of bringing five thousand Humanitas volunteers into contact with Hivos partners, thereby creating greater public support for Hivos' work. This proved to be quite a complex task, so we have toned down our ambitions somewhat.

www.human.nl | www.uvh.nl | www.humanitas.nl | www.hhumanlink.org

EEN campaign

EEN is the campaign of the Dutch Millennium Development Goals Platform (NPM), a partnership of several dozen companies, municipalities and social organisations, including Hivos. The NPM has put together the EEN campaign to raise awareness about the eight Millennium Development Goals and to mobilise Dutch citizens in the fight against poverty. EEN partners organised a number of events during World Poverty Day on 17 October.

Hivos organised the event 'Humanisten bijEEN: Samen strijden voor mensenrechten' (Humanists as ONE in the Struggle for Human Rights). The guest of honour was Boris Dittrich, who talked about his work as policy advocacy director for gay rights with the American organisation Human Rights Watch. There were also workshops by Human, HVO, Aim for Human Rights, Hivos and Global Voices Online.

www.een.nl

Hivos Linkis

Linkis is a virtual service desk that provides support to small-scale projects in the area of international cooperation. Hivos sees private initiatives as a valuable addition to its work. Through the Hivos Linkis programme, Hivos supports initiatives that promote development in the South while at the same time contribute to strengthening public support for international cooperation in the Netherlands. In 2008, we received 230 applications and approved 65 projects, at an average contribution of EUR 7,800. In 2007, the figures were 406 applications and 68 approvals; last year relatively more applications were approved, as the quality of the project proposals was better. Moreover, the approved projects are increasingly in line with Hivos themes. Projects about HIV/AIDS, women's rights and arts & culture were particularly well represented. Compared to 2007, there were fewer applications from migrants. Young people, on the other hand, are getting involved in the Hivos Linkis programme in increasing numbers.

www.hivos.org | www.linkis.nl

Policy Advocacy

In its activities in the area of policy advocacy in the Netherlands and Europe, Hivos favours themes that are related to the work of partner organisations in the South and based on Hivos' aims. In 2008, Hivos participated in the following campaigns.

Stop Child Labour – School, the Best Place to Work

Six years ago, in association with colleagues in Alliance2015, Hivos initiated a campaign against child labour in six European countries. In the Netherlands Hivos runs this campaign in association with the Dutch General Education Union, the Dutch Trade Union Federation (FNV) and the National India Working Group. These partners campaign for broad public support and active involvement in combating child labour, and focus mainly on the role of governments, consumers and businesses (through corporate social responsibility). In 2008, the campaign succeeded in involving the two ministers most closely involved. The Dutch Minister for Development Cooperation received a book on child labour and his colleague at the department of Foreign Affairs was the first to play the computer game Child Labour Buster with a group of schoolchildren. As a result of the campaign, the Dutch Lower House carried two motions. The first motion was about using aid money to give working children the opportunity to go to school on a full-time basis.

Our Southern partners were directly involved in preparing this motion. The second motion, which was carried unanimously, obligates businesses that receive government aid in any way to make their entire production chain 'child-labour free'. These motions are an important step towards a more comprehensive policy, by the Dutch government, against child labour. Hivos is pleased that Minister Verhagen is pursuing a more active policy against child labour at the European level. For the first time in many years, the theme was again on the agenda of the EU Ministers of Foreign Affairs, and the European Commission initiated a study into child labour, trade and issues surrounding corporate social responsibility.

www.stopkinderarbeid.nl

Virus Free Generation

Virus Free Generation (VFG), a European campaign to promote awareness and policy advocacy in the area of HIV/AIDS, is run by four members of Alliance2015 and coordinated by Hivos. Its aim is to make young Europeans aware of the (consequences of the) HIV/AIDS epidemic among their peers in South Africa. In association with the Leiden student body AIDS on Stage, Hivos organised a poetry competition, ROC students put on a photo-graffiti exhibition and students from the Utrecht School of the Arts made a documentary about a hip-hop tour in Southern Africa. This 'youths for youths' approach resulted in a YouTube page where the hip-hop clips were viewed over 50 thousand times, and an exhibition and teaching package that reached over 80 thousand young people.



In 2008, the Virus Free Generation campaign travelled to South Africa with European youths and politicians to get a better idea of the situation there. The purpose of this visit was to contribute to achieving the Millennium Development Goals on HIV/AIDS, and the hip-hop tour highlighted the power of music to reach young people.

www.virusfreegeneration.eu/nl

Hivos and Europe

Besides its role in policy advocacy in the context of the campaigns, Hivos is also active in Europe as a member of several European networks, of which Alliance2015 is the most important. Every year the Alliance publishes the MDG Watch Report on the effectiveness of European expenditure on development cooperation in achieving the Millennium Development Goals (MDGs). How the EU actually contributes to achieving the MDGs in practice with its policy intentions was closely scrutinized in 2008. According to the report, greater democratic control and a larger role for civil society in the developing countries themselves are essential for a more effective expenditure of EU funds.

The Alliance advised the officials of the European Commission most closely involved in this portfolio on the substance of the report in a hearing. Eurostep, a European network of development organisations to which Hivos belongs, critically monitors the European policy on development cooperation. In 2008, Eurostep focused on the effectiveness of development aid as a prelude to the High Level Forum on Aid Effectiveness in Accra in September. In this connection Hivos, Cordaid, ICCO, Oxfam Novib and SNV jointly organised The Missing Link, a conference in which policymakers, MPs, academics and social organisations drew up concrete recommendations. Eurostep and Alliance2015 used these recommendations to emphasise the importance of civil society. Eurostep was also involved in monitoring the consequences of the Lisbon Treaty for development cooperation, stressing that the countries receiving aid should have a greater say in how the funds are spent.

Alliance2015

Alliance2015 is the most important strategic partnership with other development organisations in Europe for Hivos. Other members are

Alliance 2015

Concern (Ireland), Ibis (Denmark),

Welthungerhilfe (Germany), Cesvi (Italy) and

People in Need (Czech Republic). Acted, based in France, joined in 2008.

Alliance2015 is a pragmatic, cooperative partnership of highly diverse, secular development organisations. In the South, Alliance members cooperated on implementing 62 projects in the area of emergency aid and reconstruction in 2008. In Europe, members are working on the joint

ALLIANCE2015 IN 2008

- o Joint expenditure: 377.7 million euros.
- o Expenditure by targets: 69 per cent of expenditure on MDGs, 15 per cent on emergency aid and 16 per cent on other targets.
- o Expenditure by region: Africa 44.5 per cent, Asia 22.2 per cent, Latin America 16.4 per cent, Europe 3.4 per cent and other regions 13.4 per cent.
- o Income: 66 per cent from public resources, 34 per cent from private resources.

www.alliance2015.org | www.concern.net | www.ibis.dk |
www.welthungerhilfe.de | www.peopleinneed.cz |
www.cesvi.org | www.acted.org

campaigns Stop Child Labour and Virus Free Generation. Owing to its membership on the International Steering Committee, Alliance2015 was able to exert influence on the agenda of the High Level Forum in the Accra process. In the coming years Alliance2015 will monitor compliance by donors and receiving countries with the agreements made in Accra.



.....
: we
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: Hivos

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KNOWLEDGE FOR DEVELOPMENT

Development organisations all over the world are increasingly faced with new and complex problems about which they lack knowledge, for example the search for effective strategies to limit the influence of fundamentalist movements. Working together with universities and think tanks, Hivos hopes to use its knowledge programme to achieve new levels of understanding that may result in new strategies. At the same time, it is also intended to better disseminate and utilise the knowledge acquired within the national and international development sectors.

Since 2007, Hivos has set up five theme-based programmes. The regional scope of the Civil Society Building (about society building and social movements) and Promoting Pluralism programmes, which were already in operation, was increased in 2008. Last year Hivos also launched Civil Society Building in West Asia (about Iran and Syria), and the new programmes Small Producers in the Globalized Market and Digital Natives with a cause? were also made ready for launch. Another new element is the knowledge programme's website, offering a complete overview of all activities.

www.hivos.net

Working Together to Develop Knowledge

Within the context of its knowledge programme, Hivos works together with a global network of campaigners and academics. Campaigners and development workers often have a high degree of understanding about what does and what does not work in practice in the field of development, while academics possess the expertise needed to analyse trends, successes and failures in development processes. Bringing together people from the field with academics helps us gain new levels of understanding. That understanding leads not only to reflection and discussions about development aid strategies, but also, and more importantly, to points of reference to use in the field.

This is not simple to achieve; academics and field staff have different goals and different methods. It is a step-by-step process. It starts with

everyone involved investigating what the most important questions are that surround a particular issue. They then consider what knowledge is and is not already available. This is followed by joint research.

Civil Society Building

Poor people are better capable of fighting poverty and injustice if they organise. Acting together with other groups of people in social movements gives them more chance of bringing about societal changes. But how do those movements begin, how do they work and what can organisations like Hivos do to support them? These are the questions underlying the Civil Society Building knowledge programme, in which Hivos and the Institute of Social Studies study three movements in Central America: the women's movement, the movement of indigenous peoples and the movement against free trade treaties. Members of those movements are actively involved in the research. Individuals and organisations can also use other methods to create pressure in order to bring about changes in government policies, or conversely to stop them. In Southern Africa, we are researching how this happens.

Countries like Syria and Iran allow a great deal less scope for civil society. Civil organisations fighting for the introduction of more democracy risk being intimidated, hindered by bureaucrats or arrested. This is not only a major problem for those organisations, it also hampers international organisations such as Hivos, which support them, or try to. That is why

For the knowledge programme, Hivos works together with the Institute of Social Studies, the University for Humanistics, the Centre for the Study of Culture and Society (India), the Centre for Religious and Cultural Studies (Indonesia), the Cross-Cultural Foundation of Uganda, the Amsterdam School for Social science Research (University of Amsterdam) and the International Institute for Environment and Development (Great Britain).

the new programme Civil Society Building in West Asia, a partnership with the University of Amsterdam, studies the best way to give the people and their organisations a stronger voice in unfavourable political circumstances. www.iss.nl | www.assr.nl

Fighting Fundamentalism with Knowledge

The Hivos programme Promoting Pluralism is aimed at answering the questions of social organisations about how to deal with fundamentalist trends. Intolerance is an increasingly large problem, and often manifests itself as fundamentalism based on religion, ethnicity, nationalism, class or gender. Civil organisations try to counter these developments, but have difficulties fighting for pluralism, diversity and dialogue. Existing strategies no longer seem to be sufficient.

That is why academics in India, Indonesia and Uganda joined forces, together with colleagues elsewhere. Their knowledge allows Hivos partners and other social organisations to develop new strategies to promote pluralism and counteract fundamentalism. They used exchanges to try to acquire a better understanding of all the various aspects of the concept of pluralism. The result of those exchanges was that the central issue is not so much a question of tolerance or indifference, but instead one of dialogue, criticism and self-criticism. In these times in which the scope for pluralism is so limited, we must look for local and global practises for pluralism, and research the forces to counteract fundamentalism and intolerance. Civil organisations can play an important role here.

www.uvh.nl | www.crossculturalfoundation.or.ug |
www.cscsarchive.org | www.crcs.ugm.ac.id

Food, Feed and Fuel

The current changes in the global economy are doing nothing to improve the position of small farmers in developing countries. The demand for agricultural products is increasing: as food, as cattle feed and because crops are also used to extract biofuels. Does this offer new opportunities, or will only large-scale, non-sustainable agriculture be all that is left in the future? In 2007 and 2008, as a prelude to a knowledge programme in the field of sustainable economic development, Hivos and the Stockholm Environment Institute conducted an exploratory study into changing uses for land. The research primarily addressed the consequences of the increasing use of feed crops as a source of energy. That approach proved to be too limited when food prices also started to rise sharply in 2008 and the economy started to fluctuate strongly. Hivos therefore switched to a different theme, and together with the International Institute for Environment and Development (IIED) set up the knowledge programme Small Producers' Agency in the Globalized Market. The focal point of

that programme is the impact of all these factors on the position of small farmers.

www.iied.org | www.sei.se

Knowledge in the Netherlands

In the knowledge programme, Hivos works together with a number of Dutch academic partners. Hivos also supports three chairs. The Ibn Rushd chair for humanism and Islam at the University for Humanistics is held by Islamic thinker Nasr Abu Zayd. In December, he held a public lecture in The Hague, in which he addressed the extent to which the Qur'an, and the interpretation thereof, offers scope for pluralism. Hivos also supports the extraordinary chairs of gender expert Saskia Wieringa at the University of Amsterdam and, with Oxfam Novib, of Paul Hoebink in the field of development cooperation at the Radboud University in Nijmegen.

Civic Driven Change

Hivos believes that development is caused by people themselves. But do the leading players in the field of development cooperation still know how to reach committed individuals? That question was the background underlying the Civic Driven Change initiative, which Hivos and a number of other development organisations have undertaken, together with the Institute of Social Studies. A group of renowned thinkers and campaigners from all around the world spent a year discussing a new perspective to social change, originating from individuals rather than the state or the market. The result was the book Civic Driven Change, which helps create a practise-oriented 'story' as the foundation for new forms of development cooperation. The book caused a great deal of discussion at a seminar in The Hague. An online debate was also conducted on the website of The Broker.

www.hivos.net | www.iss.nl/cdc | www.thebrokeronline.eu

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MONITORING, EVALUATION AND INSPECTION

Measuring Results and Increasing Capacity

The introduction of the co-financing system in 2007 meant new requirements in terms of planning, monitoring and results measurement. For Hivos, it is a challenge to minimise the workload of its partners while at the same time ensuring that results measurement helps to improve effectiveness. That is why Hivos lets its partners determine what methods and indicators they use for results measurement for themselves (after consultation), rather than imposing them from above. This is greatly appreciated by the Hivos partners, though for many of them it remains a complicated process.

Processes of social change are difficult to measure, because they are generally difficult to quantify and take place slowly. Moreover, result-oriented methods on the part of partners call for a reliable system of planning and monitoring that matches their organisations and operations. Partners regularly ask for assistance, and that is why Hivos has developed a training programme, with the help of PSO. In that programme, we help partners to examine ways in which to improve the effectiveness of their intervention strategies by learning from their results, taking into account the context in which they operate and the scale of their organisation. In 2008, we organised training courses in Central America, India and Southern Africa. The experiences gained will be made available to the entire development sector.

Programme Evaluations

Every year, Hivos organises a series of programme evaluations, some of them together with other co-financing organisations. Those evaluations provide information about the effectiveness of Hivos' policies, based on the results realised by Hivos and its partner organisations within a particular field or region. Programme evaluations generally cover periods of five to ten years. All evaluations are carried out by external researchers. The quality of the combined evaluations is reviewed by an external reference group of highly regarded academics. In addition, the Policy and Operations Evaluation Department (IOB) of the Dutch Ministry of

Foreign Affairs also assesses the quality of all studies. The final reports of all programme evaluations are published at www.hivos.net/Hivos-Knowledge-Programme/Publications.

Within sector organisation Partos, Hivos and Cordaid, ICCO, Oxfam Novib and Plan Nederland have joined forces to set up the Partos Quality House. The Quality House organises a number of programme evaluations every year, in which at least two of the members take part. The evaluations in 2008 concerned studies into indigenous peoples and microfinancing, respectively. Hivos took part in both. The final reports will be available in 2009.

Last year, the final report was adopted for the programme evaluation of the Hivos arts and culture programme in Central America during the 2002-2006 period. Hivos set itself the target of helping to create new or additional possibilities for cultural productions and debate, to improve the cultural infrastructure, to reinforce the identity of and appreciation for the various cultures, and to improve the quality of cultural expressions and productions. The researchers came to the conclusion that Hivos' conscious choice to use artistic quality, rather than arts and culture, as a tool for the development agenda was an effective one. The six Central American countries in which Hivos supported artists and art institutions all displayed concrete results, and progress could be reported with the objectives defined.

In the field of human rights and democratisation, Hivos organised a programme evaluation in Kenya, where for ten years Hivos had supported organisations concentrating on furthering democratisation and respect for human rights. Their activities involved citizenship education, aimed at the whole Kenyan population, and policy advocacy and campaigns relating to the revision of the constitution. The programme evaluation assessed the extent to which those activities had actually helped achieve more democracy in Kenya. The researchers concluded that the two strategies, citizenship education and policy advocacy, reinforce one another. They

were able to make a reasonable case— ‘hard’ evidence is difficult to gather in this type of process – that the Hivos partners had indeed helped to create favourable conditions for democratisation and increased participation by the Kenyan population in the democratic process. This was particularly the case during the 1997-2002 period, when Hivos partners played an important part in the political process that eventually led to a new political order. However, the report also shows that that positive role of the civil society was cancelled out during the period between 2003 and 2007, and that it proved unable to prevent the unrest and outbreaks of violence following the elections in December 2007.

The tsunami in 2004 led to the largest emergency relief intervention carried out by Hivos to date. As the Hivos policy dictates, most efforts involved support for initiatives of partner organisations in India, Sri Lanka and Indonesia. In Aceh, however, Hivos was directly involved in developing the capacity of new partners and offering emergency relief and reconstruction activities of Alliance2015 partners. Emergency relief and reconstruction are not among Hivos’ everyday jobs, which was sufficient reason to have the work evaluated, with special focus on the question of whether Hivos supported its partners properly in their response to the tsunami. The researchers’ conclusion was that Hivos’ actions during the initial phase were highly effective, but that the effectiveness dropped in the later phases. That outcome surprised us somewhat, since structural development, not emergency relief, is Hivos’ core task. The evaluation shows that after disasters like the tsunami organisations develop other priorities and methods. NAFSO in Sri Lanka for example, previously an interest group of four thousand fishers, developed into an organisation with projects for economic and village development after the tsunami, serving a backing that was three times as large. Such developments call for different (and improved) supervision by Hivos. We will have to take more account of this in the future.

Another evaluation was carried out of the Biodiversity Fund (BDF), which is managed jointly by Hivos and Oxfam Novib. The central question was whether the BDF has succeeded in making an effective contribution to sustainable management of biodiversity in the forms of agriculture that are important to small producers and low-income groups. With three of the fund’s four components – production and income improvement, policy advocacy and networking – that indeed proved to be the case. However, the evaluation detected little progress in the field of market development.

Inspections and Financial Accountability

Hivos asks its partners not only for substantive reports, but also proper financial accounts (audited by an external auditor). Only partners with

a one-off short-term contract or whose aid from Hivos is less than 25 thousand euros are exempt from the requirement to submit an audit report. The abbreviated annual accounts are required to present information about the financial situation of the organisation as a whole, and should not be limited to the contribution from Hivos. This means that Hivos can gain insight not only into the legitimacy of the expenditure, but also into its partners’ financial management. Some of the aspects that Hivos reviews are how reasonable the financial reserves are, the degree to which expenditure matches the budget and whether the partners attract sufficient income from other sources.

Hivos also conducts audits – financial inspections – of partners. Such inspections may be conducted if fraud is suspected, but also if it is noted that the quality of the partner’s financial and administrative management could use some support. Any partners that fail to comply with the obligation to render account for their financial situation on time, or worse, that display mismanagement or fraud, suffer Hivos’ sanction policy.

In 2008, Hivos carried out inspections at partners in Honduras, Ecuador and Malawi. The inspection in Honduras revealed a case of fraud at one of the partners visited. For some years, two employees had been embezzling part of the organisation’s income. Although strictly speaking the fraud did not involve Hivos’ contribution, this finding naturally gave Hivos cause to terminate the partnership. The quality of both the financial management and the information supplied to Hivos was unacceptable. In Ecuador, the inspection primarily focused on a major programme of three Hivos partners. The inspection praised the quality of the financial management, the more so considering the difficult conditions under which the programme is carried out. Regrettably, a case of fraud elsewhere in Ecuador was reported, where the director and administrator had embezzled a large sum of money, for which they are being prosecuted. The organisation concerned has since been shut down, because Hivos and other donors had terminated their contracts.

Although the two cases of fraud are incidents and certainly not indicative of the average financial administration of the Hivos partners, the quality of the partners’ financial management is an important issue. In Southern Africa, an experiment will be launched in 2009 in which new partners will receive very extensive advice at the start of the partnership on how best to organise their financial management. Hivos hopes that this will mean it will face fewer unpleasant surprises and can start working on improvement at an earlier stage.



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ADMINISTRATIVE AND INTERNAL ORGANISATION

Transparency and openness are important values for Hivos. This is expressed in an administrative structure with clear-cut powers and a clear separation of supervision, management and execution. Hivos adopted the Supervisory Board model for administrative purposes in 1997. In designing its administrative and operating organisations, Hivos seeks to balance flexibility on the one hand against reliable accountability and control systems on the other. The design of the Hivos organisation includes the internal and external checks and balances needed.

Administrative and Advisory Bodies

The Supervisory Board supervises the actions of the Managing Board and the performance of Hivos as an organisation. The management in the legal sense is carried out by the Managing Board as appointed under the statutory articles. The Managing Board is made up of the General Director and the Director of Programmes and Projects. The total gross remuneration in 2008 was 248,304 euros, including pension charges and employer's expenses. Separate information for the individual members of the Board is set out in the abbreviated annual accounts. The remuneration of the Managing Board is in compliance with the guidelines of the Association of Fundraising Organisations, VFI.

The General Director holds the following additional positions: member of the Board of WOTRO and member of the MDF Advisory Council. As part of her position, she represents Hivos on the Supervisory Board of the Hivos-Triodos Fund, the Board of Eurostep, the Directors' Council (advisory body) of Stop Aids Now!, the Board of the Humanist Alliance and the Board of Alliance2015. The Director of Programmes and Projects holds the additional position of the chair of the Pintu Aceh foundation in The Hague. He represents Hivos on the Board of MicroNed (chair) and the Advisory Council of the CIDIN's postdoctoral programme.

A board of individual advisors, made up of committees of experts in the

fields of the Hivos themes, is responsible for the social advisory function. The mandate of the current board ended in 2008. In 2009, the board will continue with a new composition. Hivos also relies on the principal stakeholders involved in its activities for advice and consultation. Partner consultations in the South and the consultation with strategic and other partners in the Netherlands and Europe are the most important channels in that connection.

Working Organisation

The day-to-day management of Hivos is the responsibility of the Managing Board. The management team also includes the four heads of the programme bureaus and the head of Evaluation and Control bureau. The four directors of the regional offices are also part of the management team, albeit at a distance.

In the late 1980s, Hivos decided to relocate some of the responsibility for implementing its programmes. After the regional offices in India, Southern Africa and Central America had been set up, the Jakarta office was established in 2004, and given responsibility for Southeast Asia. The regional offices serve as Hivos' feelers in the field; they allow Hivos to respond quickly to new initiatives, to be in closer touch with its partners and to assist them with advice and training.

The coordination and implementation of the programmes is the responsibility of the four bureaus: Sustainable Economic Development; Democratisation, Rights, AIDS and Gender; Culture, ICT and Media; and External Relations. The last of those is responsible for communication and public support, European networks, as well as for fundraising and marketing in the Netherlands. Supervision of the correct appropriation of project funds and the reliability of the organisation's administration as a whole are the responsibility of the Evaluation and Control bureau, which is also charged with monitoring and evaluation policy (see Chapter 8).

The Office for Donor Relations (ODR) is responsible for the access to institutional funds. The ODR assists the bureaus and regional offices in their international fundraising efforts.

In recent years, besides the traditional support for partners, Hivos' operations have started to include more activities as a fund manager for third parties and as a direct programme manager. The programmes concerned are generally major programmes in which Hivos can offer added value to the partner organisations. With this in mind, we have set up local offices in several countries. At present, Hivos has local offices operating in Bolivia, Ecuador, Aceh (Indonesia), Tanzania, South Africa and Mozambique. Hivos is also represented in Kenya and Zambia. For a visual diagram of the operating organisation, see Appendix 1.

Personnel and Organisation

The workforce again increased slightly in 2008. Hivos had a total of 212 employees (2007: 191), of whom 118 were based at the head office in The Hague (2007: 113) and 94 were deployed in the field (2007: 78). The workforce translated as 184.7 full-time equivalents (2007: 160.7 FTE). With the exception of seven expatriates, the staff of the regional and local offices is employed under local employment conditions and come from their respective regions.

Diversity

For Hivos, diversity within its own ranks is very important. This is expressed in the backgrounds of its staff and in the proportion of women and younger people in the organisation. In all, 45 percent of the workforce has a non-Dutch background. The number of female employees on the Hivos workforce at the head office is as high as 70 percent. The proportion of women in management positions is 50 percent (including the directors of the regional offices). Throughout the year, Hivos employed a total of 33 young workers (below the age of 35), of whom 11 in the capacity of Junior Programme Officer.

What characterises Hivos employees is their commitment. That is a valuable asset, although it sometimes leads people to cross their own boundaries. We pursue an active policy to prevent and reduce sick leave, by keeping a sharp lookout for the first signs and by providing specific assistance. In 2008, again, several employees followed specific training courses on 'how to deal with stress'. Sick leave totalled 4.9 percent, compared with 4.6 percent in 2007.

A number of measures were implemented based on an employee satisfaction study, the results of which became available at the start of 2008. For the problem of heavy workloads, a taskforce was set up to study employees' workloads and work processes. The compensation for overtime has also been changed; employees in salary brackets 10 and below may take time off in lieu, whereas previously that facility was available to brackets 9 and below. The introduction programme for new employees was updated based on feedback about it.

The salaries of staff of the regional offices, for which the local employment market is generally taken as the guideline, will be examined further. In connection with this matter, the regional offices have been conducting a short-term benchmark study among comparable international organisations based in the countries concerned, in order to determine Hivos' relative position.

Training and Education

Every year, Hivos earmarks 2.5 percent of the payroll for developing the expertise and competencies of its workforce. In 2008, preparations were made for carrying out an internal training programme for Hivos staff, called the Hivos Academy. An important element is the Hivos Curriculum, developed with the assistance of Context. It consists of various modules that are vital to the work of the programme staff, such as evaluation, organisational analysis, strategic positioning, capacity improvement and result-oriented work methods. After the first training sessions, the employees were positive about the approach to and substance of the modules.

Other elements of the Hivos Academy are training sessions and courses teaching teams or individual employees specific skills and a new introduction programme explaining Hivos' humanist background to new employees. Hivos also organised training sessions to inform its own workers about the possibilities for development projects offered by ICT and the media. A large majority of the participants were very positive about the course, and in particular about the possibilities for their own work. Over a third of the Hivos workforce took part.

Workers' Council

The head office has a Workers' Council according to Dutch law. Each regional office has its own Workers' Council. In 2008, the Workers' Council met thirteen times, of which five meetings were attended by the Director and one by the Supervisory Board. The most important topics were the Hivos education plan, the handling of the employee satisfaction survey and a thorough update of the Legal Position regulations. The Workers' Council publishes a separate annual report.

Quality Marks and Quality

The quality of the Hivos business operations is assessed every year by three independent authorities, each from a different angle and based on a different expertise. The external auditor, Price Waterhouse Coopers (PWC), primarily judges the quality of the financial management and reporting, but also addresses the quality of the Hivos' organisation administration. LRQA assesses the degree to which Hivos is compliant with the international quality standard ISO 9001. The related quality mark is awarded for periods of three years, with interim audits every six months. The main area of focus of ISO 9001 is the efficiency and effectiveness of the primary process and the internal learning processes. In 2009, Hivos will receive a new certification for the coming three years. The Central Bureau on Fundraising assesses whether Hivos meets the standards for the CBF Seal of Approval for charities. Besides the effectiveness of expenditure, the CBF Seal primarily concerns the administrative quality and transparency and the quality of information and communications. The Wijffels Code (Charity Governance) has been fully integrated into the CBF Seal of Approval. The Seal also includes standards for the costs of fundraising. The CBF Seal of Approval is awarded for three years, with interim assessments every twelve months. Starting in 2008, as required by the new CBF guidelines, Hivos also publishes an annual Accountability Statement, a summary of which is included in this annual report.

For operations in the field of humanitarian emergency relief, Hivos endorses the international code of conduct of the International Federation of Red Cross and Red Crescent Societies (IFRC).

Corporate Social Responsibility

It is Hivos' aim to apply the principles that it professes in the field within its own organisation as well. That is why organic and fair trade products are available in the staff canteen. Coffee and tea are also bought 'fairly'. Paper waste, batteries and cartridges are collected separately for reuse. Photocopiers and printers use recycled paper. The premises are cleaned using biologically degradable cleaning products. Energy-saving lights have been fitted wherever possible, including very efficient LED lights. Preparations have been made to be able to fit double glazing everywhere in 2009, and Hivos has switched from 80-gram to 75-gram printer and copier paper to save wood, water and energy.

Since 2007, the CO₂ emissions from air travel are compensated for through the Hivos Climate Fund. The Hivos head office has switched to green electricity. This policy will also be implemented in phases at the regional offices.



ABBREVIATED ANNUAL ACCOUNTS 2008

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1. Financial Management Report

Hivos had a good year, with financial results that exceeded all expectations. The frame of reference is shaped by the two main objectives that we defined in our current strategic plan (2007-2010) for our financial policies. Firstly, Hivos wishes to become less dependent on the government (grants under the co-financing system MFS); the target is to raise at least 25 percent of the budget from other sources. Secondly, Hivos wishes to achieve sufficient equity to have the flexibility to respond to opportunities that arise for mobilising new sources of funding. Our results for both these objectives in 2008 were excellent.

Diversification

One year ahead of schedule, we have succeeded in realising our target of raising at least 25 percent of our income from other sources than the co-financing system. The original target of 21 percent was in fact clearly exceeded, with 26 percent recorded. As dictated by our strategy, most of the funds were raised from international donors. Yet on the Dutch market, too, Hivos' results were very good.

Income from direct fundraising activities amounted to over 1.3 million euros, around 100,000 euros more than the amount budgeted. Legacies and partnerships with the business sector, in particular, generated additional funds. Income from private funds raised indirectly (third-party campaigns) rose strongly, from 3.3 million to 7 million euros. Over one third of that sum was raised in the Netherlands, the rest coming from international sources. In the Netherlands, the largest contributions in 2008 came from Stop Aids Now!, Solidaridad, the National Postcode Lottery and DOEN.

Internationally, too, we succeeded in raising new funds. Although the EU and Alliance2015 are still important pillars, the financial base was broadened in 2008, with the addition of both private funds (more than 4.5 million euros) and government funds (in excess of 14 million euros). A new element in our strategy is that Hivos develops programmes of its own and seeks out financiers for them. Hivos was also successful with its own programme-specific tendering procedures.

Risks

Failing to realise a sustainable independent contribution of 25 percent is the most important financial risk that Hivos faces during the coming years. It is our conclusion, based on the results for 2008 and the scope of the proposals already submitted, that this risk can be controlled. However, the credit crisis presents an uncertain factor. Some of the international private

funds with which Hivos is working have increasingly invested their capital mostly in shares, and as a result have been directly hit by the global drop in share prices. Another factor that must be taken into account is that government funds will face cuts as a result of the crisis. This means that it is by no means an automatic given that the favourable financial results achieved in 2008 can be continued. Nevertheless, we believe that a degree of cautious optimism is justified, in the knowledge that Hivos offers an attractive product, quality-wise, for donor funds, even in a difficult market.

Results and Reserves

The results after appropriation were 546 thousand euros, which will be added to the general reserve. In consultation with the Supervisory Board, the Managing Board of Hivos has designated the reinforcement of the general reserve (equity) as an important objective of Hivos' financial policy. The main reason for this is that Hivos' risks have increased since the organisation has been obliged to cover at least 25 percent of its income from other sources beside the co-financing system. At the same time, a reasonable level of general reserves is necessary in order to compensate for the fluctuations that come with operating on the international fundraising market. The plans to reinforce the general reserve could not be implemented in recent years. As such, the favourable results for 2008 mean that we can compensate the disappointing developments of 2006 and 2007 and bring the general reserve to the intended level.

Adjustments to 'Guideline 650: Fundraising Institutions' signify that the reserve is no longer broken down into a fixed part and a discretionary part; in this new composition Hivos' general reserve has increased by approximately 1.1 million euros. Similarly, the consolidation by Hivos in 2008 also contributed 486 thousand euros to the reserve. As a result, Hivos' general reserve now totals 2.2 million euros.

The results before appropriation came to 3.2 million euros, rounded off. Of that sum, almost 1.7 million euros is earmarked for programme funds (which should be spent in 2009), 365 thousand euros is intended as a reserve for business operations, including a major computerisation process that should be carried out in 2009 and 2010, and 583 thousand euros is designated for the continuity reserve for programme management (a reserve linked to the amount of the outstanding liabilities and not freely disposable). Including the continuity reserve, Hivos' total reserve is over 10.2 million euros. This represents 94 percent of the organisation's operating costs, a ratio that is well within the scope permitted by the guidelines of the Dutch Association of Fundraising Organisations, VFI. Several other considerations factor into the assessment of the financial results. The costs of direct fundraising have risen, both in absolute terms

and as a percentage of the revenue. Although an increase in the percentage had been predicted, the actual percentage (24 percent) was disappointing. Extra attention will be devoted to this matter in 2009.

A new key figure is the percentage for management and administration according to the VFI guidelines. The figure for Hivos in 2008 was 1.4 percent, which is well below the maximum of 2 percent that Hivos had set for itself.

The 2008 abbreviated annual accounts are the first to show the consolidated figures, i.e. the figures including the balance sheet items and precise costs of Hivos' regional offices. Previously, the regional offices compiled their own separate annual accounts. However, the financial management has become more complex as a result of the large increase in new donors and the organisation's continued growth, and consequently consolidated figures are more desirable. This major operation was completed successfully, in close consultation with the accountants and auditors.

In conclusion, we can say that Hivos has a healthy financial foundation, a dedicated and expert workforce and an excellent network of partners, which will allow it to continue to strive for a free and just world in 2009.

The Hague, April 2009

Manuela Monteiro, *General Director*

Allert van den Ham, *Director of Programmes and Projects*

2. BALANCE SHEET AS AT 31 DECEMBER 2008 *amounts x EUR 1,000*

ASSETS	31-12-2008		31-12-2007*	
Tangible fixed assets				
Buildings for business operations	470		509	
Furniture and fixtures for business operations	485		658	
Cars for business operations	13		24	
Buildings for objective	55		57	
		1.023		1.248
Financial fixed assets				
Reserved cash	18.516		17.778	
Participations/subordinated loans	2.500		2.500	
		21.016		20.278
Claims, prepayments and accrued income				
Claims for grants				
<i>Government, co-financing</i>	63.171		60.681	
<i>EU funds</i>	8.730		10.475	
<i>Other funds</i>	13.300		15.413	
		85.201		86.569
Prepayments and accrued income		1.682		1.809
		86.883		88.378
Cash at bank and in hand		12.566		8.237
Total		121.488		118.141

2. BALANCE SHEET AS AT 31 DECEMBER 2008 *amounts x EUR 1,000*

LIABILITIES	31-12-2008		31-12-2007*	
Reserves and funds				
Reserves				
<i>Appropriated reserve for business operations</i>	831		466	
<i>Continuity reserve programme management</i>	7.129		6.546	
<i>Revaluation reserve</i>	0		52	
<i>Other reserves: General reserve</i>	2.210		1.855	
		10.170		8.919
Funds				
<i>Appropriated fund, Private Funds programme</i>	987		553	
<i>Appropriated fund, Stop Aids Now! programme</i>	-60		397	
<i>Appropriated fund, Refunds+Interest programme</i>	1.372		0	
		2.299		950
		12.469		9.869
Long-term liabilities				
<i>General loan fund</i>	88		89	
<i>Participation in North-South Plan</i>	733		742	
<i>Guarantees issued</i>	18.736		19.855	
		19.557		20.686
Long-term project liabilities				
<i>Government, co-financing</i>	23.776		24.728	
<i>EU projects</i>	1.837		3.382	
<i>Other projects</i>	4.992		8.672	
		30.605		36.782
		50.162		57.468
Current liabilities				
Current project liabilities				
<i>Government, co-financing</i>	35.993		32.717	
<i>EU projects</i>	6.548		5.233	
<i>Other projects</i>	13.104		9.554	
		55.645		47.504
Accruals and deferred income		3.212		3.300
		58.857		50.804
Total		121.488		118.141

3. STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2008 *amounts x EUR 1,000*

INCOME	Actual 2008	Budget 2008*	Actual 2007*	Budget 2009
Income from direct fundraising				
<i>Donations and gifts</i>	971		1156	1.250
<i>Legacies</i>	302		46	
<i>Climate fund CO₂ compensation</i>	85			
Total income from direct fundraising	B 1.358	1.250	1.202	1.250
Income from third-party campaigns	6.994	2.500	3.363	3.900
Grants from governments	89.715	92.250	95.969	86.309
Other income	1.594	900	1.271	1.169
Total income	D 99.661	96.900	101.805	92.628

3. STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2008 *amounts x EUR 1,000*

EXPENSE	Actual 2008	Budget 2008*	Actual 2007*	Budget 2009
Spent on objectives/Programmes (new liabilities)				
Sustainable production and financial services	34.125	36.423	35.913	36.051
Human rights, democratisation, women & development, HIV/AIDS	30.941	34.043	36.236	35.623
Arts & culture, ICT and media	19.914	10.379	11.991	12.152
Development education and policy advocacy	3.378	7.508	8.497	5.973
Knowledge programme	5.726	5.624	5.390	
Total expenditure on objectives C	94.084	93.977	98.026	89.799
<i>Costs spent on objective as a % of total income (= C / D)</i>	<i>94,4%</i>	<i>97,0%</i>	<i>96,3%</i>	<i>96,9%</i>
Spent on generating income				
Costs of direct fundraising A	327	250	146	280
<i>Direct fundraising: costs as a % of income (= A / B)</i>	<i>24,1%</i>	<i>20,0%</i>	<i>12,1%</i>	<i>22,4%</i>
Costs of third-party campaigns	93	50	60	112
Costs of obtaining government grants	628	700	640	756
Total costs of generating income	1.048	1.000	846	1.148
Management and accounting costs E	1.365	1.549	1.480	1.488
<i>Man. and accounting costs as a % of total income (= E / F)</i>	<i>1,4%</i>	<i>1,6%</i>	<i>1,5%</i>	<i>1,6%</i>
Total expense F	96.497	96.526	100.352	92.435
Results before appropriation	3.164	374	1.453	193
Added to/withdrawn from:				
- Programme funds	-1.670		-962	
- Continuity reserve for programme management	-583	-270	-401	
- Appropriated reserve for business operations	-365		11	
Total addition/withdrawal	-2.618	-270	-1.352	0
Results after appropriation	546	104	101	193

4. Accounting Principles

These are the abbreviated annual accounts of the Hivos foundation in The Hague. The annual accounts have been prepared in accordance with the new Guidelines for Reporting by Fundraising Institutions, which came into force in 2008, and with due observance of the Financial Regulations for the MFS co-financing system of the Ministry of Foreign Affairs/Development Cooperation.

The abbreviated annual accounts have been compiled to show the financial position and results after appropriation of the results in accordance with the appropriation of the results.

All amounts in the explanatory notes are denominated in euros, unless stated otherwise.

The principles have remained unchanged since the previous financial year.

In these abbreviated annual accounts, the balance sheets and statements of income and expenses of the Hivos offices in Zimbabwe, India, Indonesia, Costa Rica and South Africa have been consolidated with the abbreviated annual accounts of the Hivos head office in The Hague. The Managing Board of Hivos has full control over those offices.

1. Objective of the Hivos Foundation and Nature of the Operations

The foundation's objective according to its Statutory Articles is to provide aid, in the broadest sense of the word, to developing countries, based on humanist principles.

2. Principles for the Valuation and Presentation of Assets and Liabilities

Projects approved during the reporting year are presented as costs. The related grants, including the remuneration for programme management, are presented as income. Remuneration not yet realised for programme management is recorded under the continuity reserve for programme management.

Any part of the programme income that has not yet been spent is added to the appropriated reserve for programme funds.

Tangible fixed assets have been stated at acquisition price, less straight-line depreciation based on their economic lifecycle.

Financial fixed assets Reserved cash is cash used as security for liabilities, as required by the Ministry of Foreign Affairs/Development Cooperation's guidelines for loans and guarantees. Participations in and subordinated loans granted to partner organisations are valued at 1 euro.

Claims for grants are claims on governments and other entities arising from liabilities that the foundation has entered into based on agreements to that effect as part of its programme; they include the related remuneration for programme management.

Other claims and cash at bank and in hand are presented at face value and denominated in euros, unless stated otherwise. Assets denominated in foreign currencies have been translated at the exchange rates prevailing on the balance sheet date. Exchange rate differences have been accounted for in the statement of income and expense.

Provisions are formed for liabilities and risks related to the business operations. They do not pertain to specific assets.

Liabilities are presented at the values at which they were incurred and denominated in euros, unless stated otherwise. Liabilities denominated in foreign currencies have been translated at the exchange rates prevailing on the balance sheet date. Exchange rate differences have been accounted for in the statement of income and expense.

Project liabilities are all liabilities that the foundation has under financing agreements concluded with partner organisations.

3. Principles for Determination and Presentation of the Results

Income and expense are accounted for during the year to which they pertain.

Legacies are presented in the year in which their amount can reliably be determined.

Grant income, including the remuneration for programme management, is accounted for in the year in which the claim becomes definite.

Adjusted grant amounts are deducted from the grant income during the year to which the grant awarded pertains.

New project liabilities are accounted for in the year in which the liability becomes definite.

All costs, with the exception of extraordinary costs, are allocated to various cost categories, based on business criteria and with due observance of the relevant Guidelines of the Dutch Association of Fundraising Organisations, VFI:

- spent on objectives
- generating income
- management and accounting costs.

5. General Notes

In its 2008 abbreviated annual accounts, Hivos has consolidated the annual accounts of the head office with those of the offices in Costa Rica, India, Indonesia, Zimbabwe and South Africa. The reason for that operation was the necessity, based on the requirement under the independent contribution rule (see Income), to include the contributions from international donor funds that are channelled not through Hivos' head office, but through the regional country offices. Consolidation was also considered necessary because the organisation's financial management has become more complex as a result of gradual but steady growth and an increasingly decentralised structure.

As a result of the consolidation, the comparative figures from the 2008 budget and the actual figures for 2007 have been adjusted in these abbreviated annual accounts.

Another consequence of the consolidation is an increase in the reserves and funds (0.24 million euros and 0.19 million euros, respectively).

In 2008, it became obligatory to apply the new 'Guideline 650: Fundraising Institutions' of the Central Bureau on Fundraising (CBF). In the balance sheet, this means that equity has been reclassified into reserves and funds; and that the reserve is no longer split into a fixed and a discretionary part.

In the statement of income and expense, costs of fundraising are now listed as a separate category, as are the costs of management and accounting. The comparative figures have also been adjusted to reflect this.

Income

The income available for Hivos' objective in 2008 totalled 99.7 million euros, 3 percent more than budgeted. The extra income from direct fundraising activities, third-party campaigns and other income balanced out the income from government grants, which were less than budgeted. The extra income from direct fundraising activities stemmed primarily from legacies and contributions from the business sector. Funds raised from private donors were less than expected.

Income from third-party campaigns showed a sharp increase. The extra income was realised both in the Netherlands and internationally.

Income from government grants was less than budgeted. The most important reason for that shortfall was that a number of major applications took longer to process than expected. Considering the quality and the volume of the applications that Hivos has submitted to various government funds and the interest shown in those applications, Hivos expects to be able to realise the budgeted income in 2009.

Other income was 76 percent above budget, thanks to the higher interest income and a higher dividend from participations in the Hivos Triodos Fund (HTF).

The co-financing system MFS, Hivos' most important source of grants, requires that at least 25 percent of the amount specified in each application must come from other sources than grants awarded by the Ministry of Foreign Affairs. That independent contribution is based on the gross income on a cash basis. In 2008, Hivos realised an independent of 26 percent, amply above the target for 2008 (21 percent). The higher percentage stemmed mostly from the extra income from third-party campaigns.

Expense

Expenditure related to Hivos' objective in 2008 totalled 94.1 million euros. This means that expenditure came to 94.4 percent of the total income.

This percentage is less than expected, owing to a combination of income that was higher than budgeted and the relatively late availability of some income, on the one hand, and on the other expenses that were kept to the budgeted level. Income earmarked for new liabilities has been added to programme funds and will be spent in 2009.

Spent on the objective

Expenditure on the objective/programmes differs from the budgeted amounts per programme. Those differences can be explained by the relative degrees of success of the programmes in mobilising new donors; and by the fact that the amount of the new liabilities (= expenditure) that Hivos entered into depends in part on the demand from Hivos' partner organisations and as such varies somewhat from one year to the next.

Costs of direct fundraising

The costs of direct fundraising came to 327 thousand euros, which represents 24 percent of the revenues (1.36 million euros). Both in absolute terms and as a percentage of the revenue, that amount was higher than budgeted. A substantial increase had been foreseen in connection with the deployment of extra human resources and a change to the allocation of costs (under the VFI Guideline), though less than the actual figure eventually was. The target for 2009 is a lower percentage.

Management and accounting costs

Hivos has calculated its management and accounting costs, as required by Guideline 650 of the CBF. This is a new method of cost allocation, which was not yet required in 2007. Hivos' calculation is based on the guidelines of the Dutch Association of Fundraising Organisations (VFI). In 2008, the costs were 1.4 million euros (rounded off), i.e. 1.4 percent of the total

costs. For the present, Hivos has set itself a ceiling of 2 percent, though it aims for a lower percentage.

Management and accounting costs are those costs that cannot be allocated directly to the objective, nor are intended for direct or indirect fundraising. The principal items are the financing costs, the costs of the General Director and the executive secretary, internal controls and human resources, plus a percentage of the costs of the management team. The auditor has judged the plausibility and clarity of the allocation, and the degree to which it matches the Guideline.

Administrative costs

The Managing Board comprises two members in 2008. As such, the annual occupation during the year was thus 2.0 FTEs. The remuneration of the Managing Board for 2008 was 248,304 euros (2007: 243,760 euros for 2.1 FTEs). That amount covers the gross salaries, of 198,574 euros, plus the employer costs, including pension charges, of 49,730 euros. The total remuneration can be divided as follows among the members of the Board: General Director (1 FTE) 125,872 euros (2007: 117,912 euros); Director of Programmes and Projects (1 FTE) 122,432 euros (2007: 116,213 euros); Director of External Relations 2008: 0 (until 1/3/07: 9,635 euros for 0.1 FTE).

The costs of the Supervisory Board and the Board of Advisors for 2008 totalled 6,056 euros (2007: 3,125 euros). Those costs primarily concern attendance fees and hotel and travelling expenses for attending meetings and visiting projects.

To the Board of Hivos Foundation

Auditors' report

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Introduction

We have audited whether the accompanying abbreviated annual accounts of Hivos Foundation, The Hague, for the year 2008 as set out on pages 55 to 64 have been derived consistently from the audited annual accounts of Hivos Foundation, for the year 2008. In our auditors' report dated April 8, 2009 we expressed an unqualified opinion on these financial statements. The board of the foundation is responsible for the preparation of the abbreviated annual accounts in accordance with the accounting policies as applied in the 2008 financial statements of Hivos Foundation. Our responsibility is to express an opinion on these abbreviated annual accounts.

Scope

We conducted our audit in accordance with Dutch law. This law requires that we plan and perform the audit to obtain reasonable assurance that the abbreviated annual accounts have been derived consistently from the financial statements.

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

Opinion

In our opinion, these abbreviated annual accounts have been derived consistently, in all material respects, from the financial statements.

Emphasis of matter

For a better understanding of the organisation's financial position and results and the scope of our audit, we emphasize that the abbreviated annual accounts should be read in conjunction with the unabridged financial statements, from which the abbreviated annual accounts were derived and our unqualified auditors' report thereon dated April 8, 2009. Our opinion is not qualified in respect of this matter.

The Hague, 15 June 2009

PricewaterhouseCoopers Accountants N.V.

Original has been signed by H.A. Wink RA

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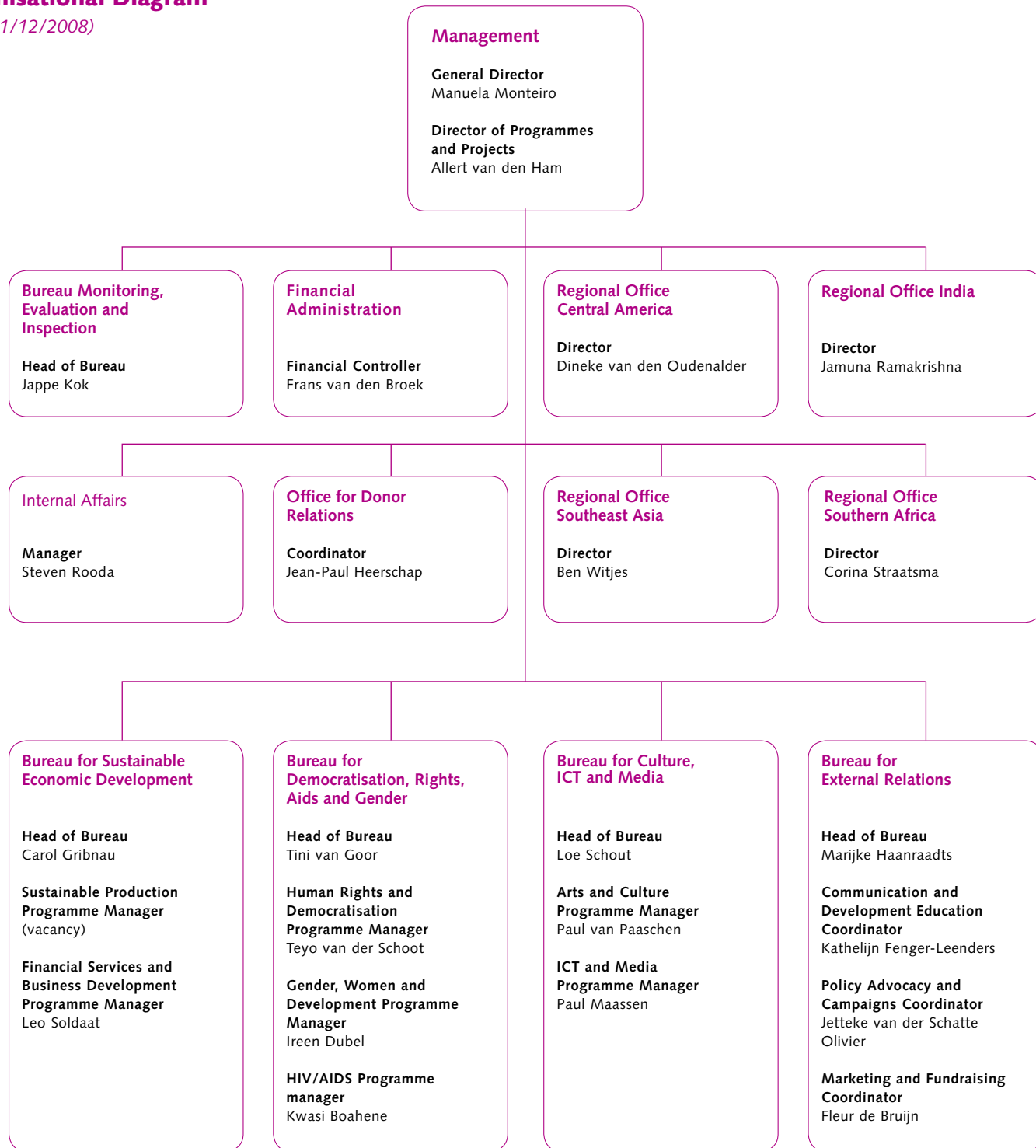
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1. Organisational Diagram

(as at 31/12/2008)



2. LIST OF ABBREVIATIONS *List explaining the most commonly used abbreviations*

Acted	Agency for Technical Cooperation and Development	LVWW	Landelijke Vereniging van Wereldwinkels (Dutch Association of Fair Trade Shops)
AMwA	Akina Mama wa Afrika	MBO	Middelbaar Beroeps Onderwijs (senior secondary vocational education)
APC	Association for Progressive Communications	MDC	Movement for Democratic Change
BDF	Biodiversiteitsfond (Biodiversity Fund)	MDF	Management for Development Foundation
BMC	Biodiversity Monitoring Communities	MDGs	Millennium Development Goals
CALDH	Centro para Acción Legal en Derechos Humanos	MFI's	Microfinancing institutions
CBDC-BUCAP	Community Biodiversity Development and Conservation - Biodiversity Use and Conservation in Asia Program	MFS	Medefinancieringsstelsel (co-financing system)
CBF	Central Bureau Fondswerving (Central Bureau on Fundraising)	MIA	Micro Insurance Academy
CCM	Country Coordinating Mechanism	MitS	Migrants in the Spotlight
CDM	Clean Development Mechanism	MSC	Marine Stuurship Council
CEDLA	Centre for Latin American Research and Documentation	MSM	Men Having Sex with Men
CEJIS	Centro de Estudios Jurídicos e Investigación Social	NCDO	Nationale Commissie voor internationale samenwerking en Duurzame Ontwikkeling (National Committee for International Cooperation and Sustainable Development)
CIDA	Canadian International Development Agency	NGO	Non-Government Organisation
CIDIN	Centre for International Development Issues Nijmegen	Norad	Norwegian Agency for Development Cooperation
CJA	Citizen Journalism in Africa	NPM	Nederlands Platform Millenniumdoelen (Netherlands Platform for Millennium Development Goals)
CODEMUH	Colectiva de Mujeres Hondureñas	OCW	Onderwijs Cultuur en Wetenschap (Ministry of Education, Culture and Science)
CSF	Cooperativa sin Fronteras	ORMUSA	Organización de Mujeres Salvadoreñas por la Paz
DCCD	Danish Center for Culture and Development	PSO	Personele Samenwerking Ontwikkelingslanden
DFID	Department for International Development	PwC	PricewaterhouseCoopers
DSI	Dienst Speciale Interventies (Special Interventions Service)	RedDES	Rede de Desenvolvedores
EU	European Union	ROC	Regionaal Opleidingen Centrum (Regional Education Centre)
Eurostep	European Solidarity Towards Equal Participation of People	SADC	Southern African Development Community
FAO	Food and Agriculture Organization of the United Nations	SAN!	Stop Aids Now!
FMO	Financierings Maatschappij voor Ontwikkelingslanden (Finance Company for Developing Countries, Finance for Development)	SCAN	Sustainable Commodity Assistance Network
FNV	Federatie Nederlandse Vakbeweging (Dutch Trade Union Federation)	SDS	Social Development Society
FOEI	Friends of the Earth International	SIDA	Swedish International Development Cooperation Agency
FSC	Forest Stewardship Council	SIMAS	Servicio de Información Mesoamericano sobre Agricultura Sostenible
FTE	Full-Time Equivalent	SNV	Stichting Nederlandse Vrijwilligers (Netherlands Development Organisation)
GALE	Global Alliance for LGBT Education	SPACE	Society for Promotion of Alternative Computing and Employment
HTF	Hivos Triodos Fund	TAC	Treatment Action Campaign
HVO	Humanistisch Vormingsonderwijs (Humanist Social Education)	TaTEDO	Tanzania Traditional Energy Development and Environment Organisation
ICCO	Interkerkelijke organisatie voor ontwikkelingssamenwerking (Interchurch Organisation for Development Cooperation)	TCC	Tropical Commodity Coalition
IOB	Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie (Policy and Operations Evaluation Department)	TEC	Toetsing, Evaluatie en Controle (Evaluation and Control)
IESSDH	Institute of Studies in Health, Sexuality and Human Development	TSTF	Triodos Sustainable Trade Fund
IFFR	International Film Festival Rotterdam	UNESCO	United Nations Educational, Scientific and Cultural Organization
IFOAM	International Foundation for Organic Agriculture Movements	UvH	Universiteit voor Humanistiek
IFRC	International Federation of Red Cross and Red Crescent Societies	UN	United Nations
IICD	International Institute for Communication and Development	VPRO	Vrijzinnig Protestantse Radio Omroep
IIED	International Institute for Environment and Development	WOTR	Watershed Organization Trust
ISO	International Organization for Standardization	WSIS	World Summit on the Information Society
ISS	Institute of Social Studies	ZANU PF	The Zimbabwe African National Union – Patriotic Front
Item	Instituto del Tercer Mundo	ZLHR	Zimbabwe Lawyers for Human Rights
JASS	Just Associates		
KRC	Kabarole Research & resource Centre		
LBSNN	Landelijk Beraad Stedenbanden Nederland-Nicaragua (National Council of City Links between the Netherlands and Nicaragua)		
LED	Light Emitting Diode		
LGBT	Lesbian Gay Bisexual and Transgender		
LRQA	Lloyd's Register Quality Assurance Limited		

3. Networks and Strategic Partnerships

Type of partnership	Name of Organisation
Alliance	Alliance2015 (Acted, Cesvi, Concern, DWHH, IBIS, PIN) Humanistische Alliantie Institute of Social Studies (ISS) Landelijke Vereniging van Wereldwinkels (LVWW) NCDO Triodos Bank
Theme-based partnership	Amnesty International Nederland Association for Women's Rights in Development (AWID) Coolpolitics DOEN IKV Pax Christi IntEnt International Institute for Communication and Development (IICD) KPN Landelijk Beraad Stedenbanden Nederland-Nicaragua (LBSNN) LogicaCMG Mama Cash Milieudefensie Stichting Natuur en Milieu Stop Aids Now! Utz Certified WO=MEN
Relations with humanist support	Aim for Human Rights Humanistische Alliantie Humanistische Omroep (HUMAN) Humanistisch Vormingsonderwijs Humanistisch Verbond Humanitas International Humanist and Ethical Union (IHEU) Universiteit voor Humanistiek Weezenkas
Sector organisations, networks and cross-theme partnerships in the Netherlands	Agri Pro Focus Breed Overleg Mensenrechten Dutch Microfinance Platform Tropical Commodity Coalition (TCC) Linkis Platform MicroNed MVO Platform Nederlands Platform Millenniumdoelen Partos PSO Solidaridad / Coffee Support Network Uganda Platform Zimbabwe Watch
European Networks	Alliance2015 (Acted, Cesvi, Concern, DWHH, IBIS, PIN) CIFCA Concord Eurodad Eurostep Women in Development Europe (WIDE)
Theme-based financing (Netherlands and worldwide)	Association for Progressive Communications (APC) Development Alternatives with Women for a new era (DAWN) Fair Trade Labelling Organisation (FLO) Friends of the Earth International (FoEI) Global Forum on MSM Global Network of People living with hiv/aids (GNP+) Global Voices International Association for the Study of Sexuality, Culture and Society (IASSCS) International Federation For Alternative Trade (IFAT) International Federation of Organic Agriculture Movements (IFOAM) International Film Festival Rotterdam/Hubert Bals Fonds Internationaal Informatiecentrum en Archief voor de Vrouwenbeweging (IIAV) International Lesbian and Gay Association (ILGA) International Social and Environmental Accreditation and Labelling Alliance (ISEAL) Movies that Matter Oneworld.nl Simavi Stichting Onderzoek Multinationale Ondernemingen (SOMO) Tactical Tech Urgent Action Fund (UAF) VPRO - Metropolis Women on Waves Women Win

4. EXPENDITURE PER COUNTRY IN 2008 *amounts in euros*

Country	Co-financing funds	Non-co-fin. funds	Total
Africa			
Pan-Africa	1.165.560	923.262	2.088.822
Kenya	1.556.776	195.886	1.752.662
Malawi	1.114.450	165.000	1.279.450
Mozambique	927.500	127.500	1.055.000
Namibia	991.856	0	991.856
Regional East Africa	1.168.493	465.670	1.634.163
South Africa	1.406.117	546.852	1.952.969
Tanzania	1.345.694	1.586.130	2.931.824
Uganda	1.706.617	255.782	1.962.399
Zambia	1.041.978	652.749	1.694.727
Zimbabwe	1.507.577	461.409	1.968.986
Regional Southern Africa	1.734.920	678.619	2.413.539
Total	15.667.538	6.058.859	21.726.397
Asia and Southeast Europe			
Cambodia	5.478	44.995	50.473
India	4.896.990	1.305.474	6.202.464
Indonesia	2.922.657	3.396.713	6.319.370
Iraq	103.400	1.600	105.000
Iran	407.760	0	407.760
Kazachstan	348.918	120.472	469.390
Kyrgyzstan	1.017.605	63.230	1.080.835
Regional Asia	3.866.204	2.021.026	5.887.230
Sri Lanka	653.358	5.948	659.306
Timor Leste	296.754	0	296.754
Total	14.519.124	6.959.458	21.478.582
Latin America			
Belize	152.235	0	152.235
Bolivia	833.256	3.534.735	4.367.991
Colombia	18.500	18.500	37.000
Costa Rica	527.718	482.887	1.010.605
Cuba	1.025.206	18.515	1.043.721
Ecuador	1.100.195	404.852	1.505.047
El Salvador	285.363	41.000	326.363
Guatemala	1.100.774	352.498	1.453.272
Honduras	904.899	219.857	1.124.756
Regional Central America	2.284.605	680.651	2.965.256
Nicaragua	2.679.571	1.127.552	3.807.123
Peru	1.087.234	285.388	1.372.622
Regional South America	1.925.546	820.357	2.745.903
Total	13.925.102	7.986.792	21.911.894
Worldwide	11.694.018	4.696.661	16.390.679
The Netherlands	3.271.495	1.168.785	4.440.280
HIVOS TOTAL	59.077.277	26.870.555	85.947.832

5. OTHER STATISTICAL DATA

Partners by type of organisation and region (in %)	Africa	Asia	Latin- America	Worldwide	Total
Community-based organisation	7%	2%	10%	0%	5%
Membership organisation	23%	18%	11%	11%	17%
Social movement	5%	4%	2%	3%	4%
Intermediary development organisation	10%	16%	17%	6%	13%
Service organisation (non-profit)	38%	41%	34%	43%	38%
Service organisation (for profit)	4%	2%	6%	2%	4%
Network organisation	6%	13%	12%	17%	11%
Other	7%	4%	8%	18%	8%
Total	100%	100%	100%	100%	100%

Reasons for rejection	Africa	Asia and Southeast Europe	Latin America	Worldwide	Total 2008	Total 2007
Geographic limitations	218	164	52	5	439	515
Thematic policy limitations	226	85	54	9	374	337
Mandate limitations	32	27	13	3	75	107
Financial limitations	195	447	61	2	705	753
Other	27	75	2	1	105	63
Total 2008	698	798	182	20	1698	
Total 2007	784	695	249	47		1775

Colophon

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Design and layout Tangerine, Rotterdam

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