

Hivos Global 2016 Annual Report

Executive Board Report

We are proud to present our 2016 Annual Report to you. Despite our pride in our work, it is difficult to sum up 2016 light-heartedly as the world is in turmoil. There are a number of crises raging worldwide, including the ongoing Syrian war, the drought in Africa, other natural disasters, and terrorism. The vote for a Brexit in June and for Donald Trump as U.S. President in November are examples of Western citizens' lack of trust in state institutions and the status quo. They are just two examples of a worldwide trend back to nationalism which seems to go hand-in-hand with an ever-more-individualised society and a shrinking acceptance of those who are seen as 'not belonging here'.

As Hivos, we feel that this is a threat to the open society that is at the heart of our work. If we are to counter the shrinking space for civil society, we need to collaborate with frontrunners in civil society, government and private sector towards finding solutions, however dire the context may be. At the end of 2015 we were optimistic about the possibility of such a broad coalition, having seen the Paris Agreement on climate change and the agreement on the Sustainable Development Goals. And all the while we know that countries are hesitant to make the huge investments needed in order to save our planet and develop its people. That needs to change. Investing in sustainability is in our own interest, economically and socially. Reducing inequality, improving social justice and making all voices count is key – otherwise competition for scarce resources will make climate change and poverty worse, resulting in even more migration and greater societal tensions.

Main results in 2016

This report describes what we achieved with our partners in 2016 through our programmes and projects, which aim to make our societies greener and more open. For example one of our biggest programmes, Making All Voices Count, has worked with citizens, tech companies and government institutions in twelve countries in Africa and Asia to contribute to better interaction between citizens and governments, and to make governments more effective and accountable. Citizen agency and government responsiveness is also at the heart of our contribution to the support unit of the Open Government Partnership and its regional activities. See the inspiring case of Bojonegoro. Also in Indonesia, one of our new initiatives aimed at making the island of Sumba 100% sustainable is setting up a social enterprise which provides essential services to potential consumers and investors in off-grid renewable energy systems.

In the sexual rights and diversity field, our work has once again become more difficult. At a time when the acceptance of sexual diversity is on the decline and even the appointment of a UN Representative for LGBTI rights is heavily contested, many of our efforts go towards enabling LGBTI organisations to resist attacks on their rights and physical security. In our six HIV/AIDS and Human Rights programmes in Latin America, Southern Africa and Southeast Asia, we succeeded in increasing access to health services for most affected groups, such as LGBTI persons, sex workers, and people living with HIV/AIDS.

Much of our current work seeks to use innovation for social change. It builds on the experiences and networks of the extensive MFS programme which we finalised last year. This €272 million multi-theme programme ended in 2016 and enabled Hivos over the years to support civil society in 26 countries in their struggle for human rights, economic empowerment and equality. The donor of this programme, the Dutch Ministry of Foreign Affairs, has praised Hivos for its frontrunner's role in the Transparency & Accountability programmes. In particular the Ministry mentioned the Open Government Partnership process, projects with young people in the Middle East and North Africa (MENA) region, and programmes in the area of gender equality, including in the economic sector. In addition, we were congratulated on our systematic analysis and openness also to admit failure.

New strategic collaborations

We are building on this track record in our new Strategic Partnership with our partners IIED and ARTICLE 19, and the Ministry of Foreign Affairs. This strategic partnership is just one of the 40+ new programmes and projects that Hivos started in 2016. Other major new initiatives are the Women Empowered for Leadership programme (Lebanon, Jordan, Zambia, Malawi and Zimbabwe), the KP REACH programme on HIV and Human Rights in Southern Africa, the Green Prosperity Project Partnership on renewable energy in Indonesia, and the SAFE programme in Latin America on sustainable agriculture, food and the environment.

Last year also saw Hivos Impact Investments (HII), a company founded by Hivos, begin full operation. HII launched its second fund, the Hivos Food & Lifestyle Fund. This fund sources innovative enterprises from Hivos' sustainable food programmes, and has already invested in three companies. Furthermore, in 2016 the Hivos Triodos Fund showed great impact again, reaching millions of people and showing very good returns. Nevertheless in the search for new solutions and social innovation and after more than twenty years of successful investment in microfinance institutions, this joint initiative of Hivos and Triodos Bank, shifted to pioneering loans and equity to small and medium enterprises for sustainable food and energy.

Internal Organisation

We are glad to report that despite high competition and the decreasing budgets of government donors, we have been able to secure €134 million in new contracts in 2016 to be spent in the coming years. While this means that we are well on track in relation to our estimates, the coming years will remain challenging for Hivos as an organisation.

These challenges are related to both the changing funding environment and our changing role. We have moved away from the 'donor' or re-granting role towards that of a broker. As a result, we need to explain to partners and stakeholders that our options for simply re-granting are now limited, and that we see our added value in bringing different stakeholders together and helping frontrunners and their innovations to accelerate. In order to develop a better pitch and improve focus, in 2016 we fine-tuned our Strategic Plan and elaborated a new Business Plan. This year it again a considerable investment in programme development and innovation was realised.

It has also been our experience that accessing funds requires more relationship-building and proactive involvement of donors than before. We want to deliver to our partners and target groups as well as to donors and the public/taxpayer. We have therefore been investing more in improving our operational processes, and will continue to do so for the next couple of years. Examples of such investment include dedicated focus to improve operations at the level of the Executive Board and further decentralisation of responsibilities to Regional Directors and Programme Directors. Further improvements in our operational processes come from a more rigorous use of a 'project management' way of working and a collective team development trajectory, to support the needed change in the organisational culture: a culture which breathes collaboration and entrepreneurship, challenges people out of their comfort zones and puts innovation as well as cost awareness high on their priority list.

To learn from the first phase of our transition, the major reorganisation in 2014-15 was evaluated. Part of the evaluation was a staff survey, which was completed by 174 employees. The evaluation concludes that Hivos is on the right track in implementing a new organisational structure and the corresponding staffing thereof. At the same time, the evaluation identified some loose ends which we have started to address.

Finally

2017 will be a year of investment: in promising new initiatives which may turn out to be our innovative solutions of the future, in further improving our operations, and in building on existing partnerships to bring innovative solutions to scale.

It is clear that ownership should be transferred if we are to do justice to our partners' increased capacities. Only with consolidation in our sector and connecting to local presence can we overcome fragmentation and fight poverty, improve social justice, improve inequality and address further climate change. Hivos believes in its multidisciplinary approach and wants to be active in various continents, so in 2017 it must invest in assessing new strategic and far-fledging partnerships.

Through this Annual Report we want to show what Hivos has accomplished in 2016 and, at the same time, to thank all our donors, partners, stakeholders and advisors for their support. A special thanks goes to our staff for their hard work and dedication, which resulted in the achievements reported on and many more.

Edwin Huizing, Executive Director
Sanne Nolst Trenité, Director of Operations