

HIVOS ANNUAL REPORT 2006



people
unlimited
HIVOS

people
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HIVOS

Alliance 2015
towards the eradication of poverty

**HIVOS
ANNUAL REPORT
2006**

Hivos a brief description

Missie

Hivos is a Dutch non-governmental organisation whose work is based on humanist values. Together with local civil society organisations in developing countries Hivos wants to contribute to the creation of a free, fair and sustainable world: a world in which citizens – women and men – have equal access to resources and opportunities for development. In which they are able to take an active and equal part in the decision-making processes which determine their lives, their society and their future.

Hivos believes in people's creativity and capability. In its organisation philosophy quality, cooperation and renewal are core concepts. Hivos feels connected to the poor and marginalised in Africa, Asia, Latin America and Southeastern Europe. A sustainable improvement in their situation is the ultimate benchmark for the work and effort put forth by Hivos. An important theme throughout is the strengthening of the position of women.

Core Values

- Human dignity and self-determination
- Rejection of dogmatism and authoritarian systems
- Pluralism and democracy
- Mutual solidarity
- Responsible citizenship
- Respect for cultural and social identity

Approach

Hivos supports more than 800 local private organisations in 30 countries. Hivos supplies these partners with financial resources, knowledge, advice and political support. In addition, Hivos itself lobbies on the international scene as well as in the Netherlands. Hivos' central policy areas are civil society building and sustainable economic production. Part of the programme is carried out from its Regional Offices in Zimbabwe, India, Costa Rica and Indonesia.

These offices manage an important proportion of Hivos' contacts with partner organisations, providing among others advice and support.

Roles

Hivos strengthens local organisations with funds, knowledge and contacts. Hivos itself lobbies at a Dutch, European and global level, and acts as a player in local civil society through its Regional Offices. Hivos also stimulates the generation, exchange and application of knowledge for development. As a participant in coalitions and a contact broker, Hivos is part of a large number of networks.

Themes

Hivos' activities include:

Sustainable Economic Development
Democratisation, Rights, Aids and Gender
Culture, ICT and Media

Cooperation

Hivos collaborates with numerous non-governmental organisations (NGOs) and other civil society organisations, businesses and governments in the Netherlands, Europe and in the South. Complementary expertise, fields of activity and roles as well as the combining of forces are crucial towards reaching its objectives.

In a European context, Hivos works actively with like-minded development agencies within the Alliance2015. Hivos prefers to carry out international lobbying on recognizable themes and in close cooperation with prominent Southern or international partner organisations, or in the context of the Eurostep network.

In the Netherlands, Hivos joins forces with civil society organisations with expertise in their policy priorities. In addition, Hivos works together with related organisations within the branch organisation Partos.

Accountability

Hivos is a private organisation with a social objective and a public role. The Dutch public (particularly the humanist following), the government, other financiers and cooperating partners as well as partner organisations in the South are the main stakeholders.

Hivos is ISO-certified and has obtained the Dutch CBF hallmark.

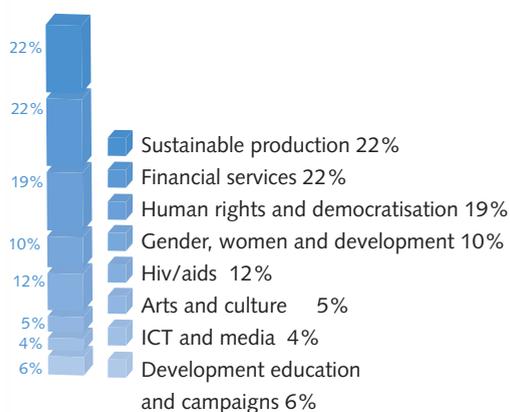
HIVOS KEY FIGURES 2006

amounts in thousands of Euros

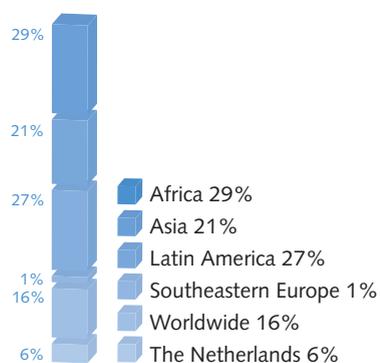
	2006	2005		2006	2005
<i>Figures in accordance with guidelines for reporting for fund-raising institutions</i>			PORTFOLIOS		
PROGRAMME INCOME	88.393	95.452	Outstanding commitments to partner organisations	70.320	65.964
Profits from fund-raising	3.755	9.006	Loans/Participations Hivos Triodos Fund (HTF)	30.220	24.338
Governmental and other grants	78.526	79.378	Number of partner organisations	812	784
Resources released for re-use	6.112	7.068			
PROGRAMME EXPENSES	80.366	87.526	OWN ORGANISATION		
<i>(new commitments to partner organisations)</i>			Operating costs (including programme support)	8.255	7.435
Sustainable production and financial services	35.030	47.352	Result (after allocation)	212	262
Human rights, democratisation, gender and Hiv/aids	32.898	30.109	Equity Capital	8.256	7.572
Arts and culture; ICT and media	7.769	8.490	Number of staff	(139,5 fte) 160	(131,5 fte) 156
Development education and campaigns	4.669	1.575			
<i>Figures in accordance with the financial regulations for co-financing programme Ministry of Foreign Affairs</i>					
PROGRAMME INCOME	83.738	82.278			
Co-financing programme	A 66.088	64.060			
Non-co-financing funds	B 10.425	10.034			
<i>25% own contribution measurement = B / (A + B)</i>	14%	14%			
Other Funds	7.225	8.184			
PROGRAMME EXPENDITURE	76.010	75.134			
<i>(transfers to partner organisations)</i>					
Sustainable production and financial services	35.367	37.037			
Human rights, democratisation, gender and Hiv/aids	29.130	27.842			
Arts and culture; ICT and media	8.183	7.503			
Development education and campaigns	3.330	2.752			

Expenditures

Expenditure by sector



By region



According to co-financing programme objectives



Hivos network

	total 2005	ended relations	new relations	total 2006
By region				
Africa	258	39	29	248
Asia	209	21	33	221
Latin America	212	16	25	221
Southeastern Europe	15	4	2	13
Worldwide	68	6	20	82
The Netherlands	22	0	5	27
Total	784	86	114	812
By sector				
Sustainable production	183	24	18	177
Financial services	91	14	13	90
Human rights and democratisation	157	7	18	168
Gender, women and development	125	19	12	118
Hiv/aids	77	12	14	79
Arts and culture	86	10	17	93
ICT and media	41	0	17	58
Development education and campaigns	24	0	5	29
Total	784	86	114	812

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01 REPORT BY THE BOARD OF DIRECTORS

The Dutch have become fed up with the toughening up of the socio-economic climate characteristic of the past years. This was the clear message sent in the results of the elections held at the end of 2006: the electorate no longer wants a society in which confrontation, competition and excessive individualism dominate, but rather a society in which solidarity and the public interest play an important role. After the coldness of the Anglo-Saxon model, they want a reevaluation of the tried and tested relations within the Rhine countries model.

In the meantime the new cabinet has taken office. The coalition agreement seems to show that the new government has received the message loud and clear. It is offering a welcome perspective on new administrative interrelationships with opportunities for negotiation, trust and knowledge emanating from society and civil society organisations. Hivos hopes that the coalition partners will also put these good intentions into practice in the development sector.

For the time being the ambitions on the part of the coalition in the field of international cooperation deserve appreciation. Hivos applauds its attention to global problems and hopes that the Netherlands will succeed in establishing a new zeal and a new practice in international poverty alleviation.

Harmonisation, a matter for all participants

Among the large international donors there is a considerable measure of agreement on the approach to poverty alleviation. The Millennium Goals (MDGs) provide important guidelines. There is also a consensus about the necessity to point the efforts of all those different donors in the same direction – referred to as harmonisation – in order to increase the efficiency and effectiveness of the aid.

Harmonisation is not just a matter for governments. In 2006, Hivos also made a firm start on harmonisation within its own circle – within the

Alliance2015 network – and will do the same within the other networks in which it operates.

The relevance of coordination and harmony are undoubtedly obvious but there are also pitfalls. Usually the term harmonisation applies to general budget support from Northern governments and international institutions for Southern governments. Hivos can see the importance of this method but is also aware that in practice this approach often comes at the expense of cooperation with the population and local civil society organisations. In many developing countries an open and equal dialogue between policy-makers and civil society organisations is generally lacking. Hivos wants to dedicate itself to strengthening the role of its partners in this process because they are close to the population and able to translate concrete needs and experiences into policy.

Together in Europe

This is also what is needed within Europe. The European Union is the largest donor worldwide. This gives it clout. But it is within this European development policy that there is still much room left for negotiation.

For Hivos the joining of forces within Europe has become an important theme.

On the political lobbying front Hivos – together with Oxfam Novib – has already been active within Eurostep for fifteen years. Within the EU this network of 15 secular organisations champions the interests of citizens in developing countries. Over the past years Hivos, together with other Eurostep colleagues, has devoted itself to promoting a stronger focus on the Millennium Goals. In the past year we have succeeded in doing this. Under the pressure of the European Parliament and NGOs the EU decided to spend a considerable part of its development budget on the MDGs, particularly on education and health care: an important milestone. Now it comes down to a sensible realisation of this promise.

The Alliance2015, within which Hivos cooperates with five development agencies from other European countries, was also involved in this area. The Alliance published its third 2015 Watch Report, particularly focusing this time on the theme of education. Using the Watch Reports the Alliance2015 wants to call the EU and individual member states to account for the causes they have committed themselves to in the framework of the MDGs.

The Alliance2015 was also active in its own countries. As well as the campaign 'Stop Child Labour', the new campaign 'Virus Free Generation' (for the fight against Hiv/aids) was launched in 2006. With lobbying aimed at European institutions and education for the local population the Alliance wants to call for firmer and more decisive action from the EU in these areas.

Alliance2015 is more than just a lobby network. In more and more countries in the South members are working together to support local organisations and initiatives. That means a considerable increase in power as became clear in the response to the Tsunami disaster and in other emergency situations. Last year, after the earthquake on the Indonesian island of Java, Hivos was also able to call on those Alliance colleagues specialised in emergency aid and reconstruction and in that way was able –together with its local partners- to act more effectively.

The organisations were also able to cooperate in other areas. In a number of countries offices are shared and members of staff work together in the implementation of joint programmes. In 2006, Alliance2015 decided to move the subject of cooperation up the agenda and to further step up joint action in the field.

Favourable outcome of 2007-2010 round of grants

For the Dutch private development sector 2006 was an exciting year, which was very much dominated by the decision process within the new Co-financing system (MFS). The outcome was extremely positive for Hivos. The Minister for International Development awarded Hivos the total 262 million Euros requested, which has provided the basis for the implementation of activities for the 2007-2010 period.

The favourable judgement by the Bikker Committee, in charge of assessing all the grant applications, was particularly gratifying. The Committee awarded Hivos the highest score among the larger

organisations, the same result Hivos achieved in the last round of grants in 2002; a result we can justly be proud of.

This positive assessment however does not take away from the fact that Hivos remains critical of the new grant system. A system which promotes competition instead of cooperation and reduces capricious reality to measurable 'indicators' does not do justice to the complexity of the work. And this was borne out of the fact that the methodical paper exercise necessary to apply for grants turned out to be an impossible hurdle for many organisations: out of over a 100 applications only half were granted. This begs the question as to whether in all those cases the result was due to the quality of their work or their application.

Continuity and renewal

In the past year, Hivos has set out a new long-term business plan for the 2007-2010 period. With this business plan, which was at the basis of the grant application within the Co-financing system, Hivos wants to respond to developments which have become more and more important in its field of action. This also applies to the global rise in fundamentalist movements and the increasing gap between globally operating NGOs and the reality of their constituents in the field. The most important new emphasis concerns the expansion of Hivos' core roles. In the light of the growing complexity of its sphere of action Hivos decided to start investing substantially in the area of 'knowledge for development'. Hivos wants to be an organisation that connects various sorts of knowledge –from academic insights to the partners' daily experiences - to find new solutions. Hivos is going to take the initiative in producing, combining and disseminating applicable knowledge, intended for its own partner network, but certainly also for other civil society organisations and policymakers.

The new core role will continue to build on previous activities towards knowledge sharing; this will nonetheless mean a serious renewal and a challenge for the organisation (see chapter 3).

Organisation and finances

Last year Hivos was also preparing for a new phase in its development. Much energy was devoted to the formulation of the business plan and to the further establishment of the sectoral structure which was introduced into the work organisation in the middle of last year. In the autumn, an

interim evaluation of this reorganisation was carried out. This evaluation was extremely positive about the progress of this so-called 'tilting'. The most important recommendation was to express this thematic specialisation more clearly in the relations with partners, donors and joint ventures. This recommendation will be acted upon in 2007.

In 2006, in the context of the requirement for associations to realise a 25% contribution of their own money in 2009, Hivos has done its utmost to obtain external funding for its work. Beside its relations with the EU, Hivos has been working on setting up relations with various other large and smaller international donors. Although the result of these efforts will not become clear until 2007, last year was a positive one from a financial point of view. For 2006, however, Hivos' own financial contribution remained at 14%. Hivos is expecting a significant rise in 2007. In total, 89.2 million Euros became available for Hivos' objectives. Of this amount 80.4 million Euros was allocated to 812 partners and 985 projects. The year was concluded with a positive result of 212.000 Euros.

In addition, 53 Southern partners were able to count on support from the Hivos Triodos Fund (HTF). In 2006, the volume of financial services rendered (loans, guarantees and participations) grew once again, up to a total of over 30 million Euros, an increase of 24%.

This was made possible by the increasing public interest in microfinance. The savings attracted for the Hivos partners through the North-South Savings Plan in cooperation with the Triodos Bank went up once again, from 18.7 to 21.3 million Euros. This savings programme remains one of the most important instruments for Hivos to mobilise active support from Dutch citizens for its work.

With Hivos' resources 812 partners in the South were supported and Hivos reached an estimated 15 million people and their families.

In summary, the Hivos Board of Directors can look back with satisfaction on a very intensive and inspiring year, in which the organisation grew into its new look fairly smoothly and formulated new ambitions for the future with enthusiasm. There is a sense of optimism that these efforts have been rewarded and that Hivos has obtained the trust of the

public – and the Minister – to be able to realise these ambitions. In this annual report we give account to our stakeholders – donors, benefactors and partners – and provide an overview of the work carried out by Hivos and its partners in 2006; the real purpose of all this is for greater justice in the world, with better opportunities for all its citizens.

The Hague, April 2007

Manuela Monteiro, *General Director*

Allert van den Ham, *Director of programmes and projects*

Jaap Dijkstra, *Director of external relations (until 1 March 2007)*

02

REPORT BY THE SUPERVISORY BOARD

The past year was largely dominated by Hivos' long-term business plan and the related grant application within the Co-financing system (MFS). The Supervisory Board was delighted by the success of this application and by the positive evaluation which Hivos received. In the context of the long term strategy the Board gave a great deal of attention to the positioning of Hivos and to its joint ventures within the Netherlands. One of the points for discussion was also the completion of the reorganisation which Hivos carried out in 2005.

Composition

The composition of the Supervisory Board, in accordance with the statutes, reflects the humanist roots of the organisation. Three members are nominated to the Board by the Hivos founding organisations, the Humanist Association (Humanistisch Verbond), Humanitas and Weezenkas. The other members are drawn from the wider Hivos following and relevant social sectors such as the trade unions and the academic community. The composition and expertise of the Supervisory Board members are included in appendix 2.

In 2006 Mrs H.M. Brouwers and Mrs A.M. Jongerius retired as members of the Board. Both of them contributed greatly to the functioning of the Board in their terms of office and played an important role in the discussions about the social positioning of Hivos. They were replaced by Mr M. Baud (Director of the Centre for Study and Documentation of Latin America, CEDLA) and Mrs E.L. Snoey (Chair of AbvaKabo). Further information about the composition and background of the members can be found in appendix 2.

The members are appointed in their personal capacity and are entitled to a fee of 70 Euros per meeting attended plus any travelling costs incurred. In 2006, the total operational costs of the Supervisory Board came to 2,945 Euros. Furthermore, the Board ascertained that the individual members do not hold any other or ancillary positions which might cause a conflict of interest in their supervisory capacity at Hivos.

Composition of the Board/Statutory Management

The Supervisory Board also discussed Jaap Dijkstra's decision to retire as Director of External Relations and member of the Hivos Board. Further to this, the Board decided that from now on Management only will include the Executive Director and the Director of Programmes and Projects.

Reflection on its performance

In accordance with the Wiffels Code, the Board annually discusses its own performance, both at a collective level and on an individual basis. In 2006, the Board particularly focused on attendance levels and the extent to which the Board reflects the desired profile.

Supervisory role

In 2006, the Supervisory Board met six times. The activities mainly involved the execution of its supervisory role. The Board also regularly acted as a sounding board for management (Statutory Management). As is customary, the Board assessed the performance of management as a whole and its members individually. In addition, the following subjects received particular attention.

The long-term strategy (Business Plan 2007-2010) in which the aims and the general outlines of Hivos policy are set out was extensively discussed and was approved with great appreciation for its new emphasis and design.

Hivos' position within the Netherlands was also a matter for discussion. This included discussions on fund-raising and profiling which is becoming increasingly necessary in the new grant system.

The Board also discussed the plan to step up cooperation between Hivos and Humanitas and to specifically target it to the linking of groups in the Netherlands to Hivos partners in the South. The project – appropriately named Hhumanlink - will, in the first instance – concentrate on activities focusing on the fight against Aids and care for Aids sufferers.

The Board also spent time discussing the new policy memo from the Gender, Women and Development sector.

Following on the activities carried out by Hivos in Asia when responding to the 2004 Tsunami, the Board considered Hivos policy relating to emergency aid and reconstruction.

In terms of the internal organisation the Supervisory Board – partly in response to the Wiffels Code and the most recent regulations set out by the CBF (Central Fund-raising Office) - decided to review the statutes and to adapt them to remain in line with the requirements of these regulations. As is customary, the Board met once with the workers council where the main points of discussion were the annual report and the workers council's plan of action as well as the evaluation of the internal reorganisation.

The Board furthermore discussed the 2007 annual plan and approved the budget for 2007. During the meeting of 3 April 2007 PWC Auditors explained the annual accounts for 2006, after which the Board adopted them. The Supervisory Board discharged the Board of Directors (also Management) from the policy pursued in 2006.

The Hague, April 2007

On behalf of the Supervisory Board,
Francine Giskes
Chair

03 POLICY DEVELOPMENTS

In the past year the setting out and drawing up of the Business Plan for 2007-2010 occupied centre stage. In this plan, which formed the basis for the grant application within the Co-Financing system, Hivos distinguishes a set of four programmes – Access to Opportunities, Civil Choices, Civil Voices and Building Bridges – in which tried and tested strategies are combined with new angles.

Main themes of the Business Plan

Knowledge

International cooperation is a knowledge intensive sector. Operating effectively at a local, regional, national and international level does not only require funds but also the disclosing of knowledge and information, as well as access to the right contacts. This is why Hivos had already set up a joint programme with the Institute of Social Studies (ISS) at an earlier stage around the theme of knowledge sharing. The implemented reorganisation (2005) was also aimed at further combining the themes which Hivos is working on. The strategies within the business plan go one step further. The mutual sharing of knowledge proved to be useful but did not go far enough. Hivos and its partners are confronted more and more regularly with the boundaries of their own knowledge. The complex reality requires more research into new problems, setting out alternative strategies and thorough capacity building. This urgently requires the cooperation of researchers, trainers and experts in the field. This is why, in the future, Hivos will emphatically promote activities geared towards the development, exploration, dissemination and application of new knowledge.

Beside the roles of donor and financier Hivos envisages for itself the task of bringing together top players in this field and of integrating their knowledge and skills into coherent strategies for sustainable development.

Hivos can only play that role in close cooperation with expert partner organisations and scientific institutions in the North and the South. Together with them a number of knowledge programmes will be initiated. In 2007 at least two programmes will start up, respectively regarding the role of social movements in society building (expansion of the current cooperation with the ISS) and the development of strategies to promote diversity and pluralism (together with the University for Humanist Studies).

Through publications (mainly on the web), exchanges, training and e-learning the results of these programmes will become available to partners and other interested parties within the development sector.

Pluralism and fundamentalism

In many of the countries where Hivos works, fundamentalist movements of varying nature are on the ascent. They appeal on the basis of religion, nationalism or other ideologies to gain influence and often take an intolerant stance towards those who do not share their views. They often secure followers in a context of increasing social problems and failing political elites. Their solution frequently lies in imposing coercive moral principles. This puts under pressure the position of women and (sexual and ethnic) minorities and freedom of organisation and speech is pushed aside. These are the very matters which Hivos and its partners are fighting against. In Latin America and

Indonesia Hivos partners are standing up for the recognition of women's rights and pluralism within the prevailing religious context (see Human rights and democratisation, 7.1). Hivos wants to strengthen this resistance by learning from experiences within the above-mentioned knowledge programme about pluralism, diversity and fundamentalism and to develop new strategies accordingly.

Expanding and deepening insight

We can no longer imagine the national political stage without civil society. Organisations from the South are also increasingly able to gain access to worldwide decision-making processes. While this is a satisfying development there can sometimes also be a downside. Due to the continuing professionalisation –necessary for operating effectively on the (international) scene – organisations run the risk of losing their connection with their constituents. At the same time the active support of the population is very much needed to enforce changes in policy and implementation. Globalisation in many cases also goes hand in hand with decentralisation. Provincial or municipal governments are accorded more and more power and the actual decision-making process increasingly takes place at a local level. There local elites play a large role while on the whole there is a dearth of powerful civil societies. This explains the increasing need for strong organisations for and run by poorer and marginalised groups which can provide a counterbalance to this process. This is why, in the future, Hivos will be supporting more partners who are active outside the national capital cities. Membership organisations and local social movements will also receive more attention.

Regions

In the past few years Hivos has made a start on running activities in Iran and Iraq. When this is also extended to Syria a West Asia programme will be set in motion as of 2007. Not many international donors are active in this region while in these countries individual self-determination and freedom of speech are under great pressure and local organisations who are resisting are few and far between. The activities in Southeastern Europe will be gradually phased out. Hivos' support has become less essential there due to the positive developments in the region and strengthening relations with the European Union.

Gender, women and development

Gender holds a central position within Hivos policy and therefore also within the business plan. The choice to invest substantially in specialised women's organisations as well as mainstreaming gender within all 7 Hivos sectors has been reaffirmed. The intended place of women in organisations and their target groups has now been clearly set out using predetermined target figures for all Hivos' partner organisations. As successor to the policy document of 1996 the Board approved 'Women Unlimited' , the new policy document relating to gender, women and development. This document not only describes the numerous barriers which still exist to the realisation of the rights and interests of women, but also indicates how Hivos aims to address these matters. More support will be given to reinforcement of the leadership of young women and their participation in decision making, and to the increasing reach of women's organisations outside the capital cities. Women's organisations will be encouraged to acquire greater influence by increasing their cooperation with other social movements. Through the promotion of physical integrity, self-determination and protection against violence Hivos will particularly focus on supporting initiatives against the curtailment of sexual and reproductive rights in the name of religion, tradition and culture.

Hivos has taken the initiative to organise a conference for bilateral and private donors to promote new strategies for the support of the international women's movement. Hivos is also one of the driving forces behind the initiative for the new platform WO=MEN. Furthermore, a public campaign was also run during the Dutch parliamentary elections with the aim of putting gender relations back on the political and social agenda (see Cooperation in the Netherlands, 9.1).



04 COOPERATION AND STAKEHOLDERS

Partnerships

Besides joint ventures based on different themes Hivos has entered into joint ventures on a strategic level (alliances) with several organisations. Within these alliances both parties cooperate on communal aims because their expertise or fields of action complement each other. A complete overview of cooperative relations can be found in appendix 4.

Triodos Bank

As far back as 1994, Hivos and Triodos Bank started working together in the Hivos-Triodos Fund (HTF), combining their expertise in banking and development cooperation to support microfinance and other financial services (see Financial services and business development, 6.2). The capital for HTF comes from Dutch savers who deposit their money in North-South accounts with Triodos. In the past year a successful campaign was run for saving via the Internet within this so-called North-South Plan. This delivered 470 new savers who between them deposited 2.5 million Euros.

www.triodos.nl

National Association of World Shops

Fair Trade as an instrument for poverty alleviation: this is the joint aim of the National Association of World Shops (LVWW) and Hivos. Hivos is working on the entrance of small producers in the South to quality markets such as Fair Trade. The 400 World Shops (with 12,000 active volunteers) sell 'fair' products to the Dutch public, annually generating over 20 million Euros. The strategic partnership between Hivos and the LVWW should lead to an improvement in quality and increase in scale in the whole fair trade chain. This is why the organisations work together,

informing consumers and volunteers and executing activities which will increase the involvement of citizens, governments, institutions and businesses with fair trade (and international cooperation in general). In 2006, Hivos and LVWW started developing communication materials such as cards games and a Fair Trade board game, which are available throughout the Netherlands.

www.wereldwinkels.nl

NiZA

In 2005, Hivos formalised its partnership with the Netherlands Institute for Southern Africa (NiZA). Hivos works together with NiZA towards democratisation in the countries of Southern Africa where both organisations are active. This encompasses, for example, the implementation of the Preconditions for Elections Programme in Southern Africa (PEPSA). Hivos and NiZA have also set up a fund for initiatives towards strengthening democracy. In the Netherlands the two organisations arrange public manifestations to inform people on specific countries or themes in the region. The demonstration 'Africa on the Move', which Hivos and the NiZA organised in Amsterdam in 2006 drew more than 500 people.

www.niza.nl

NCDO

In 2004, the Hivos-NCDO Culture Fund was set up together with NCDO. With this fund Hivos and NCDO have combined forces in continuing to support Dutch cultural organisations which stimulate productions from the South and make them available to the Dutch public. This is in addition to the activities which Hivos undertakes in the South

(see Arts and culture, 8.1). In 2006, NCDO received a new mandate from the Minister of International Development. Its consequences for the partnership within the Culture Fund will become clear over the next few years.

www.ncdo.nl

IntEnt

Hivos supports the IntEnt Foundation (Internationalisation of Entrepreneurship). This foundation offers support to foreign entrepreneurs in the Netherlands when setting up new businesses in their countries of origin. IntEnt offers an extensive package of activities for the preparation and implementation of a business plan. New entrepreneurs can familiarise themselves with entrepreneurship and are given guidance and support in preparing a business plan, carrying out market research and the actual starting up of their business.

www.ondernemenoverdegrens.nl

ISS

Since 2004 Hivos has maintained a partnership with the Institute of Social Studies (ISS) for knowledge sharing. Within this framework, academics, Hivos employees and staff of partner organisations work together on the Civil Society Building Programme. This programme entered a new phase in 2006. For the first time ISS students went into the field to carry out short-term research projects with Hivos partners. The aim was to gain a greater understanding of the significance of social movements and involvement of local organisations in achieving the Millennium Goals. One of the projects involved research into the social movements of the indigenous population in Ecuador and the other involved South African activists fighting for access to treatment for people with Hiv/aids. These papers are available on www.civilsocietybuilding.net.

www.iss.nl | www.civilsocietybuilding.net

Stakeholders

Partner organisations

This year, unlike other years, no large-scale continental partner consultations took place. The series of meetings which served as a prelude to the drawing up of the business plan finished at the end of 2005. Hivos will hold new rounds of these policy consultations in the two years preceding the next grant application period. However, the Regional Offices did organise regular smaller-scale meetings which provided the partner organisations an opportunity to express themselves regarding Hivos' policy in particular areas. This is important for the mapping of new issues, particularly as a result of significant political or social changes.

The Dutch public and donors

Entitled 'The world under one roof' the Hivos Benefactors Day took place in May 2006. In the 'Wereldmuseum' in Rotterdam Hivos offered over 50 donors the chance to come and have a look for themselves. Management and staff looked at the past and to the future. Included in the programme were Hivos' vision and policy for the coming years in response to the new business plan. There were also information stands detailing activities undertaken by Hivos and its partners after the Tsunami, the 'Stop Child Labour-campaign', 'How does Hivos spend its money?', 'Hivos in Africa' and '10 years of the Hivos Culture Fund'.

Government and politics

As Hivos' largest donor the Ministry of Foreign Affairs is obviously an important stakeholder. At various times in the past year discussions were held with the Ministry of Foreign Affairs about the Co-financing system for private Foreign Aid. Hivos participated in informational meetings about the new system and was also involved in the discussions on this subject through Partos, the branch association of Dutch development organisations. In addition, Hivos had a say in the policy memo review regarding Latin America, 'Faraway neighbours, good friends', which the Ministry will publish in 2007.

In the area of Gender, Women and Development Hivos had regular discussions with the Ministry, including during the conference 'Women Unlimited, Unfinished Business' organised by Hivos.

Hivos furthermore took part in meetings of the Religion and Development Knowledge Platform which was created on the initiative of former Minister Van Ardenne.

Hivos attaches great importance to the cooperation with Dutch embassies where the bilateral programme is implemented. The Hivos Regional Offices play a significant part in this. The cooperation also pertains to the policy of poverty alleviation in view of the Poverty Reduction Strategy Papers (see Human rights and democratisation, 7.1).

Hivos staff

Hivos considers its employees as its social capital and consciously promotes an atmosphere of openness and active participation. Many employees contributed to the development of the new Business Plan 2007-2010. Regular lunchtime lectures were also held covering matters of policy and practice, as a result of visits by partner organisations, or within the context of team operations in the Netherlands. Sometimes employees spontaneously proposed current topical subjects for discussion. Exchange of information and debate also take place on HoRoScope, the Hivos intranet. This facilitates communication between staff at Head Office and the four Regional Offices. In the past year HoRoScope was extended to include a new section for publications by employees.

THEMATIC COOPERATION

Hivos cooperates with a large number of organisations on specific themes. A few examples are included below.

National Consultation Board City Links between the Netherlands and Nicaragua. For many years 11 Dutch municipalities have maintained links with cities in Nicaragua. For Hivos this creates an appropriate angle to involve the public in the Netherlands with development initiatives in that country. This is why in 2006 the initiative was taken to run a joint programme with the National Consultation Board City Links between the Netherlands and Nicaragua (LBSNN), which was formalised at the beginning of 2007. Together LBSNN and Hivos want to promote small and medium-sized businesses in Nicaragua as an engine of employment and a means of involving Dutch citizens and civil servants in this project. This takes place through activities both in Nicaragua and the Netherlands in which the organisations join forces in terms of knowledge and networks.

www.lbsnn.nl

Simavi. In 2006, Hivos continued the cooperation with Simavi. Both signed a new agreement emphasising activities in the area of Hiv/aids and gender/reproductive health. The two organisations' different approaches complement each other. Simavi mostly contributes to the strengthening of local organisations and supports health projects at a community level. Hivos contributes its lobbying and ICT expertise to strengthen organisations and networks.

www.simavi.nl

ROC Amsterdam, Gooi en Vechtstreek. In 2006, Hivos reached an agreement with the Regionaal Opleidingencentrum (ROC) van Amsterdam, Gooi en Vechtstreek. Each year a number of students taking courses at the ROC are given the opportunity of doing a placement with Hivos partner Kefeado, a women's organisation in Kenya. In 2007, the ROC will become involved in the new Hivos campaign 'Virus Free Generation' against Hiv/aids.

www.rocva.nl | www.kefeado.co.ke

05 EMERGENCY RELIEF AND RECONSTRUCTION

As a consequence of the 2004 Tsunami Hivos has further elaborated its policy on emergency relief and reconstruction. The starting point for Hivos is the role of partner organisations on the scene and cooperation with specialised emergency relief workers.

After the Tsunami, Hivos, with the support of the Cooperating Relief Organisations (SHO), Dutch businesses, private individuals and other organisations set up a programme for emergency relief. In 2006, the focus was on reconstruction. Hivos cooperated with local organisations and carried out programmes for the restoration of the livelihoods of fishermen (India and Sri Lanka) and farmers (Indonesia). The experience gained from the emergency relief activities after the Tsunami showed the importance of civil society organisations in providing relief and in the transition to more structural development activities. This is why in 2006 Hivos carried out programmes for the strengthening of local organisations in the three aforementioned countries. In Aceh in Indonesia these activities were coordinated from a local Hivos office, associated with the Hivos Regional Office in Jakarta.

Where possible Hivos works together with Alliance2015 partners who have a long service record in the area of emergency relief. Thanks to the existing collaboration this expertise can be immediately put into action in disaster areas within the 'Hivos-countries'. Together with Alliance2015 partner Deutsche Welthungerhilfe a programme was carried out in Indonesia for the construction of homes and the strengthening of village communities to stand up for their interests. During an Alliance meeting in Amsterdam (May 2006) further details were set out in the cooperation

agreement between the six alliance partners for emergency relief. Particularly responding to the frequent smaller disasters, agreement was reached that the organisation with the best local knowledge and networks will take the coordination upon itself, supported by the other parties where possible.

By the end of May 2006 that policy had to be put into action when the Indonesian island of Java was hit by an earthquake. Within a couple of days after the disaster Hivos had an assessment team on the scene, complemented by other Alliance2015 members. Together with partner organisations in the affected area it was possible to start very quickly on relieving the immediate needs and subsequently on setting up rehabilitation programmes. This included a project to help female entrepreneurs to get their businesses back up and running again. In addition, Hivos continued its work strengthening the capacity of partners who would be able to play a role in a potential disaster area (disaster preparedness) and developing their own capacity in this area. Together with the Irish Alliance partner Concern, the Regional Office in Jakarta set up a training programme for partner organisations.

Furthermore, the Hivos staff capacity has been increased by participation in training sessions organised by Voice, the European umbrella for humanitarian organisations, with contributions by ECHO (the emergency relief department of the European Union) and from colleague organisations within the Alliance2015.

Despite successfully carrying out projects as a host organisation, Hivos has not yet managed to join the Cooperating Relief Organisations (SHO). According to the SHO criteria member organisations must receive a large part of their funds from private donors.

At present these criteria are under review; Hivos hopes that this review will lead to greater openness and access for organisations which have shown their calibre. The accreditation for the European emergency relief facility ECHO has been delayed. This was due to the fact that the earthquake on Java and fund-raising were given priority in the past year. In 2007, Hivos will continue to pursue this matter.

In 2006, the commitments undertaken by Hivos relating to emergency relief and reconstruction amounted to a total of over 2 million Euros.

Expenditure on Emergency relief 2006

	2006	2005 *
Tsunami 2004 India	-	2.744.353
Tsunami 2004 Indonesia	661.527	2.725.086
Tsunami 2004 Sri Lanka	1.049.765	3.296.210
Earthquake 2006 Indonesia	262.974	-
Hurricane Dennis 2005 Central America/ The Caribbean	91.000	440.125
Hurricane 2005 Central America	-	539.250
Total	2.065.266	9.745.024

** Adjusted for comparing purposes*



06 SUSTAINABLE ECONOMIC DEVELOPMENT

Enterprising people, also among poor and marginalised groups, can improve their own position and contribute to poverty alleviation. They must, however, be given the opportunity to manufacture their products and sell them at a reasonable price. A relatively modest starting capital, access to knowledge or a network can help launch many manufacturers and small enterprises. Access to quality markets – for (agricultural) products which meet social or environmental requirements – offers them significant opportunities. This is why Hivos wants to promote economic activities which are environmentally friendly, which improve the position of women and take place within better working conditions.

6.1 Sustainable production

Coffee, rice and other products

Quality markets, such as for organic and fair trade products, can offer opportunities for small-scale farmers of coffee, rice, fruit and other products. That there is a considerable market for those products is made clear by the sale of quality coffee. Of Dutch coffee drinkers, more than 25% drank fair trade coffee. In 2002 that figure was still only at 3 percent. This result is partly due to the lobbying which Hivos and other organisations have undertaken for many years now within the Coffee Coalition. In the majority of Dutch supermarket chains it is now possible to buy coffee which meets the minimum social and environmental requirements. A campaign in 2006 to get Lidl on board too, resulted in an agreement in which the company promised to stock a minimum of 4% in fair trade coffee. Of the large processing industries Sara Lee/Douwe Egberts has further increased its percentage of coffee that meets the Utz Kapeh quality mark and has committed itself to exclusively purchasing sustainably produced coffee within ten years. Coffee roasting company 'Drie Mollen',

responsible for the production of many supermarket home brands, now offers buyers a choice between various quality marks.

www.utzkapeh.org | www.fairtrade.net | www.koffiecoalitie.nl

An important part of the Hivos programme for sustainable production consists of training for groups of producers (and trainers) to be able to introduce the quality systems. As a result, 8000 farmers and their families were able to meet the requirements for organic and Utz Kapeh coffee, in this way increasing their income. In total almost 44,000 producers are now members of quality systems. In the past year they produced more than 280,000 bags of coffee (of 60 kilos each). In promoting the production of quality coffee Hivos cooperates closely with Solidaridad, Stichting Doen and the Douwe Egberts Foundation in the Coffee Support Network. **www.coffeesupportnetwork.org | www.solidaridad.nl | www.doen.nl**

In order to gain access to quality markets, farmers must meet the requirements to obtain a certain quality mark (certification). There are however many different requirements for organic production, fair trade and better industrial relations. This is why Hivos is striving for convergence between the different quality systems. Certification is relatively expensive, but if farmers can become eligible for the different standards at the same time this can make a big difference. Especially in Central America farmers' organisations participated in training sessions in order to adapt to the requirements made by each of these systems which means they can be certified for different systems concurrently.

Activities relating to Sustainable production 2006 *amounts in thousands of Euros*

	Africa	Asia	Latin America	Southeastern Europe	Worldwide	Total
Number of projects	65	49	88	3	23	228
Number of organisations	55	41	63	2	16	177
Expenditures *)	4.417	3.162	5.854	430	3.248	17.111
Of which chargeable to MFP *)	3.243	1.502	5.213	430	2.245	12.633
Sustainable production as a percentage of the total regional expenditure	19%	20%	28%	44%	27%	22%

**) excluding 446 Micro-, Consultancy- and Evaluation funds*

Activities relating to Financial services and business development 2006 *amounts in thousands of Euros*

	Africa	Asia	Latin America	Southeastern Europe	Worldwide	Total
Number of projects	41	36	29	0	8	114
Number of organisations	31	30	24	0	5	90
Expenditures *)	5.802	2.020	6.004	0	2.990	16.816
Of which re-used	3.189	360	2.563	0	0	6.112
Of which chargeable to MFP *)	2.612	1.497	3.441	0	2.545	10.095
Financial services as a percentage of the total regional expenditure	26%	13%	29%	0%	25%	22%

**) excluding 656 Micro-, Consultancy- and Evaluation funds*

Tropical rainforests are under threat from intensive farming and other economic activities. Farmers in the area, however, are proving that the economy and ecology don't necessarily have to be at odds with each other. A careful harvesting of tropical products can in fact be an important source of income. In the Amazon region of Bolivia hundreds of families, with the support of Hivos partners, are involved in agro-forestry for the cultivation of fruit and nuts. Fruits like the cupuaçu and pupuña may be unknown in the Netherlands but in South America there is a considerable market for them. Also Brazil nuts are sustainably collected.

As a consequence of the work done by Hivos and its partners the basis for organic farming in East Africa has been significantly strengthened in the past couple of years. In Tanzania and Uganda 2,500 farmers were able to increase their income by the sustainable production of honey and nuts. Local organisations in Kenya have opened shops and set up markets for organic products. More than 9,000 producers of honey, vegetables and rice received advice in 2006 on the subject of working according to the guidelines for quality systems. In Indonesia, the Hivos Regional Office in Jakarta organised training sessions for rice farmers to improve the production and marketing of sustainably produced rice.

Energy and the environment

Attention for the environment, climate change and impending fuel shortages is increasing. This, in turn, creates a greater need for energy sources for developing countries which will increase prosperity but cause less pollution. Hivos supported a large energy programme in Tanzania, where 183,000 households and small businesses were given access to solar energy and waterpower. The rural population was provided with more modern cookers which use less fire wood and also produce less smoke in the house. For the women in particular, as the ones who usually gather the wood and cook, this meant an improvement. Together these measures mean there is a decrease of 300,000 tonnes in CO₂ emissions and 2,500 hectares of forest preserved. Moreover, households are saving a considerable amount every year in energy costs. In Central America 600 families were given the chance to access electricity generated by small-scale waterpower installations.

The much discussed Kyoto Protocol, intended to reduce the emission of greenhouse gases, also offers opportunities for sustainable development.

But then the rules of the so-called Clean Development Mechanism (CDM) – which regulates the compensation of amongst other things CO₂ emissions- must cover the cases of the poorest developing countries. In that way funds for compensation for the emissions in Europe would become available for producers in developing countries and provide them with important income. Together with the Stichting Natuur en Milieu (The Association for Nature and Environment) Hivos published a ten point plan in order to improve the CDM on that point. This plan can help civil society organisations to address governments. Hivos and partners like the Climate Network Africa attended the climate summit. This was a good opportunity to initiate discussions with government delegations both from the emerging economies and the poorer (African) developing countries. Most of the current CDM projects take place in countries like China, India and Brazil. In Africa, the CDM barely generates any revenue. By combining small-scale initiatives and rewarding organic farming in order to reduce the CO₂ emissions, more effective results can be achieved.

Whilst awaiting the introduction of these improvements, which are unlikely to take place until the end Kyoto Protocol expires in 2012, Hivos is involved in setting up its own climate fund. The idea is that this fund would make the compensation for CO₂ emissions by Dutch companies, institutions and households available for environmental projects which currently do not fit into the CDM. Partners in Tanzania, Guatemala and Bolivia have already developed project propositions.

www.natuurenmilieu.nl | www.hartvoorklimaat.nl

Other environmental activities

Hivos partners have successfully taken action against environmental pollution in various countries. In Peru, mango growers were able to prevent their land from being taken under compulsory purchase for a concession for gold mining. In the same country, Oxy Petroleum withdrew after campaigns by the indigenous population against oil drilling in their area. The South African oil company Sasol was forced by social pressure to cut down the pollution produced by a petrochemical factory in the vicinity of a number of townships in Durban. As well as supporting this sort of campaigns Hivos has started focusing more on negotiations with companies regarding the environmental aspects of their investments.

In 2006, Hivos supported campaigns to raise public awareness on the risks of genetic modification (GM) of agricultural products. The emphasis was on cotton production in India and soy beans in Bolivia. Hivos partners not only campaigned against the acceptance of genetically modified products (including in Ecuador and Costa Rica), but also focused on offering alternatives. For example, in East Africa, they promoted organic agriculture and the protection of (the genetic characteristics) of local species of plants.

Biodiversity Fund

The preservation of a variety of species and eco-systems in order to promote sustainable development is at the heart of the Biodiversity Fund. In the past year the fund, which Hivos set up together with Oxfam Novib, financed 14 organisations to a total of € 1.5 million. Many activities are connected to existing Hivos themes such as the preservation of diversity in (agricultural) crops by means of storage of genetic material, offering small producers access to quality systems and the gentech lobby. But the fund also supports sustainability in fishing by means of certification by the Marine Stewardship Council (MSC). In addition, partners successfully convinced the Food and Agriculture Organization (FAO) of the United Nations to pay more attention to the problems which farmers face due to decreasing biodiversity within ecosystems.

6.2 Financial services and business development

Microfinance

Hivos supports Microfinance Institutions (MFIs) which provide millions of people in the South with loans enabling them to provide for themselves. This contribution to poverty alleviation is now recognised all over the world, reiterated by the awarding of the Nobel Peace Prize to Muhammad Yunus, founder of the Grameen Bank, the first bank to provide microfinance.

Hivos uses a 'growth model'. Beside support for the construction of their organisation, starting MFIs receive seed capital. When they have become sufficiently robust organisationally and financially, the organisations become eligible for loans from the Hivos-Triodos Fund (HTF).

INDIAN FARMERS TOWARDS A BETTER LIFE

Sahbhagi Vijkas Abhiyan (SVA) is a network of 29 basic organisations which are active in 450 villages in Orissa, one of India's poorest counties. In many areas drought is a permanent problem. In these difficult circumstances SVA aims to improve agricultural production and to increase crop yields. This takes place by offering small farmers education and services, giving them greater access to market information and putting loans within their reach.

Over the past year, farmers within SVA's sphere of activity have received education in sustainable cultivation methods, choice of crops for market gardening, construction of fish ponds and maintaining livestock. The processing and marketing of agricultural and forestry products was also improved. This meant that the production costs went down and productivity went up, so that the families were left with more money. But the organisation also campaigned for fairer prices and the safeguarding of ownership rights for Dalits, Adivasis and landless farmers. The Dalits, the 'outcasts' within the traditional social system, and the Adivasis, the original inhabitants of many areas, are at the bottom of Indian society. Overall, SVA was able to reach 3 million people with its activities.

In addition, SVA has contributed over the past year to strengthening the local administration by providing training for planning and enabling them to benefit from government programmes. The crowning glory was the appointment by the Indian government of SVA Chairman Jagadish Pradhan as a member of the advisory body which developed the national farmer policy. In this way, results and experiences at ground level were able to reach policy formulation at its highest political level

In 2006 Hivos supported the SVA with € 128,000.

This fund, established in 1994 together with the Triodos Bank, subsequently helps to develop MFIs until they become of interest to trust and commercial banks which have now also become part of the microfinance market. At the same time Hivos is involved in establishing small and medium-sized businesses which are able to create employment opportunities for impoverished population groups.

One of the reasons why Hivos is able to carry out these programmes is the large appeal of 'entrepreneurship against poverty' among the Dutch public. With their deposits, participants in the North-South Savings Plan make millions of Euros available to small businesses in the South; not through a single gift, but (often years of) continued commitment. The North-South Plan, set up within the framework of the strategic partnership with the Triodos Bank, makes up the financial backbone of the Hivos-Triodos Fund. In 2006, the total amount deposited amounted to over 21 million Euros. Within the HTF, the development and banking expertise of both parties are united in an effective instrument for the alleviation of poverty. Through the Hivos Triodos Fund, Hivos supported 53 MFIs to a total of over 30 million Euros, an increase of 24 % to 2005. In total, HTF-supported Microfinance Institutions reached 2.2 million households. More information can be found in the separate HTF Annual Report.

www.triodos.nl

In 2006, Hivos supported 15 start-up MFIs with seed capital, one of which (Ganesha from Indonesia) proceeded to commercial finance in the course of the year. The same company also won the 'Transparency Prize 2006' awarded by MixMarket, an influential website which brings together MFIs and donors in the area of microfinance. In addition, as a result of their contact with Hivos, three Indian MFIs were able to secure commercial loans. The MFIs which received seed capital, have grown to such an extent that over a 100,000 new borrowers have gained access to financial services (from 135,000 in 2005 to almost 240,000 customers in the past year). In 2006, all the organisations were visited by external evaluators, who looked into the structure of the organisation, the information management system, internal financial verification and staff policy. On the basis of these assessments it was easier for Hivos to determine where further agreements should be made with partners and what specific support is needed for that.

www.mixmarket.org

Hivos also provides business finance to cooperations and companies, mostly partner organisations in certified product chains for coffee and other products. With these loans such partners are able to pay the direct producers immediately on delivery. This prevents them from having to sell their products to middlemen who might pay cash but offer less favourable prices.

Hiv/aids

Financial services can make it possible to limit the consequences of Hiv/aids. That applies particularly to microinsurances, which bring risk coverage, associated with Hiv-infection, within the reach of poorer groups of the population. In South Africa and India this kind of initiatives are being developed, but as of 2006 have not yet shown a great deal of progress. The launch of a regional capital fund in Africa by Hivos and PharmAccess was more successful. This fund will be the first to become active in Namibia, Nigeria and Tanzania. In Namibia, Hivos is already working together with PharmAccess in the area of health insurance and education on medicine use and treatment. In addition, various partner organisations shared their initial experiences with health insurance providers. Of the African partner organisations in the field of financial services 40% now has a formal policy relating to Hiv/aids compared to an average of 30% on other continents.

An article was published in the renowned medical journal 'The Lancet' which was based on research funded by Hivos through its Regional Office in Harare. The research was on the effects of microfinance on both Hiv/aids and domestic violence. In both cases the risks were shown to be reduced if women had access to means of their own (for instance through microfinance) and to training.

Gender

More and more partners are focusing their finance activities expressly on the improvement of the position of women. Within their own organisations more and more attention is also being given in staff policy to aiming for greater equality in gender relations. In 2006 all MFIs were able to explicitly detail the improvement in the position of women in their reports and data management. In its Business Plan 2007-2010 Hivos has set out goals for all the partners in this area.

Overview of credit portfolio Hivos and HTF 2006 amounts in thousands of Euros

	End 2006		End 2005		End 2004	
	Number	Amount	Number	Amount	Number	Amount
HTF						
Loans	60	21.916	52	17.230	36	10.317
<i>Of which business finance</i>	10	2.151	10	1.405	13	1.027
Participations	9	8.304	10	6.183	9	4.821
Guarantees			3	925	4	1.488
Subtotal HTF	69	30.220	65	24.338	49	16.626
Hivos: Participations	1	442	1	449	1	388
Total HTF and Hivos	70	30.662	66	24.787	50	17.014
Africa	23	10.458	25	8.682	15	5.177
Asia	12	7.022	7	4.684	8	3.084
Latin America	34	11.782	32	10.039	26	8.354
Southeastern Europe	1	1.400	2	1.382	1	400
Worldwide	-	-	-	-	-	-
Total	70	30.662	66	24.787	50	17.014

ESCAPING POVERTY THROUGH ENTREPRENEURSHIP

Limpopo and Mpumalanga are poor rural provinces in South Africa. At the start of the 1990s the Small Enterprise Foundation (SEF) was set up to alleviate poverty through small-scale loans. Now the SEF has more than 30,000 customers, almost all of them women. One of them is Venda Maphalle. Having started off as an agricultural labourer she is now a successful trader in meat, drink, clothing and other products. This is the result of her own initiative and a lot of saving, but loans by the SEF made it possible for her to permanently improve her family's standard of living. She moved from a mud hut to a brick house with her children and she no longer has to worry about school fees.

The SEF provides loans for start-up businesses (in tens of Euros) to women without business experience and provides finance to small

businesses which have been trading for a while. In taking this approach the organisation is emulating the method set up by the Grameen Bank in Bangladesh, founded by Nobel Prize winner Muhammad Yunus. Loans are made to groups of five women which increases the pressure to pay off the loan on time. Attention for gender issues and the fight against Hiv/aids are an integral aspect of all activities. Customers are also encouraged to open their own savings accounts.

In 2006 the SEF received € 83.000 in grants from Hivos and € 432.000 in loans from the Hivos-Triodos Fund. It is expected that the organisation will only require loans by 2008.

www.sef.co.za

Mapping results

Microfinance is a very concrete way of promoting development. And yet it is not matter of course that these loans always reach the poorest groups and increase their income. This is why Hivos regularly assigns research to explore the effect of the loans on the position of MFI customers. Such research has already been carried out in Mozambique, showing that reaching the very poorest requires significant effort on the part of most MFIs. This was confirmed in the final conclusions of the report. It also turned out however that these groups profit indirectly from loans to small businesses which in their turn create employment opportunities. In Indonesia, the customer base of a large MFI was thoroughly examined to see in how far the poorest groups had benefited. The researchers found that the number of households below the poverty line had gone down from 86% to 38% within two years of a loan being taken. Their housing and dietary patterns had demonstrably improved in that time. This is a satisfying result and also proof that such research is useful. Besides large and often time-consuming studies Hivos also wants to obtain a better picture in the short term of the outreach which MFIs have among groups of poor people. This is why Hivos has taken the initiative, among others within MicroNed (see below), to measure the social performance of MFIs. This method of social performance measurement is currently being tested and will be available for the partner organisations in the area of microfinance by the end of 2007.

MicroNed

Together with Cordaid, Icco and Oxfam Novib, Hivos took the initiative of setting up MicroNed. In 2006, Hivos acted as chairman of this joint venture. Thanks to mutual cooperation within MicroNed, the organisations are able to better coordinate their activities and to operate more efficiently. This particularly affects capacity building within partner organisations. In addition, MicroNed enables an upscaling of microfinance, whilst participants are in a better position to learn from each other. In each country one of the participants acts as the lead organisation, which increases efficiency. In its first year MicroNed started setting up activities around themes such as Hiv/aids, microfinance in rural areas and the role of money transfers by migrants to their countries of origin. A detailed chart is being created for a number of countries (India, Uganda, Ethiopia), setting out the role of MFIs so that the participants can respond more effectively. This is the start of a

structural knowledge sharing approach between the participating organisations. In addition, working committees have been set up to cover various subfields.

www.micro-ned.nl

Business development

Since the reorganisation of 2005 Hivos has put a clear emphasis on support to starting small and medium-sized enterprises. Such business development goes a step further than microfinance. In addition to its primary aim of creating employment opportunities on a larger scale, it enables people to generate their own income. Hivos is working on this among others through its partnership with the IntEnt Foundation. IntEnt's activities are aimed at migrants in the Netherlands who want to set up companies in their countries of origin. Within this joint venture a method has been developed covering the working areas of both organisations to better support start-up businesses. IntEnt's method makes it easier to select aspiring entrepreneurs and to support only the most appropriate initiatives. This enables more efficient use of financial resources.

www.ondernemenoverdegrens.nl



07

DEMOCRATISATION, RIGHTS, AIDS AND GENDER

Within this programme activities have been categorised in terms of the rights of individuals and (often marginalised) groups, as well as the promotion of democratic interrelationships, gender equality and the fight against Aids.

7.1 Human rights and democratisation

Democratisation, the rights of poor and marginalised groups as well as tackling the underlying causes of violations of human rights (such as impunity, corruption and lack of knowledge of human rights) are the focal points of Hivos' support to organisations engaged in human rights in a broad sense.

Human rights defenders campaign

For the period of the Business Plan 2003-2006, Hivos, together with Amnesty International, campaigned for the protection of human rights activists. The European Union, partly as a result of the joint lobby and recommendations made by Hivos and Amnesty International adopted a set of guidelines for the protection of human rights activists. In 2006, Hivos supported the creation of national and regional partner networks. By working together, human rights activists are better equipped to quickly undertake action in threatening situations, to approach governments and to convince EU representatives to exert political pressure. National networks have been set up in Zimbabwe and Ecuador. In Asia a conference was concluded with the creation of a regional joint venture, in the presence of the highest UN representative of human rights activists.

www.amnesty.nl

Many of Hivos' partner organisations are involved in the monitoring of violations in their own countries, influencing policy and raising awareness and education in the field of human rights. They also provide legal support. Every year, thousands of people are involved in this work, some of whom make the national and even international headlines. That is what happened in various cases in Kyrgyzstan in which Hivos partners were involved. They provided legal and moral support to the human rights activists Aziza Abdrasulova and Edil Baisalov, opposition leader Omurbek Tekebaev, and the inhabitants of the village of Barskaun.

In Iran, in June 2006, a protest demonstration calling for more rights for women was forcefully dispersed. Several activists were arrested. In this climate of repression, protests by the Iranian civil society were limited. However, following the violence, several Hivos partners did initiate a national campaign to change legislation in Iran in favour of women. They are hoping to gather one million signatures within a year. In Ecuador, after protests against environmental pollution by oil companies in the Amazon area and against the presence of the American military base in Manta, dozens of activists were arrested and maltreated. With Hivos' support it was possible for a partner organisation to document and present twenty-four violations to the Inter-American Board of Human Rights.

Democratisation

The member states of the Southern African Development Community (SADC) may have made agreements about fair elections and other aspects of good governance, but vigilance from the civil society is still needed to ensure that these principles are adhered to. That is why 40 representatives

of civil organisations from 7 countries assembled in Southern Africa for a conference on the conditions for democratisation. This meeting, in the framework of the Preconditions for Elections Programme in Southern Africa (PEPSA), was a joint initiative by Hivos, NiZA and the Media Institute of Southern Africa (MISA). Also presented here was the second edition of 'Outside the Ballot Box', an annual publication with analyses of the elections which have taken place in the SADC countries in the course of the year.

www.misa.org | www.niza.nl

Hivos partners have shown themselves adept at taking advantage of political change in order to contribute to respect for human rights and political liberalisation. In Kyrgyzstan, the political revolution of 2005 seemed to have led to more democracy. Hivos partners (with other civil society organisations) obtained a place in the Committee for the Review of the Constitution. The new leaders, however, proved unwilling to make real changes. This caused a serious crisis which resulted in mass demonstrations against the government. Eventually the parliament passed a new constitution which strengthened the position of the president, but the most important point for the civil society organisations – the principle of habeas corpus – was retained, thanks to their counter action. In Kazakhstan Hivos partners are also involved in the process of amending the constitution. The Kazakhstan International Bureau for Human Rights and Rule of Law (KIBHR) published a report on the presidential elections of December 2005. This report was used to bring wrongdoing to the attention of members of parliament and government institutions such as the Organisation for Security and Cooperation in Europe (OSCE).

The indigenous population of South America is still being exposed to subordination and discrimination. In some countries, including Bolivia and Ecuador, elections brought new leaders to power who had promised to stand up for the poor and marginalised communities. These election results did not appear out of nowhere. They were an expression of the increased political awareness of the indigenous population, which many years of activities undertaken by Hivos partners contributed to. In Bolivia, the new president established a constitutional meeting to innovate the constitution with special attention for the rights of the indigenous population. Hivos and Ibis, the Danish Alliance2015 partner, are working together with two

indigenous organisations to promote active participation of these groups in the process of constitutional amendment. In 2006 the European Union made funds available for this purpose.

Sexual minorities

In 2006, Hivos and the Ford Foundation started a programme in East Africa for the promotion of organisations representing lesbians, homosexuals, bisexuals and transsexuals (LGBT). Those organisations are often still so weak that they require intensive support. This also requires better coordination with other donors who fund the gay movement. A similar programme for organisation strengthening has been carried out by Hivos in the Balkans, together with the COC. The result is that a number of stronger pressure groups have been formed in that area. That also became clear in the past years, when partners in Croatia and Macedonia organised a number of large public actions in which gay groups from all over former Yugoslavia participated.

The World Outgames, a large sporting event organised by the international gay movement took place in Montreal, which provided an occasion for a large conference about the human rights of worldwide sexual minorities. Hivos enabled more than 50 members of partner organisations to attend the conference. Hivos was visibly present with various workshops. At the close of the conference, participants presented the 'Montreal Declaration', in which the rights of sexual minorities are recognised within the existing international human rights treaties. This gives LGBT groups a better instrument to stand up for their rights within the international arena.

In the past year, after many years of lobbying, three gay organisations were awarded advisory status on the Economic and Social Board of the United Nations (ECOSOC). These organisations, including a Hivos partner, are involved in the fight against human rights violations in the areas of sexual identity and gender issues.

In Southern Africa many taboos still rest on homosexuality and the rights of sexual minorities are not recognised. This is why the conference on LGBT rights, held in Mozambique with support from Hivos, was a special occasion. Apart from gay activists, other civil society organisations,

government representatives and members of parliament took part. As a consequence there is more open recognition of homosexuality and a debate has been set in motion about the rights of sexual minorities. With the support of Hivos, the first Mozambican LGBT organisation was established. In Malawi, Hivos' activities have also contributed to the strengthening of the emerging gay movement and to making homosexuality a subject for discussion in the media and government circles.

'Stop Child Labour- School is the best place to work'

'Stop Child Labour – School, is the best place to work' is a long-running (and successful) campaign. Within this European lobby and education project Hivos acts as a coordinator for Alliance2015. In the Netherlands, Hivos is running the campaign together with the General Education Union, FNV (Dutch Trades Union Congress) and the National India Working Party. Following the Southern partner organisations' lead (such as Hivos partner MVF in India), the campaign aims for a policy that is focused on the total abolition of child labour and the establishment of full-time education for all children up to the age of 15.

In 2006, more and more organisations in the North as well as in the South have started participating in 'Stop Child Labour'. In Europe, the campaign is now also being run in Denmark, Italy and the Czech Republic. An important event was a conference in Honduras, where representatives of NGOs and trade unions came together from Central America, Europe, India and Zimbabwe to exchange experiences and to decide what the best way was for them to contribute in their own countries to combating child labour. This exchange was continued at the start of 2007 during the regional conference in Kenya preceding the World Social Forum.

In Europe, the campaign has led to a stronger voice in the European Union against child labour and in favour of the right to education. An earlier resolution by the European Parliament on this matter has had an obvious effect on the development policy which the EU has set out for the 2007-2013 period. Within the Netherlands, Hivos is working on extending involvement with this theme. An example is the role of the Stichting Kinderpostzegels SKN (a society set up to sell stamps which benefit children), which will be supporting the programme against child

CAMPAIGN FOR PLURALISM IN INDONESIA

In Indonesia pluralism is under pressure. Fundamentalist groups are trying to impose their interpretation of religious precepts and in that way gain influence. This is often at the expense of the rights of women, homosexuals and other marginalised groups. This is why the Hivos Regional Office in Jakarta has been so active in this area over the past year and, with its partners, with experts and religious leaders, has formulated a strategy to move towards an open, democratic society. Hivos and its partner organisations are asking the government to set in place laws to protect the rights of the groups named above in particular against attempts by fundamentalist movements to curtail those rights. In addition, they want to mobilise the general public towards an open society, in which groups of different religious backgrounds or minorities within a particular religion have the freedom to live according to their own views.

Partner organisations are closely monitoring the influence of conservative religious values in the legislation process. In the past year, legal action was taken against a local legal measure which restricted women's freedom of movement. Hivos, together with four partners started working on the development of information and lobby material for a public campaign. Young people, for example, are given the opportunity to make documentaries about freedom of expression. Women in the provinces where the Sharia has been introduced, for example in Aceh, are given the opportunity to produce videos to make the public aware of its consequences. The role of women within the Islamic movement itself is also under discussion. The organisations use diverging media such as the Internet, text messages and radio broadcasts to make people aware of the relation between religion and society.

This campaign by Hivos and several partners will be started in 2007.

labour by the MV Foundation in 2007 and will pay for a tour of inspection of this organisation in Latin America.

www.schooldebestewerkplaats.nl | www.mvfindia.org

PRSPs: Civil society and the alleviation of poverty

Democratisation also means that civil society organisations can exert influence on government policy in the area of poverty alleviation. In principle, civil society should be involved in those discussions in the framework of the Poverty Reduction Strategy Papers (PRSPs). Hivos supports a number of civil society organisations which are or want to be involved in this process. The PRSP process occupies an important position within Dutch government policy. The Dutch private development organisations have regular discussions with local Dutch embassies in order to align support to the local government with support to civil society organisations.

In Nicaragua, partner organisations closely follow the government's spending of funds received from international institutions and governments. Hivos acts as a coordinator in the discussions between the Dutch co-financing organisations and Dutch embassies. In Honduras, Hivos works together with the Danish Alliance2015 partner Ibis in a fund for civil society organisations which monitors the government's policy for poverty alleviation. In Bolivia, Hivos' EU project for the indigenous population also focuses on poverty alleviation.

In Mozambique, Hivos, together with Oxfam Novib, is carrying out a programme designed to involve local communities in government measures for poverty alleviation. The programme, commissioned by the Dutch Embassy, is designed to strengthen local rural organisations, making it easier for them to participate in discussions with local government about policy on poverty alleviation. In 2006, 1600 people were trained in various areas and 72 basic organisations received support. In the past year the programme was evaluated and deemed successful. This makes continuation of the initiative into its second phase (until 2009) more likely. In Zambia and Uganda discussions regularly take place between the Dutch Embassies and the MFIs active in those countries.

In Asia, the results have been mixed. Due to the war which has broken out in Sri Lanka it is not yet possible to carry out the programme for poverty

alleviation. The initiative for a dialogue between civil society organisations, supported amongst others by Hivos, has been obstructed on both sides of the front line. In Kyrgyzstan, Hivos partners are critically monitoring the national policies on poverty alleviation among governments and international institutions such as the World Bank. The NGOs have written a report which concluded that the Kyrgyz PRSP process had failed as a result of the unwillingness of the authorities to involve the public. They also ran a campaign on ineffectual programmes for debt relief which led to a public debate on the subject of development issues.

7.2 Gender, women and development

Hivos supports women's organisations which fight for women's rights and want to increase the participation of women in the decision making process. The UN Women's Treaty, the Cairo Action Programme and the Beijing Action Plan are important guidelines for the partner organisations. Hivos also supports gender equality among its partner organisations and programmes, and the mainstreaming of gender equality in other Hivos sector policies.

Women's Rights, Unfinished Business

Although the position of women is often discussed at an international level, research has shown that across the board support for women's organisations has declined. It is proving difficult to get women's rights on the political agenda and to hold on to the progress made in this area. In addition, many organisations are finding it difficult to involve younger women in their activities. As one of the large and long-term financiers of the women's movement worldwide Hivos organised the conference 'Women's Rights, Unfinished Business' with the aim of setting out a joint strategy with other NGOs. The 28 participating organisations (from 15 countries) mainly discussed strategies to bring about the actual implementation of laws and policy to improve the position of women. This also requires civil society organisations to pay greater attention to gender equality in all the areas in which they operate.

The position and rights of women are not just policy matters. Without the involvement of the public at large, politicians are unlikely to make much effort. This is why Hivos used the parliamentary elections in November to

launch a public campaign linking women's issues in the Netherlands with those outside the country. Posters in stations and newspapers advertised the imaginary party 'Maatschappelijk Evenwicht Nederland': MEN (Social Balance the Netherlands), in which existing facts were presented as the party manifesto, for example relating to domestic violence ('MEN considers the way a husband treats his wife in the privacy of their home as private) or to differences in remuneration between men and women ('On average women should earn 7% less than men'). The MEN-campaign attracted much attention. The website was visited more than a million times and the Hivos office received numerous phone calls of concerned citizens.

Political rights

The political changes in South America did not in themselves change the position of women. In Bolivia, Hivos partners undertook action towards the establishment of a new constitution. The civil society organisations fighting for women's rights achieved that one third of this constitution granting meeting consisted of women. In addition, they strove for a limitation of the Catholic Church's influence on the constitution. The demonstrations held around the parliament building led to a number of members of parliament putting the demands of the women's groups on the agenda. With other actions involving 23,000 women and 1,000 organisations, propositions were put on the agenda to constitutionally improve the position of women.

Partner organisation Luna Creciente in Ecuador managed to strengthen the position of women within the indigenous population movement. An independent organisation for indigenous women has been set up which is active within an important umbrella organisation of indigenous peoples. Their influence was immediately noticeable. Other than traditionally was the case, this umbrella organisation now actively fights for better legislation for the position of women.

In Southern Africa it remains difficult for women to play a more significant role in politics. Female members of parliament and representatives of the women's movement in Zambia tried to make women's interests a stake in the election debates and to increase the number of women eligible for election. However, this did not result in a breakthrough. Having counted

the votes it turned out that only 15% of the newly elected members of parliament were women. Furthermore, only five of those women had already previously held seats in parliament, and, as a result, the available political experience is very limited. In Malawi, where Hivos partners are also trying to get more women into positions where they are eligible for election, local elections have been postponed for the second year running. In Kenya, Hivos supports the Women's Shadow Parliament, which carried out research into the role of women within 15 political parties in the run-up to the 2007 elections. The disappointing conclusion was that in most parties very few women were in fact eligible for election.

Islam and politics

Indonesia, the country with the largest number of Muslims in the world, has over the past few years seen fierce debate on the subject of the social role of Islam and the possible consequences for the position of women. Hivos was involved in supporting the activities of teachers in East Java who are pursuing an interpretation of the Koran which strengthens the position of women.

This is of great importance in view of the attempts by fundamentalist groupings to curtail the rights of women on the basis of these very same texts. In the past year the training programme has enabled 20 teachers, mostly male, to commence discussion programmes within their own schools about just relationships between men and women within Islam (see page 35, Campaign for pluralism in Indonesia).

Space for the women's movement in Iran, as well as space for other independent organisations and media, is becoming more and more restricted. A peaceful demonstration for changes in family law and discriminatory clauses in the law was broken up by the police. Following this, a group of women's activists took the initiative for a national campaign. It will have to gather at least one million signatures to achieve changes in the law on, for example, divorce. Other activists ran a campaign against punishing adultery by stoning.

Activities in the field of Human rights and democratisation 2006 *amounts in thousands of Euros*

	Africa	Asia	Latin America	Southeastern Europe	Worldwide	Total
Number of projects	59	97	47	4	19	226
Number of organisations	50	62	42	4	10	168
Expenditures *)	5.849	4.531	3.265	22	550	14.217
Of which chargeable to MFP *)	5.038	3.837	2.491	30	550	11.946
Human rights and democratisation as a percentage of the total regional expenditure	26%	28%	16%	2%	5%	19%

**) excluding 1,240 Micro-, Consultancy- and Evaluation Funds*

Activities in the field of Gender, women and development 2006 *amounts in thousands of Euros*

	Africa	Asia	Latin America	Southeastern Europe	Worldwide	Total
Number of projects	41	43	43	1	11	139
Number of organisations	34	38	36	1	9	118
Expenditures *)	1.740	2.619	1.857	100	1.626	7.942
Of which chargeable to MFP *)	1.740	2.619	1.823	100	1.626	7.908
Gender, women and development as a percentage of the total regional expenditure	8%	16%	9%	10%	13%	10%

**) excluding 267 Micro-, Consultancy- and Evaluation Funds*

Activities in the field of Hiv/aids 2006 *amounts in thousands of Euros*

	Africa	Asia	Latin America	Southeastern Europe	Worldwide	Total
Number of projects	44	14	30	3	4	95
Number of organisations	33	13	27	2	4	79
Expenditures *)	2.600	1.572	2.647	157	2.111	9.087
Of which chargeable to MFP *)	1.678	582	1.307	157	2.111	5.835
Hiv/aids as a percentage of the total regional expenditure	11%	10%	13%	16%	17%	12%

**) excluding 144 Micro-, Consultancy- and Evaluation Funds*

Reproductive and sexual rights

Women's fight for their right to bodily integrity has not been successful everywhere. In some countries earlier achievements in this area are being reversed by conservative politicians. In the past year this is what happened among others, in Nicaragua. In spite of efforts by a number of Hivos partners, any form of abortion was declared illegal, even if the woman's life was in danger.

Worldwide, the conservative tendencies are increasing against a free choice in using contraceptives, let alone the right to abortion. On that theme Hivos partner Women on Waves has once again carried out a number of high-profile actions. The organisation, aimed at women in countries where abortion is illegal, offers medical information via a website. One of their new initiatives, 'Women on Web', refers women who do not have access to safe abortions to a doctor who is able to carry out a medically safe abortion after consultation. The website went online at the beginning of 2006 and now already has over 10,000 visitors every month.

www.womenonwaves.nl

Together with the Humanist Consultation Board on Human Rights (HOM) a report was published detailing methods to combat violence against women in a number of countries in the Balkan area. Fourteen partner organisations were actively involved in its realisation. The report is a practical aid for women's organisations that want to address national governments about their policy on prevention of domestic violence, in accordance with the international treaties which the governments have signed. In various countries government officials turned out to be favourably inclined towards the project.

www.hom.nl/vrouwenrechten_balkan.php

Gender in other sectors

Attention to gender issues is a part of all Hivos programmes. In 2005, a systematic study was carried out to determine to what extent Hivos partners take the position of women into account within their policies and activities and within their own organisations (gender mainstreaming). Subsequently, goals which will have to be achieved by the end of every two years have been included per sector in the Business Plan 2007-2010. This year and in 2009 Hivos shall resubmit the same questions to its partners to assess progress.

RIGHTS FOR WOMEN IN PERU

Hivos partner Demus, based in the Peruvian capital, has spent the last 20 years standing up for women who are victims of violence and discrimination. The organisation exerts pressure on policymakers through social-legal activities to defend and confirm women's rights. Demus offers women concrete support, including access to the legal system, but is also working to raise awareness among women themselves (citizenship strengthening) and among the general public. Demus provides legal and psychological help to women and organises training sessions for lawyers, psychologists and staff at government institutions, such as police personnel and judges, who deal with victims of violence. Violations of human rights against women are exposed through case examples taken to the national court or the Inter-American Court. These cases often lead to a great deal of publicity, particularly when Demus ensures that there are public campaigns, radio broadcasts or publications taking place at the same time. In addition, the organisation publishes an electronic newsletter and organises an annual competition identifying the television advertisement with the least stereotypical women's role, or alternatively the one that is most sexist and role-reinforcing. The broadcasts are judged by both a jury and the Peruvian public.

At the end of 2006 Demus had a great success in a long-running court case involving permission to take and access the morning after-pill. Although the use of the pill as a contraceptive has been legal for some time, successive health ministers have tried to curtail its availability and the provision of information about this method. Together with a number of other organisations Demus initiated court proceedings against the government as early as 2002 to force the government to abide by its own rules. And they were successful: in November the Supreme Court laid down that in future the ministry should make it possible for all women to have access to both the morning after-pill and information about it.

In 2006 Hivos supported Demus with € 60,000.

www.demus.org.pe

Over the past year, organisations in Sri Lanka in particular have made progress in this area. Ten partner organisations introduced gender as a theme into their programme and will deal with it explicitly in their planning, monitoring and evaluation. In Peru, two organisations took part in a training trajectory to set out the promotion of the position of women more clearly in their policy and activities. A similar programme in Mozambique encountered delays and will be continued in the coming year. In the past year, 7 Hivos partners in Indonesia initiated a trajectory of gender mainstreaming, which will run for two years.

7.3 Hiv/aids

Hivos considers Hiv/aids a human rights and development issue and thus a matter which extends beyond the field of the health services. Hivos supports organisations that fight for the rights of people with Hiv/aids and that promote their full participation in society. This applies in particular to organisations which lobby on a national and international level for an optimal provision of information, prevention and access to medicines and care in the South.

Many partner organisations focus on Hiv/aids prevention among specific target groups (sexual minorities, sex workers, young people and women) as well as on lobbying. This lobby concentrates on access to treatment and medicines for people with Hiv/aids and compliance with the rights of people with Hiv/aids.

Taboo breaking prevention and information

Effective prevention is only possible if attention is paid to sexuality, making safe sex a subject for discussion, access to concrete information about Aids and the use of condoms. But Hivos believes that subjects such as the discrimination against people with Hiv/aids, gays and prostitutes must also be discussed, as well as the consequences of gender inequality on the spread of Hiv/aids. Partner organisations are providing education on the prevention of Aids using volunteers from the target groups themselves through peer education, ICT, theatre, music and film.

In Kenya, the Hivos partner Straight Talk reached 3 million young people with information about Hiv/aids and sexuality. This took place throughout 4,000 schools and through the monthly publication of a newspaper distrib-

uted in tandem with a reputable daily newspaper. With a monthly radio programme Straight Talk reached around 500,000 young people. Similarly to the website, taboo subjects were discussed openly. Through letters, e-mail and text messages the young people themselves suggested subjects which were then selected by a youth committee. About 2,000 clubs have been set up in schools and elsewhere, allowing young people to exchange information and conduct discussions, write stories and articles and participate in the radio programmes. Thanks to the joint effort by Hivos and KPN (Dutch telecom company) Straight Talk was able to respond immediately to texts on air.

Straight Talk also circulated information via mobile phones ('Enjoy your Friday evening. Use your condom!').

www.straighttalk.or.ke

Partners in other regions have also discovered the advantages of ICT. ICT allows large groups of people to be reached. It also guarantees anonymity, can be adapted to the target group and fits in with the lifestyle of young people. It is an easy way for young people to ask questions or seek information about sexuality without being interrupted. This is why in Mozambique and Malawi Hivos supports information centres which use e-mail and provide a telephone helpline.

In Latin America ICT is used for training sessions and the exchange of knowledge and experiences between organisations. A regional network of the gay organisation ASICAL has in the past year developed an e-learning course about Hiv prevention and the rights of men who have sex with other men. They make use of the knowledge which the members of the network have about ICT, lobbying for the rights of this group and Hiv/aids prevention strategies tailored specifically to them.

www.asical.org

In order to make prevention programmes for young people more accessible and effective, organisations are increasingly working with so-called peer educators, young people who give their peers information about Aids and other sexually transmitted diseases. In Serbia for example, 1,000 of these volunteers have been recruited and trained by partner organisation O-Jazas. The organisation closely cooperates with the Serbian business community and makes effective use of ICT. Serbian television and radio

stations broadcasted for free a campaign on Aids prevention and ICT companies helped O-Jazas to develop a system for information management. As a result of this joint venture O-Jazas distributed 200,000 condoms, reached 50,000 people via the Internet (compared to only 18,500 in 2005) and organised three large national campaigns which reached almost half a million people. In Montenegro their sister organisation Cazas followed the same approach and also arranged direct support for people with Hiv/aids and their families. Cazas opened offices in 14 cities for that purpose.

www.jazas.org.yu | www.cazas.org

In Southern India a number of partner organisations joined forces to combat Aids more effectively in the South India AIDS Action Programme (SIAAP). In a joint campaign they openly expose the taboo on Hiv/aids and the discrimination against people with Hiv/aids.

The rights of the most marginalised groups, such as prostitutes and gays, take a central position. In addition, thousands of people have received information on the subject of safe sex through the testing and advice centres set up by SIAAP. The organisation works intensively with government agencies and businesses. Nursing staff have received training courses in the treatment of these target groups in State Hospitals in the state of Tamil Nadu. Local producers supplied the medicines and Aids tests for them. This form of cooperation is so successful that the governments of other states have asked SIAAP to set up similar programmes there.

www.siaapindia.org

Inluencing policy formulation

Hivos supports partners in addressing governments and international institutions on the subject of their responsibilities in the area of combating Aids. In Kenya organisations led by the Kenya Aids NGOs Consortium (KANCO) pursued a successful campaign to persuade the Global Fund (see below) to resume its support of local organisations. Furthermore the cooperation between the Global Fund together with civil society organisations and the government in the past year achieved the distribution of free Aids drugs. The campaign by the Kenyan organisations also led to the government to include homosexuals and drug users in its national plan for the fight against Aids.

www.kanco.org

Over the past year the United Nations has evaluated the progress made with regard to the goals which had been set at the United Nations Special Session on Hiv/aids (UNGASS) in 2001. Partners from Africa and South America produced shadow reports about UNGASS. It was very significant that people with Aids or from civil society organisations were represented within the delegations of almost all the countries, including Hivos partner organisations. It was the first time that Hivos partner Global Network of People living with Hiv/aids (GNP+) was involved in the preparations for the Intenational Aids Conference which took place in Toronto last year.

www.gnpplus.net

In Honduras and Guatemala local networks have been set up of women with Hiv/aids which makes it easier to reach them with information and treatment. For the first time a national conference was held in Honduras where the women's groups made agreements with government agencies and international donors about the fight against Aids.

Hivos and the Global Fund

The Global Fund to Fight AIDS, Tuberculosis and Malaria is one of the most important worldwide donors in the fight against Aids. Many Hivos partners receive money from this fund to extend their programmes. In addition, some of them are involved in its governance. Network organisation EANASSO from East Africa acts as a point of contact with the Global Fund for civil society organisations in the South. The GNP+, referred to earlier, is a member of the board of the Global Fund. In Kenya and Tanzania several partners serve on the so-called Country Co-ordinating Mechanism. Although government representatives are often in the majority there, they were still able to achieve successes. In Ecuador, organisations were able to ensure that 40% of the Global Fund money for prevention goes to homosexual men.

In Costa Rica, Hivos is the principal recipient of the Global Fund. Through the Regional Office in San José Hivos will be managing a budget of 1.7 million dollars over the coming years for the prevention of Hiv/aids among men who have sex with men, people with Hiv, girls who are sexually exploited or at risk of sexual exploitation and young people. The project is being carried out by six local organisations. As a result, more than 6,000 young people were reached in the past year and 100 volunteers were able to provide their peers with information about Aids prevention.

Furthermore, condoms were distributed among specific high risk infection groups, such as detainees.

In the past year Hivos has done its best to be appointed principal recipient of the Global Fund in Bolivia. Unlike the programme in Costa Rica which is completely geared to prevention, the emphasis in Bolivia lies on the distribution of medicines. Hivos is making an effort to enlarge the role which people living with Hiv/aids play in the project in Bolivia.

www.theglobalfund.org

Access to treatment

A great number of people with Hiv/aids do not have access to treatment and medicines. In order to change this, their interest groups often pressure governments and the pharmaceutical industry for many years. By arranging exchanges and training, Hivos enables partner organisations to set up such campaigns. And with increasing success: of the Hivos partner organisations involved in the area of Hiv/aids 45% are now involved in lobbying activities, as opposed to only 30% in 2005.

Partners in Latin America took an active part in the worldwide campaign 'Health is not a commodity'. The campaign, set up by the World Social Forum, was organised to prevent further liberalisation of the world trade which keeps medicines out of the reach of large groups of people with Hiv/aids. Hivos partner Agua Buena also continued negotiating with pharmaceutical companies in order to bring down the price of Aids inhibitors in the region.

www.aguabuena.org

For many years one of Hivos' most prominent partners has been the Treatment Action Campaign (TAC) in South Africa. In 2006, TAC was able to persuade the government to involve civil society organisations in setting up the national Aids plan. The next step is to see to it that the voice of the most marginalised groups is also heard in this process.

www.tac.org.za

Aids policy within organisations

Aids particularly strikes people who are active in the work force. Hivos partners are confronted with this reality on a daily basis. Employees become sick, can not work, must be cared for and replaced or in other cases need to provide care for family members. This is also something

INTEGRAL APPROACH TO AIDS IN ECUADOR

FEDAEPS (Fundación Ecuatoriana de Acción, Estudios y Participación Social) is an organisation which defends human rights and diversity and strives for a society in which there is a place for everyone. FEDAEPS supports an all-round approach to Hiv/aids in Ecuador. Since its foundation in 1992 this Hivos partner has managed to successfully combine the fight against discrimination of people with Hiv/aids with standing up for their rights for treatment and access to social provisions. Sexual minorities and prostitutes in particular often get little support and even less so if they are Hiv infected. Outside Ecuador the FEDAEPS is active as the secretariat of the Latin American division of the World Social Forum. In that capacity the organisation has mainly carried out action for access to Aids inhibiting medicines, which are threatening to be limited in the framework of regional free trade treaties.

FEDAEPS is also active at a local level, amongst others with small groups led by people who themselves are Hiv infected and are often also part of a specific target group. (Ex) prostitutes, for example, provide other prostitutes with information about methods of combating the spread of Hiv/aids. The women are taught to organise themselves to demand better legislation and how to handle matters like violence by police and clients. But they also provide training sessions themselves as well as presentations in schools, for civil servants and the media. Several years ago the FEDAEPS-project La Sala, in the southern port city of Machala, won a prize from UNAIDS, the UN institution responsible for the fight against Aids. This was largely in recognition of the integral approach of the project in which medical, social and political sides of Hiv/aids are tackled at the same time. Among other things, the project uses theatre, visits brothels and also undertakes open air activities.

In 2006 Hivos supported FEDAEPS with € 100,000.

www.fedaeps.org

which also limits civil society organisations in their performance. Hivos stimulates partner organisations to set up policies within their own organisation for dealing with Aids. On the basis of its own experiences the Regional Office in Zimbabwe has already been active in this area for some years and has achieved considerable results, mainly by working with specialised local organisations. They support partners in setting up a staff policy in which Aids prevention, treatment and care are included. At least 60% of the partners in Zimbabwe have similar policies and in Malawi, Mozambique and Zambia the number of partners is between about 30 and 40 percent. In Uganda 33 Hivos partners participate in a trajectory to reach an Hiv/aids policy, together with Stop Aids Now! (SAN) and with the Irish Alliance2015 partner Concern. In the framework of SAN a number of organisations in India have also followed the first stage of training.

Stop Aids Now!

Together with other co-financing organisations and the Aids Fund, Hivos cooperates within Stop Aids Now! This initiative joins forces in the fight against Aids in the South and the provision of information and fund-raising in the Netherlands (see cooperation in the Netherlands, 9.1).

The participants combine their expertise and put their partners in contact with each other to reach the most effective strategies. Hivos chairs the working group Aids and Gender. The only way to reduce the large risk which women and girls run of being infected with Hiv is by putting the inequality in gender relations in the limelight and changing it. In Kenya approximately 100 people took part in a Hivos workshop about gender and Hiv/aids. A meeting has been planned in Indonesia for 2007.

www.stopaidsnow.nl



08 CULTURE, ICT AND MEDIA

Freedom of speech and freedom of cultural and artistic expression. Those are the key themes within the Culture, ICT and Media programme.

8.1 Arts and culture

Hivos supports cultural and artistic expressions that contribute to the promotion of democratisation and pluralism. This is done by promoting local productions in the fields of the visual arts, theatre, film, literature and media arts, setting up exchange projects and strengthening the cultural sector.

Exchange programmes and education

Artists in developing countries often work in isolation and in an environment which is not supportive of art and its practitioners. Trips abroad are often expensive and difficult to finance. This is why Hivos enables them to take part in festivals and specialised exchanges such as workshops. The Hivos-NCDO Culture Fund makes cultural exchanges with the Netherlands possible.

Two hundred expressive artists from countries such as India, Kazakhstan and Kenya were provided the opportunity to take part in an exchange. The film festivals supported by Hivos are also an appropriate platform for this type of exchanges. Hundreds of non-Western film makers met in various places including Jakarta, Quito, Amsterdam and Rotterdam during film markets, workshops and network meetings, organised by these festivals. For poets, the large poetry festival of Medellín in Colombia was once again the meeting point. But 'Winter Nights' in The Hague also attracted writers from the South to the

Netherlands under the theme of 'Voyages of discovery', while Dutch authors toured Indonesia.

Besides individual artists, Hivos also supports the strengthening of the partner organisations they work with or undertake other cultural activities. Staff in six organisations participated in training on management, public policy and result measurement. Hivos explicitly strives to increase the opportunities for female artists. In Indonesia two partners have given much of attention to women in the past year, including the setting up of theatre productions.

Film makers

Film remains a popular medium in many countries. This is confirmed by the popularity of film festivals which attract thousands of visitors. On the Tanzanian island of Zanzibar the international festival attracted around 5,000 people. In Indonesia, Ecuador and Guatemala there were crowds of 85,000 people. Once again a large number of films were produced with Hivos' support. 2006 saw as many as 61 produced, including feature films as well as documentaries. Southern film makers applied to the Hubert Bals Fund and the Jan Vrijman Fund. A number of productions were shown at the International Film Festival Rotterdam (IFFR) and the International Documentary Film Festival Amsterdam (IDFA). Over the past few years Hivos has also helped in setting up local film funds, like Cinergia in Central America, Sithengi in Southern Africa and the Cinema Development Fund in Kyrgyzstan.
www.cinergia.org | www.sithengi.co.za

Freedom of Expression Campaign

Freedom of (artistic) expression is under pressure in many countries. On the whole it is not only governments and intolerant social groupings that tend to leave little room for culture and the arts because the commercial, media and culture industries also suppress independent artists and small-scale, local expression. This is why UNESCO, the cultural branch of the United Nations has entered into an agreement to protect the diversity of expressions of culture. Whether that actually happens mainly depends on organisations and individuals who undertake action in their own countries to carry out these regulations. In 2006, the campaign focused on Latin America. In Costa Rica, 27 organisations from Central and South America shared their experiences and gathered examples for their own campaigns. This has not yet led to the development of lobbying strategies in every country. A partner in Ecuador did achieve success when the parliament adopted a law for the protection of the national film industry after an intensive campaign. Also, in the fringe of the poetry festival in Medellín, artists and intellectuals assembled in Colombia to campaign for a new cultural policy by the government.

Hivos-NCDO Culture Fund

In 2004, in addition to its own Hivos Culture Fund for activities in the South, Hivos together with NCDO set up a fund for activities in the Netherlands. The Hivos-NCDO Culture Fund is a successful example of combined expertise and increased efficiency. Unfortunately, as a result of the changed mandate of the NCDO, continuation of the Fund in 2007 has become uncertain. In the past year the activities of 27 Dutch cultural organisations were funded. As well as special events aimed at Southern regions, including Another Asia (Noorderlicht), Africa in the Picture and the Arab Film Festival, the fund also worked together with more mainstream culture organisations such as the Holland Festival, Julidans and the Vrede van Utrecht, which offer non-Western artists a platform. This broadening is a development which the fund is successfully promoting.

www.hivosncdocultuurfonds.nl

DANCE TO SUCCESS IN KENYA

The Kenyan Performing Arts Group (KPAG), based in the Kenyan capital of Nairobi, provides courses in (modern) dance for young people. Each year 16 talented and motivated young people are selected during auditions which take place all over Kenya, from the smallest villages to the largest towns. For two years the young people follow a full-time programme which provides classes in dance, history of art, and artistic and financial management. This broad set-up of the course is designed to give the young people from all cultural and ethnic groups as many chances as possible to find work in the arts and culture sector. In this way KPAG is contributing to the professionalisation of stage skills with activities that strengthen the East African art sector.

KPAG not only aims for artistic quality and a professional approach to dance, but also pays attention to the daily lives and problems of young people in Kenya. This is why traditional and contemporary aspects of daily life in East Africa are discussed in the courses and performances. During the World Social Forum in Nairobi, for example, KPAG gave a performance in which the drama of Hiv/aids was represented. Themes such as equality between men and women and the rights of the child also play a role in the performances given by KPAG.

The group also regularly performs in the Netherlands. KPAG goes on tour every year to perform in theatres and to give workshops in Dutch schools. The Dutch 2006 tour was partly made possible by the Hivos-NCDO Culture Fund. In Africa, KPAG organises exchanges with projects for street children and tours through the slums of the large cities. KPAG is aiming for a reevaluation of local cultural traditions after putting them into a contemporary perspective and in that way reaching a varied and wide audience.

In 2006 Hivos supported KPAG with € 30,000.

www.kenyaarts.com

Activities in the fields of Arts and culture 2006 amounts in thousands of Euros

	Africa	Asia	Latin America	Southeastern Europe	Worldwide Nederland	Total
Number of projects	27	26	31	1	27	112
Number of organisations	23	24	22	1	23	93
Expenditures *)	1.147	1.422	776	0	761	4.106
Of which chargeable to MFP *)	1.139	1.310	776	0	332	3.557
					342	
Of which NCDO						
Arts and culture as a percentage of the Regional expenditure	5%	9%	4%	0%	6%	5%

*) excluding 154 Micro-, Consultancy- and Evaluation Funds

Activities in the fields of ICT and media 2006 amounts in thousands of Euros

	Africa	Asia	Latijns-America	Southeastern Europe	Worldwide	Total
Number of projects	26	14	10	3	15	68
Number of organisations	22	13	7	3	13	58
Expenditures *)	1.138	680	487	260	884	3.449
Of which chargeable to MFP *)	1.019	680	502	260	669	3.130
ICT and media as a percentage of the total Regional expenditure	5%	4%	2%	27%	7%	4%

*) excluding 60 Micro-, Consultancy- and Evaluation Funds

8.2 ICT and media

Information and Communication Technology (ICT) is an important means of development. This is why Hivos has been encouraging its partner organisations to use ICT for quite a while now. The exchange of information and knowledge between NGOs in the North and the South, between donors, funds and scientists, can considerably increase their power. The worldwide ICT explosion will not automatically end poverty and inequality, not even in the virtual world. This is why Hivos is working on setting out (human) rights on the internet by international lobbying together with the Dutch government, the business community, the Open Society Institute and other NGOs.

As a result of the growing importance of ICT for development Hivos has considerably extended its activities in this field. In addition to this, Hivos supports activities in the field of the media. The number of partner organisations in this field has doubled in the past two years. Examples of innovative initiatives include the development of mobile phone games for HIV/AIDS awareness among young people in Kenya, the production of participatory video by inhabitants of several Indonesian villages and making ICT options available to indigenous women in Guatemala.

The expansion of the number of partners goes hand in hand with the need for an improvement in quality. Whereas over the past few years access to ICT was the main goal, from 2005 the strategic use of this technology is central. This means that Hivos partners use ICT as a means of working more effectively towards development goals.

Debates

The Internet is becoming increasingly important as a means for freedom of expression, particularly in countries where that freedom is curtailed. Governments are also aware of this and are unfortunately becoming more and more effective at restricting virtual sanctuaries. In the past, measures were mainly focused on curtailing the freedom of the traditional media, but now it has become a competition between those using various technological possibilities to hunt out 'cyber dissidents' or to limit their access to certain web sites and those attempting

to get round these constraints. This is one of the reasons why, at the Expression under Repression conference, organised by Hivos at Club 11 in Amsterdam, opinions about virtual freedom varied greatly. Julien Pain of Reporters Sans Frontières, for example, was pessimistic, in view of the experiences in countries such as China, paired up to the fact that businesses in the West are supplying technology which makes censure possible.

On the other hand, former China correspondent for the NRC/Handelsblad newspaper Garrie van Pinxteren argued that the Internet is often the medium with the greatest freedom, particularly due to its speed. Critical messages really can reach an audience even if they are only on the Internet for twenty minutes. The participants did however agree about the necessity of providing independent organisations with the instruments to protect themselves more effectively against censure and detection. For that purpose Hivos has developed 'NGO-in-a-box', a CD-ROM with various types of software to enable NGOs to work and communicate safely. It was also emphasised that freedom in the virtual world is not just a theme for far-away countries, because governments in Europe are also forcing providers to store more and more details about its citizens, even without any concrete suspicions underlying their motive to do so.

www.expressionunderrepression.org | www.ngoinabox.org

One of the other events was the fourth 'Fill the Gap!' event, organised by Hivos, the International Institute for Communication and Development (IICD) and OneWorld. Participants considered the question how ICT enterprises can help to bridge the digital gap between rich and poor countries. About 120 representatives from the business community and development organisations attended seminars and participated in discussions on this theme. The newly appointed Minister for Environment Jacqueline Cramer, at that point still Professor of Sustainable Enterprise, spoke about the dilemmas involved in corporate social responsibility in developing countries.

www.fill-the-gap.nl | www.iicd.nl | www.oneworld.nl



Business and International Funds

The STAR-programme, set up jointly between Hivos and KPN, has had a successful year. The goal of the STAR programme is to transfer ICT knowledge to Hivos partners in six African countries. KPN employees support these organisations working in the field of Hiv/aids and microfinance, with their experience and knowledge. The project has proved to be an important example for other organisations involved in the same fields. A workshop in South Africa about the use of ICT as a tool in the fight against Hiv/aids attracted 19 organisations from nine countries. Using the STAR project they were able to expand their own expertise. A second workshop, in Kenya, focused on microfinance institutions (MFIs). The 66 participants (from 14 countries) had a number of ideas for the use of ICT within their work, which will probably lead to concrete projects in 2007. The STAR-programme is an appealing example also to other businesses. Hivos made an agreement with LogicaCMG to set up a pilot project starting in 2007. The company will dedicate staff to provide advice and assistance to Hivos' partner organisations in India.
www.starprogramme.org

Media

Independent media are essential for a properly functioning democracy and for societies on their way to democracy. In the past two years Hivos has been working at building up its media programme. In 2006, three organisations from Kazakhstan and Kyrgyzstan joined the Hivos network, which gave an impulse to the diversity of the media and the freedom of expression in these Central Asian countries. The organisations are also active in the area of civic journalism (using weblogs). A global project is the setting up of a 'Free Voices Centre' which makes visible the activities of the civil society organisations against censure and will also be fulfilling a coordinating role.
www.adilsoz.kz

Particularly gratifying was the European Union decision to award a million Euros to a media project in six countries in Africa. Within this project 120 organisations will be able to become more professional in their journalism and improve their ICT skills. This three-year project organised by Hivos and partner SANGONeT will start in 2007.
www.sangonet.org.za

Content on the Internet

Following years of effort to this end, most Hivos partners are now able to provide Internet content via their own websites. The establishment, with Hivos' active support, of separate OneWorld centres in Africa, Asia, Latin America and Southeastern Europe has made a significant contribution to this. In 2006, the Satu Dunia-network in Indonesia was further developed together with Oneworld. This is an Internet platform, involving 35 partners, encompasses the areas of agriculture, environment and Hiv/aids; in total more than 60 NGOs use Satu Dunia.
satudunia.oneworld.net

One of our on-going activities is expanding the ICT knowledge and skills of partner organisations through specific training and capacity building. This often takes place in cooperation with strategic partners such as OneWorld and IICD. In addition, a successful South-South Exchange was organised in South America, a 'travelling workshop' for rural organisations. Twenty-four participants visited a number of projects in Ecuador where ICT was being used for development projects. By sharing knowledge in this way the participants were provided with an opportunity to gain experience and expertise and to take lessons learned back home with them. In the meantime these exchanges have become a programme in their own right and consist of biannual regional meetings in Africa, Asia and Latin America, alternated with worldwide exchanges in the intervening years.
www.oneworld.net | www.iicd.org

INTERNET, MOBILE PHONES AND SOCIAL JUSTICE

Fahamu from South Africa knows as no other how the strategic use of ICT can strengthen the effectiveness of lobbying and awareness-raising. Using the online magazine Pambazuka News, the organisation disseminates well structured articles and pod/video-casts to reach a large group of activists and other interested parties with information about emancipation, sustainable and fair trade, democratisation and freedom of expression.

Fahamu also uses ICT to promote the observance of social rights at a local level. Its starting point is the rapidly increasing popularity of mobile phones in Africa. In the South African province of Kwazulu Natal Fahamu works together with various women's and human rights organisations that are involved with domestic violence. With the help of a mobile phone women are able to ask for help from legal and social aid organisations in relative anonymity. They are also kept up to date with developments by text messages and have access to a question and answer service. For Hivos and Fahamu the mobile phone is a powerful instrument for lobbying, awareness raising and activism, which also ensures more privacy and anonymity.

But the mobile phone is not always a safe medium. This is why Fahamu and Tactical Tech, with support from Hivos, have developed a – mobile – toolkit which organisations can use to safeguard privacy and freedom of expression.

In 2006 Hivos supported Fahamu with € 62,000.

www.fahamu.org

Dgroup Webplatform

Hivos and its partner organisations are increasingly using Dgroups (Development through Dialogue). This is a platform which facilitates digital work places for themed or working groups. They can easily be adapted to the group, organisation or virtual community involved. Through their own (open or closed) Dgroup, participants are able to send email, organise discussions, exchange documents and pursue a joint agenda. Hivos has been a member of the international group which manages the Dgroups platform since 2004. The other members are Bellanet, DFID, ICA, Icco, IICD, OneWorld, UNAIDS and the World Bank. Hivos itself uses more than 40 Dgroups. In the past year 23 groups were made operational for Hivos partners, slightly fewer than had been planned.

www.dgroups.org

KEY FIGURES BY CONTINENT

AFRICA

In Africa Hivos concentrates on activities in East and Southern Africa. In 2006 the expenditure amounted to almost 23 million Euros. This amount went to 248 organisations, including 29 new partners.

Key Figures Africa amounts in thousands of Euros

	2005	2006
Expenditures	23.234	22.693
Of which chargeable to MFP	22.138	16.468
Number of partner organisations	258	248
Number of projects	347	303

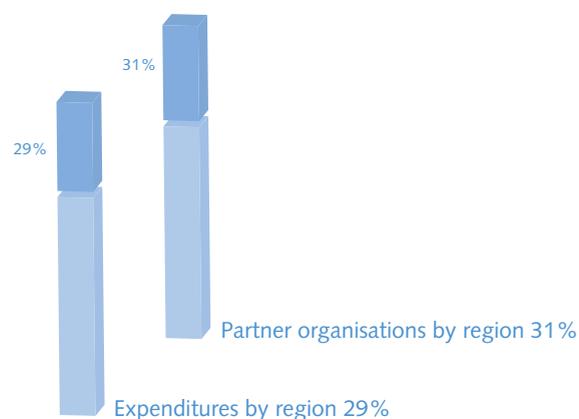
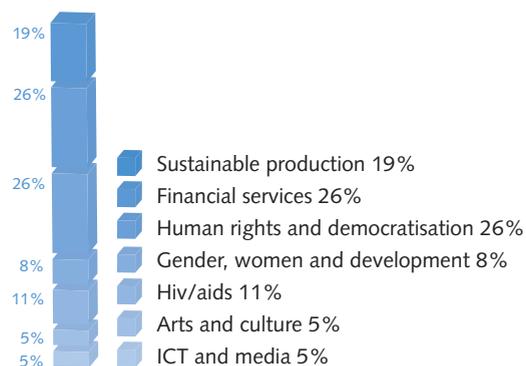
Hivos supports organisations in:

East Africa Kenya | Uganda | Tanzania

Southern Africa Malawi | Mozambique | Namibia

Zambia | Zimbabwe | South Africa

Expenditures Africa by sector:



ASIA

The Hivos programme in Asia is characterized by big regional differences. In India the rights of specific groups such as the Dalits are the central focus. In poorer areas such as Indonesia and Sri Lanka the emphasis lies on sustainable economic development. In Central and Southeast Asia Hivos mainly works on strengthening civil society organisations and democratisation. The programme in Iran, where Hivos is supporting the emergent critical progressive civil society, is being continued. The programme in Asia amounted to a total expenditure of 16 million Euros for 221 organisations, including 33 new partners.

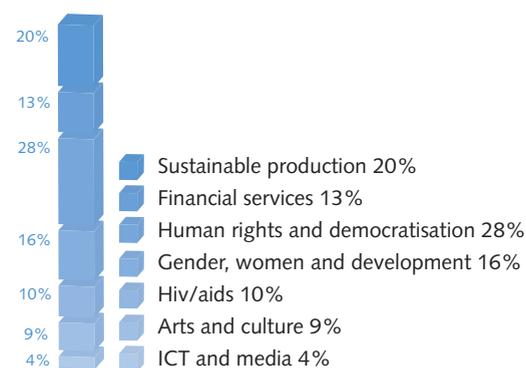
Key Figures Asia *amounts in thousands of Euros*

	2005	2006
Expenditures	20.115	16.007
<i>Of which chargeable to MFP</i>	15.616	12.027
Number of partner organisations	209	221
Number of projects	327	279

Hivos supports organisations in:

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

Expenditures Asia by sector:



LATIN AMERICA

In Latin America Hivos mainly supports activities aimed at sustainable economic development, democratisation and the rights of marginalised groups like the indigenous population. In 2006 Hivos allocated almost 21 million Euros to the activities of 221 partner organisations; this included 25 new partners.

Key Figures Latin America amounts in thousands of Euros

	2005	2006
Expenditures	17.498	20.889
Of which chargeable to MFP	14.653	15.553
Number of partner organisations	212	221
Number of projects	328	279

Hivos supports organisations in:

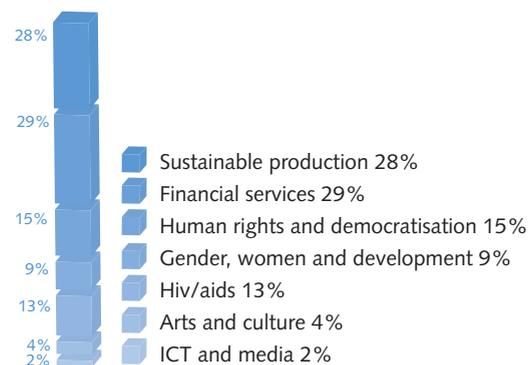
Central America Belize | Costa Rica | El Salvador

Guatemala | Honduras | Nicaragua

The Caribbean Cuba

South America Bolivia | Chile | Ecuador | Peru | Suriname

Expenditures Latin America by sector:



SOUTHEASTERN EUROPE

Thirteen partners were supported in this region, including two new partners. The expenditure amounted to 1 million Euros.

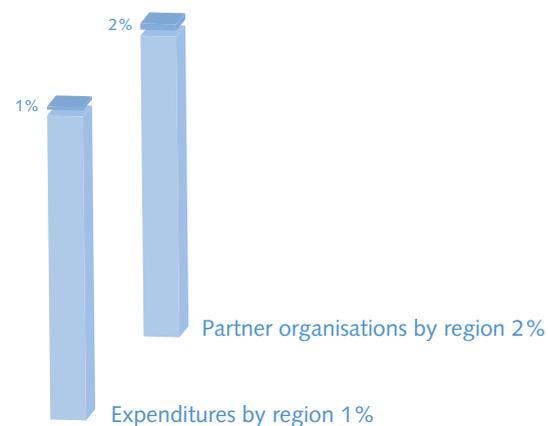
Key Figures Southeastern Europe *amounts in thousands of Euros*

	2005	2006
Expenditures	4.368	969
<i>Of which chargeable to MFP</i>	3.879	977
Number of partner organisations	15	13
Number of projects	21	15

Hivos supports organisations in:

Albania | Bosnia-Herzegovina | Croatia | Kosovo | Macedonia | Montenegro | Moldavia | Serbia

Expenditures Southeastern Europe by sector:



WORLDWIDE

In addition to regional programmes and projects Hivos allocated over 12 million Euros of its budget to worldwide activities in 2006. In total 82 organisations were involved; this included 20 new partners.

Key Figures Worldwide *amounts in thousands of Euros*

	2005	2006
Expenditures	7.077	12.103
<i>Of which chargeable to MFP</i>	5.569	10.044
Number of partner organisations	65	82
Number of projects	100	110

Expenditures Worldwide by sector:





09 HIVOS IN THE NORTH

In order to increase the effectiveness of the work in the South, Hivos cooperates with fellow development organisations and with other civil society organisations in the Netherlands and in Europe. In Hivos' vision international cooperation is about more than just foreign aid. Hivos actively chooses cooperation with others whose expertise or position complement Hivos' work. These joint ventures contribute to a broader basis in the Netherlands and in that way strengthen education and lobbying activities, thereby making them more effective. Hivos also undertakes its own activities in these areas, albeit on a modest scale.

9.1 Cooperation in the Netherlands

Expenditures in The Netherlands amounts in thousands of Euros

	Education	Campaign & lobbying	Linkis	Total
Total expenditures	2.097	1.932	641	4.669
<i>Of which chargeable to MFP</i>	1.832	751	641	3.224
Number of projects	33	30	82	145

Campaigns and lobbying

In its lobby activities in the Netherlands and Europe Hivos selects themes which are related to the work of its partner organisations in the South and to Hivos objectives within a certain sector. In the Netherlands Hivos ran the following campaigns in 2006:

'Stop Child Labour- School is the best place to work'

In the framework of the European campaign against child labour Hivos is working together in the Netherlands with the Algemene Onderwijsbond (General Education Union), FNV (Dutch Trades Union Congress) and the Landelijke India Werkgroep (India Committee of the Netherlands). The aim is to prevail upon governments to adopt policies targeted at the total abolition of child labour, the expansion of support and public involvement with this theme. One example is the role of the Stichting Kinderpostzegels SKN (A society set up to sell stamps which benefit children), which will be supporting the programme against child labour of the MV Foundation in 2007 and will pay for a tour of inspection of this organisation in Latin America (see Human rights and democratisation, 7.1)

www.schooldebestewerkplaats.nl

'Virus Free Generation'

The campaign 'Virus Free Generation' focuses on the fight against Aids by aiming for better prevention and access to medicines. In the Netherlands the campaign was launched in December with a large-scale media show. Four hundred young people battled for the Virus Free Award in a creative competition. Through dance, music, design, poetry, film and photography they drew attention to the issues of Hiv/aids among Southern African youth. The campaign website was also launched on this occasion. Among others, through this site young people can get in touch with the Alliance2015 partners in Southern Africa. A game has also been developed, enabling young people to send their demands for an end to Hiv/aids to policymakers.

www.virusfreegeneration.eu/nl

Coffee campaign

Hivos participates in the coffee campaign as a member of the Dutch Coffee Coalition (see Sustainable production, 6.1). The stakes are fairer prices and improved social conditions for coffee labourers. In 2006, the Dutch Coffee Coalition published research (Coffee Barometer 2006) on the percentage of certified coffee in the Dutch market. It showed that nowadays more than 25% of coffee in the Netherlands comes from certified coffee producers. As such, partly due to the work carried out by the Dutch Coffee Coalition, one in four Dutch people now drink coffee which meets social and environmental standards. In order to further increase this share, the Dutch Coffee Coalition has been actively lobbying the coffee industry. The share of quality coffee is still small over the whole European market. This is why the Dutch Coffee Coalition has been seeking closer cooperation with organisations in Germany and the UK. Sara Lee/Douwe Egberts have indicated that they want to continue to increase their share of certified coffee; within ten years they would aim to only buy coffee with a quality mark. Among the supermarkets Lidl promised in 2006 that it would buy at least 4% of Fair Trade coffee.

www.koffiecoalitie.nl

Small-scale social activities (Linkis)

Linkis is the joint virtual counter of the Dutch co-financing organisations (MFOs) in the field of international cooperation. Hivos also supports private initiatives which encourage development in the South through the Linkis programme and at the same time contribute to strengthening the basis for international cooperation. In 2006, the interest among private individuals in becoming personally involved in foreign aid increased once again.

The number of applications is growing, with 400 proposals of a generally high standard. Of that number 82 were approved. The special attention by Hivos for projects set up by migrants resulted in 20 accepted applications. Hivos-Linkis can be reached through the virtual office at hivos.org.

www.hivos.org | www.linkis.nl

Hivos distinguishes between four different funds within Linkis, the World Citizen Fund, the Diversity Fund, Ideology and International Cooperation Fund and the Experiment Fund. See below for some examples.

WOMEN'S RIGHTS ON THE AGENDA

Through the 2006 MEN campaign, Hivos drew attention to the unequal position of women in developing countries and their positive contribution to the development process. On the occasion of the Dutch parliamentary elections, Hivos launched a public campaign around a fictitious political party 'MEN'. Their anti-women statements were based on actual inequality and discrimination. On the MEN-website information was posted about organisations which stand up for women's rights and the public was encouraged to take action. Through posters in stations, radio commercials and advertisements, Hivos reached 90% of the population between the ages of 18 and 35. The campaign elicited a large number of reactions including postings on weblogs. The website was visited a million times.

Linking up to the MEN campaign, Hivos organised an international conference in Amsterdam: 'Women Unlimited – Unfinished Business', about the necessity for renewed attention to women's rights and women's emancipation in developing countries. The title refers to the power of women as bearers of development but also to the stagnation in the real improvement of their position in many areas. More than 200 people attended the conference. Preceding this event a donor conference organised by Hivos and AWID had taken place entitled 'Women's Rights – Unfinished Business: What should International NGOs be doing?'

In addition, Hivos is one of the initiators of the WO=MEN platform for gender and development. This platform, which Icco, HOM, KIT, Mama Cash and the Women's Global Network on Reproductive Rights are also part of, wants to make sure gender equality remains on the Dutch government's agenda. The network also serves to exchange information and to increase public support for gender as a development theme.

www.wo-men.nl

With funds from the World Citizen Fund, Hivos supported the Foundation Festival Drylts oer de Grins, a festival for a broad public in Friesland. The festival is particularly aimed at focusing on the globally agreed Millennium Goals. Last year this festival attracted 3,000 people who enjoyed the music, theatre, dance, cabaret, film, children's activities, workshops and a big world market.

A diverse group of the local population was involved, from primary schools to political parties and businesses. At this festival 13,000 Euros was also raised for projects to eliminate hunger.

www.festival.drylts.com

With the help of the Diversity Fund, the AfroEuro Foundation established the project Mobilizing African-European Migrant Community. AfroEuro was set up by people originally from Africa, particularly students, young people, professionals, artists and politicians. AfroEuro promotes the transfer of knowledge to small and medium-sized enterprises which form the basis of the African economy, partly by organising conferences and producing radio broadcasts. The idea is that highly educated Africans will not just donate money but will also share their expertise with local entrepreneurs and in that way help their countries of origin along the way.

www.afroeuro.org

The foundation Composite produces performances based on interaction between the human body, architecture and the movement of the costumes. The performances (in Morocco and the Netherlands) are made accessible to as many people as possible by charging low entry fees and using colloquial language. Chez moi ('at home') is a performance by Dutch and Moroccan artists which is set on the foundations of the family home of the artistic leader Said Mahrouf in the old town (medina) of Asilah.

Allcocations by Hivos to small social activities

	Number Applications	Number Approvals	%
2004	325	76	23%
2005	350	78	22%
2006	400	82	21%

LINKIS: SUPPORT FOR SMALL-SCALE SOCIAL ACTIVITIES

Linkis was established to allow support for small-scale private initiatives and debates in the field of foreign aid. The Hivos section of Linkis requires a great deal of self-reliance from the applicants, who in return can expect minimal interference on Hivos' part. Hivos' Linkis programme is fairly easily accessible and with an average of 10,000 Euros per activity it has relatively many small-scale and innovative projects. Linkis funds activities in the South as well as awareness-raising activities in the Netherlands.

By only working with female dancers women were made to feel more comfortable about attending the performance.

www.stcomposite.nl

Information and education

Humanist movement

Together with the Humanist Alliance, Hivos organised the World Humanism Day in Driebergen with the title 'Dignified Globalisation, both here and there'. The press was mainly interested in the discussion about the manifesto 'One Country, One Society', set out by seven politicians. Hans Dijkstal provided further explanation about this resistance to the inward-looking attitudes within Dutch politics and society which seem to be gaining the upper hand. Other speakers were representatives of partner organisations involved in the fight against Aids from Zimbabwe and Namibia. Visitors were also able to get information on setting up their own development project or could attend workshops about, for example, Hhumanlink, the new partnership project set up by Hivos and Humanitas (see below).

www.human.nl

HHumanlink is a joint project between Hivos and Humanitas. Starting in 2007, HHumanlink aims to involve 15,000 Humanitas volunteers in the work of Hivos partner organisations which are active in similar areas, such as the fight against Aids. In the past year, in anticipation of the start of this project, four Hivos partners visited several Humanitas projects, ranging from care of the dying to care for the homeless. Alpha Sililo of Ombetja, a Namibian organisation which provides Aids education to young people, gave Humanitas tips on how to involve Dutch young people in social problems; a good example of the kind of exchange which Hivos and Humanitas are hoping to establish with HHumanlink.
www.humanitas.nl | www.hhumanlink.org

Like last year, Kosmopolis, the Humanist International Institute for Human Rights and World Citizens, organised a Summer School on Human Development and Human Rights. The seminar was aimed at an international group of students, human rights activists and policymakers from India and Southern Africa, who looked into issues and practical experiences relating to development and human rights. Kosmopolis is a joint initiative between Hivos and the University of Humanist Studies.
www.uvh.nl

Young people

In 2006 Hivos also focused a lot of attention on young people (aged 18 to 30). Hivos' youth policy not only relates to its own organisation but also contributes to working towards an increasing acceptance among Dutch young people and the ambition to increasingly involve them in Hivos' work. One of the ways of doing this is by offering a number of young people the opportunity of visiting partner organisations. Funding has been applied for from PSO, which has expertise in the field of capacity building in developing countries. In consultation with the regional offices in India and Costa Rica partners came up with valuable suggestions.
www.pso.nl

Hivos was already supporting initiatives aimed at awareness-raising and development education among young people through partners such as Coolpolitics. This organisation once again organised successful debates at festivals which attract a lot of young people, for instance Lowlands. These debates were broadcast on the youth channel MTV which meant they

were able to reach a large and often fresh public. Hivos was also actively present at the Utrecht Festival 'De Beschaving' (the Civilisation). On that occasion a group of young people reported on their journey to the Indian partner organisation MV Foundation, which plays a central role in the Hivos campaign 'Stop Child Labour'.
www.coolpolitics.nl

Hivos started a joint venture with the Regionaal Opleidingencentrum: ROC (Regional Adult Education Centre) of Amsterdam, Gooi and Vechtstreek. Within this venture students are given the opportunity to do a placement with the Hivos partner Kefeado, a women's organisation in Kenya. Besides, ROC will be actively involved in the Hivos campaign 'Virus Free Generation' against Hiv/aids.
www.rocva.nl

Migrants and refugees

Migrants and refugees can build a bridge to their countries of origin. Many of them come from countries in the Middle East where Hivos is already or planning to get involved. At the Melkweg in Amsterdam a new version of 'The Bazaar' took place. This joint festival organised by GroenLinks, Hivos, Pax Christi and the IKV this year had as its theme 'Words are Louder Than A Bomb'. Above all, this means finding alternative ways of promoting democracy from within society itself. Some of the subjects discussed were the cartoon riots, the role of Al Jazeera, political Islam, human rights in Iran, the spiralling violence in Iraq, women and democratisation and the importance of youth culture for change and freedom within the region. These subjects all came up in debates, interviews, theatre, columns, films and Arabic hip hop music.
www.democratiseringinhetmiddenoosten.nl

IDFA

Hivos was involved in the International Documentary Festival Amsterdam (IDFA) through the Hivos-NCDO Culture Fund, the Jan Vrijman Fund and Linkis. The five unusual documentaries under the title 'New Images, Other Views', selected by the Hivos-NCDO Culture Fund, appealed to the public and ran counter to stereotypes of daily life in Latin America, Asia and Southeastern Europe. The public had the opportunity to meet the film makers in the Hivos café.
www.idfa.nl

Expression under repression

In Club 11 in Amsterdam, Hivos organised the conference 'Expression under Repression' about freedom of expression on the web, censorship and accountability. The conference was attended by over 150 people and thanks to sponsoring by Internet provider XS4ALL could also be viewed online. This conference is the continuation of the seminar which Hivos used during the World Summit on the Information Society to draw world-wide attention among the UN leaders in Tunis (2005) to freedom of expression on the web in repressive societies (see ICT and media, 8.2).

www.expressionunderrepression.org

OneWorld The Netherlands

Oneworld.nl offers news, background information and opinions on international cooperation and sustainable development. The site comprises a network of organisations (including Hivos), entrepreneurs and private individuals. They use oneworld.nl as a platform for their messages, events and job vacancies. In 2006, its vacancy section was renewed. The number of partners rose from 152 in 2005 to 191 at the end of 2006, an increase of 26 percent. Every month more than half a million OneWorld pages are revamped.

In the Dapperbuurt (the Dapper area) in Amsterdam, OneWorld has started the Wereldbuurt.nl (the World area.nl). With stories, photos, videos and opinions local residents share stories on 'globalisation close to home'. In 2007, a neighbourhood in Utrecht will set up a similar project.

OneWorld celebrated its fifth anniversary in 2006 and organised SixDegrees, a network meeting for associated organisations. Around 250 participants listened to inspiring stories on the theme of networking.

Hivos and OneWorld also, once again, organised the Fill the Gap event together with IICD (see ICT and media, 8.2).

Due to the loss of support from NCDO and with Hivos now in the position of main supporter of OneWorld, the organisation started looking for new financiers in 2006.

www.oneworld.nl

Private Fund-raising

Donations (x 1.000 Euros)	2006	2005
Private Individuals (incl. legacies)	396	425
Companies	496	519
Total Donations	892	944
Stop Aids Now!	793	1.131
Alliance2015	574	1.599
MFOs/SHO	1.405	1.621
SHO	91	3.078
Others		633
Total Institutional Funds	2.863	8.062
Total	3.755	9.006
Savings (x 1,000 Euros)		
Appropriated Interest account Triodos Bank	1.027	988
North-South Savings Account Triodos Bank	21.251	18.739
Total savings	22.278	19.727

Fund-raising

Institutional Fund-raising

A significant share of the private funds raised by Hivos comes from donations from other private organisations. In 2006, this institutional fund-raising contributed more than 2.8 million Euros to the financing of specific Hivos partners' activities. A special part of this institutional fund-raising is 'Stop Aids Now!'. Hivos is joint founder of this initiative, together with the Aids Fund, Cordaid, Icco and Oxfam Novib, which is focused on (preventative and curative) combating Aids in developing countries. Hivos received over 793,000 Euros from SAN! for the benefit of its partner organisations. By means of the MFOs/SHO another 1.5 million Euros was made available.

North-South Plan

For Hivos the cooperation with the Triodos Bank is a textbook example of public-private cooperation. By setting up a North-South Savings Account private savers make it possible to issue credit to economic activities by Hivos partners in the South.

In 2006, it became possible to use Internet banking with the North-South Savings Account. The advertising campaign was mainly aimed at the broad humanist Hivos support group and was extremely successful. The campaign drew in 470 new savers who deposited more than 2.5 million Euros. In 2006, the North-South savers made more than € 21 million available compared to € 18.7 million in 2005. The total amount of North-South securities also increased from over € 1.7 million to € 1.8 million. The purpose of securities is to cover compensation for possible losses by HTF. In 2006, it was not necessary to draw on them.

www.triodos.nl

Private donations

In 2006, Hivos received 892,000 Euros in private donations. Of this amount 496,000 Euros derived from businesses and organisations. As a part of the aid after the Tsunami Hivos received over 290,000 Euros in private donations for rehabilitation projects in the Indonesian province of Aceh. Hivos also received 395,939 Euros in donations from private donors and groups of Humanist supporters. Of this amount 85,601 Euros consisted of appropriated interest of the savers with the Triodos Bank. In total Hivos had 6,373 donors at the end of 2006.

Many donors chose Direct Giving to specific Hivos partners in the South. This involved a total of 117,075 Euros of which 10,499 Euros was earmarked for the Hivos Culture Fund

The contribution by the band 'Boh Foi Toch' from the Achterhoek region once again deserves a special mention because in 2006 they, together with Lions Club 'Haaksbergen', raised the considerable sum of 29,000 Euros for the children's rights organisation Kuleana in Tanzania. 'Samen Verder' in Eindhoven managed to raise the impressive amount of 12,000 Euros. The 'Hivos-comité Barneveld' donated 6,570 Euros to the organisation Butterfly Garden in Sri Lanka. Furthermore, volunteers from 'Abal Deventer' collected 6,500 Euros for Prodecoop in Nicaragua.

www.bohfoitoch.nl

STOP AIDS NOW!

Stop Aids Now! is an initiative by the Aids Fund, Cordaid, Icco, Hivos and Oxfam Novib, which focuses on (preventative and curative) combating Aids in developing countries.

Hivos Obligations to Southern partners: € 793,000 for 7 organisations.

Regional distribution: Africa 32%, Asia 39% and Latin America 29%.

www.stopaidsnow.nl

MBN, Partos and ZNF

Broad Co-Financing Network (MBN)

In the previous period of the Co-Financing Programme (2003-2006) MBN established the platform for consultations of Co-financing organisations (MFOs) in the area of development. Besides looking for possibilities for further cooperation, the MBN organisations were jointly responsible for programme evaluation (see chapter 10). In 2006, the MBN organisations continued working on improving the quality of their operations and their organisation. This took place within the framework of the so-called 'quality house' which was set up in 2003 by the MFOs to safeguard and improve the quality of the Co-financing programme. At the heart of this 'quality house' is the ISO-certification of each organisation and the joint programme evaluations, which have accountability and learning at their core. In addition, the participating Co-financing organisations organise one or two rounds of exchange visits every year focusing on a particular theme with the aim of learning from each other's approaches. Within the new Co-financing system (MFS) many more organisations have received funding from the government. With the setting up in 2004 of the branch organisation Partos and the institution of the MFS, MBN has lost its reason for existence. This is why the network will be absorbed into Partos in 2007.

Partos

In 2004 Partos was set up as a branch association for private organisations for international cooperation in the Netherlands. In 2006, the association has increased to 86 member organisations which are active in one or more

areas of poverty relief, humanitarian aid, human rights and sustainable development. In 2006, Partos was heavily involved in the application procedure of the Co-financing system. In the run-up to the Dutch parliamentary elections Partos presented a Letter to the 'informateur' (the person charged with forming a new government) in which it addressed a number of burning questions in the area of international cooperation. One of the other activities involved training sessions for the associated organisations. Hivos also actively participated in the working groups about lobbying and quality within Partos.

www.partos.nl

South-North Federation (ZNF)

Hivos cooperates with 13 other civil society organisations within the South-North Federation. The members work on international cooperation, fair trade, human rights, health care and international economic research. The grant application by ZNF within the MFS was not successful which means the platform will have to suspend its activities. The secretariat of the Dutch Coffee Coalition which was housed at ZNF will be moved to Hivos' premises in 2007.

9.2 Cooperation in Europe

Alliance2015

Hivos is a joint founder of Alliance2015, a network of European organisations which derives its name from the UN Millennium Goals which need to be met by 2015. Alliance2015 was founded in 2000 by Concern (Ireland), Deutsche Welthungerhilfe (DWHH, Germany), Ibis (Denmark) and Hivos. In 2002 and 2003 Cesvi (Italy) and People In Need (PIN, the Czech Republic) also joined. Between them the member organisations are active in 84 countries.

For Hivos, Alliance2015 is the most important strategic joint venture with fellow organisations in Europe. The cooperation encompasses both activities in Europe and in the South. In the South, the organisations of Alliance2015 provide humanitarian aid as well as structural support. Although the member organisations share the same (secular) basic principles and values, their strong points and strategies differ.

ALLIANCE2015

Alliance2015 is a pragmatic joint venture between Concern (Ireland), Ibis (Denmark), Deutsche Welthungerhilfe (Germany), Cesvi (Italy), People in Need (the Czech Republic) and Hivos.

Joint expenditure in 2005: € 417 million.

47% of this expenditure went to the MDGs, 43% to emergency relief and 10% was for other purposes.

Expenditure according to region: Africa 47%, Asia 31%, Latin America 10%, Europe 6% and others 6%.

Income: 54% from public funds, 46% from private funds.

www.alliance2015.org

This is why the Alliance2015 partners expressly strive to complement each other through the strength of diversity.

www.concern.ie | www.welthungerhilfe.de | www.ibis.dk | www.peopleinneed.cz | www.cesvi.org

Alliance2015 cooperation in the South.

Joint initiatives in the area of emergency relief and reconstruction have become more and more important since the 2004 Tsunami disaster. This also became clear after the earthquake which struck the Indonesian island of Java last year. All the Alliance2015 members worked together in providing emergency relief and starting up reconstruction. Local NGOs and administrators were trained in dealing with emergency situations and resources were provided for managing the consequences of the earthquake. Furthermore, projects were initiated for the restoration of livelihoods with a special focus on women. In total, the Alliance members jointly carried out 54 larger-scale projects.

Alliance2015 MDG Watch Rapport

Last year in its series of annual reports detailing the contribution of the European Union to the Millennium Development Goals (MDGs) Alliance2015 highlighted the theme of education. The report 'The EU's Contribution to the MDGs: Special Focus Education' was presented during a well-attended press conference in Brussels. In his role as Alliance Chairman Jaap Dijkstra elaborated on the most important findings in the report.

In the implementation of MDG 2, the millennium goal for education, the EU is proving to be lagging far behind other donors with financial commitments to the improvement of the education sector in the developing countries. The EU is claiming that the countries with which it has signed agreements on this matter determine their own policy, leaving 'Brussels' little room to manoeuvre. Alliance2015 however is of the opinion that Europe could do far more about for example the Fast Track Initiative for universal access to primary education. This involves access by developing countries to resources to achieve this Millennium Goal more quickly through effective policy.

'Stop Child Labour- School is the best place to work' Campaign

The 'Stop Child Labour- School is the best place to work' campaign which was started in 2003 is Alliance2015's first extensive joint lobbying and education project. (see Human rights, 7.1)

www.schoolisthebestplacetowork.org

'Virus Free Generation' Campaign

'Virus Free Generation', which started out as 'Act Now or Pay Later', is an awareness-raising and lobbying campaign in the area of Hiv and Aids by four Alliance2015 members coordinated by Hivos. The renaming of the campaign emphasises the fact that young people are the most important target group.

The campaign focuses on universal prevention and access to medicines. More than six million people in developing countries urgently need Aids inhibitors while only one million of them are being reached. Increasing awareness in the North should contribute to the combating of stigma, more awareness for young people, prevention through the use of condoms and greater access to medicines in the South. The campaign

contributes to achieving the sixth UN Millennium Goal which involves halting and driving back the spread of Hiv/aids by 2015.

The kick-off for the campaign was a multimedia show and a creative prize draw. The winner in each of the categories was invited to join the Czech Alliance partner PIN at the international film festival One World in Prague. There the Dutch young people took on the winners from Italy, Germany and the Czech Republic. The website for the campaign was also launched which offers those young people many opportunities to communicate with the Alliance2015 partners in Southern Africa. In the South, the 'Virus Free Generation' focuses on young people in Namibia, Malawi, South Africa and Zimbabwe. Further, a game has also been developed in which young people can send their demands for the halt of Hiv/aids to policymakers. Another part of the campaign is lobbying to guarantee continued interest and financial contributions by the European Union for the fight against Aids. Last year the budget for Hiv/aids on the EU forecast budget for foreign aid was in danger of being halved. Together with 'Stop Aids Now', Hivos and the other organisations made it clear to the committee and the parliament that this was not an option. For the moment this has led to the concession to maintain the budget for the fight against Aids, but the discussion on this matter is not yet over.

www.virusfreegeneration.eu

Eurostep

Eurostep is a network of European development organisations with a secular background. Hivos, Oxfam Novib, SNV and NiZA are the Dutch member organisations. Eurostep mainly focuses on the quality of aid provided by the European Union in relation to the Millennium Development Goals and the EU agreements with the ACP countries (Africa, the Caribbean and the Pacific) and the ALA countries (Asia and Latin America). Eurostep particularly argues for a larger role for civil society organisations in the implementation of these agreements. Through the Southern networks SAAPE and ALOP, Hivos has actively committed itself to involving organisations in the South in this policy dialogue.

Eurostep carried out successful lobbying to get its own European Commissioner for foreign aid and for a clear focus on poverty and the MDGs in European policy. In 2006, the completion of a new instrument

for international cooperation was the central focus, the Development Co-operation Instrument (DCI). Through effective lobbying Eurostep has managed to ensure that the DCI contains sufficient measures for combating poverty. This includes the international criteria for combating poverty (according to the Development Assistance Committee of the OESO), the Millennium Development Goals – with a strong emphasis on women's roles and the role of NGOs – and sufficient resources for education and health care. Eurostep is striving for a greater involvement on the part of private development organisations from the new member states of the EU. During the AGM many NGOs from these countries were represented.

www.eurostep.org

SAAPE and ALOP

The South Asian Alliance for Poverty Eradication (SAAPE) is a network of NGOs, trade unions and scientists from Southern Asia. In 2006, SAAPE carried out an analysis of the budget of the EU Commission for Asia and expenditure on social provisions within it. SAAPE also investigated the involvement of the civil society in the realisation of EU development policy and drew attention to the human rights situation in Nepal.

www.saape.org.np

The network ALOP (Asociación Latinoamericana de Organizaciones de Promoción) aims to make a connection between civil society in Latin America and EU policymakers. The organisation carefully monitors the European Commission and the European Parliament's agenda for development and trade.

www.alop.or.cr

Other networks

Concord/ NGO EU Network

In 2006, Hivos was a committee member of the NGO EU Network, in which approximately 40 Dutch development organisations participate. The network is the Dutch branch of the Confederation for Co-operation of Relief and Development NGOs (Concord), which represents 1600 development organisations from all over Europe in discussions with the

European institutions. Hivos also actively participates in Concord's working groups. In 2006, the NGO EU network was mainly involved in the theme of the quality and quantity of aid. In addition, the network also organised training sessions to support smaller members in the application for project support from Brussels. As from 31 December 2006 the network has been merged with Partos as the working group on European Affairs.

www.partos.nl | www.europaindewereld.nl | www.concordeurope.org

Eurodad

Hivos is a member (and until September 2006 a board member) of the European Network on Debt and Development (Eurodad). Fifty development organisations take part in this European network, including ten in the Netherlands. Eurodad is involved in financing for development in the broad sense. Both the provision of aid and debt relief are themes for analysis and lobbying. In 2006, Hivos was in charge of the coordination for the Netherlands of a Eurodad/Concord report about 'polluted' ODA figures by European member states and the European Commission.

www.eurodad.org

CIFCA

Hivos is a member of the Copenhagen Initiative for Central America (CIFCA), a European network of over 30 organisations working for human rights and sustainable development in Central America. Running in parallel with the meeting of the official leaders about cooperation between the European Union and the countries in Latin America in Vienna, CIFCA organised a shadow conference about open-door policy treaties. During 2006 Hivos resigned from the Board.

www.cifca.org

10 MONITORING, EVALUATION AND INSPECTION

Result measuring

When Hivos made improvements to its system for measuring results a number of years ago, it was clear that in the long term the system would only be tenable if partners were actively involved in its execution and interpretation. Therefore the starting point is that, in dialogue with Hivos, the partners themselves formulate their goals, results and indicators. In spite of the complexity of this subject and the amount of time involved in the discussion about results and indicators, the partners on the whole very much appreciate the fact that Hivos gives them the space to take into consideration their local circumstances, needs and possibilities. Now, details of the results which the partner is expecting to achieve and how these will be measured are set out in all new contracts. As the first reports using the new system are starting to come in, the next step is to check what can be learned from the achieved results and the way in which these have been attained.

Capacity building among partner organisations

Although partners are able, to a great extent, to tailor their result measuring system to their own situation, it remains complicated for many organisations. This is very much due to the nature of the activities: social transformation processes are difficult to capture in quantifiable units. In addition, result-oriented working often demands a different set-up of the partner organisation's monitoring and evaluation systems. This is why many of the partner organisations need support in this area. For this reason Hivos regularly organises training sessions for groups of partners or funds specific requests from partners to improve their monitoring and evaluation systems. Increasingly, partners active in the same type of

sector are brought together for training sessions to create greater opportunities for more in-depth training. In 2006 training took place in Southern Africa, Central America and Indonesia.

Programme evaluations

In the period 2003-2006 Hivos organised a number of programme evaluations. Some were jointly carried out with other MFOs in the framework of the so-called 'quality house'. These evaluations provide an assessment of the effectiveness of the MFOs' policies, based on the results they and their partner organisations achieved in certain sectors or regions. Programme evaluations usually cover a 5 to 10-year period. All the evaluations are carried out by external evaluators. The quality of the studies is judged by an external reference group of reputable researchers and scientists. In addition, the Inspection of Foreign Aid and Policy Evaluation (IOB) of the Ministry of Foreign Affairs assesses the quality of the research.

In 2006, the IOB published a critical report on the methodological quality of the programme evaluations. Although the programme evaluations were judged positively on two thirds of the points investigated, the 'unsatisfactory' marks were so considerable that criticism dominated. The report came to the conclusion that the MFOs are not sufficiently successful at explaining the intervention logics and that there is insufficient distinction made according to the level of results. Hivos is taking the criticism to heart and will try – together with the former MBN organisations – to make improvements in this area.

The IOB itself instigated two programme evaluations in 2006, which had not yet been completed by the end of the year.

MBN programme evaluations

In 2006, the MBN organisations did their utmost to round off the joint programme evaluations before the final date for MFS applications in order to make incorporation of the conclusions of the evaluations possible. This is the reason why no new programme evaluations were started last year and only the Hiv/aids evaluation was completed. Hivos partners Cordaid, Plan, Icco and Oxfam Novib were involved in this study in South Africa, Malawi, Zimbabwe and India. The researchers concluded that as a result of the work by the partner organisations the target group is indeed more aware of what is fact and what is fiction in terms of Hiv/aids and what is needed for real protection. Hivos received special recognition for its pioneering role in the field of combating Aids and for the effective specialisation within its organisation. This has strengthened the effectiveness of the Hivos partners in their lobbying for access to care and medicines in their fight against discrimination against people with Aids and sexual minorities. Less satisfactory was the fact that the attention given to the role and position of women in the fight against Hiv/aids still does not translate sufficiently into results. Through in its role as chairman of the 'Gender' working party within 'Stop Aids Now!' Hivos will be among those contributing to a policy with a greater emphasis on linking it with the empowerment of women.

Hivos programme evaluations

In 2006, Hivos organised a programme evaluation of its own concerning policy in the area of sexual minorities Lesbians, Gays, Bisexuals & Transgenders (LGBT). Unfortunately the implementation encountered a considerable delay which means that the final report will not be available for presentation until 2007.

Inspections and financial accountability

In addition to a report with respect to content, Hivos also requires a sound financial report (checked by an external auditor) from its partners. Only partners with a non-recurring, short-term contract or those receiving a contribution from Hivos amounting to less than 25,000 Euros do not have to submit an auditor's report. The annual accounts must provide insight

into the financial situation of the entire organisation and must not be limited to its contribution from Hivos. This not only gives Hivos insight into the legitimacy of the expenditure, but also into the quality of the partners' financial management. Among other things, Hivos assesses the sensibleness of the financial reserves, the extent to which expenditure is in line with the forecast and whether partners are deriving sufficient income from other sources.

Furthermore, Hivos itself also carries out checks - financial inspections –on its partners. Sometimes this takes place on the basis of suspicions of fraud, but usually because the quality of the financial-administrative management by the partner could do with some support. In 2006, seven inspections were carried out, in Southern Africa and India. Unfortunately, in some of those cases, this was necessitated by cases of fraud. Among both the partners in India and the partners in Africa this was entirely due to the lack of internal control: the director or financial manager was able to do what he wanted relatively unhindered. In India, the contract with the partner in question was terminated and it has paid Hivos back. In Zambia and Zimbabwe the financial managers were dismissed and the partner organisations have taken decisive measure to avoid a repeat situation.

Two Hivos Regional Offices are also inspected annually. Both the offices in Costa Rica and Zimbabwe received a positive evaluation. The Zimbabwe office received particular praise for its response to the problems which partners experience due to massive inflation and parallel rates of exchange.

11 INTERNAL ORGANISATION

Administrative and advisory bodies

The current administrative organisation of Hivos has been in operation since 1997. In a legal sense, the Board of Directors manages the foundation and consists of the General Director, the Director of Programmes and Projects and the Director of External Relations. In 2006, joint remuneration amounted to € 269,094 gross, including pension and employer's costs. More details about the members of the board can be found in appendix 2. The Supervisory Board (see chapter 2) supervises the actions of the Board of Directors and the functioning of Hivos as an organisation. A Board of (individual) Advisors, consisting of expert committees in the area of Hivos sectors, fulfills the social advisory role. In addition, Hivos seeks advice from and consults with the main stakeholders with regard to its activities. The partner consultations in the South and deliberation with (strategic) partners in the Netherlands and Europe are the main channels for this.

Operational organisation

Hivos consists of four departments which implement programmes: Sustainable Economic Development; Democratisation, Rights, Aids and Gender; Culture, ICT and Media; and External Relations. The latter department is responsible for communication, European lobbying and networks as well as fund-raising and marketing in the Netherlands. Supervision of the appropriate project money allocation, the operation and use of the project administration and the administrative organisation as a whole are the responsibility of the Department of Audit, Evaluation and Control. This department also develops and safeguards monitoring and evaluation policy (see chapter 10). The Office for Donor Relations (ODR) is responsible for the improvement

of access to (private) institutional funds. The ODR supports sector teams and regional offices in their fund-raising efforts and coordinates fund-raising outside the Co-Financing System in the Netherlands. Hivos currently has four regional offices which are responsible for the implementation of programmes in respectively Southern Africa, Central America, India and Indonesia/Timor-Leste. In 2006, Hivos started working out plans to set up regional representation in East Africa.

Day-to-day management of Hivos is the responsibility of the Statutory Board of Directors. Management further consists of the four heads of the programme departments and the head of the department of Audit, Evaluation and Control. The four directors of the regional offices are also part of management –albeit at a distance.

Quality marks

The positive assessment of Hivos' application for the Co-Financing system by the Bikker Commission can be looked upon as the ultimate proof of quality within the field of private foreign aid. In addition, Hivos has several quality marks to its name. In 2006, the organisation as a whole was again awarded the ISO quality mark for a three-year period. Also the CBF quality mark was awarded again for a five-year period by the Centraal Bureau Fondsenwerving (CBF: Central Bureau for Fund-raising). In 2005, Hivos took on the Wijffels Code from the Commissie Code Goed Bestuur voor Goede Doelen (Commission Good Governance for Good Causes). This code for non-profit institutions aims to improve management methods and to make them more transparent for their stakeholders (including the Dutch public). In this context 'good governance' particularly refers to efficient and transparent spending of resources received through private

donations. Hivos' accountability according to the regulations of important donors like the Dutch government and the European Commission also contribute to this.

www.cbf.nl | www.vfi.nl

Staff

In 2006 Hivos employed a total of 160 staff members (2005: 156), 101 of whom work at head office (2005: 99) and 59 (2005: 57) at the regional offices. Staff numbers came out at 139.5 fte (2005: 131.5 fte). The staff based at the regional offices –with the exception of the expatriate directors –is employed subject to local employment conditions and are local people. In total almost 40 percent of staff is not Dutch by birth.

The female/male ratio among Hivos staff at the head office was 60/40. In respect of management positions, the share of women came to 50 percent (including the directors at the regional offices). In 2006, absenteeism stood at 3.5 percent which is an improvement on 2005 (4.7%).

In the course of the year a total of 21 young people (under the age of 35) were employed by Hivos, seven of whom were employed as Junior Programme Officers.

In 2005, the position of Programme Manager (PM) was created as part of the reorganisation. Last year the PMs, responsible for the seven sectors within Hivos, followed management courses. The department heads also followed courses for management of professionals. A number of members of staff also took part in a presentation course.

Head Office has an Employee Council (OR) under Dutch law. The regional offices all have their own employee councils. In 2006, the OR met 18 times, eight times with the Board of Directors and once with the Supervisory Board. Much attention was spent on the rounding off of the reorganisation of 2005. A consultation also took place with the staff during the OR elections. The OR publishes its own annual report.

Corporate social responsibility

Hivos aims to apply the principles it works within its sphere of action in its own organisation too. This is why there have been organic and Fair Trade products in our canteen for many years now. Coffee and tea are also purchased on a fair trade basis. Used paper is recycled. Photocopying and printing is regularly done on recycled paper. The office is cleaned using biodegradable cleaning products. In 2006, Hivos decided in principle to become totally climate neutral by 2007. This will take place in consultation with other large Co-financing organisations. This policy will first be phased in at head office. The regional offices will follow on a later date. Financial compensation will be made for the CO₂ emissions caused by flying and Hivos will be changing over to green electricity.

ANNUAL ACCOUNTS 2006

- 12.1 Financial Board Report
- 12.2 Balance sheet as at 31 December 2006
- 12.3 Statement of Income and Expenditure 2006
- 12.4 Cash Flow Statement 2006 according to the indirect method
- 12.5 General Explanatory Notes
- 12.6 Explanatory Notes on the Balance Sheet
- 12.7 Overview of the Programme Funds 2006
- 12.8 Further details on the other Programme Funds 2006
- 12.9 Explanatory Notes on the Income and Expenditure Account 2006

12.1 Financial Board Report

From a financial point of view Hivos has had a good year. The effect of the one-off Tsunami income in 2005 was exhausted in 2006, which caused the total of liquid assets to be lower than it had been in the previous year. On the asset side we see a varied picture. The private resources within the framework of (joint) campaigns such as SHO, Stop Aids Now! and Alliance2015 partners fell short of expectations, the assets from Hivos' own fund-raising remained stable. So in total € 3.8 million was realised in assets from fund-raising (2005: € 9.0 million).

In the framework of the new grant conditions (self generated income of 25% other than support from the Ministry of Foreign Affairs/Development Cooperation) Hivos has made extra efforts to attract funding from international donors. These efforts have led to a considerable number of new approvals, in particular by the EU and the Global Fund to Fight AIDS, Tuberculosis and Malaria. A rise can be expected once again in this category in the years to come, bearing in mind the volume of applications made to external donors.

It was also good news that the savings attracted via the Hivos and Triodos North-South Plan continued to grow, from € 18.7 million in 2005 to € 21.3 million in the past year.

In 2006, a total of € 89.2 million became available for Hivos objectives. The expenditures resulted into € 88.5 million.

In accordance with the Hivos objectives, all expenditures relate to the support of (activities by) Hivos partners, organising campaigns to influence policy and inform supporters and the public about poverty alleviation. These activities take place within eight sectoral programmes, clustered within the following departments: Sustainable Economic Development, Democratisation, Rights, Aids and Gender, Culture, ICT and Media; and Development Education and Campaigns.

Direct programme-related expenditure for 812 partners amounted to € 80.4 million, which is 91% of the total expenditure. The remaining 9% related to the costs for advice and support for the partners and programme management costs (not including fund-raising costs).

In 2006, operations achieved a positive result before reserves appropriation of € 0.7 million. On balance € 0.5 million of these reserves were added to the appropriated reserves. Following allocation, the positive result was € 212.000.

Following allocation to the appropriated reserves, discretionary capital rose to € 7.0 million. This is approximately equal to 85% of the annual burden of Hivos' operating expenses.

The positive operating result has been added to the general reserves, which after years of running on a deficit, was in a modest positive position at the end of 2006.

Hivos pursues a conservative policy where investments are concerned. Its own business premises are the only risk-bearing investments: risk-bearing share investments are not retained. Hivos deposits its (temporary) excess cash balance in special interest accounts.

In conclusion, the Board of Directors find that the financial results were satisfactory. Future prospects are encouraging, a future in which Hivos wishes to continue dedicating itself to a free and just world.

The Hague, April 2007

M. Monteiro, *General Director*

A. v.d. Ham, *Director of Programmes and Projects*

J. Dijkstra, *Director of External Relations (until 1 March 2007)*

12.2 Balance sheet as at 31 december 2006 amounts in thousands of Euros

ASSETS	31-12-2006		31-12-2005*	
Tangible fixed assets				
Fixed assets/buildings for business operations	530		532	
Fixed assets/furniture, fixtures and equipment for business operations	374		469	
Fixed assets/buildings for programme management	59		61	
		963		1.062
Long-term investments				
Reserved cash	21.254		17.665	
Participations / subordinated Loans	0		0	
		21.254		17.665
Receivables grants				
<i>Long-term</i>				
Government, co-financing	22.637		20.559	
EU funds	3.579		3.312	
Re-investment fund	666		-	
Other funds	2.407		4.698	
		29.289		28.569
<i>Short-term</i>				
Government, co-financing	20.079		38.213	
EU funds	3.623		2.687	
Re-investment fund	2.619		734	
Other funds	3.079		798	
		29.400		42.432
		58.689		71.001
Other receivables				
R/C reserved cash	3.125		5.623	
Accrued assets	1.095		1.546	
		4.220		7.169
Liquid assets				
Cash at bank and in hand	19.539		-292	
		19.539		-292
		104.665		96.605

12.2 Balance sheet as at 31 december 2006 amounts in thousands of Euros

LIABILITIES	31-12-2006		31-12-2005*	
Equity capital				
<i>Discretionary capital</i>				
General reserves	363		52	
Appropriated reserves business operations	471		562	
Appropriated reserves programme management	6.145		5.896	
		6.979		6.510
<i>Fixed capital</i>				
Asset fund for programme management	59		61	
Asset fund for business operations	904		1.001	
Appropriated reserve for programme funds	314		0	
		1.277		1.062
		8.256		7.572
Medium-term Liabilities				
General loan fund o/g	89		87	
Participation in North-South Plan	752		736	
Guarantees (issued)	23.616		19.995	
		24.457		20.818
Project Commitments to partner organisations				
<i>Long-term</i>				
Government, co-financing	20.668		20.559	
EU projects	3.343		3.312	
Re-investment projects	666		0	
Other projects	2.320		5.624	
		26.997		29.495
<i>Short-term</i>				
Government, co-financing	34.335		32.710	
EU projects	3.437		1.515	
Re-investment projects	0		238	
Other projects	5.551		2.006	
		43.323		36.469
		70.320		65.964
Short-term Liabilities				
Current account for regional offices	4		57	
Accrued liabilities	1.628		2.194	
		1.632		2.251
		104.665		96.605

12.3 Statement of income and expenditures 2006 *amounts in thousands of Euros*

INCOME	2006	2005*	Budget 2006*	Budget 2007
Income from own fund-raising				
- in respect of gifts and donations	887	922	700	1.225
- estates	5	22	50	25
A	892	944	750	1.250
Costs of own fund-raising				
- direct acquisition costs	81	48	125	150
- operating costs own organisation	70	61	62	75
	151	109	187	225
<i>Own fund-raising: costs in percentage of income</i>	<i>16,9%</i>	<i>11,5%</i>	<i>24,9%</i>	<i>18,0%</i>
Net Income from own fund-raising	741	835	563	1.025
Share in joint campaigns	B 1.554	5.829	} 8.300	1.000
Share in third-party campaigns	C 1.309	2.233		1.500
Available from fund-raising	3.604	8.897	8.863	3.525
<i>Sub total income from fund-raising (= A+B+C)</i>	<i>3.755</i>	<i>9.006</i>	<i>9.050</i>	<i>3.750</i>
Grants from governments and others				
Government, co-financing	68.244	71.490	68.774	67.500
EU funds	5.201	3.803	5.400	} 20.135
Other grants	5.081	4.085	3.793	
Total grants governments and others	D 78.526	79.378	77.967	87.635
Assets released for re-spending	E 6.112	7.068	3.600	5.000
<i>Sub total programme income (= A+B+C+D+E)</i>	<i>88.393</i>	<i>95.452</i>	<i>90.617</i>	<i>96.385</i>
Other income	911	730	750	850
Total available for objective	89.153	96.073	91.180	97.010

12.3 Statement of income and expenditures 2006 *amounts in thousands of Euros*

EXPENDITURE	2006	2005*	Budget 2006*	Budget 2007
Public Information				
- direct public information costs	295	338	375	375
- operational costs for own organisation	133	165	195	200
	428	503	570	575
Programmes (new commitments)				
Sustainable production	17.557			
Financial services	17.473			
<i>Sub total</i>	<i>35.030</i>	<i>47.352</i>	<i>38.664</i>	<i>38.783</i>
Human rights and democratisation	15.458			
Gender, women and development	8.209			
Hiv/aids	9.231			
<i>Sub total</i>	<i>32.898</i>	<i>30.109</i>	<i>29.338</i>	<i>30.711</i>
Arts and culture	4.260			
ICT and media	3.509			
<i>Sub total</i>	<i>7.769</i>	<i>8.490</i>	<i>10.268</i>	<i>13.854</i>
Building up support and Influencing policy	4.669	1.575	4.257	5.006
Programmes (new commitments)	80.366	87.526	82.527	88.353
<i>In percentages of total expenditure</i>	<i>90,8%</i>	<i>92,3%</i>	<i>91,0%</i>	<i>91,4%</i>
Programme management (operational costs)	7.676	6.823	7.546	7.698
Total spent on objective	88.470	94.852	90.643	96.626
Result before reserve appropriation	683	1.221	537	384
Added to/withdrawn from:				
- Appropriated reserve programme management	-248	-782	-503	-257
- Appropriated reserves programme funds	-314			
- Appropriated reserves business operations	91	-177	94	
	-471	-959	-409	-257
Result after result appropriation	212	262	128	127

12.4 Cash Flow Statement 2006 according to the indirect method *amounts in thousands of Euros*

	2006		2005	
Cash flow from operational activities				
Result before reservations	684		1.221	
Adjustment addition to appropriated reserves programme management			12	
Depreciations	235		208	
Net change in receivables: grants	11.901		-9.955	
Net change in other receivables	2.949		-3.577	
Net change in provisions				
Net change in medium-term liabilities	3.639		4.999	
Net change in project commitments	4.356		12.390	
Net change in short-term liabilities	-231		-2.712	
Cash flow from operational activities		23.533		2.586
Cash flow from investment activities				
Investments tangible fixed assets	-136		-210	
Investments long-term assets	-3.589		-89	
Cash flow from investment activities		-3.725		-299
Cash flow from financing activities				
Income from long-term liabilities	0		0	
Redemption of long-term liabilities	0		0	
Cash flow from financing activities		0		0
Net change in liquid assets		19.808		2.287
Summary				
Liquid assets at end of financial year	19.516		-292	
Liquid assets at start of financial year	-292		-2.579	
Net change in liquid assets		19.808		2.287

12.5 General Explanatory Notes

These annual accounts relate to the Hivos Foundation in The Hague. The annual accounts were prepared in accordance with the Fund-raising Institutions Accounting Guidelines and with due observance of the Financial Regulations MFP of the Ministry of Foreign Affairs/Development Cooperation.

The annual accounts were prepared after allocation of the result in accordance with profit appropriation. All amounts in the explanatory notes are in Euros, unless stated otherwise.

The accounting principles have not changed compared to the previous financial year.

1. Objective of the Hivos Foundation and the nature of its business operations

The Foundation's statutory objective is to provide assistance in the broadest sense to developing countries on a humanitarian basis.

2. Accounting principles for the valuation and presentation of assets and liabilities

Projects that have been approved during the year under review are accounted for as expenditure. The corresponding grants are accounted for as income, including the operating expenses allowance (formerly AKV), on the basis of approved project amounts. Also included under the heading 'programme management' we have included advising and supporting partner organisations. Programme management not yet realised is included in the Programme Management Appropriated Reserves. The amount which has become available from fund-raising resources but has not yet been spent is included in the Appropriated Reserves Programme Funds.

Tangible fixed assets are valued at actual cost, less the straight-line depreciation, based on economic life.

Long-term investments Reserved cash relates to cash that guarantees commitments in accordance with the guidelines of the Ministry of Foreign Affairs/Foreign Aid in respect of loans and guarantees.

Equity participations are valued at 1 Euro.

Receivables grants relate to the receivables from governments and other authorities, arising from commitments entered into by the Foundation within the framework of its programme in accordance with agreements to that effect. This includes the corresponding operating expenses allowance.

Other receivables and liquid assets are, insofar not stated otherwise, included in Euros at nominal value. Assets in foreign currency are converted at the latest exchange rates as at the balance sheet date. Any exchange rate differences have been incorporated in the income and expenditure account.

Provisions are created for commitments and risks relating to business operations. They do not relate to specific assets.

Liabilities are, insofar not stated otherwise, included in Euros at nominal value. Liabilities in foreign currency are converted at the latest exchange rates as at the balance sheet date. Any exchange rate differences are incorporated in the income and expenditure account.

Project commitments relate to all commitments undertaken by the Foundation in the context of finance agreements concluded with partner organisations.

3. Accounting principles for the determination and presentation of results

Income and expenditure are accounted for in the year to which they relate.

Estates are accounted for in the year in which their value can be reliably ascertained.

Subsidy revenues, including the operating expenses allowance, are accounted for in the year in which the claim becomes definite.

Altered subsidy amounts are deducted from the subsidy revenues in the year in which the right to subsidy expires.

New project expenditure is accounted for in the year in which the commitment becomes definite.

All expenditure, with the exception of extraordinary expenses, are allocated to the various activities in accordance with commercial criteria as follows:

- *The direct costs* of organisational changes, fund-raising, and of information, training and lobbying are allocated in full.
- *Management and operational* costs of the own organisation are allocated in proportion to staff deployment for programme support, programme management and education.

12.6 Explanatory Notes to the Balance Sheet *amounts in thousands of Euros*

ASSETS

Tangible fixed assets

The accumulated actual costs and depreciation of the fixed assets as at 31 December are:

	ACTUAL COSTS		DEPRECIATION		BOOK VALUES	
	Up to 2006	Up to 2005	Up to 2006	Up to 2005	31-12-2006	31-12-2005
Business operations: 1) Buildings (10 - 50 years)	894	859	364	327	530	532
2) Furniture, fixtures and equipment (3 - 10 years)	2.288	2.188	1.914	1.718	374	469
Objective: 3) Buildings Harare (50 years)	106	106	47	45	59	61
	3.288	3.153	2.325	2.090	963	1.062
Total movements		2006	2005			
Book value as at 1 January		1.062	1.060			
Investments:						
- Renovation	35					
- Furniture, fixtures and equipment	101					
		136	210			
		1.198	1.270			
Depreciation		-235	-208			
Book value as at 31 december		963	1.062			

- ad. 1) The office buildings with land and garden in The Hague at Raamweg nos. 15 and 16, recorded in the Land Register as the Municipality of The Hague, section X, number 472, measuring 5 ares and 55 centiares, were purchased in 1987 for € 635.292.
For the period 2005-2006 its value for the purposes of the Valuation of Immovable Property Act amounts to € 1.800.000. In 2007 € 1.475.000.
- ad. 3) The office building in Harare, stand 2956 Salisbury Township, measuring 2855 centiares, was acquired at the end of 1994 for € 76.245. Upon the sale of this office, the book profit shall accrue to the programme in Southern Africa. Losses will be chargeable to the Foundation

12.6 Explanatory Notes to the Balance Sheet *amounts in thousands of Euros*

Long-term Investments

	2006	2005
Reserved cash		
North-South Plan accounts Hivos	857	754
Cash discretionary capital co-financing ¹⁾	23.522	22.535
Total reserved cash	24.379	23.289
To be balanced as at 31 December	-3.125	-5.624
	21.254	17.665

These assets guarantee the portfolio of the Hivos-Triodos Fund, the Fair Share Fund and the Solar Investment Fund.

- 1) Based on the guidelines set out by the Ministry of Foreign Affairs/Development cooperation, a cash security of 100% is maintained in respect of these risks.

Participations / subordinated loans

0 0

This concerns equity investments from the Hivos Triodos Fonds (HTF) in local credit institutions in the South at € 7.289.378 of which € 6.846.496 is by means of a subordinated loan to the HTF and € 442.882 in Federation of Thrift and Credit Cooperative Societies (FTCCS) in Sri Lanka. They have been valued at € 1.

12.6 Explanatory Notes to the Balance Sheet *amounts in thousands of Euros*

LIABILITIES

Equity capital

Discretionary capital

This capital guarantees the continuity of business operations in the short to medium term.

	General reserve	Appropriated reserve business operations	appropriation reserve programme management ¹⁾	total available
Balance as at 1 January 2006	52	562	5.896	6.510
Allocations	311 ²⁾	25	6.589 ³⁾	6.925
Withdrawals		116	6.340 ⁴⁾	6.456
Total net movement	311	-91	249	469
Balance as at 31 December 2006	363	471	6.145	6.979

1) Programme management (formerly akv) = including support of partners 99

2) Net movement in fund assets objective plus assets business operations in fixed assets 212

Result 2006 after appropriation 311

Total added to general reserves

3) Approved programme management (related to commitments)

4) Realised programme management (related to cash expenditure)

Appropriated reserves business operations

	2006	Allocations chargeable to result	withdrawal credited to result	2005
Programme management co-financing overspending 2005	61	0	116	177
External mobility	100	0	0	100
Representation in the field	94	0	0	94
Maintenance of buildings	100	25	0	75
Reorganisation	50	0	0	50
Automation	40	0	0	40
Training	26	0	0	26
Balance as at 31 December	471	25	116	562

12.6 Explanatory Notes to the Balance Sheet *amounts in thousands of Euros*

Fixed capital

	Fund assets objective	Fund assets business operations	Appropriation reserve progr. fund	Total frozen
Balance as at 1 January 2006	61	1.001	0	1.062
Allocation	0	136	314 ¹⁾	450
Withdrawal	2	233		235
Total net movement:	-2	-97	314	215
Balance as at 31 December 2006	59	904	314	1.277

1) *Programme fund own fund-raising*

Assets 2006 from own fund-raising	892	
Programme obligations 2006 including programme management	-698	
		194

Programme fund Stop Aids Now!

Assets 2006: subsequent calculation of partner contribution 2005	343	
Assets 2006: expected partner contribution 2006	450	
Programme commitments 2006 including programme management	-673	
		120
		314

TOTAL EQUITY CAPITAL	equity capital
Balance as at 1 January 2006	7.572
Net movement discretionary capital	469
Net movement fixed capital	215
Total net movement	684
Balance as at 31 December 2006	8.256

OTHER DETAILS

Pension Expenses The Hivos Foundation is a member of the PGGM Pension Fund. This pension arrangement can be classified as a contributory pension arrangement. On the grounds of Paragraph 310 of RJ 271 this arrangement may be accounted for as a promised contribution arrangement which means that it is sufficient to mention the pension commitment in the profit-and-loss account.

12.7 Overview of the programme funds 2006 *amounts in thousands of Euros*

Programme funds: development receivables grants	Total funds	Co- financing	European Union	Others funds	Renewed
Receivables grants					
Balance as at 1 January 2006	71.001	58.772	5.999	5.496	734
<i>Project commitments 2006</i>	80.366	61.188	4.858	8.207	6.112
<i>Progr. management (incl.support)</i>	7.713	7.056	342	314	0
Added: receivables grants 2006	88.079	68.244	5.201	8.522	6.112
Withdrawn: grants received 2006	100.390	84.300 ¹⁾	3.998	8.532	3.561
Balance as of 31 December 2006	58.689	42.716	7.202	5.486	3.285

1) Co-Financing grant received in 2006:

Grant order 2006	67.425
Grant advance first quarter kwartaal 2007	16.875
	84.300

Programme funds: development of project commitments by third parties	Total funds	Co- financing	European Union	Others funds	Renewed
Project commitments					
Balance as at 1 January 2006	65.964	53.034	4.827	7.865	238
Added: project commitments 2006	80.366	61.188	4.858	8.207	6.112
Withdrawn: project transfers 2006	76.010	59.219	2.905	8.201	5.684
Balance as at 31 December 2006	70.320	55.004	6.780	7.871	666

12.8 Further details on the other Programme Funds 2006 *amounts in thousands of Euros*

In the overview below a number of specific programme funds from the joint post 'other funds' are itemised in more detail. The closer specification includes the following funds:

SHO Tsunami

SHO earthquake Java

NCDO-share: Hivos-NCDO Culture Fund

Oxfam Novib: post Tsunami rehabilitation for the sustainability of fisheries (SRT-501178-0006126)

Min. of Foreign Affairs: Biodiversity Fund (article 10471/DMW 0050523)

Programme Funds: development receivables grants	Other funds	SHO Tsunami	SHO Java	NCDO	Oxfam Novib	BDF	remaining other
Receivables grants							
Balance as at 1 January 2006	5.496	78	0	75	-370	766	4.947
<i>Project commitments 2006</i>	8.207	0	81	480	638	1.872	5.136
<i>Progr. management (incl.Support)</i>	314	0	5	38	32	168	71
Added: receivables grants 2006	8.522	0	86	518	670	2.040	5.208
Withdrawn: grants received 2006	8.532	0	86	559	160	2.503	5.224
Balance as at 31 December 2006	5.486	78¹⁾	0	34	140	303	4.931

Programme Funds: development of project commitments	Other funds	SHO Tsunami	SHO Java	NCDO	Oxfam Novib	BDF	remaining other
Project commitments							
Balance as at 1 January 2006	7.865	969	0	106	300	1.645	4.845
Added: project commitments 2006	8.207	0	81	480	638	1.872	5.136
Withdrawn: project transfers 2006	8.201	596	81	540	638	1.539	4.807
Balance as at 31 December 2006	7.871	373	0	46	300	1.978	5.174

1) At Hivos' costs and risk an overcommitment has been set up on the SHO Tsunami money. At the definite final payment of the SHO Tsunami money any possible overpayment will be charged to the Hivos programme fund.

12.9 Explanatory Notes on the Income and Expenditure Account 2006 *amounts in thousands of Euros*

Overview of the allocation of operating costs of own organisation/programme management

The overview below shows the scope and composition of the management and operational costs of the own organisation, in accordance with the CBF guidelines. The cost allocation was made on the basis of staff deployment for the main activities within the framework of the objective.

Operating costs per activity	Programme Management	Information	Fund-raising	Total 2006	Budget 2006	Total 2005 *)
Salary/social security + pension	4.187	133	70	4.390	4.251	4.019
Other staff costs	203			203	237	220
Travel expenses programmes	328			328	295	239
Housing costs	176			176	182	188
Office expenses	136			136	155	150
IT costs	107			107	82	139
Organisation costs	391			391	427	480
Expenses regional offices	1.913			1.913	1.974	1.393
Fund-raising expenses			81	81	125	48
Public information costs		295		295	375	338
Depreciation costs	235			235	200	221
Total operating costs	7.676	428	151	8.255	8.303	7.435
<i>Budget 2006</i>	<i>7.546</i>	<i>570</i>	<i>187</i>	<i>8.303</i>		
<i>Total 2005 *)</i>	<i>6.823</i>	<i>503</i>	<i>109</i>	<i>7.435</i>		

* Adjusted for comparing purposes

12.9 Explanatory Notes on the Income and Expenditure Account 2006 *amounts in thousands of Euros*

Overview of result of own organisation

The own organisation result is the resultant of the realised (programme management fee) PMF on the programme transfers, the allowance for programme support plus the other assets minus the operating costs. The overview below shows the composition of the result and is in line with the income and expenditure account.

Income and expenditure account 2006 own organisation	Total 2006	Budget 2006	Total 2005 *)
INCOME			
<i>PMF progr. commitments</i>	6.588	7.225	6.998
<i>Appropriated Reserves PMF</i>	-248	-503	-782
PMF programme transfers	6.340	6.722	6.216
Programme support	1.124	1.140	928
Financial and other income/expenditure	912	750	730
Total INCOME	8.376	8.612	7.874
OPERATING EXPENSES (see overview above)	8.255	8.303	7.435
RESULT before reservations	121	309	439
Appropriated reserves business operations	91	-181	-177
RESULT after appropriation	212	128	262

* Adjusted for comparing purposes

Income

In 2006 the income available for Hivos' objective was € 89.2 million (projected 2006: € 91.2 million; realisation 2005: € 96.1 million).

The underspending in relation to the budget is mainly the result of the delay in allocation of applications to international donors. The fall in 2006 compared to 2005 is a result of the computation of the one-off Tsunami income in 2005.

From own fund-raising € 0.74 million became available. The costs of own fund-raising amounted to 16.9% of the profits from own fund-raising and with that were well within the CBF norm of 25%.

The income from governmental and other grants amounted to € 78.5 million and with that were almost identical to those of 2005 and that projected for 2006.

In 2006 Hivos has largely managed to compensate the overspending on programme expenditure of 2005 on the Co-Financing Programme. The other income for 2006 amounted to € 0.9 million. That is 28% more than last year and 21% more than projected.

The rise is mainly due to the high interest received and lower bank charges due to the greatly improved contract agreements with our bank ABN-AMRO.

Expenditure

The Spending in the framework of the Hivos objective in 2006 amounted to a total of € 88.5 million. Of this € 80.4 million or 91% was spent on programme commitments to partner organisations.

In 2006, the number of partner organisations being supported rose from 784 to 812.

The volume of financial services (loans, sureties and participations) provided through the Hivos Triodos Fonds (HTF) rose by € 5.9 million from € 24.3 million to € 30.2 million.

The total operating costs of the own organisation amounted to € 8.26 million in 2006 compared to a projected € 8.30 million.

Using Co-Financing resources in line with the annual report 2006 a gross operating expense allowance of 8.7% has been awarded to cover the operating costs of the own organisation.

Financial result

On balance, 2006 saw a positive result for reserves realised of € 0.68 million compared to a result of € 1.22 mln in 2005 and a projected result in 2006 of € 0.53 million.

Of this result € 0.25 million was added to the appropriated reserves for Programme Management and € 0.31 million was added to the appropriated reserves Programme Funds.

In addition, on balance € 0.091 million was withdrawn from the appropriated reserved operational management. This concerns a withdrawal of € 0.116 million in connection with underspending on Co-financing programme management fee 2006 which is the result of the compensation of the overspending on MF in 2005. Appropriated reserves were created for this purpose in 2005. To the appropriated reserves Building Maintenance € 0.025 million was added in connection with major repairs to our premises in 2007.

After additions to the appropriated reserves there remains a positive result of € 0.21 million in 2006 which has been added to the general reserves. Furthermore is € 0.1 million has been added to the general reserves from the movement of the asset funds objective and operational management in the fixed assets.

Management Expenses

The remuneration of the three directors (2.5 fte), also management, amounted to € 269.094 (2005: € 257.988). This amount is composed of the gross salaries at € 221.838, plus the employer's charges including pension charges at € 47.257.

The distribution of the total remuneration is as follows: Director (1 fte) € 113.650 (2005: € 108.964); Director of Programmes and Projects (1 fte) € 96.862 (2005: € 89.118); Director of External Relations (0.5 fte) € 58.582 (2005: € 59.906).

In 2006, the costs for the Supervisory Board amounted to € 2.945 (2005: € 6.805). The expenses for 2006 consist of attendance fees and travel expenses. In 2005 the costs were made up of attendance fees, travel expenses and travel expenses for foreign business trips made by the Chairman.

Internal Organisation

In 2006 Hivos employed a total of 160 staff (2005: 156), of whom 101 at head office (2005: 99) and 59 (2005: 57) at the regional offices. Staff numbers came out at 139.5 fte (2005: 131.5 fte).

To the Board of Hivos Foundation

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2006 of Hivos Foundation, The Hague as set out on pages 72 to 88 which comprise the balance sheet as at 31 December 2006, the statement of income and expenditure for the year then ended and the notes.

The boards' responsibility

The board of the foundation is responsible for the preparation and fair presentation of the financial statements and for the preparation of the board's report, both in accordance with Part 9 of Book 2 of the Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law and the requirements in the audit protocol annexed to the subsidy agreement of the Ministry of Foreign Affairs. This law and requirements requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive board of directors, as well as evaluating the overall presentation of the financial statements.

HAW-0007950a/pg/114579/jvk

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PriceWaterhouseCoopers
Accountants N.V.
Prinses Margrietplantsoen 46
2595 BR The Hague
P.O. Box 30715
2500 GS The Hague
The Netherlands
Telephone +31 (70) 342 61 11
Facsimile +31 (70) 342 64 00
Direct phone +31 (70) 342 63 89
Direct fax +31 (70) 342 62 91
www.pwc.com/nl

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, the financial statements give a true and fair view of the financial position of Hivos Foundation as at 31 December 2006, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Code and 'Richtlijn Verslaggeving Fondsenwervende Instellingen' and comply with the financial regulation by the subsidy agreement 'Medefinancieringsprogramma'.

In addition, we have to the extent of our competence, established that the board report is consistent with the financial statements.

The Hague, 3 April 2007
PriceWaterhouseCoopers Accountants N.V.



H.A. Wink

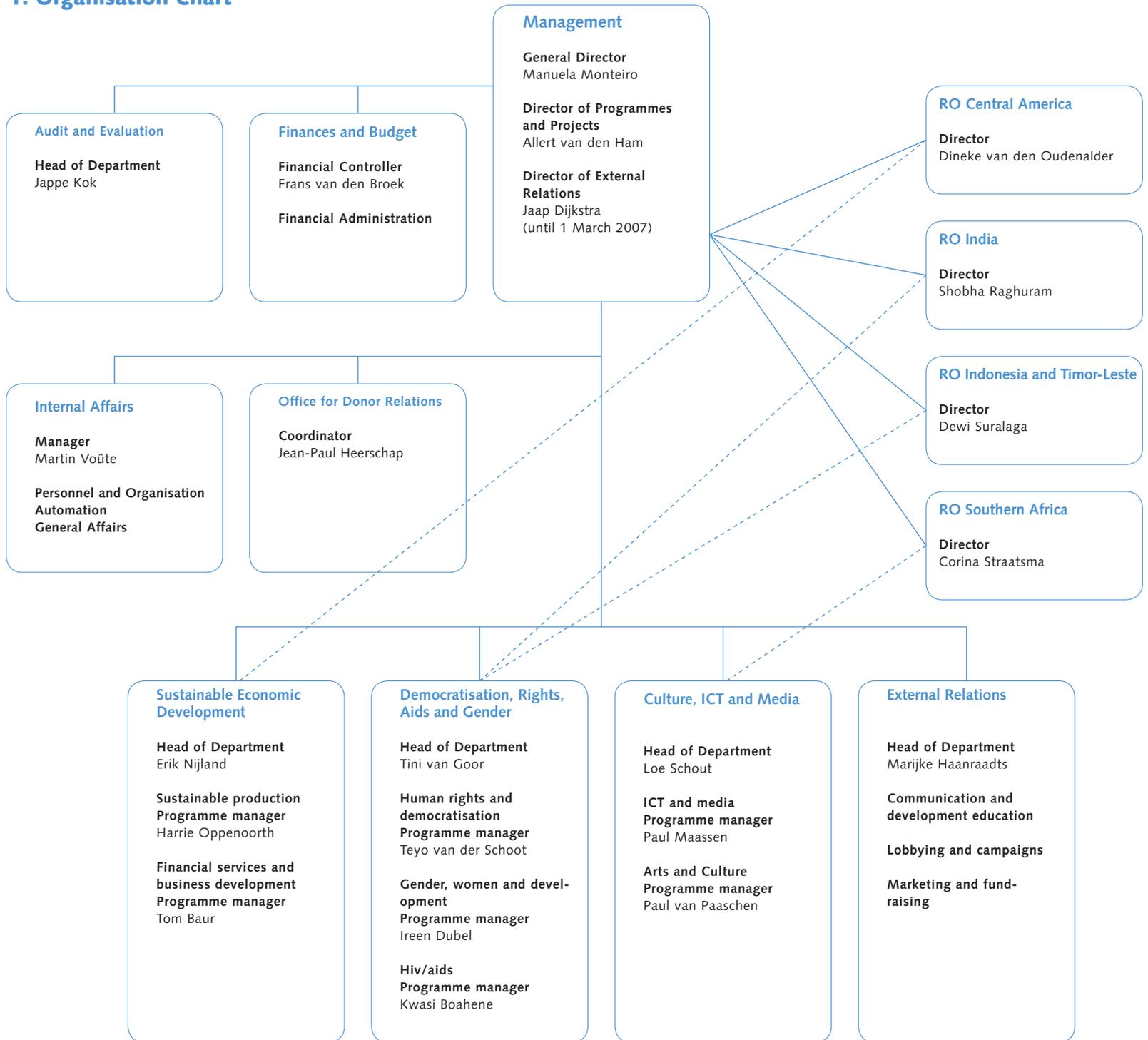
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APPENDICES

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6. Other Statistics
 - Partners according to type of organisation and region
 - Average MF expenditure per project
 - Reasons for rejection
7. External Evaluations 2006

1. Organisation Chart



2. Hivos Administrative Organisation *(as of 31-12-2006)*

Overview of administrative bodies of the Hivos Foundation and the background and specialisms of its members.

Supervisory Board

Mrs. Drs. F.Ch. Giskes *(Chair)*

Former MP for D66; mediator

Mr. Drs H.F. Hoekzema *(vice-Chair)*

Director of Euformation

Mr. H.J. Schoenmaker *(Finance Portfolio Manager)*

Former head of financial and general affairs KPMG

Mr. Prof. Dr. M. Baud

Directeur Centrum voor Studie en Documentatie van Latijns America (CEDLA)

Mr. W.J. de Haan MBA

Senior advisor/interim manager of Health Care BMC/Director of Zorgboog

Mr. Drs. J.P. de Jong

Organisation Advisor

Mrs. E.L. Snoey

Chair of AbvaKabo

Mr. C. Vogel

Advisor for Podiumkunsten; former Director of the 'Oude Muziek Utrecht Festival'

Mrs. M.R. Winter

Board of Weezenkas

Mrs. M.H.A. Kortekaas *(ambtelijk secretaris)*

Board of Directors, Statutory Management

Mrs. Drs. M.M. Monteiro *(Chair)*

General Director

Mr. Dr. A.P. van den Ham

Director of Programmes and Projects

Mr. Drs. J.J. Dijkstra

Director of External Relations (until 1 March 2007)

Supervisory Board Hivos Triodos Fund

Mr. P.G.A. van den Kerkhoff *(Chair)*

Accountant/Higher Commodity Board for Arable Farming

Mrs. drs. P.J.E. Bieringa

Board Member of Bank Nederlandse Gemeenten

Mr. Ph.R. de Haan

Coordinator of Nature and Environmental Education

Mrs. Drs. M.M. Monteiro

General Director of Hivos

Mr. H.J. Schoenmaker

Former Head of Financial and General Affairs KPMG Holding N.V

Mr. Drs. M.J. Woltering

Project Manager ICTU; Advises Overheid.nl

Advisory Board

Mrs. Prof. Dr. G. Hesseling *(Chair)*

*Professor of Peace Building and the Constitutional State, University of Utrecht;
Chair Scientific Research Council within the framework of Foreign Aid
(RAWOO)*

Sustainable Economic Development

Mrs. Drs. M.M.L. Jacobs

*ABN AMRO Private Clients Global, Senior Vice President, Head of
Advisory – Marketing, Products and Sales*

Mr. Dr. M.J.A. Nypels

Project Leader at INES Mainport

Mr. Drs. W.P. Wiertsema

Senior Policy Advisor at Both ENDS

Gender, women and development

Mrs. Drs. M. Botman
Mrs. Dr. A. Chhachhi

*Doctoral candidate in Women's Studies, the University of Utrecht
Senior Lecturer at the Institute of Social Studies*

Human rights and democratisation

Mr. Dr. R. Buitenweg

*Senior Lecturer at the Kosmopolis Institute, the University for Humanist Studies;
Vice-president International Humanist and Ethical Union
Advisor; Study and Information Centre for Human Rights (SIM),
the University of Utrecht*

Mr. Drs. J. Handmaker

*Professor of Peace Building and the Constitutional State, University of Utrecht;
Chair Scientific Research Council within the framework of Foreign Aid
(RAWOO)*

Mrs. Prof. Dr. G. Hesseling

Hiv/aids

Mr. Dr. P.L. Janssen MPH
Mr. R. Kerkhoven
Mrs. M. Nicolai, Bsc (hon), Msc

*Physician, Hiv/aids Consultant and Public Health consultant
Head of PSO Knowledge Centre
Doctors without Frontiers Belgium, Director of Operational Affairs*

Arts and culture

Mr. P. Faber
Mrs. C. Habbema
Mrs. A. Laan

*KIT, Conservator Africa
Actor/Director/ Former Director of the Stadsschouwburg Amsterdam
Independent Documentary maker*

Communication and lobbying

Mr. H.C. Morel
Mr. Drs. K. Veefkind
Mrs. Ir. I. de Zaaijer

*Manager of Abal Amsterdam Foundation
Account Manager Capgemini
Senior Managing Consultant, Berenschot*

ICT, media and knowledge sharing

Mrs. S. Cummings
Mrs. Prof. Dr. V.A.J. Frissen

*Information Services Learning & Evaluation Programme, KIT
Senior Strategist; TNO, Extraordinary Professor of ICT and Social Change,
Erasmus University Rotterdam*

3. List of Common Abbreviations

PMF	Programme Management Fee	MFP	Co-financing programme
ALA	Asia and Latin America	MFS	Co-financing system
BNP	Gross National Product	NCDO	National Committee for international cooperation and Sustainable Development
CBF	Central Department for Fund-raising	NiZA	Dutch Institute for Southern Africa
CDM	Clean Development Mechanisms	NGO	Non-governmental organisation
Cesvi	Cooperazione e Sviluppo	OESO	Organisation for Economic cooperation and development
DAC	Development Assistance Committee	OR	Works Council
DWHH	Deutsche Welthungerhilfe	OS	Development cooperation
EU	European Union	OVSE	Organisation for safety and cooperation in Europe
Eurodad	European Network on Debt and Development	PIN	People in Need
Eurostep	European Solidarity Towards Equal Participation of People	PRSP	Poverty Reduction Strategy Paper
FAO	Food and Agriculture Organization of the United Nations	PSO	Association for Personnel Services Overseas
FNV	Federation of Netherlands Trade Unions	SAN!	Stop Aids Now!
GRI	Global Reporting Initiative	SDF	Solar Development Foundation
GV&O	Gender, Women and Development	UNAIDS	Joint United Nations Programme on Hiv/aids
HCF	Hivos Culture Fund	TMF	Thematic Co-financing programme
HNCF	Hivos-NCDO Culture Fund	UNDP	United Nations Development Programme
Hivos	Humanist Institute for Cooperation with Developing Countries	UNESCO	United Nations Educational, Scientific and Cultural Organisation
HOM	Humanistic Human Rights Consultation	UvH	University for Humanist Studies
HTF	Hivos Triodos Fund	VN	United Nations
HV	Dutch Humanist League	VS	United States
Icco	Interchurch Organisation for Development Cooperation	Fte	Full-time equivalent
IICD	International Institute for Communication and Development	WHO	World Health Organisation
ICT	Information and Communication Technology	WSIS	World Summit on the Information Society
IHEU	International Humanist and Ethical Union	WTO	World Trade Organisation
IKV	Interchurch Peace Council	ZNF	South-North Federation
ILO	International Labour Organisation		
IOB	Policy and Operations Evaluation Department		
ISO	International Organisation for Standardisation		
ISS	Institute of Social Studies		
LGBT	Lesbians, Gays, Bisexuals and Transgenders		
KMA	Small-scale social activities		
LVWW	National Association of World Shops		
MBN	Broad Co-Financing Network		
MDGs	Millennium Development Goals		
MFI	Microfinance institution		
MFO	Co-financing organisation		

The abbreviations for Hivos' partner organisations can be found in the digital overview published at the same time as this annual report and entitled 'Partner Organisations 2006'

4. Networks and strategic cooperation relationship 2006

Type of cooperation relationship	Name of Organisation
Alliance	Alliance2015 (Cesvi, Concern, DWHH, IBIS, PIN) Humanist Alliance IntEnt Institute of Social Studies (ISS) National Association of World Shops (LVWW) NCDO Netherlands Institute for Southern Africa (NiZA) Triodos Bank
Thematic cooperation	Amnesty International Nederland Association for Women's Right in Development (AWID)/ Coolpolitics/ IKV/International Institute for Communication and Development (IICD) National Consultation Board City Links between the Netherlands and Nicaragua (LBSNN)/ KPN Mama Cash Friends of the Earth, the Netherlands OneWorld.nl Stichting Natuur en Milieu Stop Aids Now! Utz Kapeh/Women on Waves
Relationships with humanitarian supporters	Humanist Alliance Humanist Broadcasting Organisation (HUMAN) Humanistic Human Rights Consultation (HOM) Humanist socio-cultural training Humanist Association/ Humanitas International Humanist and Ethical Union (IHEU) University for Humanist Studies Weezenkas
Trade associations, networks and theme-transcending joint ventures in the Netherlands	Agri Pro Focus Broad Discussion Human Rights Coffee Coalition Linkis Platform/ MFP Broad Network (MBN) Microned MVO Platform Netherlands Platform Microfinance Netherlands Platform Millennium Goals Partos PSO Solidaridad / Coffee Support Network Uganda Platform Zimbabwe Watch South-North Federation
European Networks	Alliance2015 (Cesvi, Concern, DWHH, IBIS, PIN) CIFCA/ Concord Eurodad Eurostep NGO-EU network Women in Development Europe (WIDE)
Thematic financing (the Netherlands + worldwide)	Association for Progressive Communications (APC) Both Ends COC Nederland Development Alternatives with Women for a New era (DAWN) Fair Trade Labelling Organisation (FLO) Fair Trade Original Friends of the Earth International (FoEI) Gender at Work (GAW) Global Network of People living with Hiv/aids (GNP+) 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 Fund International Freedom of Expression Exchange (IFEX) International Gender and Trade Network (IGTN) International Information Centre and Archives for the Women's Movement (IIAV) International Lesbian and Gay Association (ILGA) International Social and Environmental Accreditation and Labelling Alliance (ISEAL) Environmental Contact Eastern Europe/ Nabuur Netherlands Centre for Indigenous Peoples (NCIV) Pesticides Action Network (PAN) Poetry International Schorer Foundation Share-net Foundation for Research into Multinational Enterprises (SOMO) Third World Network (TWN) Urgent Action Fund (UAF) World MusicTheatre Festival Women's Global Network for Reproductive Rights (WGNRR)/World Organisation against Torture (OMCT) World Wide Video Festival (TWN) Urgent Action Fund (UAF) World Music Theatre Festival Women's Global Network for Reproductive Rights (WGNRR) World Organisation against Torture (OMCT) World Wide Video Festival

5. Expenditure by country 2006

Country	MF resources	non-MF resources	Total
Africa			
Africa wide*	1.870.999	306.229	2.177.228
Kenya	1.367.565	47.500	1.415.065
Malawi	775.550	50.000	825.550
Mozambique	903.581	546.904	1.450.485
Namibia	1.197.000	100.000	1.297.000
Uganda	2.399.001	1.280.332	3.679.333
Regional East Africa	725.000	725.000	
Tanzania	1.120.256	1.008.132	2.128.388
Zambia	716.200	716.200	
Zimbabwe	1.791.382	452.532	2.243.914
South Africa	1.968.815	868.460	2.837.275
Regional Southern Africa*	2.414.201	27.946	2.442.147
Total	17.249.550	4.688.035	21.937.585
Asia			
Cambodia	778.500		778.500
India	5.212.384	1.677.497	6.889.881
Indonesia	2.120.159	902.360	3.022.519
Iran	708.044		708.044
Kazakhstan	1.007.500		1.007.500
Kyrgyzstan	739.060	23.400	762.460
Regional Asia *	1.962.011	406.225	2.368.236
Sri Lanka	1.122.108	1.036.567	2.158.675
Timor- Leste	616.500		616.500
Total	14.266.266	4.046.050	18.312.316

* Including expenditure for evaluations, consultancy and workshops and microfunds

5. Expenditure by country 2006

Country	MF resources	non-MF resources	Total
Latin America			
Belize	227.000		227.000
Bolivia	1.538.847	1.829.162	3.368.009
Caribbean		44.744	44.744
Chile	40.000	15.000	55.000
Costa Rica	683.000	383.342	1.066.342
Cuba	1.135.860	40.000	1.175.860
Ecuador	1.740.667	20.000	1.760.667
El Salvador	550.000	357.300	907.300
Guatemala	1.357.212	171.765	1.528.977
Honduras	1.260.500	80.000	1.340.500
Regional Central America*	1.443.276		1.443.276
Nicaragua	1.454.727	1.256.822	2.711.549
Peru	2.495.365	608.119	3.103.484
Suriname	35.000		35.000
Regional South America*	1.269.836	572.255	1.842.092
Total	15.231.290	5.378.509	20.609.799
Southeastern Europe	2.247.045	391.936	2.638.981
Worldwide	7.530.080	1.757.019	9.287.099
The Netherlands	2.694.659	529.685	3.224.344
HIVOS Total	59.218.890	16.791.234	76.010.124

* Including expenditure for evaluations, consultancy and workshops and microfunds

6. Other Statistics

Partners by type of organisation and region (in percentage)	Africa	Asia	Latin America	Southeastern Europe	Worldwide	Total
Basic organisation	5%	3%	11%	8%	0%	6%
Membership organisation	22%	11%	12%	8%	7%	14%
Social movement	7%	10%	1%	0%	2%	6%
Intermediary development organisation	10%	19%	16%	8%	5%	14%
Service providing organisation (non-profit)	36%	36%	36%	69%	45%	37%
Service providing organisation (for profit)	6%	5%	9%	0%	1%	6%
Network organisation	10%	13%	9%	8%	23%	12%
Other	4%	3%	6%	0%	16%	5%
Total	100%	100%	100%	100%	100%	100%

Average in Euros

	Gemiddelde in euro's
2002	51.404
2003	55.012
2004	63.249
2005	54.211
2006	53.652

	Africa	Asia and Southeastern Europe	Latin America	Worldwide	Total 2006	Total 2005
Reasons for rejection						
Geographical limitation	372	283	168	8	831	491
Thematic policy limitation	306	252	70	11	639	714
Mandate limitation	107	31	53	3	194	134
Financial limitation	299	303	91	3	696	498
Other	97	9	15	1	122	159
Total 2006	1181	878	397	26	2482	
Total 2005	777	875	335	9		1996

7. External evaluations 2006

organisation	sector name	sector	
Afrika			
KE001S	KIOF, Kenya Institute for Organic Farming	DP	
MW009F	CEDRISA	FD	
MW012A	MANASO, Malawi Network of AIDS Service Organizations	Hiv/aids	
MZ021H	LDH, Liga dos Direitos Humanos	MR&D	
RA018S	SAFIRE, Southern Alliance for Indigenous Resource	DP	
RA028G	GENDER LINKS	GVO	
RC050S	ACODE, Advocates Coalition for Development and Environment	DP	
SA060G	WLC, Women's Legal Centre	GVO	
UG011S	VEDCO, Volunteer Efforts for Development Concern	DP	
UG035F	EZT, Engabu za Tooro	FD	
ZI057F	BBA, Beitbridge Business Association	FD	
ZI082A	IGAC, Insiza Godlwayo Aids Council	Hiv/aids	
ZI084A	The Centre	Hiv/aids	
ZM020F	AMIZ, Association of Microfinance Institutions	FD	
Asia			
ID074H	Technical Assistance Aceh and North Sumatra	MR&D	
IN050H	FEDCOT, Federation of Consumer Organisations - Tamil Nadu and Pondichery	MR&D	
IN102H	NLSIU, National Law School of India University	MR&D	
IN115H	JUDAV	MR&D	
IN116S	SVA, Sahabhagi Vikash Abhiyan	DP	
IN122S	PRAVAH	DP	
IN126G	STEPS	GVO	
IN135G	HHSS/ENSS, Hadoti Hast Shilp Sansthan	GVO	
IN140S	PAD, Peoples' Action for Development	DP	
IN161F	JCS	FD	
IR002G	WCLC, Women's Centre for Legal Counselling	GVO	
LK015S	MPIS, Movement for the Protection of Indigenous Seeds	DP	
LK026A	CONAJ, Companions on a Journey	Hiv/aids	
			Sector: DP Sustainable production FD Financial services MR&D Human rights and democratisation GVO Gender, women and development Hiv/aids I&M ICT and media K&C Arts and culture

7. Externe evaluaties 2006

organisation	sector name	sector	
Latijns- America			
BO010S	AOPEB, Asociación de organizaciones de productores ecológicos de Bolivia	DP	
BO021G	COMUJER, Coordinadora de la Mujer	GVO	
CR037S	CEDECO, Corporación Educativa de Desarrollo Costarricense	DP	
EC012S	FURARE, Fundación Rescate del Bosque Tropical	DP	
GU023H	CALDH, Centro de Acción Legal en Derechos Humano	MR&D	
GU029S	FUNSOLAR, Fundación Solar	DP	
HN041H	COMUM, Comunicación Sobre la Maquila	MR&D	
NI015S	PRODECOOP R.L., Promotora de Desarrollo Cooperativo de las Segovias	DP	
RL007I	ALAI, Agencia Latinoamericana de Información	I&M	
RM016I	AC RAIF, Radio Interactiva Feminista	I&M	
SV033A	ATLACATL, Asociación Atlacatl	Hiv/aids	
SV042I	CLIC, Fundación Clic Arte y Nuevas Tecnologías	I&M	
Zuidoost- Europe			
RD003H	IKV, Interkerkelijk Vredesberaad	MR&D	
RD009H	LABRIS	MR&D	
RD011I	IIAV, Internationaal Informatiecentrum en archief voor vrouwenbeweging	I&M	
RD017H	COC	MR&D	
			Sector: DP Sustainable production FD Financial services MR&D Human rights and democratisation GVO Gender, women and development Hiv/aids I&M ICT and media K&C Arts and culture

Colophon

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Hivos - May 2007

Regional Office Central America

Del Centro Comercial Plaza Mayor
320 este, sobre el Boulevard Rohrmoser, Pavas
San José | Costa Rica
T+506 231 08 48 | +506 296 07 06
F +506 232 29 74
hivosro@hivos.or.cr

Regional Office India

Flat no. 402, Eden Park
No. 20 Vittal Mallya Road
Bangalore - 56000 | India
T +91 (0)80 2221 05 14
F +91 (0)80 2227 03 67
hivos@hivos-india.org

Regional Office Indonesia and Timor-Leste

Jl. Brawijaya III No 7
Kebayoran Baru
Jakarta 12160 | Indonesia
T + 62-21 724 44 32 / + 62-21 725 15 28
F + 62-21 723 07 74
hivos@hivos.or.id

Regional Office Southern Africa

20 Phillips Avenue Belgravia
P.O. Box 2227
Harare / Zimbabwe
T + 263 (0)4 706 704 | 727 197
+ 263 (0)4 706 125
F + 263 (0)4 791 981
chuma@hivos.co.zw

Hivos

PO Box 85565
2508 CG The Hague
The Netherlands
Raamweg 16
2596 HL The Hague
The Netherlands
T +31(0)70 - 376 55 00
F +31(0)70 - 362 46 00
info@hivos.nl
www.hivos.nl/english