

Citizens Have a Say

Hivos Business Plan 2011-2015

June 2010

Key Figures 2011 - 2015 (amounts x EUR 1,000)

Income	2011	2015	2011-2015
<i>By origin</i>			
MFS financing	73,805	81,468	387,948
Non-MFS financing	36,098	58,650	233,798
	109,903	140,118	621,746
Expenditure			
<i>By programme</i>			
Expression & Engagement	17,573	26,124	109,797
Rights & Citizenship	39,566	49,040	218,571
Green Entrepreneurship	47,305	58,854	264,394
Action for Change	5,209	5,751	27,385
<i>By region</i>			
Africa	38,832	54,991	230,824
Asia	20,222	22,979	109,427
Latin America	26,926	33,348	150,463
Worldwide	18,464	22,699	102,588
The Netherlands	5,209	5,751	27,385
Total number of partners	851*	500	
Total operational costs	14,440	17,419	79,381
Result	250	350	1,600
Net worth		12,000	
Total number of FTEs	194*	236	

* 2009

INTRODUCTION

Hivos believes in the capacity of people to shape their lives, individually and collectively, on the basis of personal choices. Being able to rely on protection, on sufficient space for creative expression and on the basic resources needed to achieve their goals are imperative requirements. “*Citizen’s Have a Say*” is a strategy by which Hivos aims to contribute to a world in which all citizens – both men and women – have equal opportunities to shape their lives, their society and their future.

In association with around 500 civil society organisations and other relevant parties Hivos will, in the period between 2011 and 2015, implement four programmes in 24 countries. The programmes are:

- **Expression & Engagement**, aimed at freedom of speech and expression, space for debate and culture and active involvement of citizens in social processes that influence them directly;
- **Rights & Citizenship**, which supports men and women who seek recognition of human rights and women’s rights, good governance and a pluralistic society;
- **Green Entrepreneurship**, which aims to strengthen the economic position of enterprising men and women in rural areas;
- **Action for Change**, which encourages behavioural change in the North so that the lives of people in developing countries can truly improve.

This strategic plan accentuates a number of new approaches:

- In addition to supporting individual organisations, Hivos will use its resources more often in a problem-oriented, programme approach in close consultation with other relevant parties, such as NGOs, trade unions, knowledge institutions, businesses and governments. Hivos will increasingly assume the role of co-initiator and co-organiser or implementing party;
- Hivos aims, through tailored campaigns, to step up the mobilisation of citizens in the Netherlands to bring about a change in the behaviour and policy of citizens, government and businesses so as to contribute to real improvements in the living and working conditions of specific groups;
- Hivos will expand input from the South in its executive and commercial organisation by including members from Asia, Africa and Latin America in its Supervisory Board, by setting up policy councils for the local offices and by opening two new regional offices in East Africa and South America.

Hivos’ total budget for the 2011-2015 period is 621.7 million euros, 62% of which is from the MFS (co-financing) programme and 38% from other sources.

This strategic plan draws on consultations in Africa, Latin America and Asia with development experts and professionals from the business community, media and governments. It incorporates the lessons learned in the field as well as the results of the programme evaluations and relevant studies. However, this plan could not have come about without the inspiration of the Hivos partners and the people to whom they dedicate their work.

The Hague, June 2010

Manuela Monteiro, Executive Director

Allert van den Ham, Director of Programmes and Projects

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1 MISSION AND VISION

Hivos is a Dutch non-governmental organisation guided by humanist values and a belief in the capacity of people to determine and shape their own development. Together with local organisations, citizen initiatives and socially responsible companies, Hivos contributes to a free, fair and sustainable world. A world in which citizens, both women and men, have equal access to resources and opportunities for development and can participate equally in decision-making processes that determine their lives.

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

Sustainable development for everybody hinges on access to resources, markets, information, knowledge and political power. This requires far-reaching changes in the balance of power which cannot be achieved through development cooperation alone; it requires the efforts of all actors involved. Having rights and powers also means assuming duties and responsibilities. Hivos therefore encourages people with power and resources (in the North as well as in the South) to assume their responsibility for combating poverty, protecting human rights and improving the living environment. They will have to learn to make do with less.

Shifting the balance of power, both in the economic and the political sense, requires strong social actors who represent and defend the interests and rights of poor and marginalised people. Sometimes these are organisations of the stakeholders themselves or individuals or groups who fight for the common cause. Media play a distinct role by offering an independent and impartial platform for citizens to express their opinions and defend their rights and interests. Hivos supports local organisations based on their qualities and how they are inspired in their work by the stakeholders they represent. However, it takes more than cooperation with formal organisations to bring about the necessary changes. Hivos greatly values social change that is initiated by citizens themselves, independently of formal organisations and institutions and not necessarily related to the international 'chain of aid'. This principle is embodied in the concept of civic driven change, where active, engaged citizens play a central role.

Hivos core values

- human dignity and self-determination
- pluralism and democracy
- focus on material as well as non-material aspects
- mutual solidarity and responsible citizenship
- respect for people's cultural and social identity
- responsible management of nature and natural resources

2 POSITIONING

Active citizenship as a guiding principle

This plan aims to expand the space for active citizenship. A strong civil society is essential to provide the necessary checks and balances in the decision-making processes and behaviour of state and market. Active and enterprising individuals can make a difference, which is why strengthening the civic movement is a central aspect of the Hivos programme. It is these people Hivos is particularly interested in supporting, based on the humanist notion of responsible citizenship. Citizens, in developed and developing countries alike, want to be actively involved in decisions that influence their immediate environment. They demand transparency and accountability on how public resources are spent by governments, businesses and development organisations. By putting citizenship, entrepreneurship, personal responsibility and self-determination of people at the heart of its programmes, Hivos responds to this call for direct involvement.

Hivos in 2015

With over forty years' experience in the field, combined with new challenges, opportunities and levels of understanding, Hivos will in the coming years be a flexible organisation that:

- is guided by the insights, interests and initiatives of citizens, their representative organisations and other relevant actors in local contexts;
- is active and visible in the field and has geared its organisation to this through decentralisation;
- clearly aims to achieve real results, for which scope (the number of people are involved), sphere of influence (what other players and sectors does it reach), and profundity (how well can the change be embedded in policy and behaviour) are guiding principles;
- depending on the needs and possibilities, offers various support strategies: from long-range financial support in combination with capacity development for individual organisations to programme-based cooperation within broad (international) coalitions aimed at developing a specific region or sector;
- supports – within the Dutch or European context where necessary and possible – objectives in the South through policy advocacy, consumer campaigns, policy development and communication;
- builds a bridge between knowledge institutions and practitioners in the North and in the South within its field of operation;
- is able to realise and illustrate the value it adds to the development processes it is involved in through specialisation and investment in the quality of its staff;
- has a broad and diverse financial basis to shape and fulfil its mission;
- cooperates with a wide range of national and international partners in an active and creative way;
- positions itself internationally as an organisation that owes its strength and success to its extensive network of local organisations, local offices, specialised knowledge and extensive experience as a donor and organiser of a wide range of development interventions;
- is always open to the innovative capacity and power of individuals.

Two pillars

Hivos bases its work on the pillars of **Sustainable Economic Development** and **Civil Society Building**. These objectives correlate to the intervention strategies of *direct poverty alleviation* and *civil society building* which, together with *policy advocacy*, determine the direction of the Hivos programme. Hivos works with independent, locally rooted civil society organisations that are themselves responsible for the projects and programmes they implement.

Key tasks

Based on the above positioning, Hivos defines the following key tasks:

I. Financing

With the funds received, Hivos finances and supports development initiatives of local organisations that contribute to realising Hivos' objectives. This support is subject to stringent conditions. Every form of subsidy is contingent on an analysis of opportunities and possibilities, the capacity of the partner organisation to respond adequately and complementarity with other players in the context at hand. Financing is linked to distance monitoring, field visits, policy dialogue, evaluation and assessment of the results achieved, financial accountability according to international standards and, where necessary, support for partners to improve their performance. As a rule, Hivos finances partners for a maximum of 10 years.

II Programme Management

In the context of a problem-oriented approach, Hivos increasingly acts as an active participant or initiator/facilitator of programme-based cooperation with other actors in the so-called multi-actor programmes. These programmes are aimed at concrete results, envisage a large-scale impact and can only be realised by setting up innovative and ambitious partnerships. It assumes a thorough understanding of the local context of issues and co-responsibility for achieving the objectives.

III Knowledge and Capacity Development

Hivos contributes to knowledge intensification of the sector in a unique way; learning, knowledge and innovation are central to this. Strengthening of its own learning capacity and the capacity development of its partners are very important to Hivos. To bring about greater effectiveness, to deepen practice and to strengthen expertise, Hivos encourages cooperation between academics, practitioners, knowledge institutions and organisations in the field, both in the North and in the South.

IV. Public Support and Advocacy

Hivos also assumes the role of actor within its own society. Hivos considers policy advocacy with governments in the Netherlands and the rest of Europe, alone or in association with others, and changing the behaviour of businesses as its tasks. Hivos supports citizens who fight on behalf of global justice and sustainability and who want to contribute to international cooperation in the Netherlands and Europe.

Innovation and specific choices

Hivos' strength lies in responding creatively to developments. New themes, some of them controversial, are – often more rapidly than elsewhere – featured in the programme: fighting HIV/Aids; sexual diversity (particularly the position of lesbians, gays, bisexuals and transsexuals, or LGBTs); art and culture, biodiversity, sustainable energy and the role of ICT and new media; access to knowledge. The Hivos approach to gender, women and development is renowned, both nationally and internationally. Support for specific women's organisations is combined with explicit objectives in the area of gender in all the programmes (gender mainstreaming).

Cooperation and complementarity

Hivos seeks cooperation with strategic partners at home and abroad. These partners contribute specialised knowledge, contacts, a support base and influence. In the coming years this will mainly be with Mama Cash, Press Now and IUCN NL, with whom Hivos forms an Alliance. Hivos and Oxfam Novib have joined forces and significantly reduced their presence in a number of countries to avoid overlapping. This means that only one of the two organisations will generally be active in a specific country. They coordinate the development of their themes and jointly procure services. At the strategic and operational level, Hivos cooperates with a number of Dutch organisations (see box). One of Hivos' objectives in the international context is to

strengthen cooperation with its partners in Alliance 2015 (see box) but also with like-minded peer organisations and donors such as the Open Society Institute, Hewlett Foundation, Ford Foundation and bilateral donors like DfID, SIDA and NORAD. A number of businesses provide specialised input for the programmes which Hivos itself cannot deliver. Hivos is an active member of trade organisations like Partos, Microned and PSO.

Hivos' strategic partners in the Netherlands/Europe

Alliance2015	Press Now
Amnesty International Nederland	RNTC
Humanistische Alliantie	SNV
IKV/Pax Christi	SRHR alliantie (Sexual Reproductive Health Rights alliance)
IUCN NL	Stichting DOEN
Landelijk Beraad Stedenbanden Nederland-Nicaragua	Stop Aids Now!
Mama Cash	Triodos Bank
Mondriaan Stichting	

Alliance2015

Seven European development organisations cooperate on a pragmatic basis to implement programmes in the South, raise funds with large international donors, organise European policy advocacy and public information activities and where possible, share their offices. This combination of forces has resulted in greater efficiency (cost sharing) and effectiveness (greater influence, pooling of expertise) in the South as well as the North.

Alliance2015

Alliance2015 was set up in 2000 with Hivos as one of the founding members. Its current members are: **Concern** (Ireland), **Ibis** (Denmark), **Welthungerhilfe** (Germany), **Cesvi** (Italy) **People in Need** (Czech Republic), **Acted** (France) and **Hivos**. Their joint annual turnover is 498 million euros and their partner network comprises 1900 organisations in the South.

www.alliance2015.org

3 CONTEXT

International

Development is not only a question of 'more', but also 'different'. The economic crisis has illustrated how developments around the world are intertwined and that these have to be approached at the corresponding level. The inability to solve the poverty problem, the climate problem, the financial crisis and the scarcity of raw materials in an adequate way are symptomatic for the lack of protection of 'global public goods' and the dominance of private over collective interests.

Joint action by the governments of countries like Brazil, South Africa, Indonesia, India and China have contributed to the emancipation of developing countries. Not only does their involvement in international processes reflect an increased self-awareness, it also illustrates the recognition of their right to participate in influential decisions. Nonetheless, increased assertiveness on the world stage does not always lead to results that serve the common cause.

At the same time, the global distribution of income – between and within countries – has become even more unequal. Climate change looks set to affect everyone's lives in the long term. Without drastic interventions in our production and consumption patterns, the expected temperature fluctuations and changing rainfall patterns will affect the natural environment of billions of people all over the world. Those who will be hit the hardest are poor people in the poorest countries, particularly women.

Citizens need more say

In many countries, civil society organisations have occupied a place in the system. They are invaluable as a service provider, a catalyst for SMEs, a think tank or a 'counter-voice'. Thanks to their efforts, legislation and regulations have improved in many areas, a democratisation movement has kicked off and room has been created for fair trade. Often, these are specialised NGOs that advocate structural change through policy advocacy. This increasing level of professionalisation also has a disadvantage, as the organisations become less embedded in local society, particularly outside the major cities. It is a trend perpetuated by the fact that donors seek accessible partners that speak the language of the global development world. Established organisations are a source of employment for well-paid professionals who take part in policy discussions, but the involvement of the target group often shifts out of focus. By concentrating on these established organisations, donors focus less on young social movements and (rural) membership organisations that do not move so freely in the world of international discussions. Informal associations of citizens (at local, regional, country or international levels and in the virtual and real worlds) that set their goals based on personal choices often remain out of reach of the established development cooperation community.

Pluralism and diversity under pressure

In many countries the diversity of opinions, cultural expressions and lifestyles is under pressure. Sometimes it is groups of citizens themselves that advocate a restriction of freedom. Pluralism and diversity, however, are essential for a dynamic society. This requires individual freedom, space for art and culture and conditions for personal development but also for the creativity that is needed to deal with societal problems. Freedom of association and expression often clash with ingrained values, acquired privileges and established power structures. Courage, understanding and determination are required to break through these structures. The results will depend largely on the inherent resistance to change.

Access to knowledge and international networks

Many civil society organisations operate simultaneously at the local, regional, national and international levels. Only in this way can they effectively influence trade policy, environmental agreements or multilateral initiatives. Switching between international policy advocacy, local development projects and incisive public campaigns, they work to bring about changes in policy or behaviour. Besides access to funds, organisations in the South therefore also need access to international networks, knowledge and information. Often the traditional relationship between donor and recipient is no longer sufficient. More than before, they expect international donors to co-implement their programmes and use their networks to provide access to knowledge and resources.

Broader 'DIY development' movement

Both in the Netherlands and abroad, an increasing number of citizens themselves want to shape international development. They set up their own projects or directly sponsor an existing project without the agency of development organisations. It is a way of showing that they are active citizens who take responsibility for the international dimension of their lives. Web 2.0 technology provides an increasing range of opportunities for this. By taking a position on for instance chocolate or banking in their consumer behaviour, citizens (in the Netherlands) contribute to an increased awareness of social criteria in the policies of mainstream businesses. The broad 'DIY development' movement strengthens the public domain and broadens the support base for international development.

4 POLICY CHOICES

Hivos prides itself on over forty years' experience as a broad development organisation that stands for quality, continuity and reliability but also flexibility, innovation and unconventional choices. Within the context of the developments outlined above, Hivos expressly opts for areas in which its added value is the greatest and thus for complementarity with peer organisations.

Active citizenship

Active and responsible citizenship is a core concept in this business plan, for it is citizens who – through their social, political or economic ties – ultimately shape society and can therefore change society. Everyone should be able to claim a place within the public space and have a fair share of public resources. This is the guiding principle for all four programmes in this plan.

The *Expression & Engagement* and *Rights & Citizenship* programmes focus on space for citizen participation and support for groups that stand up for their rights. Because their interests are not or not sufficiently represented, they do not share equally in the results of development. However, the right to self-determination and protection of human rights is not without obligations. It requires a conscious effort by citizens to be actively involved in social processes and to share the responsibility of promoting individual and collective interests.

Often, active citizens are also *enterprising* citizens. As producers they continuously seek new opportunities, new markets and improved production techniques. This is also in the interest of consumers who benefit from a stable supply of affordable, healthy and sustainable products and services. Through the *Green Entrepreneurship* programme, Hivos supports socially responsible and economically viable entrepreneurship by and for poor and disadvantaged groups and encourages production and consumption patterns that do not destabilise the environment.

Action for Change, the Hivos programme in the North, aims to bring about a shift in the behaviour and policy of citizens, governments and businesses in the Netherlands and Europe that will contribute to concrete changes in the living conditions of poor and marginalised groups in developing countries.

Further decentralisation

A thorough knowledge of themes in the context of the countries and regions is pivotal for every development organisation. In its partnerships with civil society organisations and other actors on the development stage, Hivos aims to provide quality and, with the right kind of specialist knowledge in its organisation, to be a prominent international player. This ambition has led to further decentralisation in the form of two new regional offices to be opened in Nairobi and La Paz. When implementing special programmes it will be decided on a by-case basis whether it is beneficial to set up or maintain semi-permanent country offices.

Multi-actor initiatives

A problem-oriented, programme-based approach in close consultation with other actors (multi-actor initiatives) is gaining significance within the Hivos programmes. Exploring problems and options as people experience them within their own setting is the basis of dealing with the issues in context and at the right scale with a diverse group of actors. In this approach Hivos will increasingly act as joint initiator, organiser and/or administrator. This assumes a thorough understanding of the context and the willingness to share in the responsibility for achieving the objectives.

In the current programme initiatives such as *Twaweza*, the *Tanzania Media Fund* and the biogas programmes, many actors from outside Hivos' traditional partner base have been brought together (individuals, media, local civil society organisations, businesses). Rather than providing financial support to an individual partner, in these initiatives the key objective is to solve a problem or to realise an ambitious goal. In the biogas programme run jointly with SNV, for instance, local energy and agricultural organisations, contractors, banks, government institutions, certification agencies and traders of carbon credits in Europe have built up a viable biogas industry.

Twaweza

Access to information, public pressure and open debate contribute to social development. *Twaweza* – which means “we can make it happen” in Swahili – is a programme through which Hivos aims to give citizens in Tanzania, Uganda and Kenya a greater say in their lives and in the actions of their governments. *Twaweza* gives ordinary citizens access to practical information about their rights and the possibility to express their opinions and take action. This is done on a large scale through media or other channels like the church, trade unions and businesses. An example is the water supply in Tanzanian rural areas, which is still underdeveloped. *Twaweza* encourages citizens to put pressure on local authorities to improve the situation. They can notify the relevant services by SMS if their water pump is not working and the information is then made public. Through these media, citizens voices can be heard nationally and governments are put under pressure.

www.twaweza.org

Expansion of the knowledge network in the South

Increasing complexity demands new strategies. In close consultation with partner organisations and knowledge institutions, Hivos invests in the deepening, spreading and application of new knowledge to arrive at new strategies. Hivos has created a permanent platform with its knowledge programme (since 2007), where academics and activists in the North and in the South can cooperate in dealing with urgent problems. In the new plan period Hivos will concentrate on expanding its knowledge network in the South. By strengthening local knowledge networks and think tanks, social change processes can be given new momentum.

Capacity building

In the coming years Hivos will concentrate more actively on capacity development in the South. Direct support for specific groups of citizens and their organisations and the development of a sector of local agencies that can implement the envisaged capacity development will be the points of focus in this process. The choice for a more programme-based approach also implies a shift from support to individual partner organisations to more focus on capacity development of pluralistic – often time-bound – coalitions that envisage changes at the institutional level. Hivos will therefore in the coming period form a partnership with SNV for *Local Capacity Development Facilities* (LCDF).

5 OPERATIONAL CHOICES

Hivos shapes its activities around four programmes. *Green Entrepreneurship* is aimed at income and sustainable production (*direct poverty alleviation*). *Rights & Citizenship* and *Expression & Engagement* are aimed at the rights, the voices and the self-development of citizens and their organisations (*civil society building*). Tailored activities aimed at encouraging governments and businesses to improve their policies are crucial to structural change. Policy advocacy and influencing behaviour in the Netherlands will be shaped in the *Action for Change* programme.

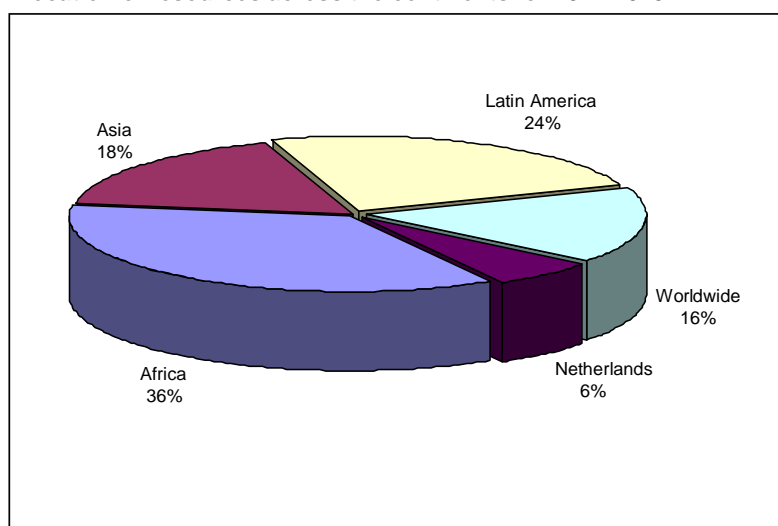
Planned expenses by programme for 2011-2015 (amounts in EUR 1,000)

	MFS	Non-MFS	Total
<i>Expression & Engagement</i>	70,702	39,095	109,797
<i>Rights & Citizenship</i>	143,106	75,465	218,571
<i>Green Entrepreneurship</i>	150,863	113,531	264,394
<i>Action for Change</i>	23,277	4,108	27,385
Total	387,948	232,199	620,147

Countries and regions

Hivos implements its programmes in 24 countries in Africa, Asia, Latin America and Europe in association with around 500 local (and a number of global) partners. Hivos' activities in Sri Lanka, Kazakhstan, Kyrgyzstan, Mozambique, Namibia, El Salvador, Costa Rica and Belize have ended. Hivos has been active here for many years and in light of the positive developments in a number of countries and the agreement with Oxfam Novib on avoiding double presence of the two organisations, believes its presence is no longer necessary.

Allocation of resources across the continents for 2011-2015



In close consultation with its *Alliance 2015* partners, Hivos will launch *Green Entrepreneurship* (access to financial services in particular) and *Rights & Citizenship* (Human Rights and Gender) in Liberia and Sierra Leone. This also represents a shift from spending financial resources on the lower mid-income to the least developed countries.

Partner Policy

Hivos' perspective is to continually include a significant number of young, innovative organisations in its partner package. This, and the time limit for support (a maximum of 10 years), results in a recurrent turnover of partners that have been able to strengthen their capacity with Hivos' support. This means that over 75 new partners, representing 15% of the partner base, will join the Hivos network annually and will in due course have to meet the quality criteria. The criteria for selecting new partners are based on the relevance of their objectives, their organisational quality and institutional embeddedness, their score on gender policy and above all, the expected results, which are established in advance as specific objectives. As part of its objective to achieve a greater impact, Hivos will reduce its number of partners to 500.

Monitoring and Evaluation

Hivos will commission approximately 200 project evaluations (i.e. around 8% of its partner organisations) with a view to providing external accountability and learning from experiences. Project evaluations provide insight into the quality of partners and their policy, the effectiveness of the organisation and the desirability of continuing the relationship. The results of the evaluations serve as input for quality improvement and for agreements on specific targets and the required support. To assess the effectiveness of the policy, Hivos also organises more extensive programme evaluations. Along with the results of monitoring by Hivos partners, the outcome of the planned evaluations is an important factor in formulating policy and strategy.

Gender Mainstreaming

For Hivos, the equality of men and women is a fundamental principle. In addition to support for women's organisations, the Hivos programmes also focus in particular on the role and (improving the) position of women and girls. A measurement instrument that identifies the results of the partner organisations and the support programmes has been developed to monitor the gender mainstreaming process. The baseline was conducted in 2005 and since then the measurements are performed once every two years. Experience has shown that a number of sectors are structurally falling short of the objectives. In consequence, a tailored strategy has been developed that should prove successful in the short term. Partners receive partner-specific support to help achieve these objectives. This is based on the assumption that 15% new partners, many of whom do not yet meet the gender requirements, will join the Hivos network each year; maintenance alone is already an ambitious goal.

Emergency Aid

As with the Tsunami in Asia (2004) or the earthquake in Yogyakarta, Hivos will continue to provide aid to its partners in the future for reconstruction after disasters. The first emergency aid is provided through Alliance2015 partners that are specially equipped for this (mainly Deutsche Welthungerhilfe, Concern and Acted) and/or Oxfam Novib. Our involvement with emergency aid and reconstruction will remain limited to the areas in which Hivos partner organisations operate.

6 EXPRESSION & ENGAGEMENT PROGRAMME

Free exchange of information, room for expression and active citizen participation are essential conditions for a dynamic and democratic society. The media play a vital role in this process, as they give citizens a voice, help them to form an opinion, encourage participation and stimulate governments and businesses to provide transparency and accountability. These are often lacking. In fragile states, but also in many other countries, the media are under great pressure. Censorship, prosecution of journalists, suspension of press freedom and the restriction of mobile communications and internet access occur on a daily basis. In more stable countries the existing media seldom meet the basic quality criteria such as representativeness, independence and reliability. Instead of critically following the news they tend to repeat the 'master's voice'. They provide few opportunities to participate in the public debate and to become involved in social processes. Women tend to remain out of sight – often literally – or are portrayed in a traditional sense that denies them their identity.

Culture also plays a vital part in an open society. Artists, writers, filmmakers and musicians often play key roles. By critically reflecting on current practices and moral values in society, by allowing for differing views, by representing alternative scenarios, but also by uniting people and bridging differences. Space for socially engaged art and culture is limited in developing countries, and is at best a balancing item for the budget or an instrument for propaganda. People in power also use culture or cultural differences to manipulate, discriminate or exclude people. Thanks to ICT and new media there are now unprecedented opportunities for expression and social engagement. Until recently, access to these opportunities was often limited to the (urban) elite, but the possibilities for citizens to organise themselves without intervention, inform themselves, weigh up arguments and interests, defend a position and enter into partnerships are expanding rapidly. Through new media, like mobile communication, citizens connect in social networks based on specific themes. This helps them become less dependent (on aid, governments or established organisations), more responsible, more interactive and to build something new together.

Press Now

Hivos Alliance partner Press Now considers a diverse and democratic media landscape to be fundamental to true democracy. Freedom of expression is often the first victim of conflict and oppression. Press Now supports independent media and focuses on traditional media in countries experiencing a conflict or transition. Hivos has a lot of experience in using new media and ICT to build and strengthen civil society in relatively stable developing countries.

www.pressnow.nl

Objective

Successful civil society building needs expression, diversity and cultural freedom. The *Expression & Engagement* programme helps create alternative platforms, channels, podiums and productions. Its aim is to improve the quality and diversity of the media, to give more people access to these media, to increase citizen's participation and to strengthen public support for the independent media. Governments and other social actors will, as a result, be held to account more urgently than before on the need for dialogue, transparency and accountability.

Increasing the cultural production, improving the quality and strengthening the required cultural infrastructure are among the other objectives of the *Expression & Engagement* programme. It is aimed specifically at generating social debate and cultural dialogue. A dynamic culture is challenging, inspiring, opens new horizons and offers unexpected perspectives.

Expression & Engagement builds on Hivos' extensive experience and pioneering role in the area of culture, ICT and new as well as existing media. Thanks to the contribution of Press Now, which has extensive experience in the creation and development of independent media in fragile and repressive states, the sphere of action and the effectiveness will be significantly increased.

Results

- *Space for cultural and social expression* will have expanded through initiatives of Hivos and its partners and is actively used. The quality and diversity of publicly accessible information will have improved. In 2015, the diversity of sources available (classical and digital, professional and civic journalism) and counter-voices and alternative opinions will have increased or have been strengthened. Thanks in part to the efforts of organisations that support these media, their quality and diversity will have improved. Every year, local productions will be staged that reflect on current developments in an artistic way. The success of these productions will be gauged through visitor numbers, media coverage, reviews and artistic critiques by experts. In the case of repressive or fragile states, the (government-controlled) media offering will be supplemented with a diverse range of voices, including counter-voices and alternative opinions (radio, internet, printed press).
- *Citizen's engagement in the social processes* that affect them directly will have increased. New podiums, networks and platforms will be created that are actively used by citizens to shape their lives, their society and their future (citizen agency), as is currently the case with the Twaweza programme and new Web 2.0 technologies. As a result, citizens will be better informed and familiar with the possibilities to use the space provided and will increasingly avail themselves of these possibilities. Locally controversial issues (fundamentalism, sexual rights) will be appropriately addressed. Special attention will be given to the support for a small but influential group of activists who use advanced ICT/media strategies to circumvent restrictive measures in repressive states like Iran and Zimbabwe and to enable free news exchange through dynamic networks (smart activism).

Strategic cooperation

In detailing and implementing the *Expression & Engagement* programme, Hivos cooperates strategically with national and international donors. In the area of transparency and media, Hivos cooperates closely with the Hewlett Foundation, SNV and several bilateral donors such as SIDA, DFID, Irish Aid and Danida. In the field of culture, the Open Society Institute and Stichting DOEN have been reliable partners for many years. Cooperation will also be continued in the ICT sector; for many years KPN has contributed knowledge to the ICT programme in Africa. There is a similar partnership with Logica, which focuses on partners in India and Africa.

Arts Collaboratory

The mission of *Arts Collaboratory*, which was set up in 2007, is to promote quality artistic innovation in the national and international visual arts sector. Artists' initiatives play a prominent role in the artistic direction of the programme. By combining forces in *Arts Collaboratory*, Stichting DOEN, the Mondriaan Stichting and Hivos aim to achieve greater effectiveness and efficiency.

www.artscollaboratory.org

Knowledge programme

Through the *Promoting Pluralism* knowledge programme, Hivos aims to provide answers to questions on how civil society organisations can get to grips with fundamentalist tendencies. In association with the University for Humanistics, a pluralism network of Indian, Indonesian, Ugandan and Dutch NGOs has been created.

The *Digital natives with a cause?* programme examines the potential role of youth in social and political change. It is often assumed that these so-called digital natives have no interest in politics and are not motivated to fight for societal interests that transcend their own contexts. However, this assumption has not been sufficiently tested in practice. In cooperation with the Centre for Internet and Society in India, young online activists are given a voice.

Key figures *Expression & Engagement*

	2011	2012	2013	2014	2015	2011-2015
MFS	12,547,000	13,617,000	13,958,000	15,101,000	15,479,000	70,702,000
Non-MFS	5,026,000	6,511,000	7,605,000	9,308,000	10,645,000	39,095,000

7 RIGHTS & CITIZENSHIP PROGRAMME

Although significant progress has been made in a number of countries – partly because of the efforts of civil society organisations – many citizens around the world still cannot exercise their basic rights. As a result of unequal power relationships they have little say in social discussions and decision-making processes. Across the world, the ‘haves’ defend their interests at the expense of the ‘have nots’. In repressive states like Iran, Syria and Zimbabwe citizens are denied the most elementary rights. Their governments manipulate elections, restrict the freedom of press and repress the freedom of speech and association. Citizens who offer a counter-voice, organised or otherwise, are intimidated and prosecuted. In other countries people are excluded on the basis of ethnicity, religion, gender or caste. Usually the problem is not that there is a lack of legislation or formal policy; vested interests, a lack of political will and the stranglehold of conservative moral values hinder the protection of citizens.

Throughout the world, an increasing number of women are demanding good education, their own income, decent working conditions, a say in decision-making and a life free from violence. But conservative and patriarchal views legitimate violence against women and limit their sexual and reproductive rights. Contraception is not available and abortion is prohibited. Illegal practices pose enormous health risks for millions of women. In families, at work or in the community, ignorance and prejudice result in stigmatisation and discrimination of people living with HIV or Aids, LGBTs and sex workers. In many countries, homosexuality is considered a criminal offence and sometimes even carries the death penalty. Despite the higher occurrence of HIV among men who have sex with men (MSM), there is often no emphasis on sexual diversity in HIV/Aids programmes. Many problems are rooted in denial of the right to self-determination, whereby women have no control over their own bodies and LGBTs have no right to their personal (sexual) identity.

Mama Cash

Hivos Alliance partner Mama Cash supports women's initiatives that are innovative and that challenge taboos. The two organisations jointly fight against violence and discrimination of women and for equal opportunities, economic justice and a safe environment to live in. In 2008, Hivos and Mama Cash set up the Riek Stienstra Fund to finance groups that fight for the rights, freedom and welfare of lesbians, bisexual women and transgenders.

www.mamacash.nl

Objective

Exclusion produces counter forces. People want to participate, even if they have little room to manoeuvre and it involves personal risks. The *Rights & Citizenship* programme supports citizens and their representative organisations in creating a society in which they can participate freely and fully regardless of gender, ethnicity, sexual orientation or religious beliefs. This requires approval of and compliance with relevant legislation, but also acceptance of the right of women to participate and the right to a diversity of opinions and identities. In some countries it is predominantly a question of creating both a formal and informal space in which those rights can be exercised.

Results

- *Greater social recognition and acceptance of human rights, good governance and pluralism.*
There will be greater social recognition of pluralism and of the associated individual and collective human rights that are the building blocks of a tolerant and open society. Hivos and its partners will provide recognisable support to citizen's initiatives to influence public opinion. Central to this is public opinion formation in religion, education and politics regarding the role of women in the private and public sector and regarding ethnic diversity, equal rights and treatment for LGBTs, and HIV/Aids related discrimination. The *Rights & Citizenship* programme – which focuses strongly on content – will be implemented in close conjunction with the *Expression & Engagement* programme, which creates the media framework within which human rights activists, feminists and other defenders can express their opinions.
- *Expanding the space for participation and full citizenship.*
Where there is little or no space, individual citizens – men and women – and their representative organisations will create and use this space through their own initiatives. The capacity for citizen agency will be expanded so that women, ethnic groups, LGBTs and people living with HIV/Aids can increasingly express themselves safely in the public arena, demand a say in social discussions, administration and decision-making processes and pursue their rights and incorporate these in legislation and policy. Citizens will campaign more often on the violation of human rights. Opinion leaders will openly express their views on respecting or violating human rights and will advocate the abolition of harmful cultural practices.
- *Legislation, policy and institutional parameters guarantee the rights of all.*
Businesses and governments assume their responsibility, acknowledge diversity and respect the rights of citizens, particularly of specific, marginalised groups and their representative organisations – in words and in action. This will result in improved access to and quality of basic facilities such as education, health care and HIV/Aids related services. Participation will be actively encouraged and institutionalised, where necessary through positive discrimination. Freedom of expression, access to information and the right to associate will be respected. Abuse of power (by government, citizens, and soldiers) and impunity will be dealt with more effectively. The emphasis will be on support for watchdog organisations and social movements that pursue change in the area of democratisation, women's rights, corruption, the rights of minorities and corporate social responsibility through legal action and national and international policy advocacy.

Strategic cooperation

To prevent overlapping and to make use of complementary expertise and contacts, Hivos will cooperate with Stop Aids Now! in the *Rights & Citizenship* programme. In addition, Hivos, Mama Cash and Oxfam Novib will combine forces to support women's organisations, policy advocacy, research, capacity development and a tailored growth model for organisations, where the common and main goal is to realise women's rights and gender equality.

An the area of sexual and reproductive rights, Hivos cooperates with the Sexual Reproductive Health Rights (SRHR) alliance. In West Asia, Hivos will expand the existing cooperation with the *Freedom from Fear* alliance of IKV/Pax Christi and Hivos Alliance co-applicant, Press Now. The organisations will act jointly in Iran, Iraq and Syria (one programme, coordinated campaigns, and policy advocacy). Internationally, Hivos will coordinate and implement initiatives in cooperation with international donors such as SIDA, Ford Foundation, UNIFEM, *The Global Fund to Fight AIDS, Malaria and Tuberculosis* and the international network of women's funds.

Knowledge programme

New perspectives on social change – from active citizenship to social movements – contribute to a reevaluation of roles of all stakeholders involved. Not only does this benefit local civil society, it is also beneficial to the aid chain. In association with the Institute of Social Studies, the *Civil Society Building* knowledge programme will develop a locally-managed network of knowledge institutions and civil society organisations in Central America (e.g. CALDH) and Southern Africa (Universities of Witwatersrand and Johannesburg). In countries like Syria and Iran there is little margin for independent civil society organisations. This also means limited options for organisations like Hivos to support them. For this reason the Civil Society Building programme in West Asia, in association with Amsterdam University, is conducting research into how to strengthen the voice of citizens and their organisations despite having to operate in politically unfavourable environments.

Key figures *Rights & Citizenship*

	2011	2012	2013	2014	2015	2011-2015
MFS	27,677,000	27,991,000	28,691,000	29,011,000	29,736,000	143,106,000
Non-MFS	11,889,000	13,048,000	14,597,000	16,627,000	19,304,000	75,465,000

8 GREEN ENTREPRENEURSHIP PROGRAMME

Over a billion people have to survive on less than one dollar a day. Although poverty is not an exclusively rural problem, the majority of poor people live in rural areas. The position of small producers, day labourers and the landless is weak. Investments in agriculture have for many years been declining, but even now that they seem to be picking up again, they are aimed mainly at large-scale production for the world market and there is little attention for small producers. Moreover, this renewed focus will lead to a decline of production for the local market, expansion of scale, monocultures, high reliance on external input and degradation of ecosystems and biodiversity.

Competition is fierce for the majority of the rural population. Means of production are costly when operating on a small-scale. Small producers are generally poorly informed and their negotiating position is weak. Higher crop prices do not automatically lead to a higher income. Lower prices, on the other hand, prevent farmers from improving their production processes and making them sustainable. This does not offer a long-term, sustainable solution.

The world's population will reach nine billion in 2050 and the expansion of agricultural land will lead to a massive emission of greenhouse gases. Climate change will threaten productivity and will affect poor people – particularly women – the most. Energy consumption must be bridled and made more sustainable. Yet many people still have no access to reliable, clean energy – one of the conditions for further development. Policy changes are not only necessary but also possible. Small producers are not just part of the problem, they are part of the solution. Their potential to contribute to food production and security, counteract climate change and maintain biodiversity is seriously underused. Investing in management capacity and in production systems with sufficient emphasis on soil fertility, biodiversity and market demand result in increased production and efficient business operations.

Objective

Green Entrepreneurship focuses on enterprising women and men who act as a catalyst for green socio-economic progress. Hivos' expertise means that it is particularly well placed to support sustainable economic development in rural areas. Small producers will be able to earn a higher income through improved quality and productivity and strengthening of their representative organisations. Production will not be at the expense of biodiversity. A viable energy sector (particularly biogas) will be developed in a number of countries and 150,000 families will be supplied with renewable energy. Everyone benefits from green development when energy prices rise and market and climate circumstances change.

The **IUCN leaders for nature** programme is an international network of leaders of 20 major companies. The IUCN leaders for nature programme offers:

- Knowledge through master classes, (online) communities of practice, LfN platform and good practices;
- Partnerships within and between companies;
- Advocacy for the sustainability agenda;
- Support to businesses in improving their sustainability performance.

Hivos and Alliance partner IUCN will jointly set up the *leaders for nature* programme in India and South Africa.

www.leadersfornature.nl

Results

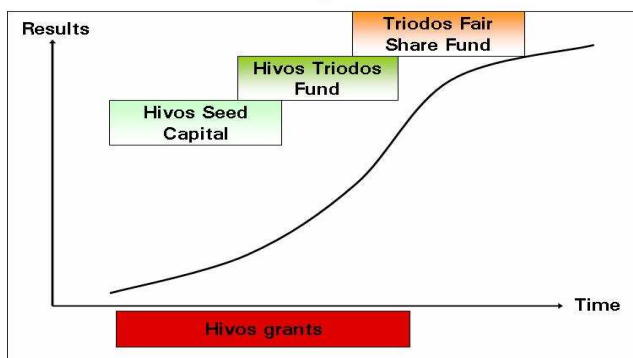
- Training, education and organisation will strengthen the *negotiating position of individual producers* in the market and increase productivity, sustainability and the elasticity of their production systems. Improved access to information and services for production and marketing by ICT and new media strengthen small producers' market position. Women's social circumstances will improve through a stronger position on the employment market and access to clean energy (easing of workload and better health). CO₂ emissions will be reduced.
- *Strong local economies based on sustainable use of natural resources will have emerged.* To this end, SMEs in the agricultural and energy sectors will be developed and (starting) microfinance institutions will be expanded. Sectors that are crucial to the local economy will increase the sustainability of their business processes: in the energy and (trade) finance sectors and in a number of crop supply chains, social and environmental criteria will be considered part of business operations. The financing required to make entire sectors green is well beyond Hivos' means. Hivos will use its (limited) development funds as seed capital, thereby leveraging additional funding (bilateral and multilateral sources, commercial capital) for this purpose.
- *International and national macro enabling environment.* Ecological and social sustainability will be better anchored in national and international policy and practice around energy and agriculture, in the financial sector, in trade and in business development. Hivos and its partners will give a strong impulse to social debate, develop alternative development models and lobby with governments, donors and the private sector to integrate sustainability principles in their policy and where necessary, adapt their practice. Where the energy sector is concerned, the emphasis is on the World Bank and the European Union; for sustainable agriculture and trade, the focus is on the Netherlands and Europe and two emerging economies, India and South Africa.

DGIS, SNV and Hivos have joined forces in the **African Biogas Partnership Programme** (ABPP). Biogas systems will be installed in a total of 70,000 households in Ethiopia, Kenya, Uganda, Tanzania, Burkina Faso and Senegal, creating a viable, market-oriented biogas sector. SNV will provide technical support (based on their experiences in Asia) and Hivos will coordinate the programme.

Strategic cooperation

Hivos cooperates with producers and service providers to develop the capacities of (rural) entrepreneurs. Hivos and its partners will also form partnerships with the private sector in order to promote synergy and economic vitality. To secure the necessary policy advocacy, Hivos draws on its contacts in broader coalitions like Agri-ProFocus, MicroNed, IUCN and Alliance2015. Hivos will cooperate at the operational level with and provide support to the Landelijk Beraad Stedenbanden Nederland Nicaragua (LBSNN, the National Council for Netherlands-Nicaragua City partnerships), which involves citizens, businesses and municipalities, and IntEnt (migrants and entrepreneurial development). In the area of sustainable energy, Hivos has entered into a partnership with SNV to introduce biogas on a large scale and with ETC for the development of sustainable business models and advocacy for energy policy and energy markets.

MFI life cycle curve



Through the Hivos-Triodos Fund (HTF), public and private capital is successfully invested in developing microfinance institutions (MFIs) and, through the Triodos Sustainable Trade Fund, in international trade chains. Citizens in the Netherlands contribute to sustainable development through payments into Triodos' North-South internet savings account (target: from 80 million euros in 2009 to 185 million euros in 2015). Hivos and Triodos Bank will invest in agriculture and energy. They will also

develop new growth models, in which Hivos will provide support to small rural producers and their organisations and Triodos will organise the funding. The HTF will expand its portfolio from 43 million euros (2009) to 65 million euros in 2015 and the number of partners from 50 in 2009 to 70 in 2015.

Hivos and the **Triodos bank** have been working together for 15 years. Hivos' development expertise and the banking expertise of Triodos complement each other well. The Hivos Triodos Fund (HTF) has become an internationally recognised fund for microfinance institutions (MFIs) in high-risk markets. Hivos and Triodos provide a replicable growth model for microfinance: from support by means of donations and capacity development for starting MFIs (Seed Capital) to loans on market terms (often in foreign currency), risk-bearing capital investments and expansion for more established organisations financed entirely with private capital. Hivos and Triodos will expand their support to include energy generation and trade in agricultural products. This will be under one roof, the Hivos-Triodos partnership.

www.triodos.nl

Knowledge programme

Knowledge interventions contribute to reflection on experiences gained and lessons learned in the *Green Entrepreneurship* programme. Price fluctuations, more stringent quality requirements, climate change, the financial crisis and large-scale international land acquisition: what threats and opportunities do these trends represent for small farmers and how can their organisations deal with them? The *Small Producer Agency in the Globalised Market* knowledge programme contributes to formulating options. This programme is run jointly by Hivos, the International Institute for Environment and Development (IIED) and a Southern network that focuses on mutual learning.

Key figures *Green Entrepreneurship*

	2011	2012	2013	2014	2015	2011-2015
MFS	29,153,000	29,504,000	30,241,000	30,600,000	31,365,000	150,863,000
Non-MFS	18,152,000	20,290,000	22,777,000	24,823,000	27,489,000	113,531,000

9 ACTION FOR CHANGE PROGRAMME

The world is globalising at a rapid pace. Economics, politics and culture have become globally intertwined, creating employment opportunities and possibilities to combat problems or learn about how other people are managing their living environment. But the current world order is also founded on an unequal distribution of power and welfare, on a system in which our behaviour in the North is resulting in harmful consequences for people in other parts of the world. A succession of recent crises has emphasised this. Rich industrialised countries are usually where the cause lies, but the consequences are felt mainly in poor regions, although developments in the South will also increasingly affect the North, e.g. migration and the effects of climate change. The solution lies in recognising that all the people in the world are connected and that the future is determined by our individual and collective behaviour. A free, fair and sustainable society requires structural social and political changes. These will only come about if governments, businesses, civil society organisations and citizens in the North and in the South jointly shoulder the responsibility for a world order in which the benefits and burdens are divided more equally.

Objective

Change in the South is often not possible without action here in the North. With the *Action for Change* programme, Hivos hopes to contribute to a transformation in the North that will result in concrete improvements in developing countries. *Action for Change* is aimed at policy advocacy with governments in the Netherlands and Europe, encouraging a change of behaviour with businesses and, above all, mobilising citizens for global justice and sustainability. Hivos urges politicians to pursue a policy of combating poverty, climate change and injustice. Where possible Hivos and its support base will cooperate with them, but will also call them to account directly and activate public opinion where citizens demand this. International poverty alleviation and sustainability should not only be embedded in development policy but also in legislation and regulations in other fields such as trade, industry and energy politics. Enterprises will be urged to assume responsibility and to account for how they treat people and the environment. Citizens will be encouraged to be more conscious about their consumption and, together with Hivos and its partners, to actively contribute to real changes in poor people's living conditions. *Action for Change* will be carried out in three multi-year campaigns supplemented by other activities in order to guarantee the quality and scope of the Dutch and European policies in the area of poverty alleviation.

Results

- *'100% Sustainable' campaign.*
Climate and climate change do not recognise national boundaries. The actions of people in the North will have an effect on poor people, particularly women in developing countries. With the *100% sustainable* campaign, Hivos aims to reduce energy consumption in the Netherlands and to make its production sustainable by switching from fossil to renewable energy. The climate crisis has made it clear that our current production and consumption patterns are untenable. We will have to take a big step 'back' and review our lifestyles. A transition to a sustainable society requires the involvement of citizens and businesses as much as a review of government legislation and regulations.

Hivos invests in clean and sustainable energy in developing countries, such as small-scale hydropower plants, biogas systems and efficient wood stoves. These sustainable energy products reduce CO₂ emissions in developing countries. Through the **Hivos Climate Fund**, citizens and businesses in Europe can become climate-neutral by supporting these energy projects. CO₂ emissions *here* will be compensated by emissions avoided *there*. Compensation through the Hivos Climate Fund gives people in developing countries the opportunity to develop structurally without placing a further burden on the environment.

www.hivosklimaatfonds.nl

- *Stop Child Labour* campaign.
Children do not work because they want to and parents would much rather see their children go to school. Yet products made by children are still regularly found on the market. Child labour is the result of the conditions in which poor people live and is often socially accepted because people are so used to a life in which children work. Abolishing child labour is a matter of resolve: of governments to abide by internationally accepted agreements, of businesses to employ adults instead of children and of consumers not to buy articles produced with child labour. Over the past years, partners in the *Stop Child Labour* campaign (Hivos, Landelijke India Werkgroep, FNV, Algemene Onderwijsbond, Kinderpostzegels and Alliance 2015 members) were involved in the development of policy documents (EU, ILO, Economic Affairs) and a list of risk products for businesses and consumers. The campaign encourages the Netherlands and the European Union to support the concept of child-labour free zones on relevant policy forums. An increasing number of businesses is endorsing and implementing the standard for child-labour free products; they also demonstrate that no child labour is involved in their production chain. Consumers increasingly demand child-labour free products.
- *Women @work* campaign.
Economic resilience, independence and control are absolute conditions for self-determination and equal rights for women. These are still a long way from being met: 70% of all people who live under the poverty line are women. Ownership and inheritance rights, access to credit, equal wages, safe working conditions – these are rarely reserved for women. Women often compensate their low income with unpaid labour and care. Hivos, in alliance with Mama Cash, explicitly calls for legal incorporation of and compliance with women's economic rights in formal and informal sectors. Through the new campaign *Women @work* – in line with what ILO refers to as *Decent Work* – Hivos campaigns for work with wages that are sufficient for a decent livelihood and which are equal for women and men for the same kind of work, and for work that does not involve sexual abuse and respects the right of workers to organise themselves. In association with trade unions and women's organisations, Hivos urges governments in the Netherlands and Europe to give the economic rights of women in developing countries a more prominent place on the international agenda and to push for worldwide implementation of international agreements. Citizens in the Netherlands urge businesses to comply with generally accepted standards (ILO) and to be verified in this respect. Businesses contribute to understanding the quality of working conditions in supply chains and receive recognition for this.
- *Active Citizenship and Good Policy*.
Development cooperation is everybody's business, so it cannot be restricted to just one Minister's policy or one specific budget. This is the challenge that world leaders have embarked upon by signing the Millennium Development Goals (MDGs). Hivos lobbies with policymakers, governments and businesses in the Netherlands and the EU on a broad development agenda based in part on live topics. Policy coherence or substantive responses to current crises are essential to achieve the objectives of the other programmes and campaigns. Hivos advocates information-driven decision making on policy that affects the interests of marginalised citizens in developing countries. Thanks to Hivos, groups of citizens and businesses become engaged in global interests and problems and take action in their own specific context.

Strategic cooperation

Hivos will organise public information activities with strategic partners, initially with the Hivos Alliance partners IUCN NL and Mama Cash. Information and awareness campaigns will be organised in the Netherlands with LBSNN. Hivos' successful cooperation with Triodos Bank on raising funds and capacity development for Green Entrepreneurship will be continued. At the European level, policy advocacy will be conducted in close cooperation with Eurostep and Alliance 2015.

Key figures *Action for Change*

	2011	2012	2013	2014	2015	2011-2015
MFS	4,428,000	4,539,000	4,653,000	4,769,000	4,888,000	23,277,000
Non-MFS	781,000	801,000	821,000	842,000	863,000	4,108,000

10 INTERNAL ORGANISATION

Hivos will continue to decentralise and internationalise. Responsibility and decision-making will increasingly lie with the regions and countries. The head office focuses on knowledge development, policy advocacy and influencing behaviour in the Netherlands and Europe, information & communication and monitoring the quality of programmes and staff. Particular attention is given to maintaining the organisational DNA and developing it further as an important intangible asset for Hivos. This will be realised through ongoing development of the Hivos Academy, improved communication systems and an entirely new online project and programme monitoring system.

Working organisation

Specialisation has enabled Hivos to build up substantial expertise, visibility and recognition with relevant parties. At the same time, different Hivos pillars based on a specific theme are developing, each with their own subculture, operating plan and budget. In practice, an increasing number of profitable cross-links are also emerging (microfinance ICT, microfinance HIV/Aids, ICT&Media and human rights, etc.) These experiences give Hivos reason to structure the organisation even more emphatically along the lines of the *Green Entrepreneurship, Rights & Citizenship, Expression & Engagement en Action for Change* programmes, whilst retaining the thematic specialisations (gender, aids, culture etc.). Programme teams are responsible for formulating and implementing policy.

Administrative organisation

To Hivos, an equal relationship with its partners is very important. In this relationship, each party has an autonomous role in setting priorities, formulating and implementing programmes and the associated administrative organisation. Incidentally, this does not mean that there is no mutual influence. Hivos has always welcomed this and benefited from it. Hivos seeks to contribute to a world in which *“citizens [...] can participate actively and equally in decision-making processes that determine their lives, their society and their future”*. Not only do those decision-making processes concern governments and businesses, they also have a bearing on development cooperation, which also influences the local environment. In the period ahead, Hivos will create a number of positions at the highest executive level – the Supervisory Board – for competent persons from Asia, Africa and Latin America who can contribute, without being bound by any mandate or instructions, to realising Hivos’ mission and vision. At the level of the regional and local offices, policy councils will be formed with relevant actors from local society. The councils will contribute to formulating and supervising policy and strategy implementation, but will not be involved in the allocation of resources to activities.

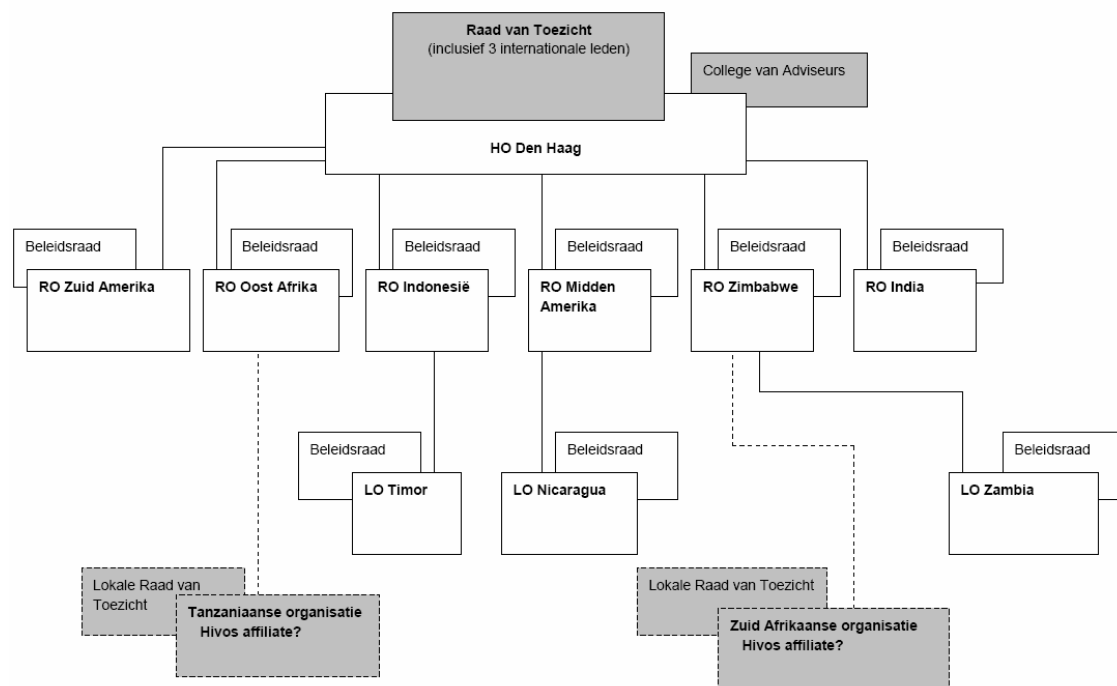
The regional offices will fund their operations through MSF as well as non-MSF financing and the local offices will be funded almost entirely through earmarked projects. In a number of cases Hivos has a commitment to donors to steer these projects towards autonomy in the foreseeable term. Consequently, the local Hivos offices involved have a double objective: to achieve results directly through the programmes and at the same time to develop their own capacity for local fund management.

Regional and local offices: towards a franchise construction

At present, the programmes in Southern Africa, India, Indonesia and Central America are managed from regional offices. In 2011/2012, programme management in East Africa and South America will also be transferred from The Hague to new Regional Offices (ROs) in Nairobi and La Paz. The activities in West Asia and West Africa, as well as the global initiatives and the *Action for Change* programme, will be shaped and managed from the Netherlands.

Special programmes, generally financed from non-MFS sources, will be managed from local offices in for instance South Africa, Zambia, Tanzania, Kenya, Nicaragua, Ecuador, Bolivia and Timor Leste. It seems logical for autonomisation of these projects to be carried out within the legal framework of the local offices concerned. This means that the offices may have to choose to become fully independent of Hivos and go their own way. If desired, the office concerned can become autonomous and based on a shared mission and vision, choose to stay in the Hivos network. By means of a franchise construction, it can continue to carry the Hivos name, participate in global branding systems, knowledge fundraising, knowledge management, quality systems and international policy advocacy.

The Hivos organisation in 2015



Head office consists of four sub-offices, one for each Hivos programme. There are separate departments for HR, General & Technical Services, IT and Finance. The *Assessment, Evaluation and Control* office is responsible for control within the entire Hivos organisation and monitors the development and application of quality systems, financial audits and the administrative organisation as a whole. This office is also responsible for developing and monitoring results management and monitoring & evaluation policy. At the regional offices, the same functions are performed at their respective levels. They report to the head office.

Staff policy

Hivos considers its staff to be important 'stakeholders' as well as the core of the organisation. Its profile, organisational culture and results are largely determined by the expertise, creativity, efforts and involvement of its staff. Hivos professionals have a large degree of responsibility and freedom in managing relationships. This is why Hivos opts for a supporting and facilitating staff policy and for flexible deployment of its staff. Hivos has a harmonised staff policy that takes into account the local context at the regional and country offices.

Staff council

Hivos has a staff council in the Netherlands. This council represents the labour interests of staff, but also plays an important role in determining the organisational and policy-related structure of the organisation. In this way, the contribution of an important stakeholder in Hivos' operations is secured. Staff bodies with the same intention have been set up at the regional offices, in line with the local context.

Junior staff

Hivos has reserved a post for young professionals at each of its organisational units. For a period of two years, these junior programme officers are given the opportunity to learn the profession in an experienced team and to contribute to Hivos' mission. This helps to bring new talent into the development cooperation sector.

Hivos Academy

Staff specialisation means more and better options to apply the resources available for training and the promotion of expertise in an effective manner. Each year, 2.5% of the payroll amount is made available for both job-related and sector-related training. A special curriculum, the so-called *Hivos Academy*, has been developed in collaboration with *Context, International Cooperation*. This consists of a 12-day modular training programme at which leading experts bring Hivos programme staff up to date on developments in the field: theory, policy, results measurement, capacity development, etc. Besides knowledge sharing, emphasis is also accorded to mutual learning. In principle, the curriculum is organised for all regional and country offices.

Employment conditions

In the Netherlands, the primary employment conditions are based on the government's BBRA (Civil Servants Pay Decree). Hivos' salary scales are around 6% under the BBRA maximum levels. At the regional offices the primary employment conditions are reviewed against developments in the sector. Secondment conditions for expatriates have been established. Remuneration of members of the Board (under the articles of association) is well within the limits set by the Wijffels Code (guidelines for NPOs).

Staffing levels

A new working method (provision of new services in the field of development and dissemination of knowledge, more intensive cooperation with and capacity building of partners – the *Multi Actor* approach) and the projected turnover growth will result in an expansion of the current staffing levels from 194 FTE to 236 FTE in 2015. Ongoing decentralisation combined with a stronger growth of non-MFS financing means that a relatively larger proportion of staff will be working at the regional and local offices. The m/f ratio between staff in management positions will remain 50-50%.

Quality systems and quality marks

Hivos' entire organisation is certified according to ISO 9001, has a CBF quality mark and abides by the Wijffels Code for good causes. Besides maintaining the ISO and CBF quality marks, three other objectives are central:

- to consistently learn and improve based on a central learning agenda;
- to improve accountability and transparency through ICT and new media;
- to further develop the quality systems with a view to the franchise construction.

Automation and ICT

Hivos will make major changes in its ICT systems. A new management information system (Osiris) will be introduced which will integrate project administration, financial accounts and monitoring and results reporting. By introducing a number of new forums the focus will shift from information provision to dialogue. Besides downloading information, stakeholders can also upload their own information.

- Hivos' virtual office remains an essential element for greater efficiency and transparency;
- Hivos has a platform which, through virtual communities, links donors, the public and partner organisations in the North with the Hivos programmes, partner organisations and their target groups in the South;
- Knowledge projects will be linked to interactive websites that provide for global exchange, discussion and reporting.

Reporting system: Accountability to and by Hivos

Every organisation that receives a financial contribution from Hivos provides financial and substantive accountability for this funding. The requirements for non-recurring or short-term projects are less stringent than for organisations with comprehensive contracts. Every year, the latter organisations submit an annual plan, a substantive report of the results and a financial statement audited by an external auditor. Hivos also obtains information about progress through annual visits and through evaluations and inspections. In addition to 40 project evaluations, Hivos will also conduct five annual financial audits with the regional offices and selected partners.

In order to help partners operate in a results-oriented manner and maintain their skills, Hivos will set up a broad support programme. This includes workshops and supervision by local management consultancies in results-oriented planning and reporting. Hivos will process the results in its own information system and include them in an annual bundle of results to be published. This will strengthen public accountability as well as the options for Hivos and partner organisations to learn from good practices (and failures). Hivos will examine the effectiveness of its own policy by means of programme evaluations. Based on representative and random samples, these evaluations provide a validated analysis of the long-term results of Hivos and its partners. Accordingly, they are one of the most important accountability tools.

Hivos also provides accountability on its performance to the various stakeholders through annual reports, special reports and, increasingly, through the internet. Accountability to partners is by means of policy consultations, among others.

Hivos provides accountability through:

- Tailored annual reports for the Ministry of Foreign Affairs, the European Union, the UN Global Fund to fight Aids, Tuberculosis and Malaria, DfID, SISA and the Ford Foundation, among others;
- The public annual report and abridged financial statement (including in English and Spanish);
- Publication of the reports and completion agendas of programme evaluations;
- Hivos Online: news and profiles of Hivos partners and their work;
- Hivos Magazine (quarterly issue);
- Online Hivos newsletter.

11 FINANCIAL FRAMEWORK AND OPERATIONS

Basic principles

The projections in this chapter have been made in conformity with the guidelines of the *Centraal Bureau Fondswerving* (CBF, the Dutch Central Bureau for Fundraising) and the *Vereniging van Fondswervende Instellingen* (VFI, the Dutch Association of Fundraising Institutions). A *wage development index* of 2% and an *inflation index* of 2% per year are projected for the total plan period.

Income

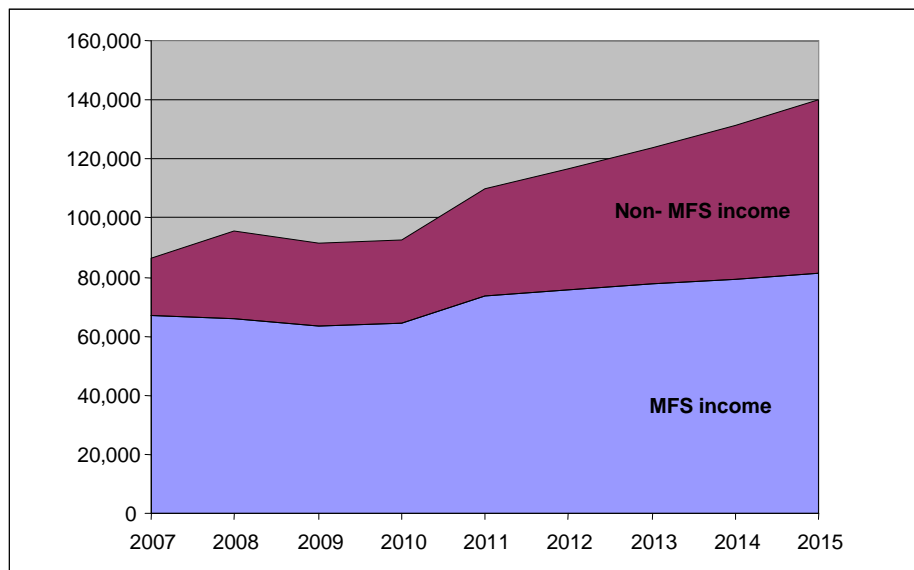
MFS financing

Hivos has opted for a modest growth of income from the MFS (Co-financing) source for the 2011-2015 period. In 2015, its share in the MFS subsidy for the Hivos Alliance will be 81 million euros.

Non-MFS financing

In the 2007-2009 period there was budget growth with significant diversification of the income sources and a corresponding drop in relative size of the MFS income component in the total income (from 32% non-MFS financing in 2007 to 64% in 2009, on the basis of commitments). As Hivos aims to continue this trend, the allocation from MFS financing will grow in absolute terms, but as a proportion of the total Hivos budget it will drop from 67% in 2011 to 58% in 2015.

Income by source 2007 - 2015 (amounts in EUR 1,000)



Capital resources

Besides donation funding, a substantial part of the Hivos organisation is also run on capital funding. Hivos assumes a 15% annual growth rate of private capital funding through the *Noord-Zuid Spaar- en Borgstellingrekening* (North-South Savings and Guarantee Account) from 80 million euros in 2009 to 185 million euros in 2015. These resources will be attributed entirely to Hivos' mission, but will be raised and managed by Triodos Bank and issued as a loan with Hivos "subsidiary" *Stichting Hivos-Triodos Fonds* (Hivos-Triodos Fund Foundation).

Expenditure

With effect from 2011, the guidelines on annual reporting as prescribed by the CBF will also apply for MFS. This means that income and expenditure are defined respectively as the commitments received in a year and the commitments made to third parties based on the received commitments. In practice, this will lead to greater fluctuations on the income side than in the case where income and expenditure is shown on the basis of cash flow. As it cannot be estimated when these fluctuations will occur, the budget assumes an even distribution of expenses.

Income and expenditure for 2011 - 2015 (amounts in EUR 1,000)

	2011	2012	2013	2014	2015	2011-2015
Income						
MFS financing	73,805	75,651	77,543	79,481	81,468	387,948
Non-MFS financing	36,098	40,950	46,150	51,950	58,650	233,798
Total income	109,903	116,601	123,693	131,431	140,118	621,746
Expenditure						
Spent on the objective	106,883	113,356	120,243	127,815	136,322	604,619
<i>% of total income</i>	9.3%	97.2%	97.2%	97.2%	97.3%	97.2%
Spent on fundraising	1,125	1,200	1,250	1,300	1,350	6,225
Management and administration	1,645	1,745	1,850	1,966	2,096	9,302
<i>Management + administration as a % of total expenditure</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Total expenditure	109,653	116,301	123,343	131,081	139,768	620,146
Result	250	300	350	350	350	1,600

On the expenditure side, the budget breaks down into three categories; Hivos calculates these based on the VFI and CBF guidelines:

- spent on the objective: contributions to partner organisations, projects in self management and programme management costs;
- spent on fundraising: costs incurred for own fundraising;
- management and administration: costs that cannot be allocated to the objective or fundraising, i.e. pure overhead.

Hivos has set a maximum figure for the last two categories. Expenditure for management and administration may not exceed 2.5% of the total expenditure. However, the target figure is set at 1.5%. In conformity with the CBF guideline, the maximum figure for fundraising costs has been set at 25% of the own fundraising proceeds.

The category "spent on objective" consists of the total contributions to partner organisations, costs for programmes under self management and programme management costs. Hivos' operational costs consist of the last two elements. The development in expenditure on the objective, i.e. the shifting ratio of contributions to partner organisations, costs of own management and programme management costs reflect the changes on the income side. Turnover growth is due in large part to non-MFS sources, particularly international institutional funds.

Programme management for these funds is usually more labour intensive than MFS programme management, as it involves relatively small organisations (sometimes even individuals) and as it is expected that Hivos will

spend more time on capacity development of these organisations. These funds are often managed locally, so certain economies of scale do not apply.

A second development reflected in the distribution of expenditure is the increased number of programmes and projects under self management. This is due in part to the envisaged transformation to a knowledge and campaign organisation. This is why the budget shows a difference between MFS and non-MFS operational costs. The operational costs component for MFS (programme management plus management & administration) in the expenditure total remains stable between 2011 and 2015 (10.1%, of which 8.7% for programme management). As indicated, the operational costs for non-MFS are relatively higher and are, on average, 17.3%

Distribution of expenditure for 2011-2015 (amounts in EUR 1,000)

2011 - 2015	Objective		Total Objective	Total raised income	Total mgmnt. & admin.	TOTALS	
	Progr. Implem. + mgmnt. non-MFS	Progr. Implem. + mgmnt. MFS				Total amount	Distrib. subsidies vs. operat.
Hivos expenditure							
Subsidies and contributions	191,960	348,806	540,766			540,766	87.2%
<i>MFS component</i>		348,806	348,806			348,806	89.9%
<i>Non-MFS component</i>	191,960		191,960			191,960	82.7%
Publ. and communication	1,178	1,294	2,472	724	0	3,196	
Staff costs	22,510	24,562	47,072	4,468	6,322	57,861	
Accom. costs	1,187	1,298	2,485	100	286	2,871	
Office and gen. costs	4,678	5,097	9,774	853	2,489	13,116	
Depreciation and interest	979	1,071	2,050	81	205	2,337	
Operational costs Hivos	30,532	33,321	63,853	6,225	9,303	79,381	12.8%
<i>MFS component</i>		33,321	33,321		5,820	39,141	10.1%
<i>Non-MFS component</i>	30,532		30,532	6,225	3,483	40,240	17.3%
Totals 2011 - 2015	222,492	382,127	604,619	6,225	9,303	620,147	
<i>MFS component</i>		382,127	382,127	0	5,820	387,947	
<i>Non-MFS component</i>	222,492		222,492	6,225	3,483	232,200	

Balance-sheet situation

Hivos aims to have a general reserve of at least 60% of the operational costs, i.e. 12 million euros, by 2015. At the end of the 2009 reporting year, the equity capital available for discretionary spending was 10.4 million euros; this means that Hivos has yet to record an operating surplus of 1.6 million euros for 2011 - 2015. Most of the equity capital is formed by the *programme management continuity reserve*. This reserve is allocated to commitments already entered into. The VFI norm is that this continuity reserve should be a *maximum* of 150% of the annual operating costs. Hivos is well under this figure.

Hivos has opted for a cautious investment approach.