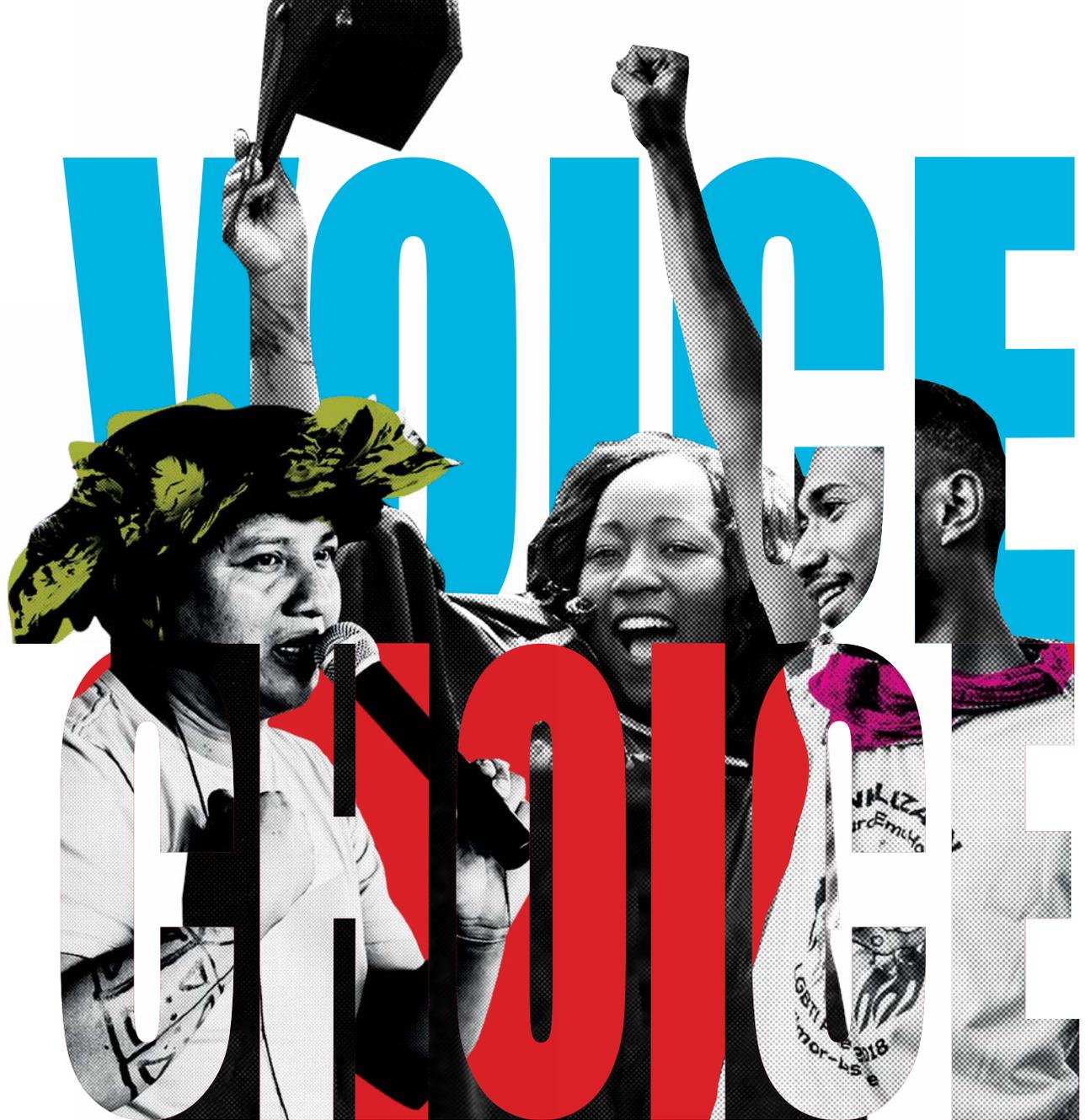


HIVOS ANNUAL REPORT 2021

BUILDING MOVEMENTS

for just, inclusive and
life-sustaining societies



Hivos
people unlimited

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1. MESSAGE FROM THE EXECUTIVE BOARD

In 2021 it became clear that the Covid-19 pandemic was much more than a health crisis. Its effect on societies and economies has led to even more division and greater inequality, including a worrying rise in gender-based violence and discrimination against LGBTIQ+ communities. And some governments opportunistically used measures meant to stop the spread of the virus to put their citizens under increased surveillance and scrutiny. This has led to a substantial global decline in democracy and civil freedoms, which directly affects the people we work with and for.

Last year was also alarming for our planet, once again. The 2021 IPCC climate report included a stark warning that major climate change is inevitable and irreversible. The climate crisis, increasingly palpable for many, will further exacerbate inequalities and disproportionately impact those who are least responsible for causing it. The disappointing outcome of the COP26 summit failed to produce any agreement on how to redress this injustice.

Running parallel to these global challenges is the rapid, unequal digitalization of our societies, which has made access to information a privilege instead of a right. Ensuring access to information is crucial to build more fair and just societies and to allow full and equal participation in public life. It is vital for citizens, civil society organizations and journalists who are

seeking or sharing information to keep governments and the business sector accountable. Simply put, information is a prerequisite to exercising one's civic rights and should not be a perk for the happy few.

And now the war on Ukraine has painfully shown how important access to factual, unbiased information is. And how fragile some global systems are. The war is having a huge impact on the world. It is halting an important part of the food supply to the MENA region and parts of Africa, and is seriously disrupting other global supply chains already strained by the pandemic. We are all going to feel the consequences, but as usual, it will be the people who were already marginalized who will suffer the most.

A STRONG CIVIL SOCIETY IS ESSENTIAL

Concerted action is needed to counter these global challenges and achieve real structural change. People have to unite and work together to orchestrate real solutions, and initiatives from civil society are more necessary than ever. Luckily, there are many individuals, organizations and movements working – as we are – with often underrepresented rightsholders to redress existing power imbalances. Through this approach we aim to create bold, undogmatic and inclusive alternatives to the global status quo of haves and have nots.

AN EXCITING YEAR FOR HIVOS

Even though the pandemic has made many things more difficult, 2021 was still an exciting year for Hivos. It was the first full year of implementing our Strategic Compass, which is our guide to building movements for just, inclusive and life-sustaining societies. It gives Hivos a tighter thematic scope, stronger organizational structure, and is at the heart of some important new programs.

AIMING FOR MAXIMUM IMPACT

Hivos works to promote the voices and choices of underrepresented people, while strengthening civil society. We have concentrated our efforts on three impact areas: Gender Equality, Diversity and Inclusion (GEDI), Climate Justice, and Civic Rights in a Digital Age. Hivos focuses on these areas because they are where major social and political transitions take place and where, with our track record, we can achieve real impact. There is more information about our impact areas and the programs connected with them in Chapter 5.

LOCAL OWNERSHIP AND LEADERSHIP

To have real impact, Hivos has and will continue to strengthen its commitment to local ownership and leadership. This is both part of our DNA and a vital strategy for achieving real and lasting change. Accordingly, Hivos further decentralized its operations by launching the new Yayasan Humanis

dan Inovasi Sosial. The birth of this Jakarta-based Indonesian organization was spearheaded by several developments over the last few years, in particular Hivos' new strategic direction for 2021 to 2024. The organization is led by CEO Tunggal Pawestri, and the majority of senior positions is occupied by people from the Global South. With them developing their own programs, I believe the Yayasan can have a significant impact. They have committed to follow Hivos' Strategic Compass, and Hivos will support their programs until at least 2024.

In 2021 we also further decentralized authority and program implementation to our regional hubs. This process will continue until our regional teams become the center of our operations and impact. We design, implement and evaluate our programs jointly with rightsholders and local organizations. They are present in the highest program governance structures to ensure equal decision-making and so we can mutually address any power imbalances. Our grant making is participatory, which likewise shifts decision-making power about grants to them. When advocating at international forums, our messaging is always "joined up" so our partner organizations and rightsholders can voice their vision of and solutions for a better world.

NEW NETWORKS

Our new programs are evidence of this conviction. The Voices for Just Climate Action, Free to be Me & We Lead programs include networks of allies and partner organizations forged under the guidance of our hubs. They are led by Communities of Action (see p. 16 for further explanation), that play a crucial role in making these programs a success. Many more such relationships were established in 2021, and existing ones were deepened.

INFLUENCE OF THE PANDEMIC

Naturally, 2021 was a difficult year for us and for a good number of our partners. The pandemic affected our operations, delayed meetings and prevented us from organizing necessary in-person events. In most cases, we found new ways to implement our programs together. Many activities were moved online, and travel and meeting budgets could be reallocated.

But our partners were also subject to lockdowns and other restrictions that hindered delivering results for rightsholders. We therefore planned (and are planning) different activities and innovative ways of reaching rightsholders in all our programs and thus managed to still meet a good part of the year's targets even under Covid restrictions. This is also our key priority for 2022.

PARTNERSHIPS

The results we were able to achieve would have been impossible without our partnerships. We would explicitly like to thank our partner organizations and staff for their resilience, inventiveness and commitment. We are impressed by how much we have achieved together under such challenging conditions. Unfortunately, the closure of some major programs at the end of 2020 forced us to stop working with a fair number of appreciated partner organizations in 2021. We want to thank them once more for their valuable cooperation over the years.

We also want to wholeheartedly thank our donors, amongst whom the Dutch Ministry of Foreign Affairs, the Swedish International Development Cooperation Agency, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Dutch Postcode Lottery. Without them our work would be impossible. In 2021 they allowed a flexible reinterpretation of programs, such as a move from offline to online activities, and budget shifts. Some donors even allowed activities to be postponed, but maintained payments – and hence continuity – for civil society partners, consortium partners, and Hivos. This was crucial for making progress towards achieving real structural impact.

LOOKING AHEAD

In November 2021, Executive Director Edwin Huizing announced he would leave Hivos at the beginning of 2022. Edwin, who has given his commitment and guidance to the organization for eight years, has left his mark. The important strategic decisions made under his leadership will continue to guide the organization, ensuring its continuity and allowing us all to fulfill Hivos' mission. Hivos, and I personally, thank him for all he has done for the organization and its network, and we wish him all the best in his future endeavors.

Aligning Hivos organizationally with our new strategic direction is an ongoing process. The organization is continuing to professionalize and to decentralize its operations. The aim is to place our regional hubs and country operations increasingly at the center of the organization. Hivos is still working to turn operational losses into a sustainable business model based on a break even budget. Big steps in this direction have been taken over the last years. But because of the pandemic, and changing donor requirements, new challenges have arisen. Primary amongst them is finding enough budget for our overhead costs and support staff, while ensuring the same and/or higher level of project implementation, especially in our hubs and country offices.

GRATEFUL AND DETERMINED

Despite Covid-19, I was still able to see and feel the resilience of our partners and staff. At Hivos we are deeply grateful for the privilege of working with such extraordinary people, organizations and movements – all committed to making this world a better place. We are determined to continue working with these partners whatever challenges are thrown our way. Perhaps the silver lining of the Covid crisis is that it has made our work even more relevant as we continue to fight for just, inclusive and life sustaining societies for all.



The Hague, December 28 2022

Michel Farkas
**Chief Operating Officer/
Acting Chief Executive Officer**

2. SUPERVISORY COUNCIL REPORT

The Covid-19 pandemic and its broader impacts have made the world a lot less safe for the people whose interests Hivos fights for. That makes organizations such as Hivos and its partners more relevant than ever. But to be able to tackle these increasing external challenges, Hivos had to take major steps internally to focus its strategy and bolster its organizational resilience. It also remains open to partnering to achieve more scale and impact.

ENSURING THE FUTURE OF HIVOS

In 2021 the Supervisory Council (SC) actively monitored the Executive Board's (EB) efforts to implement Hivos' 2021-2024 Strategic Compass. The Compass lays out the next steps for Hivos and serves as the reference for aligning Hivos' key operations. Its implementation led to a major restructuring, which started at Hivos' Global Office in The Hague.

In November 2021, CEO Edwin Huizing announced his departure from Hivos in early 2022. We would like to thank him for eight years of total commitment to Hivos and its cause, and especially that of our partners. He is an innovative and strategic thinker who has contributed greatly to laying the path Hivos is now following. As employer of the board, the SC is responsible for finding a replacement. After consulting with members of the Management

Team and the Works Council, we started the recruitment procedure in February 2022. This change in Hivos' leadership presents an opportunity for the organization to be more representative of the countries where Hivos works. So we have set out to find a candidate that reflects the diversity of Hivos and is – preferably – from the Global South.

The SC is very pleased with the three major programs that started up in 2021 under the "Power of Voices" subsidy framework of the Dutch government. Although Hivos is either in the lead or a major participant, these programs are actually coordinated at a regional level in line with Hivos' commitment to increasing local ownership. Likewise, the transfer to independence of Hivos' Indonesian hub in 2021 is another part of Hivos' push for more local ownership. Looking at the extension of existing programs, the new set up of the organization, and Hivos' goal to reach a yearly budget that "breaks even," the SC is convinced that the organization's future is not only healthy, but indeed bright.

OUR ROLE

It is our mission to ensure that Hivos sticks to its values and fulfills its objective to strengthen, amplify and connect rightsholders' voices calling for just, inclusive and life-sustaining societies. We also make sure that Hivos adheres to the principles of good governance.

The SC is impressed by how the staff, the EB, the Management Team, and all other stakeholders, managed to "keep things moving" in the right direction despite a second year of Covid during 2021. The Supervisory Council focussed in 2021 on the alignment of Hivos with its new Strategic Compass, which was in its first year of implementation, while ensuring that the organization lives up to its commitments to right holders, partners and donors. In the first half of 2021, the SC discussed with the EB the correct transfer of the South East Asia Region into the independent foundation Yayasan Humanis Dan Inovasi Sosial. In 2021, Hivos implemented several internal improvements, for example in project management, but it is clear for the SC that there is still room for improvement in Hivos' financial management and IT environment. For 2022, the SC would like to see also steps made in improved impact measurement on project level.

NUTS AND BOLTS

The SC formally convened six times in 2021. It also held six meetings to find two new members and discuss the desired profile of the new CEO. The SC has two standing committees, the audit committee and the remuneration committee. The audit committee met regularly with the EB and the external auditor Deloitte to discuss management information, the budget, and the control environment – including fraud cases and the circumstances leading up to

them. The audit committee and the full SC discussed the preparation and contents of the Annual Accounts, the management letter, and Deloitte's audit report. This entire process showed in 2020 and 2021 great improvement compared to previous years.

In order to evaluate the performance of the EB, the remuneration committee (the chair and a member of the SC) consulted with other SC members, management, and the Global Office Works Council, and met regularly with the EB members before reporting to the full SC. As detailed in the Annual Accounts, EB remuneration is in line with the Dutch Standards for Remuneration Act. The remuneration committee prepared the recruitment of new SC members following the statutory retirement of Anja van Gorsel as Vice Chair (2nd term) and Chair of the Remuneration Committee, and Johan van de Ven who finished his third term. The SC is grateful for the invaluable contributions of the members who retired in 2021. Bernard ter Haar and Frida Kruijt officially started their first term on January first 2021. At the beginning of 2022, we also welcomed two new SC members, namely Dianda Veldman, currently Director of the Dutch Patient Federation, and Savio Carvalho from India, based in Amsterdam, who works for Greenpeace International as Global Biodiversity Campaign Lead.

CONTINUITY OF THE SUPERVISORY COUNCIL

The SC believes it is important for it to be closely involved in vital strategic processes such as Hivos' strategic course and strategic partnering. The relatively high recent turnover of SC members, largely due to statutory limitation of service terms, led the SC to discuss the importance of securing institutional memory and continuity. The SC also feels that the interaction with and involvement of its international members needs to improve. This issue will require more attention in the near future.

The SC laid the groundwork for a "direct voice from the South" within Hivos by introducing an Advisory Board. The Hivos Advisory Board is composed of representatives from the rightholders' communities in countries where we work. It will start convening in 2022, advising both the EB and SC on strategic matters and other relevant topics for Hivos. In accordance with the guidelines of the Dutch Central Bureau on Fundraising (CBF) and the Dutch Good Governance Code for Charitable Organizations, it was established that, during 2021, none of the individual SC members held primary or additional occupations that were in conflict with their supervisory role at Hivos.

THANK YOU ALL

The SC would like to thank the EB and all employees and partners of Hivos for their efforts in 2021 to continue to work towards just, inclusive and life sustaining societies. Their contributions will become even more important as the world's short-term responses to the Covid-19 crisis risk aggravating the situation of the interest groups that Hivos serves.

The Hague, December 28 2022

Diana Monissen

Chair Supervisory Council

TABLE COMPOSITION

HIVOS SUPERVISORY COUNCIL (AS OF FEBRUARY 1ST, 2022)

First appointment	Name, position, term <i>(max. two terms, eight years)</i>	End of current term	Occupation and other positions
2020 October	Diana Monissen Chair (1st term)	2024	Most recently, CEO of the Princess Maxima Center for Childhood Oncology. Previously, director general of the Dutch Ministry of Health, chair of the board of directors at Friesland Zorgverzekeraar, and member of several taskforces advising the Dutch government on, among other issues, preventing child and sexual abuse.
2013	Anja van Gorsel Vice Chair (2nd term) Chair Remuneration Committee	2021 Until September	Consultant, Wesselo & Partners; Chair of SC Tappan; Member of SC Staedion.
2010	Johan van de Ven (3rd term) Strategy and Partnering Committee	2021 Until September	Independent consultant and interim manager for business innovation and transition; Strategy partner and chair investment committee, sustainable private equity association Oraxys S.A.; Advisory board Novioionics bv; Chair supervisory board Hivos Triodos Fund; Board member and treasurer Alliance Francaise Pays Bas; Advisory board Solar Plaza Foundation.
2018	Elizabeth Lwanga (1st term)	2022	Innovations in Development Advisor; Search for alternative approaches to Africa's development; Leadership development; Creative talent promotion; Gender and development.
2019	Marianne van Kimmenade (1st term) Chair of the Audit Committee	2023	Chartered Accountant, senior policy advisor fraud and governmental auditing at the Royal Netherlands Institute of Chartered Accountants and former partner of EY .
2021	Bernard ter Haar (1st term) Member of the Audit Committee	2024	Special Advisor, Top Management Group, Ministry of Domestic and Kingdom Affairs. Former DG in Ministry of Social Affairs.
2021	Frida Kruijt (1st term)	2025	Interim Executive Director Amnesty International Canada (May 2021/ August 2022); Director of Movement Engagement for the International Secretariat of Amnesty International in the Americas, based in Mexico City.
2022 February	Dianda Veldman (1st term)	2026	Executive Director of Netherlands Patient Federation, SC member of Stichting VeiligheidNL.
2022 February	Savio Carvalho (1st term)	2026	Global Campaign Lead Biodiversity Greenpeace International.

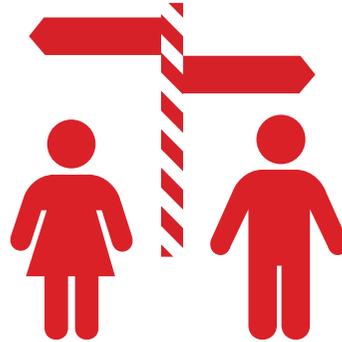
3. THE HIVOS WAY



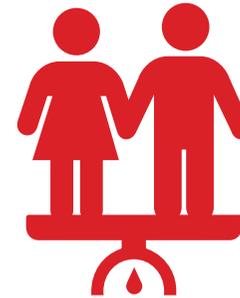
FREEDOM & DIGNITY



RESPONSIBLE CITIZENSHIP



SELF-DETERMINATION & DIVERSITY



EQUALITY & SOCIAL JUSTICE



SUSTAINABLE USE OF OUR PLANET'S RESOURCES

Hivos was founded in 1968, inspired by humanist values. Our founders held the conviction that development work should be secular, as true cooperation presumes respect for differing beliefs. In our first ever brochure, our founders wrote that “necessary changes should spring from communities themselves – from people at the base of society.” These convictions are still reflected in our work.

CORE VALUES

We believe that human life in its many forms is valuable; that all people deserve to achieve their full potential, while bearing responsibility for sustaining

our natural environment. Living a life in freedom and dignity, with respect for each other and the planet, leads to greater individual well-being and fair, vibrant societies.

VISION

Hivos firmly believes in every person’s right to live in freedom and dignity, to enjoy equal opportunities, and to influence decisions made regarding the changes they want to see in their lives, communities and country.

We envision a world in which individual differences and backgrounds are respected and used to

strengthen communities. A world in which people join forces to challenge the power imbalances that allow environmental degradation and propel climate change; that condone exploitation, oppression and exclusion; and that perpetuate gender inequalities.

MISSION

Hivos works for a world where people can realize their full potential, unleashing their ingenuity and creativity to build fair, just and life-sustaining societies for themselves and generations to come. Our mission is to amplify and connect voices that promote social and environmental justice and challenge power imbalances. We particularly

empower underrepresented rightsholders to raise their voice and demand freedom of choice.

Hivos supports the development of alternative solutions to deep-seated problems so that individuals and communities can make responsible and equitable choices within political and economic systems that serve their needs and preserve the planet. We connect people and organizations offering alternatives to those looking for solutions in their fight for social and environmental justice.

WHERE WE WORK

Hivos has regional hubs in Latin America, East Africa, Southern Africa, and Middle East and North Africa (MENA) and a number of country offices.

Besides our country-based work, we advocate with our partners for policies to promote the just, inclusive and life-sustaining societies we believe in at numerous regional, international and multi-lateral forums and institutions.

Hivos' Global Office is located in The Hague. On our [Dutch website](#) you can follow our campaigning and advocacy efforts in the Netherlands. In 2021 the official transfer began of Hivos' Southeast Asia hub to the local entity [Yayasan Humanis dan Inovasi Sosial](#).

FIVE STRATEGIES FOR CHANGE

Hivos uses [five strategies](#) to promote the voices and choices of underrepresented people, while strengthening civil society. Which strategies we apply, and when, depends on the context and the local organizations we work with. They all benefit from our expertise in grant making and ensuring that donors' funds are spent effectively, transparently and accountably.

SUPPORTING FRONTRUNNERS



FORGING MULTI-ACTOR INITIATIVES



INFLUENCING POLICIES AND PRACTICES



MOVING THE MIDDLE

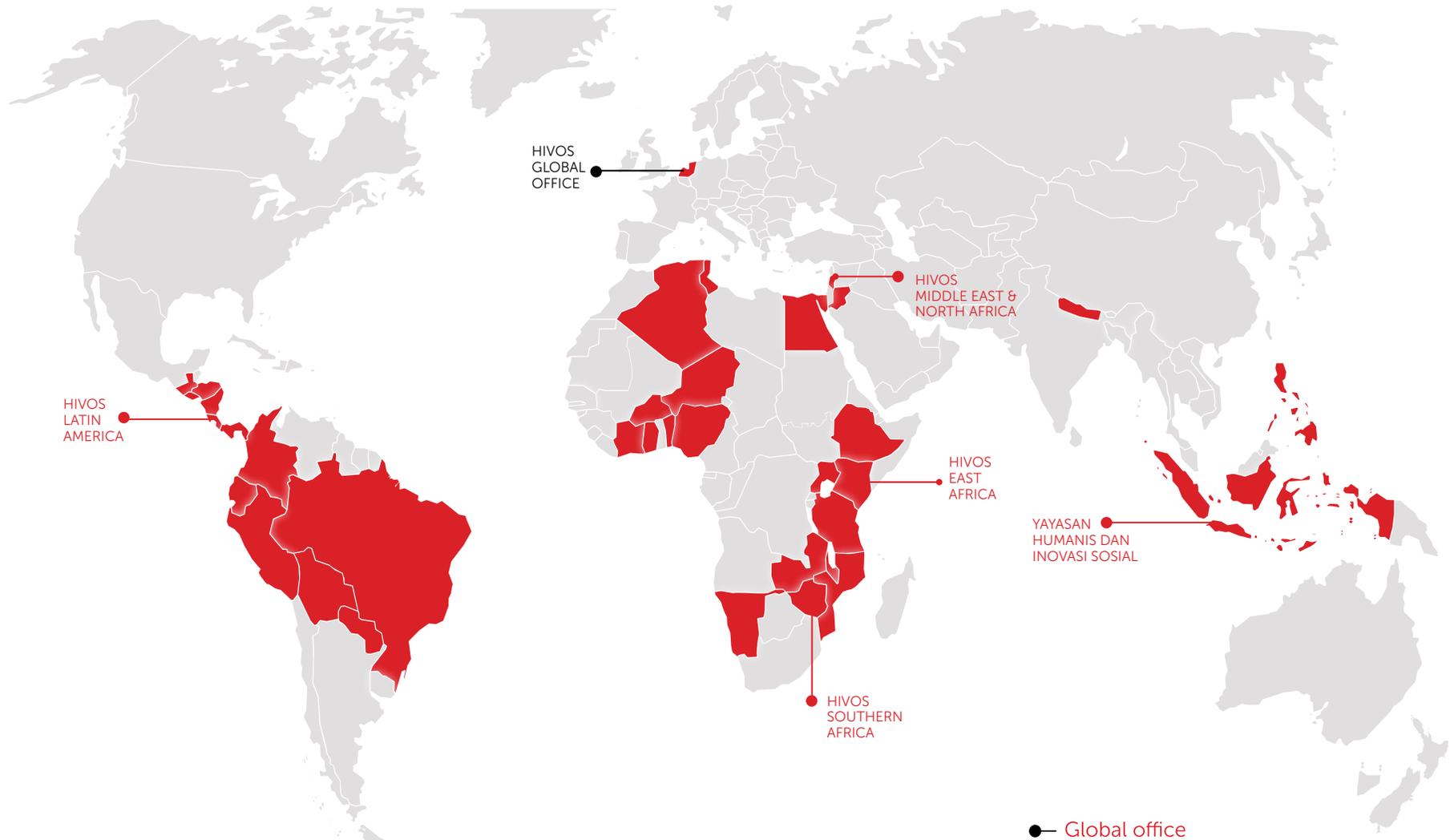


BOOSTING LOCAL OWNERSHIP



WHERE WE WORK

- Algeria
- Benin
- Bolivia
- Brazil
- Burkina faso
- Colombia
- Costa Rica
- Ecuador
- Egypt
- El Salvador
- Ethiopia
- Ghana
- Guatemala
- Honduras
- Indonesia
- Jordan
- Kenya
- Lebanon
- Malawi
- Mali
- Mozambique
- Namibia
- Nepal
- Nicaragua
- Nigeria
- Niger
- Panama
- Paraguay
- Peru
- Philippines
- Rwanda
- Tanzania
- The Netherlands
- Tunisia
- Timor-leste
- Uganda
- Zambia
- Zimbabwe



- Global office
- Regional hubs
- Where we work

4. KEY FIGURES

NUMBER OF PARTNER ORGANIZATIONS

449

Worldwide

46

MENA

36

Asia

82

Latin America

107

Africa

178

TOTAL SPENT ON OBJECTIVES

53,588



Gender, Equality, Diversity & Inclusion
26,794



Climate Justice
9,110



Civic Rights in a Digital Age
6,966

Non Aligned
10,718

TOTAL INCOME



Income from lottery organizations
4,215

Income from companies
451

Income from private individuals
2,614

58,482

Amounts
x1,000 euros

Income from government subsidies
36,872

Income from other non-profit organizations
13,237

Other income
1,093

FINAL OPERATING RESULT

-1,710



Reserves and funds
69,368



Solvency rate
53%



Current ratio
1.7



Spent on generating income
1,131



Management and accounting costs
5,693



Exceptional items and provisions
-400

5. IMPACT 2021

As stated in our [Strategic Compass 2021-2024](#), Hivos is focusing on three impact areas we consider of major importance. It is in these areas where major social and political transitions take place. And based on our 54-year track record, it is here where we can achieve real impact.

- Gender Equality, Diversity and Inclusion (GEDI)
- Climate Justice
- Civic Rights in a Digital Age

IMPACT AREAS CROSS-OVER

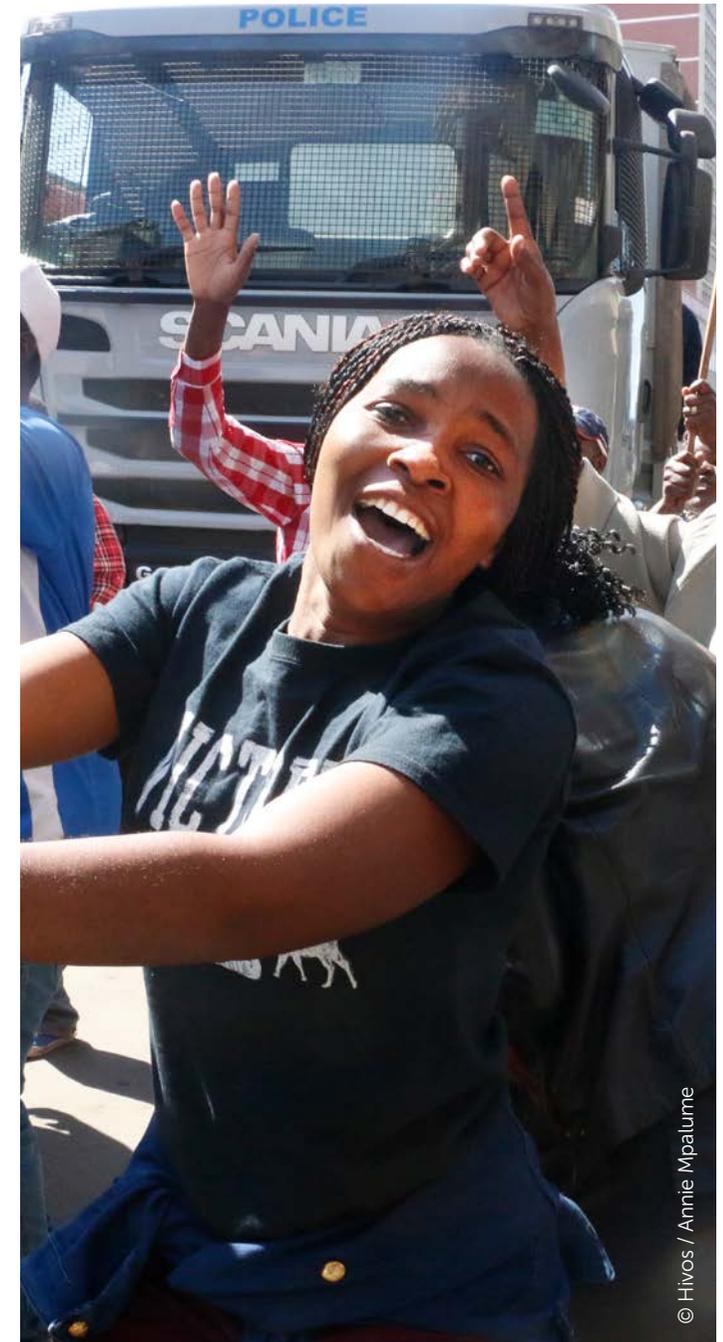
The transitions required by these impact areas are closely interlinked, as are our ambitions and strategies to connect the voices and support the choices of people affected by inequality, the climate crisis, and lack of accountability. We adopt a feminist and intersectional approach throughout our work, in which the perspectives of local rightsholders are leading. We support collaboration and learning across our impact areas, amongst our partners, and in the regions where we operate.

Our work on Climate Justice provides clear opportunities for embedding GEDI objectives in our work on climate finance, leadership, and economic empowerment, especially for women and other marginalized communities. For a just climate transition, women and other underrepresented groups must

have a say in what happens, as they – the smallest polluters – are also the ones disproportionately affected by the climate crisis. Through our programs, such as ENERGIA where we are working on a gender and energy nexus, they gain more access to and control over clean energy resources and can meaningfully participate in the renewable energy sector.

The GEDI link with Hivos’ work on Civic Rights in a Digital Age lies in our efforts to protect and strengthen the role and civic rights of women and LGBTIQ+ people and help ensure that digitalization also advances their participation, equality, and accountability. We therefore aim to generate new insights on the intersection of gender and digitalization by building on Hivos’ robust portfolio, such as the Digital Defender’s Program, so women and minority groups can truly benefit from the digital transition.

Climate Justice and Civic Rights in a Digital Age are also closely interlinked through innovative digital and technology solutions, such as in our All Eyes on the Amazon program that supports Indigenous peoples and local communities in their fight against deforestation and ecosystem degradation. It combines state-of-the-art technology, such as satellites, innovative apps and drones, to detect deforestation, degradation, and human rights violations, record them and eventually stop them.



© Hivos / Annie Mpalume

5.1 GENDER EQUALITY, DIVERSITY AND INCLUSION

Globally, in 2021 and continuing in 2022, we are witnessing increasing marginalization, shrinking civic space, and the widening gap between rich and poor. As Covid-19 and climate change continue to affect lives and livelihoods worldwide, it is evident that women, LGBTIQ+, and other excluded communities are more likely to bear the social, health, and economic consequences. More so, widespread discrimination continues to impact the lives of women and people with diverse sexual orientations and gender identities. This interferes with their full enjoyment of all human rights and hampers their participation in processes that tackle the root causes of such discrimination.

To counter this, we want to co-create new solutions that catalyze broad social and structural transformations to advance GEDI and achieve equality for all. We aim to support rightsholders in their efforts to claim the power, agency, and leadership necessary to drive change.



OUR VISION

A more just, fair, dignified, and prosperous society, where all people have equal rights, responsibilities, and opportunities. A world where gender equality, inclusive economies and governance practices become the principle for organizing and building just societies.

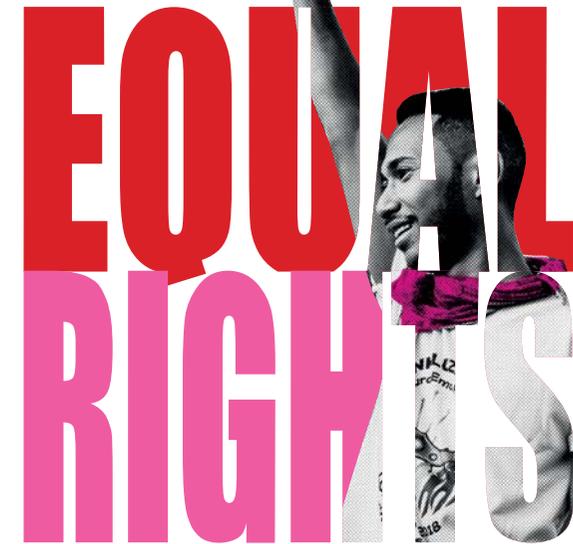
OUR APPROACH

Recognizing that there are multiple and intersecting forms of systemic discrimination, we put intersectionality at the center of our approach. Inclusivity in policy and practice is key to providing equal access to opportunities and resources for people who might otherwise be excluded.

Hivos acknowledges the power of people. We support rightsholders and their organizations in strengthening their personal and collective powers, claiming their rights and holding duty bearers to account. We recognize that GEDI transformative work is long term, often generational, requires sustained investments, and needs to be guided by rightsholders' lived realities. Therefore, we have identified three thematic topics where Hivos can make a significant contribution based on its track record:

1. Strengthen women's, girls, and LGBTIQ+ people access to inclusive sexual and reproductive health and rights (SRHR).
2. Advocate for economic justice and rights of women and LGBTIQ+ people to secure economic resources, opportunities, services and wellbeing as well as influence and participate in economic decision-making.
3. Advance women's, youth & LGBTIQ+ leadership, and political participation at all levels of decision making.

The paper *[Advancing gender equality, diversity and inclusion to achieve equity](#)* for all shows how we set out to build the political power and influence of rightsholder movements led by women, youth, and LGBTIQ+ people to ensure they have the capacity and resources to achieve transformative social change.



IMPACT EXAMPLES

- By setting up Communities of Action, we aim to ensure our new programs are community owned and led.
- The [publication](#) 'Changing Hearts and Minds' shares how activists are doing incredible work shifting public opinion on SRH-R and SO/GIE/SC.
- The [VOICE program](#) awarded various grants in 2021 with which we, for example, supported Kenyan LGBTIQ+ students by creating safe spaces to meet, encouraged a Philippine human rights organization give voice to people in local politics and facilitated an online festival showing the work by Asian LGBTIQ+ artists about their path to acceptance and inclusion.
- The Brazilian [film](#) Valentina was awarded the Hivos Free to be Me Award in an effort to support films that stimulate debate in society.

COMMUNITIES OF ACTION

Rightsolders and activists worldwide have built communities, taken to the streets, filed lawsuits, and advocated for their rights. Their efforts have put sexual and reproductive health and rights (SRHR) firmly on the international agenda. There are also growing demands to end violence against women and LGBTIQ+ people based on sexual orientation, gender identity, expression, and sex characteristics (SOGIESC). The 2030 Agenda for Sustainable Development is a significant achievement that affirms the crucial importance of gender equality and women's empowerment as integral to all other sustainable development goals and their realization.

Our focus is to support these initiatives that are community owned and led by those directly impacted. Community-led and owned partnerships and mutual accountability, in other words, "Nothing about us without us!" We create safe spaces under the umbrella of Communities of Action where rightsolders can connect, learn, and develop joint strategies to improve their lives and well-being. We invest in community engagement efforts and are piloting new ideas that are critical in reshaping how LGBTIQ+ individuals engage and benefit equally from inclusive and sustainable economic growth. This approach is particularly evident in the We Lead and Free to be Me programs.

We use the acronym **LGBTIQ+** to refer to *lesbian, gay, bisexual, trans, intersex and queer people*; the '+' indicates that these terms have a limited scope, and not all people who are marginalized because of their **sexual orientation, gender identity or expression, or sex characteristics (SOGIESC)** self-identify with these terms.

NEW PROGRAMS

In 2021, we started implementing two new programs: We Lead and Free to be Me. Hivos builds on its track record of strengthening rightsholders' advocacy capacities, connecting them in strong movements, and increasing public and political support for their rights. Because of the pandemic, some start-up issues have arisen, but still much work has been done under challenging circumstances.

WE LEAD

We Lead is an innovative and far-reaching program that aims to strengthen the influence and position of young women whose sexual and reproductive health and rights (SRH-R) are neglected the most. It targets young women and adolescent girls who: live with HIV; identify as lesbian, bisexual, trans, or intersex (LBTI); live with a disability; and/or are affected by displacement.

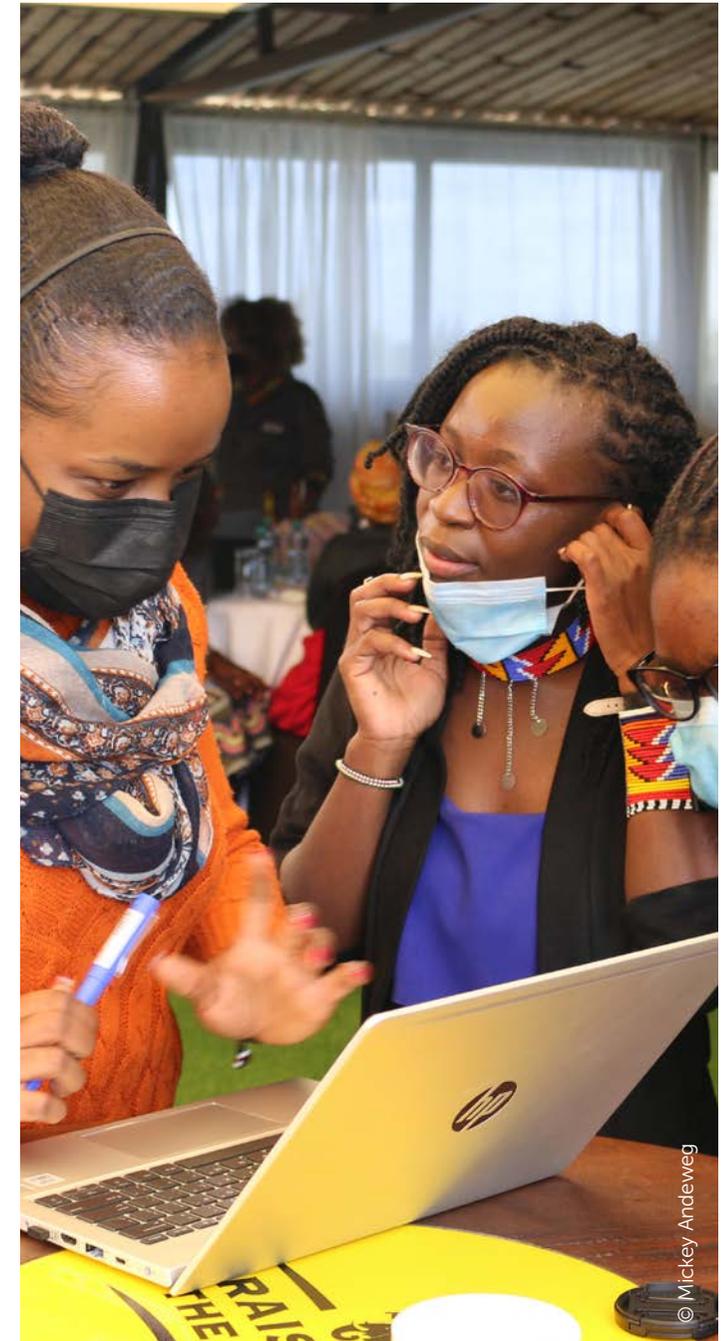
Where: Nine countries in Africa, the Middle East and Central America

Period and budget: 2021 – 2025, €40.7 million.

Donor: funded by the Dutch Ministry of Foreign Affairs under the SRH-R Partnership Fund, part of the Strengthening Civil Society subsidy framework.

Consortium partners: Positive Vibes, Restless Development, Marsa, FEMNET, the Central American Women's Fund, and Hivos as lead party. M&C Saatchi World Services is our technical partner.

Impact examples 2021: Communities of Action have been formed in the project countries. They have localized the theory of change and drafted action plans for the coming year. The facilitators have followed the Looking In, Looking Out training and have been trained on safety and security. In the Netherlands, we have participated in the Women's March and co-organized the launch of the Multi-Party Initiative around sexual and reproductive health and rights.



© Mickey Andeweg

FREE TO BE ME

Free to be Me is an innovative program that builds and maintains a movement of self-confident and diverse LGBTIQ+ organizations and activists who advocate for their human and socio-economic rights.

Where: Fourteen countries in Africa, the Middle East and Asia

Period and budget: 2021 – 2025, €37.0 million

Donor: The program is funded by the Dutch Ministry of Foreign Affairs under the “Power of Voices” subsidy framework to strengthen civil society.

Consortium partners: Positive Vibes, ILGA World, and Hivos as lead party. Global Interfaith Network (GIN), Workplace Pride and Sogicampaigns are our technical partners.

Impact examples 2021: The program started in April 2021. Facilitators have been hired in most of the project countries. In some of the project countries, the localization process of the theory of change has started. In the Netherlands, we participated in the Pride Walk.

We use the term rightsholders to highlight the *power* of **women, girls and LGBTIQ+ people**, rather than focus on their exclusion through other common terminologies.



CURRENT PROGRAMS

VOICE

Voice is synonymous with inclusion, explicitly targeting those left furthest behind whom Hivos wants to reach first. Voice has four types of grants: empowerment, influencing, innovation and learning, and sudden opportunity grants. The added value of Voice lies in its demonstrated ability to give practical meaning to the notion of “nothing about us, without us” by creating and managing an easily accessible grant funding mechanism.

Aim: To achieve SDG 10: “Social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.”

Where: Hivos: Kenya, Tanzania, Indonesia and Philippines. Total program: Indonesia, Philippines, Cambodia, Laos, Mali, Niger, Nigeria, Kenya, Uganda and Tanzania

Period and budget: 2016-2024 (four-year extension in 2020). €50.0 million (contract), €35.0 million (grant funds), €12.0 million (program management/ linking and learning)

Donor: Dutch Ministry of Foreign Affairs

Partners: Oxfam Novib (lead contractor)

Impact examples: Several calls for proposals providing different type of grants for projects promoting diversity and inclusion. The grants distributed over the course of the program: 210 ‘Empowerment’ grants for the amount of €5.8 million. ‘Influencing’ grants for €20.6 million, ‘Innovate & Learn’ grants: €13.8 million. ‘Sudden Opportunity’ grants: €3.0 million. Find an overview of 2021 news [here](#).

We use the term **women** as an inclusive category to *include cis-gender, transgender and intersex women and women of all ages, including girls.*

SEXUAL REPRODUCTIVE HEALTH AND RIGHTS FUND

Aim: To improve all citizens' rights and access to quality sexual reproductive health and rights services, particularly of women, girls, key populations and underrepresented groups.

Where: Kenya, Malawi, Zambia and Zimbabwe

Period and budget: 2018-2021, \$9.3 million SIDA, (2017-2019, \$0.4 million Ford Foundation)

Impact examples:

- Dream Achievers Youth Organization (DAYO) with support from Hivos through the Regional SRHR Fund undertook a youth advocacy project aimed at improving access to SRHR information and services for youth in Mombasa, Kenya.
- Digital game 'Amani, My Friend' wins HIV and sexual health information competition.

SHE LEADS

Aim: To promote the full and effective participation and leadership of women and girls in political and societal decision-making in Zimbabwe.

Where: Zimbabwe

Period and budget: 2020-2021, €350,000

Partners: Women's Coalition of Zimbabwe (WCOZ), Institute of Young Women Development (IYWD), Gender & Media Connect (GMC), The General Agriculture and Plantation Workers Union of Zimbabwe (GAPWUZ), Women in Leadership Development (WILD), and Patsimeredu Edutainment Trust.

Donor: Embassy of Ireland in Pretoria

Impact examples:

- Increased women's representation and leadership positions in civic and political institutions.
- Strengthened platforms for more diverse voices in public debate that challenge discriminatory narratives, norms, and practices that undermine women's participation and leadership.
- Increased effectiveness of women's rights platforms, networks, and alliances in influencing the development and implementation of policies on women's participation and leadership at local, national, and regional levels.

ALIANZA LIDERAZGO EN POSITIVO (ALEP)

Aim: To strengthen and train social organizations and key populations to do advocacy work. The goal is to achieve a better quality of life and full human rights for all key populations living with HIV in Latin America.

Where: Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay and Peru

Period: October 2019 to November 2022

Donor: The Global Fund to Fight AIDS, Tuberculosis and Malaria

Partners: Country Coordinating Mechanisms where there is a Global Fund program in progress, UNAIDS, and PAHO. Many networks are involved.

Impact examples: The formation and continuation of several networks of key populations.

5.2 CLIMATE JUSTICE

In 2021 several Hivos programs attended and hosted side events at the COP26 in Glasgow with the joint goal of putting justice at the core of global climate action and focusing on the priorities and agency of those disproportionately impacted by climate change. The Climate Justice outcomes of COP26 were disappointing in our opinion. However, meeting so many people, organizations and parties committed to fighting for a truly sustainable world for all leaves us with some hope.

TRANSFORMATIONAL SOCIAL CHANGE

Climate change is a political, social and ethical issue, rather than a purely environmental one. It is caused by an unsustainable economic model that gradually destabilizes everything we need and want, and distributes wealth and power unequally in the world. At the same time, it exacerbates this inequality by affecting those who are least responsible the most. Peoples and countries with low incomes and long histories of oppression are the ones facing the worst impacts of climate change, despite having contributed the least to causing it.

In this context, Hivos works with key rightsholder groups and social movements from the Global South in putting their priorities and agency at the center of global climate action. By forging multi-stakeholder partnerships and building on our track record, we aim to promote Climate Justice by focusing on political, financial and behavioral interventions that will trigger the tipping points of positive, transformational social change.



OUR VISION

Justice, equity and human rights are at the core of global climate action, which is grounded in the priorities and agency of those disproportionately impacted by climate change and responds to their needs.

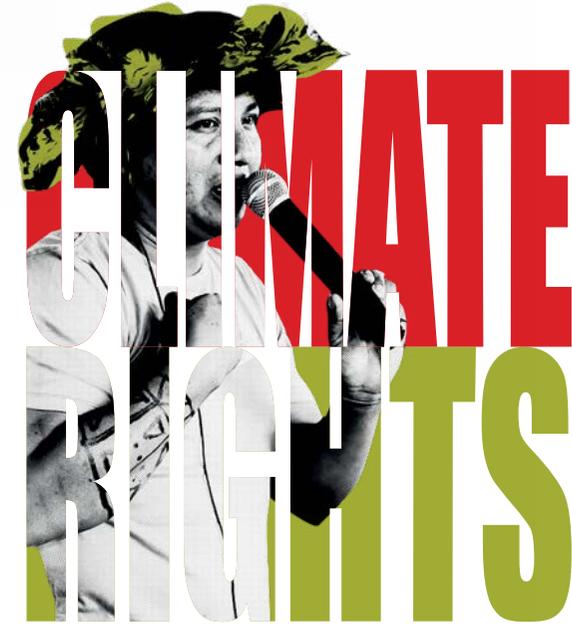
OUR APPROACH

Influencing local, regional and international climate policies starts with linking and empowering groups that are disproportionately impacted by climate change. Although they often lead change in their climate-stricken communities, they are rarely heard in climate decision-making. These women, Indigenous peoples, youth, urban poor, and small farmers must own, participate in and benefit from climate action. Therefore, we focus on building a strong movement of civil society organizations that represent a wide range of constituencies and are willing to unite behind a common climate agenda. We use an inclusive and rights-based approach and recognize the importance of care and respect for all forms of life.

Our Climate Justice programming has three focal areas:

1. Reshaping climate narratives
2. Just distribution and local solutions
3. Building political power and influence

The paper *[Putting justice, equity and human rights at the core of global climate action](#)* explains why and how our work is grounded in the priorities and agency of those disproportionately impacted by climate change.



IMPACT EXAMPLES

- In June we opened the virtual [All on the Amazon defense learning platform](#).
- [ENERGIA](#) celebrated its 25th anniversary. Years in which it has trained and supported about 8,000 women entrepreneurs in the clean energy field.
- The [GreenWorks program](#) put together an alliance of incubators, accelerators, think tanks and angel investment networks to create sustainable job opportunities for 9.000 young people in North Africa.
- We took part in the [COP26](#) and supported 8 civil society and grassroots organizations to attend. They were mostly represented by women.
- We started implementing the [Voices for Just Climate Action program](#) in 7 countries.

NEW PROGRAM

VOICES FOR JUST CLIMATE ACTION

Aim: To ensure that by 2025, local civil society and underrepresented groups will have taken on a central role as creators, facilitators and advocates of innovative climate solutions. Their inclusion is crucial for effective and lasting climate responses, and because the climate crisis is also a societal challenge with ethical and human rights aspects.

Voices for Just Climate Action presents a fair, just and solution-oriented agenda that integrates social and economic rights into climate action. Together with alliance partners and local civil society organizations it creates a democratic playing field and amplifies the inventive local solutions to spur a broader development.

Where: Brazil, Bolivia & Paraguay, Indonesia, Kenya, Tunisia, and Zambia

Period and budget: 2021 - 2025, €55.0 million

Donor: The Dutch Ministry of Foreign Affairs under

its five-year strategic partnership: "Power of Voices"

Contract lead: World Wide Fund for Nature (WWF) Netherlands.

Alliance Partners: SouthSouthNorth, Akina Mama wa Afrika, Slum Dwellers International, Fundación Avina, Hivos.

Impact examples 2021: 2021 was all about forming alliances, communities of action and setting up the program. The program has contracted partners and identified local capacities as well as strengthened these. It organized public debates on locally-led solutions, such as several engagements with Indigenous leaders and other events during the COP26, influenced policy process with regards to national climate plans, and finalized baseline studies in all countries to map local solutions and identify entry points for influencing the debates.

Indigenous climate activist
Txai Suruí from Brazil and
advisory board member VCA



CURRENT PROGRAMS

ALL EYES ON THE AMAZON

Aim: To support Indigenous people and local communities in their fight against deforestation. The [All Eyes on the Amazon](#) program combines state-of-the-art-technology, like satellites and drones, with local knowledge. We detect and record deforestation, pollution and human rights violations, and try to end them.

Where: Brazil, Ecuador and Peru

Period and budget: 2017-2022: €18.8 million

Donor: Dutch National Postcode Lottery

Alliance Partners: Greenpeace plus 24 international and local partners

Impact examples 2021:

- 30 communicators from Ecuador, Peru and Brazil participated in the Workshop on “Deep Journalism in the Amazon.”
- In June the program launched a [Learning Platform](#) and the TOA Academy, a virtual learning space, constantly updated with courses, resources and learning tools to strengthen the defense of land in the Amazon.

- In September the program participated in GLF Amazonia, the largest world conference on the Amazon, with the event “All Eyes on the Amazon: connecting strategies, territories and organizations.”
- In addition, Hivos supported the development of the Second March of Indigenous Women in Brasilia, Brazil, as well as the participation of representatives from Indigenous Peoples’ organizations in Ecuador and Peru.



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ENERGIA

Aim: To contribute to universal, equal and equitable energy access to and control over sustainable energy services for all, with women at the center of these efforts.

Where: Eight countries in Africa and Asia

Period and budget: 2018-2022, €10.5 million

Donor and partners: 30+ partners worldwide, including NGOs, research institutes, social enterprises, networks and government organizations.

Impact examples:

- By the end of 2021 ENERGIA, which celebrated its 25th anniversary, had trained and supported about 8,000 women entrepreneurs in the clean energy field and through productive uses of energy, which in turn provided almost four million people in last-mile communities in Africa and Asia with access to affordable energy.
- ENERGIA's advocacy efforts continued to put gender at the centre of the energy discussion. Together with Global Women's Network for the Energy Transition (GWNET) and the United Nations Industrial Development Organization (UNIDO), ENERGIA initiated a multi-stakeholder coalition to develop a Gender and Energy Compact. The Compact works towards gender equality and women's empowerment to accelerate a just, inclusive and sustainable energy transition. To date, the Compact has over 50 signatories and plans to expand its constituency further.
- 2021 was also the year when Sheila Oparaocha, International Coordinator and Program Manager of ENERGIA, was awarded the Kleinman Center for Energy Policy's Carnot Prize at the University of Pennsylvania for her distinguished contributions to energy policy.
- In 2021, jointly with EnDev, Hivos, MECS and SIDA, we also rolled out the "Gender & Energy Innovation Facility", resulting in 11 innovative grant projects in Kenya, Tanzania and Nepal.



GREENWORKS

Aim: To mitigate climate change by creating sustainable business and job opportunities for more than 9000 young people in the green economy in North Africa.

Where: Egypt, Tunisia, Algeria

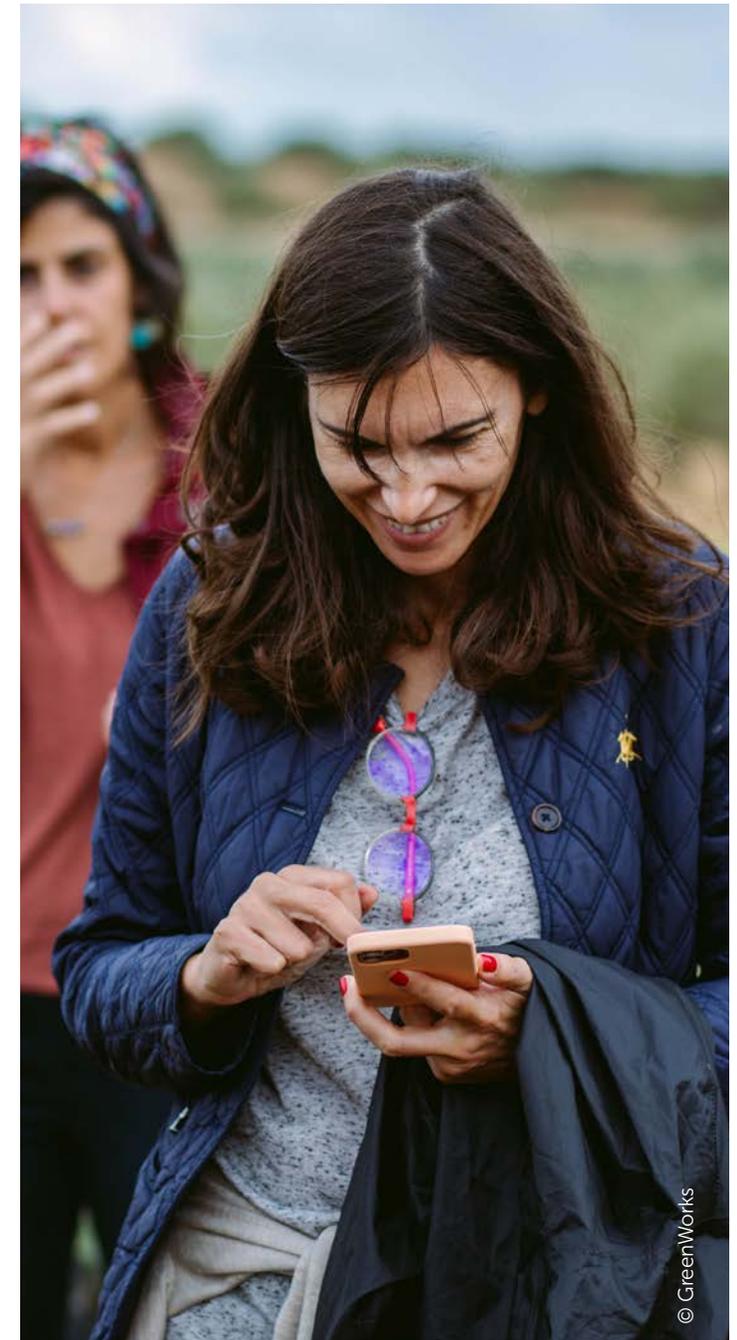
Period and budget: January 2020 - January 2024, €9.3 Million

Partners: Led by Hivos, GreenWorks Alliance members include: Nahdet El Mahrousa, ElSpace, ElRehla, the Tunisian Center for Social Entrepreneurship, AUC VLab, Clean Tech Arabia, Flat6Labs Tunisia, Wasabi, Fondation Tunisie Pour Development, Sylabs, Impact Partner, ElSpace Innovation Hub, Med Angels Investment Network, Education for Employment Tunisia, and Alexandria Angels.

Donor: The Dutch Ministry of Foreign Affairs.

Impact examples 2021:

- The GreenWorks Alliance successfully reached 27% of its job target (2400 youth employed of the overall target of 9000 jobs before the conclusion of the program). Almost 50% of those employed are women.
- In Egypt, Algeria and Tunisia, 97 social enterprises have been supported so far by the alliance.
- The alliance successfully helped its social enterprise entrepreneurs to leverage more than € 5 million.



AMAZON INDIGENOUS HEALTH ROUTE

Aim: To promote structural changes in health systems and networks that will reduce the impact of Covid-19 on the lives, organizations and territories of Indigenous populations in the Ecuadorian, Peruvian and Brazilian Amazon.

Where: Ecuador, Peru (Madre de Dios), Brazil (Maranhão)

Period and budget: 2020-2022, \$1,6 million

Partner organizations: CONFENIAE (Ecuador), FENAMAD (Peru), Centre for Indigenist Work – CTI (Brazil)

Donor: The Rockefeller Foundation

Impact examples 2021:

- Design of 18 maps with access routes to health centers to facilitate access for indigenous nationalities from Ecuador, Peru and Brazil.
- Training activities in prevention, health and community care measures aimed at health professionals, community health promoters, and Indigenous leaders in Ecuador, Peru and Brazil.

- Technical advice and support to the Ministry of Public Health of Ecuador in the development of the Operational Guidelines for Vaccination against Covid-19 in Indigenous, Afro-Ecuadorian and Montubio peoples and nationalities of Ecuador.
- Acquisition of tests to detect Covid-19 personal protective equipment for health professionals and community members, medical devices to support the vaccination process, and equipment minor to strengthen the health network - all in Maranhao and the Ecuadorian Amazon.



© Amazon frontlines

THE RUAF GLOBAL PARTNERSHIP ON SUSTAINABLE URBAN AGRICULTURE AND FOOD SYSTEMS

Aim: To transform urban agriculture and food systems in cities around the world by urban, enhancing urban food security, and improving urban environmental management.

Where: Cities all over the world.

Partners: Hivos, International Water Management Institute, Institute of Geographical Sciences and Natural Resources Research of the Chinese Academy of Sciences, Laurier Centre for Sustainable Food Systems, City of Toronto, City of Ghent, City of Quito, Economia e Sostenibilita and Mazingira Institute.

Impact examples 2021: Since 1999, RUAF has worked with local and international organizations in over 100 cities in more than 50 countries. RUAF's support for them includes training, technical assistance, action-research and policy advice. RUAF publishes the Urban Agriculture Magazine, books,

technical and methodological guidelines and working papers on urban agriculture and city region food systems.



5.3 CIVIC RIGHTS IN A DIGITAL AGE

Across the regions we work in, we observe shrinking civic space and freedom, the spread of narratives that divide people and undermine truth, deepening exclusion of the most marginalized people, and collapsing trust in democratic institutions. Corruption and tax avoidance remain major scourges. These challenges relate intimately to a global economic system that incentivizes exploitation of people and natural resources. They are magnified by rapid, unequal digitalization of our societies.

Yet, we also see vital opportunities to strengthen the people, initiatives and organizations who confront these challenges, and who imagine and push for alternatives. They work across civil society, academia, in the media and culture sectors – and with progressive allies in government and business. They are guided by social justice values, and they work to build a public sphere where people exercise agency, where their rights are protected, and which supports healthy, democratic debate.

Hivos works with them to put their agency and priorities at the center of global and local efforts to promote Civic Rights in a Digital Age. Deeper and broader collaboration between these diverse actors from the Global South is at the core of our approach.



OUR VISION

A public sphere where civic rights are protected, where inclusive public debate flourishes, and where people exercise influence and agency so that technology and public resources are used justly and responsibly.

OUR APPROACH

To safeguard Civic Rights in a Digital Age, we must confront longstanding and newer challenges. In our analysis this means we focus on achieving three impact goals:

- 1 Vibrant civic spaces: Civic spaces expand and diverse civic actors use them effectively to influence public debates.
- 2 Responsible use of technology: Policies and practices that safeguard human rights in public uses of technology are adopted and implemented at local, national and international levels.
- 3 Just use of public resources: Public spending, in particular at local levels, is more open and responsive to social justice actors and their priorities.

The paper *[Putting civic action, justice and responsibility at the heart of our societies](#)* describes four pathways of change that our work in this area will follow to achieve these three impact goals.



IMPACT EXAMPLES

- We launched the cross-regional multi-media video series [Letters to Creatives](#) through which experienced critical creatives are able to mentor younger creatives.
- At the [RightsCon2021](#), we collaborated with our partners to host informative sessions. One focused on responding to digital threats against civil society.
- With the National Union of Tunisian Journalists we set up a [fact-checking](#) unit to tackle the growing problem of misinformation and fake news in Tunisia.
- In October, the African Crossroads community of future-oriented African thinkers and does convened for a fourth [edition](#).
- Demand for DDP's Incident Emergency Funding increased: in 2021 there were 396 requests.

A public sphere where **civic rights** are protected, where inclusive *public debate* flourishes.

CURRENT PROGRAMS

DIGITAL DEFENDERS PARTNERSHIP (DDP)

Aim: To provide a holistic response to digital threats and create resilient and sustainable networks of support to human rights defenders.

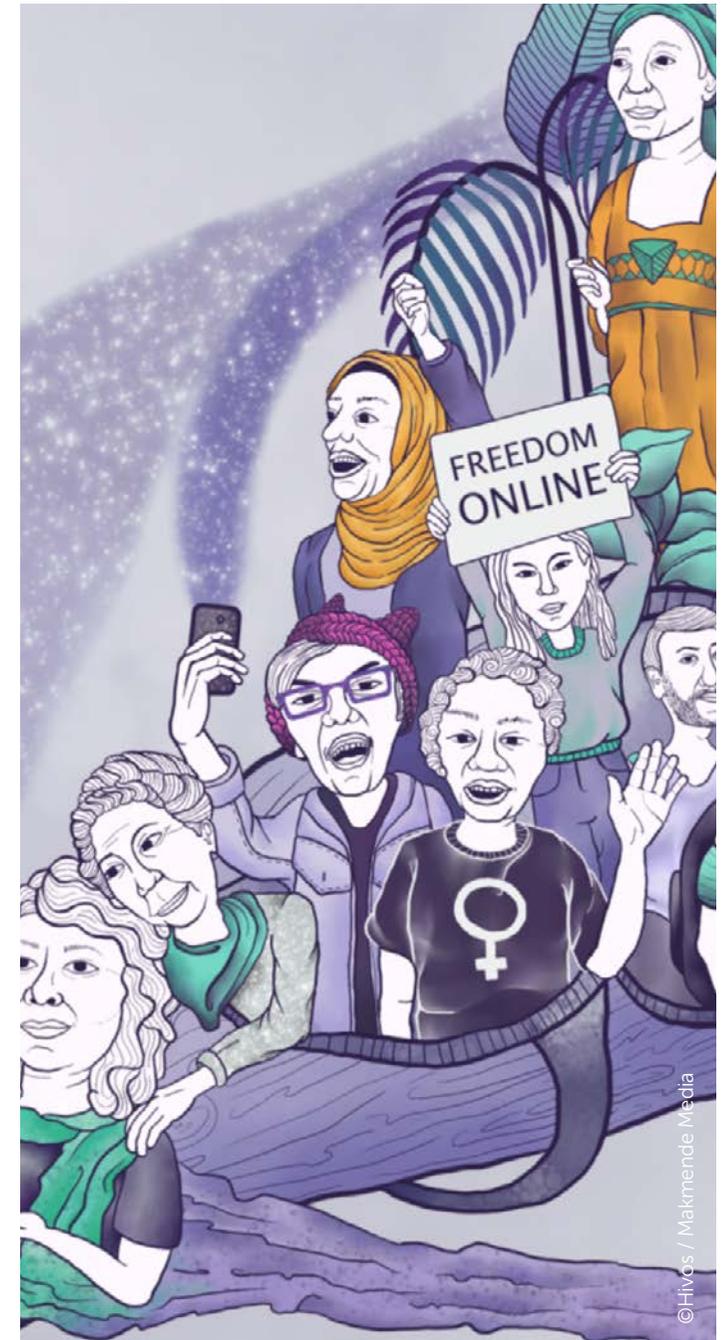
Where: Worldwide

Partners: Media Defence, Front Line Defenders, VirtualRoad, DDP is a member of CiviCERT and Rarenet

Program snapshot: DDP provides emergency response and sustainable protection funding, strengthens rapid responders and local protection networks, increases trainers' capacities through field building efforts, and contributes to long-term organizational safety through Digital Integrity Fellowships.

Impact examples 2021:

- Demand for DDP's Incident Emergency Funding continued to increase in 2021, with 396 requests being received and 410 processed.
- DDP opened 18 new Digital Protection Accompaniment projects.
- Nine new projects were supported with Community and Network Funding (CNF) in 2021 to develop resources and hold collaborative meetings among rapid responders.
- The Digital First Aid Kit (DFAK) was maintained, and three new languages were added: Burmese, Indonesian, and Thai.



RESOURCE OF OPEN MINDS (R.O.O.M.)

Aim: R.O.O.M. supports artists, culture and media producers, and creative hubs in many countries around the world to freely express themselves. The program specifically aims at diversifying dialogue and debate in society through the power of art to bring about structural social change.

Where: Egypt, Lebanon, Tanzania, Kenya, Uganda, Malawi, Zambia, Zimbabwe

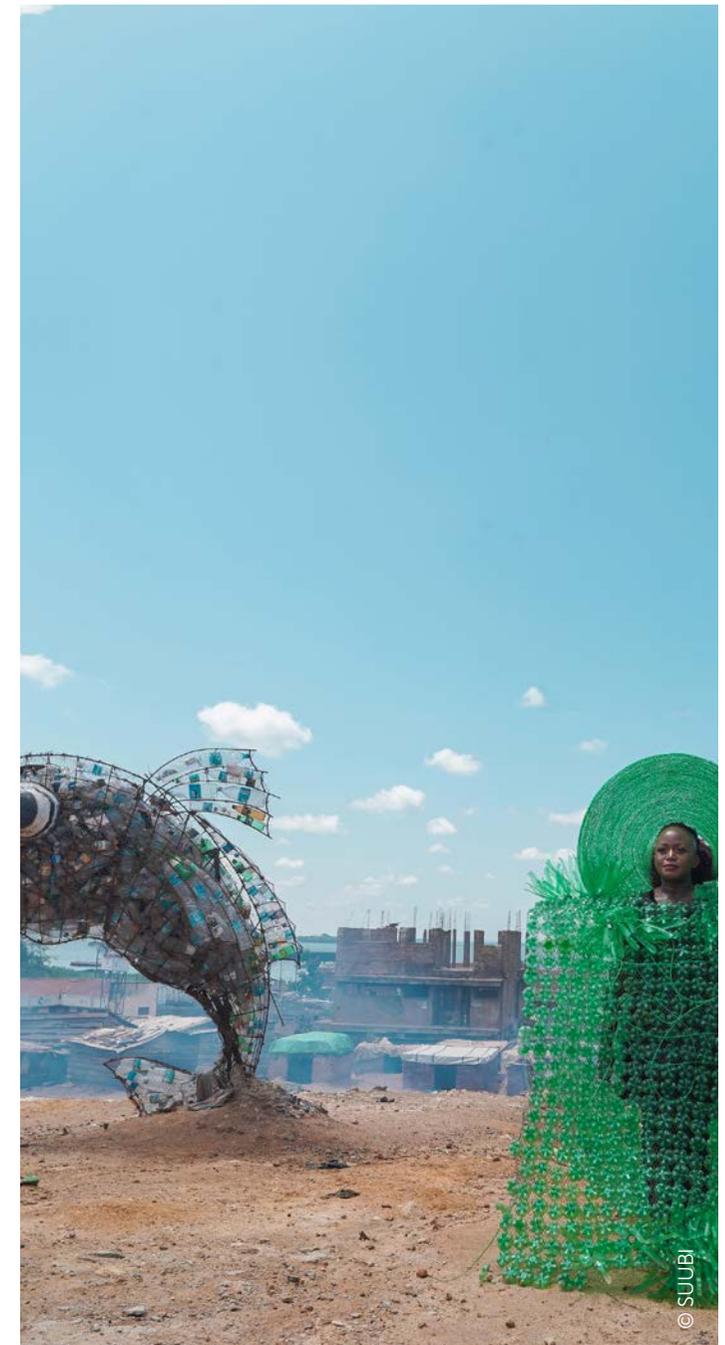
Period and budget: SIDA: First phase: 2017-2019, €4.7 million Extension: 2020-2023: €4.2 million, RVO: 2019-2021, €1.1 million

Partners: More than 100 partners worldwide, including creative hubs, artists, artist collectives, civil society organizations, research institutes and social enterprises.

Program snapshot: R.O.O.M. supports artists and creative hubs around the world in diversifying dialogue and using the power of creative expression through digital channels to spark debates and bring about structural social change. To solidify our decentralized

approach and push for more ownership in the Global South the program management was transferred to our Southern Africa hub.

Impact examples 2021: The R.O.O.M program partnered with a group of 21 experienced critical creatives across different mediums from East, Southern and Northern Africa to mentor younger creatives.



AFRICAN CROSSROADS

Aim: Hosted and organized by Hivos, African Crossroads is a community of future-oriented African thinkers and doers. They meet every year to reflect critically on the most cutting-edge developments anchored in African intellectual and technological traditions.

Where: Africa

Partners: multiple, varying by location

Initiative snapshot: African Crossroads is a community of future-oriented African thinkers and doers. They meet every year to reflect critically on the most cutting-edge developments anchored in African intellectual and technological traditions.

Impact examples 2021: In 2021, the final year of the program, [African Crossroads](#) organized its fourth edition. The theme of the gathering was ECOEXISTENCE. At the end of the gathering, participants emerged with an actionable manifesto that aims to shape the trajectory of Climate Justice on the African continent.

FREEDOM OF EXPRESSION AND INFORMATION IN TUNISIA

Aim: To promote freedom of expression and information in Tunisia, aiming to support Tunisian journalists in fulfilling their important responsibility.

Where: Tunisia

Partners: National Union of Tunisian Journalists (SNJT)

Program snapshot: The project furthers efforts to improve journalists' and media actors' ability to effectively exercise their rights to Freedom of Expression.

Impact examples 2021: As part of the project, SNJT launched its own fact-checking unit to tackle the growing problem of misinformation and fake news in Tunisia and ensure the normalization of fact-checking as a journalistic practice in the country. The unit publishes its work on Twitter and a multilingual Facebook page "[TuniFact](#)."

OPENNESS 4 COVID-19 RESPONSE RECOVERY IN KENYA (O4C19)

Aim: To improve transparency and efficiency in the use of public resources and in access to services during and after the Covid-19 crisis in Kenya by bringing together specialized media, local activists and government frontrunners.

Where: Kenya

Partners: Institute of Economic Affairs ([IEA- Kenya](#)) and local CSOs

Donor: European Union

Impact examples 2021: Working at the sub-national level, the program strengthened the capacities of civil society organizations (CSOs) and community accountability mechanisms to monitor, influence and participate in auditing public spending during the Covid-19 response and recovery.

6. OUR PARTNERS

We see Hivos as an exciting network of courageous and inventive partners and allies. Working with our 449 partner organizations, we strive to bring about transformational social changes that benefit all, but especially underrepresented groups in society.

Hivos has a unique position at the intersection of diverse stakeholders and communities. We are happy we can continue to build on many longstanding partnerships and are always looking for fruitful new connections. Our partnerships and networks span LGBTIQ+ communities, women's rights and youth organizations, frontrunners in environmental justice, human rights defenders, artists, bloggers, independent media, transparency and open government advocates, civic technologists, and organizations with specialized expertise in digital security.

INSTITUTIONAL DONORS AND FOUNDATIONS

It is our long-term strategic donors who make our work possible: the Dutch Ministry of Foreign Affairs; the Dutch Postcode Lottery; Sweden's SIDA; Global Affairs Canada; the Global Fund to Fight AIDS, Tuberculosis and Malaria; and the European Union, to name a few. Their support in 2021 led to several exciting new initiatives and the continuation of strong programs.

DUTCH MINISTRY OF FOREIGN AFFAIRS

In 2021 we entered a new phase of our partnership with the Dutch foreign ministry. In addition to the extension of our Voice program with Oxfam-Novib (2021-2024), Hivos has started implementing three new programs: We Lead, Voices for Just Climate Action, and Free to be Me. The next phase of Stop Child Labor is well under way. This coalition of Dutch and Southern organizations against child labor, coordinated by Hivos, is called Work: No Child's Business. Together with the Swedish International Development Agency and many other funders, the Dutch foreign ministry has contributed significantly to our Digital Defenders Program. We look forward to further consolidating and extending our long-term collaboration as we continue to strive for human rights across the globe.

HIVOS TRIODOS FUND

In 1994, Hivos and Triodos Bank – a leading expert in sustainable banking – joined forces as one of the world's first adopters of inclusive finance. Today, Hivos-Triodos Fund invests in renewable energy and sustainable agriculture initiatives that enable tens of thousands of businesses to thrive. To date, it has invested over €250.0 million, catalyzing green, inclusive prosperity in emerging markets. After 27 years, many positive examples abound. Among them are: Small Enterprise Foundation, MyJouleBox, Sistema.bio, Sol Organica, Capital Foods and Aldea Global.

DUTCH POSTCODE LOTTERY

Since its start in 1989, the Dutch Postcode Lottery has contributed €7.3 billion to charity organizations. We are proud to say that Hivos has been a beneficiary of the Postcode Lottery since 2007 and receives annual funding of €1.35 million. In 2021, the Postcode Lottery positively evaluated our cooperation, which means we can continue to count on the lottery's support for years to come. In 2021, we continued implementing our All Eyes on the Amazon program, made possible by funding through the Postcode Lottery's *Dream Fund* in 2017 and an additional contribution in 2020.

We are very grateful for the opportunities that Postcode Lottery participants provide us and would like to thank them wholeheartedly for their generosity.

INDIVIDUAL GIVERS

In 2021 we received a total of almost €1.6 million in donations, gifts and legacies. Despite the Covid-19 measures that made connecting with people on the street and at festivals impossible or difficult, we gained thousands of new donors.

In March 2021, we collaborated with the Pink Film Days in Amsterdam and the Assen International Film Festival. Our donors were invited to attend a special film screening (online). We also presented the Hivos

In March 2021, Hivos partnered the Women's March Amsterdam.

Free to be Me Award for the fourth time. And partnered with the Women's March, organized a special Pride campaign and participated in the Climate March. We thank from the bottom of our heart everyone who supports our work. They make it possible for Hivos to continue fighting for just, inclusive and life-sustaining societies for all.



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7. INTERNAL ORGANIZATION

To realize the objectives formulated in our Strategic Compass 2021-2024, fulfill our mission, and create new solutions for the challenges in our three impact areas, Hivos underwent a series of internal organizational changes over the course of 2020 and 2021.

FUNDING OUR WORK

In recent years, we have paid more attention to reducing overhead costs, i.e. all costs not directly funded as part of a project. Part of this involved adjusting and improving our pricing and fee model to ensure project implementation would break even, with enough income from donor funding to cover overhead costs. We have also been aiming for what we call “bigger, bolder, better” business, meaning that we want to increase the average budget size of preferably larger and longer-term program contracts. At the same time, we are trying to maintain and grow the current unrestricted income received from the Postcode Lottery, individual donors, and the Hivos-Triodos Fund, to three million euros net annually, reserving this income to explore innovative solutions that donors are reluctant to fund.

REORGANIZING

In 2021 we changed governance and management methods and restructured to better represent – and allow ourselves to be influenced by – the voices and choices of those we serve. Not only when it comes to diversity and inclusion, but also in terms of local leadership and local ownership.

The new, simplified organizational structure includes:

- A smaller, restructured Global Office and fewer regional hubs.
- Central management of vital business processes such as business development and finance.
- Decentralization of program management and implementation across regional hubs.
- An increase of overall billability and a reduction of overhead costs to achieve a break-even budget.
- Increased local ownership and implementation by partner organizations, which will involve: greater technical capacity for transferring responsibilities and skills; bringing systems, processes and the expertise of partner organizations up to the compliance standards of donors; adapting Hivos and its services to this new role.

The new department are as follows:

BUSINESS DEVELOPMENT UNIT

The Business Development Unit ensures Hivos has the funds to implement its strategy. Besides writing

successful global and regional proposals, its other important responsibilities and processes are donor intelligence and compliance. The entire team is spread out across all our regions, which improves their contact and exchanges with other Hivos entities such as the Strategy and Impact Department and the regional hubs.

STRATEGY AND IMPACT DEPARTMENT

The Strategy and Impact department is responsible for setting priorities for the overall strategy, programmatic direction, and positioning of Hivos within the three impact areas. The department makes sure that Hivos’ strategy stays up to date, outlining a clear programmatic direction for business development. It helps Hivos develop in-depth knowledge and deploy unique approaches and solutions in the three impact areas, as well as in lobby and advocacy, innovation, local ownership, and new funding instruments. The department is also responsible for developing the overall M&E system for measuring Hivos’ impact and guaranteeing coherence and consistency in implementation. Strategy and Impact uses input from our hubs and partners, donor priorities and external sources, and shares knowledge and expertise. But above all, it applies a linking & learning approach throughout the organization so that our strategies, innovations and solutions are determined by partners and hubs.

LOCAL OWNERSHIP

Besides the examples given in Chapters 1 and 2, we also transferred our carbon finance programs to fully independent entities that will implement national biogas programs and associated carbon finance programs in Indonesia, Uganda and Kenya. This was formalized at the beginning of 2022. The transfer allows local partner organizations to initiate new projects, provide training, take care of the monitoring and maintenance of the biogas digesters and, most importantly, own the carbon credits themselves. The three organizations, united in a Biogas Consortium, will partner up with FairClimateFund, which will help the consortium sell their carbon credits on the European market and globally.

COMMUNICATION AND FUNDRAISING

These two roles remain combined in one department. During 2021, Hivos renewed its positioning on all our communication channels. For greater uniformity, the websites of our hubs were combined into one single international website. Our focus lies on platforming the views and experiences of the rightsholders and organizations we are privileged to work with.

HUMAN RESOURCES

The global HR team is responsible for overarching HR policies within the entire organization. The head of HR sets the agenda and priorities with the

Global HR team and does strategic staff planning. This role oversees and ensures wellness of staff by coordinating issues like Safeguarding and Safety and Security. Our safeguarding policy was updated and all staff were offered a mandatory safeguarding course at the beginning of 2022.

FINANCE AND IT

The aim of reorganizing the Global Finance & IT department (July 2021) was to simplify, harmonize and standardize Hivos' accounting practices. Since Finance depends increasingly on solid IT environments, it is logical that both roles are now combined in one department.

This process of standardization will continue in 2022 and will also involve the finance positions at the regional offices. The implementation of a new central ERP system (All Solutions) lets us manage and control all (project) finances throughout the organization. We can now enter expenses and retrieve standardized reports anywhere in the world. This is very important for maintaining accountability for donors and Hivos, and performing controls of partners, all of which requires transparency and real-time figures. Building on the solid basis of this restructuring, Hivos will now work to improve the timely delivery of finance processes (especially partner payments) and standardize the accounting manual, introducing unified controls everywhere in the organization. This will be finished in 2022.

INTERNATIONAL WORKS COUNCIL

In 2021, there was a renewed and successful push for the formalization of a global Works Council representing Hivos staff across all regions. This Works Council will be formally installed in 2022, and will have an advisory role on strategic matters across the organization.

Thanks to our various biogas programs, some 89,500 biodigesters have been installed. The local partner organizations are now taking over Hivos' work.

8. GOVERNANCE AND RISKS 2021

8.1 ORGANIZATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

Hivos' governance model consists of a sevenperson Supervisory Council (SC) including the chair, of which two are international members, and a two-person Executive Board (EB). The Supervisory Council supervises the Executive Board and has oversight responsibilities with regard to Hivos' general policies and organizational continuity responsibilities. They include specifically approving Hivos' multi-annual strategy, annual budget, annual accounts, oversight on integrity, and risk management of the organization. The SC is also the "employer" of the Executive Board and supports the EB with advice and suggestions. The Supervisory Council members carry out these responsibilities both individually and jointly. Its current composition can be found in chapter 2.

The Executive Board in 2021 consisted of Executive Director (ED) Edwin Huizing and Chief Operations Officer (COO) Michel Farkas. Edwin Huizing left Hivos on 1 February 2022, after 8 years as Hivos Chief Executive Officer. The Supervisory Council has initiated the process to recruit a replacement

for Edwin. Michel will act as Executive Director in addition to his COO position until the new CEO has been identified and started.

In 2021, the EB was supported by a management team consisting of five hub directors, and five heads of support units. These directors and unit heads are responsible for content, (staff) management, and finances within the confines of the mandates agreed with the Executive Board. The Executive Board, on average, convenes once every three weeks and the Global MT convenes fortnightly.

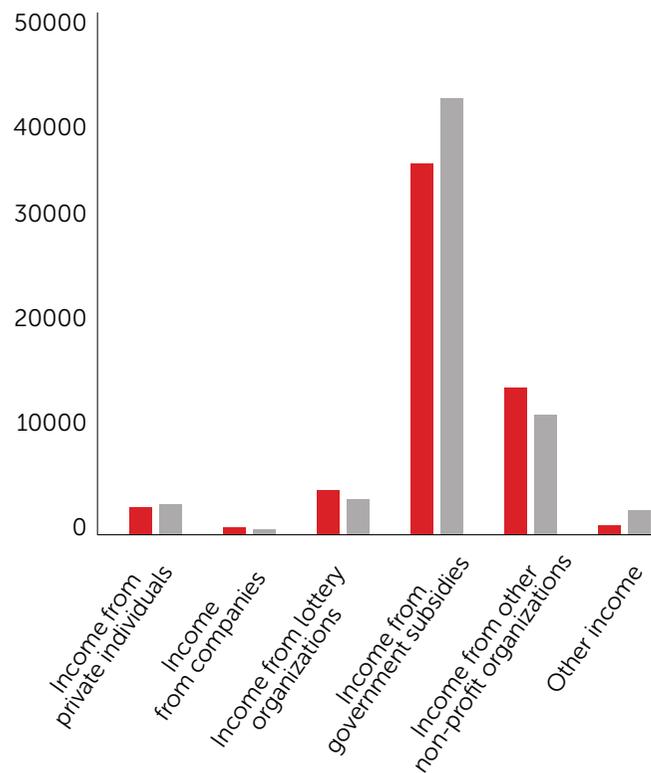
8.2 FINANCIAL RESULTS FOR 2021

Hivos realized an operating deficit of €1.7 million for the year 2021, €0.2 million better than the budgeted deficit of €1.9 million. This compares with a surplus of €1.7 million for 2020, though the 2020 result was heavily impacted by the extraordinary net gain of €2.9 million from the sale of the office on the Raamweg in The Hague. Transition costs of €0.5 million for temporary positions required to support restructuring and the new strategy were also incurred in 2021. The normalized operating result for 2021 is lower than 2020 due primarily to Covid-19 related delays preventing the planned indirect cost coverage being fully realized on Government grants and to challenges in starting up new multi-hub programs for the Power of Voices.

Overview of normalized result	2021	2020
	€ x 1000	€ x 1000
Budget	-1,899	-3,422
Actual net result	-1,710	1,695
Raamweg proceeds		-2,875
Net fx	-101	1,117
Transition/restructuring costs	476	450
Other non recurring items	-399	-723
Normalized result	-1,734	-336

INCOME COMPARING 2021 AND 2020 (X1000)

• 2021 • 2020



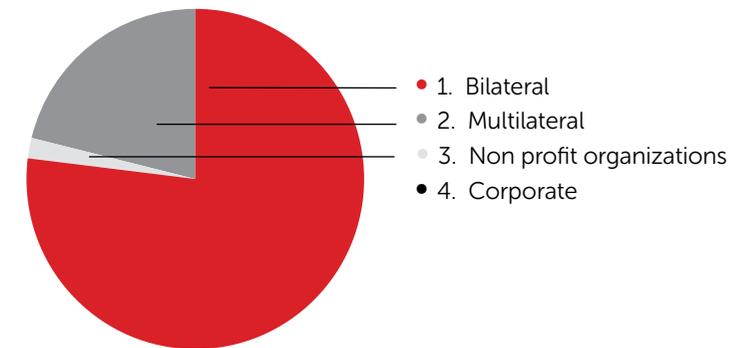
8.2.1 INCOME AND ORDER INTAKE PERFORMANCE FOR 2021

Hivos income for 2021 was €58.5 million against €61.6 million in 2020, a reduction of €3.1 million. The primary source of income remained government grants and multilateral institutions at €36.9 million, followed by other non-profit organizations and foundations at €13.2 million. Income from lottery organizations was €4.2 million which consisted of a structural contribution of €1.4 million from the NPL and €2.9 million for the All Eyes on the Amazon program. Income from donations and gifts was €1.6 million and climate fund CO2 revenues realized €1.0 million. Other income of €1.1 million included income from investments €0.9 million being mainly interest earned from the HTF subordinate loan, and net exchange gains of €0.1 million.

The lower overall income realized in 2021 compared to the previous year is mainly driven by lower income from government grants €4.5 million, partly compensated by €3.1 million increase in income from other non-profit organizations. The lower income from government grants is a reflection of implementation challenges due to Covid limitations adversely impacting indirect cost recovery and difficulty in attracting the right staff and implementing complex multi-hub programs for PoV from Nairobi in line with the strategic compass.

The overview below shows the new donor funding agreements concluded in 2021.

2021 ORDER INTAKE

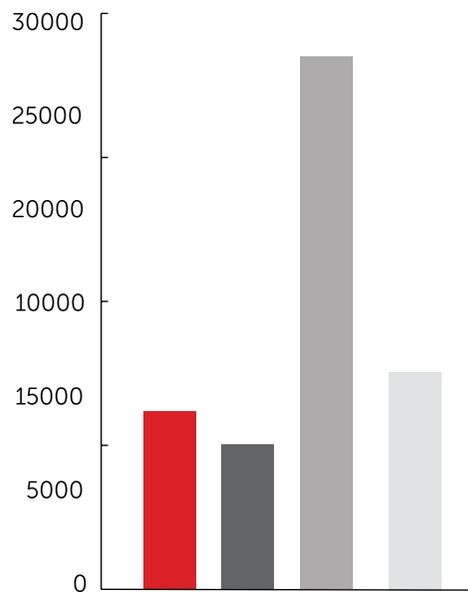


Source	Amount in million €	
	2021	2020
Bilateral	44.4	86.8
Multilateral	12.1	4.5
Non profit organizations	0.9	3.9
Corporate	0.0	3.1
	57.5	98.3

During 2021 Hivos concluded new funding contracts with donors for a total of €57.5 million (versus €98.3 million in 2020 which was higher due to the cyclical effects of the Netherlands Ministry of Foreign affairs 5-year subsidy framework). The 2021 result was 82% of the annual target of €70 million. The 2021 order intake is mostly new contracts with existing funders for bilateral and multilateral government grants for €54.4 million. The most significant grant agreement for 2021 was for the large multi-annual project “Free to be Me” funded by the Netherlands Ministry of Foreign affairs for €37.0 million. The other main donors for 2021 were The Global Fund (6 grants totalling €8.4 million), SDC €1.9 million and ADB €1.6 million. The Executive Board anticipates improving future order intake given that 2021 was a formative year for the new Business Development Unit and Hivos was focusing on relatively new impact areas. As a consequence the order intake target for 2022 has again been set at €70 million. In addition to normal donor order intake an extra €4.0 million was secured for the All Eyes on the Amazon program and a structural contribution of €1.4 million per year for 5 years from the NPL.

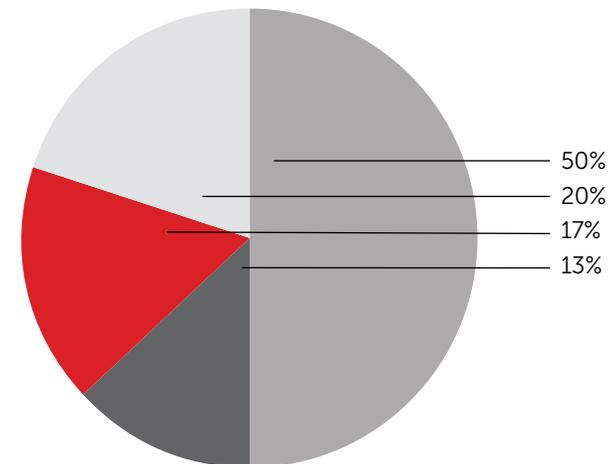
8.2.2 EXPENDITURE AND IMPLEMENTATION OF PROJECTS

EXPENDITURE BY IMPACT AREA 2021 (X1000)



- 1. Climate Justice
- 2. Civic Rights in a Digital Age
- 3. Gender Equality, Diversity & Inclusion
- 4. Non Aligned

EXPENDITURE BY IMPACT AREA 2021 %



- 1. Climate Justice
- 2. Civic Rights in a Digital Age
- 3. Gender Equality, Diversity & Inclusion
- 4. Non Aligned

Spending of Hivos 2021 compared to 2020:

Hivos spent (x mln €)	2021	Percentages	2020	Percentages	Variance	
					€	Percentages
Overall	60.0	100%	59.8	100%	0.2	1%
On objectives:	53.6	89%	54.1	90%	-0.5	-1%
Direct project costs	11.4	21%	11.8	22%	-0.4	-3%
Re-granting	28.2	53%	24.4	45%	3.8	16%
Project staff costs & indirect overheads	14.0	26%	17.9	33%	-3.9	-22%

Total spending in 2021 was €60.0 million compared with €59.8 million in 2020. Of this total, €53.6 million was spent on objectives compared with €54.1 million in 2020). The proportion of spending on objectives in 2021 declined slightly from 90% to 89% compared with 2020. System changes to support expenditure tracking under the new impact areas was implemented during 2021 but during the transition from the old thematic structure not all data was readily available for the year so the above tables show the 2021 project spend spread by impact area based on the 2022 first quarter actuals which give a good guide to the full year split in 2021.

Direct project costs relate to capacity building, lobbying and advocacy. Re-granting costs are funds to our local partners who are in most cases civil society organizations. The third category of spend is project staff costs and indirect overheads. This analysis reflects Hivos' role as a project implementation organization, combining activities directly implemented by Hivos with activities undertaken by partners. The trends show that Hivos relies increasingly more on implementation by partners than on own implementation.

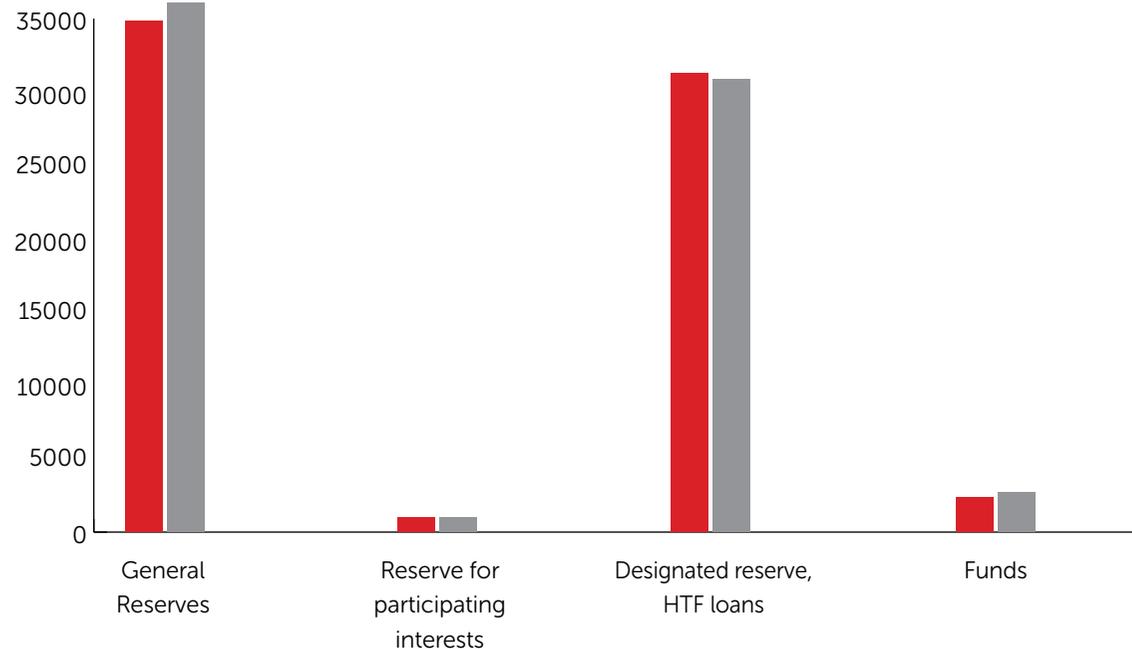
Total fundraising costs increased from €0.3 million in 2020 to €1.1 million (2% of total income) but this is largely due to a reclassification of fundraising

staff costs to the new Business Development Unit and out of Management and Accounting costs where they were previously reported. Most business development activities and interactions were conducted online because of Covid-19 and the majority of deals were related to large projects with existing donors. In 2022 the EB aims to ensure a continued inflow of new donor funds despite the potential economic effects of the Covid-19 crisis and the impact of the war on Ukraine.

Management and accounting costs decreased from €6.1 million in 2020 to €5.7 million in 2021 (9% of total expenditures), also reflecting the reclassification of fundraising staff noted above. Management and accounting costs in 2021 also included however €0.5 million of transition costs for temporary positions required to support the restructuring and new strategy.

In line with the restructuring plan, the total number of employees was reduced from 318 in 2020 to 295 in 2021. The main reduction of staff was at the Global Office decreasing from 134 in 2019 to 71 at the end of 2021. Hivos has also succeeded in increasing the proportion of billable staff to reach the target of 70% of total staff. Actual Billability of 66% across Hivos for 2021 was 4% short of the target of 70% but significantly improved from below 60% in 2020.

OVERVIEW OF KEY FUNDS AND RESERVES (X1000) • 2021
• 2020



8.2.3 RESULTS AND YEAR-END POSITION OF APPROPRIATED RESERVES AND FUNDS

Hivos had an overall deficit of €1.7 million (unadjusted for non-recurring items) which was better than the budgeted deficit of €1.9 million. From 2019 Hivos has been on a clear trajectory to a

normalized break even result and although this was interrupted in 2021 by the Covid challenges noted, the budget for 2022 (a planned deficit of €0.7 million including non-recurring restructuring costs of €0.5 million) continues to follow the path to break even in operations. To achieve this and realize Hivos' ambition of releasing unrestricted income

for innovations in programs and organizational development, the clear focus on structural financial improvement will be maintained.

Total reserves and funds decreased from €71.1 million in 2020 to €69.4 million after accounting for the €1.7 million deficit. The key reserves are the general reserves of €34.4 million (2020: €36.3 million), the Hivos Triodos Fund (HTF) subordinated loan reserve of €31.8 million (2020: €31.4 million) and the Appropriated Funds, Private Funds of €2.6 million (2020: €2.7 million). Overall there was little change in the reserves apart from the realization of the deficit.

The general reserves include both continuity and other reserves and constitute 50% of the total funds and reserves, marginally less than the 51% in 2020. In 2022 the Executive Board will carry out an exercise to support an allocation of the total between a Continuity Reserve and a Free Reserve, taking account of the NL Goeden Doelen guideline for a continuity reserve being a maximum of 1,5 times of operating costs, which would be some €26 million at Hivos 2021 expenditure rates.

The HTF loan reserve represents the value of Hivos subordinated loan to HTF which remained unchanged in 2021 except for a transfer of a potential withholding tax liability of €0,4 million to provisions and there were no movements affecting Private Funds in 2021.

At the end of 2021, €63.0 million was held as cash (2020: €59.9 million), while €35.0 million was held as financial fixed assets. The balance sheet total value is €130.8 million, of which €69.4 million comprises funds and reserves. As such, our solvency rate is a solid 53% at year-end 2021 (2020: 55%). The balance sheet also shows a healthy current ratio (comparing liquid current assets to current liabilities) of 1.7 (2020: 1.8). The plan for 2022 confirms that liquidity will be comfortably high enough to guarantee Hivos as a going concern. If Hivos realized a loss of €0.7 million in 2022 (in line with the approved budget) the projected negative cash flow of €1.4 million would lead to a balance of €61.6 million of cash and equivalents and a strong solvency ratio of 56% and a current ratio of 1.8.

8.2.4 GOING CONCERN

The Covid-19 outlook remains uncertain due to a number of risks or uncertainties which may affect the outturn of the pandemic, however these are unlikely to be material enough to impact Hivos as a going concern. The Executive Board has identified a number of these specific factors that create uncertainty, these include the impact of new variants, unequal access to and pace of vaccination, unpredictable country actions, and changing donor priorities.

Hivos is also closely following the events relating to the war on Ukraine though the ongoing situation in 2022 has minimal direct impact as Hivos is not working directly in the affected countries (Russia, Belarus, Ukraine). A new risk emerged in 2022 as a result of the war on Ukraine that some donors may reduce or defer funding on projects that are already under way where short term humanitarian and/or military aid is seen as a higher priority. Hivos has reviewed those running projects affected in this way to date and has concluded that by re-planning and cancellation of activities no material costs are required to be provided against.

In summary, the Executive Board has concluded that the impact of Covid-19 on Hivos remains a non-material uncertainty for 2022 and 2023 and does not impact the Foundation's viability as a going concern in 2022. The Board has also concluded that the war on Ukraine will not affect Hivos as a going concern in 2022. These conclusions take account of the Covid-19 outlook for 2022, the business development pipeline for 2022-2023, solvency/cash flow projections for 2022-2023 and review of the impacts of the war on Ukraine on running projects.

8.2.5 FINANCIAL INSTRUMENTS AND PERFORMANCE OF HTF FIXED FINANCIAL INVESTMENTS 2021

Hivos does not use complex financial instruments like swaps, hedges, or futures. Hivos has opted to invest only in certificates held with Triodos Bank and provide loans to HTF as part of our mission and strategy. In 2021 trading in the certificates of Triodos was put on hold and will resume in August 2023 through an external pricing mechanism via a closed trading platform. At that time Hivos will consider whether the certificates continue to fit our financial management policies in the long run.

Hivos maintains a strict separation between funds invested with HTF and those held for our regular projects. For the latter, Hivos prefers to maintain substantial amounts in bank accounts, which provides positive liquidity to mitigate risks and safeguard continuity.

At the end of 2021, the value of Hivos subordinated loan to HTF in the balance sheet was €31.8 million and HTF pays 2.6% interest on the total loan amount. In 2021, Hivos realized interest income of €0.8 million from the HTF arrangement, which will remain significant for Hivos as one of the very limited sources of unrestricted funding.

According to the stipulations of the HTF agreement, Hivos retains a claim on HTF's equity in the event of HTF winding up. If the partnership ends and the equity is at that moment lower or equal than the equity at year-end 2015 (€13.0 million), Hivos is entitled to receive 100 percent of the equity of Stichting Hivos-Triodos Fonds. If the equity is higher than the equity at year-end 2015, Hivos and Triodos Bank N.V. are both entitled to 50 percent of the equity above the equity value at year-end 2015. The provisional equity position of HTF on December 31, 2021 was €16.9 million (2020: €12.7 million). The contingent asset of the HTF equity is described in the notes to the Financial Statements 2021.

During 2021 the balance sheet value of the Certificates in Triodos Bank was reduced from €3 million to €2.6 million, a write down of €415K which was included under exceptional items and provisions. This write-down reflects the lower value attributed to the Certificates by the bank on the basis of their view of market volatility connected with Covid-19. The revaluation of the certificates (30% lower than the last known trading value) by the Bank was done in compliance with Dutch tax reporting rules.

8.3 COMMUNICATION WITH STAKEHOLDERS

Hivos actively monitors and fulfills its contractual reporting obligations to all donors on an individual project basis. Information about our projects is shared through our websites, social media platforms, and general and project events, greatly contributing to public awareness of our activities and impact. The Annual Report is widely distributed to key stakeholders and published on hivos.org. In 2021, Hivos spent €1.1 million (2020: €1.2 million) on publicity and communications, a significant portion of which is connected directly to our core program objectives.

The Keystone survey carried out in 2019, and the partner dialogues of 2019 and 2020 (see Annual Report 2019), helped shape Hivos' new strategic direction (the Strategic Compass) and encouraged the further decentralization of the implementation of our programs. The stronger position of civil society organizations from the Global South in the new "Power of Voices" consortia is another example. Although hampered by Covid-19, Hivos also continued its consultation with our main donors, and joint seminars were organized online. A new partner survey will be held in 2022.

8.4 SOCIAL RESPONSIBILITY POLICIES

Hivos' approach to social responsibility is guided by our social responsibility and integrity policies. These cover issues such as Hivos' values, integrity, diversity, equality, good employment practices, environmental stewardship, and social responsibility in the value chain (i.e. how Hivos interacts with partners, donors, corporate partnerships, and suppliers). Hivos contributes to climate action in different ways. One is by reducing the carbon footprint in our projects. Another is through programs that directly and indirectly seek to prevent, mitigate and adapt to the impacts of the climate crisis (e.g. All Eyes on the Amazon and the Voices for Just Climate Action program). In October 2019, our Global Office moved to a new, environmentally-friendly building (with shared facilities) on Grote Marktstraat 47a, 2511 BH, The Hague.

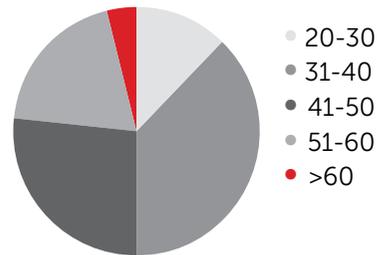
In 2021, after a break caused by the pandemic, Hivos started measuring the carbon footprint of its Global Office and all regional hubs again. Once the final data for 2020 and 2021 is in, the organization will both implement policies to reduce greenhouse emissions and its environmental footprint in-house and define a compensation scheme for

emissions that cannot be reduced. Additionally, Hivos is committed to reducing 40% of emissions associated with international flights, in line with its Strategic Compass.

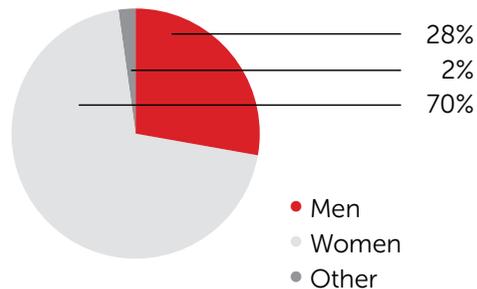
Since 2019 we have considerably strengthened our zero tolerance approach to safeguarding violations with a more robust safeguarding policy for partners, suppliers, and beneficiaries. In the first quarter of 2022, all staff are enrolled for a mandatory online training on safeguarding essentials. An externally administered whistleblower facility provides a secure channel for reporting incidents of safeguarding violations, fraud, or impropriety. The EB strengthens Hivos zero tolerance policy towards safeguarding violations by setting the tone at the top and according due attention to all integrity issues. Refresher trainings will be organized in Q1 2022.

Hivos subscribes to the Partos code of conduct and Goede Doelen Nederland's code on good governance of Dutch charities. Hivos has an internal code of conduct and integrity stipulations which regulate the conduct of its staff and interactions with stakeholders. Staff in different countries comply with relevant statutory codes. In addition, Hivos fully conforms to codes that are required by our funders.

HIVOS STAFF BY AGE



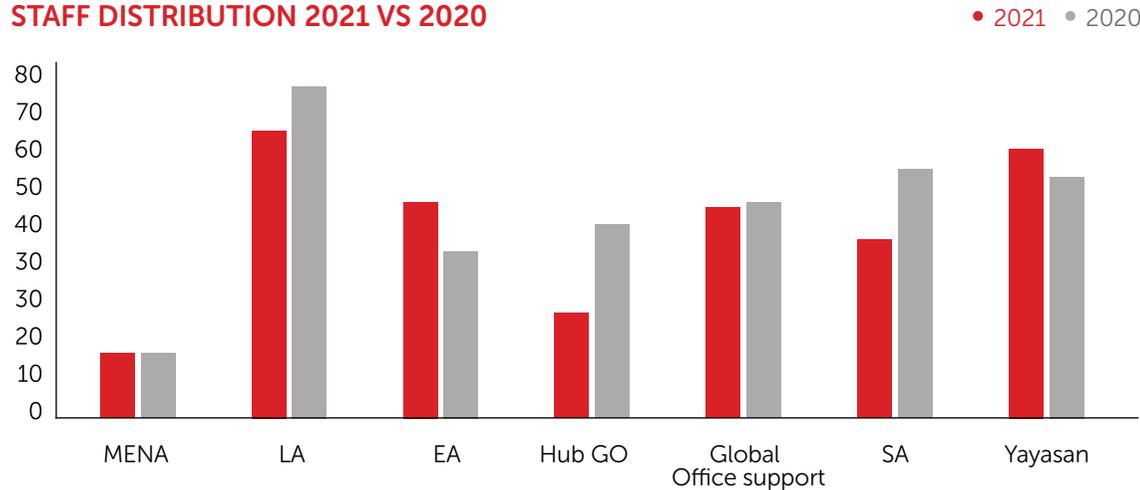
HIVOS STAFF BY GENDER



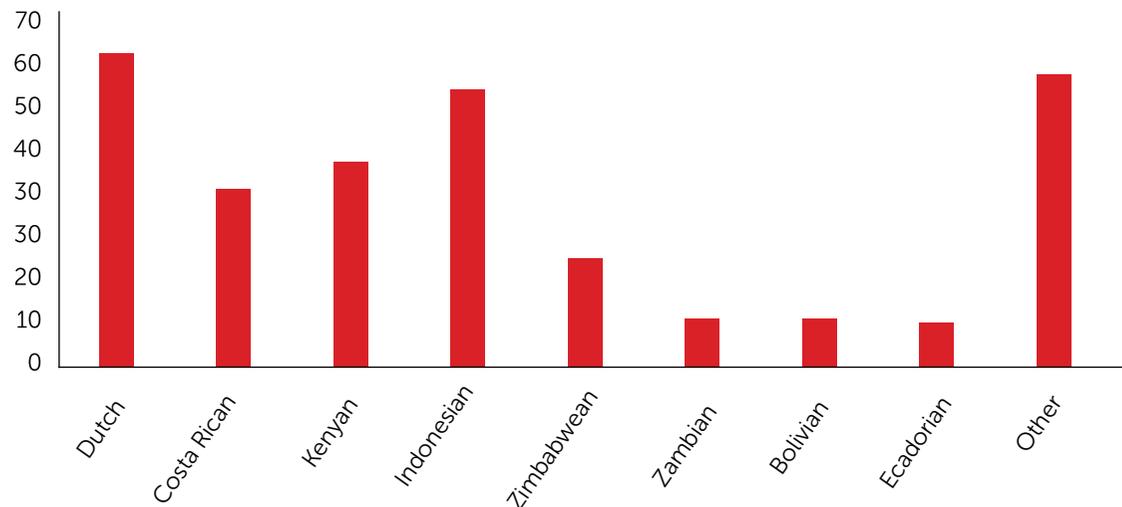
Hivos upholds gender in the composition of our Supervisory Council, Executive Board, and management team and within our projects. Gender is a crosscutting element embedded in our projects, and Hivos has implemented an internal Gender, Equality, Diversity and Inclusion project. At the end

of 2021, the EB consisted of two men, the Hivos management team comprises three men and seven women and there are five women and two men in the Supervisory Council.

STAFF DISTRIBUTION 2021 VS 2020



DISTRIBUTION BY NATIONALITY



8.5 KEY RISKS AND UNCERTAINTIES

8.5.1 ENTERPRISE RISK MANAGEMENT

There are three main risks and uncertainties that can impact Hivos' results and financial position:

1. Fluctuations or lack of securing future funding leading to reduced income for operations;
2. Political and/or environmental factors that limit our ability to safely operate
3. Events that damage the organization's reputation.

In order to mitigate the possible impact of reduced funding, Hivos concentrated its current Strategic Compass on three impact areas and aimed for a minimal annual order intake target of €70.0 million. In the new structure, Hivos' resource mobilization is guided by the Global Business Development Unit, which houses all business development staff at both global and regional levels. Every month, the Hivos Global management team receives order intake pipeline reports tracking estimated annual income for the next three to four years, adjusted for success rate probability and broken down per thematic area and region.

As part of the Business Development process the order intake pipeline is discussed and reviewed by the MT on a regular basis, to not only fit the strategic intent of Hivos but also to provide

sufficient coverage for our operations. Depending on donor requirements Hivos applies two costing models; one is a fee model in which all costs (including overheads) are recovered through a daily fully loaded rate and the other is an actual cost model with indirect coverage for overheads. The financial results are reviewed and discussed on a regular basis in the MT. As part of mitigating our future cost commitments project staff is mostly hired for the duration of the projects they work on, hence the risk of unforeseen redundancy cost is partly mitigated.

Political and environmental risk (including shrinking of civic space) may vary from civil unrest (e.g. due to local elections), breaking down of social infrastructures, to extreme weather events. These circumstances may prevent or limit Hivos to execute the projects as planned. Hivos portfolio of projects is spread over more than 38 countries, this spreads the risk while at the same time the majority (over 65%) of the project budgets are allocated to countries which are more likely to be subject to this risk.

Although there were no publicized events in 2021 that directly impacted Hivos' reputation, this remains an important risk that could affect funding and relationships with key donors. This risk is heightened by the spread of our operations across

the globe, including projects in vulnerable and unstable environments. A serious incident within the Hivos organization or its partners could lead to a decrease of new donor contracts or stakeholders terminating their relationship with Hivos. To mitigate this risk, Hivos has strengthened its integrity policies to ensure compliance with legal and cultural norms within our projects and the countries where we operate. As an ongoing priority for 2022 integrity is managed and monitored in three areas: safeguarding, fraud and security.

Other identified risks are:

- Volatile financial situation (risk on hyperinflation, currency fluctuations)
- Attraction and retention of qualified staff

Hivos maintains a balance between taking and managing risks inherent to our strategic choice to work with frontrunners and grassroots organizations. While our risk appetite is generally low, there are exceptions when we accept some risks within projects in order to reach our objectives.

Primary responsibility for implementing policies and procedures rests with project-, program, administrative-, and financial staff. The Executive Board and management team ensure the proper functioning of risk management measures. The Audit Committee and Supervisory Council provide oversight on risks and risk mitigation measures.

HIVOS RISK PROFILE CAN BE SUMMARIZED AS FOLLOWS:

Category	Risk appetite	Key mitigation measures
Environmental, organizational, strategic risks	Moderate	Strategic and business plan processes
Project, grants management & compliance risks	Low	Policies & procedures, risk registers
Financial management & reporting risks (including corruption & fraud)	Zero	Policies & procedures, internal controls, external audits & whistleblower facility
Human resources & operational risks (including safeguarding, safety & security)	Zero	Policies and procedures, safeguarding, safety & security protocols

Work to redesign our internal control framework (ICF) started towards the end of 2021 and will be implemented in 2022. The revised Internal Control Framework will have better mechanisms for operational monitoring, compliance reporting and checks and balances for accountability, but most importantly provide an active feedback mechanism to enable continuous improvements.

In 2021 as in 2020 substantial foreign exchange gains and losses were incurred on normal operations and the Executive Board will therefore investigate and develop measures to mitigate these swings resulting from operational currency differences. The majority of the foreign exchange results are "unrealized" gains and losses so in practice the operational impacts are limited.

Hivos faces safety and security risks for staff and partners in projects implemented in high-risk environments. In 2021 we did not experience major internal incidents related to physical or digital security. The Executive Board closely monitors developments in all Hubs to assess operational risks. Partners working under high risk conditions often employ strict security protocols and are provided with additional support to reduce specific risks and prevent incidents.

8.5.2 FRAUD AND FINANCIAL IRREGULARITIES

The goal is to prevent the occurrence of fraud and irregularity cases (both internal and external) and to minimize losses for historical and current cases. In 2021 Hivos consolidated the application of its new Fraud & Irregularity Response Procedure which outlines clearer consolidated processes for handling cases of fraud or irregularities. Cases are handled according to internal policies and donor stipulations and are closed off faster to minimize losses or ineligible costs. The potential liability for ongoing cases is estimated at €0.3 million in December 2021 compared to €0.2 million in December 2020.

Hivos did not register any new major cases of fraud or irregularities by partners. During 2021 nine new cases of fraud and irregularities were reported and 13 cases are pending at the end of the year: three related to fraud, five to confirmed irregularities, and five to suspected cases under investigation. Hivos reported cases identified in 2021 to respective funders and regularly updates them on the next steps in accordance with donor stipulations. If partners are involved in fraud or irregularities, their contracts with Hivos are terminated and they will not be considered for any future projects.

Internal cases are handled based on internal policies and procedures. In 2021, Hivos did not experience

any case of internal fraud. The redesign of the Hivos internal control framework (ICF), will provide a stronger basis for mitigating internal fraud and irregularities.

Hivos has an external whistleblower facility, SeeHearSpeakup, which is administered by an external administrator. Its details are included in both internal and external contracts. During 2021 several cases were reported via this channel, but not related to fraud and irregularities. All whistleblower reports received on this channel are acted upon directly by the Executive Board. Reports are also received through the internal complaints e-mail which is also closely monitored by the Executive Board.

8.5.3 IMPACT OF THE COVID-19 CRISIS

As explained in note 8.2.4 Going concern, the biggest risk Hivos faced in 2021 was the Covid-19 pandemic, which greatly curtailed normal operations. Program deliverables both by Hivos and its partners were affected by lockdown restrictions across our implementing countries. We reduced the impacts by re-formulating activities and doing more online. Hivos kept in close contact with donors about the programming situation, including challenges, changes, and delays. At the time of drafting this report, many countries had successfully rolled out Covid-19 treatments. However, the scale

and duration of the pandemic remains uncertain for many countries where Hivos operates and implements projects due to unequal access to vaccines.

In general, Covid-19 had pronounced impacts on Hivos operations in 2021 (staff sickness, health issues, fatigue, negative impacts of working from home, restrictions on travel and activities). While Hivos felt the impact of the Delta and Omicron variants in 2021 fortunately no fatalities occurred. During 2021 the majority of Hivos staff worldwide continued using virtual ways of working and curtailed activities that would expose staff and stakeholders to the risk of infection.

8.6 EXPECTED COURSE OF AFFAIRS: LOOKING INTO THE FUTURE

Although Covid-19 remains a continuing risk and uncertainty, it has no immediate impact on Hivos going concern status. While the rate of infections remains high, the use of vaccines has reduced the severity of the pandemic and the world is adjusting to living with the disease as an endemic occurrence. As such Hivos should adjust to working under Covid conditions in 2022. The EB will continue to do its utmost to continue operations in the safest way

possible without jeopardizing the health of our staff and stakeholders.

The budget for 2022 shows a total income of €52.3 million, with income for operations accounting for €16.3 million or 31 percent of the total income. The deficit for 2021 is €0.7 million, made up of €0.2 million operational loss and €0.5 million incidental restructuring losses, so close to break even in 2022. The current budget gives the EB confidence that Hivos will be able to withstand present challenges and those in the immediate future.

Hivos reorganized in part because of our new strategic direction, but also to end structural losses, bring more focus to our portfolio, and boost local ownership. As per 1 January 2021, Hivos reorganized across three impact areas, 5 regional Hubs, new service/functional departments and shifting the execution of programs from The Hague to Hivos' Hubs. In 2022, the EB aims to consolidate on these changes. In 2023 Hivos aims to finalize and effect the transfer of the Carbon Credit portfolio to a third party since it is no longer in line with the Strategic Compass. Strategic partnering remains part of the strategic Compass and will be investigated if suitable partners emerge.

In 2021 Hivos implemented one of the geographic choices made in the Strategic Compass replacing the SEA Hub with an independent local Foundation.

The Yayasan Humanis dan Inovasi Sosial is fully established as an independent local entity. The cooperation agreement between Hivos and Yayasan Humanis dan Inovasi Sosial signed on April 1 2021, provides for a transition period of three years until January 1, 2024. The agreement facilitates a license agreement on the use of the Hivos brand, the transfer of some programs, staff and assets to the Yayasan, Hivos accountability for all existing live contracts and the basis for consolidation for 2021. For 2021, the Yayasan forms part of the Hivos (financial) consolidation and the parties will review this approach for the years following 2021 but ending at the end date of the Transition Period at the latest. In 2022, Hivos and Yayasan will take further steps needed for complete disentanglement by the end of the transition period.

In 2021, Hivos consolidated on the transition to a new ERP system, AllSolutions. The financial module was introduced in 2019, and in 2020 Hivos successfully introduced the project and time registration modules. In 2021, Hivos introduced the customer relations module and also started reaping the fruits of our efforts through more reliable project, time registration and financial reports, leading to easier and faster delivery of the annual accounts. In 2022, Hivos will introduce a new HR system bamboo which will contribute to improved HR management (recruitments, leave, performance management, internal face book).

HIVOS ANNUAL ACCOUNTS 2021



9.1. CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

amounts x EUR 1,000

After appropriation of the result

	31-12-2021	31-12-2020
ASSETS		
Intangible fixed assets		
Software for business operations	1,231	1,420
Intangible fixed assets	1,231	1,420
Tangible fixed assets		
Buildings for business operations	410	523
Furniture and fixtures for business operations	419	497
Cars for business operations	6	16
Buildings for objective	384	411
Tangible fixed assets	1,219	1,447
Financial fixed assets		
Certificates Triodos Bank	2,585	3,000
Other Participations	571	711
Loans	31,842	31,696
Financial fixed assets	34,998	35,407
Claims, prepayments and accrued income		
Claims for grants	5,626	11,671
Prepayments and accrued income	24,675	19,956
Claims, prepayments and accrued income	30,301	31,627
Cash at bank and in hand	63,021	59,874
Total	130,770	129,775

9.2. CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

amounts x EUR 1,000

After appropriation of the result

	31-12-2021	31-12-2020
RESERVES AND FUNDS		
Reserves		
Designated reserve, HTF loans	31,842	31,431
Legal reserve for participating interests	571	711
General reserve	34,361	36,258
	66,774	68,400
Funds		
Appropriated fund, Climate fund CO2 compensation	831	915
Appropriated fund, Private Funds	1,763	1,763
	2,594	2,678
Reserves and funds	69,368	71,078
LIABILITIES		
Provisions		
Provision for legal claims	333	85
Provision for sabbatical leave	78	109
Provision for long term illness	62	3
Provision for jubilee	3	3
Provision for reorganization	0	33
Provision for cost to go / future losses on project implementation	13	76
Provision for withholding tax	412	0
Provisions	901	309
Long term liabilities		
Long term project liabilities	5,251	7,160
Long term liabilities	81	81
Long term liabilities	5,332	7,241
Current liabilities		
Project grants received in advance	37,356	31,854
Current project liabilities	13,930	13,296
Accruals and deferred income	2,848	4,139
Current liabilities for staff	1,035	1,858
Current liabilities	55,169	51,147
Total provisions and liabilities	61,402	58,697
Total	130,770	129,775

9.3. CONSOLIDATED STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2021

amounts x EUR 1,000

	Notes	Actual 2021	Budget 2021	Actual 2020
INCOME				
Income from private individuals				
Donations and gifts		1,575	1,370	2,182
Legacies		7	0	319
Climate fund CO2 compensation		1,032	0	915
Income from private individuals	12	2,614	1,370	3,415
Income from companies	13	451	198	184
Income from lottery organizations	14	4,215	3,968	3,722
Income from government subsidies	15	36,872	44,501	41,401
Income from other non-profit organizations	16	13,237	10,827	10,072
Subtotal income generated	B	57,388	60,864	58,794
Other income				
Income from investments		948	865	0
Exchange gain/loss of Operations		101	0	-1,117
Other income		45	0	3,885
Other income		1,093	865	2,768
Total income	D	58,482	61,729	61,562

	Notes	Actual 2021	Budget 2021	Actual 2020
EXPENDITURES				
Spent on objectives/programs				
Climate Justice		9,110	9,884	9,196
Civic Rights in a Digital Age		6,966	7,558	7,032
Gender, Equality, Diversity & Inclusion		26,794	29,072	27,047
Non Aligned		10,718	11,629	10,819
Total expenditure on objectives	C	53,588	58,143	54,093
Spent on generating income	A	1,131	1,618	340
Management and accounting costs	E	5,693	3,857	6,130
Exceptional items and provisions		-400	0	-723
Total expenditures	F	60,012	63,618	59,840
Operating Result before financial income and expenses		-1,530	-1,889	1,722
Balance of financial income and expenses		180	0	27
Final operating result		-1,710	-1,889	1,695
Costs of generating income as a % of total income generated (=A/B)		2%	3%	1%
Costs spent on objective as a % of total income (= C / D)		92%	94%	88%
Costs spent on objective as a % of total costs (= C / F)		89%	91%	90%
Man. and accounting costs as a % of total expenditures (= E / F)		9%	6%	10%
Results before appropriation		-1,710	-1,889	1,695
Added to/withdrawn from:				
Reserves				
Appropriated reserve, HTF participations		0	0	-7,865
Designated reserve, HTF loans		412	0	4,856
Legal reserve for participating interests		-141	0	-64
General reserve		-1,898	-1,889	4,842
Subtotal appropriations reserves		-1,626	-1,889	1,770
Funds				
Appropriated fund, Climate fund CO2 compensation		-84	0	-75
Total addition/withdrawal		-1,710	-1,889	1,695

9.4. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

amounts x EUR 1,000

	Ref.	2021	2020
USING THE INDIRECT METHOD			
Cash flow from operating activities			
Movements in reserves and funds	1)	-1,710	1,695
Amortization and depreciation	2)	743	-623
Movements in claims for grants	3)	6,045	470
Movements in other claims	3)	-4,719	-10,544
Movements in provisions	3)	592	-516
Movements in long term project liabilities	3)	-1,909	-1,617
Movements in current liabilities	3)	4,022	12,230
Cash flow from operating activities		3,064	1,096
Cash flow from investing activities			
Additions to tangible fixed assets	2)	-190	1,394
Additions to intangible fixed assets	2)	-136	-578
Withdrawals from financial fixed assets	2)	409	3,034
Cash flow from investing activities		83	3,850
Cash flow from financing activities			
Income from long term liabilities		0	0
Repaid on long term liabilities		0	0
Cash flow from financing activities		0	0
Movements in cash at bank and in hand		3,148	4,947
Recapitulation			
Cash at bank and in hand at end of financial year	3)	63,021	59,874
Cash at bank and in hand at start of financial year	3)	59,874	54,927
Movements in cash at bank and in hand		3,148	4,947

¹⁾ See Chapter 9.3: Consolidated Statement of Income and Expense for the year ended 31 December 2021

²⁾ See Chapter 9.6: Notes to the Consolidated Balance Sheet as at 31 December 2021

³⁾ See Chapter 9.1 and 9.2: Consolidated Balance Sheet as at 31 December 2021

9.5. ACCOUNTING PRINCIPLES

These are the consolidated annual accounts of Hivos Foundation, with its registered office on Grote Marktstraat 47a, 2511 BH, The Hague and filed with the Trade Register at the Chamber of Commerce under number 41198677, and its group companies. The annual accounts have been prepared in accordance with the Guidelines for Reporting by Fundraising Organizations (RJ650) and with due observance of the Financial Regulations for subsidies of the Dutch Ministry of Foreign Affairs/Development Cooperation. The annual accounts have been compiled after appropriation of the results. All amounts in the explanatory notes are denominated in euros, except where stated otherwise. The accounting principles applied to the valuation of assets and liabilities, and the determination of results in these financial statements are based on the assumption of continuity of the organization.

1 GENERAL NOTES

1.1 Consolidation

These annual accounts combine the balance sheets and statements of income and expense of the Hivos offices in the separate countries with the annual accounts of the Hivos head office. The Executive Board (EB) of Hivos has full control over all those offices and management is organized centrally. There is organizational connectedness and economic unity between the entities that form part of the Hivos Foundation group when it comes to programming but also operationally. As all the offices use one system, transactions between the separate offices are eliminated. Hivos Foundation with a registered office in The Hague is the head of a group of legal entities. Hivos Foundation East Africa with a registered office in Nairobi (Kenya) is part of the consolidation. Hivos Foundation in The Hague has regional offices in Southern Africa (Harare, Zimbabwe), Latin America (San Jose, Costa Rica), South East Asia (Jakarta, Indonesia) and Middle East and North Africa (Beirut, Lebanon). All local offices that are part of these regional offices are also consolidated. This includes legal entities set up for program implementation: Biogas Solutions Uganda Limited (where Hivos and SNV each hold 50% of the shares), African Clean Energy Switch Biogas (inactive), and Stichting AFFM Source Code Foundation the Netherlands (not active). The consolidated balance sheet and statements of income and

expense of the Hivos Foundation do not include Hivos private limited liability companies in which Hivos holds shares: Hivos Impact Investments B.V. (60% of shares) and Hivos Food & Lifestyle Fund B.V. (57% of shares). Reason for excluding them in the consolidation is that their balance sheet total is not significant for the consolidated numbers.

1.2 Hivos Foundation Only

The annual accounts for the Hivos Foundation Only include those entities that are part of the Hivos Foundation proper as established in the Netherlands. The entities included in the Hivos Foundation Only annual accounts are the following: Global office (The Hague, the Netherlands), Southern Africa regional office (Harare, Zimbabwe), Latin America regional office (San José, Costa Rica), Middle East and North Africa regional office (Beirut, Lebanon) and South East Asia regional office (Jakarta, Indonesia) including all local offices that are extensions of these regional offices.

1.3 Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The financial resources in the cash flow statement comprise cash at bank and in hand. Cash flows denominated in foreign currencies have been translated at an average exchange rate. Interest income and expense is included in the cash flow from operating activities. Transactions that do not involve any incoming or outgoing cash flows are not presented in the cash flow statement.

1.4 Estimates

To apply the accounting principles and rules for compiling the annual accounts, the Executive Board of Hivos is required to form opinions about various matters and to make estimates that might be essential for the amounts presented in the annual accounts. Estimates have been made regarding provisions and monitoring and the collectability of claims. Hivos is not exposed to any risks to its results in this respect.

2 VALUATION PRINCIPLES

2.1 General

The consolidated annual accounts have been prepared in accordance with the statutory provisions of the firm pronouncements set out in par. 650 of the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board (RJ650). As a rule, assets and liabilities are presented at acquisition or manufacturing price or at current value. If no specific valuation principle is given, valuation is based on the acquisition price. The balance sheet, statement of income and expense and cash flow statement include references to the explanatory notes.

2.2 Going Concern

2.2.1 Going concern assessment (Covid & Continuity)

These annual accounts have been prepared under the assumption of going concern. Based on 2021 and forward looking scenario analysis, the board has no reason to doubt the continuity of the organization.

The corona virus led to worldwide disruption and in 2021 Hivos developed various scenarios of a possible loss of operational income and possible redirection of funding by donors. During the year we indeed saw an adverse impact on ways of working and this had a negative financial impact seen in lower than budget income. An additional factor negatively affecting income was the challenges experienced in starting up new multi-hub programmes for PoV particularly under these difficult operating conditions.

Staff is predominantly working from home in all offices across the globe. Given the uncertainty around Covid and potential impact on staff members and their families, staff wellbeing is a recurring item on both EB and MT agenda. Local discussions with staff are taking place as well. As per March/April 2020, project activities are mostly conducted online. Field visits and activities face to face interactions are limited to non-existent. There are some indications that there is a slightly higher risk for re-granting where project funds are used for other pressing needs and not for what they are

meant for. These have not been material. We don't consider this a structural trend and have no indication that this would be otherwise.

Hivos successfully concluded new funding contracts with donors for a total of €57.5 million therefore securing a certain level of income security for coming years. We are also actively following and responding to upcoming business opportunities where we link Covid response to our focus on vulnerable populations during this crisis (e.g. minorities).

The worst case scenario for possible loss of operational income that was taken into account when corona started in 2020 has not materialized. We have deliberately rerun the same scenarios with the same assumptions until 2022 and came to the same conclusion as last year. Due to the healthy reserve and liquidity position, Hivos would be able to absorb such a negative impact.

Looking ahead, there remain still a number of uncertainties and risks related to Covid that are or will be impacting the world we are operating in.

The potential economic effects of the Covid-crisis may affect available funding by institutional donors in the future. Overall available ODA budgets may be reduced or will be shifted towards other priorities linked first of all to economic recovery and strengthening of health systems. We will continue to monitor the situation and developments on both donor, staff and partner level and react accordingly when required in the operation.

A further risk emerged in 2022 that as a result of the war on Ukraine some donors may reduce or defer funding on projects that are already under way where short term humanitarian and/or military aid is seen as a higher priority. Hivos has reviewed those running projects affected in this way to date and has concluded that by replanning and cancellation of activities no material costs are required to be provided against.

2.2.2 No material uncertainty

While Hivos recognizes that the Covid-19 crisis and the war on Ukraine bring increased levels of uncertainty, our financial position gives the Executive Board confidence in the organization's ability to continue meeting its goals. We can conclude that at this point in time, there is no material uncertainty that will cast significant doubt upon Hivos Foundation's ability to continue as a going concern.

2.3 Comparison with the previous year

There were no changes in accounting principles in 2021 and consequently no adjustments with previous year have been made in the annual accounts.

2.4 Foreign currencies

2.4.1 Functional currency

Items included in the financial statements of regional offices are measured using the currency of the primary economic environment in which the respective office operates (the functional currency). The consolidated financial statements are presented in euros, being the functional and presentation currency of Hivos.

2.4.2 Foreign currencies

Assets denominated in foreign currencies have been translated at the exchange rates prevailing as at the balance sheet date. Translation differences are taken to the statement of income and expense.

2.4.3 Group companies/regional offices

Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at average exchange rates during the financial year.

2.5 Intangible fixed assets

Intangible fixed assets are presented at acquisition price less amortization. The amounts presented take into account the effect of impairment. Intangible fixed assets are amortized in 5 years on a straight line basis.

2.6 Tangible fixed assets

Land and buildings are presented at acquisition price plus additional costs or manufacturing cost, less straight-line depreciation calculated over the estimated remaining useful life. The amounts presented take into account the effect of any impairment that is expected as at the balance sheet date. No provision for major repairs has been formed for the costs of major repairs to the buildings. Other fixed assets are presented at acquisition or manufacturing price including any directly attributable costs, less straight-line depreciation calculated over the estimated remaining useful life and less impairments.

2.7 FINANCIAL FIXED ASSETS

2.7.1 Certificates/participations

Certificates are presented at the net realisable value derived from the acquisition cost as adjusted for any impairments to date. Participations in partner organizations, such as those through Hivos Triodos Fund (HTF), are presented at fair value, taking into account possible impairments as well as any commissions payable (carried interest) that are directly linked to the value of the participations, in terms of existing management agreements at the reporting date.

2.7.2 Participations in Group companies

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by Hivos. If the net asset value is negative, the participating interest is valued at nil.

2.8 Claims for grants and other claims

Claims for grants refer to claims on donors arising from liabilities into which the Foundation has entered based on agreements to that effect as part of its program; these amounts include the related program management fee. Upon initial recognition, other receivables are presented at the fair value of the consideration, expressed in euros. Allowances for bad debts are deducted from the claim's book value.

2.9 Cash at bank and in hand

Cash at bank and in hand is presented at face value and is denominated in euros.

2.10 Provisions

Provisions are formed for liabilities and risks connected to the business operations. They do not pertain to specific assets. Provisions are presented at the best estimate of the amounts needed to settle the liabilities as at the balance sheet date. Provisions are presented at the face value of the projected expenditure required to settle the liabilities, unless stated otherwise. A prerequisite for a provision is that a reliable estimate can be made. If it is not possible to make a reliable estimate and the impact could be material, this contingent liability is described in the notes of the financial statements.

2.11 Reserves and funds

A reserve is presented if there is a legal requirement (e.g. revaluation reserve and legal reserve for participating interests) and if the Executive Board has decided to form a reserve for a specific purpose. A fund is created if (individual) donors have given contributions that must be used for the realization of a specific goal, which is more limited than the objective of the foundation.

2.12 Long-term liabilities and other liabilities

Upon initial recognition, long-term liabilities are presented at fair value and are denominated in euros. Liabilities denominated in foreign currencies have been translated at the last available exchange rates as at the balance sheet date. Any translation differences are taken to the statement of income and expense. Project liabilities represent all liabilities that the Foundation has in connection with financing agreements entered into with partner organizations.

3 PRINCIPLES FOR DETERMINATION OF THE RESULTS

3.1 General

Income and expense are allocated to the period to which they pertain in the statement of income and expense. This allocation is based on consistent practices. The balance sheet is compiled with due consideration of the amounts that pertain to a particular period but were received or paid during another period. Losses are presented as soon as they are foreseeable; income is presented as it is realized. In the statement of income and expenditure we included the comparison with the budget 2021 and the actuals from the previous year 2020. In the notes to the Statement of income and expenditure we included the comparison with the previous year 2020 only.

3.2 Legacies

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

3.3 Grant income

Grant income, including the program management fee, is recognized in the year in which the entitlement becomes definite. Changes to the value of grants are added to or deducted from the grant income during the year in which the grant awarded changes. As Hivos follows the Dutch Accounting Standard 650, income from lottery organizations is recognized in the year for which it was pledged. All other income is based on the new commitments signed during a particular year and on actual costs incurred for operations and direct program costs. Income to cover indirect costs relating to regranteeing on contracts that are based on actual direct costs plus an indirect percentage rate is recognised on a linear basis over the life of the regranteeing contract.

3.4 Project liabilities

Project liabilities are presented in the year during which the liability becomes definite. Estimates of costs required to complete running projects up to their end date are compared with the committed project funds on an annual basis. As soon as an inevitable funding gap (excluding overhead costs) is identified, it is accrued in the year it is identified.

3.5 Costs

All costs, with the exception of extraordinary items, are allocated to the various cost categories, based on business criteria and with due observance of the relevant Guidelines of the Dutch Association of Fundraising Organizations, VFI: spent on objectives / generating income / management and accounting costs. Wages, salaries and social security charges are presented in the statement of income and expense in accordance with the terms of employment, insofar as they are payable to employees.

3.6 Pensions

Hivos presents all its pension schemes as defined contribution schemes. The premiums payable for the reporting year are presented as an expense. Hivos has various pension plans. The Dutch plans are financed through contributions to pension providers, i.e., insurance companies and industry pension funds. The foreign pension can be compared to how the Dutch pension system has been designed and functions. The pension obligations of both the Dutch and the foreign plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account. As at year-end 2021 (and 2020) no pension receivables and no obligations existed for the group in addition to the payment of the annual contribution to the pension provider.

3.7 Amortization of intangible fixed assets and depreciation of tangible fixed assets

Intangible fixed assets and tangible fixed assets are amortized and depreciated from the moment that they are taken into use, over the expected remaining useful life of the asset. Land is not depreciated. If the estimated remaining useful life changes, the future amortization or depreciation is adjusted accordingly.

4 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

4.1 Currency risk

All program activities within Hivos are recorded in euros, US dollars, British pounds and Swedish Krona (SEK). To minimize the currency risk, all partner contracts are financed in the same currency as the corresponding donor contract if the donor's currency is the euro, dollar, pound or SEK. If a donor grants Hivos funds in any currency other than the euro, dollar, pound or SEK, the value is translated into one of those four currencies and the incoming funds are exchanged as soon as they are received. For the regional offices, a monthly exchange rate is applied that is based on information provided by the local governments (national banks).

4.2 Credit risk

Hivos does not have any significant concentrations of credit risk. To minimize the financial risk for Hivos an appropriated fund within the liabilities has been created.

9.6. NOTES TO THE CONSOLIDATED BALANCE SHEET AS 31 DECEMBER 2021

amounts x EUR 1,000

ASSETS

1. Intangible fixed assets

The accumulated acquisition prices of and amortization on the fixed assets as at 31 December are as follows:

	Software 2020	Software 2021
INTANGIBLE ASSETS		
Acquisition price at beginning of year	1343	1921
Mutations year	578	136
Acquisition price at year end	1921	2057
Accumulated amortization at beginning of year	228	500
Mutations year	272	325
Accumulated amortization after mutations	500	825
Book value at beginning of year	1,115	1,420
Additions year	578	136
Amortization year	272	325
Book value at end of year	1,420	1,231
Total intangible fixed assets	1,420	1,231

The final development costs of All Solutions amounted to 136k were added in 2021.

2. Tangible fixed assets

The accumulated acquisition prices of and depreciation on the fixed assets as at 31 December are as follows:

	Buildings (10-50 yrs)	Furniture and fixtures for business operations (3-10 yrs)	Cars for business (5 yrs)	Total assets for business operations	Building in Harare (50 yrs) ¹⁾	Building in San Jose (10 - 50 yrs) ²⁾	Total buildings for objectives	Total all
TANGIBLE ASSETS FOR BUSINESS OPERATIONS								
Acquisition price, 01.01.2021	781	2,372	128	3,282	106	474	580	3,862
Mutations 2021	-24	124	-3	97	0	1	1	98
Acquisition price after mutations, 31.12.2021	757	2,496	125	3,379	106	475	581	3,960
Accumulated depreciation, 01.01.2021	258	1,875	113	2,245	72	98	170	2,415
2021	89	202	6	297	3	25	28	325
Accumulated depreciation mutations, 31.12.2021	347	2,077	119	2,543	75	123	198	2,740
Book value, 01.01.2021	523	497	16	1,036	34	377	411	1,447
Additions 2021	-24	124	-3	97	0	1	1	98
Depreciation 2021	89	202	6	297	3	25	28	325
Total tangible fixed assets at 31.12.2021	410	419	6	836	31	353	384	1,219

¹⁾ The office premises in Harare, stand 2956, Salisbury Township, 2855 centiares in size, was purchased for €76,245 at the end of 1994.

²⁾ The office premises in San Jose, District 09, Pavas Canton 01 (norte: Victor Rosabal, sur: Calle Publica, este: cia Agricola Roberth SA, oeste: Hilda Herrera) , 512 m2 in size, was purchased for \$325,000 in 2015.

The fixed assets are depreciated as follows:

- Land - not depreciated
- Buildings - 10-50 years
- Renovations - 15 years
- Furniture & fixtures - 10 years
- Computers & ICT - 4-5 years
- Vehicles - 5 years

3. Financial fixed assets

Certificates Triodos Bank/Other Participations	31.12.2020	Added	Withdrawn	31.12.2021
Certificates Triodos Bank ¹⁾	3,000	0	415	2,585
Hivos Food & Lifestyle Fund BV ²⁾	711	0	140	571
	3,711	0	555	3,156

¹⁾ Related to: Triodos Bank N.V., 43,817 depositary receipts of shares with a purchase value of €2,999,932. Due to the ongoing suspension of trade the net asset value of these depositary receipts as at 31/12/2021 was valued at 59 euro per certificate, with a total value of €2,585,203 (2020: €3,680,628). Hence a write off of 415k was taken into account in 2021.

²⁾ Hivos owns 65,96% of the issued shares of Hivos Food and Lifestyle and the corresponding equity value decreased over the year by 140,254. This decrease in equity value was a result of the write downs in value of two participations held by Hivos Food & Lifestyle investments, the main writedown being for a total amount of 225.326 in AgriLED (PTY) LTD.

Loans	Interest %	Duration	31.12.2020	Added	Withdrawn	Revaluation	31.12.2021
Hivos Triodos Fund Subordinated Loan ¹⁾	2.6%		31,431	412	0	0	31,843
Hivos Impact Investments BV ²⁾			265	0	265	0	0
			31,696	412	265	0	31,843

¹⁾ In May 2019 Hivos Triodos Fund (HTF) sold shares in the Centenary Rural Development Bank Group in Uganda and the net proceeds for Hivos were converted into a loan which was consolidated with other loans in December 2020 into one subordinated loan to HTF, forming the balance shown in note 3 Financial Fixed Assets under Hivos Triodos Fund Subordinated Loan. On this transaction a potential € 412 thousand withholding tax was estimated and provided for. This provision was presented as a reduction of the valuation of the HTF loan balance in the 2020 financial statements. In the 2021 financial statements the provision has been removed from the loan balance presentation and moved to the provisions.

In a private ruling dated 3 December 2021, The Uganda Revenue Authorities (URA), informed HTF that capital gains tax of 30% (for Hivos 6,8 million) would be applicable on the gains arising from this sale. A private ruling is not a (final) tax assessment, and is not binding on the tax payer to whom it is issued and furthermore HTF considers there is no legal basis for such an assessment. Two local professional advisors have confirmed this position and estimate the chances of making a successful appeal against such an assessment to be greater than 60%. Consequently Hivos has decided, in alignment with the HTF position, not to make any provision in the 2021 financial statements in respect of this matter.

²⁾ The loan to Hivos Impact Investment BV is repaid fully in 2021.

4. Claims for grants

All outstanding claims at year-end concern claims on donors and are as follows:

	31.12.2020	31.12.2021
	Total	Total
Receivable from companies	3	0
Receivable from lotteries	31	765
Receivable from government subsidies	8,731	1,719
Receivable from other non-profit organizations	1,515	3,142
Receivable from other sources	1,391	0
	11,671	5,626

9.7. NOTES TO THE CONSOLIDATED BALANCE SHEET AS 31 DECEMBER 2021

amounts x EUR 1,000

5. Prepayments and accrued income

Prepayments and accrued income as at 31 December can be broken down as follows:
All items have a remaining term of less than one year.

	31-12-2020	31-12-2021
Debtors not including grants	4,217	2,104
Debtors grants	14,388	21,454
Prepayments (employees/travelling)	71	100
Receivable (and prepaid)	1,280	1,017
	19,956	24,675

The fair value of the receivables approximates the book value, due to their short-term character.
The donor accounts receivables increased with 7,066 from 14,388 in 2020 to 21,454 in 2021.
This is due to the Power of Voices projects of which the donors have already committed the first disbursements.
The actual payment will be received in the first quarter of 2022.

6. Cash at bank and in hand

Cash at bank and in hand is at the Foundation's disposal.
Cash at bank and in hand can be broken down as follows:

	31-12-2020	31-12-2021
In hand	2	6
Bank	59,872	63,015
	59,874	63,021

The cash at bank and in hand are at free disposal except an amount of €80,000 for a bank guarantee.

Assets and claims not included on the face of the balance sheet:

Hivos is the registered owner of 475 Gold Standard Verified Emission Reductions (VER). The Gold Standard VERs are purchased and sold in the framework of the Renewable Energy/biogas programs, to strengthen the financial sustainability of the programs.

Hivos is the main founder of Stichting Hivos-Triodos Fonds. There is a contingent asset for Hivos regarding the equity of Stichting Hivos-Triodos Fonds if the partnership with Hivos ends. At this moment there is no intention to stop this partnership and the existing contract will (at least) not stop before 2025. If the partnership ends and the equity is at that moment lower or equal than the equity at yearend 2015 (approximately €13 million), Hivos is entitled to get 100% of the equity of Stichting Hivos-Triodos Fonds. If the equity will be higher than the equity at yearend 2015, Hivos and Triodos Bank N.V. are both entitled to get 50% of the equity above the equity value at yearend 2015. The provisional equity of Stichting Hivos-Triodos Fonds is at yearend 2021 €16,908,007 (yearend 2020: €12,678,098).

7. Reserves

Reserves	01-01-2020	Added	Withdrawn	31-12-2021
Appropriated reserve, HTF participations	0	0	0	0
Designated reserve, HTF loans	31,431	412	0	31,843
Reserve for other participations	711	0	141	571
General reserve	36,258	141	2,038	34,361
Balance as at 31 December	68,400	553	2,178	66,774
Total all reserves	68,400	553	2,178	66,774

8. Funds

Appropriated funds	Income Category	01-01-2020	Added	Withdrawn	31-12-2021
Appropriated fund, Climate fund CO2 compensation		915	0	84	831
Private Funds	Private individuals	1,763	0	0	1,763
Balance as at 31 December		2,678	0	84	2,594

Restricted purpose of program funds:

The Executive Board of Hivos started in 2021 with the preparations to phase out and hand-over the carbon credit program portfolio to local (former Hivos) entities. In 2022, the appropriated CO2 fund will be fully depleted to achieve this objective. The Executive Board has also decided that the private funds collected from private donors will be actively allocated during 2022 to programs in line with the purpose of these funds, probably resulting in a decrease of the value of the total fund in the upcoming fiscal year 2022.

LIABILITIES

9. Provisions

Hivos has the following provisions for future costs:

		01-01-2020	added	withdrawn	31-12-2021	period
Sabbatical leave	1)	109	0	31	78	>5 yrs
Legal claims	2)	85	248	0	333	>1 yr
Jubilee		3	0	0	3	1 yr
Long term illness	3)	3	59	0	62	1 -2 yr
Reorganization	4)	33	0	33	0	1 yr
Cost to go	5)	76	0	63	13	>1 yr
Withholding tax	5)	0	412	0	412	>1 yr
Total		309	719	127	901	

- After five years of permanent contract, staff at Global Office are entitled to sabbatical leave. Hivos contributes if it is used for educational purposes. The provision covers the costs of leave including social security and where applicable replacement of the staff member on leave.
- Hivos has formed a provision for legal claims. This is done in light of ongoing court cases. The balance of this provision increased in 2021 mainly due to the Twin Trading Case (223k).
- The increase in this provision is caused by new cases of long term illness within Hivos.
- The reorganization started in 2020 is finalized in 2021. The remainder of this provision is therefore released in 2021.
- Due to the decision of the Executive board in 2019, to no longer approve projects with a budgeted loss and a better monitoring during project implementation the cost to go provision decreases in 2021 further.
- A potential withholding tax liability is formed due to the sale of Centenary Rural Development Bank Group Limited in 2019. In the Financial Statement of 2020 this tax liability was deducted from the loan to Hivos Triodos Fund.

10. Long term liabilities

	31-12-2020	31-12-2021
Long term project liabilities	7,160	5,251
Received from other non-profit organizations	81	81
Total	7,241	5,332

Long term project liabilities is regranting to partners which will be executed > 1 year.

11. Current liabilities

Hivos's current liabilities include amounts received in advance for programs:

Project Grants received in advance

	31-12-2020		31-12-2021	
	Total	Remaining term > 1 year	Total	Remaining term > 1 year
Received from companies	134	51	180	66
Received from lotteries	100	35	2,087	0
Received from government subsidies	15,270	5,349	22,742	9,442
Received from other non-profit organizations	16,107	5,232	12,197	4,374
Received from other sources	243	85	150	48
Total	31,854	10,752	37,356	13,929

Current project grants received/committed in advance comprises of grants project liabilities payable within 1 year plus other liabilities. Of the €37,4 million €21.4 million has still to be received from donors. The increase of the project grants received in advance is due to the PoV programs.

Project liabilities	31-12-2020	31-12-2021
Current project liabilities comprises project liabilities payable within 1 year.	13,296	13,930

Accruals and deferred income as at 31 December can be broken down as follows:

Accruals and deferred income	31-12-2020	31-12-2021
Creditors	2,615	1,521
Open amounts related to salaries	92	11
Outstanding costs	1,258	1,102
Payable taxes	119	213
Other	55	1
Total	4,139	2,848

Current liabilities for staff	31-12-2020	31-12-2021
Reservation holiday allowance	241	207
Reservation holiday leave	653	406
Other Staff liabilities	964	422
Total	1,858	1,035

Other staff liabilities reduced significantly over the year mainly due to the paying out to staff of amounts related to the move to Yayasan. The remaining balance relates to the reserved dismissal fees for staff in Hivos Costa Rica.

Pension charges:

Stichting Hivos has a pension scheme with PFZW pension fund to which the provisions of the Dutch Pension Act ('Pensioenwet') is applicable. Stichting Hivos pays premiums based on (legal) requirements, a contractual or voluntary basis to pension funds and insurance companies. Premiums are recognized as employee cost when they are due. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities. For existing obligations (other than premiums to be paid) to the pension fund or employees a provision is recognized.

Commitments and contingencies not included on the balance sheet:

The following long-term rental agreements have been entered into:

- Since July 2019, the office in The Hague is rented for approximately €236,000 a year (5 years contract plus option for another 5 years).
- The rent contracts for the offices in the hubs are approximately €270,000 per year (mainly 1 year contracts).
- For printing and other equipment the yearly fee is approximately €50,000 a year.
- Commitment to consortium partners at end of 2021 is €26,465,099

Related parties

Transactions with related parties were made at arm's length and consequently need no further explanation in the notes of the annual accounts.

9.8. NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2021

amounts x EUR 1,000

	Realization 2021		Realization 2020	
12. Income from private individuals		2,614		3,415
13. Income from companies ¹⁾				
NRECA International Limited	11		0	
Palladium International Pty Limited	388		184	
Other income from companies	51		0	
Income from companies Total		451		184
14. Income from lottery organizations				
Structural NPL contribution	1,350		1,350	
Project contribution including foreign postcode lotteries (NPL, UK postcode planet trust and Swedish postcode Lottery)	2,865		2,372	
		4,215		3,722
15. Income from government subsidies ²⁾				
Delegation of the EU to Bolivia	1,076		442	
Delegation of the European Union to Indonesia	795		1,636	
Foreign, Commonwealth & Development Office (FCDO)	723		544	
Ministry of Foreign Affairs Finland	32		2,940	
Ministry of Foreign Affairs Denmark	528		0	
Ministry of Foreign Affairs The Netherlands	17,776		21,099	
Rijksdienst voor Ondernemend Nederland	361		781	
Swedish International Development Agency	6,377		4,830	
The Global Fund	5,686		6,594	
US Department of State	994		187	
USAID Indonesia US Embassy	682		820	
Other government subsidies	1,843		1,528	
Income from government subsidies Total		36,872		41,401

	Realization 2021		Realization 2020	
16. Income from other non-profit organizations ³⁾				
Asian Development Bank	1,281		0	
Bloomberg Foundation	128		202	
Ford Foundation	168		227	
Inter-American Development Bank	43		740	
King Baudouin Foundation United States	1,826		2,287	
Oxfam Novib	1,488		1,402	
Rockefeller	992		0	
Rutgers Kenniscentrum Seksualiteit	465		2,086	
Swiss Agency for Development and Cooperation (SDC) (Cosude)	1,277		781	
WWF Netherlands	3,434		0	
Other non-profit organizations	2,135		2,291	
Income from other non-profit organizations Total		13,237		10,072
Total income generated		57,388		58,794

All incomes are incidental.

Income from private individuals consists of Fundraising Income (1,575 K), legacies (7 K), Carbon credits (1.032 K)

In 2016 NPL has pledged an annual contribution of 1,350k for the duration of 5 years. After evaluation, in 2021 NPL is expected to pledge another 1,350k annual contribution for the years 2021 to 2025. The Strategic Partnership that was entered in 2016 with the Ministry of Foreign Affairs the Netherlands has ended in 2020. In 2021 the Dutch Ministry of Foreign Affairs committed to the Power of Voices Programs with a total contracted value of €77,692,823.

¹⁾ Income from companies, only amounts bigger than EUR 100k are shown or if they were shown in previous year

²⁾ Income from government subsidies, only amounts bigger than EUR 500k are shown or if they were shown in previous year

³⁾ Income from other non-profit organizations (funded by government grants), only amounts bigger than EUR 200k are shown or if they were shown in previous year

9.9. NOTES TO THE CONSOLIDATED ALLOCATION OF EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2021

* Extraordinary profits/losses of net € -400 k contain the the following items:

- release of project liabilities LO Latam : amount of -1.675k
- correction for writeoff of wrongful debtor positions : amount of 415k
- Provision for Fraud Carmatec case : amount of 323k
- correction of partner balance Interpol already written off 2020 : amount of 276k
- Write down Participation Food & Lifestyle : amount of 218k
- Other write downs: amount of 43k

In accordance to the new Strategic Compass, in 2021 Hivos defined new impact areas.

amounts x EUR 1,000

Appropriation	Objective				Total objective	Total Fund Raising Costs	Total mngt. & account.	Total Costs 2021	Budget 2021	Total 2020
	Climate Justice	Civic Rights in a Digital Age	Gender, Equality, Diversity & Inclusion	Non Aligned						
Grants and contributions	4,797	3,668	14,109	5,644	28,218		28,218	26,598	24,376	
Publ. and communication	183	140	537	215	1,074	1,131	2,429	2,356	1,408	
Employee costs	2,022	1,545	5,945	2,378	11,889	0	13,046	16,275	18,982	
Costs of housing	37	28	108	43	216	0	815	425	1,005	
Office and general expenses	2,072	1,585	6,095	2,438	12,191	0	15,940	17,748	14,192	
Amortization, depreciation and interest	0	0	0	0	0	0	650	216	599	
Operating costs	4,313	3,298	12,685	5,074	25,370	1,131	60,412	37,020	36,186	
Extraordinary profits/losses*							-400	0	-723	
Totals	9,110	6,966	26,794	10,718	53,588	1,131	60,012	63,618	59,838	

For comparative purposes the allocation of expenses in 2020 based on the former themes is shown in the table below.

Appropriation	Objective						Total objective	Spent on generating income	Total mngt. & account.	Total Costs 2020
	Open			Green						
Expense	Freedom & Accountability	Sexual Rights and Diversity	Women's Empowerment	Sustainable Food	Renewable Energy	Other Themes				
Grants and contributions	13,976	5,514	1,689	1,645	814	737	24,376			24,376
Publ. and communication	108	300	232	188	220	20	1,068	340	0	1,408
Employee costs	6,149	3,761	3,408	1,930	2,108	512	17,868	0	1,114	18,982
Costs of housing	22	60	46	38	44	4	214	0	791	1,005
Office and general expenses	2,460	3,638	1,529	1,666	1,027	247	10,567	0	3,625	14,192
Amortization, depreciation and interest	0	0	0	0	0	0	0	0	599	599
Operating costs	8,739	7,758	5,215	3,823	3,399	783	29,717	340	6,129	60,562
Extraordinary profits/losses										-723
Totals	22,715	13,273	6,904	5,468	4,213	1,521	54,093	340	6,129	59,838

Employee cost:

	2021	2020
The breakdown of the employee costs are:		
Salaries	11,497	13,256
Social Security	1,090	1,459
Pension	871	1,035
Temporary employees	953	1,368
Other employee costs	695	1,869
Total	15,105	18,987

Total contracted employees:

	2021	2020
The number of employees in FTE was:		
Hivos Global Office	71	92
Hivos Regional Offices	224	226
Total	295	318

Independent auditor costs:

	2021	2020
The breakdown of the independent auditor costs are:		
Annual accounts	386	443
Project audits	45	44
Fiscal advice	0	0
Total	431	487

9.10. REMUNERATION OF THE EXECUTIVE BOARD (GOEDE DOELEN NEDERLAND)

The Supervisory Council determines the remuneration policy, the amount of the remuneration of the Executive Board and the amounts of the other elements of remuneration. When determining the remuneration policy and the amount of the remuneration, Hivos follows the "Regeling belonging directeuren van goededoelenorganisaties" (www.goededoelennederland.nl). This scheme provides a maximum standard for annual income based on weighed criteria.

The so-called BSD score for Stichting Hivos has been established at 580 points, with a maximum annual remuneration of €162,397 for category J directors. Taking into account Hivos' governance model in 2021, the respective scores are 505 points (category J) for Mr. E. Huizing and 505 points (category J) for Mr. M. Farkas. The relevant actual annual incomes of the Executive Board for 2021 were €141,638 (1.11 FTE / 12 months) for the Executive Director Mr. E. Huizing and €139,830 (1.11 FTE / 12 months) for the Chief Operations Officer Mr. M. Farkas. These remunerations remained within the applicable maximums.

The annual remunerations, taxable allowances and pension charges (employers' contribution) (for Mr. E. Huizing € 161,593 and Mr. M. Farkas €156,881) remained within the maximum per year included in the scheme: €209,000. The allowances and pension charges were also in reasonable proportion to the annual income. The amounts and composition of the remuneration is shown in the table below.

In 2021 both Executive Board members have received a one-off gratification of one month salary gross as a sign of appreciation for the major steps the organization has made in 2020 during Covid (New Strategic Compass, Restructuring Global Office, Annual Accounts ready on time, improved financial results).

Mr. E. Huizing is - next to his position as Executive Director of Hivos- also Chair of the Board of Tropenbos International, Member of the Executive Board of Alliance2015, Treasurer of Power of the Art House, Member of the supervisory Council Hivos Triodos Fund, Member of the Board of Trustees/Fouders Yayasan Hivos and Director a.i. of Hivos Impact Investments B.V.

Mr. M. Farkas is Treasurer and board member of Artsen zonder Grenzen Nederland (Doctors without Borders) and Council Member/Chair of the Audit Committee Doctors without Borders Operational Center Amsterdam (MSF OCA). None of these additional occupations were remunerated in 2021.

The amounts and compensation of the remuneration for Hivos is shown in the table below.

Remuneration of senior executives and former senior executives with employment contracts

Name Title	E. Huizing Executive Director	M. Farkas Chief Operations Officer
Employment		
Type of contract (duration)	5 years (extended in 2018)	4 years (start in 2019)
hours	40	40
part-time percentage	111,11% for WNT: 1 fte	111,11% for WNT: 1 fte
period	1/1-31/12	1/1-31/12
Remuneration (EUR)		
Annual income		
gross wages/salary	121,079	119,790
holiday allowance	9,589	9,259
end-of-year bonus, 13th/14th month	10,970	10,781
variable annual income	0	0
Total	141,638	139,830
Taxable allowances/additions	2,880	1,777
Pension charges (employer's contribution)	15,794	17,051
Other future remuneration	0	0
End-of-employment payments	0	0
Total remuneration for 2021	161,593	158,658
Total remuneration for 2020	145,859	143,674

9.11. REMUNERATION OF THE EXECUTIVE BOARD (WNT)

Report pursuant to the Dutch Remuneration of Senior Executives in the Public and Semi-Public Sector (Standardisation) Act

(Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector, 'WNT')

Notes on the preparation of the WNT report

The report pursuant to the WNT (Standards for Remuneration act) presented in this section is based on the applicable legislative framework and the Audit Protocol, as issued by the Dutch Ministry of the Interior and Domestic Relations. The applicable remuneration maximum according to WNT in 2021 for Hivos is €191.000.

Remuneration of senior executives and former senior executives with employment contracts

Amounts x € 1	E. Huizing	M. Farkas
Title	Executive Director	Chief Operations Officer
Date start and end in 2021	01/01 - 31/12	01/01 - 31/12
Part time %	111.11% for WNT: 1 fte	111.11% for WNT: 1 fte
Employee	Yes	Yes
Remuneration		
Remuneration and taxable reimbursements	144,518	141,607
Provision for future remuneration	17,075	17,051
Subtotal	161,593	158,658
Applicable WNT maximum	191,000	191,000
Undue payment	n/a	n/a
Total remuneration	161,593	158,658

Comparative data 2020

Amounts x € 1	E. Huizing	M. Farkas
Title	Executive Director	Chief Operations Officer
Date start and end in 2020	01/01 - 31/12	01/01 - 31/12
Part time %	111.11% for WNT: 1 fte	111.11% for WNT: 1 fte
Employee	Yes	Yes
Remuneration		
Remuneration and taxable reimbursements	€ 130,065	€ 127,880
Provision for future remuneration	€ 15,794	€ 15,794
Subtotal	€ 145,859	€ 143,674
Applicable WNT maximum	€ 189,000	€ 189,000
Total remuneration 2020	€ 145,859	€ 143,674

2. Remuneration of Supervisory Council members - no employment contracts

Amounts x € 1	D Monissen	Ms A van Gorsel	Dr J van de Ven	Ms E Lwanga King	Ms M Kimmenade	B Ter Haar	F Kruijt
Title	Chair	Member	Member	Member	Member	Member	Member
Date start and end in 2021	01/01 - 31/12	01/01 - 30/06	01/01 - 30/06	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/09 - 31/12
Remuneration							
Total remuneration	€ 3,000	€ 1,500	€ 750	€ 2,250	€ 3,000	€ 0	€ 0
Applicable WNT maximum	€ 28,650	€ 9,550	€ 9,550	€ 19,100	€ 19,100	€ 19,100	€ 6,367
Undue payment not yet received in return	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Justification for excess remuneration	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Explanation claim for undue payment	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Amounts x € 1	Mr J E C de Groot	D Monissen	Ms A van Gorsel	Dr J van de Ven	Mr A P Mesker	Ms C R Hibbs	Ms C Surjadaja	Ms E Lwanga King	Ms M Kimmenade	Mr B van de Walle
Title	Chair	Chair	Member	Member	Member	Member	Member	Member	Member	Member
Date start and end in 2020	01/01 - 30/09	01/10 - 31/12	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/01 - 01/07	01/01 - 01/07	01/01 - 31/12	01/01 - 31/12	01/01 - 01/09
Remuneration										
Total remuneration	€ 2,250	€ 908	€ 3,630	€ 1,500	€ 0	€ 0	€ 0	€ 750	€ 0	€ 0
Applicable WNT maximum	€ 21,263	€ 7,088	€ 18,900	€ 18,900	€ 18,900	€ 9,450	€ 9,450	€ 18,900	€ 18,900	€ 12,600
Undue payment not yet received in return	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Justification for excess remuneration	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Explanation claim for undue payment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

3. Severance pay of senior executives and former senior executives with employment contracts

Not applicable

4. Other reporting obligations WNT

In 2021 there were no other employees that had a remuneration above the applicable WNT maximum. There also were no employees for which a listing based on WOPT or WNT should have been done.

In 2021 no severance payments were made to other employees that based on the WNT should be included in the list above.

9.12. FOUNDATION ONLY BALANCE SHEET AS AT 31 DECEMBER 2021

amounts x EUR 1,000

After appropriation of the result

	31-12-2021	31-12-2020
ASSETS		
Intangible fixed assets		
Software for business operations	1,231	1,420
Intangible fixed assets	1,231	1,420
Tangible fixed assets		
Buildings for business operations	410	455
Furniture and fixtures for business operations	373	497
Cars for business operations	13	16
Buildings for objective	384	411
Tangible fixed assets	1,180	1,379
Financial fixed assets		
Certificates Triodos Bank	2,585	3,000
Other Participations	571	711
Loans	31,842	31,696
Financial fixed assets	34,998	35,407
Claims, prepayments and accrued income		
Claims for grants	5,626	11,671
Prepayments and accrued income	26,320	19,012
Claims, prepayments and accrued income	31,946	30,683
Cash at bank and in hand	61,583	59,439
Total	130,938	128,328

9.13. FOUNDATION ONLY BALANCE SHEET AS AT 31 DECEMBER 2021

amounts x EUR 1,000

After appropriation of the result

	31-12-2021	31-12-2020
RESERVES AND FUNDS		
Reserves		
Designated reserve, HTF loans	31,842	31,431
Reserve for participating interests	571	711
General reserve	34,746	36,245
	67,159	68,386
Funds		
Appropriated fund, Climate fund CO2 compensation	831	915
Appropriated fund, Private Funds	1,763	1,763
	2,594	2,678
Reserves and funds	69,753	71,064
LIABILITIES		
Provisions		
Provision for legal claims	333	85
Provision for sabbatical leave	78	109
Provision for long term illness	62	3
Provision for jubilee	3	3
Provision for reorganization	0	33
Provision for cost to go / future losses on project implementation	13	0
Provision for withholding tax	412	76
Provisions	901	309
Long term liabilities		
Long term project liabilities	5,251	7,160
Long term liabilities	81	81
Long term liabilities	5,332	7,241
Current liabilities		
Project grants received in advance	37,356	31,854
Current project liabilities	13,930	13,296
Accruals and deferred income	2,668	2,691
Current liabilities for staff	997	1,873
Current liabilities	54,951	49,714
Total provisions and liabilities	61,185	57,264
Total	130,938	128,328

9.14. FOUNDATION ONLY STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2021

amounts x EUR 1,000

	Notes	Actual 2021	Budget 2021	Actual 2020
INCOME				
Income from private individuals				
Donations and gifts		1,570	1,370	2,180
Legacies		7	0	319
Climate fund CO2 compensation		1,032	0	915
Income from private individuals	12	2,609	1,370	3,413
Income from companies	13	175	193	184
Income from lottery organizations	14	4,215	5,258	3,722
Income from government subsidies	15	26,026	31,765	39,452
Income from other non-profit organizations	16	9,184	7,728	8,389
Subtotal income generated	B	42,209	46,314	55,160
Other income				
Income from investments		948	865	0
Exchange gain/loss of Operations		165	0	-1,117
Other income		82	0	3,644
Other income		1,195	865	2,527
Total income	D	43,404	42,729	57,686

	Notes	Actual 2021	Budget 2021	Actual 2020
EXPENDITURES				
Spent on objectives/Programs				
Climate Justice		6,588	6,654	8,578
Civic rights in a Digital Age		5,037	5,088	6,559
Gender, Equality, Diversity & Inclusion		19,376	19,572	25,230
Non Aligned		7,408	7,829	10,092
Total expenditure on objectives	C	38,409	39,144	50,459
Spent on generating income	A	1,093	1,520	324
Management and accounting costs	E	5,860	4,773	5,895
Exceptional items and provisions		-430	0	-723
Total expenditures	F	44,932	45,437	55,955
Operating Result before financial income and expenses		-1,528	-2,707	1,732
Balance of financial income and expenses		182	0	29
Final operating result		-1,710	-2,707	1,703
Costs of generating income as a % of total income generated (= A/B)		3%	4%	1%
Costs spent on objective as a % of total income (= C / D)		88%	92%	87%
Costs spent on objective as a % of total costs (= C / F)		85%	86%	90%
Man. and accounting costs as a % of total expenditures (= E / F)		13%	11%	11%
Results before appropriation		-1,710	-2,707	1,703
Added to/withdrawn from:				
Reserves				
Appropriated reserve, HTF participations		0	0	-7,865
Designated reserve, HTF loans		412	0	4,856
Legal reserve for participating interests		-141	0	-64
General reserve		-1,898	-2,707	4,776
Subtotal appropriations reserves		-1,626	-2,707	1,703
Funds				
Appropriated fund Private funds		-84	0	0
Subtotal appropriations funds		-84	0	0
Total addition/withdrawal		- 1,710	-2,707	1,703

9.15. NOTES TO THE FOUNDATION ONLY BALANCE SHEET AS AT 31 DECEMBER 2021

amounts x EUR 1,000

1. Intangible fixed assets

See notes to the consolidated Balance Sheet

2. Tangible fixed assets

The accumulated acquisition prices of and depreciation on the fixed assets as at 31 December are as follows:

	Buildings (10-50 yrs) ¹⁾	Furniture and fittings (3-10 yrs)	Cars (5 yrs)	Total assets for business operations	Building in Harare (50 yrs) ¹⁾	Building in San Jose (10 - 50 yrs) ²⁾	Total buildings for objectives	Total all
TANGIBLE ASSETS FOR BUSINESS OPERATIONS								
Acquisition price, 01.01.2021	713	2,238	134	3,085	106	474	580	3,665
Mutations 2021	44	15	0	59	0	1	1	60
Acquisition price after mutations, 31.12.2021	757	2,253	134	3,144	106	475	581	3,725
Accumulated depreciation, 01.01.2021	258	1,741	118	2,117	72	98	170	2,287
2021	89	139	3	231	3	25	28	259
Accumulated depreciation mutations, 31.12.2021	347	1,880	121	2,348	75	123	197	2,545
Book value, 01.01.2021	455	497	16	968	35	376	411	1,378
Additions 2021	44	15	0	59	0	1	1	60
Depreciation 2021	89	139	3	231	3	25	28	259
Total tangible fixed assets at 31.12.2021	410	373	13	796	32	353	384	1,180

¹⁾ The office premises in Harare, stand 2956, Salisbury Township, 2855 centiares in size, was purchased for €76,245 at the end of 1994.

²⁾ The office premises in San Jose, District 09, Pavas Canton 01 (norte: Victor Rosabal, sur: Calle Publica, este: cia Agricola Roberth SA, oeste: Hilda Herrera), 512 m2 in size, was purchased for \$325,000 in 2015.

3. Financial fixed assets

See notes to the consolidated Balance Sheet

4. Claims for grants

See notes to the consolidated Balance Sheet

5. Prepayments and accrued income

Prepayments and accrued income as at 31 December can be broken down as follows:

All items have a remaining term of less than one year

	31-12-2020	31-12-2021
Debtors not including grants	3,273	2,880
Debtors grants	14,135	21,454
Prepayments (employees/travelling)	71	70
Receivable (and prepaid)	1,533	1,917
	19,012	26,321

The fair value of the receivables approximates the book value, due to their short-term character. The donor accounts receivables increased with 7,319 from 14,135 in 2020 to 21,454 in 2021. This is due to the Power of Voices projects of which the donors have already committed the first disbursements

6. Cash at bank and in hand

Cash at bank and in hand is at the Foundation's disposal.

Cash at bank and in hand can be broken down as follows:

	31-12-2020	31-12-2021
In hand	2	1
Bank	59,437	61,582
	59,439	61,583

Assets and claims not included on the face of the balance sheet:

Hivos is the registered owner of 475 Gold Standard Verified Emission Reductions (VER). The Gold Standard VERs are purchased and sold in the framework of the Renewable Energy/biogas programs, to strengthen the financial sustainability of the programs.

Hivos is the main founder of Stichting Hivos-Triodos Fonds. There is a contingent asset for Hivos regarding the equity of Stichting Hivos-Triodos Fonds if the partnership with Hivos ends. At this moment there is no intention to stop this partnership and the existing contract will (at least) not stop before 2025. If the partnership ends and the equity is at that moment lower or equal than the equity at yearend 2015 (approximately €13 million), Hivos is entitled to get 100% of the equity of Stichting Hivos-Triodos Fonds. If the equity will be higher than the equity at yearend 2015, Hivos and Triodos Bank N.V. are both entitled to get 50% of the equity above the equity value at yearend 2015. The equity of Stichting Hivos-Triodos Fonds is at yearend 2021 €16,908,007 (yearend 2020: €12,678,098).

9.16. NOTES TO THE FOUNDATION ONLY BALANCE SHEET AS AT 31 DECEMBER 2021

amounts x EUR 1,000

7. Reserves

Reserves	31-12-2021
Foundation Only	67,159
HUB EA (included in consolidated, not in foundation Only)	-79
Yayasan (included in consolidated, not in foundation Only)	0
HUB MENA (included in consolidated, not in foundation Only)	-307
Consolidated	66,774
Total all reserves	66,774

8. Funds

Appropriated funds

See notes to the consolidated Balance Sheet

LIABILITIES

9. Provisions

See notes to the consolidated Balance Sheet

10. Long term liabilities

See notes to the consolidated Balance Sheet

11. Current liabilities

Hivos's current liabilities include amounts received in advance for programs:

Accruals and deferred income	31-12-2020	31-12-2021
Creditors - Hivos	2,278	1,424
Open amounts related to salaries	87	11
Outstanding costs	0	1,064
Payable taxes	271	114
Other	55	55
Total	2,691	2,668

Pension charges:

Stichting Hivos has a pension scheme with PFZW pension fund to which the provisions of the Dutch Pension Act ('Pensioenwet') is applicable. Stichting Hivos pays premiums based on (legal) requirements, a contractual or voluntary basis to pension funds and insurance companies. Premiums are recognized as employee cost when they are due. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities. For existing obligations (other than premiums to be paid) to the pension fund or employees a provision is recognized.

Commitments and contingencies not included on the balance sheet:

The following long-term rental agreements have been entered into:

- Since July 2019, the office in The Hague is rented for approximately €236,000 a year (5 years contract plus option for another 5 years).*
- The rent contracts for the offices in the hubs are approximately €270,000 per year (mainly 1 year contracts).
- For printing and other equipment the yearly fee is approximately €50,000 a year.
- Commitment to consortium partners at end of 2021 is €26,465,099

Related parties

Transactions with related parties were made at arm's length and consequently need no further explanation in the notes of the annual accounts.

9.17. NOTES TO THE FOUNDATION ONLY STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2021

amounts x EUR 1,000

	Realization 2021	Realization 2020
12. Income from private individuals	2,609	3,413
13. Income from companies ¹⁾		
NRECA International Limited	11	0
Palladium International Pty Limited	112	184
Other income from companies	51	0
Income from companies Total	175	184
14. Income from lottery organizations		
Structural NPL contribution	1,350	1,350
Project contribution including foreign postcode lotteries (NPL, UK postcode planet trust and Swedisch postcode Lottery)	2,865	2,372
	4,215	3,722
15. Income from government subsidies ²⁾		
Delegation of the EU to Bolivia	1,076	442
Delegation of the European Union to Indonesia	795	1,636
Foreign, Commonwealth & Development Office (FCDO)	723	544
Ministry of Foreign Affairs Finland	32	2,940
Ministry of Foreign Affairs Denmark	528	0
Ministry of Foreign Affairs The Netherlands	9,521	19,213
Rijksdienst voor Ondernemend Nederland	152	571
Swedish International Development Agency	6,377	4,830
The Global Fund	5,686	6,594
US Department of State	943	187
USAID Indonesia US Embassy	194	820
Other government subsidies	0	1,675
Income from government subsidies Total	26,026	39,452

	Realization 2021	Realization 2020
16. Income from other non-profit organizations ³⁾		
Asian Development Bank	1,281	0
Bloomberg Foundation	128	202
Ford Foundation	168	227
Inter-American Development Bank	43	740
King Baudouin Foundation United States	1,826	2,287
Oxfam Novib	219	560
Rockefeller	992	0
Rutgers Kenniscentrum Seksualiteit	465	2,086
Swiss Agency for Development and Cooperation (SDC) (Cosude)	1,277	781
WWF Netherlands	1,326	0
Other non-profit organizations	1,459	1,506
Income from other non-profit organizations Total	9,184	8,389
Total income generated	42,209	55,160

All incomes are incidental.

Income from private individuals consists of Fundraising Income (1.582 K), legacies (7 K), Carbon credits (1.032 K)
In 2016 NPL has pledged an annual contribution of 1,350k for the duration of 5 years. After evaluation, in 2022 NPL is expected to pledge another 1,350k annual contribution for the years 2022 to 2026. The Strategic Partnership that was entered in 2016 with the Ministry of Foreign Affairs the Netherlands has ended in 2020. In 2021 the Dutch Ministry of Foreign Affairs committed to the Power of Voices Program with a total contracted value of €77,692,823.

¹⁾ Income from companies, only amounts bigger than €100k are shown or if they were shown in previous year

²⁾ Income from government subsidies, funded by government grants, only amounts bigger than €500k are shown or if they were shown in previous year

³⁾ Income from other non-profit organizations, only amounts bigger than €200k are shown or if they were shown in previous year



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INDEPENDENT AUDITOR'S REPORT

To the Executive Board and Supervisory Council of Stichting Hivos

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2021 INCLUDED IN ANNUAL ACCOUNTS

Our opinion

We have audited the accompanying financial statements 2021 of Stichting Hivos, based in Den Haag.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Hivos as at December 31, 2021, and of its result for 2021 in accordance with the guideline 650 of the Dutch Accounting Standard Board and the rules of and following the Standards for Remuneration Act (WNT).

The financial statements comprise:

1. The consolidated and foundation only balance sheet as at December 31, 2021.
2. The consolidated and foundation only statement of income and expenses for the year ended 2021.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Hivos in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce and Industry in Rotterdam number 24362853. Deloitte Accountants B.V. is a Netherlands affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited.

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Report on the other information included in annual accounts

In addition to the financial statements and our auditor's report thereon, the annual accounts contain other information.

The other information consists of:

- Message from the Executive Board
- Supervisory Council Report
- The Hivos Way
- Key figures
- Impact 2021
- Our partners
- Internal Organization
- Governance and Risks
- Other information

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Guideline 650 of the Dutch Accounting Standards.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board and the Supervisory Council for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with Guideline 650 of the Dutch Accounting Standards. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

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The Executive Board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The Supervisory Council is responsible for overseeing the foundation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- Concluding on the appropriateness of the Executive Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Den Haag, December 28, 2022

Deloitte Accountants B.V.

Signed on the original: M.A. van Dreumel

23012E5410/IB/4

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Hivos
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