



2018 ANNUAL REPORT
PUTTING ACCESS
AT THE HEART OF
MEDICINES POLICY

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1. INTRODUCTION

Since its establishment in 1981, Stichting (Foundation) Health Action International (HAI) has faced new health challenges and shifting paradigms head-on, responding flexibly and intelligently at the heart of medicines policy debates.

Nevertheless, inequities in access to medicines and healthcare continue to thwart ‘health for all’. Low- and middle-income countries are confronted by a broken and unsustainable economic model for pharmaceutical treatments. Meanwhile, it is increasingly recognised that health systems in high-income countries are far from immune from the negative impact of rising medicine prices. And at the centre of medicines policy debates, regardless of where or in what context they occur, HAI is needed more than ever with its unflinching courage to take on complex issues that are often muddled with conflicts of interest.

In the last year, HAI has continued to respond to medicines policy issues at local, regional and international levels. The work being done within the European Union has struck a note at the highest levels of decision making on some of the most pressing issues facing the lawmakers and regulators, HAI’s disease-specific projects, which challenge the lack of access to insulin and work to improve snakebite prevention and treatment measures, now lead the field in research, evidence and policy intervention. In just four years, HAI’s Addressing the Challenge and Constraints of Insulin Sources and Supply (ACCISS) Study has uncovered the key barriers to global insulin access. Last year, entering the second phase of the study, ACCISS launched a number of evidence-based tools that are being

piloted across three low- and middle-income countries. HAI significantly contributed to getting snakebite envenoming on the World Health Organization’s (WHO) ‘Category A’ list of neglected tropical diseases. In 2018, HAI was also successful in securing a World Health Assembly resolution on snakebite envenoming. That work culminates in 2019 in a Roadmap to alleviate the social and economic burden of snakebite. This year, HAI hosted a meeting to put the urgent issue of access to Internationally Controlled Essential Medicines on the international agenda, and put an end to needless suffering and pain experienced by huge numbers of people around the world.

At another level, HAI stays on top of current trends in international development. Resourcing and encouraging the vast talent of civil society in the Global South, HAI will, wherever possible, continue to shift programme funding and responsibility to the countries themselves. The Health Systems Advocacy (HSA) Partnership, which focuses on the attainment of sexual and reproductive health and rights in sub-Saharan Africa, is an excellent example. Through knowledge transfer and resourcing, HAI establishes a strong network of in-country experts that can sustainably carry the programme forward without further intervention or leadership from the North when the project ends.

Institutionally, we are aware of new accountability, gender equity and safeguarding demands placed on organisations. Over the past year we have ensured that HAI deepens and broadens its project monitoring and evaluation and continues to transparently report on outcomes, and will continue to do so in future. We have made great strides in strengthening our gender equity as an organisation and within our projects, among other things, through the introduction of a new Gender Policy that was recognised and promoted as an example of best practice by Global Health 50/50. We will not rest on our laurels as we maintain an inclusive and safe organisation that promotes gender equity across all areas of work.

Finally, on behalf of the Board, I would like to extend our sincere and profound gratitude to HAI's dedicated staff, interns and Association members who work tirelessly in the pursuit of health for all, and to our in-country partners on the front lines of medicines policy impact. The spirit and enthusiasm of HAI's staff is a constant source of inspiration!

Thank you and congratulations on another successful year.



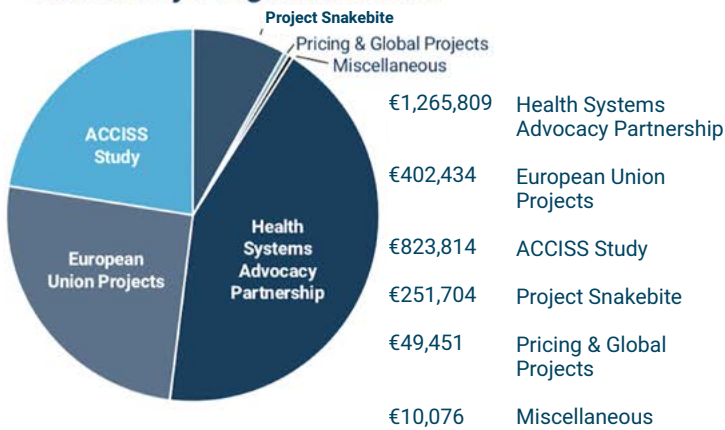
Lander van Ommen
Chair, HAI Foundation Board
May 2019

2018 AT A GLANCE

How We Spend Our Funding



Income by Programme Area



Staff Composition



Biggest Wins by Project Area

ACCISS Study

A major paper, published in BMJ Global Health, laid in stark contrast the huge gap between what governments pay for insulin and its average cost of production. The paper has been cited widely, including by US lawmakers pushing for change.

European Union Projects

Our statements and recommendations to MEPs on health technology assessment gained significant media traction. A report later adopted by the European Parliament was aligned with our position in key aspects.

Project Snakebite

Our advocacy and communications played a major role in securing the adoption of a resolution on snakebite envenoming at the World Health Assembly and the subsequent development of a WHO roadmap strategy.

HSA Partnership

Based on our research, our in-country partners advocated for changes in national policies around access to sexual and reproductive health commodities. This resulted in new bills on supply chain in Uganda and procurement in Zambia, as well as amendments to the national family planning guidelines in Kenya.

2. BOARD REPORT

Who We Are

Established in 1981, HAI is the only non-governmental organisation entirely dedicated to strengthening medicines policy to improve people's health. Our staff and global network of members and partners in 70 countries around the world share information and expertise to solve medicines access and use problems. We are non-profit, independent and based in Amsterdam.

Our Vision, Mission & Core Work Areas

We are driven by our vision of a world in which everyone, everywhere has access to safe, effective, affordable and quality-assured medicines. We work tirelessly to advance policies that enable access to medicines and rational medicine use around the world.

Achieving this goal requires that HAI's staff, members and partners focus on creating lasting changes to government and industry policies and

practices through evidence-based advocacy and public awareness campaigns at national, regional and international levels.

How We Work

Commitment to Independence & Transparency

To protect and enhance our reputation as a trusted advocate on access to medicines and rational medicine use issues, we safeguard our objectivity and integrity by remaining resolutely independent. We never accept funding from the pharmaceutical industry, and we work with staff and members to mitigate any potential conflicts of interest that could call our independence into question. As a result, we can confidently promote rational and economic medicines policies, therapies and use in low-, middle- and high-income countries, and foster justice in healthcare worldwide through improved access to— and rational use of— medicines.

We make sure that the same standards we demand of others also apply to us, and take great pride in ensuring our organisation is fully transparent. This includes transparency in our business model, projects, policies and relationships, which is critical to earning and retaining the trust of our donors, staff, members, partners and other stakeholders.

Evidence-based Advocacy

HAI's credibility as an organisation, and stemming from that, our policy recommendations, depend on our evidence-based approach to advocacy. We conduct and draw upon independent, robust and impartial research to form all the policy recommendations we make. As a result, policy-makers and other stakeholders know they can rely on our position. The ever-changing world of policy means there is always a new challenge around the corner, which means we must remain robust and alert.

Our Projects

- 1 Improving the prevention and treatment of snakebite envenoming in low- and middle-income countries
- 2 In the European Union (EU), improving access to needed medicines, the rational use of medicines, and the democratisation of medicines policy
- 3 Addressing the challenges and constraints of insulin sources and supply
- 4 Improving access to sexual and reproductive health commodities in Kenya, Uganda, Zambia and Tanzania as part of the Health Systems Advocacy Partnership

Working in a Global Network

Our solutions-focused approach sets our advocacy apart from other organisations. But regardless of the quality of our policy outputs, we are only as good as our reach and our network. That is why it is imperative that we work with members and partners to extend the reach of our recommendations and use a number of communications and advocacy tactics to ensure they get to the right influencers and policy-makers at the right time, whether at the national, regional or international level.

Our vibrant global network of members and partners in over 70 countries around the world is one of our greatest assets. Their expertise provides yet more depth to complement that of our staff in a number of medicines policy areas, including pharmaceutical regulation; intellectual property (IP) and alternative models of innovation; medicine pricing, availability and affordability; pharmaceutical marketing; and prevention and treatment of snakebite envenoming.

Meanwhile, working with other civil society organisations is also crucial for achieving the objectives of each of our projects. Developing partnerships and coalitions enlarges our base of support, extends the reach of our policy recommendations and the credibility of our calls for action. Put simply, collaboration with like-minded organisations and individuals enables us to achieve more together than is possible alone.

Furthermore, given our firm belief that civil society plays a crucial role in improving medicines policy, we support networks, countries, groups and individuals that are working towards improved access to medicines and rational medicine use. We are the secretariat for HAI's European Association of members, which involves helping coordinate its annual general meeting. We also act as secretariat for the Global Snakebite Initiative (GSI). Wherever possible, our staff and members not only share information with civil society partners, but also offer them expertise in research, advocacy, communications, and monitoring and evaluation through joint

projects and workshops. This capacity strengthening approach enables more civil society organisations to take strong and effective action to improve medicines policies in their own locations.

Our valued members and partners— representing a broad range of expertise and interests— include:

Snakebite

- Global Snakebite Initiative
- James Ashe Antivenom Trust

European Union Projects

- Visit www.haiweb.org/our-members

ACCISS Study

- University of Geneva/Geneva University Hospitals
- Boston University School of Public Health
- ACCISS Study International Advisory Group

Health Systems Advocacy Partnership

- Amref Health Africa
- African Centre for Global Health and Social Transformation
- Wemos
- HEPS Uganda/Medicines Transparency Alliance Uganda
- Medicines Transparency Alliance Zambia
- Medicines Transparency Alliance Kenya
- Ministry of Foreign Affairs of the Netherlands (funder)

Influencing the Highest Levels of Government

For our advocacy to be successful, it is critically important to target policy-makers in their domains. We therefore have direct relationships with many national health ministries and WHO departments.

We also hold ‘official relations’ status with the WHO, which allows us to directly participate in sessions of its governing bodies, such as the World Health Assembly. In addition, our longstanding mutually-respectful relationship with the European Medicines Agency has resulted in membership on its Patients’ and Consumers’ Working Party and its Health Technology Assessment Steering Group. This inclusion is a privilege that allows us to articulate and incorporate consumers’ perspectives in the groups’ work.

Governance & Leadership

HAI Foundation Board

The HAI Foundation Board consists of eight professionally diverse members from Europe, Africa, Asia, and North and South America who bring a wealth of knowledge and experience to our work.

The Board appoints the Executive Director and conducts an appraisal interview with him/her at least once a year to evaluate performance. In addition, the Board approves the strategic workplan drafted by the Executive Director, which ensures compliance with our vision and mission. It also appoints a Chair and Treasurer from its Board Members, as well as an external auditor who provides an opinion on the annual report. The Board is also responsible for approving HAI’s annual budget, report and financial statements.

Each Board Member is appointed for a period of four years. An appointment may be extended to a maximum of eight years.

In 2018, the Board had two face-to-face meetings (in June and October) and held other discussions via electronic means. The Board Chair and other Board Members also keep in regular contact throughout the year.

Primary Position(s)/Ancillary Position(s)



Lander van Ommen
(Netherlands)
Board Chair
Term 2, 2017–2021

Senior Health Advisor at the Dutch Embassy in Burundi, Ministry of Foreign Affairs, Government of The Netherlands



Marcus Vreeburg
(Netherlands)
Treasurer
Term 1, 2016–2020

Owner/Director, Vidax BV (financial services for governments), The Netherlands
Member of the Committee for Permanent Education, European Institute for Public Controllers



Francisco Rossi
(Colombia)
Member
Term 1, 2015–2019

Senior Advisor to IFARMA Foundation, Colombia
Board Member, Alianza LAC–Global for Access to Medicines
Board Member, Alliance GEP/Argentina–ABIA/
Brazil–AIS/Perú and IFARMA/Colombia



Meri Koivusalo
(Finland)
Member
Term 1, 2016–2020

Professor of Global Health and Development in Tampere University, Finland
Board Member, Health and Trade Network
Member, Expert Advisory Panel, Health Science and Technology Policy, World Health Organization



Patricia Porekuu
(Ghana)
Member
Term 1, 2016–2020

Programmes Manager, Hope for Future Generations, Ghana
African Alternate Representative, West and Central Africa, People's Health Movement
Core Team Member, People's Health Movement, Ghana, Member of CSO Platform on Sustainable Development Goals, Ghana



Briec-Yves Cadat Lampe
(Netherlands)
Member
Term 1, 2016–2020

Senior Consultant, Movisie, The Netherlands
Elected Consular Councillor of the French (established in The Netherlands)
Member, Partners Council of Foundation Pakhuis de Zwijger



Cecilia Sison
(Philippines)
Member
Term 1, 2016–2020

Country Coordinator, Medicines Transparency Alliance (MeTA), The Philippines
Chair, Coalition for Safe Medicines
MeTA Representative, DOH Advisory Council on the Implementation of the Cheaper Medicines Law
Member, Committee on Patient, Family and Community Engagement, Philippine Health Research Ethics Board



Joel Lexchin

(Canada)
Member
Term 1, 2016–2020

Emergency Physician, University Health Network, Canada

Board Member, Canadian Health Coalition Board
Member, Canadian Doctors for Medicare
Professor Emeritus, Faculty of Health, York University
Associate Professor, Department of Family and Community Medicine, University of Toronto
Affiliate, Faculty of Pharmacy, University of Sydney

Our Executive Director

Dr Tim Reed was appointed as Executive Director in 2006. He manages the Foundation, which includes preparing its work plan, administering its day-to-day business, implementing programmes and activities, and securing funding. He also prepares the organisation's annual budget, report and financial statements.

Remuneration of Executive Director & Foundation Board

The Dutch *Wet normering bezoldiging top-functionarissen publieke en semipublieke sector* (WNT) Act applies to HAI¹. This act aims to regulate remuneration of managers in the public or semi-public sector by establishing maximum amounts for remuneration. Disclosing the annual remuneration of the Executive Director and the Foundation Board is compulsory.



Executive Director Tim Reed at HAI's Amsterdam Headquarters

The report on the following page is prepared in line with the applicable regulation. As of 2015, the WNT maximum for the development aid sector applies, which is €174,000 for 2018.

The reported maximum amount per person and function is calculated based on the full-time equivalent in the labour agreement of the Executive Director. The full-time equivalent can never exceed 1.0. For members of the Foundation Board, a maximum of 15% (Chair) or 10% (other Members) of the maximum remuneration of €174,000 for executives applies.

¹ Act for standardisation of publicly- and semi-publicly-financed remuneration of executives.

Remuneration of Executive Director

	ACTUAL 2018	ACTUAL 2017
EMPLOYMENT		
Term	Indefinite	Indefinite
Hours (full-time)	36.00	36.00
Part-time percentage	100%	100%
Period	Jan-Dec 2018	Jan-Dec 2017
	€	€
REMUNERATION		
Annual income		
Gross salary	93,666	91,986
Holiday allowance	8,067	7,359
Year-end allowance	8,444	8,246
Variable annual income	-	-
Paid out holidays	8,224	5,632
Total annual income	118,401	113,223
Taxable allocations	-	-
Pension costs (employer share)	18,062	14,709
Back-payment pension 2016/2017 (employer share)	6,706	
Provisions for future payments	-	-
End of service benefits	-	-
Total salary and employer charges	143,169	127,932
Applicable WNT-maximum	174,000	166,000

The Members of the Foundation Board do not receive remuneration or allowances for their work, nor did they, as of 31 December, 2018, or during 2018, have outstanding loans, advances or guarantees.

No employees or temporary staff received remuneration above the WNT maximum in 2018,

nor was remuneration paid that was, or had to be, disclosed based on the WNT in previous years. In 2018, HAI did not pay termination of employment payments to former employees that should be reported in the annual accounts based on the WNT.

Remuneration Foundation Board

Chair

	ACTUAL 2018	ACTUAL 2017
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	26,100	24,800

Treasurer

	ACTUAL 2018	ACTUAL 2017
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	17,400	16,200

Staff

Intellectual rigour, tenacity and a passion for social justice are rare commodities. But at HAI we have an extensive pool of skill-sets that give us just that. Our range of project subject areas, from the availability of snakebite antivenom to IP regimens, are testament to the extraordinary capacity of the team. In 2018, we have been especially proud to consolidate our intern programme, which provides us with an astonishing pool of young talent that bring fresh new ideas and ways of working. Indeed, two recent interns are now full-time members of the team. Moreover, the intern programme future-proofs HAI's contribution to the access to medicines movement.

Additions to the expanding HAI team in 2018 include a project assistant (ACCISS), and a communications officer (organisation-wide). At HAI we try to look after our staff and offer better than comparable flexibility in working conditions and opportunities. Resignation is rare, but in 2018, we lost an Advocacy Manager (fixed contract) from the team. The role was experimental and only introduced in January. Based on the added-value of the post, we decided that we would extend our African MeTA partners capacity rather than the team in Amsterdam. HAI's Employee Entitlements and Conditions of Employment, which were reviewed and updated in 2017, were adopted by the Foundation Board

in 2018. In addition, we have been proud to introduce a new Gender and Inclusivity and Safeguarding policy to accompany the suit of

policies that make up the terms and conditions of working at HAI, and extend to partners we fund.

Human Resources Overview

	31 DECEMBER 2018	31 DECEMBER 2017
Number of employees	17	15
Number of FTEs	16.2	14.7
Composition staff	76.5% women/ 23.5% men	73.3% women/ 26.7% men
Permanent/temporary contracts	12/5	6/9
Average age	38	41
Sick leave percentage	0.37%	0.76%

Code of Conduct

Our Business Conduct Guidelines and other key policies outline the ethical and legal framework within which we conduct our work. If mistakes, wrongful actions, or breaches of our codes occur, any stakeholder, regardless of their affiliation to HAI, has the right to file a complaint using the Complaints Procedure Business Conduct Guidelines, Complaints Procedure (English, Dutch, Spanish), Gender Policy, Safeguarding Policy and/or Sexual Harassment Policy. In addition, HAI has a published suit of core values to which employees, partners and sub-contractors comply and support our vision, inspire our talented employees, and shape our culture.

We adhere to these values to inspire our partners, so our donors are confident in our ability to execute our work, and HAI is a rewarding, safe and inspirational place to work.

Our Core Values

- 1 Social Justice**
We believe that all people, regardless of their socioeconomic status or geographic location, gender, sexual orientation, or ability, deserve equal economic, political and social rights and opportunities.
- 2 Transparency**
We conduct our work in an honest, transparent and ethical manner.
- 3 Integrity**
To safeguard our objectivity and integrity, we are resolutely independent of the pharmaceutical industry and protect ourselves from all other conflicts of interest.
- 4 Evidence-based**
Our advocacy is always based on objective and current research.
- 5 Empowerment**
We share information with and offer our research and advocacy expertise to other members of civil society so they too, can improve access to medicines and rational medicine use.
- 6 Perseverance**
We know that policy change takes time and never give up until the job is done.
- 7 Inclusion**
We appreciate and respect diversity in all forms.
- 8 Excellence**
We value and invest in our staff and network so they can achieve the high goals and objectives that we set.

2018 Projects & Achievements

HAI is passionate about improving access to medicines and rational medicine use for people around the world. Our current four project areas—access to insulin, sexual and reproductive health commodities, snakebite envenoming treatment and prevention, and essential

ACCISS Study

HAI and our partners at the University of Geneva/Geneva University Hospitals and Boston University School of Public Health are leading the ACCISS Study, a comprehensive global study into the causes of poor insulin availability and high insulin prices, particularly in the world's most under-served regions. The research expertise is enhanced by members of ACCISS's International Advisory Group, comprised of international medicines policy experts (including people using insulin). Since its launch in 2015, ACCISS has continually provided comprehensive and concrete evidence on the global insulin market. In its first phase, ACCISS developed innovative tools and other evidence-based resources. Now, in its second phase, the tools are being pilot tested in Mali, Peru and Kyrgyzstan, where they are serving national advocates and policy-makers in the quest to improve access to insulin.



Senior Projects Manager, Marg Ewen (second from right), and PME Manager, Mieke Bakx (first from right), at the kick-off meeting of the piloting phase for the ACCISS toolkit in Kyrgyzstan.

medicines in the EU—are diverse, however, our calls for action share a common thread. We advocate for measures that will improve the price, availability and affordability of medicines, ensure the safety and efficacy of medicines, and enable sustainable biomedical innovation that is based on actual health needs.

Major Achievements

- As part of our study, BMJ Global Health published an innovative article *Production costs and potential prices for biosimilars of human insulin and insulin analogues* that exposed the vast chasm between the price of insulin and its actual cost of production. In it, the authors estimate the profitable manufacturer's selling price for one year's supply of biosimilar human insulin to be about \$48–\$71 per person, with most analogue insulins being \$78–\$133 per person per year.
- We funded the first-ever study to estimate insulin use in type 2 diabetes, at global, regional and national levels. This modelling exercise was published as an article, *Estimation of global insulin use for type 2 diabetes, 2018–30: a microsimulation analysis*, in the *Lancet Diabetes & Endocrinology* in November. The article highlighted the fact that insulin use by those living with type 2 diabetes is set to increase by 20% by 2030 to 79 million people.
- We launched the ACCISS Toolkit, an outline platform of innovative tools to help national policy-makers and others address insulin access issues such as need, selection, prices, cost of diabetes care, managing diabetes, and more.
- We commenced collaborating with national partners to directly address issues of access to insulin in Kyrgyzstan, Mali, Peru and Tanzania.
- At the UN High Level Meeting on NCDs, we hosted a side-event panel discussion, *How Can we Improve Access to Essential NCD Medicines?*

The Lessons Learned from Insulin. The event provided a chance to share with a broad NCD audience some of the challenges and opportunities ACCISS has identified from our work on insulin and have a discussion around how these lessons might contribute to improving access to NCD medicines in general.

European Union (EU) Projects

Through our research and advocacy publications, interventions, workshops and other activities, HAI's EU Projects team enriches policy discussion at the EU level while also contributing to dialogue on price transparency in the Netherlands, where HAI is based. We inform and advise public officials, policy-makers, local and European law-makers and other stakeholders on critical policy issues that impact people's ability to timely access medicines and use them rationally.



Senior Policy Advisor, Ancel.la Santos, on the "Let's Talk Access" panel at the European Parliament in October 2018.

To achieve this, our advocacy focuses on proposing and supporting policy initiatives in three main areas: equitable access to affordable medicines; medicines safety, added therapeutic value and rational use of medicines; and democratisation of medicines policy. Specifically, this contributes to medicine affordability by mitigating the impact of excessive IP rights on medicines by promoting the use of TRIPS flexibilities and the review of the current IP system, supporting alternative models of innovation based on the delinkage between research and development (R&D) costs and prices, and highlighting the public's important contribution to biomedical R&D.

In addition, our EU Projects team monitors the impact of trade agreements being negotiated by the EU, which may have an impact on access to medicines, and works to strengthen pharmaceutical regulation so medicines are safe, effective and of added therapeutic value. We support initiatives on public access to clinical trial data and promote the rational use of medicines, such as antibiotics. We also conduct workshops for healthcare students and professionals about the impact of pharmaceutical promotion on prescribing and dispensing behaviours and support Sunshine Act initiatives.

Major Achievements

- Coinciding with the European Commission (EC) proposal of a Supplementary Protection Certificates (SPC) manufacturing waiver, HAI organised an event, with the support of two main political groups (EPP and S&D) in the European Parliament. We brought together representatives from the Generic Industry, EC, academia and civil society on the need to rethink the IP-protection framework within the EU. Following—and based on—the sold-out event, we issued recommendations to MEPs from across the political spectrum on the EC proposal for a SPC manufacturing export waiver, which was subsequently adopted by the European Parliament, including our many of our favoured amendments.
- During the initial discussions around Framework Programme 9 (FP9)—the successor to the EU's Horizon 2020, the largest EU public support program for science—HAI jointly hosted an event on *Open Science, Open Health* with the participation of MEPs, academics and advocates. Particularly important to the discussion was how to guarantee an enhanced access policy, public return on public investment, and a research agenda based on health needs.
- Leading expert in the field of pharmaceutical promotion, Dr Barbara Mintzes, joined us in October to lead a webinar on *Unbiased Information on Medicines: Why is it Needed?* Participants registered from 27 countries in

Europe and around the world, with feedback showing how much of an impact our work in this area can have on the views of medical and pharmacy students, and how it can be used in their future work.

- We issued various statements and recommendations to MEPs on HTA throughout 2018, with a view to improving a European Commission proposal for Regulation establishing a mandatory framework of cooperation. Importantly, a report adopted by the European Parliament was aligned with our position in key aspects.
- We participated actively in the European Medicines Agency (EMA) Patients' and Consumers' Working Party and in the HTA Network Stakeholder Pool. We were invited to take part in panel sessions at the EUnetHTA Forum 2018 and at the EMA's workshop on medicine's availability.
- As part of the *Our Medicines, Our Right* campaign, we organised an event in The Hague, bringing together representatives from the pharmaceutical industry, researchers and public health advocates to assess how alternative innovation mechanisms can contribute to improve the situation of access to medicines in the Netherlands.
- HAI also released a research report on *New and Affordable Medicines in the Netherlands: Tracing the Dutch Government's Policy Commitments and Actions*. The research scored Dutch Government on its fulfillment of promises to improve transparency of the cost of R&D and pricing decisions, and affordability of new medicines. The report's release was strategically timed to coincide with a debate in the Dutch Parliament on *Initiatiefnota: "Big Farma: niet gezond!"* (Big Pharma: Not Healthy).

Health Systems Advocacy Partnership

As a member of the Health Systems Advocacy (HSA) Partnership, HAI focuses on increasing accessibility and affordability of essential sexual and reproductive health commodities (SRHC)

in Uganda, Kenya, Tanzania and Zambia. In collaboration with our country partners, we measure the price, availability and affordability of more than 30 SRHC in all countries on an annual basis. These studies are critical for understanding the causes of poor access to SRHC and are used by our partners to call for policy change at local and national levels. They do this by working through the Medicines Transparency Alliances (MeTA), a unique model of multi-stakeholder engagement used to address transparency and accountability issues. Our partners also work to equip civil society organisations (CSOs) with knowledge, skills and advocacy tools, through capacity strengthening and creating spaces for evidence-based dialogue of sexual reproductive health rights (SRHR) and health systems strengthening (HSS).



Research Manager, Gaby Ooms (middle), at a data analysis training in Kenya.

Major Achievements

- HAI launched a guide to communications and advocacy *Communicating for Change: Effective Advocacy Communications for Non-Profit Organisations*, specifically aimed at non-profit organisations. The guide encourages users to modify its contents to suit their own needs and experiences. Feedback from stakeholders and donors has been overwhelmingly positive.
- The Ugandan Ministry of Health (MoH) introduced an alternative supply chain in April 2018, the *Uganda Medical Store*, as a result of the evidence-based advocacy work of the MeTA platform and the capacity building of

its members by HEPS (Coalition for Health Promotion and Social Development), HAI's partner in Uganda.

- The Zambian MoH incorporated procurement in the new draft *Zambia Medical Stores Agency Bill*, after MeTA Zambia escalated the agenda on SRHC using the recommendations from their *Measuring Price, Availability and Affordability study*.
- MeTA Kenya used the recommendations from their 2017 study to push for changes to the national family planning (FP) guidelines. This included ensuring that adolescents can assess FP services without parental consent, the safe provision of commodities for women living with HIV and the appropriate training of Community Based Distributors (CBDs).
- Chama cha Uzazi na Malezi Bora Tanzania (UMATI) joined the partnership as HAI's partner in Tanzania in 2018. The establishment of MeTA in May 2018 means that, for the first time in Tanzania, stakeholders from across the MoH, local government, CSOs, private sector, pharmacy, academia and manufacturing have a forum for discussing issues concerning SRHC.



Senior Snakebite Project Officer, Sophie von Bernus and volunteer Sabrina Hennecke at a meeting with healthcare workers, community workers and policy makers in Zambia.

Project Snakebite

HAI has been at the forefront of a global movement to put snakebite envenoming, which kills over 138,000 people per year and permanently disables 400,000 more, at the top of the global health agenda. The focus of our advocacy and awareness-raising efforts are two-fold. First, we work on improving prevention and treatment of snakebite incidents by promoting greater community and health system awareness in regard to health-seeking behaviour and first aid measures, as well as uptake of prevention measures (e.g., snake-proofing homes, using bed nets and wearing shoes). Second, we advocate with civil society for greater access to safe, effective, affordable and quality-assured antivenom and other treatment commodities for snakebite envenoming through evidence-based policy engagement.

Major Achievements

- HAI played a leading role in securing the adoption of a World Health Assembly resolution on snakebite envenoming, which in turn has led to the development of a WHO roadmap strategy to alleviate this neglected global health crisis. We have been a member of the snakebite envenoming working group and provided technical support to the WHO on drafting the roadmap publication.
- As a key partner, HAI significantly contributed to the success of the *Snakebite: From Science to Society* international conference, hosted by the Dutch science museum Naturalis in the Netherlands. The conference assembled snakebite stakeholders from all over the world and facilitated dialogue between policy-makers, scientists and non-State actors (more than 200 participants).
- HAI developed a first aid poster and accompanying handout for widespread use and education in Uganda, Kenya and Zambia. In order to make the material as accessible as possible we focussed on illustrations instead of long explanations, making it as accessible as possible for anyone, no matter their age of reading ability, to learn the right behaviour following a snakebite. So far, 2000 posters have been distributed.

- We conducted four training workshops in Kenya, Uganda and Zambia bringing together important stakeholders and presenting our research results, recommended prevention and first aid measures, as well as policy recommendations. In total, 560 people participated in the workshops including healthcare workers, civil society organisations, policy makers, community elders, snake handlers and journalists.
- We initiated a multi-stakeholder group in Uganda with civil society representatives, policy makers, healthcare workers and wildlife authorities.

Programmatic Challenges

Challenge	Mitigation
HAI maintains a strong network of European medicines policy expertise that feeds into the work of the Foundation in the form of the HAI Europe Association. It provides a pool of professionals willing to attend meetings and carry the HAI message throughout the EU. However, the network includes many experts who were part of the founding network in 1982, and it is a challenge to attract new younger members, in part due to the changing nature of modern network participation, which is now almost entirely social media driven. Coupled with this is the enthusiasm and regularity with which new networks are being established in access to medicines in the EU, posing a threat to HAI's position as the go-to network in the EU.	The Foundation is working in close collaboration with the Network on benefits of membership and network communications. Moreover, HAI will employ a full-time social media communications officer in 2019, which will not only enhance networking, but bring new skills to our already world-class comms team.
Working with institutional partners such as the WHO and Dutch Ministry of Foreign Affairs always brings challenges. Not least because of their seniority as global authorities, and in the case of the Ministry, both a partner and a donor—a hard role to fulfil. In addition, we work across WHO thematic clusters (departments), which means more attention is needed for programme coherence and consistency.	In 2019 the restructure at WHO will present a further challenge, but our communications with clusters is good, so we expect that, by September 2019, personnel will have bedded-in and normal working relations will have resumed. Meanwhile the ministry of Foreign Affairs is deciding on the direction of the next Strategic Partnership Framework, which will begin in 2021. Once this is published, the future direction of HAI's relationship with the Ministry will be known.
Forging collaborations and partnerships between like-minded NGOs is a common strategy to add strength to any given campaign. In HAI's case, the partnerships are	We do not see an end to the trend of enforced collaborations, but we are learning all the time. We are, and will continue to be very good partners—we support the leadership, contribute

<p>mostly formed organically, based on needs and expertise and driven from grass roots. However, donors are increasingly demanding partnerships at a senior or leadership level as a precondition for funding. This leads to unseemly courtships, uneasy relationships, and sometimes a messy divorce! HAI has struggled in partnerships that are a marriage of convenience. The risk is that organisations can be fixated on their own visibility, at the expense of their partners, the bigger picture and their ultimate goals.</p>	<p>our professional expertise to Planning, Monitoring and Evaluation (PME), communications, financial control and so on. And we always deliver on our work, with our own partner organisations and members of the HAI network. But in future we will be more circumspect about partnerships where we are not the lead partner, and where we are not, we will prioritise more effectively to ensure our own objectives within the partnership are achieved in the most efficient manner.</p>
<p>There is a theoretical tension between the hard sciences (e.g., biology/physics/chemistry) and the social sciences (e.g., sociology/political science/ethnography). While on the whole HAI falls squarely in the second camp, in most programmes HAI acts as a bridge and catalyst between expert (hard) scientists, politicians and decision-makers, technocrats and bureaucrats, NGOs and so on. It is sometimes difficult, when we brief an academic virologist or toxicologist for them to understand our social science methods and quantitative approaches. Much has been written about the public understanding of science, but little literature on the scientific community's understanding of the public, communities, politics and bureaucracies.</p>	<p>We are proud of our academic standing, theoretical core and methodological rigour, and continue to promote the role of civil society in technocratic discussions. We have commissioned a report on the clash between the 'hard' sciences and 'soft' sciences to further our understanding of the scientific appreciation of the public and political arena, that will feed our future approach to technocratic approaches to access to medicines.</p>
<p>Gender bias remains one of the most significant barriers to successful development programmes, and while donors and civil society recognise the impact of gender, it is often lost on the target group.</p>	<p>We have tightened our front facing commitment to gender and inclusiveness, which was always in our DNA, but not always visible in our programmes. Moreover, we have appointed a team gender contact point to further develop our gender credentials, so that it is mainstreamed across all projects. In the future gender inequality will be a core guiding principle in project development.</p>

Planning, Monitoring and Evaluation of Our Projects

To ensure our research and advocacy is as effective as possible and our funding is spent wisely, we subject our work to rigorous and robust monitoring and evaluation protocols.

Understanding Change and Improving Strategies

Our organisational and project plans use a 'theory of change' model. This enables us to understand

the context of the issues at hand and the possibilities for change. It also allows us to track the progress and outcomes of our projects as well as spot opportunities to develop our strategies. If the use of the ‘theory of change’ model is not possible (due to, for example, donor requirements), we use a logic model instead.

Our PME Manager is embedded into the four project teams. Each year, the teams develop work plans and corresponding monitoring and evaluation frameworks, which include timelines for activities, methods of verification and data sources, all of which align with reporting/fundraising cycles.

Learning opportunities arise at various points throughout the project cycle. We use insights from monitoring and evaluation to identify these opportunities. This is done by setting up regular periodic reviews and by bringing teams together when important moments for reflection arise.

Transparency

For our work on the HSA Partnership and Project Snakebite, we upload bi-annual financial and narrative reports onto the International Aid Transparency Initiative (IATI), a voluntary, multi-stakeholder initiative to improve the transparency of aid, development, and humanitarian resources. We also comply with the strict planning and reporting requirements set out by the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) for our European Projects. The list of deliverables on which we work across the year is published on CHAFEA’s Health Programmes Database, which is publically available. We also upload our annual report and financial statements onto our website to demonstrate our accountability to funders, members, partners and members of the public.

Communicating Our Work

As an advocacy organisation that attempts to influence and persuade policy-makers and other stakeholders on medicines policy issues, strong communications is needed to effectively convey our concerns and recommendations.

Highlights from the Year

HAI continued the drive to expand and improve our digital media capacity, both through our already established channels and through the edition of a new Instagram channel, reaching new audiences and new potential. Our regular drumbeat of social media posts from across all of our project areas was met with positive engagement, helped in large measure by the launch of a new brand identity that has added an extra sense of gravitas to our communications outputs. A new website is currently in development and will be launched in 2019.

We were also highly active in engaging with traditional media, garnering coverage in major news and academic publications, including *Politico*, *The Guardian*, *The Times*, *STAT News*, *the British Medical Journal* and *The Lancet*. As an international—mainly English speaking—yet Amsterdam based organisation, we’re particularly proud of having increased our visibility in Dutch media with coverage in *Trouw*, *Het Parool*, *VPRO Radio* and *NPO*. In all, we featured in—or were the focus of—well over one hundred print articles and broadcasts (both radio and television).



An article on our snakebite project in the renowned Dutch newspaper “Trouw”.

Internal Communications

Care is taken to ensure effective communication between staff, particularly given that some of our staff travel a great deal, or work in our satellite office in Brussels. The compact nature of our office enables regular ad hoc meetings. Further



Ancel.la Santos and Marg Ewen at the HAI Christmas Party.

to that, staff regularly communicate by phone, text message and email. More in-depth communication is carried out via face-to-face lunchtime staff meetings, which are attended by all staff to promote an inclusive approach to organisational decisions and project assignments, and to strategise on best practices to ensure a prompt and effective outcome. Occasional seminars (“lunch lectures”) by staff members keep staff aware of current developments in others’ work areas. In addition, and on a more informal level, HAI organised voluntary after work activities such as pub quizzes, “borrels” (casual drink) and movie nights.

Fundraising & Acquisition Activities

HAI now has an ongoing fund-seeking process, led by a dedicated (external) proposal writer under the supervision of the Executive Director. All technical and non-technical staff are engaged in identifying opportunities and proposal-writing. In 2018, three substantial proposals were developed and submitted:

Submitted Proposals

- Snakebite – Postcode Loterij, Lillian Lincoln Foundation and Hennecke Family Foundation
- EU Projects – Camino, CHAFAEA and Open Society Foundations (OSF)
- Internationally Controlled Essential Medicines – Open Society Foundations
- Crowdfunding - #theBiteThing

Corporate Social Responsibility

HAI recognises its responsibility to the environment. As a result, we take steps to reduce our environmental impact, which is clearly outlined in our Environmental Policy. We endeavour to comply with—and exceed—all relevant regulatory requirements. In addition, we continually monitor and strive to improve our environmental performance and, where possible, reduce environmental impacts (with respect to use of paper, energy, water, office supplies, transportation, and maintenance and cleaning supplies and practices). Furthermore, we incorporate environmental factors into our business decisions, and provide employees with training on environmental awareness and responsibility.

Financial Policy and Results

During the financial year 2018, Stichting HAI spent €2,815,491 (2017: €2,414,106), of which €2,619,877 was spent on achieving HAI’s objectives (2017: €2,253,824) and €86,358 on management and administration (2017: €82,659). This represents 3.1% of the total expenditure. Expenditure on Income generation in 2018 was €109,256 (2017: €77,623). This represents 3.9% of the total expenditure.

The total expenditure of €2,815,491 originates for 99.6% from the income of the current year and for 0.4% from the continuity reserve.

The result for 2018 shows an operating shortage of €11,920.

	Objective	2018	2017	2016	2015	2014
Spent on fund raising vs total income	≤5%	3.9%	3.4%	0.8%	1.1%	1.1%
Spent on objectives vs total income	≥90%	93.5%	97.3%	93.8%	80.6%	82.1%
Spent on objectives vs total expenditure	≥91%	93.1%	93.4%	95.6%	94.2%	93.9%
Spent on management & administration vs total income	≤5%	3.1%	3.6%	2.1%	3.8%	4.2%

Continuity Reserve

The continuity reserve amounts to €30,222 as of 31 December 2018. Its purpose is to offer continuity to the organisation and its staff for a temporary decrease in income. The HAI Foundation Board established the optimum level for the continuity reserve to be €110,000–€150,000, of which € 25,000 is necessary for fixed assets replacement and the remainder is a buffer for income fluctuations.

The current continuity reserve reaches 27% of the target level. In future years, the organisation will work towards the target level. The nature of HAI's grants doesn't allow to add considerable amounts to the continuity reserve, but in all future funding applications we will take into account a small margin for this purpose.

Risk Assessment

In this chapter, we report on perceived risks and challenges faced by HAI and how we can mitigate the likely impact.

Financial Risk

As with all civil society organisations that rely on competitive bids to institutional donors (foundations and governments) for discreet project funding, growth and sustainability carries risks; Donor priorities may change, HAI can be 'out-bid' in an application, or fail to meet operational targets. The risk is lack of financial sustainability.

To mitigate the financial risk, HAI introduced a new policy— Diversification, Dispersion and Deflection— in 2017. 'Diversification' refers to a widened and diversified funding base so we are not dependent on a few or single donors.

Diversity of Funding

89% of the 2018 income of €2,803,288 consists of multi-year grants, and 11% of the 2018 income was incidental. The financial health and continuity of the organisation benefits from diversified funding streams. The HAI Foundation Board has decided to invest in fundraising. In 2018, the amount spent on fundraising was €109,256 and exceeded the budgeted amount (€96,106). In 2019, the amount allocated to fundraising will be less than the amount spent in 2018, but the search for new funding sources will still be a priority.

Auditor

In 2018, the board decided to select a new audit firm to audit our annual accounts and reports to donors. After a tender, WITH Accountants were appointed.

'Dispersion' refers to a policy of spreading operating costs— including core staff costs— across all funding streams, and re-establishing an operating reserve. 'Deflection' dilutes the impact if a funding stream ends or is disrupted by managing operating costs and ensuring core costs can be absorbed in the matrix of donors that remain.

Diversification is going well, and we have attracted three new donors in 2018. Moreover, pipeline projects will mature in 2019, which will further widen our donor base. Dispersion takes a little longer, since existing project budgets, agreed with donors before the introduction of the policy cannot be renegotiated to spread core costs. However, with the introduction of two new projects in 2018/19, the deflection of financial risk becomes strong.

Reputational Risk

The current climate of civil society accountability coupled with the immediacy of reputational damage (for example, through social media) carry risks for all organisations engaged on projects by institutional or government donors. This can include internal and external ethical and legal breaches, moral inconstancies, fraud and corruption. The risk is loss of faith in HAI's corporate identity, and concomitant loss of donor support.

To mitigate reputational risk, a suite of robust and transparent business conduct guidelines, augmented in 2019 by the *Gender and Inclusivity* and *Safeguarding* policy, provide a benchmark for our staff, contractors, sub-grantees and partners. The business practice guidelines provide the framework and cover all areas of conduct and fraudulent activity. They are accompanied by a complaints procedure (including whistleblowing) and transparency policy.

The organisational culture at HAI is open, transparent and informed. To date, there has been no challenge to our reputation and we have therefore not needed to report policy violations to donors.

Competencies Risk

Engagement in access to medicines and rational use of medicines policy is very technical, and HAI has assembled a highly-skilled and world-class team of expertise. Of course, senior members of staff have vast accumulated knowledge and, in the long term, will resign, retire or seek career advancement elsewhere. The risk is that we might no longer be able to offer world-class research, analysis and policy-influencing.

To mitigate competencies risk, a deliberate policy was introduced in 2017 to engage and nurture young talent and redress the balance between experienced and inexperienced staff (see section on staff). All staff are encouraged and supported to undertake courses and studies, including to a doctorate level, and knowledge transfer between staff is actively promoted. HAI also extends its pool of talent through close links with universities and by offering five internships in 2019.

Heat Map

The following heat map depicts likelihood and consequences of potential risks and challenges.

LIKELIHOOD	Almost Certain	11	16	20	23	25
	Likely	7	12	17	21	24
	Possible	4	8	13	18	22
	Unlikely	2	5	9	14	19
	Rare	1	3	6	10	15
		Insignificant	Minor	Moderate	Major	Critical
		IMPACT				

Financial Risk	Heatmap	Mitigation	2018
Donor Priorities Change	25	Diversification of funding and increased number of donors, stay innovative	No direct challenges, but three new donors recruited, and two new project areas introduced
Partner Priorities Change	23	Dialogue with partners and keep an open mind on new partnerships	HSA funding from the Dutch Ministry of Foreign Affairs will end in Dec 2020. Existing and new partners are being courted
Partner (conflicts) of interest change	24	Look for new partners	No challenges in 2018
HAI becomes over-priced	13	Maintain tight budget control on bids that are actual & reasonable	No challenges in 2018
HAI fails to secure operational (core) funding	17	Review of overhead costs	Sustainability remains a threat, so new ways of accumulating reserves are being investigated as part of overheads, where donors will allow
HAI fails to meet operational targets	14	World class PME management and output/ outcome tracking	No challenges in 2018
External Fraud	14	Zero tolerance policy/ Transparency	No challenges in 2018
External ethical breach	14	Zero tolerance policy/ Transparency	No challenges in 2018
External Safeguarding breach	14	Zero tolerance policy/ Transparency	No challenges in 2018
Internal Fraud	6	Zero tolerance policy/ Transparency	No challenges in 2018
Internal ethical breach	6	Zero tolerance policy/ Transparency	No challenges in 2018
Internal Safeguarding breach	6	Zero tolerance policy/ Transparency	No challenges in 2018
Competence drain	13	Staff benefits and CPE programme	No challenges in 2018
Failure to attract talent	13	Intern programme	No challenges in 2018

Our Future

The Future of Our Work

Pipeline projects will continue our strategy to invest in new areas of intervention, while always recognising our added-value in medicines policy, Insulin, SRHC, and access to snakebite antivenom and associated products, the first projects to take on single disease areas, are now joined by Internationally Controlled Essential Medicines. While not strictly a single disease area, as a cluster of medicines to which access is extremely limited primarily due to international regulation, our project will re-frame the global debate on inter alia pain relief, epilepsy, anaesthesia and harm reduction.

The Future of Our Organisation

Growth also brings new modalities of working and management and we are now at an optimal size

for current organisational structure. This is not to say that we are not seeking growth, but that it must be measured and support our core organisational structure in addition to direct outcome-based activities, often perceived as independent from all the other work that contributes to a successful organisation. In the next 12 months, we will continue to pursue funding opportunities to which we can add value, but at the same time, consolidate the new management matrix operation that enhances our core skills, such as programme monitoring and evaluation and advocacy and research, across the organisation. Furthermore, with our enhanced communications team, we will work harder on the public understanding of medicines, medicines policy and the rational use of medicines, and the value of HAI as a global player in the field.

Budget 2019

All amounts in EUR

INCOME	TOTAL	% OF TOTAL INCOME
Raised income		
Raised income	2,714,225	97.8%
Proposals to submit	59,870	2.2%
TOTAL INCOME	2,774,095	100.0%
EXPENDITURE		
Programme costs		
Direct project expenditure	1,257,843	45.3%
Publicity and communications	3,550	0.1%
Staff costs: current staff	1,269,317	45.8%
Occupancy costs	68,653	2.5%
Office and general costs	58,783	2.1%
Depreciation	19,663	0.7%
Total Programme costs	2,677,810	96.5%
Income generation		
Fundraising costs	35,000	1.3%
Staff costs: current staff	12,850	0.5%
Total Income generation	47,850	1.7%
Management and administrative costs		
Staff costs: current staff	48,435	1.7%
Total Management and administrative costs	48,435	1.7%
TOTAL EXPENDITURE	2,774,095	100.0%
RESULT (Addition to/Deduction from Continuity reserve)		

3. FINANCIAL STATEMENTS 2018

Balance sheet as of 31 December 2018

	31 DECEMBER 2018		31 DECEMBER 2017		NOTES
ASSETS					
FIXED ASSETS					A
Tangible fixed assets	28,817		30,932		
Intangible fixed assets	7,380		11,188		
		36,197		42,120	
CURRENT ASSETS					
Receivables and prepaid expenses					
Grants to receive	30,868		75,900		B
Prepaid expenses	14,870		16,974		
Other receivables	43,107		9,197		C
		88,845		102,071	
Cash and cash equivalents		1,366,430		1,162,384	D
			1,455,275	1,264,455	
			1,491,472	1,306,575	
LIABILITIES					
RESERVES AND FUNDS					E
Continuity reserve	30,222		42,142		
		30,222		42,142	
SHORT TERM LIABILITIES					
Grants received in advance	1,208,370		1,021,776		F
Taxes and social security premiums	67,749		86,085		G
Creditors	45,086		83,891		
Other debts	140,045		72,681		H
		1,461,250		1,264,433	
			1,491,472	1,306,575	

Statement of Income & Expenditure 2018

All amounts in EUR

	ACTUAL 2018		BUDGET 2018		ACTUAL 2017		NOTES
INCOME							I
Income from foundations and charitable funds	1,054,156		1,228,504		792,920		
Government grants	1,675,685		1,725,576		1,498,144		
Income from services/products	59,451		50,633		10,236		
Other income	13,996		8,667		14,142		
TOTAL INCOME		2,803,288		3,013,380		2,315,442	
EXPENDITURE							
Expenditure on objectives							J
Project 'Health Systems Advocacy'	1,131,834		1,225,179		1,009,772		
European Projects	372,245		435,241		471,006		
Project 'ACCISS' (Insulin)	767,568		945,510		496,917		
Project 'Snakebite'	298,967		232,824		215,688		
Global Projects and Pricing Project	49,263		22,774		60,441		
Programme costs		2,619,877		2,861,528		2,253,824	
Income generation							J
Fundraising costs		109,256		96,106		77,623	
Management and administration							J
Management and administrative costs		86,358		55,746		82,659	
TOTAL EXPENDITURE		2,815,491		3,013,380		2,414,106	
Result before financial income and expenditure		(12,203)		0		(98,664)	
Financial income and expenditure: received							
Interest on saving account		283		-		930	
RESULT		(11,920)		0		(97,734)	
APPROPRIATION OF RESULT							
Additions to / deductions from:							
Continuity reserve	(11,920)		-		(97,734)		
	(11,920)		-		(97,734)		

Cash Flow Statement in 2018

All amounts in EUR

	ACTUAL 2018		ACTUAL 2017	
CASH FLOW FROM OPERATIONAL ACTIVITIES				
Result from the statement of income and expenditure		(11,920)		(97,734)
Adjustments for				
Depreciation	18,463		13,225	
		18,463		13,225
Changes in working capital				
Short-term receivables	13,227		2,059	
Short-term debts	196,816		2,832	
		210,043		4,891
		216,586		(79,618)
CASH FLOW FROM INVESTMENT ACTIVITIES				
Investments in tangible fixed assets	(13,931)		(19,922)	
Investments in intangible fixed assets	-		(11,447)	
Disinvestments in intangible fixed assets	1,392			
		(12,540)		(31,369)
CASH FLOW FROM FINANCING ACTIVITIES		-		-
Changes in cash and cash equivalents		204,046		(110,987)
Cash and cash equivalents				
Balance per 1 January		1,162,384		1,273,371
Balance at 31 December		1,366,430		1,162,384
Changes in cash and cash equivalents		204,046		(110,987)

Explanatory Notes for Annual Accounts: Accounting Principles

General

The financial statements are prepared on the basis of the historical cost concept. Unless indicated otherwise, assets and liabilities are stated at nominal value less necessary provisions (such as tax liabilities).

The principal accounting policies adopted in the preparation of the annual accounts are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been prepared on the assumption that HAI has a positive business case and, as such, is a going concern. The financial statements are prepared in euros. Balances and results in 2018 are compared with the budget as approved by the HAI Foundation Board and 2017 results and balances. Assets and liabilities are generally valued at acquisition cost or at current value.

Guidelines

The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Organisations (RJ 650).

Notwithstanding that HAI receives almost all its funds from subsidies and contracts with donor institutions (governments and foundations) and rarely, if at all, engages in direct marketing and fundraising from the general public, and is therefore not a 'fundraising institution' as defined in guideline RJ 650, reporting in this way offers the best insight into the finances of the organisation. References to notes are included in the Balance Sheet and Statement of Income and Expenditure for further explanation and clarity.

Comparison with Previous Year

The accounting principles used for valuation and recognition of income and expenditure are unchanged from the previous year.

Estimates

The preparation of financial statements requires the HAI management team to make assumptions and estimates that may influence the application of principles and, for example, the reported values of assets and liabilities and of income and expenditure. The actual results may therefore differ from the estimates. However, estimates and the underlying assumptions are constantly reassessed and tested. Any revisions required are recognised in the immediate period in which the revision is made and in future periods for which they have a consequence.

Currencies

Functional Currencies

The financial statements are presented in euros, which is HAI's functional and presentational currency.

Foreign Currencies

HAI holds a foreign currency position in United States (US) dollars. Transactions in foreign currencies during the period are included in the financial statements at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (euros) at the closing rate. The exchange differences arising from the translation into euros are credited or charged to the statement of income and expenditure. HAI does not hedge its exposure to foreign exchange rate risks. However, natural hedges exist because receivables and liabilities are often related.

Principles for Valuation of Assets & Liabilities

Assets

Fixed Assets

Tangible fixed assets: IT equipment, software, furniture and fittings and other assets are all valued at their purchase value, historical cost, decreased by linear depreciations on their estimated useful life, and impairment losses (damages). For IT equipment and software, the depreciation is 33% per year, while office furniture and fittings depreciation is 20% per year.

Intangible fixed assets: The intangible fixed assets comprise the rebranding of the organisation (visual identity, colour, font and logo). The intangible fixed assets are valued at the purchase value decreased by linear depreciations on their estimated useful lives, and impairment losses. The depreciation percentage for the intangible fixed assets is 33% per year.

Current assets: Receivables are recognised at the nominal (original) value, where necessary less a provision for possible uncollectible amounts.

Grants to Receive

Receivable project funding refers to items where the expenditures precede the receipt of funding. For example, a donor may hold a retention on a grant until a project is completed and reported upon, but expenditure has been made in order to complete activities.

Cash & Cash Equivalents

Cash and cash equivalents comprise cash and bank balances. Cash and cash equivalents are stated at face value. Cash at bank is at free disposal of HAI, if not stated otherwise. The bank balances are stated at face (nominal) value.

Derivatives & Financial Instruments

HAI does not make use of derivatives and/or other financial instruments (e.g., options, forward contracts, swaps, futures, trackers).

Liabilities

General

Liabilities are recognised at their nominal value.

Reserves & Funds

The continuity reserve is created to ensure that HAI can meet its obligations in case of a significant fall in income in the future.

Short-term Liabilities

'Grants received in advance' refers to items where the receipts from a donor precede expenditures on the project.

Principles for Determining Results

Income

Income from foundations, charitable funds and government subsidies are recognised as income if attributable to the financial year and if the grant conditions are met and there is a reasonable degree of certainty in the assumption they will be received. Such funds are recognised in the statement of income and expenditure in the year

in which the subsidised costs were incurred. Other income is accounted for in the year in which it is received.

Expenditure

Expenditure is determined with due observance of the principles of valuation and allocated to the year to which they relate.

Grants to Project Partners

The funding of project partners is part of direct project expenditure. These costs comprise funding that is used directly for the financing of activities of project partners under contract. They are charged to the year in which the allocation to the partner has been approved.

Staff Costs

Salaries and social security contributions are entered in the Statement of Income and Expenditure on the basis of the employment conditions insofar as they are owed to employees or the tax authority respectively.

Allocation of Support Costs

To carry out project activities, the organisation incurs support costs, such as fundraising costs and management and administration costs. All support costs are accounted to the projects based on allocated project time.

Fundraising Costs

The costs of fundraising include staff and other costs related to the generation of income. As HAI does not seek income from the general public, these costs comprise mainly preparation of proposals and investment in prospective projects.

Management & Administration Costs

The costs of management and administration include the costs related to internal control and administration, which cannot reasonably be allocated directly to one of the objectives and/or projects.

Result

The result is determined as the difference between the revenue allocated to the year under review and the expenditures allocated to the year under review, with due observance of the above-mentioned valuation principles.

Explanatory Notes for Annual Accounts: Accounting Principles

A. Fixed Assets

	TANGIBLE FIXED ASSETS			INTANGIBLE FIXED ASSETS		
	Computers and peripherals	Software	Office furniture	Total tangible fixed assets	Corporate identity	Total intangible fixed assets
BALANCE AS OF 1 JANUARY						
Aquisition value	48,378	8,341	55,970	112,689	11,447	11,447
Accumulated depreciation	(33,980)	(1,959)	(45,818)	(81,757)	(259)	(259)
Carrying value as of 1 January	14,398	6,382	10,152	30,932	11,188	11,188
MOVEMENTS						
Aquisitions	13,157	-	774	13,931	-	-
Disposals	(1,392)	-	-	(1,392)	-	-
Depreciation	(9,514)	(2,775)	(3,379)	(15,669)	(3,809)	(3,809)
Depreciation on disposals	1,015	-	-	1,015	-	-
Total movements	3,265	(2,775)	(2,605)	(2,115)	(3,809)	(3,809)
BALANCE AS OF 31 DECEMBER						
Aquisition value	60,143	8,341	56,744	125,229	11,447	11,447
Accumulated depreciation	(42,479)	(4,735)	(49,197)	(96,411)	(4,067)	(4,067)
Carrying value as of 31 December	17,664	3,606	7,547	28,817	7,380	7,380
Depreciation percentages per year	33%	33%	20%		33%	

The acquisitions in 2018 were six new laptops to replace old ones. The old ones are kept as spare laptops. All fixed assets are used for HAI's operations.

B. Grants to Receive

All amounts in EUR

	31 DECEMBER 2018	31 DECEMBER 2017
Foundations and charitable funds		
Other Foundations	7,922	-
	7,922	-
Government grants		
Dutch Ministry of Foreign Affairs - Snakebite	22,946	-
European Commission/Chafea	-	75,900
	22,946	75,900
Carrying value as of 31 December	30,868	75,900

The amount of €75,900 on the balance sheet at 31 December 2017 is a final instalment of the European Commission grant 2017, which was received in July 2018. The amount of €22,946 at 31 December 2018 is the final instalment of the Dutch Ministry of Foreign Affairs grant for the Snakebite project. The final report for this grant was sent in January 2019.

C. Other Receivables

All amounts in EUR

	31 DECEMBER 2018	31 DECEMBER 2017
Interest	283	860
Other receivables	35,214	-
Deposits	7,549	7,549
Advances	61	788
Carrying value as of 31 December	43,107	9,197

D. Cash & Cash Equivalents

All amounts in EUR

	31 DECEMBER 2018	31 DECEMBER 2017
ASN savings euro-account	258,003	460,408
Triodos current euro-account	309,015	94,529
ING current euro-account	17,856	51,426
ING current usd-account	780,090	555,510
PayPal account	-	24
Cash euro	-	42
Cash foreign currencies	800	445
Internal transfers	666	-
Carrying value as of 31 December	1,366,430	1,162,384

All bank balances are at free disposal with exception of a bank guarantee of €11,442 issued by ASN Bank to the landlord of the rented office in Amsterdam.

E. Reserves & Funds

All amounts in EUR

	31 DECEMBER 2018	ADDITIONS 2018	DEDUCTIONS 2018	31 DECEMBER 2017
Reserves				
Continuity reserve	30,222	-	11,920	42,142
Carrying value as of 31 December	30,222	-	11,920	42,142

The purpose of HAI's continuity reserve is to offer continuity to the organisation and its staff for a temporary decrease in income. The HAI Foundation Board established the optimum level for the continuity reserve to be €110,000–€150,000. Our current continuity reserve reaches 27% of the target level. In future years, the organisation will work towards this goal, insofar as the conditions of our grants allow for it.

F. Grants Received in Advance

All amounts in EUR

	31 DECEMBER 2018	31 DECEMBER 2017
Foundations and charitable funds		
IDA Charity Foundation	39,000	40,000
Helmsley Charitable Trust	405,514	180,000
Open Society Foundations	88,212	133,005
Hennecke Foundation	102,678	-
Lillian Lincoln Foundation	107,767	-
Other Foundations	-	15,600
	743,171	368,605
Government grants		
Dutch MoFA* - HSA	363,371	434,413
Dutch MoFA* - Snakebite	-	218,758
European Commission/Chafea	101,828	-
	465,199	653,171
Carrying value as of 31 December	1,208,370	1,021,776

*Ministry of Foreign Affairs

G. Taxes & Social Security Premiums

All amounts in EUR

	31 DECEMBER 2018	31 DECEMBER 2017
Wage tax and social security premiums	67,749	38,960
Value-added tax	-	47,205
Pensions	-	(79)
Carrying value as of 31 December	67,749	86,085

H. Other Debts

All amounts in EUR

	31 DECEMBER 2018	31 DECEMBER 2017
Outstanding payments to partners	35,875	4,653
Other debts	7,368	-
Salaries and holiday pay	49,378	43,028
Audit costs	14,484	25,000
Provision for holidays not taken	32,940	-
Outplacementtraject	-	-
Carrying value as of 31 December	140,045	72,681

Assets & Liabilities Not Recognised in Balance Sheet

HAI has provided a bank guarantee amounting to €11,442 to the landlord of the rented offices in Amsterdam. This guarantee has been issued by ASN Bank and, as long as the guarantee is in force, the amount of the guarantee will be blocked in the savings account. The initial lease, agreed in 2008, was extended in 2016 for an additional five years. The rental costs for 2019 amount to €44,950.

HAI has rented a multifunctional printer/copier from Konica Minolta. The rental agreement started on 1 August 2016, and the duration of the agreement is 60 months. The rental costs include service and toner and amount to €3,281 per year (including VAT).

Explanatory Notes to the Statement of Income & Expenditure 2018

I. Income

All amounts in EUR

	ACTUAL 2018		BUDGET 2018		ACTUAL 2017	
Income from foundations and charitable funds						
Helmsley Charitable Trust	742,814		869,340		521,175	
Open Society Foundations	79,164		79,165		170,578	
Camino Global Foundation	71,178		79,999		101,167	
IDA Charity Foundation	161,000		200,000		-	
		1,054,156		1,228,504		792,920
Government grants						
Dutch Ministry of Foreign Affairs	1,427,513		1,470,576		1,245,144	
European Commission/Chafea	248,172		255,000		253,000	
		1,675,685		1,725,576		1,498,144
Income from services/products						
Consultancies	59,451		50,633		10,207	
Publications	-				29	
		59,451		50,633		10,236
Other income						
Membership fees	3,920		4,500		4,140	
Misscellaneous income	10,076		4,167		10,002	
		13,996		8,667		14,142
TOTAL INCOME		2,803,288		3,013,380		2,315,442

89% of the 2018 income of €2,803,288 consists of multi-year grants, and 11% of the 2018 income was incidental.

J. Distribution of Expenditure

All amounts in EUR

ALLOCATION	PROJECTS					
	European projects	Health Systems Advocacy	Snakebite project	ACCISS (Insulin)	Pricing & Global projects	All projects
Direct project expenditure	89,934	599,934	173,145	498,403	3,351	1,364,767
Publicity & communications	717	1,216	322	642	118	3,015
Staff costs	253,847	483,621	114,445	244,710	41,733	1,138,356
Occupancy costs	16,831	28,548	6,706	14,445	2,463	68,993
Office and general costs	6,934	11,761	2,763	5,951	1,015	28,424
Depreciation	3,982	6,754	1,586	3,417	583	16,322
TOTAL	372,245	1,131,834	298,967	767,568	49,263	2,619,877

All amounts in EUR

ALLOCATION	INCOME GENERATION	MANAGEMENT AND ADMINISTRATION	ACTUAL 2018	BUDGET 2018	ACTUAL 2017
Expenditure					
Direct project expenditure	19,019		1,383,786	1,484,223	961,806
Publicity & communications	217	207	3,439	20,120	18,286
Staff costs	81,843	78,325	1,298,523	1,318,531	1,070,784
Occupancy costs	4,960	4,747	78,700	94,242	79,796
Office and general costs	2,044	1,956	32,423	78,350	270,202
Depreciation	1,173	1,123	18,619	17,914	13,232
TOTAL	109,256	86,358	2,815,491	3,013,380	2,414,106

Staff

All amounts in EUR

	ACTUAL 2018	BUDGET 2018	ACTUAL 2017
Gross salaries	1,041,800	1,015,462	841,461
Social security premiums	137,632	158,762	121,385
Pension costs	89,450	76,542	56,652
Other staff costs	29,641	67,765	51,286
	1,298,523	1,318,531	1,070,785

	31 DECEMBER 2018	31 DECEMBER 2017
Number of employees	17	15
Number of FTEs	16.2	14.7
Composition staff	76.5% women/ 23.5% men	73.3% women/ 26.7% men
Permanent/temporary contracts	12/5	6/9
Average age	38	41
Sick leave percentage	0.37%	0.76%

Explanatory Notes to the Cash Flow Statement

The Cash Flow Statement is prepared according to the 'indirect method'. Cash flows in foreign currency have been converted into euros using the exchange rate valid on the date of transaction. Cash and cash equivalents increased in 2018 from €1,162,384 at 1 January 2018, to €1,366,430 at 31 December 2018. The increase of €204,046 in cash and cash equivalents is attributable in large part to an increase in the short-term debts. The cash flow from investment decreased the cash and cash equivalents for €12,539. The investments shown in the cash flow statement are in IT equipment (see explanatory note on fixed assets).

Executive Remuneration

On 1 January 2013, the Dutch Law Executives' Remuneration Financed from Public Funds (Disclosure) Act (Wet normering bezoldiging topfunctionarissen publieke en semi publieke sector WNT) came into force. The WNT applies to HAI. The maximum remuneration (2018) applicable to HAI's director is €174,000. HAI's director receives €93,666, plus annual statutory and non-statutory benefits, bringing total remuneration to €143,169, some €31,000 below the threshold. No directors or other officers of HAI, nor those employed on a consultancy basis, received a remuneration in excess of the threshold in 2018, and the HAI foundation Board does not receive remuneration.

Remuneration of Executive Director

Name: Tim Reed

Position: Executive Director

	ACTUAL 2018	ACTUAL 2017
EMPLOYMENT		
Term	Indefinite	Indefinite
Hours (full-time)	36.00	36.00
Part-time percentage	100%	100%
Period	Jan-Dec 2018	Jan-Dec 2017
	€	€
REMUNERATION		
Annual income		
Gross salary	93,666	91,986
Holiday allowance	8,067	7,359
Year-end allowance	8,444	8,246
Variable annual income	-	-
Paid out holidays	8,224	5,632
Total annual income	118,401	113,223
Taxable allocations	-	-
Pension costs (employer share)	18,062	14,709
Back-payment pension 2016/2017 (employer share)	6,706	-
Provisions for future payments	-	-
End of service benefits	-	-
Total salary and employer charges	143,169	127,932
Applicable WNT-maximum 2018	174,000	166,000

In 2018, a back payment was made to the pension provider in relation to an incorrect salary amount in the provider's records.

Foundation Board Remuneration

The members of the HAI Foundation Board do not receive remuneration or allowances for their work, nor did they have any outstanding loans, advances or guarantees at December 31, 2018, or during 2018.

Chair

	ACTUAL 2018	ACTUAL 2017
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	26,100	24,800

Treasurer

	ACTUAL 2018	ACTUAL 2017
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	17,400	16,200

Key Figures

During the financial year 2018, Stichting HAI spent €2,815,491 (2017: €2,414,106), of which €2,619,877 was spent on achieving HAI's objectives (2017: €2,253,824) and €86,358 on management and administration (2017: €82,659). This represents 3.1% of the total expenditure.

The total expenditure of €2,815,491 originates for 99.6% from the income of the current year and for 0.4% from the continuity reserve.

The result for 2018 shows an operating shortage of €11,920.

	Objective	2018	2017	2016	2015	2014
Spent on fund raising vs total income	≤5%	3.9%	3.4%	0.8%	1.1%	1.1%
Spent on objectives vs total income	≥90%	93.5%	97.3%	93.8%	80.6%	82.1%
Spent on objectives vs total expenditure	≥91%	93.1%	93.4%	95.6%	94.2%	93.9%
Spent on management & administration vs total income	≤5%	3.1%	3.6%	2.1%	3.8%	4.2%

Variance Analysis

Income

The income for 2018 is €210,000 lower than budgeted. Work in the new three-year ACCISS Phase 2 project, which started in April 2018 started slower than foreseen and part of the 2018 budget is carried over to 2019.

Expenditure

The expenditure on objective for the HSA Partnership, European Projects and the ACCISS Phase II projects are under budget. In the Health Systems Advocacy project underspending from previous years was fully included in the 2018 budget, but in reality this amount is spread over the years 2018-2020, leading to a difference between budgeted and realised expenditure of €93,000.

The underspend in European Projects of €63,000 is due the uncertainty about the actual amount granted to the project by the European Commission grant.

Following administrative difficulties, the European Commission didn't sign the grant until June 2018. We therefore were hesitant to spend money in the first six months of the year and communications activities in particular were carried out in-house. This enabled us to reach all our targets for minimum costs.

ACCISS Phase II began in April 2018 and had some delays in outsourcing the research work in various countries. The underspend of €177,000 is carried over to 2019.

The expenditure for Project Snakebite is over budget by €66,000. We received some additional unbudgeted funding for the project in 2018, and spent more time and funding with our Kenyan partner, to prepare for the follow-up of the project in 2019. We have sought and found new funders to support this project in 2019.



Lander van Ommen

Chair, Health Action International Foundation Board

On behalf of the Health Action International Foundation Board:

- Briec-Yves (Mellouki) Cadat
- Cecilia Sison
- Joel Lexchin



Tim Reed

Executive Director, Health Action International

- Francisco Rossi
- Marcus Vreeburg
- Patricia Porekuu
- Meri Koivusalo

4. INDEPENDENT AUDITOR'S REPORT



Stichting Health Action International
Overtoom 60 (2)
1054 HK AMSTERDAM

INDEPENDENT AUDITOR'S REPORT

To: the board and management of Stichting Health Action International

Report on the audit of the financial statements 2018 included in the 2018 annual report

Our opinion

We have audited the financial statements 2018 (page 27-41) of Stichting Health Action International based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Health Action International as at 31 December 2018 and of its result for 2018 in accordance with the RJ-Richtlijn 650 'Fondsenwervende organisaties' (RJ-Richtlijn 650, guideline for annual reporting for fundraising organisations) of the Dutch Accounting Standards Board and the Wet Normering Topinkomens (WNT, Standards for Remuneration Act).

The financial statements comprise:

1. the balance sheet as at 31 December 2018 (with a balance sheet total of € 1,491,472);
2. the statement of income & expenditure (with a total negative result of € 11,920; and
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 accompanying financial statements' section of our report.

We are independent of Stichting Health Action International 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.

Report on the other information included in the 2018 annual report

In addition to the financial statements and our auditor's report thereon, the 2018 annual report contains other information that consists of:

- introduction;
- board report.

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Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and that all information is included which is requested by the RJ-Richtlijn 650 and the WNT.

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 board and management are responsible for the preparation of the director's report and other information in accordance with the RJ-Richtlijn 650 and the WNT.

Description of responsibilities regarding the financial statements

Responsibilities of the board and management for the financial statements

The board and management are responsible for the preparation and fair presentation of the financial statements in accordance with the RJ-Richtlijn 650 and the WNT. Furthermore, the board and management are responsible for such internal control as management 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 board and management are responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, board and management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board and management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the company financial statements.

Furthermore, the board is responsible for overseeing the company'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.

For a more detailed description of our responsibilities, we refer to the appendix of this auditor's report.

Was signed, Sliedrecht, 26 June 2019.

WITH accountants B.V.
P. Alblas RA

Enclosure.



Enclosure to our auditor's report by the accompanying financial statements 2018 of Stichting Health Action International, based in Amsterdam

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, the 'Regeling Controleprotocol WNT 2018' (Audit Protocol WNT 2018), ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the company 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management'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 company'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 company 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board and management 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 identify during our audit.