



**2017 ANNUAL REPORT**  
TACKLING HEALTH  
INEQUALITIES THROUGH  
**TREATMENT ACCESS**

# 2017 ANNUAL REPORT

# TACKLING HEALTH INEQUALITIES THROUGH **TREATMENT ACCESS**



**Publisher**

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**HAIWEB.ORG**

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# 1. INTRODUCTION

**Stichting (Foundation) Health Action International (HAI) has never shied away from change. Since its establishment in 1981, paradigms have shifted and new health challenges have emerged and been met with varying degrees of success by the global health community. But HAI has always risen to the challenge, responded flexibly, and intelligently remained at the centre of medicines policy debates, regardless of whether they are country- or disease-specific, or global, regional or national in scope.**

Nevertheless, inequities in access to medicines and healthcare continue to thwart 'health for all'. The overriding concern about unaffordable medicines in high-income countries is bringing the injustice into sharp focus. The unsustainable economic model for pharmaceutical treatments has, for decades, dogged low- and middle-income countries. And at the centre of medicines policy debates, regardless of where or in what context they occur, HAI, with its unflinching courage to take on complex issues that are often muddled with conflicts of interest, is needed more than ever.

In the past year, HAI continued to operationalise its diversification strategy. The organisation responded to emerging medicines policy issues and identified new areas in which it will most greatly impact the health of individuals and communities. Its disease-specific programmes, which challenge the paucity of access to insulin and snakebite prevention and treatment measures, have identified, mobilised and now lead the field in research, evidence and policy intervention. In just three short years, HAI's ACCISS Study has uncovered the key barriers to global insulin access. And after only two years of driving forward awareness and advocacy on

snakebite envenoming, HAI has significantly contributed to getting snakebite envenoming on the World Health Organization's 'Category A' list of neglected tropical diseases. It is now on the cusp of securing a World Health Assembly resolution on snakebite envenoming, which could end the social and economic burden of snakebite forever.

We can no longer rely on arguments of social justice and human rights alone, even if they are a fundamental line in the sand. Instead, donors, governments and communities want actions that cut deep into health disparities brought about by inequitable access to treatment. This is now HAI's added value as an organisation that is never deterred from the challenge and tenacious in its pursuit of innovation that works.

In 2018, HAI will build a business case for an innovative not-for-profit, centrally-planned pharmacy chain model, which, for the very first time, has the potential to make quality-assured medicines affordable and available to remote populations in Zambia. This kind of innovation, which capitalises on the profound skill of HAI's staff, members and partners around the world, will change the face of access to medicines.

At another level, HAI will stay on top of current trends in development. Recognising, 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 Partnership, which focuses on the attainment of sexual and reproductive health and rights in sub-Saharan Africa, is a case in point. Through knowledge transfer and resourcing, HAI is establishing a strong network of in-country expertise that can sustainably carry the programme forward without further intervention or leadership from the North when the project ends.

Institutionally, we are also aware of new accountability, gender equity and safeguarding demands placed on organisations. In 2018, we will ensure that HAI deepens and broadens its project monitoring and evaluation programmes and continues to transparently report our outcomes. We will also focus on strengthening our gender equity as an organisation and within our programmes. We are striving to be an inclusive and safe organisation that promotes gender equity, and we will quickly and transparently work towards that goal with robust gender and safeguarding policies.

Finally, the Board and I would like to extend our sincere 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. Thank you and congratulations on another successful year.



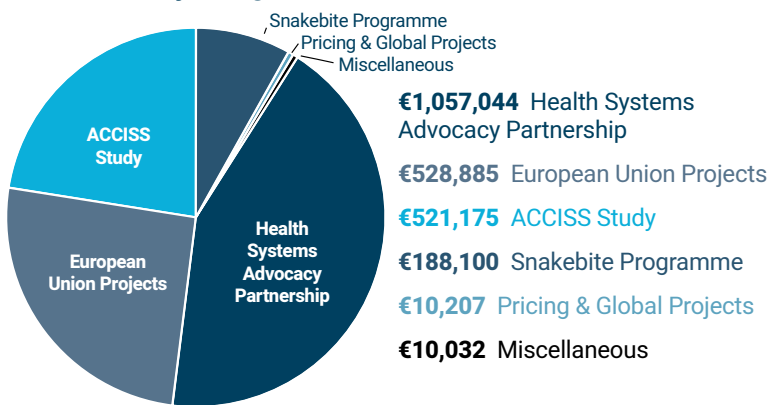
Lander van Ommen  
Chair, HAI Foundation Board  
June, 2018

# 2017 AT A GLANCE

## How We Spend Our Funding



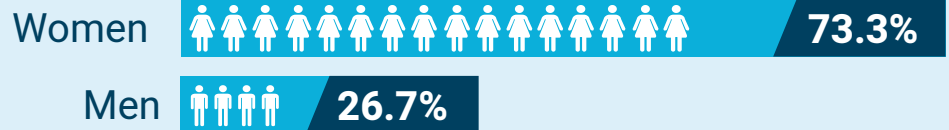
## Income by Programme Area



## Staff Composition



## Staff Gender Balance



## Biggest Wins by Programme Area

### ACCISS Study

Our research and advocacy prevented long-acting analogue insulins—which are seven to nine times more expensive than human insulin and provide limited added value to users—from being added to the World Health Organization’s Model List of Essential Medicines.

### European Union Projects

Our funded research showed that over half of new cancer medicines that recently entered the European market show no evidence of increased survival or quality of life—and sparked calls for an increased evidence bar.

### Snakebite Programme

Our advocacy and communications secured snakebite envenoming a spot on the World Health Organization’s priority list of neglected tropical diseases—a massive feat in mobilising global action to prevent 138,000 deaths and 400,000 disabilities from snakebite every year.

### Health Systems Advocacy Partnership

Over 100 million people in Kenya, Uganda and Zambia now have access to up-to-date evidence on the price, availability and affordability of sexual and reproductive health commodities, thanks to our research.

## 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 with an office in Brussels.

### Our Vision, Mission & Core Work Areas

HAI envisions a world in which everyone, everywhere, has access to safe, effective, affordable and quality-assured medicines. To achieve this, we are on a mission to advance policies that enable access to medicines and rational medicine use for all people around the world.

To make our vision a reality, 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.

### Our Programmes

- 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

### 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.

Given that we constantly demand full transparency of our governments and the pharmaceutical industry, we take great pride in ensuring our organisation is fully transparent. This includes transparency in our business model, programmes, policies and relationships, which is critical to earning and retaining the trust of our donors, staff, members, partners and other stakeholders.

#### Evidence-based Advocacy

The credibility of HAI's reputation, as a whole, and our policy recommendations hangs on our evidence-based approach to advocacy. We conduct and draw upon independent, robust and impartial research to form our policy recommendations. As a result, policy-makers and other stakeholders know they can trust what we say and recommend. And because policy change takes time, we take a long-term approach to our advocacy and never give up until the job is done.

#### Focus on Solutions

Our solutions-focused approach sets our advocacy apart. While a key component is identifying and publicly exposing policies and practices that harm access to medicines and rational medicine use, we recognise the



importance of offering recommendations to improve medicines policy. We work with members and partners to extend the reach of these recommendations and use a number of communications and advocacy tactics to ensure our recommendations reach and influence policy-makers at the national, regional and international levels.

### **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 World Health Organisation (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 long-standing 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.

### **Working in a Global Network**

One of HAI's greatest assets is our vibrant global network of members and partners in over 70 countries around the world. Their expertise enhances that of our staff in a number of medicines policy areas, including pharmaceutical regulation; intellectual property and alternative models of pharmaceutical innovation; medicine pricing, availability and affordability; pharmaceutical marketing; and prevention and treatment of snakebite envenoming.

Working with other civil society organisations is crucial for achieving each programme area's objectives and fulfilling our mission to advance policies that improve access to medicines and their rational use. Developing partnerships and coalitions enlarges our base of support, extends the reach of our policy recommendations and enhances the credibility of our calls for action. Ultimately, collaboration with other like-minded

organisations and individuals enables us to achieve more together than is possible alone.

HAI works with others in a number of ways. We conduct joint research by analysing policy issues and developing and promoting recommendations to policy-makers using our respective networks. We also work collaboratively on awareness-raising campaigns to extend the reach and influence of our calls for action.

Furthermore, given our firm belief that civil society plays a crucial role in improving medicines policy, we support networks, countries, groups

## **Our valued members and partners, which represent a broad range of expertise and interests, include:**

### **ACCISS Study**

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

### **Snakebite**

- Global Snakebite Initiative
- James Ashe Antivenom Trust

### **European Union Projects**

- La revue Prescrire
- Health Projects for Latvia
- BUKO Pharma-Kampagne
- Public Eye
- Universities Allied for Essential Medicines
- Other members at [www.haiweb.org/our-members](http://www.haiweb.org/our-members)

### **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)



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. 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.

## 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 2017, the Board met two times in person and had numerous discussions via electronic communication in order to comply with HAI's environmental policy. The Board Chair and other Board Members also had numerous in-person meetings, Skype calls and email correspondence throughout the year.

### Primary Position(s)/Ancillary Position(s)

	<p><b>Lander van Ommen</b> (Netherlands) Board Chair Term 2, 2017–2021</p>	<p><b>Senior Health Advisor, Ministry of Foreign Affairs, Government of The Netherlands</b></p>
	<p><b>Marcus Vreeburg</b> (Netherlands) Treasurer Term 1, 2016–2020</p>	<p><b>Owner/Director, Vidax BV (financial services for governments), The Netherlands</b>  Member of the Committee for Permanent Education, European Institute for Public Controllers</p>
	<p><b>Francisco Rossi</b> (Colombia) Member Term 1, 2015–2019</p>	<p><b>Director, IFARMA Foundation, Colombia</b>  Board Member, Alianza LAC–Global for Access to Medicines  Board Member, Alliance GEP/Argentina–ABIA/ Brazil–AIS/Perú and IFARMA/Colombia</p>


**Patricia Porekuu**

(Ghana)  
Member  
Term 1, 2016–2020

**Programmes Manager, Hope for Future Generations, Ghana**

African Representative, West and Central Africa, People's Health Movement

Core Team Member, People's Health Movement, Ghana


**Meri Koivusalo**

(Finland)  
Member  
Term 1, 2016–2020

**Senior Researcher, National Institute for Health and Welfare, Finland**

Board Member, Health and Trade Network

Member, Expert Advisory Panel, Health Science and Technology Policy, World Health Organization


**Brieuc-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/Corporate Secretary/Trustee, Medicines Transparency Alliance (MeTA), The Philippines**

Chair, Coalition for Safe Medicines

MeTA Representative, DOH Advisory Council on the Implementation of RA 9502 (Cheaper Medicines Law)

Member of 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, and implementing programmes and activities. He also prepares the organisation's annual budget, report and financial statements.



## Remuneration of Executive Director & Foundation Board

The Dutch *Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector* (WNT) Act<sup>1</sup> applies to HAI. 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. The report below is prepared in line with the applicable regulation. As of 2015, the WNT maximum for the development aid sector applies, which is €168,000 for 2017. 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 €168,000 for executives applies.

### Remuneration Of Executive Director

YEAR	2017	2016
<b>Position</b>	Executive Director	Executive Director
<b>Duration of employment</b>	1 January–31 December	1 January–31 December
<b>Full-time equivalent during the year</b>	100%	100%
	€	€
<b>Remuneration</b>	91,986	89,886
<b>Provisions for holiday pay</b>	7,359	6,773
<b>Provisions for end-of-year bonus</b>	8,246	8,125
<b>Taxable allowances</b>	5,632	-
<b>Pension costs (employer's share)</b>	14,709	7,260
<b>Total remuneration for 2017</b>	127,932	112,044
<b>Applicable WNT-maximum 2017</b>	168,000	166,000

The Members of the Foundation Board do not receive remuneration or allowances for their work, nor did they, as of 31 December, 2017, or during 2017, have outstanding loans, advances or guarantees.

No employees or temporary staff received remuneration above the WNT maximum in 2017,

nor was remuneration paid that was, or had to be, disclosed based on the WNT in previous years. In 2017, HAI did not pay termination of employment payments to former employees that should be reported in these annual accounts based on the WNT.

<sup>1</sup> Act for standardisation of publicly- and semi-publicly-financed remuneration of executives.

## Staff

HAI's team is the key factor to its success. The strong drive and commitment of the team made it possible to achieve our programme results in 2017.

HAI looks after our staff and offers better than comparable flexibility in working conditions and opportunities. As such, resignation is rare, but in 2017, three members of staff—a Research Manager (fixed contract), a Policy Advisor for EU Projects (permanent contract) and a Communications Advisor (fixed contract)—left HAI's employment. The Policy and Communications Advisor positions were replaced through a standard recruitment process. The Research Manager position was

replaced with a Research Officer. (A former HAI intern was appointed to the role.)

Five other staff members—a Programme Manager (Snakebite), Programme Officer (Snakebite), Communications Advisor, Planning Monitoring and Evaluation Officer, and Financial Controller—joined the organisation in 2017 through standard recruitment processes.

HAI's *Employee Entitlements and Conditions of Employment* were reviewed and updated in 2017 and will be presented to the HAI Foundation Board for adoption in 2018.

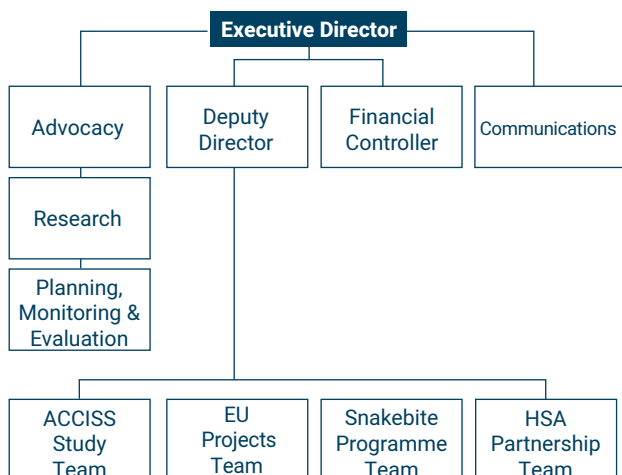
	31 DECEMBER 2017	31 DECEMBER 2016
<b>Number of employees</b>	15	10
<b>Number of full-time equivalent</b>	14.67	9.45
<b>Composition staff</b>	73.3% women/26.7% men	80.0% women/20.0% men
<b>Permanent/temporary positions*</b>	6/9	8/2
<b>Average age</b>	41	42
<b>Sick leave percentage</b>	0.76%	1.81%

\*A permanent position has no defined employment end date; a temporary position has a defined duration of employment with a contract end date.

## Team Management

This year, HAI developed and implemented an innovative way of restructuring our team hierarchy—one that better reflects the way in which we work together to successfully advance policies that improve access to medicines and their rational use. As illustrated below, the new

structure, a 'support management hierarchy', eliminates the 'top-down' approach, reflected in the outdated organigramme, and harnesses and leverages the expertise of our entire staff in support of the interventions made by our Policy Advisors, positioned at the top of the pyramid.



## 2017 Programmes & Achievements

HAI is passionate about improving access to medicines and rational medicine use for people around the world.

Our four programme areas—access to insulin, sexual and reproductive health commodities, snakebite envenoming treatment and prevention, and essential medicines in the EU—are diverse;

### Addressing the Challenge and Constraints of Insulin Sources and Supply (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. Their research expertise is enhanced by members of ACCISS's International Advisory Group, comprised of international medicines policy experts.

Since its launch in 2015, ACCISS has continually provided comprehensive, reliable and concrete evidence on the global market for insulin, tariffs and taxes on insulin, prices, trade in insulin, and intellectual property on insulin. Key issues identified from different datasets include the dominance of three multi-national companies in the global insulin market and a lack of market competition, and high prices and poor affordability of insulin. Now in its third and final year, the ACCISS team is using the Study's findings to develop innovative tools and other resources to

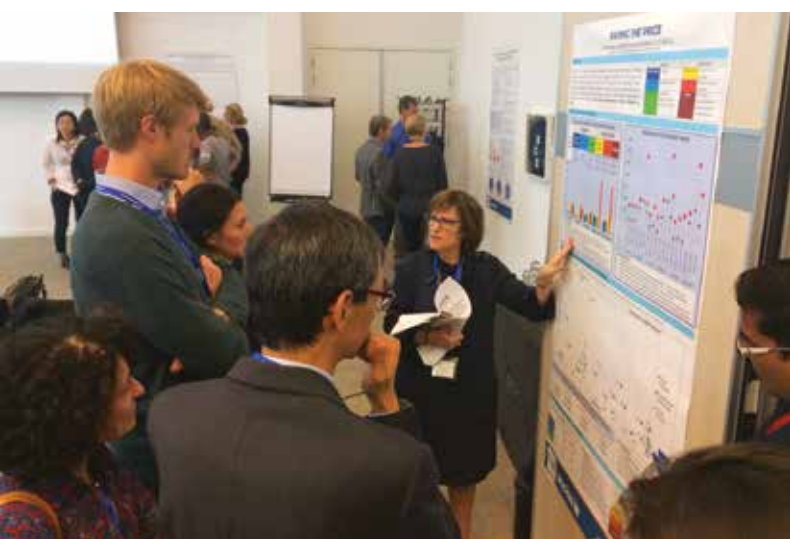
however, our calls for action are often similar. We advocate for measures that will improve the price, availability and affordability of medicines, ensure the safety and efficacy of medicines, and enable sustainable biomedical innovation that is based on actual health needs. A description of, and highlights from, our advocacy work in these four programme areas follows.

help national and global advocates and policy-makers improve access to insulin.

As the Study moves into its second phase in 2018, additional evidence-based tools to address the worldwide barriers to insulin access will be developed, along with comprehensive strategies to address the range of challenges faced by people in need of insulin. The Study also aims to pilot and evaluate these interventions in selected countries and further develop civil society networks to reduce, or eliminate, the barriers to insulin access.

### Major Achievements from 2017

- Preventing Greater Use of High-priced Analogue Insulins of Limited Added Therapeutic Value:** Following the ACCISS Study's submission to the WHO Expert Committee on the Selection and Use of Essential Medicines, and its intervention at the Committee's meeting to consider proposed additions and deletions to the WHO's Model List of Essential Medicines, the Committee decided not to include long-acting analogue insulins on the list. A positive decision might have encouraged national governments to buy long-acting analogue insulin, which has a median price that is seven to nine times higher than human insulin, but limited added therapeutic value.
- Highlighting the Need for WHO Guidelines on Biosimilar Insulin:** Following a number of meetings with ACCISS on the regulatory barriers for biosimilar insulin products, the WHO agreed that a specific regulatory guideline on biosimilar insulin is needed. It also stated that it would consider including insulin in its pre-qualification programme.





- **Finalising the Evidence Base on Access to Insulin Barriers:** Using evidence gathered over the last two years, ACCISS identified the key global barriers to insulin access and created evidence-based tools to address these barriers, which will be piloted in selected countries and available online in 2018.

## European Union Projects

Through our research and advocacy publications, interventions, workshops and other activities, HAI's EU Projects team enriches policy discussion at the EU level. We advise policy-makers and other stakeholders on critical policy issues that impact people's ability to access medicines and use them rationally.

To achieve this, our advocacy focuses on proposing and supporting policy initiatives that contribute to medicine affordability, mitigating excessive intellectual property (IP) rights on medicines by promoting the use of TRIPS flexibilities and the review of the current IP system, supporting alternative models of innovation, such as delinkage, in research frameworks, such as Horizon 2020, and highlighting the important public contribution to biomedical research and development (R&D).

In addition, our EU Projects team monitors the impact of trade agreements negotiated by the EU 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 from 2017

- **Shedding Light on the Causes of Rising Medicine Prices in The Netherlands:** The launch of our awareness campaign, *Our Medicines, Our Right*, prior to the Dutch national election in March, increased public interest and

- **Building an Insulin Network and Sharing Our Tools:** The ACCISS Study's Multi-stakeholder Meeting in September assembled a diverse group of actors concerned with insulin access. The meeting provided networking opportunities and the chance to learn about the evidence-based tools developed throughout the first phase of the Study. Over 90 guests attended the meeting in person and 124 more people tuned in to it online.

support for greater transparency of medicine prices and R&D costs. More than 2,000 people signed the campaign's petition and 14 other Dutch non-governmental organisations working on various healthcare issues endorsed the campaign. A public forum to discuss the causes and solutions of high medicine prices was instrumental in raising further public awareness and debate.

- **Directly Influencing European Medicines Policy:** The European Parliament adopted a report on options for improving access to medicines in the EU, which was aligned with many of the policy recommendations that HAI developed and advanced with members and partners.



In addition, through our continued membership on the European Medicines Agency's Patients' and Consumers' Working Party, we have issued recommendations to strengthen the regulatory framework in Europe—and, particularly, as a member of its 2018–2019 work plan drafting

group—have helped identify and propose priority areas of work in the coming years.

Further to this, our new appointment as a member of the European Medicines Agency's Health Technology Assessment (HTA) Network Stakeholder Pool, allows us to make recommendations that optimise patient and consumer involvement in HTA processes.

- **Collaborating with Academia to Expose Efficacy Shortfalls on Cancer Medicines:** HAI sponsored a study, led by Courtney Davis, Senior Lecturer in the Department of Global Health and Social Medicine at King's College London, which found that, for many cancer drug indications approved by the European Medicines Agency between 2009 and 2013, there is no conclusive evidence that they either extend or improve life. When there were survival gains over existing treatment options or placebo, they were often marginal. The study, published in the *British Medical Journal*, generated hundreds of media hits, as well as a response by the European Medicines Agency.
- **Extending the Reach of Our Message:** Invitations to speak at important health events, such as the European Health Forum Gastein, the Transatlantic Consumer Dialogue's Annual Forum, and conferences and workshops coordinated by HAI members and other civil society organisations, allowed us to extend the reach of our policy recommendations on various topics, including IP rights, pharmaceutical marketing, and medicine pricing, to diverse audiences. Attendees at these events included
- policy-makers, healthcare professionals, non-governmental organisations and pharmaceutical industry representatives. We also made significant contributions to the deliberations of several international bodies, including the WHO's governing bodies and the Organization for European Cooperation and Economic Development's initiative on sustainable access to innovative therapies.
- **Getting to the Bottom of Pharmaceutical Marketing:** We assembled medical faculty members, student association members and healthcare professionals from The Netherlands and abroad to discuss education in the medical curriculum about the negative impact of pharmaceutical promotion on prescribing and dispensing behaviour. Throughout the year, HAI also accepted several invitations to give presentations to student groups on the topic.
- **Building Relationships with HAI Europe Association Members:** Our EU Projects team consulted and worked collaboratively with members of the HAI Europe Association, particularly on the topics of IP, alternative models of pharmaceutical R&D, transparency of medicine prices and R&D costs in The Netherlands, trade, pharmaceutical promotion and regulatory issues. In addition, our EU Projects team assisted the Association with the coordination of its annual general meeting in Berlin in September, which provided the opportunity to update members about activities, hear about their work, and exchange views on policy issues.



### Health Systems Advocacy Partnership

As a member of the Health Systems Advocacy (HSA) Partnership, HAI is using our research expertise to measure potential access barriers to sexual and reproductive health (SRH) commodities in Uganda, Kenya, Tanzania and Zambia. In collaboration with our country partners, we are measuring the price, availability and affordability of more than 30 SRH commodities on an annual basis. The results are critical for understanding the scope and causes of the perceived lack of access, and form the basis of our calls for policy change at the national level. Further to this research, we are



equipping our country partners with knowledge, skills and tools in advocacy, communications and monitoring and evaluation so they can strengthen their calls for stronger health systems at the national, regional and international levels.

### Major Achievements from 2017

- **Partnership Expansion:** The HSA Partnership expanded the scope of its work into Tanzania and Malawi. This augments our efforts to improve sexual and reproductive health and rights through health systems strengthening in Kenya, Uganda and Zambia. As part of this expansion, HAI held meetings and assessed potential local partners in Tanzania. These partners will be instrumental in carrying out research and advocacy on SRH commodities.
- **Building the Evidence Base on SRH Commodities:** We finalised our methodology to measure the price, availability and affordability of sexual and reproductive health commodities in

### Snakebite Programme

HAI is leading the charge to get snakebite envenoming, which kills about 138,000 people per year and permanently disables 400,000 more, onto the global health agenda. The focus of our advocacy and awareness-raising efforts are two-fold. First, we are working to improve the prevention of snakebite incidents through, for example, greater community awareness and uptake of prevention measures, such as snake-

sub-Saharan Africa. And in collaboration with our in-country partners, we trained approximately 30 local data collectors to assist with the study, then rolled it out in Kenya, Uganda and Zambia throughout the year. Initial drafts of the studies have been provided to our country partners. They will be refined in the coming months and used to advocate for policy changes.

- **Sharing Knowledge and Skills with Civil Society Partners:** We provided training to approximately 100 representatives from civil society organisations in Kenya, Uganda and Zambia on advocacy and monitoring and evaluation. This will enable them to make their own calls for strengthened health systems to improve access to SRH commodities. In addition, we held a webinar with HAI Europe Association member, Ellen 't Hoen, regarding findings from her new book on the impact of private patents on public health, which attracted 34 participants.

proofing homes, using bed nets and wearing shoes. Second, we are advocating for greater access to safe, effective, affordable and quality-assured antivenom and other treatment for snakebite envenoming.

### Major Achievements from 2017

- **Putting Snakebite on the Global Health Agenda:** Our advocacy and awareness-raising efforts have driven the increase in awareness and support for action on snakebite envenoming from key global health actors, including the WHO and the Kofi Annan Foundation. We successfully worked with the Government of Costa Rica, the Global Snakebite Initiative and others, including the WHO, to ensure snakebite envenoming was added to the WHO's Category A list of neglected tropical diseases. As a core member of the WHO's Working Group on Snakebite Envenoming, we continue to contribute to the development of a global strategic plan to assess and address the global burden of snakebite. At the same time, we are driving support for a World Health Assembly



resolution on snakebite envenoming, which Member States will likely consider in 2018.

- Launch of Snakebite Programme in Kenya:** Our newly launched Snakebite Programme, which is currently being piloted in Kilifi County, Kenya, in partnership with the James Ashe Antivenom Trust and the Global Snakebite Initiative, is building an evidence base on snakebite incidence rates and the price, availability and affordability of antivenom and other treatment for snakebite envenoming. In addition, the Programme started providing

educational tools for communities, such as a poster that provides contact information for medical assistance and identifies local venomous snakes. Preparation for next year's activities, including helping to inform and educate communities about effective snakebite prevention, first aid and treatment, and supporting snakebite envenoming training for healthcare workers is also underway. The Programme will also provide recommendations to health authorities to manage snakebite envenoming cases across the health system, particularly in rural communities.

## Planning, Monitoring and Evaluation of Our Programmes

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.

### Transparency

For our work on the HSA Partnership and Snakebite Programme, we upload quarterly financial and programme reports into 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 for our European Union Projects. Our reports are uploaded into its Health Programmes Database, most of which is publicly 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.

### Tracking Change & Improving Strategies

Our organisational and programme plans are grounded in the '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 efficiency, effectiveness, outcomes and possible sustainability

opportunities of our strategy and activities. 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 Planning, Monitoring and Evaluation Officer is embedded into the four programme teams. At the beginning of the year, the teams develop work plans and monitoring and evaluation frameworks, which include timelines for activities and monitoring, roles and responsibilities, methods of verification, data sources, and the reporting/fundraising cycle.

Learning opportunities arise at various points throughout the planning, monitoring and evaluation process. Analysis of our organisational and programme monitoring and evaluation measures are reviewed and considered, enriched upon or discounted, reassessed, and put to use.

We have set up regular periodic review and reporting systems. These happen quarterly and, alongside other ad-hoc check-ins at appropriate moments, such as after a particular action occurs. As a non-profit organisation and network, a constant self-monitoring process of consultation, feedback and review informs target setting, output delivery and substantive outcomes.

## Communicating Our Work

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

### Communications Planning

Each year, HAI develops an organisational communications plan. Further to this, individual communications plans are developed annually in collaboration with policy staff for each of our four programme areas. Specific goals and objectives are identified, along with target primary and secondary audiences, key messages, the overarching communications strategy, and specific tools and tactics that will be used to communicate. A detailed timeline and process for evaluating the success of the communications plan is also developed. Given the dynamic nature of our advocacy work, all aspects of our communications plans may be adjusted throughout the year.

### Increasing Communications Capacity

With the addition of one new Communications Advisor in March, the Communications Department increased its capacity to three full-time employees. Two Communications Advisors are embedded on the programme teams and the Communications Manager oversees the work. As a whole, the team provides the organisation and its four programme areas with strategic, creative and operational communications support.

### Highlights from the Year

In addition to other communications activities, HAI launched a public awareness campaign in The Netherlands on transparency of medicine prices and R&D costs. This involved the development of a dedicated campaign website, two videos, and numerous social media graphics. The incorporation of a petition into

the campaign website garnered over 2,000 signatories. Throughout the year, we also launched a social media campaign to increase awareness about snakebite envenoming, which generated a high level of awareness and engagement with social media followers. We garnered coverage in major news and academic publications, including *Politico*, *STAT News* and the *British Medical Journal*. Across all programme areas, we increased the number and strength of our relationships with journalists and other organisations working on medicines policy issues. Our social media following on Twitter is over 2,000 and exceeding 7,500 on Facebook.

### Refreshed Brand

HAI updated its brand identity in 2017. In addition to updating our vision, mission and core values, we collaborated with the graphic design company, Kordaat, to modernise our logo and create new templates for reports and other policy and communications materials. The redevelopment of HAI's website was delayed until 2018 due to staffing changes.

### 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 to that, staff regularly communicate by phone, text message and email. More in-depth communication is carried out via face-to-face 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 by staff members keep staff aware of current developments in others' work areas.

## Fundraising & Acquisition Activities

HAI 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 2017, three substantial proposals were developed and submitted:

- Phase 2 (2018–2021) of Addressing the Challenge and Constraints of Insulin Sources and Supply (successful)
- Snakebite Programme (donors being sought)
- Increased Use of TRIPS Flexibilities in Low- and Middle-income Countries (unsuccessful, but alternative funders being sought)
- Medicines Technologies and Products (under consideration)

## 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 & Results

### Key Figures

During the 2017 financial year, HAI spent €2,414,106 (2016: €1,711,938). €2,253,824 was spent on achieving HAI's objectives (2016: €1,636,675), while €82,659 (2016: €54,993) was spent on management and administration. This represents 3.6% of the total expenditure.

An amount of €77,623 (2016: €20,270) was spent on fundraising, which represents 3.4% of the total income. The total expenditure of €2,414,106 originates for 96% from the income of the current year and for 4% from the continuity reserve. The result for 2017 shows an operating shortage of €97,734.

	2017	2016	2015	2014	2013
Spent on fundraising vs total income	3.4%	0.8%	1.1%	1.1%	3.4%
Spent on objectives vs total income	97.3%	93.8%	80.6%	82.1%	104.1%
Spent on objectives vs total expenditure	93.4%	95.6%	94.2%	93.9%	92.2%
Spent on management and administration vs total income	3.6%	2.1%	3.8%	4.2%	5.4%

### Continuity Reserve

The continuity reserve amounts to €42,142 as of 31 December, 2017. 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. Our current continuity reserve reaches 38% of the target level. In future years, the organisation will work towards this goal, insofar as the conditions of our grants allow for it.

## Diversity of Funding

HAI's financial health and continuity benefits from diversified funding streams. The HAI Foundation Board has decided to invest in fundraising. In 2017, the amount spent on fundraising was €77,623

and exceeded the budgeted amount (€35,000). In 2018, the amount allocated to fundraising will be in line with the amount spent in 2017, prioritising the search for new funding sources.

## Risks

HAI takes steps to mitigate the risks that could potentially damage its operations.

### 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 of financial sustainability.

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

### 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 inconsistencies, 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 practice guidelines 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*. In 2018, the policy suite, which safeguards our reputation and those with whom we work, will be joined by a *Safeguarding Policy*.

The organisational culture at HAI is open, transparent and informed. To date, there has been no challenge to our reputation.

### 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. 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 up to three internships a year.



## 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 of medicines policy. As previously mentioned, we are now engaging in access to insulin, sexual and reproductive health commodities, and snakebite antivenom and associated products—the first projects to take on single disease areas. All three projects exploit our expertise in access to medicines and the rational use of medicines, but in the specific context of a given health challenge. As we broaden our portfolio of interventions in disease areas to which we can add value through policy intervention, we will gather expertise from partners with knowledge and skill in healthcare delivery, which brings a richer understanding of medicines policy needs and helps us engage a more holistic approach to the disease burden in the areas identified.

### The Future of Our Organisation

Notwithstanding the current unstable political and economic context and our funding model of discrete project funding, HAI has grown significantly in the last five years. This is testament to both the model and perceived added value that the organisation contributes to global health. Growth, however, is not an end in itself, and has been at a measured pace, responding to recognised needs.

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.

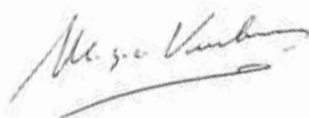
## Budget 2018

All amounts in €.

INCOME	TOTAL BUDGET	
<b>Raised grants</b>		
Ministry of Foreign Affairs	1,470,576	
European Commission	255,000	
Helmsley Trust	869,340	
IDA Charity Foundation	200,000	
Open Society Foundations	79,165	
Camino	79,999	
Consultancies	50,633	
<b>Total raised grants</b>		3,004,713
<b>Other income</b>		
Other income	8,667	
<b>Total other income</b>		8,667
<b>TOTAL INCOME</b>		<b>3,013,380</b>
<b>EXPENDITURES PER COST CATEGORY</b>		
<b>Staff costs</b>		
Salaries	1,016,312	
Social security	158,885	
Pension	76,081	
Other employee-related costs	66,927	
<b>Total staff costs</b>		1,318,205
<b>Overhead costs</b>		
Housing	94,242	
Office costs and professional services	65,450	
Other overhead costs	12,900	
Depreciation and interest	17,914	
<b>Total overhead cost</b>		190,506
<b>Activity costs</b>		1,504,668
<b>TOTAL EXPENDITURES</b>		<b>3,013,380</b>
<b>RESULT</b>		<b>0</b>



**Lander van Ommen**  
Chair



**Marc Vreeburg**  
Treasurer

Amsterdam, 1 June, 2018



# 3. FINANCIAL STATEMENTS 2017

## Balance Sheet as of 31 December, 2017

All amounts in €.

	31 DECEMBER 2017		31 DECEMBER 2016		NOTES
<b>ASSETS</b>					A, page 27
<b>FIXED ASSETS</b>					A, page 27
Tangible fixed assets	30,932		23,976		
Intangible fixed assets	11,188				
		<b>42,120</b>		<b>23,976</b>	
<b>CURRENT ASSETS</b>					
<b>Receivables and prepaid expenses</b>					
Grants to receive	75,900		75,900		B, page 27
Prepaid expenses	16,974		13,043		
Other receivables	9,197		15,188		C, page 28
		<b>102,072</b>		<b>104,131</b>	
<b>Cash and cash equivalents</b>		<b>1,162,384</b>		<b>1,273,371</b>	D, page 28
		<b>1,264,456</b>		<b>1,377,502</b>	
		<b>1,306,576</b>		<b>1,401,478</b>	
<b>LIABILITIES</b>					
<b>RESERVES AND FUNDS</b>					E, page 28
Continuity reserve	42,142		139,876		
		<b>42,142</b>		<b>139,876</b>	
<b>SHORT-TERM LIABILITIES</b>					
Grants received in advance	1,021,776		1,122,234		F, page 29
Taxes and social security premiums	86,085		48,855		G, page 29
Creditors	83,891		43,297		
Other debts	72,681		47,216		H, page 29
		<b>1,264,434</b>		<b>1,261,602</b>	
		<b>1,306,576</b>		<b>1,401,478</b>	

2016 amounts adjusted for comparison purposes

## Statement of Income & Expenditure 2017

All amounts in €.

	ACTUAL 2017		BUDGET 2017		ACTUAL 2016		NOTES
<b>INCOME</b>							I, page 30
Income from foundations and charitable funds	792,920		887,827		611,793		
Government grants	1,498,144		1,895,972		1,124,220		
<b>Total raised income</b>		<b>2,291,064</b>		<b>2,783,799</b>		<b>1,736,013</b>	
Income from services/ products	10,236		-		2,280		
Other income	14,142		4,000		4,490		
<b>Total other income</b>		<b>24,379</b>		<b>4,000</b>		<b>6,770</b>	
<b>TOTAL INCOME</b>		<b>2,315,442</b>		<b>2,787,799</b>		<b>1,742,783</b>	
<b>EXPENDITURE</b>							
<b>Expenditure on objectives</b>							J, page 31
Project 'Health System Advocacy'	1,009,772		1,365,094		698,031		
European Projects	471,006		422,112		<b>395,394</b>		
Project 'ACCISS' (Insulin)	496,917		681,552		<b>473,070</b>		
Project 'Snakebite'	215,688		216,041		<b>70,180</b>		
Global Projects and Pricing Project	60,441		-		-		
<b>Programme costs</b>		<b>2,253,824</b>		<b>2,684,799</b>		<b>1,636,675</b>	
<b>Income generation</b>							
Fundraising costs		<b>77,623</b>		<b>35,000</b>		<b>20,270</b>	J, page 31
<b>Management and administration</b>							J, page 31
Management and administrative costs		<b>82,659</b>		<b>70,000</b>		<b>54,993</b>	
<b>TOTAL EXPENDITURE</b>		<b>2,414,106</b>		<b>2,789,799</b>		<b>1,711,938</b>	
Result before financial income and expenditure		<b>(98,664)</b>		<b>(2,000)</b>		<b>30,845</b>	
Financial income and expenditure: Received interest on saving account		<b>930</b>		<b>2,000</b>		<b>1,159</b>	
<b>RESULT</b>		<b>(97,734)</b>		<b>0</b>		<b>32,004</b>	
<b>APPROPRIATION OF RESULT</b>							
Addition to/deductions from: Continuity reserve	(97,734)		-		32,004		
	<b>(97,734)</b>		<b>-</b>		<b>32,004</b>		

Actual 2016 amounts adjusted for comparison purposes

## Cash Flow Statement in 2017

All amounts in €.

	ACTUAL 2017		ACTUAL 2016	
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>				
Result from statement of income and expenditure		(97,735)		32,004
<b>Adjustments for</b>				
Depreciation	13,225		12,729	
		13,225		12,729
<b>Changes in working capital</b>				
Short-term receivables	2,059		33,255	
Short-term debts	2,832		553,629	
		4,891		586,884
		(79,619)		<b>631,617</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Investments in tangible fixed assets	(19,922)		(28,385)	
Investments in intangible fixed assets	(11,447)		-	
		(31,369)		(28,385)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
		-		-
<b>Changes in cash and cash equivalents</b>		<b>(110,988)</b>		<b>603,232</b>
<b>Cash and cash equivalents</b>				
Balance per 1 January		1,273,371		670,139
Balance at 31 December		1,162,384		1,273,371
<b>Changes in cash and cash equivalents</b>		<b>(110,987)</b>		<b>603,232</b>

## 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 2017 are compared with the budget as approved by the HAI Foundation Board and 2016 results and balances. Assets and liabilities are generally valued at acquisition cost or at current value.

In the accompanying financial statements, the income figures in the statement of income and expenditure are presented differently than in previous years. Up until 2016, unspent grants and subsidies were presented as income and added to a restricted fund via the appropriation of the result (programme fund). Income from foundations, charitable funds and government grants are now recognised as income in the year in which the subsidised costs incurred. For a robust and consistent presentation of the figures, the comparison income figures from 2016 have been adjusted accordingly. The adjustment has had no effect on the result and the net equity of HAI, but better explains the amounts received in advance. In the balance sheet as at 31 December, 2016, the reserve has been combined within the grants received in advance to provide greater clarity.

### Guidelines

The financial statements have been prepared in accordance with the statutory provisions of *Part 9, Book 2 of the Dutch Civil Code* and the firm pronouncements in the *Guidelines for Annual Reporting in the Netherlands* as issued by the Dutch Accounting Standards Board. More specifically, the financial statements have been prepared in accordance with the *Dutch Accounting Standard for Fundraising Institutions* (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. As mentioned under 'General' (above), HAI has changed the way of presenting income. This new presentation is also implemented in the comparative figures.

### 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.

### 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.

In previous years, a reserve for fixed assets was in place. This reserve has been included in the continuity reserve in 2017.

#### 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).

The 2016 programme fund (see 'General', above) has been conflated with the grants received in advance in the balance sheet as at 31 December, 2016.

#### 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 to the Balance Sheet

### Assets

#### A. Fixed Assets

All amounts in €.

ACTUAL 2017						
	TANGIBLE FIXED ASSETS				INTANGIBLE FIXED ASSETS	
	Computers and peripherals	Software	Office furniture	Total tangible fixed assets	Corporate identity	Total intangible fixed assets
<b>BALANCE AS OF 1 JANUARY</b>						
Acquisition value	36,797	-	55,970	<b>92,767</b>	-	-
Accumulated depreciation	(26,352)	-	(42,439)	<b>(68,791)</b>	-	-
<b>Carrying value as of 1 January</b>	<b>10,445</b>	-	<b>13,531</b>	<b>23,976</b>	-	-
<b>MOVEMENTS</b>						
Acquisitions	11,581	8,341	(0)	<b>19,922</b>	11,447	<b>11,447</b>
Disposals	-	-	-	-	-	-
Depreciation	(7,628)	(1,959)	(3,379)	<b>(12,966)</b>	(259)	<b>(259)</b>
Depreciation on disposals	-	-	-	-	-	-
<b>Total movements</b>	<b>3,953</b>	<b>6,382</b>	<b>(3,379)</b>	<b>6,956</b>	<b>11,188</b>	<b>11,188</b>
<b>BALANCE AS OF 31 DECEMBER</b>						
Acquisition value	48,378	8,341	55,970	<b>112,689</b>	11,447	<b>11,447</b>
Accumulated depreciation	(33,980)	(1,959)	(45,818)	<b>(81,757)</b>	(259)	<b>(259)</b>
<b>Carrying value as of 31 December</b>	<b>14,398</b>	<b>6,382</b>	<b>10,152</b>	<b>30,932</b>	<b>11,188</b>	<b>11,188</b>
Depreciation percentages per year	33%	33%	20%		33%	

The acquisitions in 2017 were a number of laptops for new staff members, accounting software and an overhaul of the corporate identity.

#### B. Grants to Receive

All amounts in €.

	31 DECEMBER 2017	31 DECEMBER 2016
<b>Government grants</b>		
European Commission/Chafea	75,900	75,900
<b>Carrying value as of 31 December</b>	<b>75,900</b>	<b>75,900</b>

The amount of €75,900 on the balance sheet at 31 December, 2016, is a final installment of the European Commission grant 2016, which was received in August, 2017. The amount of €75,900

at 31 December, 2017, is the final installment of the European Commission grant 2017. It will be transferred after acceptance of our final report 2017, which will be submitted in February, 2018.



## C. Other Receivables

All amounts in €.

	31 DECEMBER 2017	31 DECEMBER 2016
Interest	860	463
Value-added tax	-	11,599
Other receivables	-	(234)
Deposits	7,549	3,360
Advances	788	-
<b>Carrying value as of 31 December</b>	<b>9,197</b>	<b>15,188</b>

There is no value added tax (VAT) receivable at 31 December, 2017. HAI is in discussion with the tax authority (Belastingdienst) about the status of HAI's VAT position 2016/2017. Pending the

decision of the Belastingdienst, we have made a provision for potential repayments, which is represented on the Balance Sheet under 'Liabilities' (Taxes and social security premiums).

## D. Cash & Cash Equivalents

All amounts in €.

	31 DECEMBER 2017	31 DECEMBER 2016
ASN savings euro-account	460,408	80,000
Triodos current euro-account	94,529	-
ING current euro-account	51,426	1,699
ING current USD-account	555,510	-
ABN-AMRO accounts	-	1,190,451
PayPal account	24	643
Cash euro	42	-
Cash foreign currencies	445	578
<b>Carrying value as of 31 December</b>	<b>1,162,384</b>	<b>1,273,371</b>

All ABN-AMRO accounts were closed in 2017 and were replaced by a new ING Bank account in US dollars and a new current account in euros at the Triodos Bank.

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 €.

	31 DECEMBER 2017	ADDITIONS 2017	DEDUCTIONS 2017	31 DECEMBER 2016
<b>Reserves</b>				
Continuity reserve	42,142	-	97,734	139,876
<b>Carrying value as of 31 December</b>	<b>42,142</b>	<b>-</b>	<b>97,734</b>	<b>139,876</b>

In previous years, a reserve for fixed assets was disclosed. This reserve has been included in the continuity reserve in 2017.

## F. Grants Received in Advance

All amounts in €.

	31 DECEMBER 2017	31 DECEMBER 2016
<b>Foundations and charitable funds</b>		
IDA Charity Foundation	40,000	40,000
Helmsley Charitable Trust	180,000	176,793
Open Society Foundations	133,005	117,838
Gesellschaft für Internationale Zusammenarbeit (GIZ)	15,600	-
	<b>368,605</b>	<b>334,631</b>
<b>Government grants</b>		
Dutch Ministry of Foreign Affairs (Health Systems Advocacy)	434,413	407,657
Dutch Ministry of Foreign Affairs (Snakebite)	218,758	202,846
European Commission/Chafea	-	177,100
	<b>653,171</b>	<b>787,603</b>
<b>Carrying value as of 31 December</b>	<b>1,021,776</b>	<b>1,122,234</b>

Due to administrative error, the European Commission (Chafea) has delayed payment to all grantees in the EU pending further deliberation,

which is why there is no Chafea funding received in advance of 31 December, 2017.

## G. Taxes & Social Security Premiums

All amounts in €.

	31 DECEMBER 2017	31 DECEMBER 2016
Wage tax and social security premiums	38,960	48,855
Value-added tax	47,205	-
Pensions	(79)	-
<b>Carrying value as of 31 December</b>	<b>86,085</b>	<b>48,855</b>

HAI is in discussion with the tax authority (Belastingdienst) about the status of HAI's VAT position 2016/2017. Pending the decision of

the Belastingdienst, a provision for potential repayments has been made.

## H. Other Debts

All amounts in €.

	31 DECEMBER 2017	31 DECEMBER 2016
Outstanding payments to partners	4,653	
Other debts	-	8,738
Salaries and holiday pay	43,028	23,478
Audit costs	25,000	15,000
<b>Carrying value as of 31 December</b>	<b>72,681</b>	<b>47,216</b>

The increase in the salaries and holiday pay debt in 2017 is due to the staff expansion of more than 50% in full-time equivalent (see page 10).

The payable audit costs are higher than in 2016 because none of the audit work for 2017 was invoiced in 2017.

## 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 2013 for an additional five years. The rental costs for 2018 amount to €49,939.

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 2017

### I. Income

All amounts in €.

	ACTUAL 2017		BUDGET 2017		ACTUAL 2016	
<b>Income from foundations and charitable funds</b>						
Helmley Charitable Trust	521,175		587,207		422,449	
Open Society Foundations	170,578		130,620		87,230	
Camino Global Foundation	101,167		50,000		62,114	
IDA Charity Foundation	-		120,000		40,000	
		<b>792,920</b>		<b>887,827</b>		<b>611,793</b>
<b>Government grants</b>						
Dutch Ministry of Foreign Affairs	1,245,144		1,642,972		871,220	
European Commission/Chafea	253,000		253,000		253,000	
		<b>1,498,144</b>		<b>1,895,972</b>		<b>1,124,220</b>
<b>Income from services/products</b>						
Consultancies	10,207		-		2,280	
Publications	29		-		-	
		<b>10,236</b>		<b>-</b>		<b>2,280</b>
<b>Other income</b>						
Membership fees	4,140		4,000		3,779	
Miscellaneous income	10,002		-		711	
		<b>14,142</b>		<b>4,000</b>		<b>4,490</b>
<b>TOTAL INCOME</b>		<b>2,315,442</b>		<b>2,787,799</b>		<b>1,742,783</b>

The income from IDA Charity Foundation was budgeted at €120,000. The activities funded with this grant started at the end of 2017;

therefore, the grant is included in the 'Grants received in advance' on the Balance Sheet and will be spent in 2018.

## J. Distribution of Expenditure

All amounts in €.

ALLOCATION	PROJECTS					
	European Projects	Health Systems Advocacy	Snakebite Project	ACCISS (Insulin)	Pricing & Global Projects	All Projects
Direct project expenditure	72,475	497,579	51,538	256,051	49,163	<b>926,806</b>
Publicity and communications	15,308	1,316	1,000	622	-	<b>18,286</b>
Staff costs	287,550	385,098	127,944	139,740	5,170	<b>945,502</b>
Occupancy costs	25,116	25,880	9,931	17,533	1,336	<b>79,796</b>
Office and general costs	67,253	95,289	23,350	79,778	4,532	<b>270,202</b>
Depreciation	3,304	4,610	1,925	3,153	240	<b>13,232</b>
<b>TOTAL</b>	<b>471,006</b>	<b>1,009,772</b>	<b>215,688</b>	<b>496,917</b>	<b>60,441</b>	<b>2,253,824</b>

Continued below...

All amounts in €.

ALLOCATION	INCOME GENERATION	MANAGEMENT AND ADMINISTRATION	ACTUAL 2017	BUDGET 2017	ACTUAL 2016
<b>Expenditure</b>					
Direct project expenditure	35,000		961,806	1,374,678	692,180
Publicity and communications			18,286	20,000	31,792
Staff costs	42,623	82,659	1,070,784	1,165,130	847,839
Occupancy costs			79,796	77,448	73,682
Office and general costs			270,202	141,517	53,716
Depreciation			13,232	11,026	12,729
<b>TOTAL</b>	<b>77,623</b>	<b>82,659</b>	<b>2,414,106</b>	<b>2,789,799</b>	<b>1,711,938</b>

## Staff

All amounts in €.

	ACTUAL 2017	BUDGET 2017	ACTUAL 2016
Gross salaries	841,461	916,800	629,223
Social security premiums	121,385	137,521	108,250
Pension costs	56,652	49,460	36,611
Other staff costs	51,286	61,349	73,755
<b>TOTAL</b>	<b>1,070,784</b>	<b>1,165,130</b>	<b>847,839</b>

## 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

decreased in 2017 from €1,273,371 at 1 January, 2017, to €1,162,384 at 31 December, 2017. The decrease of €110,987 in cash and cash equivalents is attributable in large part to additional operating activities. The cash flow

from investment activities contributed for €31,369 to the decrease in cash and cash equivalents. The investments shown in the cash

## 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 (2017) applicable to HAI's director is €168,000. HAI's director receives €91,986, plus annual statutory

flow statement are in IT equipment, software and the rebranding of the organisation (see explanatory note on fixed assets).

and non-statutory benefits, bringing total remuneration to €127,932, some €40,000 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 2017, and the HAI Foundation Board does not receive remuneration.

## Remuneration of Executive Director

Name: Tim Reed

Position: Executive Director

	ACTUAL 2017	ACTUAL 2016
<b>EMPLOYMENT</b>		
Term	Indefinite	Indefinite
Hours (full-time)	36.00	36.00
Part-time percentage	100%	100%
Period	January-December 2017	January-December 2016
	€	€
<b>REMUNERATION</b>		
<b>Annual income</b>		
Gross salary	91,986	89,886
Holiday allowance	7,359	6,773
Year-end allowance	8,246	8,125
Variable annual income	-	-
Paid out holidays	5,632	-
<b>Total annual income</b>	<b>113,223</b>	<b>104,784</b>
Taxable allocations	-	-
Pension costs (employer share)	<b>14,709</b>	<b>7,260</b>
Provisions for future payments	-	-
End of service benefits	-	-
<b>Total salary and employer charges</b>	<b>127,932</b>	<b>112,044</b>
Applicable WNT maximum 2017	168,000	166,000

In 2017, 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, 2017, or during 2017.

## Key Figures

During the financial year 2017, HAI spent €2,414,106 (2016: €1,711,938), of which €2,253,824 was spent on achieving HAI's objectives (2016: €1,636,675) and €82,659 (2016: €54,993) on management and administration. This represents 3.6% of the total expenditure. An amount of €77,623 (2016: €20,270) was spent on fundraising,

which represents 3.4% of the total income. The total expenditure of €2,414,106 originates for 96% from the income of the current year and for 4% from the continuity reserve.

The result for 2017 shows an operating shortage of €97,734.

	2017	2016	2015	2014	2013
Spent on fundraising vs total income	3.4%	0.8%	1.1%	1.1%	3.4%
Spent on objectives vs total income	97.3%	93.8%	80.6%	82.1%	104.1%
Spent on objectives vs total expenditure	93.4%	95.6%	94.2%	93.9%	92.2%
Spent on management and administration vs total income	3.6%	2.1%	3.8%	4.2%	5.4%

## Variance Analysis

### Income

In the figures presented, income 2017 appears to be lower than budgeted. The reason for this is that the budget 2017 included unspent amounts from 2016 (for the Health Systems Advocacy Partnership and the ACCISS Study on insulin), which were not fully spent in 2017, but instead carried forward. This gave a false impression on income, which has been corrected in the preparation of these accounts.

Systems Advocacy Partnership is lower than budgeted. The budget comprised foreseen project expenditure for 2017, as well as the underspent amounts from 2016. During the year, the project budget was revised and the underspending from 2016 was redistributed over the period 2017–2020.

The expenditure for European Union Projects exceeds the budgeted amount. Additional funding was raised for supplementary activities in 2017.

### Expenditure

Overall, the figures for 2017 show a small negative result (€97,734). The reasons for this are twofold: First, a provision was made for potential repayments of VAT pending discussion with the tax authority (Belastingdienst) about the status of HAI's VAT position 2016/2017. Second, the HAI Board invested in two major fundraising proposals, causing the budgeted fundraising costs for 2017 to be exceeded. One application, for which HAI was the lead organisation in a consortium of 14 partners, was shortlisted, but failed. A second is still pending.

The expenditure on objectives for the ACCISS Study is lower than budgeted. Some activities were delayed and we have successfully applied for a no-cost extension from the donors until April 2018.

There were no expenditures budgeted for the Global and Pricing Projects. These activities are mainly consultancies carried out on demand of specific donors and, as such, do not form a part of our regular budget.

The expenditure on objectives for the Health

The staff costs are lower than budgeted. Staff changes have resulted in interregnum, during

which no staff costs are incurred.

The office and general costs are significantly higher than budgeted. The amount comprises a provision made for potential repayments of VAT to the Belastingdienst and currency losses made on our US dollars. Both amounts were not budgeted.



# 4. INDEPENDENT AUDITOR'S REPORT

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## 4. INDEPENDENT AUDITOR'S REPORT

To the Board and Management of Stichting Health Action International, Amsterdam

### A. Report on the audit of the financial statements 2017 included in the annual report

#### *Our opinion*

We have audited the financial statements 2017 of Stichting Health Action International, 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 2017, and of its result for 2017 in accordance with the Guideline for annual reporting 650 'Fundraising Institutions Accounting' of the Dutch Accounting Standards Board.

The financial statements comprise:

- 1 the balance sheet as of 31 December 2017;
- 2 the statement of income and expenditure 2017; and
- 3 the cash flow statement in 2017; and
- 4 the notes comprising a summary of the accounting policies and other explanatory notes.

#### *Basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Audit Protocol WNT. 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 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

### B. Report on the other information included in the annual report

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

- Board report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements. 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.

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By performing these procedures we comply with the requirements of the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board and 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 is responsible for the preparation of the Board report in accordance with the Guideline for annual reporting 650 'Fundraising Institutions Accounting' of the Dutch Accounting Standards Board.

### **C. Description of responsibilities regarding the financial statements**

#### ***Responsibilities of management for the financial statements***

Management and the board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Fundraising Institutions Accounting' of the Dutch Accounting Standards Board and with the rules of and following the Dutch Standards for Remuneration of Senior officials in the Public and Semi-Public Sector act (WNT). Furthermore, management and the board is responsible for such internal control as it 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, management and the board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management and the board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

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

#### ***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit engagement 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 skepticism 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;

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- 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 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 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 a foundation to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Amsterdam, June 1, 2018

Bruines & Erkamp

signed by: R.P.J. Erkamp RA

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