



ANNUAL REPORT 2020

**ACCESS TO
MEDICINES IN A
YEAR LIKE NO OTHER**

HAI HEALTH
ACTION
INTERNATIONAL **40**

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ACCESS TO MEDICINES IN A YEAR LIKE NO OTHER

MARCH 2021



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1. INTRODUCTION

For Health Action International (HAI), just like the whole world, 2020 was a year of immense challenge. It was also the year in which the entire access to medicines and vaccines movement took on a new resonance in the face of a pandemic, the likes of which has not been seen in a century.

It goes without saying that the COVID-19 pandemic framed the work of HAI throughout the last year. Indeed, you would be hard-pressed to find a group or individual anywhere for whom that was not the case. But HAI, its network and its members were uniquely placed to provide civil society leadership that shaped the policy and moral debate that inevitably took place around access to treatments and vaccines in the fight against COVID-19.

But the pandemic has not meant HAI's other work could suddenly stop, in fact it gave a new sense of urgency to many of the priority issues on which the team works. Throughout this report, you will read of the progress made in the ongoing drive for transparency of clinical trial data, an ever-expanding toolkit to tackle the negative influence of pharma promotion, the celebration of Women Champions of Snakebite, the sustainability of HAI's work on sexual and reproductive health in sub-Saharan Africa and the impact of the work being done on access to insulin. All against a backdrop of coronavirus and what that meant for these priorities and the challenges of working remotely from many parts of the world. This was alongside the huge effort, and visible impact of HAI's work on access to COVID-19 vaccines and treatments, at both European and global levels.

Thankfully, HAI was able to adapt quickly to the new reality thrust upon us, moving smoothly

to working remotely in a virtual environment, day-to-day as well as for events, research and advocacy that have been the bedrock of HAI's work since its birth 40 years ago this year.

With the 40th Anniversary in mind, it is also important to recognise that, for four decades, HAI has continued to adapt to an everchanging political and donor environment. For example, the Partners for Change programme, showcases the breadth of HAI's experience and offers unrivaled expertise and insight across the whole range of HAI's core skills. This work must continue in order to ensure HAI can continue to realise its mission in a world in which socio-political and economic pressures more than ever seek to marginalise civil society and silence their voice.

For now, it remains for me, wholeheartedly, to thank HAI's dedicated staff and network of partners, whose commitment in the pursuit of health for all, even in the face of adversity, remains a source of inspiration and hope for the future.



Lander van Ommen
Chair, HAI Foundation Board
12 March 2021

2020 AT A GLANCE

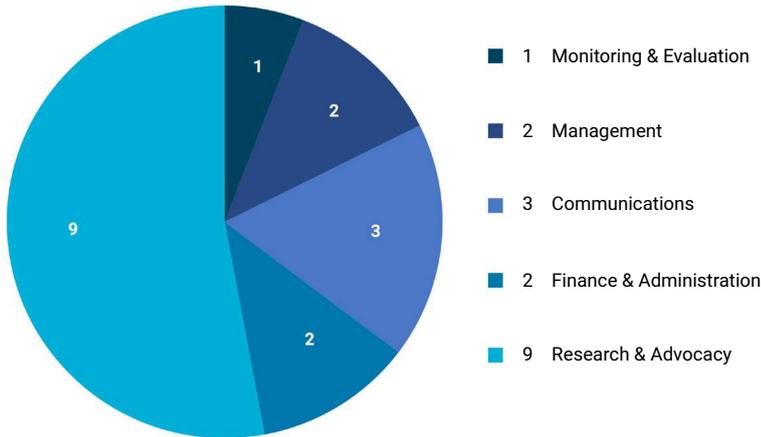
How We Spend Our Funding



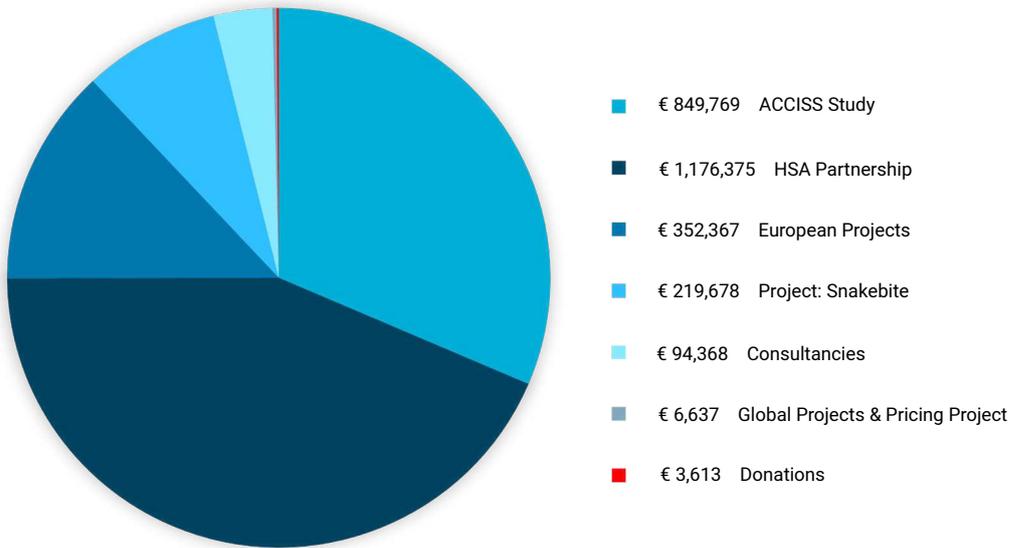
Gender Balance



Staff Composition



Income By Programme Area



Hear from the HAI Team - Biggest Project Wins



”

Even though COVID-19 very much impacted the HSA programme, it was inspiring to see how Access to Medicines Platform Kenya put together a powerful photo essay series about accessing SHR services in Narok County, Kenya, during the pandemic. The stories really drive home what people in rural Kenya are facing, and the importance of increasing access to SRH services in these areas.

GABY OOMS
RESEARCH MANAGER



”

After waiting all year for progress on joint Health Technology Assessment, we were delighted when, in December, the German Presidency took action. We were able to write and publish a position paper analysing the situation in just a couple of days before Christmas. This was a testament to how agile we can be, and a positive step forwards for access to medicines in Europe.

ELLIE WHITE
POLICY ADVISOR, EU PROJECTS



”

Our mission to advance access to medicines has never been more important, and the team has risen to the challenge, seamlessly transitioning to remote working and virtual interventions. I miss my colleagues – my friends – terribly, but I am inspired every day by their work ethic, compassion for each other and resilience in the face of adversity.

TIM REED
EXECUTIVE DIRECTOR



”

I feel resilience was our greatest achievement in 2020, including how quickly our partners in Mali, Kyrgyzstan, Peru and Tanzania worked, when the restrictions were first imposed, so people could access insulin and diabetes care. We were able to adjust and push forward to ensure access to insulin remained on the global agenda.

MARG EWEN
SENIOR PROJECTS MANAGER,
ACCESS STUDY



”

In our field research during COVID-19 we explored the voices of communities and healthcare workers in Kenya. The results informed a report with policy recommendations capturing a wealth of insightful evidence and perspectives. The findings help our civil society partners to convince decision-makers to shift the policy agenda towards lasting change for snakebite victims.

BEN WALDMANN
SNAKEBITE PROGRAMME MANAGER



”

2020 we were faced with an unimaginable emergency at a time when the necessity of access to medicines was extremely evident. As a communications team we turned our focus online, achieving over one million impressions across our social media channels and hosting many successful webinars, such as a side event for the WHA with the Minister of Health for Costa Rica.

DIMITY KIRKWOOD
COMMUNICATIONS ADVISOR

2. BOARD REPORT

Who We Are

HAI is a non-profit organisation that, while based in Amsterdam, currently also has staff working remotely in a number of countries. With a dedicated and professional team of in-house experts, and a global network of members and partners in 70 countries around the world, we work tirelessly to research and gather evidence to inform and advance policies that enable access to medicines for people around the world. To achieve this, we strive to create lasting change to government and industry policies and practices through evidence-based advocacy and public awareness campaigns at all levels: community, national, regional and international.

How We Work

Commitment to Independence and 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.

We ensure 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

A cornerstone of HAI's credibility as an organisation depends 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, policymakers and other stakeholders know they can rely on our position. We remain robust and alert to the ever-changing world of policy, staying abreast of the latest developments, trends and challenges in global health and development so that we ensure our offer is tailored to the needs of those we serve.

Influencing the Highest Levels of Government

For our advocacy to be successful, it is critically important to target policymakers in their own domains. We therefore have direct relationships with many national health ministries and with the World Health Organization (WHO), with which we also hold 'Official Relations'. This status enables us to directly participate in sessions of WHO governing bodies, such as the World Health Assembly (WHA). In addition, our longstanding relationship with the European Medicines Agency (EMA) has resulted in membership of the Patients' and Consumers' Working Party and its Health Technology Assessment Steering Group, which allows us to articulate and incorporate consumers' perspectives in the groups' work.

Governance and Leadership

HAI Foundation Board

The HAI Foundation Board comprises 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.

Due to the COVID-19 travel restrictions, no face-to-face meetings were held in 2020. Two board meetings were held on Zoom, in March and October. Other electronic means were also used for discussions and consultations in 2020. The Board Chair and other Board Members also keep in regular contact throughout the year and the chair and executive director have monthly consultations.

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

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. 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 €189,000 for 2020. 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, an entitlement to a maximum of 15% (Chair) or 10% (other Members) of the maximum remuneration of €189,000 for executives applies. However, the Members of the Foundation Board are volunteers, and do not receive remuneration or allowances for their work, nor did they, as of 31 December, 2020, or during 2020, have outstanding loans, advances or guarantees.

No employees or temporary staff received remuneration above the WNT maximum in 2020, nor was remuneration paid that was, or had to be, disclosed based on the WNT in previous years. In 2020, HAI did not pay termination of employment payments to former employees that should be reported in these annual accounts based on the WNT.

Primary Position(s)/Ancillary Position(s)

	<p>Lander van Ommen (Netherlands) Board Chair Term 2, 2017–2021</p>	<p>Senior Health Advisor at the Dutch Embassy in Burundi, Ministry of Foreign Affairs, Government of The Netherlands</p>
	<p>Marcus Vreeburg (Netherlands) Treasurer Term 2, 2020–2024</p>	<p>Owner/Director, Vidax BV (financial services for governments), The Netherlands Member of the Committee for Permanent Education, European Institute for Public Controllers</p>
	<p>Francisco Rossi (Colombia) Member Term 2, 2019–2023</p>	<p>Senior Advisor to IFARMA Foundation, Colombia Board Member, Alianza LAC–Global for Access to Medicines Board Member, Alliance REDLAM (Latin American Network for access to medicines)</p>
	<p>Meri Koivusalo (Finland) Member Term 2, 2020–2024</p>	<p>Professor of Global Health and Development, Tampere University, Finland Member, Expert Advisory Panel, Health Science and Technology Policy, World Health Organization</p>
	<p>Patricia Porekuu (Ghana) Member Term 2, 2020–2024</p>	<p>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</p>
	<p>Briec-Yves Cadat Lampe (Netherlands) Member Term 2, 2020–2024</p>	<p>Senior Researcher, Movisie, The Netherlands Chair, Board of Directors Foundation Frammer Framed Chair, Foundation Makassarplein Community Member, Foundation Buurtmuseum Indische Buurt Member, Partners Council of Foundation Pakhuis de Zwijger Secretary, Foundation ZID Theater – City Arts & Performance Center</p>
	<p>Cecilia Sison (Philippines) Member Term 2, 2020–2024</p>	<p>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</p>
	<p>Joel Lexchin (Canada) Member Term 2, 2020–2024</p>	<p>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</p>

REMUNERATION EXECUTIVE DIRECTOR

	Actual 2020	Actual 2019
EMPLOYMENT		
Term	Indefinite	Indefinite
Hours (full-time)	36.00	36.00
Part-time percentage	100%	100%
Period	Jan-Dec 2020	Jan-Dec 2019
REMUNERATION		
	€	€
Annual income		
Gross salary	104,598	99,197
Holiday allowance	8,429	8,180
Year-end allowance	9,650	9,560
Variable annual income	-	-
Untaken leave (accrued in previous year)	3,244	7,807
Total annual income	125,921	124,744
Taxable allocations	-	-
Pension costs (employer share)	25,878	23,473
Provisions for future payments	-	-
End of service benefits	-	-
Total salary and employer charges	151,799	148,217
Applicable WNT-maximum	189,000	181,000

REMUNERATION FOUNDATION BOARD

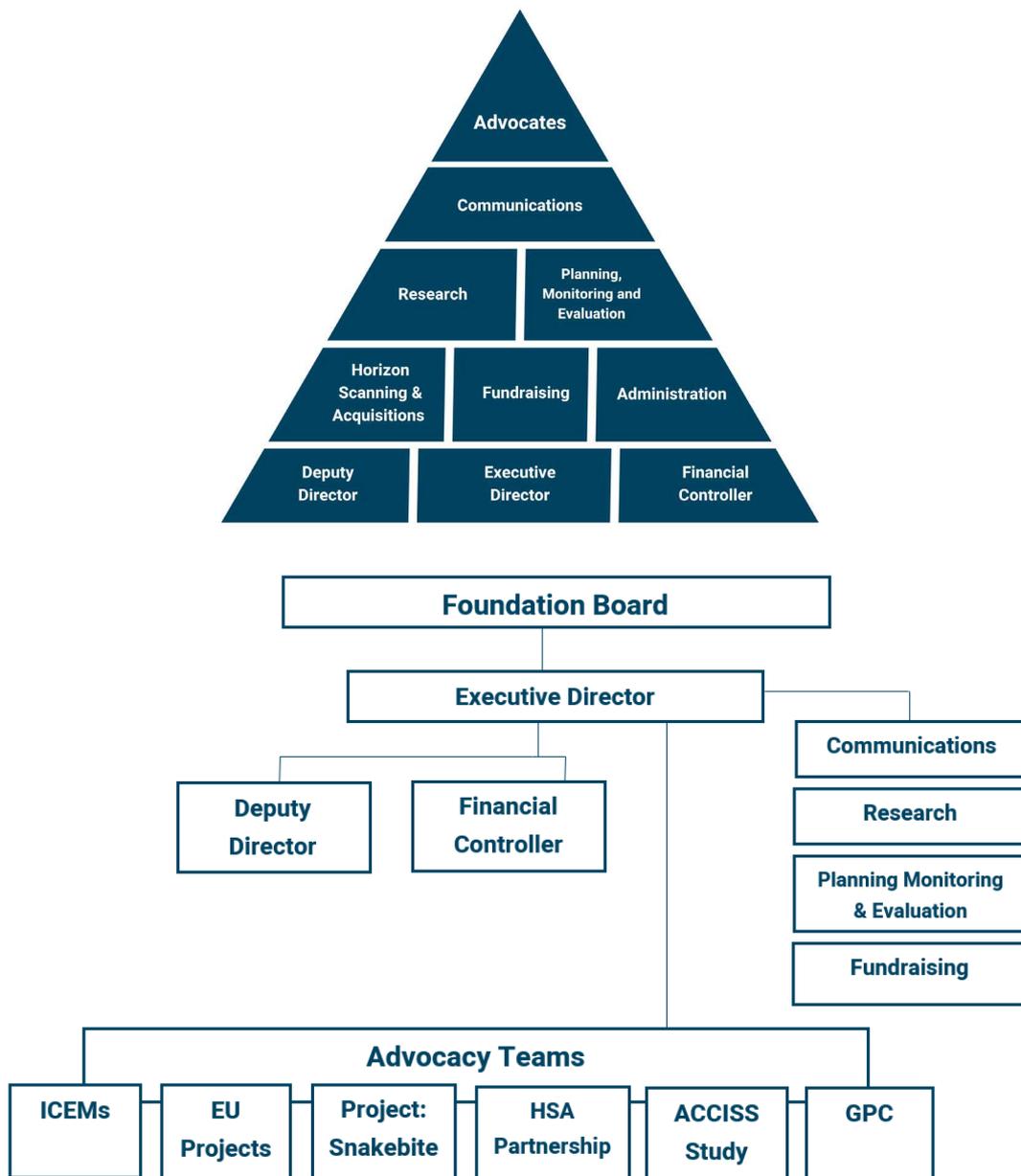
	Actual 2020	Actual 2019
CHAIR		
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	28,350	27,150
TREASURER		
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	18,900	18,100

Staff and Team Management

In spite of all the extraordinary challenges of 2020, Team HAI retained our largest ever complement of colleagues. We moved seamlessly from the ‘Old Normal’ of working in a single open plan office to the ‘New Normal’ of working remotely, mostly from home, across continents. Divided by specialist subject and cross cutting support teams, the intellectual rigour, tenacity and a passion for social justice that runs through our veins, remains our most precious asset. In 2020, many in the team additionally focused on business development, driving donor liaison and funding applications, all the while maintaining

a level of intensity in their advocacy work that drives access to medicines programmes in all its forms.

HAI’s team structure, based on a ‘support management hierarchy’, 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. Everyone engaged at HAI, whether in finance, administration, research or donor reports, knows that our job is to support the advocacy teams in their efforts to increase access to medicines for everyone.



HAI's Employee Entitlements and Conditions of Employment were adopted by the Foundation Board in 2018 and remain current and relevant. Indeed, at HAI we pride ourselves on offering better than comparable flexibility in working conditions and opportunities. This has never been tested like it has in 2020. But in the face of challenges such as home working, home schooling, lockdown and curfew (in the Netherlands) to name but a few, flexibility is never more germane. And it will be in the future, as we all realise that flexible working conditions are better for the team, better for the donor and better for the mission as a whole to reach targets.

	31 December 2020	31 December 2019
Number of employees	17	17
Number of FTEs	16.2	15.8
Composition staff	76.5% women 23.5% men	76.5% women 23.5% men
Permanent/temporary contracts	13 / 4	13 / 4
Average age	41	40
Sick leave percentage	6.31%	1.57%

During 2020 our sick leave percentage increased significantly. This is due to long-term sick leave of one staff member (from October 2019). Our Deputy Director collaborates closely with HAI's occupational health and safety service and the employee to support the reintegration of this staff member. We are pleased to report that no other long-term sick leave, including due to COVID-19, occurred in 2020.

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. The Business Conduct Guidelines, Complaints Procedure (English, Dutch, Spanish), Gender Policy, Safeguarding Policy and/or Sexual Harassment Policy make up a suite of policies that guide our ethical conduct. In addition, in 2019 we introduced a Modern Slavery Policy to accompany the suite of policies that make up the terms and conditions of working at HAI and extend to partners we fund. HAI has a published set 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.

Projects and Achievements

ACCISS Study

Since its inception in 2015, the ‘Addressing the Challenge and Constraints of Insulin Sources and Supply’ (ACCISS) study has been working to identify and address the inequities and inefficiencies in the global insulin market. The Study is currently in the last year of Phase II, focusing on piloting tools and interventions developed in Phase I at country level, while continuing to work globally to address access to insulin issues. This year, despite all the global challenges of COVID-19, our partner country teams in Tanzania, Peru, Mali, Kyrgyzstan persevered with their work and, where necessary, readjusted, for example by doing online follow-up diabetes trainings for health professionals in Kyrgyzstan. Globally, we continued to push forward the importance of access to insulin, participating in many online events with a focus on diabetes and non-communicable diseases.

Major ACCISS Study Achievements

- In June, working with a coalition of civil society organisations, ACCISS hosted a virtual side event to the WHA, advocating for a WHA resolution on access to insulin in 2021. Speakers ranged from people living with diabetes, to WHO and industry and government representatives, highlighted the urgency of a united effort and provided expert analysis and opinion on what actions need to be taken to improve access to insulin.
- We launched the pilot for monitoring the price and availability of insulin and supplies in facilities and households in Mali. The first-of-their-kind apps and dashboards, which will be officially launched in 2021, allow regular monitoring (or one-off surveys) at facilities and households on the price and availability of insulin, syringes, and self-monitoring tools. To reduce data collection costs and travel, and hence make monitoring more sustainable, data is now collected via phone interviews.

- Our partners in Kyrgyzstan, Mali, Peru and Tanzania worked with their governments to help assess the impact of the COVID-19 pandemic on insulin supplies, and access to diabetes care issues during lockdowns.



Still from video featuring insulin users and advocates from across the globe, created for WHA resolution event.

European Projects

Our European activities for 2020 had to be revisited and reassessed once the extent of the COVID-19 pandemic became apparent. We saw the urgent need to address topics such as vaccine development and production, which had not necessarily been within our purview until now. From the outset of the pandemic, the position of our European Projects Team was clear: the response to this global challenge could not be ‘business as usual’ and it would be necessary for all stakeholders involved to engage in the quest for a remedy. This notwithstanding, we also continued our work to educate medical and pharmacy students about the negative impact of pharmaceutical marketing, as well as keeping a close eye on a number of pan-European health policy issues, including medicine shortages and Health Technology Assessment reform.

Major European Projects Achievements

- From March, we worked as part of a consortium of Dutch and international non-profits to promote the WHO’s COVID-19 Technology Access Pool (C-TAP). This work has highlighted HAI’s strengths: our ability to bring together policy and decision makers, to produce evidence-based guidance and to communicate our positions compellingly,

including through a successful WHA side event that drew over 500 registered participants from around the world. Indeed, many more than would have been able to attend a live event in the margins of the WHA in Geneva.

- We organised a number of virtual events in 2020, and were invited to participate in many more, combining traditional settings with novel ones. In so doing, we widened the scope of our core mandate to include the response to COVID-19. These ranged from dialogue on sustainable licensing in Germany and webinars on pharmaceutical promotion, to an all-day Diplohack on TRIPS flexibilities and co-convening meetings with the European Parliament Working Group on Access to Medicines.
- We published various reports over the course of the year, including an analysis of cross-country collaboration initiatives on joint procurement that led to interesting exchanges with civil society and European lawmakers.
- In collaboration with TranspariMED, we examined the state of clinical trial reporting in the Netherlands, resulting in a Parliamentary question and a reaction from the competent authority to make publication clearer. We will follow-up on progress in the first half of 2021.

Project Snakebite

Thanks to previous HAI interventions at the WHO, snakebite is a priority global health issue with the backing of WHO Member States. Our vision is to reduce snakebite deaths and disabilities permanently while demanding that everyone has unconditional access to affordable life-saving treatments. To get there, we work at global, national, and community levels to stimulate change. By providing an expert civil society voice, we stimulate global dialogue and showcase community-informed voices for agenda setting

while supporting the WHO's snakebite strategy to be actioned in its entirety. At a country level, we support civil society to undertake field research on snakebite cases and examine price, availability, and affordability of treatment. We use the results to equip civil society with the evidence to press for policy change through multi-stakeholder dialogue. Finally, we provide communities with prevention, first aid and treatment guidance to inform sustainable behavioural change.

Major Project Snakebite Achievements

- In September, on International Snakebite Awareness Day, HAI launched the Women Champions of Snakebite (WCOS) campaign. The campaign highlights a multisectoral network of women who are often overlooked in global engagements and policy dialogue. The WCOS network now has over 60 active women working in various ways to end the suffering of snakebite envenoming. It has grown from a one-off social media campaign into a permanent network for learning, exchange, and collaboration.
- In Kenya, we reached our target of surveying 399 households and 145 health facilities across six counties. The community research probed communities on snakebite cases, perceptions, knowledge and first response. The health facility research surveyed healthcare workers on knowledge, attitudes, responses and treatment commodities. The full research package gives our civil society partners on-the-ground evidence to lobby for swift policy action by decision-makers.
- In November, we published a peer-reviewed article on the current state of snakebite care in Kenya, Uganda and Zambia from a healthcare workers perspective, based on our field research. Two more papers are under review, addressing the knowledge gaps in communities through focus group interviews and household surveys.

Planning, Monitoring and Evaluation

We subject our work to rigorous and robust monitoring and evaluation protocols. This is to ensure our evidence-based advocacy interventions are as effective, efficient, relevant and sustainable as possible, and projected outcomes are achieved. Presiding over this process is a dedicated Planning, Monitoring and Evaluation (PME) Manager, who is embedded in each of the project teams. Each year, the teams develop workplans linked to corresponding monitoring and evaluation frameworks, which include timelines for activities, indicators, methods of verification and data sources, all of which align with reporting/fundraising cycles.

Of particular note in 2020 was the end-term evaluation (ETE) of the five-year HSA Partnership, which was also not immune to the impact of COVID-19. The research of the ETE was completed in March, after many of the most far-reaching restrictions were put in place. Having just experienced one-year of face-to-face meetings and workshops, we wanted to ensure a high level of engagement with workshops that were now forced onto an online setting. We therefore worked with Eye Opener Works to develop a series of interactive online facilitation

workshops for around 15 HSA staff members. The group was trained in developing creative online facilitation methodologies, as well as developing a facilitation guide. Through a process of close guidance, each participant conducted a so-called online Annual Reflection Workshop with HSA implementing partners in various countries. This workshop was used to both extract information for the final HSA Partnership report to the Dutch Ministry of Foreign Affairs, as well as show appreciation for all the hard work over the years of the partnership.

We will utilise these methodologies in our future reflection sessions of other programmes.

We also made big strides in the monitoring and evaluation of HAI's wider online presence, which was in keeping with our focus on digital media as a key tool for change. As such, our Digital Communications Advisor produced monthly reports on growth and engagement, which went hand-in-hand with A/B testing of content. The result was that we were able to be more targeted and engage more effectively with our audiences.

As in previous years, we underscore that mainstreaming gender and inclusivity should also be done within PME systems. We are therefore proud to once again be placed among the high scorers in the [Global Health 50/50](#) report in recognition of our efforts to push for change, not just internally, but across the sector.



Programmatic Challenges

Reflecting on the programmatic challenges identified at the beginning of 2020, before the full consequences of COVID-19 were known makes them seem remarkably familiar. Indeed, the challenges we faced then have intensified throughout the year, and not always as a result of COVID-19. But our ability to adapt

has also intensified, as we rise to the everyday challenges faced by civil society organisations and overcome the operational difficulties of living with the consequences of the pandemic. A process aided by the foresight and tenacity of our communications team who have driven our internal capacity and built a robust IT infrastructure.

CHALLENGE	MITIGATION
<p>It is a challenge to attract new younger members to the HAI Europe Association, in part due to the changing nature of modern network participation, which is now almost entirely social media driven. This has been helped by COVID-19, as people switch to electronic media, and we have seen the growth our social media presence throughout the year. The challenge now is to be relevant, consistent and ever-present.</p>	<p>HAI's full-time Digital Communications Advisor has enhanced our networking and brought new skills to our already world-class comms team. The Foundation is working in close collaboration with the HAI team on benefits of membership and network communications.</p>
<p>In 2019 we noted that funded collaborations and partnerships between NGOs had become a common strategy and that HAI has struggled in partnerships that were a marriage of convenience. The risk is that organisations can become too focused on their own visibility and future direction at the expense of the bigger picture and goals of the partnership. Sadly, in 2020, and unrelated to COVID-19, this was the case for the HSA Partnership which, in spite of outstanding results, was dissolved as partners pursued self-interest above collective action.</p>	<p>Last year we said that in future we would be more circumspect about partnerships in which we were not the lead partner and that we would prioritise more effectively to ensure our own objectives within any partnership are achieved in the most efficient manner. And we have fulfilled on that promise as we have returned to our ground up approach and start building partner relationships in-country, rather than the top-down approach of consolidated European NGO collaborations encouraged by the large donors.</p>
<p>A further manifestation of the financial and political donor landscape is their reliance on trusted, but colossal NGOs. Under the false impression that size and public trust equates with the delivery of results, the development 'industry' has encouraged monopolistic NGOs that continue to grow and merge. This leaves little room for smaller NGOs who see millions of Euros flowing to the NGO behemoths, with little left for targeted, locally driven and owned programmes that identify real community needs and require less funding to achieve bigger outcomes.</p>	<p>We continue to leave 'no stone unturned' in pursuit of new donors, that fund what we and our partners in-country have identified, rather than 'follow the money' (see section on fundraising)</p>

CHALLENGE	MITIGATION
<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 and have again taken part in the Global Health 50/50 report, where we scored highly on gender and inclusivity. We have appointed a 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>
<p>Core funding—funding not directly linked to project outcomes—remains the holy grail for professional NGOs who do not seek donations from the general public. Unless and until donors recognise that civil society organisations need proper management, financial accountability, human resources specialists, fundraisers and so on, and pay for it, the entire sector will be the poorer.</p>	<p>In future we will increase our overheads to the maximum allowed by donors, based on actual and reasonable cost recovery, so that the core functions of the organisation are covered.</p>
<p>COVID-19 and future pandemic threats will continue to limit our ability to travel, to meet in-country partners in person, to lobby directly with duty-bearers at all levels, which has the potential to impact upon our effectiveness as agents for change.</p>	<p>HAI has adapted well to the ‘new normal,’ and will continue to explore new possibilities for online and remote advocacy, research, training and intervention.</p>

Fundraising and Acquisition Activities

As an organisation, we have moved away from the consultancy model of fund-raising, and now have an ongoing fund-seeking process, led by a dedicated team under the supervision of the Executive Director. All technical and non-technical staff are engaged in identifying opportunities and proposal-writing.

In 2020, we made a number of smaller, unsolicited letters of enquiry to donors. Overall, unsolicited requests for funding have been less successful than responding to calls, garnering only one result for a project in 2021/22. We will revisit our unsolicited fund-raising strategy in 2021.

However, four major proposals, which take several months and run to tens, if not hundreds, of pages have been prepared. At the time of writing, one has been successful (Artificial Intelligence & Medicines Policy - European Artificial Intelligence Fund) and two remain under review. In terms of return on investment, major proposals are likely to remain the model for the foreseeable future.

In 2020, we introduced a new service to NGOs and CSOs with the launch of the Partners for Change (P4C) programme. P4C recognises HAI's core skills, such as research, PME, advocacy and communications, which are transferable within the development sector. It has taken time and patience to build the expertise available to HAI, so now we plan to contract out specialist skills on a consultancy basis to like-minded organisations. Two contracts were won in 2021, for project development and PME support. Both contracts were in the Netherlands.

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

Key Figures

During the financial year 2020, Stichting HAI spent €2,629,588 (2019: €2,835,970), of which €2,564,904 (97.5%) was spent on achieving HAI's objectives (2019: €2,735,562) and €49,857 on Management & Administration (2019: €57,820). This represents 1.9% of the total expenditure.

Expenditure on Income generation in 2020 was €14,827 (2019: €42,588). This represents 0.6% of the total expenditure.

The total expenditure of €2,629,588 originates fully from the income of the current year.

The result for 2020 shows an operating surplus of €73,219.

	objective	2020	2019	2018	2017	2016
Spent on fund raising vs total income	≤5%	0.5%	1.5%	3.9%	3.4%	0.8%
Spent on objectives vs total income	≥90%	94.9%	95.1%	93.5%	97.3%	93.8%
Spent on objectives vs total expenditure	≥91%	97.5%	96.5%	93.1%	93.4%	95.6%
Spent on management & administration vs total income	≤5%	1.8%	2.0%	3.1%	3.6%	2.1%

Continuity Reserve

The continuity reserve amounts to €144,641 as of 31 December, 2020. The HAI Foundation Board established the optimum level for the continuity reserve to be €110,000–€150,000. Its purpose is to offer continuity to the organisation and its staff for a temporary decrease in income. The nature of HAI's discrete grants model doesn't allow the addition of significant amounts to the continuity reserve, but steps will be taken in order to maintain the reserve at desired level.

Diversity of Funding

90.8% of the income of €2,702,807 consists of multi-year grants, and 9.2% of the income in year 2020 was incidental.

The financial health and continuity of the organisation benefits from diversified funding streams. HAI invests in raising funds and although the amount spent on income generation in 2020 (€14,796) was less than the amount spent in 2019 (€42,588), the search for new funding sources is, as always, a priority. The decrease in expenditure in 2020 is due to a strategy change, whereby HAI staff members have taken on fundraising, rather than hire external consultants to support the fundraising.

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.

HAI's policy of financial Diversification, Dispersion and Deflection, introduced in 2017, mitigates some of the risk.

'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.

Diversification has been going well, and we have attracted several new donors since its inception. Pipeline projects expected to mature into full proposals in 2020 were delayed because of COVID-19. 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 2021 the deflection of financial risk becomes stronger.

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 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.

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, 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 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.

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	2020
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 2020
HAI becomes over-priced	13	Maintain tight budget control on bids that are actual & reasonable	No challenges in 2020
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 2020
External fraud	14	Zero tolerance policy /Transparency	No challenges in 2020
External ethical breach	14	Zero tolerance policy /Transparency	No challenges in 2020
External safeguarding breach	14	Zero tolerance policy /Transparency	No challenges in 2020
Internal fraud	6	Zero tolerance policy /Transparency	No challenges in 2020
Internal ethical breach	6	Zero tolerance policy /Transparency	No challenges in 2020
Internal safeguarding breach	6	Zero tolerance policy /Transparency	No challenges in 2019
Competence drain	13	Staff benefits and CPE programme	No challenges in 2020
Failure to attract talent	13	Intern programme	No challenges in 2020

Our Future

The Future of Our Work

Pipeline projects will continue our strategy of investing 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 joined by Internationally Controlled Essential Medicines. We are also delighted to be able to enter the next phase of development of novel model of pharmacy chain in Zambia, delayed from 2020 due to COVID-19, which aims to provide essential medicines at affordable prices in remote areas.

The Future of Our Organisation

Notwithstanding the current unstable political and economic context and the threat of global pandemic, our funding model of discrete project funding, HAI has grown significantly in the last ten 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.

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. As in 2020, we will continue to pursue funding opportunities to which we can add value and continue to support the management matrix operation that enhances our core skills, such as programme monitoring and evaluation and advocacy and research, across the organisation. Our enhanced communications team will promote the public understanding of medicines policy and the rational use of medicines in innovative ways, and champion the value of HAI as a global player in the field.

BUDGET 2021

Approved by the Foundation Board in March 2021

	€	% of total income
INCOME		
Raised income	1,339,254	52%
Submitted proposals	487,500	19%
Proposals to submit	757,987	29%
TOTAL INCOME	2,584,741	100%
EXPENDITURE		
Programme costs		
Direct project expenditure	1,125,115	44%
Staff costs: current staff	1,069,248	41%
Occupancy costs	66,343	3%
Office and general costs	64,219	2%
Depreciation	4,721	0%
Total Programme costs	2,329,646	91%
Income generation		
Staff costs: current staff	42,524	2%
Total Income generation	42,524	2%
Communications		
Publicity and communications costs	2,300	0%
Staff costs: current staff	70,418	3%
Total Communications costs	72,718	3%
Management and Administration		
Staff costs: current staff	120,550	5%
Total Management & Administration	120,550	5%
TOTAL EXPENDITURE	2,565,438	99%
RESULT (Addition to/Deduction from Continuity reserve)	19,303	1%

3. FINANCIAL STATEMENTS 2020

BALANCE SHEET AS OF 31 DECEMBER 2020

	31 December 2020	31 December 2019	notes
	€	€	
ASSETS			
FIXED ASSETS			A
Tangible fixed assets	6,593	15,068	
Intangible fixed assets	11	3,571	
	6,604	18,639	
CURRENT ASSETS			
Receivables and prepaid expenses			
Grants to receive	53,466	-	B
Prepaid expenses	8,821	16,815	
Debtors	42,234	-	
Other receivables	3,360	3,582	C
	107,881	20,397	
Cash and cash equivalents	1,638,820	1,530,456	D
	1,746,701	1,550,853	
TOTAL ASSETS	1,753,305	1,569,492	
LIABILITIES			
RESERVES AND FUNDS			E
Continuity reserve	144,641	71,422	
	144,641	71,422	
SHORT TERM LIABILITIES			
Grants received in advance	1,137,223	1,156,121	F
Taxes and social security premiums	91,720	73,402	G
Creditors	53,019	41,955	
Other debts	326,702	226,592	H
	1,608,664	1,498,070	
TOTAL LIABILITIES	1,753,305	1,569,492	

The 2020 result of €73,219 is included in the Continuity reserve at 31 December 2020.

STATEMENT OF INCOME & EXPENDITURE 2020

	Actual 2020 €	Budget 2020 €	Actual 2019 €	notes
INCOME				I
Income from foundations and charitable funds	1,195,724	1,567,473	1,531,586	
Government grants	1,395,398	1,337,555	1,321,902	
Income from own fundraising	3,472	2,500	5,343	
Income from services/products	98,136	9,000	5,747	
Other income	10,077	4,000	12,524	
TOTAL INCOME	2,702,807	2,920,528	2,877,101	
EXPENDITURE				
EXPENDITURE on objectives				J
European Projects	340,712	287,187	385,932	
Project 'Health Systems Advocacy'	1,172,242	1,013,017	1,012,265	
Project 'Snakebite'	202,828	262,507	236,952	
Project 'ACCISS' (Insulin)	783,246	1,071,886	1,039,479	
Global Projects and Pricing Project	7,850	8,215	20,946	
Project 'Internationally Controlled Essential Medicines'	-	-	39,988	
Consultancies	58,026	-	-	
Programme costs	2,564,904	2,642,812	2,735,562	
Income Generation				J
Fundraising costs	14,827	43,754	42,588	
Management and Administration				J
Management and administrative costs	49,857	233,962	57,820	
TOTAL EXPENDITURE	2,629,588	2,920,528	2,835,970	
Result before financial income and expenditure	73,219	-	41,132	
Financial income and expenditure: received Interest on saving account	-	-	70	
RESULT	73,219	-	41,202	
APPROPRIATION OF RESULT				
Additions to / deductions from:				
Continuity reserve	73,219	-	41,202	
	73,219	-	41,202	

CASH FLOW STATEMENT IN 2020

	Actual 2020 €	Actual 2019 €
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Result from the statement of income and expenditure	73,219	41,202
ADJUSTMENTS FOR:		
Depreciation	12,926	19,711
	12,926	19,711
CHANGES IN WORKING CAPITAL:		
Short-term receivables	(87,484)	68,448
Short-term debts	110,594	36,820
	23,110	105,267
	109,255	166,180
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments in tangible fixed assets	(2,239)	(2,153)
Disinvestments in tangible fixed assets	1,348	-
	(891)	(2,153)
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Changes in cash and cash equivalents	108,364	164,027
Cash and cash equivalents		
Balance per 1 January	1,530,456	1,366,430
Balance at 31 December	1,638,820	1,530,456
Changes in cash and cash equivalents	108,364	164,026

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 amortised cost price 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 2019 are compared with the budget as approved by the HAI Foundation Board and 2018 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 amortised cost price.

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 TO THE BALANCE SHEET

A. FIXED ASSETS

	Actual 2020					
	€					
	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	43,833	8,341	16,914	69,088	11,447	11,447
Accumulated depreciation	(34,945)	(7,510)	(11,565)	(54,020)	(7,876)	(7,876)
Carrying value as of 1 January	8,888	831	5,349	15,068	3,571	3,571
Movements						
Aquisitions	2,239	-	-	2,239	-	-
Disposals	(1,348)	-	-	(1,348)	-	-
Depreciation	(6,494)	(831)	(3,388)	(10,713)	(3,560)	(3,560)
Depreciation on disposals	1,348	-	-	1,348	-	-
Total movements	(4,255)	(831)	(3,388)	(8,474)	(3,560)	(3,560)
Balance as of 31 December						
Aquisition value	44,723	8,341	16,914	69,978	11,447	11,447
Accumulated depreciation	(40,091)	(8,341)	(14,953)	(63,385)	(11,436)	(11,436)
Carrying value as of 31 December	4,632	-	1,961	6,593	11	11
Depreciation percentages per year	33%	33%	20%		33%	

The acquisition in 2020 was a new laptop to replace an old one. All fixed assets are used for HAI's operations.

B. GRANTS TO RECEIVE

	31 December 2020	31 December 2019
	€	€
Government grants		
Dutch Ministry of Foreign Affairs - HSA	53,466	-
Carrying value as of 31 December	53,466	-

C. OTHER RECEIVABLES

	31 December 2020	31 December 2019
	€	€
Interest	-	70
Deposits	3,360	3,360
Advances	-	152
Carrying value as of 31 December	3,360	3,582

D. CASH & CASH EQUIVALENTS

	31 December 2020	31 December 2019
	€	€
ING current USD-account	1,337,695	780,090
ASN savings Euro-account	236,445	88,286
Triodos current Euro-account	56,247	165,155
ING current Euro-account	8,000	12,377
Cash foreign currencies	418	438
Cash Euro	15	6
Carrying value as of 31 December	1,638,820	1,530,456

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 AND FUNDS

	31 December 2020	Additions 2020	Deductions 2020	31 December 2019
	€	€	€	€
Reserves				
Continuity reserve	144,641	73,219	-	71,422
Carrying value as of 31 December	144,641	73,219	-	71,422

The continuity reserve amounts to €144,641 as of 31 December, 2020. The HAI Foundation Board established the optimum level for the continuity reserve to be €110,000–€150,000. Its purpose is to offer continuity to the organisation and its staff for a temporary decrease in income. The nature of HAI's discrete grants model doesn't allow the addition of significant amounts to the continuity reserve, but steps will be taken in order to maintain the reserve at desired level.

F. GRANTS RECEIVED IN ADVANCE

	31 December 2020	31 December 2019
	€	€
Foundations and charitable funds		
IDA Charity Foundation	92,500	92,500
Helmsley Charitable Trust	450,000	414,239
Open Society Foundations	102,881	158,200
Perls Foundation	34,852	-
Hennecke Foundation	92,623	98,737
Lillian Lincoln Foundation	160,429	167,407
Unitaid	24,256	-
Waterloo Foundation	54,771	-
Other foundations	34,413	-
	1,046,725	931,083
Government grants		
Dutch Ministry of Foreign Affairs - HSA	-	145,864
European Commission/Chafea	90,498	79,174
	90,498	225,038
Carrying value as of 31 December	1,137,223	1,156,121

G. TAXES AND SOCIAL SECURITY PREMIUMS

	31 December 2020	31 December 2019
	€	€
Wage tax and social security premiums	78,971	73,402
Value Added Tax	12,749	-
Carrying value as of 31 December	91,720	73,402

H. OTHER DEBTS

	31 December 2020	31 December 2019
	€	€
Outstanding payments to partners	102,138	140,640
Salaries and holiday pay	50,825	44,501
Provision for holidays not taken	26,584	22,955
Audit costs	20,855	17,843
Other debts	126,282	653
Carrying value as of 31 December	326,684	226,592

The amount for Other debts at 31 December 2020 had increased compared to 2019. An amount of approximately €125,000 is included for costs involved with reporting requirements of the 5-year Health Systems Advocacy programme that ended at 31 December 2020.

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 2020 amount to €45,696.

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 €3,551 per year (including VAT).

EXPLANATORY NOTES TO THE STATEMENT OF INCOME & EXPENDITURE 2020

I. INCOME

	Actual 2020	Budget 2020	Actual 2019
	€	€	€
Income from foundations and charitable funds			
Perls Foundation	28,428	27,285	47,954
Helmsley Charitable Trust	849,769	1,182,698	1,100,000
Hennecke Foundation	107,643	109,141	111,585
IDA Charity Foundation	-	-	39,000
Lillian Lincoln Foundation	108,408	161,946	130,899
Open Society Foundations	55,319	86,403	102,148
Unitaid	46,157	-	-
	1,195,724	1,567,473	1,531,586
Government grants			
European Commission/Chafea	200,077	200,640	236,333
Ministry of Foreign Affairs, the Netherlands	1,195,321	1,136,915	1,085,569
	1,395,398	1,337,555	1,321,902
Income from own fundraising			
Donations and gifts	3,472	2,500	5,343
	3,472	2,500	5,343
Income from services/products			
Consultancies	97,995	9,000	5,223
Publications	141	-	524
	98,136	9,000	5,747
Other income			
Membership fees	3,440	4,000	4,575
Misscellaneous income	6,637	-	7,949
	10,077	4,000	12,524
Total income	2,702,807	2,920,528	2,877,101

90.8% of the income of €2,702,807 consists of multi-year grants, and 9.2% of the income in year 2020 was incidental.

Government grants have been established up till 2019, the reports for 2020 are currently submitted.

J. DISTRIBUTION OF EXPENDITURE

Allocation	Projects							All projects	Income Generation	Management & Admin	Actual 2020	Budget 2020	Actual 2019
	European projects	Health Systems Advocacy	Snakebite project	ACCISS (Insulin)	Pricing & Global projects	Consultancies	Management & Admin						
Expenditure	€	€	€	€	€	€	€	€	€	€	€	€	€
Direct project expenditure	56,492	549,930	63,851	444,382	7,610	(935)	1,121,330	6,609		1,127,939	1,410,468	1,410,793	
Publicity & communications	748	1,638	366	892	1	155	3,800	22	131	3,953	4,800	11,215	
Staff costs	251,894	551,534	123,171	300,324	213	52,255	1,279,391	7,283	44,187	1,330,860	1,325,620	1,246,659	
Occupancy costs	14,286	31,279	6,985	17,032	12	2,964	72,558	413	2,506	75,477	81,993	79,692	
Office and general costs	14,590	31,946	7,134	17,395	12	3,027	74,104	422	2,559	77,085	81,308	67,900	
Depreciation	2,702	5,915	1,321	3,221	2	560	13,721	78	474	14,273	16,340	19,711	
Total	340,712	1,172,242	202,828	783,246	7,850	58,026	2,564,904	14,827	49,857	2,629,587	2,920,529	2,835,970	

STAFF

	Actual 2020	Budget 2020	Actual 2019
	€	€	€
Gross salaries	1,057,655	1,026,568	978,715
Social security premiums	150,752	173,285	148,113
Pension costs	95,593	87,796	89,376
Other staff costs	26,860	37,971	30,455
	1,330,860	1,325,620	1,246,659

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 2020 from €1,530,456 at 1 January, 2020, to €1,644,181 at 31 December, 2020. The increase of €113,726 in cash and cash equivalents is attributable in large part to an increase in the short-term debts. The

investments shown in the cash flow statement are in IT equipment (see explanatory note on fixed assets).

REMUNERATION OF EXECUTIVE DIRECTOR & FOUNDATION BOARD

On 1 January, 2013, the Dutch Law Executives' Remuneration Financed from Public Funds (Disclosure) Act (Wet normering bezoldiging top-functionarissen publieke en semi publieke sector WNT) came into force. The WNT 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 €189,000 for 2020. 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, an entitlement to a maximum of 15% (Chair) or 10% (other Members) of the maximum remuneration of €189,000 for executives applies. However, the Members of the Foundation Board are volunteers, and do not receive remuneration or allowances for their work, nor did they, as of 31 December, 2020, or during 2020, have outstanding loans, advances or guarantees.

No employees or temporary staff received remuneration above the WNT maximum in 2020, nor was remuneration paid that was, or had to be, disclosed based on the WNT in previous years. In 2020, HAI did not pay termination of employment payments to former employees that should be reported in these annual accounts based on the WNT.

REMUNERATION EXECUTIVE DIRECTOR		
	Actual 2020	Actual 2019
EMPLOYMENT		
Term	Indefinite	Indefinite
Hours (full-time)	36.00	36.00
Part-time percentage	100%	100%
Period	Jan-Dec 2020	Jan-Dec 2019
REMUNERATION		
	€	€
Annual income		
Gross salary	104,598	99,197
Holiday allowance	8,429	8,180
Year-end allowance	9,650	9,560
Variable annual income	-	-
Untaken leave (accrued in previous year)	3,244	7,807
Total annual income	125,921	124,744
Taxable allocations	-	-
Pension costs (employer share)	25,878	23,473
Provisions for future payments	-	-
End of service benefits	-	-
Total salary and employer charges	151,799	148,217
Applicable WNT-maximum	189,000	181,000

REMUNERATION FOUNDATION BOARD		
	Actual 2020	Actual 2019
CHAIR		
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	28,350	27,150
TREASURER		
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	18,900	18,100

KEY FIGURES

	objective	2020	2019	2018	2017	2016
Spent on fund raising vs total income	≤5%	0.5%	1.5%	3.9%	3.4%	0.8%
Spent on objectives vs total income	≥90%	94.9%	95.1%	93.5%	97.3%	93.8%
Spent on objectives vs total expenditure	≥91%	97.5%	96.5%	93.1%	93.4%	95.6%
Spent on management & administration vs total income	≤5%	1.8%	2.0%	3.1%	3.6%	2.1%

VARIANCE ANALYSIS

Income

The income from Foundations and Charitable Funds in 2020 is €371,749 lower than the budgeted amount. The Covid-19 restrictions during 2020 meant that planned conferences and trips could not take place. Part of the budgeted income (for the ACCISS Insulin project in particular) is therefore carried forward to 2021. Discussions with the funder for alternative spending are ongoing.

Income from Government grants exceeds the budget with €57,843. This is due to additional funding in the Health Systems Advocacy project for our partners in Kenya and Uganda obtained in 2020.

Income from services/products exceeds the budget by €89,136. We obtained two consultancy commissions in 2020.

Expenditure

The expenditure on objectives is €77,908 lower than budgeted. A few projects (ACCISS Insulin, Snakebite) have spent less than budgeted, mostly due to Covid-19 restrictions. This is particularly the case for the ACCISS Insulin project.

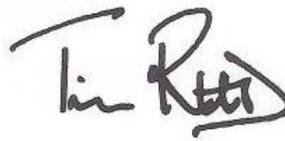
The European Projects have spent more than budgeted because of an additional grant from Unitaid we obtained in 2020. The Health Systems Advocacy project also spent more than budgeted. In the expenditure a sum for the costs related to reporting of this 5-year programme is included. The reporting will take place in the first quarter of 2021. Consultancies were not included in the budget 2020, but we obtained two commissions in 2020, resulting in an expenditure of €58,026.

Expenditure for both Income Generation and Management & Administration are lower than budgeted. Fundraising was predominantly carried out by the HAI staff, limiting the costs. In the Management & Administration budget of €233,962 an amount of €178,819 was budgeted for general communications costs and staff. In fact the HAI communications staff worked almost exclusively on our projects in 2020, especially supporting the HAI staff in the new forms of communication due to the Covid-19 restrictions. Their actual costs in 2020 are therefore included in the Expenditure on objective.



Lander van Ommen

Chair, Health Action International
Foundation Board



Tim Reed

Executive Director, Health Action
International

On behalf of the Health Action International
Foundation Board:

- Briec-Yves (Mellouki) Cadat Lampe
- Cecilia Sison
- Joel Lexchin
- Francisco Rossi
- Marcus Vreeburg
- Patricia Porekuu
- Meri Koivusalo

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 2020 included in the 2020 annual report

Our opinion

We have audited the financial statements 2020 (page 25-40) 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 2020 and of its result for 2020 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 2020 (with a balance sheet total of € 1,753,305);
2. the statement of income & expenditure (with a total positive result of € 73,219; 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.

Compliance with rule against overlapping pursuant to the WNT not audited in accordance with the Audit Protocol under the Standards for Remuneration Act (WNT)

We have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(j) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT and whether the explanation required in this context is correct and complete.

Report on the other information included in the 2020 annual report

In addition to the financial statements and our auditor's report thereon, the 2020 annual report contains other information that consists of:

- introduction;
- board report.

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, Slidrecht, 25 March 2021.

WITH accountants B.V.
P. Alblas RA

Enclosure.

Enclosure to our auditor's report by the accompanying financial statements 2020 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 2020' (Audit Protocol WNT 2020), 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.