



ANNUAL REPORT 2022

NEW **CHALLENGES** AND NEW **HORIZONS**

Putting Health First in a Changing World

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Putting Health First in a Changing World

Cover Image: Schoolchildren reading the HAI Snakebite comic book in Kajiado, Kenya

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1. INTRODUCTION

What an honour it is for me to write my very first introduction to a Health Action International (HAI) Annual Report as the newly appointed Chair of the Foundation Board.

I was delighted to be elected to the position in June 2022, having already served a term on the Board and having had a long and fruitful relationship with HAI going back many years. But the beginning of my tenure also meant that we had to say goodbye to Lander van Ommen, who completed his two terms as Chair. Both the HAI team and the Board are incredibly grateful to Lander for his huge contribution to the organisation over the last few years, including during the difficult times of the COVID-19 pandemic. Happily, he has agreed to stay on the board in an advisory capacity as a co-opted (non-voting) member, so we look forward to continuing to work with him in future.

Out in the wide world, 2022 will undoubtedly be remembered as a year of change and turmoil. In terms of global health, it was one in which countries began emerging from COVID-19 lockdowns as many of the most restrictive measures began to slowly lift. Eventually, families could be reunited, people could travel for work or pleasure, to be with friends and loved ones. But the spectre of COVID-19 remained (and still does), with countless deaths, and many people, mainly in the Global South, still without access to life-saving vaccines, therapeutics and other health technologies, which I'll come back to later.

Changes to the make-up of the Foundation Board notwithstanding, this was also a year of change for HAI as a whole. Finally, after two years of working remotely, the team could be back together under one roof as we embarked on a new way of working that allows for the flexibility of working from home with the camaraderie of sharing an office with friends and colleagues. In HAI's core work, we introduced a new project, Supporting Healthy Adolescents and Rights Protection (SHARP), working with partners to improve adolescents' sexual and reproductive

health (ASRH) and address their high unmet need for family planning across six countries in Africa's Great Lakes region. Our work on SRH also continued in Burundi as part of our contribution to the Dutch Embassy's 'Solutions' programme there to improve access, demand, and availability of family planning commodities.

Elsewhere, we continued to book advocacy successes in our work on Artificial Intelligence (AI) and Medicines, and in a year which marked 100 years since the first use of insulin, we could celebrate the adoption of ambitious diabetes targets by the World Health Assembly.

On snakebite, our work with communities continued with the introduction of an exciting new prevention tool aimed at school-age children, the comic book Safiya's 8 Secrets. Finally, as alluded to above, HAI was proud of the work done to push for a waiver of intellectual property on COVID-19 related health technologies. While ultimately the result of an agreement reached at the World Trade Organization fell well short of what was needed, we could take some comfort from the fact the issue is now well and truly on the table when negotiating an instrument on preparedness and response to future health emergencies.

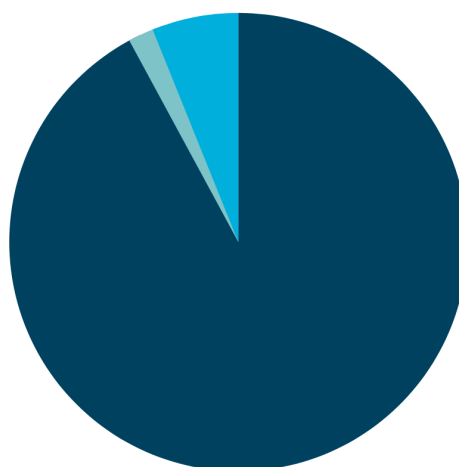
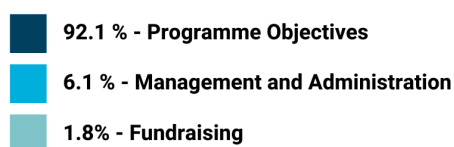
These are just a handful of highlights from yet another busy year for the team – read on to find out more.

I'd like to end by expressing my gratitude to the whole HAI team for their continued dedication and hard work. The cogs of change often turn slowly, and yet the team's enthusiasm and commitment for a better, fairer, healthier world never seems to wane.

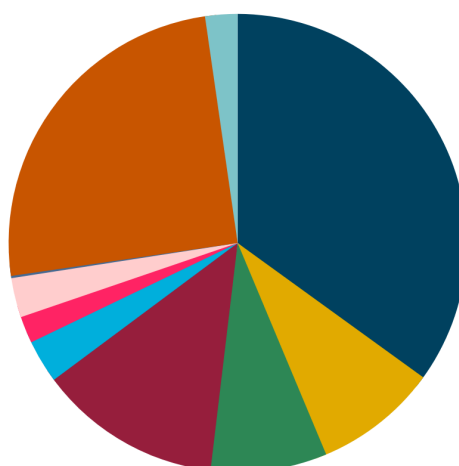
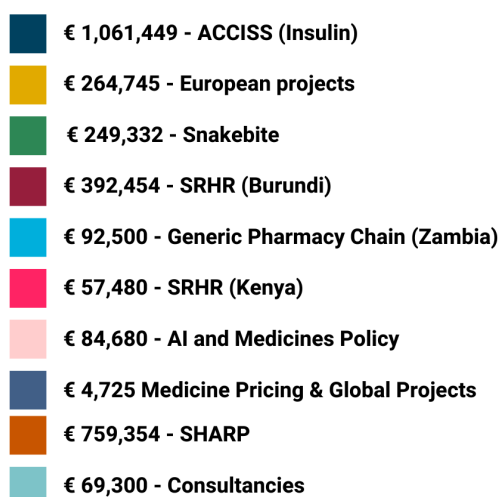
Cecilia Sison
Chair, HAI Foundation Board

2022 AT A GLANCE

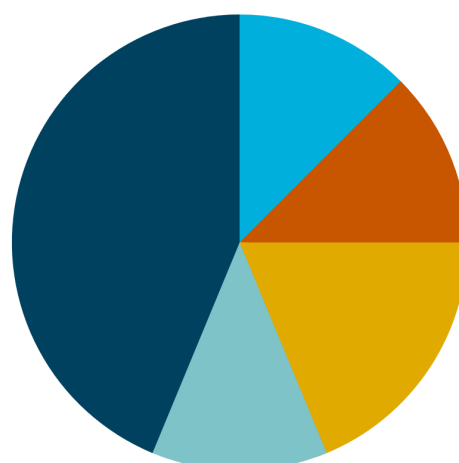
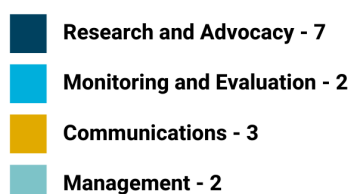
How we spend our funding



Income by programme area



Staff composition



2. BOARD REPORT

Who We Are

HAI is a non-profit organisation based in Amsterdam with a dedicated international team of in-house experts and a global network of members and partners in over 70 countries around the world. Our goal is to ensure the highest attainable level of health and wellbeing 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 national, regional and international levels.

How We Work

Commitment to Independence & Transparency

We are resolutely independent, never accepting funding from the pharmaceutical industry, and working with staff and members to identify and resolve any conflicts of interest that could call that independence into question.

The high standards we demand of others also applies to us and we 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

Our evidence-based approach to advocacy is a cornerstone of our credibility. 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.

Influencing the Highest Levels of Government

Through our direct relationships with many national health ministries, the World Health Organization (WHO) and the European Union, we are able to speak directly to policymakers in their

own domains. Our 'Official Relations' status at the WHO 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, a privilege that allows us to articulate and incorporate consumers' perspectives in the group's work.

Governance and Leadership

HAI Foundation Board

The HAI Foundation Board comprises professionally diverse members from Europe, Africa, Asia, and North and South America who bring a wealth of knowledge and experience to our work. Each Board Member is appointed for a period of four years. An appointment may be extended to a maximum of eight years.

The Board saw a number of changes in 2022. The chair Lander van Ommen stepped down in 2022 after two terms. Board member Cecilia Sison was elected as the new chairperson. At the request of the Board the former chair will continue to assist as an unpaid non-voting advisor.

Furthermore, in 2022, the board decided to initiate an amendment of the articles of association. The new articles will reflect the current way of working at HAI, by installing an Executive Board formed by the current management of the organisation, and a Supervisory Board that conducts supervision of the organisation. Pending the passing of this amendment, changes have already been made to the Board. Member Meri Koivusalo stepped down in 2022.

In the current situation 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. All these tasks will also be the responsibility of the Supervisory Board after the new constitution is passed.

After the COVID-19 restrictions were lifted, the Board assembled in Amsterdam in June 2022 for its first face-to-face meeting since 2019. Two board meetings were held on Zoom, in February and December 2022. The Board Chair and other Board Members also keep in regular contact throughout the year and the Chair and Executive Director have monthly consultations.

Primary Position(s)/Ancillary Position(s)



Cecilia Sison

(Philippines)

Chair

Term 2, 2020–2024

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



Marcus Vreeburg

(Netherlands)

Treasurer

Term 2, 2020–2024

Owner/Director, Vidax BV (financial services for governments), The Netherlands

Member of the Committee for Permanent Education, European Institute for Public Controllers



Francisco Rossi

(Colombia)

Member

Term 2, 2019–2023

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)

General Director of INVIMA, Sept 2022 till March 2023, Colombia



Patricia Porekuu

(Ghana)

Member

Term 2, 2020–2024

Programmes Manager, Hope for Future Generations, Ghana

Member of PHM Health Systems Thematic Circle, Ghana

Core Team Member, People's Health Movement, Ghana

Member of CSO Platform on Sustainable Development Goals, Ghana


Brieuc-Yves Cadat Lampe

(Netherlands)

Member

Term 2, 2020–2024

Senior Researcher, Movisie, The Netherlands

Chair, Board of Directors Foundation Framer Framed, Foundation

Makassarplein Community, Foundation Magenta

Member, Foundation Buurtmuseum Indische Buurt

Secretary, Foundation ZID Theater – City Arts & Performance Center

Member Foundation Wereldkeuken Haarlem;

Member Foundation Association Français des Pays-Bas.


Joel Lexchin

(Canada)

Member

Term 2, 2020–2024

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

Executive Director

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

Remuneration of Executive Director & Foundation Board

Members of the Foundation Board are volunteers, and do not receive remuneration or allowances for their work, nor did they, as of 31 December 2022, or during 2022, have outstanding loans, advances or guarantees. The remuneration of the Executive Director can be found on page pagina 46.

Staff and Team Management

As predicted in the 2021 Annual Report, as the COVID-19 lockdowns eased in Europe, like so many public services, private companies and NGOs, the realisation was that we would not return to the office on a fixed five-day week.

As a result, we introduced a new hybrid model of fifty percent working from the office, with the remaining hours conduct working from home (WFH). The HAI team were already partially WFH, or more correctly 'working from anywhere' long before the pandemic because we were on travel duties, such as in-country partner visits, at the World Health Assembly or in Brussels etc. So, hybrid working was already in our DNA, and it has proved a seamless transition into our 'New Normal', which is better for the teams own work/home balance and for HAI's productivity. For one day a week, we are all in the office in Amsterdam at the same time, but for the remaining days we are spread across the working week.

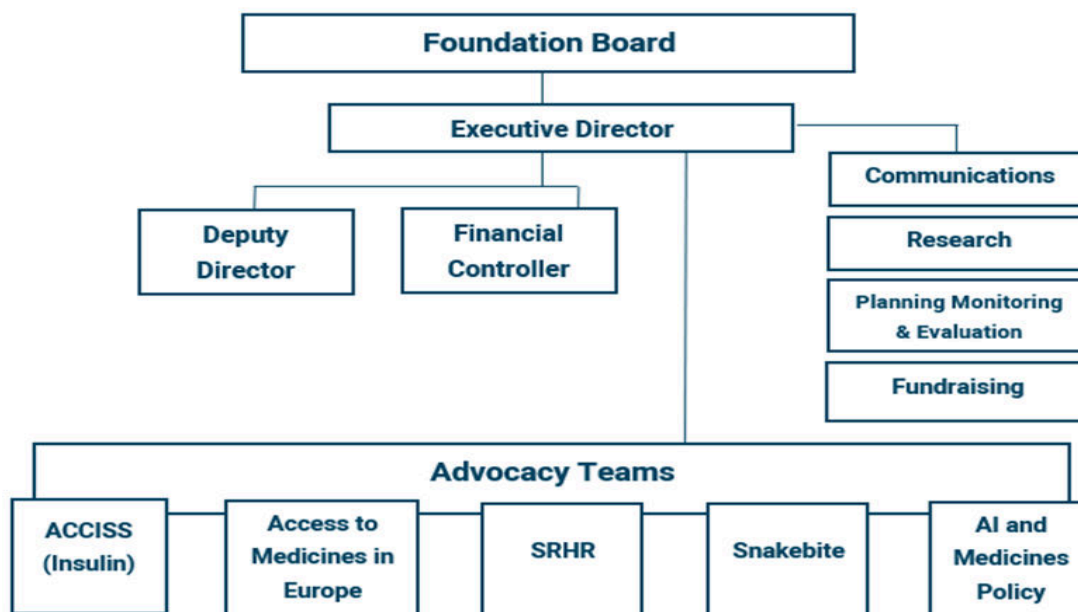
The team changed complexion in 2022, but grew only slightly with additional support for the Sexual and Reproductive Health & Rights team, the Communications Team returned to full strength and assistants were employed to support both the PME and finance managers.

No long-term sick leave occurred in 2022 and HAI's team structure remains unchanged, 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 their 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 is a living document and it was reviewed in 2022 to reflect new legislation on parental leave. Indeed, we have always tried to offer better than average flexibility in working conditions and opportunities. As mentioned above, COVID-19 has taught us new ways of working and new ways of managing a diverse and dispersed team which has further strengthened our resolve to embrace the 'new normal'. It has been said before, but is worth repeating, flexible working conditions are better for the team, better for the donor and better for the mission to better reach our targets.

	31 December 2022	31 December 2021
Number of employees	16	16
Number of FTEs	15.5	14.8
Composition staff	69% women / 31% men	75% women / 25% men
Permanent/ temporary contracts	11 / 5	13 / 3
Average age	44	42
Sick leave percentage	0.99%	6.69%





Code of Conduct

HAI's ethical principles are reflected in our Business Conduct Guidelines and other key policies, which outline within a legal framework, the way in 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 and Modern Slavery Policy make up a suite of policies that guide our day-to-day conduct. The collection of policies represent the terms and conditions of working at HAI and extend to partners we fund. HAI has a published set of core values which employees, partners and sub-contractors must observe. Together they support our vision, inspire our talented employees, and shape our culture. We adhere to these values to motivate 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

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.

Transparency

We conduct our work in an honest, transparent and ethical manner.

Integrity

To safeguard our objectivity and integrity, we are resolutely independent of the pharmaceutical industry and protect ourselves from all other conflicts of interest.

Evidence-based

Our advocacy is always based on objective and current research.

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.

Perseverance

We know that policy change takes time and never give up until the job is done.

Inclusion

We appreciate and respect diversity in all forms.

Excellence: We value and invest in our staff and network so they can achieve the high goals and objectives that we set.

Our Projects and Highlights in 2022

Improving Access to Insulin and Associated Supplies

The issue

Today, all those living with type 1 diabetes, and an estimated 63 million living with type 2 diabetes, use insulin. Despite the fact that insulin has been used for over 100 years, an estimated 1 in 2 people who need it cannot afford and/or access this life-saving medicine.

Our work

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. Our experts, working through partnerships, advocate for improved access to insulin at the national and global levels. The study also works to identify the barriers that exist in the diabetes diagnostics market and build an evidence base to address these.

This evidence base is further promoted along with other tools and resources on access to insulin and associated supplies, and improving diabetes care.

“

Our in-person Advisory Group meeting in December was a highlight as it provided the opportunity to once again exchange information and experiences with experts worldwide, reaffirming our mission of improving access to insulin and re-focusing on the work plus the future of the ACCISS Study.

Molly Lepaska
Project Manager, ACCISS Study





ACCISS Achievements

- At the 75th World Health Assembly, Member States agreed on an ambitious set of diabetes targets, including 100% access to insulin and supplies for people living with type 1 diabetes.
- Working with our partner FIND, we launched a **Target Product Profile** project to gain a better understanding of what technology might best suit the blood glucose monitoring needs of people living with diabetes. As part of this, we carried out focus groups carried in Mali, Peru and Kyrgyzstan and Tanzania.
- We launched several new tools, including advocacy and evidence building for *Procurement of Insulin and Associated Supplies* and insulin and diagnostics price and availability apps and dashboards (with two countries now established and two more to come in 2023).

Striving for Equitable Access to Medicines in Europe

The issue

Medicines are crucial not only for improving our health and well-being, but also to fulfil our human right to the highest attainable level of health. But the price of many new patented medicines in Europe is growing higher every year, jeopardising the ability of patients to access them when needed and threatening the sustainability of our healthcare systems. This situation is aggravated by a narrow interpretation of intellectual property (IP) rights that creates harmful monopolies.

Our work

HAI's work in the European Union can be broken down into three main areas: 1) Equitable access to affordable medicines; 2) Medicines safety, added therapeutic value and rational use of medicines, and 3) Democratisation of medicines policy.

Our experts work on gathering evidence, raising awareness, and advocating for greater transparency of the costs biomedical research and development and pricing of medicines, ensuring public return on public investment, and that legitimate policy tools, such as compulsory licensing, are used effectively by governments.

“

Without leaving the emergency footing of a pandemic, we resumed our focus on long-standing dossiers and topics relevant for access to health technologies - for everyone, everywhere.

Jaume Vidal
Senior Policy Officer, European Projects



European Projects Highlights

- Continuing our push for a “TRIPS waiver” on COVID-19 health technologies, we secured the support of several Members of the European Parliament (MEPs) for letter signed by over 40 CSOs active on health, human rights and development. We also held webinars and other outreach activities focused on the need to put access to health technologies ahead of IP protection requirements.
- We continued to improve and upgrade the TRIPS flexibilities navigator, increasing the number of users and contributors while framing the instrument within HAI’s broader health-oriented IP management approach and strategy.
- We published a number of high-quality evidence-based advocacy materials, including policy briefs, reports and blogs. In these we explored the state of reporting of public funded of clinical trial results in the EU, how to use the lessons of COVID-19 to advance a health-oriented IP management agenda and the need to ensure better harnessing of public support for basic research through non-exclusive licensing.



Tackling the Impact of Snakebite through Treatment and Prevention

The issue

Snakebite envenoming is a devastating—neglected—public health challenge in many countries throughout Africa, Asia and Latin America. The lack of reliable in-country data—under-reporting is believed to be over 70%—makes it difficult to know the true impact of snakebite envenoming, but conservative estimates show that, every year, it kills 81,000–138,000 people and leaves 400,000 more with significant disabilities, such as amputated limbs and blindness.

Our work

Working with partners, our Snakebite Project gathers evidence on snakebite incidence rates, community and health system response and empowers communities and healthcare workers through capacity strengthening and education on effective prevention, first aid, management, and treatment of snakebite.

By increasing visibility for snakebite at the global level, and providing an expert civil society voice, we aid the implementation of strategies to tackle the snakebite burden at all levels.

“

“There is an acute need to educate local communities in Kenya living in areas inhabited by snakes on snakebite envenoming. Educational materials such as the comic book, “Safiya’s 8 secrets” and snakebite posters play an important role in helping school children and adults understand snakebite prevention and first aid”.

Lusiana van der Maas
Digital Communications Advisor





Snakebite Project Highlights

- 2022 saw the release of the comic book “Safiya’s Secrets”, prepared by HAI with support of Access to Medicines Platform (AtMP) Kenya and local graphic designers. The comic book, piloted among school children in Kenya, is based on the tips for living safely alongside snakes, our heroes, Alika and Jabari, embark on a learning journey with their new friend, a snake called Safiya. Feedback from children, teachers and other stakeholders was very positive and the comic is a welcome addition to our snakebite education tools.
- Alongside the launch of the comic book, we also embarked on our Snakebite Schools Programme in Kenya and the Netherlands. For this, we partnered with Dutch herpetologist and influencer, Sterrin Smallbrugge, taking the snakebite prevention message to Kenyan school children, and then making links and raising awareness of the issue in the Netherlands through a series of school visits.
- In recognition of the immense community knowledge and expertise about snakebite envenoming and treatment and concerned that more could be done to embrace this in the snakebite global strategy, HAI has been working on the establishment of a Global Snakebite Community Network. The network will capitalise on the success of the Women Champions of Snakebite network, who will have a special place in the global network to share knowledge and best practice between those working tirelessly at the coalface of this devastating neglected tropical disease.

Supporting Healthy Adolescents

The issue

Adolescence (10–19 years old) is a unique period of physical, psychological, emotional, and social maturation from childhood to adulthood, with unique challenges and risks. These risks include early pregnancies, high maternal mortality rates, unsafe abortions, and high prevalence of sexually transmitted infections and HIV/AIDS.

Our work

Solutions for Supporting Healthy Adolescents and Rights Protection (SHARP) is a four-year programme, funded by the European Union, dedicated to improving adolescents' sexual and reproductive health (ASRH) and address their high unmet need for family planning. Implemented in the Great Lakes region (GLR), in Burundi, Tanzania, Zambia, Rwanda, DRC, and Kenya, SHARP seeks to bring together a unique group of organisations that include adolescent, commodity, gender, SRH and faith experts with a wide constituency and track record in advocacy for improved budgets and policy implementation at the subnational, national and regional levels.

SHARP Project Highlights

- The project officially kicked-off in Nairobi in July 2022, with representatives from each of the partner organisations coming together for the first time to discuss the ins and outs of implementation and how to achieve the project goals.
- Research training was provided by the HAI research team on SRH commodities availability and pricing across the five countries of implementation (Burundi, DRC, Kenya, Tanzania, and Rwanda). The resulting research will constitute the evidence base for the implementation of the SHARP project.
- Our in-country partners developed regional and national advocacy plans and, after identifying local civil society and youth organisations, began a series of advocacy training workshops to strengthen capacity of the groups.



Advancing Access to Family Planning in Burundi

The issue

Despite progress made in sub-Saharan Africa, the status of sexual and reproductive health rights (SRHR) is still poor. The reasons for this are manifold—they include financial obstacles to health services, limited access to contraceptives and other sexual and reproductive health commodities (SRHC), poor availability of professionally trained health personnel, gender inequality and conflicting socio-cultural practices and beliefs.

Our work

HAI's Multi-stakeholder engagement Approach to Family Planning in Burundi Project, with in-country partner Twitezimbere, takes a multi-actor approach to family planning in Burundi and is supported by the Embassy of the Kingdom of the Netherlands. The overall aim of this project is to improve access, demand, and availability of SRH commodities, particularly modern family planning methods and sanitary products for women and adolescents.

Multi-stakeholder Engagement Approach to Family Planning in Burundi Project Highlights

- An important part of our work for the project in 2022 was building relationships with relevant authorities, in particular the PNSR, part of the Burundian Ministry of Health and key stakeholders from the start of the project. Alongside this, we conducted buy-in meetings as we begin work on a creating "Advocacy Hub" that will be an essential tool to push for policy change.
- Working with in-country partner, Twitezimbere, we undertook a series of policy advocacy trainings for local CSOs to create a movement supporting access to family planning services and commodities.
- We were delighted to have completed data collection on the availability of family planning services and commodities, as this marked a milestone in the project on which we can base evidence-based advocacy.

“

Government authorities in the GLR are eager for new data on the availability of SRH commodities, collected through our research. This shows how important evidence is as a basis for further advocacy work.

Ange Moray
SRHR Coordinator



Ensuring a Health-Centric Approach to Artificial Intelligence in the European Union

The issue

Artificial Intelligence (AI) and Automated Decision Making (ADM) are buzzwords that are making headlines more and more frequently and have increasing influence in the healthcare space. Although implementing AI/ADM promises to streamline processes and optimise efficiencies and outcomes, greater adoption of these technologies may mean that underlying biases in data used in machine learning are reinforced and, in some cases, amplified. When it comes to access to medicines, this could have far-reaching consequences for our world's already marginalised communities.

Our work

We were among 16 civil society organisations who received targeted core funding from the European Artificial Intelligence Fund so that we can address this challenge. HAI aims to strengthen the existing medicines policy expertise by recognising, understanding, and reflecting on the impact of AI/ADM in our research, advocacy, and communications activities.

“When it comes to access to medicines, biases in data could have far-reaching consequences for our world's already marginalised communities.”

“

It was a thrilling experience to be one of the first organisations jumping into the neglected space of the AI Act from a health perspective—and while being up against a strong MedTech lobby—our team made important connections and was able to influence the regulatory process in favour of strong fundamental rights protections of health AI.

Janneke van Oirschot
Research Officer



AI and Medicines Project Highlights

- In 2022, the AI and Medicines project co-lead a thematic network on AI and health inequality and was granted to opportunity to make a joint statement at the DG Santé European Commission, in collaboration with Brunel University.
- The team joined the European Medicines Agency (EMA) Multistakeholder group on digital tools for medicine risk minimisation, a channel through which HAI can provide input on the EMAs guidance on using digital tools to provide patient information of medicines.
- Our experts pressed for a health-centric AI Act, through producing research reports, blogs, advocating towards MEPs and their assistants, speaking at various events, as well as connecting with other organisations on the AI/ digital right ecosystem.



Supporting the Development of Pricing Policies to Improve Access to Affordable Medicines

Even though improved access to medicines and vaccines could save countless lives every year, the prices, availability, and affordability of medicines remains a major obstacle. Overstretched healthcare budgets in most countries are unable to provide needed medicines to all citizens, forcing patients to pay for medicines themselves. As a result, many people endure financial hardship—or even go without treatment. And patients, along with their families, friends, and communities, suffer needlessly. HAI provides tools, training, and technical support to those undertaking surveys on the price, availability and affordability of medicines.

Enhancing Advocacy through Research and Evidence

HAI's expert research team continuously produces research to support HAI's work across various projects. The research results in an up-to-date evidence base, crucial to advocacy for change. Achievements this year include the publication of various peer-reviewed articles, such as one of the perspectives of healthcare workers on access to SRH services in Zambia, Tanzania, Uganda, and Kenya (Ooms, G. I., van Oirschot, J., Okemo, D., Reed, T., van den Ham, H. A., & Mantel-Teeuwisse, A. K. (2022). *Healthcare workers' perspectives on access to sexual and reproductive health services in the public, private and private not-for-profit sectors: insights from Kenya, Tanzania, Uganda and Zambia*. BMC health services research, 22(1), 1-11).

“

In 2022 we worked closely together with our in-country partners to train over 60 local research assistants to collect data for the SHARP and Solutions project. Together, we rolled out our price, availability and affordability survey and healthcare worker survey in close to 700 health facilities in five of the project countries.

Gaby Ooms
Research Manager



Understanding Health-Seeking Behaviour of People Living in Rural Areas

The Generic Pharmacy Chain (GPC) project seeks to better understand the health-seeking behaviour of people living in rural areas to ensure the acceptability of generics and alignment of the GPC to their needs.

This past year saw the finalisation of the GPC project. A business case was developed for the project, which includes the costed models for a pilot programme which will provide proof of concept on the GPC's feasibility and effectiveness. The business case includes the management & financing structure, the costings for an initial hub and spoke model overseen by a central entity, gaining accreditation from National Health Insurance Management Authority, and staffing. The hope is that a pilot can be carried out.

“Even though improved access to medicines and vaccines could save countless lives every year, the prices, availability, and affordability of medicines remains a major obstacle.”

Kisumu County Sexual Reproductive Health Budgeting

In 2022, the Kisumu County SRH project continued its work on capacity strengthening. HAI, together with partner AtMP Kenya, held sensitisation workshops and follow-up meetings for CSOs, in which we developed action plans to improve SRHR. Follow-up meetings ensured continuous updates on action plans and planning for the months ahead.

HAI further organised Medicines Transparency Alliance (MeTA) forums, attended SRH technical working group meetings, and held individual advocacy meetings to disseminate our analysis of the SRH budget, review SRH policies, and advocate for increased and ringfencing of SRH commodity budgeting. Together with stakeholders, we developed a roadmap to set out priorities to strengthen sustainable financing of SRH commodities in Kisumu County for the next three years (which, will now be funding dependent).

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 as sustainable as possible, and, of course, that our projected outcomes are achieved. To make this happen, we employ 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.

In the last five years, we have developed, tried, and tested several indicators and connected methods of verification. We have cherry-picked the most appropriate and have adapted them to our own specifications across several of our key projects. Naturally, each project has its own set of measures, but it has helped us to start the formulation of an overarching organisational results framework. While we have been using IATI for our Dutch Ministry funded projects, we feel that this has not provided the level of transparency that we envision for HAI's results. In 2022, we will start publishing these results on the HAI website in order to maximise transparency.

Project Monitoring Software

After evaluating several options, in 2022 HAI decided to invest in a new project management

system, ProjectConnect. This cloud-based system, which is developed in cooperation with NGOs, will enable us to better keep track of the results of our project activities. It links the financial side of the project administration to the outputs of our work. Project managers will have real-time insight in the progress and expenditure of both our own and our partners activities. The implementation of the system started in June 2022 and the system was operational as of January 2023.

Gender & Health Index

We were again delighted to be recognised as a high-scoring organisation by Global Health 50/50 in their Gender and Health Index for our deliberate efforts to mainstream gender and inclusivity in all our projects and the culture of the organisation. We are on track, but more remains to be done in 2022 and beyond, particularly working with our partners in low- and middle-income countries.

Programmatic Challenges and Mitigation

Last year we claimed that the COVID pandemic had made us stronger and that remains true. It has shown in high definition the gross inequalities that plague the global distribution of wealth and health, and the COVID crisis is far from over in low- and middle-income countries. That is what we fight against, and now we know that even working under strained conditions, we can, and do, make a difference.

Beyond COVID, there are programmatic challenges faced by most NGOs, and change little year on year:

Challenge	Mitigation
In 2021 Annual Report we spoke about the poor youth representation in the HAI Europe Association Network. Whilst the issue remains, steps to mitigate the situation are starting to bear fruit.	HAI's full-time digital communications officer has enhanced our networking and brought new social media skills year-on-year increases in social media traffic. The HAI Europe Association, with HAI's support, have completed a series of virtual cafes, each with a theme, guest speakers and expert discussion. These will continue in 2023.
In the Annual report 2021, we noted 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.	In 2022, we began to see results by working with in-country partners, engendering knowledge transfer, ownership and local insight in ground-up projects.
It remains the case that that NGO size and public trust falsely equates with the delivery of results. As a result, the development 'industry' is dominated by a few monopolistic NGOs that continue to grow and merge. This leaves little room for smaller NGOs like HAI, 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.	Eschewing monopoly NGOs and large partnerships by 'going it alone' is a risk, given HAI's size, but we are pleased that it has proven successful and significant ground has been made in 2022.
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.	We have tightened our front facing commitment to gender and inclusiveness and have a strategy of 'walking the talk'. Where perceptible bias exists, we will lead by example, and project leads will be women, trained in how to confront bias in partner programmes, policies and practice.
We have increased 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. However, the donor landscape continues to shift, there remains a reluctance to fund core functions, necessary to run an organisation of HAI's size.	The strategy of donor diversification is helping somewhat, but overall, HAI's reluctance to 'grow for the sake of it' may have to be sacrificed if we are to accrue enough funding to support core functions that are sustainable. We cannot continue to thrive with the constant threat of job losses when projects reach their sunset, or worse, donors switch priorities.

Fundraising and Acquisition Activities

HAI's funding team, comprising representation from all 'departments', has continued to work tirelessly throughout 2022. As ever, all technical and non-technical staff are engaged in identifying opportunities and proposal-writing. We continue to look for discrete opportunities and renewals.

Artificial Intelligence and Medicines (renewal)	European AI Fund	Successful
Snakebite Envenoming	Nationale Postcode Loterij (NPL)	Rejected
Supporting Healthy Adolescents and Rights Protection (SHARP)	European Commission INTPA	Successful
NATUREnMIND	European Commission Horizon	Rejected
Support for groups working to advance global health (renewal)	Perls Foundation	Successful
Student-driven work (renewal)	Perls Foundation	Successful
Snakebite (renewal)	Henneke Foundation	Successful

Meanwhile, major sponsorship from institutional donors and foundations continues, and have been renewed with annual reports and forward looking workplan applications submitted on time.

The Partners for Change (P4C) programme 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 we now contract out specialist skills on a consultancy basis, to like-minded organisations.

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 impact (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. Beyond, policies and our core values, HAI rarely if ever, make donations or gifts as part of its corporate social responsibility practice.

Financial Policy and Results

Key Figures

During the financial year 2022, Stichting HAI spent €3,024,304 (2021: €1,896,403), of which €2,786,097 (92.3%) was spent on achieving HAI's objectives (2021: €1,756,549) and €183,276 on Management & Administration (2021: €97,129). This represents 6.1% of the total expenditure.

Expenditure on Income generation in 2022 was €54,931 (2021: €42,725). This represents 1.8% of the total expenditure.

The total expenditure of €3,024,304 originates fully from the income of the current year.

The result for 2022 shows an operating surplus of €11,716.

	objective	2022	2021	2020	2019	2018
Spent on fundraising vs total income	≤5%	1.8%	2.2%	0.5%	1.5%	3.9%
Spent on objectives vs total income	≥90%	91.8%	90.3%	94.9%	95.1%	93.5%
Spent on objectives vs total expenditure	≥91%	92.1%	92.6%	97.5%	96.5%	93.1%
Spent on management & administration vs total income	≤5%	6.0%	5.0%	1.8%	2.0%	3.1%

Continuity Reserve

The continuity reserve amounts to €206,350 as of 31 December, 2022. This is above the optimum level of €110,000–€150,000 that the HAI Foundation Board established in 2017. 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 the desired level.

Diversity of Funding

In the year 2022, 86.3% of the income of €3,036,020 consists of multi-year grants, and 13.7% of the income in year 2022 was incidental. The financial health and continuity of the organisation benefits from diversified funding streams. HAI invests in raising funds and the amount spent on income generation in 2022 (€54,931) has increased compared to 2021 (€42,725). This is mainly due to increased HAI staff efforts to obtain new grants, as always a priority for the organisation. These efforts have been successful in 2022, securing several multi-year grants for 2022 and beyond.

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 and the donor landscape needs to accept, at some point, core funding is essential to the maintenance of a vibrant and progressive NGO voice. Planning, organisational strategy and innovation are stifled by the constant threat of redundancy at all levels of an organisation, if employment is linked exclusively to activities on a limited funding cycle. Overheads and operational costs should be actual and reasonable, and not subject to political tension and the obsessional target driven funding of development corporations. There is no other sector where operational costs cannot be reasonably budgeted, and until they are, civil society organisations like HAI will continue to walk the knife edge of enlargement versus survival.

HAI’s policy of financial Diversification, Dispersion and Deflection, introduced five years ago, mitigates some of the risk.

‘Diversification’ refers to a widened and diversified funding base, so we are not dependent on a few or single donor(s). ‘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. Indeed, the range of donors is up from six in 2018

to twelve in 2022. 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 a new substantial project in 2022 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

Financial Risk	Heatmap	Mitigation	2022
Donor Priorities Change	25	Diversification of funding and increased number of donors, stay innovative	No direct challenges, but no new donors recruited.
Partner Priorities Change	23	Dialogue with partners and keep an open mind on new partnerships	Existing and new partners are engaged in new project .
Partner (conflicts) of interest change	24	Look for new partners	No challenges in 2022
HAI becomes over-priced	13	Maintain tight budget control on bids that are actual & reasonable	No challenges in 2022
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 2022
External Fraud	14	Zero tolerance policy /Transparency	No challenges in 2022
External ethical breach	14	Zero tolerance policy /Transparency	No challenges in 2022
External Safeguarding breach	14	Zero tolerance policy /Transparency	No challenges in 2022
Internal Fraud	6	Zero tolerance policy /Transparency	No challenges in 2022
Internal ethical breach	6	Zero tolerance policy /Transparency	No challenges in 2022
Internal Safeguarding breach	6	Zero tolerance policy /Transparency	No challenges in 2022
Competence drain	13	Staff benefits and CPE programme	No challenges in 2022
Failure to attract talent	13	Intern programme	No challenges in 2022

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				

Our Future

During 2022 HAI's statutes (constitution) was revisited to better reflect what we do and how we do it in a changed post-covid world.

Whereas previously our core work was 'access to medicines' in the broadest sense, over forty years of change in the donor landscape has driven new areas of work and competence.

For example, we could not have imagined in 1981, when HAI was founded, the profound impact that Artificial Intelligence would have on public health. And yet, here we are now with a ground-breaking AI programme that recognises the flaws in systems that will one day soon dictate the medical treatment we receive, including the diagnosis, prognosis and medicines we are prescribed. Moreover, in 1981, the world was only just waking up to the threat of global warming and antibiotic resistance, but we are now facing a crisis daily.

So HAI has to change to meet the challenges of the 21st century by broadening its scope, and it will be reflected in the new constitution when it is adopted in 2023.

HAI works towards a world in which health systems and policies provide equal opportunities for all, to achieve the highest attainable level of health, and in particular on:

- Access to medicines and their rational use
- Sexual reproductive health including maternal and child health
- Prevention, treatment and disease management
- Education and health information
- The impact of climate change on health
- Strengthening civil society at local, national, regional and global level.

The new constitution will also reflect changes in the law and a new model of governance and management, the so-called 'supervisory board' model, whereby more governance, accountability and responsibility are transferred to the senior managers, and the foundation board, currently accountable for the Stichting (foundation) takes on a supervisory role, with less responsibility. As was mentioned previously, this is already the way in which HAI operates, but it will be enshrined in the statutes. We expect the new constitution to enter into force in the first half of 2023.

BUDGET 2023

Approved by the Foundation Board in March 2023

	€	% of total income
INCOME		
Raised income	3,895,350	93.7%
Submitted proposals	260,143	6.3%
TOTAL INCOME	4,155,493	100.0%
EXPENDITURE		
Programme costs		
Direct project expenditure	2,678,303	64.4%
Staff costs	1,144,298	27.5%
Occupancy costs	78,382	1.9%
Office and general costs	94,229	2.3%
Depreciation	11,618	0.3%
Total Programme costs	4,006,830	96.4%
Income generation		
Fundraising costs	5,000	0.1%
Staff costs	49,393	1.2%
Total Income generation	54,393	1.3%
Communications		
Publicity and communications costs	4,050	0.1%
Staff costs	21,318	0.5%
Total Communications	25,368	0.6%
Management and Administration		
Staff costs	65,695	1.6%
Total Management & Administration	65,695	1.6%
TOTAL EXPENDITURE	4,152,285	99.9%
RESULT (Addition to Continuity reserve)	3,208	0.1%

3. FINANCIAL STATEMENTS 2022

BALANCE SHEET AS OF 31 DECEMBER 2022

	31 December 2022	31 December 2021	notes
	€	€	
ASSETS			
FIXED ASSETS			A
Tangible fixed assets	11,184	3,069	
Intangible fixed assets	21,500	-	
	32,684	3,069	
CURRENT ASSETS			
Receivables and prepaid expenses			
Grants to receive	-	113,984	B
Prepaid expenses	448,861	1,951	C
Other receivables	8,062	9,195	D
	456,923	125,130	
Cash and cash equivalents	2,141,614	1,535,378	E
	2,598,537	1,660,508	
TOTAL ASSETS	2,631,221	1,663,577	
LIABILITIES			
RESERVES AND FUNDS			F
Continuity reserve	206,350	194,634	
	206,350	194,634	
SHORT TERM LIABILITIES			
Grants received in advance	2,185,629	1,321,500	G
Taxes and social security premiums	71,642	27,684	H
Creditors	57,043	1,303	
Other debts	110,557	118,456	I
	2,424,871	1,468,943	
TOTAL LIABILITIES	2,631,221	1,663,577	

The 2022 result of € 11,716 is included in the Continuity reserve at 31 December 2022.

For further explanation of the notes, see pp. 38 and following.

STATEMENT OF INCOME & EXPENDITURE 2022

	Actual 2022 €	Budget 2022 €	Actual 2021 €	notes
INCOME				J
Income from foundations and charitable funds	1,880,218	1,870,626	1,541,951	
Government grants	1,151,808	2,062,811	352,291	
Income from own fundraising	-	500	1,177	
Income from services/products	360	89,610	46,387	
Other income	3,634	4,000	4,590	
TOTAL INCOME	3,036,020	4,027,547	1,946,396	
EXPENDITURE				
EXPENDITURE on objectives				K
ACCISS (Insulin)	909,335	1,082,447	853,589	
SHARP	806,365	1,354,900	-	
SRHR (Burundi)	358,363	663,498	114,455	
European projects	211,722	208,879	353,840	
Snakebite	209,906	164,693	191,192	
Generic Pharmacy Chain (Zambia)	72,249	89,481	120,381	
SRHR (Kenya)	57,534	54,132	48,280	
Artificial Intelligence and Medicines Policy	88,711	80,257	49,812	
Medicine Pricing & Global projects	6,324	-	2,168	
Consultancies	65,588	151,455	22,832	
Programme costs	2,786,097	3,849,742	1,756,549	
Income Generation				K
Fundraising costs	54,931	49,604	42,725	
Management and Administration				K
Management and administrative costs	183,276	108,115	97,129	
TOTAL EXPENDITURE	3,024,304	4,007,461	1,896,403	
Result before financial income and expenditure	11,716	20,086	49,993	
Financial income and expenditure: received Interest on saving account	-	-	-	
RESULT	11,716	20,086	49,993	
APPROPRIATION OF RESULT				
Additions to / deductions from:				
Continuity reserve	11,716	20,086	49,993	
	11,716	20,086	49,993	

CASH FLOW STATEMENT IN 2022

	Actual 2022 €	Actual 2021 €
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Result from the statement of income and expenditure	11,716	49,993
ADJUSTMENTS FOR:		
Depreciation	6,088	5,486
	6,088	5,486
CHANGES IN WORKING CAPITAL:		
Short-term receivables	(331,793)	(24,265)
Short-term debts	955,928	(132,705)
	624,135	(156,970)
	641,939	(101,491)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments in tangible fixed assets	(13,589)	(1,951)
Investments in intangible fixed assets	(22,114)	
	(35,703)	(1,951)
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Changes in cash and cash equivalents	606,236	103,442
Cash and cash equivalents		
Balance per 1 January	1,535,378	1,638,820
Balance at 31 December	2,141,614	1,535,378
Changes in cash and cash equivalents	606,236	(103,442)

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 2022 are compared with the budget as approved by the HAI Foundation Board and 2021 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). 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. It is therefore not a 'fundraising institution' as defined in guideline RJ 650, but 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, 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 implementation of HAI's project management software system. 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 2022				
	€				
	Tangible fixed assets			Intangible fixed assets	
	Computers and peripherals	Office furniture	Total tangible fixed assets	Software	Total intangible fixed assets
Balance as of 1 January					
Acquisition value	42,894	18,865	61,759		
Accumulated depreciation	(41,776)	(16,914)	(58,690)		
Carrying value as of 1 January	1,118	1,951	3,069	-	-
Movements					
Acquisitions	12,653	936	13,589	22,114	22,114
Disposals	(15,618)	-	(15,618)		
Depreciation	(3,330)	(546)	(3,876)	(614)	(614)
Depreciation on disposals	14,020	-	14,020		
Total movements	7,725	390	8,115	21,500	21,500
Balance as of 31 December					
Acquisition value	39,929	19,801	59,730	22,114	22,114
Accumulated depreciation	(31,086)	(17,460)	(48,546)	(614)	(614)
Carrying value as of 31 December	8,843	2,341	11,184	21,500	21,500
Depreciation percentages per year	33%	20%		33%	

Computers and peripherals: Acquisitions in 2022 consisted of laptops and screens. The laptops were replacements of obsolete equipment, which were disposed of.

HAI also had a server for its administrative software, this machine was disposed of in 2022 and was replaced by a cloud solution.

Software: HAI invested in ProjectConnect, a cloud-based project management software system. The implementation of this system is in the software acquisitions.

Office furniture: a few office chairs were acquired in 2022.

All fixed assets are used for HAI's operations.

B. GRANTS TO RECEIVE

	31 December 2022	31 December 2021
	€	€
Government grants		
Dutch Ministry of Foreign Affairs - HSA	-	50,356
European Commission/HADEA	-	63,628
Carrying value as of 31 December	-	113,984

C. PREPAID EXPENSES

	31 December 2022	31 December 2021
	€	€
Prepaid expenses	18,907	1,951
Prepaid to partners	429,954	-
Carrying value as of 31 December	448,861	1,951

D. OTHER RECEIVABLES

	31 December 2022	31 December 2021
	€	€
Other receivables	4,702	5,578
Deposits	3,360	3,360
Advances	-	257
Carrying value as of 31 December	8,062	9,195

E. CASH & CASH EQUIVALENTS

	31 December 2022	31 December 2021
	€	€
ING current USD-account	881,846	1,038,535
ING current Euro-account	1,049,612	295,672
Triodos current Euro-account	109,179	100,424
ASN savings Euro-account	99,961	99,971
Cash foreign currencies	985	755
Cash euro	31	21
Carrying value as of 31 December	2,141,614	1,535,378

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.

F. RESERVES AND FUNDS

	31 December 2022	Additions 2022	Deductions 2022	31 December 2021
	€	€	€	€
Reserves				
Continuity reserve	206,350	11,716	-	194,634
Carrying value as of 31 December	206,350	11,716	-	194,634

The continuity reserve amounts to €206,350 as of 31 December 2022. This is above the optimum level of €110,000–€150,000 that the HAI Foundation Board established in 2017. 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 the desired level.

G. GRANTS RECEIVED IN ADVANCE

	31 December 2022	31 December 2021
	€	€
Foundations and charitable funds		
Helmsley Charitable Trust	866,692	545,502
Open Society Foundations	25,472	107,865
Camino Global Foundation/Perls Foundation	95,344	97,569
Hennecke Foundation	116,206	99,818
Lillian Lincoln Foundation	-	148,849
Unitaid	-	66,845
Waterloo Foundation	2,192	59,672
Other Foundations	15,332	7,819
	1,121,238	1,133,940
Government grants		
Embassy of the Kingdom of the Netherlands in Burundi	202,385	187,560
European Commission	862,006	-
	1,064,391	187,560
Carrying value as of 31 December	2,185,629	1,321,500

H. TAXES AND SOCIAL SECURITY PREMIUMS

	31 December 2022	31 December 2021
	€	€
Wage tax and social security premiums	71,642	29,822
Pensions	-	(2,138)
Carrying value as of 31 December	71,642	27,684

I. OTHER DEBTS

	31 December 2022	31 December 2021
	€	€
Outstanding payments to partners	-	24,314
Salaries and holiday pay	53,001	47,847
Provision for holidays not taken	27,210	28,299
Audit costs	30,270	16,129
Other debts	76	1,867
Carrying value as of 31 December	110,557	118,456

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 2021 for an additional five years. The rental costs for 2022 amount to €48,747.

Since August 2021 HAI has a service agreement for its multifunctional printer/copier of €858 per year (including VAT). The duration of this service contract is 60 months.

EXPLANATORY NOTES TO THE STATEMENT OF INCOME & EXPENDITURE 2022

J. INCOME

	Actual 2022	Budget 2022	Actual 2021
	€	€	€
Income from foundations and charitable funds			
Perls Foundation	77,904	77,915	34,852
European Artificial Intelligence Fund	84,264	87,215	52,181
Helmsley Charitable Trust	973,639	1,096,723	930,712
Hennecke Foundation	100,483	103,313	98,762
IDA Charity Foundation	92,500	92,500	92,500
Lillian Lincoln Foundation	148,849	77,485	113,184
Open Society Foundations	82,394	42,865	64,016
Unitaid	170,114	166,250	99,828
The Waterloo Foundation	57,480	57,485	53,029
Other funds	92,591	68,875	2,887
	1,880,218	1,870,626	1,541,951
Government grants			
Dutch Ministry of Foreign Affairs	-	-	23,159
European Commission	731,854	1,354,628	213,692
Embassy of the Kingdom of the Netherlands in Burundi	419,954	708,183	115,440
	1,151,808	2,062,811	352,291
Income from own fundraising			
Donations and gifts	-	500	1,177
	-	500	1,177
Income from services/products			
Consultancies	292	89,610	46,284
Publications	68	-	103
	360	89,610	46,387
Other income			
Membership fees	3,634	4,000	4,590
	3,634	4,000	4,590
Total income	3,036,020	4,027,547	1,946,396

K. DISTRIBUTION OF EXPENDITURE

Projects	Expenditure						Total €
	Direct Project Ex- penditure	Publicity & Communica- tions	Staff Costs	Occupancy Costs	Office & Ge- neral Costs	Depreciation	
	€	€	€	€	€	€	
ACCISS (Insulin)	567,242	966	303,618	17,579	18,499	1,431	909,335
European projects	42,422	478	150,259	8,700	9,155	708	211,722
Snakebite	84,133	355	111,628	6,463	6,801	526	209,906
SRHR (Burundi)	155,582	573	179,975	10,420	10,965	848	358,363
Generic Pharmacy Chain (Zambia)	43,426	81	25,581	1,481	1,559	121	72,249
SRHR (Kenya)	38,027	55	17,313	1,002	1,055	82	57,534
Artificial Intelligence and Medicines Policy	23,350	185	58,010	3,359	3,534	273	88,711
Medicine Pricing & Global projects	6,179	-	129	7	8	1	6,324
SHARP	542,444	745	234,238	13,562	14,272	1,104	806,365
Consultancies	65,588	-	-	-	-	-	65,588
All projects	1,568,393	3,438	1,080,751	62,573	65,848	5,094	2,786,097
Income generation	195	155	48,579	2,813	2,960	229	54,931
Management & administration		518	162,662	9,418	9,911	767	183,276
Actual 2022	1,568,588	4,111	1,291,992	74,804	78,719	6,090	3,024,304
Budget 2022	2,510,883	3,700	1,338,075	70,543	74,763	9,500	4,007,464
Actual 2021	622,049	3,204	1,234,125	65,225	(33,686)	5,486	1,896,404

STAFF

	Actual 2022	Budget 2022	Actual 2021
	€	€	€
Gross salaries	998,723	1,028,383	962,205
Social security premiums	132,109	154,258	139,792
Pension costs	113,337	121,043	102,066
Other staff costs	47,824	34,391	30,062
	1,291,993	1,338,075	1,234,125

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 2022 from €1,535,378 at 1 January, 2022, to €2,141,614 at 31 December, 2022. The increase of €606,236 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 office equipment and software (see explanatory note on fixed assets). The disinvestment concerns replaced laptop computers and software.

Remuneration of Executive Director & Foundation Board

Members of the Foundation Board are volunteers, and do not receive remuneration or allowances for their work, nor did they, as of 31 December 2022, or during 2022, have outstanding loans, advances or guarantees.

The remuneration of the Executive Director is as follows in 2022:

REMUNERATION EXECUTIVE DIRECTOR		
	Actual 2022	Actual 2021
EMPLOYMENT		
Term	Indefinite	Indefinite
Hours (full-time)	36.00	36.00
Part-time percentage	100%	100%
Period	Jan-Dec 2022	Jan-Dec 2021
REMUNERATION	€	€
Annual income		
Gross salary	108,924	106,493
Holiday allowance	8,734	8,527
Year-end allowance	11,689	-
Variable annual income	-	-
Untaken leave (accrued in previous year)	-	-
Total annual income	129,347	115,020
Taxable allocations	-	-
Pension costs (employer share)	26,747	26,222
Provisions for future payments	-	-
End of service benefits	-	-
Total salary and employer charges	156,094	141,242

KEY FIGURES

	objective	2022	2021	2020	2019	2018
Spent on fundraising vs total income	≤5%	1.8%	2.2%	0.5%	1.5%	3.9%
Spent on objectives vs total income	≥90%	91.8%	90.3%	94.9%	95.1%	93.5%
Spent on objectives vs total expenditure	≥91%	92.1%	92.6%	97.5%	96.5%	93.1%
Spent on management & administration vs total income	≤5%	6.0%	5.0%	1.8%	2.0%	3.1%

VARIANCE ANALYSIS

Income

The income from Government grants in 2022 is €911,003 lower than the budgeted amount. This is mainly due to a late start of the new SHARP project.

Expenditure

The expenditure on objectives is €1,063,645 lower than budgeted. As with the income from Government grant, this difference is for the biggest part due to the SHARP project starting later than planned. Some other projects (ACCISS (Insulin), SRHR (Burundi)) have also spent less than budgeted, mostly due a slow startup after Covid-19 restrictions.

Expenditure for Management & Administration is €75,161 higher than budgeted. Staff members have spent more time than budgeted on the implementation of the new project management system.

Amsterdam, 31 March 2023

Cecilia Sison
Chair Foundation Board

Tim Reed
Executive Director, Health Action International

On behalf of the Health Action International
Foundation Board:

- Briec-Yves (Mellouki) Cadat Lampe
- Joel Lexchin
- Francisco Rossi

- Marcus Vreeburg
- Patricia Porekuu

INDEPENDENT AUDITOR'S REPORT

To: the Board and management of Stichting Health Action International

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 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 2022 and of its result for 2022 in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the statement of income and expenditure for 2022; 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 financial statements' section of our report.

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

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

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

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

- is consistent with the financial statements and does not contain material misstatements;

- contains all the information regarding the management report and the other information as required by the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

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 is responsible for the preparation of the management report and other information in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

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

As part of the preparation of the financial statements, the Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board 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 foundation'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 assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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 the Board 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.

Was signed at Slidrecht, 17 April 2023.

WITh Accountants B.V.
P. Alblas RA