

EVIDENCE  
ADVOCACY  
CHANGE



Annual Report 2023

**HAI** HEALTH  
ACTION  
INTERNATIONAL



# ANNUAL REPORT 2023

# EVIDENCE ADVOCACY CHANGE

**May 2024**



**Publisher**

Health Action International  
Overtoom 60 (2) | 1054 HK Amsterdam  
The Netherlands  
+31 (0) 20 412 4523

**HAIWEB.ORG**

**Copyright**

This report is licensed under a Creative Commons Attribution-NonCommercial 4.0 International Licence. View a copy of this licence at [www.creativecommons.org/licenses/by-nc/4.0](http://www.creativecommons.org/licenses/by-nc/4.0).

# CONTENTS

|          |  |           |
|----------|--|-----------|
| <b>1</b> | <b>INTRODUCTION</b>                    | <b>4</b>  |
| <b>2</b> | <b>BOARD REPORT</b>                    | <b>6</b>  |
|          | Our Vision                             | 6         |
|          | Our Mission                            | 6         |
|          | Governance & Leadership                | 6         |
|          | Staff & Team Management                | 8         |
|          | Code of Conduct                        | 9         |
|          | <b>Projects &amp; Highlights</b>       | <b>10</b> |
|          | Fundraising & Acquisition              | 19        |
|          | Corporate Social Responsibility        | 20        |
|          | Financial Policy & Results             | 20        |
|          | Risk Assessment                        | 21        |
|          | <b>Budget 2024</b>                     | <b>24</b> |
| <b>3</b> | <b>FINANCIAL STATEMENTS 2023</b>       | <b>25</b> |
|          | Balance sheet as of 31 December 2023   | 25        |
|          | Statement of Income & Expenditure 2023 | 26        |
|          | Cash Flow Statement in 2023            | 27        |
|          | Explanatory Notes                      | 28        |
|          | <b>Independent Auditor's Report</b>    | <b>39</b> |

# 1. INTRODUCTION

**Evidence. Advocacy. Change.** In these three words we define what gives life to Health Action International (HAI). They embody who we are and what we do as an organisation, and reflect the spirit which guides us as we carry out our work day-to-day. In the coming five years, HAI will harness the collective strength of its growing network to embrace new challenges and new threats, but also fresh opportunities in this ever-changing world.

Evidence, advocacy, change became particularly important in 2023 as we put in place a new Constitution. This change not only aptly captures our objectives and mission, particularly in the light of a new landscape that emerged post-pandemic, but also made governance more efficient and aligned with current Dutch thinking by seeing the transition from a nine-person Foundation Board to a lean three-person Supervisory Board.

The new Board is particularly proud of the work and achievements of the HAI team which continued unabated throughout 2023. We hit the ground running in all of our key projects.

On *sexual and reproductive health*, working with our in-country implementing partners, we published a huge amount of new research on access to services and commodities across the Great Lakes Region. Localised interventions are now being used to good effect in advocacy efforts on the ground.

Meanwhile, we remained leaders in discussions evolving around *artificial intelligence (AI) and health policy*, bringing together a broad range of civil society stakeholders in purposeful discussions on the impact of AI in the global health arena. Our work on *access to insulin* produced important data on affordability, but also looked increasingly towards access to diagnostics and education.

On the broader front, HAI continued advocating at the World Health Organization (WHO) for a pandemic treaty that centres on *equitable access to health technologies* in whatever health emergency awaits us around the corner. We sought initiatives that focused on the link between climate change and global health. Finally, we continued our work on *snakebite envenoming*, with our comic book for children translated into French and having reached over 1000 school children in Kenya alone.

I now take this opportunity to salute the entire HAI team for the hard work, determination, and commitment to fulfill our mission, and to driving change for the greater good.

Thank you.

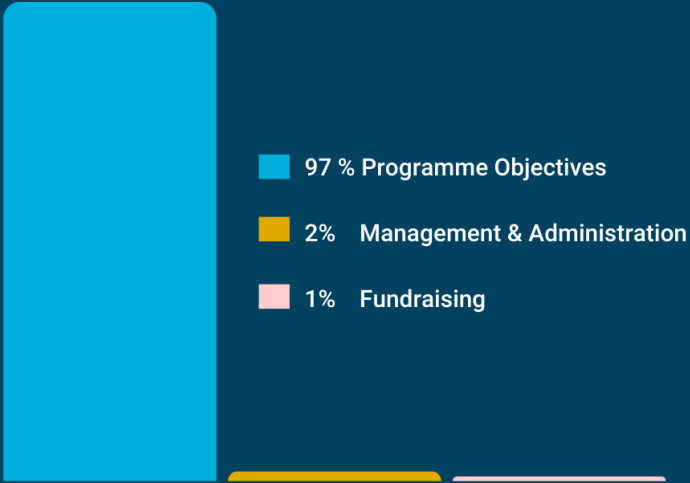
*Cecilia Sison*

Chair, HAI Supervisory Board

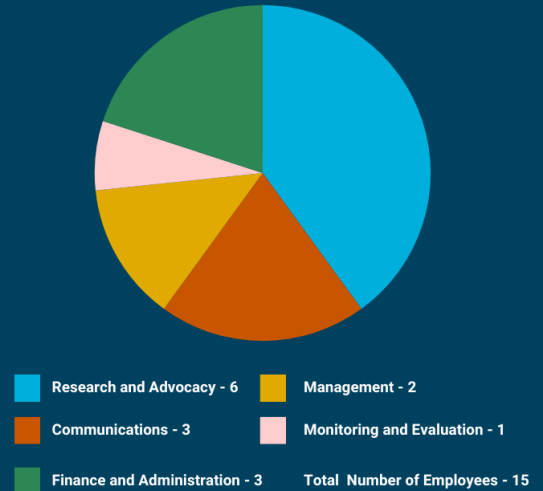


# 2023 AT A GLANCE

## How we spend our funding



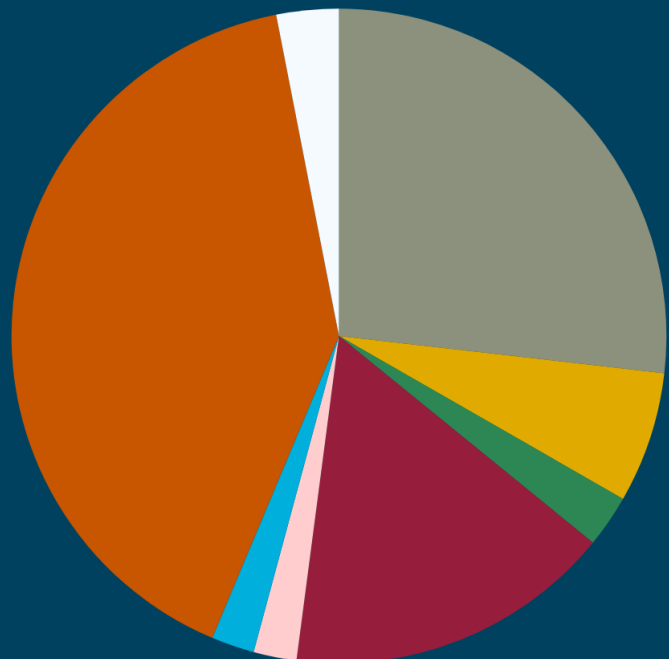
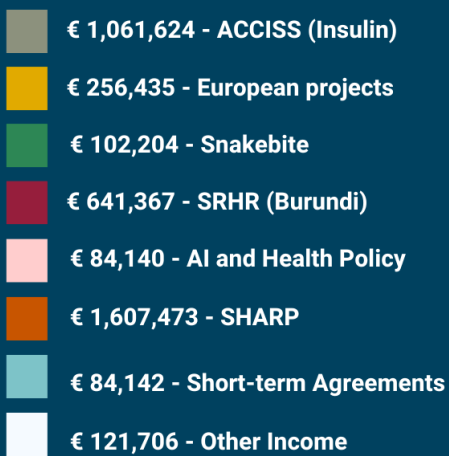
## Staff Composition



## Gender Balance



## Income by Programme Area



## 2. BOARD REPORT

### OUR VISION

At HAI, we are dedicated to advancing policies that enable all people to realise the human right to the highest attainable level of health. To make this a reality, our team and global network carry out research to inform evidence-based advocacy for equitable access to affordable medicines and healthcare.

### OUR MISSION

Inequality, overstretched health systems, climate change, the impact of conflict, the growth of new technologies and the irrational use of medicines are just some of the factors that threaten global health and well-being, with vulnerable and marginalised communities at particular risk of harm. HAI focuses on creating long-lasting change to government and industry policies and practices, rather than on temporary solutions. We pursue advocacy from the patient level right up to the highest levels of government, including through our 'Official Relations' status with the World Health Organization (WHO).

### HOW WE WORK

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.

### GOVERNANCE & LEADERSHIP

In 2023, we undertook an overhaul of our constitution. A major aspect of this renewal was a change in the structure of HAI governance, taking us from a nine-person Foundation Board to a more streamlined and fit for purpose three-person Supervisory Board. In practice, the Board had long acted in a Supervisory role, with day-to-day management and decisions delegated to the team in Amsterdam. Therefore, from an outside perspective, little has changed. What has changed is the overall accountability of the Foundation, with that now lying with a Management Board, which is Chaired by the Executive Director.

Ensuring continuity, the members of first iteration of this new Supervisory Board model were also part of the previous Board, including Cecilia Sison (Chair), Marcus Vreeburg (Treasurer) and Brieuic-Yves Cadat-Lampe (Member), who bring a wealth of knowledge and experience to our work. As with the previous constitution, each Board Member is appointed for a period of four years and may be reappointed once, serving a maximum of eight years.

The task of the Board is to supervise the policies of the Management Board, meeting at least twice a year to outline strategic policy and the general finances and management of HAI. HAI's annual report and accounts require approval by the Board, who also appoint an external auditor to examine our finances and provide an independent opinion.

## 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



**Briec-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.

## Executive Director

Dr Tim Reed was appointed as Executive Director in 2006. Under the new constitution, the Executive Director also Chairs the Foundation's Management Board, which consists of one to three members, as determined by the Supervisory Board.

In the role of Chair of the Management Board, the Executive Director determines the vision, strategic goals, policies, sets financial guidelines and has the ultimate responsibility for day-to-day management. While the Executive Director has overall responsibility and is accountable to the Supervisory Board, a Leadership Team, with representation from across the organisation,

was established in 2023 to reflect our flat organisational structure and democratise decision making.

## Remuneration of Executive Director & Supervisory Board

Members of the Supervisory Board are volunteers, and do not receive remuneration or allowances for their work, nor did they, as of 31 December 2023, or during 2023, have outstanding loans, advances or guarantees. The remuneration of the Executive Director can be found in the Annual Accounts on page 37.



## STAFF & TEAM MANAGEMENT

In 2023, we continued with our hybrid working model of fifty percent of time spent working from the office and the other half working from home. It remained a popular policy with staff, enabling more flexibility and a positive work/life balance, which in turn boosts productivity in the quest to reach our goals. To maintain team cohesion, all staff (where possible) are present in the office simultaneously one day a week, while other office working days are spread out over the week, not least to ensure there is a daily presence on the office floor.



There were a few changes to the team over 2023. Our Snakebite Project Manager left to pursue new challenges in the UK, with the position being absorbed by the existing team, including through closer cooperation with our in-country implementing partner in Kenya. Meanwhile, we also said goodbye to our Planning, Monitoring and Evaluation (PME) Officer early in the year, followed later in the year by the PME Manager. We were fortunate that our Communications Officer was able to support the then PME Manager in the interim, with this move benefitting both teams and demonstrating the importance of cross-team working. We were also pleased to quickly fill the PME Manager vacancy with a new colleague bringing with them a wealth of knowledge and experience in the non-profit sector.

We also continued our popular internship programme, working with enthusiastic students from a range of backgrounds. These included research on antimicrobial resistance national

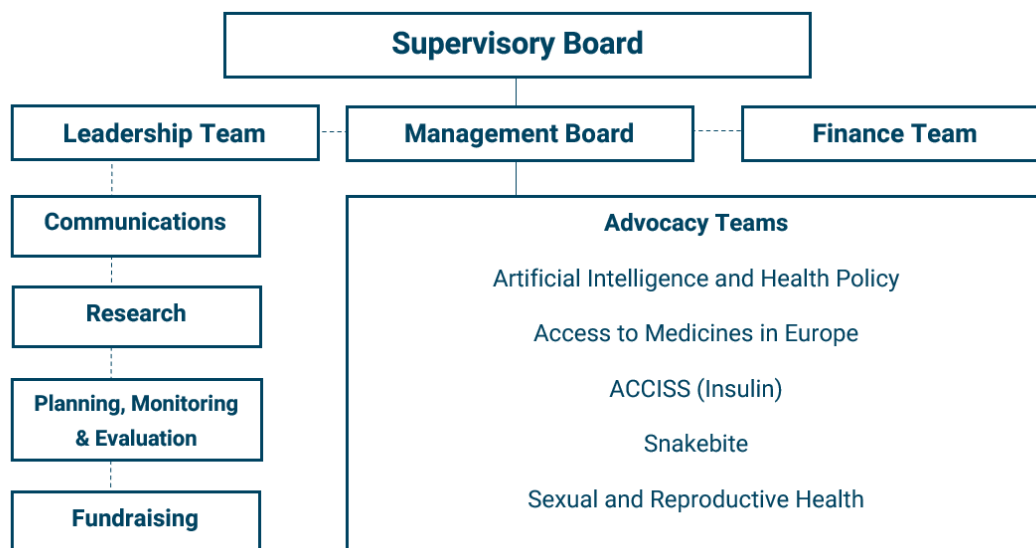
action plans, a legal intern in the AI team and two further research interns working on sexual and reproductive health.

No long-term sick leave occurred in 2023 and HAI's team structure remains unchanged. This is based on a 'support management hierarchy', harnessing and leveraging the expertise of our entire staff in support of the interventions made by our Policy Advisors, positioned at the top of the pyramid (see image below). 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.

While our way of working stayed the same, we developed a new organisational organigram to better reflect the new constitution (see below).

|                                | 31 December 2023        | 31 December 2022        |
|--------------------------------|-------------------------|-------------------------|
| Number of employees            | 15                      | 17                      |
| Number of FTEs                 | 14.4                    | 16.6                    |
| Composition staff              | 67.7% women / 33.3% men | 70.6% women / 29.4% men |
| Permanent/ temporary contracts | 9 / 6                   | 12 / 5                  |
| Average age                    | 48                      | 43                      |
| Sick leave percentage          | 2.62%                   | 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. In 2023, we introduced a new Image Use Policy that compliments the Safeguarding Policy to ensure our use of imagery upholds our core values and respects the dignity of all the subjects depicted. The policy demands informed consent with ethical safeguards applying to all subjects, regardless of geographic location or socio-economic status. Images we produce must also be equitable, accurate, and serve to counter stereotypes.

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.

- 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.
- 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 & HIGHLIGHTS

## ARTIFICIAL INTELLIGENCE & HEALTH POLICY

We believe that the EU must protect fundamental rights in the digitalisation of health systems. HAI therefore works tirelessly to ensure trustworthy algorithmic technologies and their responsible use in health systems, striving for technology that benefits us all and upholds our fundamental rights.

### HIGHLIGHTS:

- Developed a Joint Statement on AI and health inequality for the European Commission's Health Policy Platform, endorsed by 30 organisations and individuals.
- Built a network of civil society organisations and academics to coordinate advocacy on tech & health issues.
- Held advocacy meetings with high level politicians and policy makers in the EU and the Netherlands, who have been receptive to our input, and which is making us an increasingly recognised voice in the tech space.



Working with in-country implementing partners in the EU-funded SHARP Project, we are advocating to increase demand and supply to crucial services and commodities, including family planning, for adolescents, particularly girls, in the Great Lakes Region. Meanwhile, in Burundi, we take a multi-stakeholder approach to improving access and availability of SRH commodities, particularly modern family planning methods and sanitary products.

### HIGHLIGHTS:

- Religious and traditional leaders have become advocates for adolescent sexual and reproductive health (ASRH), disseminating positive and correct information and raising awareness in their communities.
- Examples of policy changes in favour of quality ASRHR services and better access to SRH commodities through the involvement of local partners in the development or improvement of national youth policies.
- Publication of 14 reports developed as part of two studies carried across the six SHARP countries on availability, stockouts and affordability of essential SRH commodities and surveying healthcare workers to identify barriers to access and use of SRH services.



Since its inception, HAI's 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.

**HIGHLIGHTS:**

- Over 80 participants from more than 20 countries joined the ACCISS Multistakeholder Meeting in Amsterdam in December to share knowledge, expertise and the latest developments.
- Held a popular session on the future of access to insulin in the main hall of European Congress on Tropical Medicine and International Health (ECTMIH2023), livestreamed to a global audience.
- Working with national partners in Kyrgyzstan, Mali, Peru and Tanzania, we conducted price and availability monitoring in facilities and households of insulin, diabetes diagnostics and related supplies. In 2023 introduced new questions on affordability to contribute to the monitoring of WHO's target on ensuring 100% access to insulin for people living with type 1 diabetes.




Improving equitable access to affordable medicines is at the heart of our work in the EU. We promote the use of TRIPS flexibilities and other intellectual property management tools and capacitate our civil society partners in scrutinising the work of the EU institutions, regulatory authorities and national governments.

**HIGHLIGHTS:**

- After working with various MEPs, an amendment was passed in the European Parliament to confirm compulsory licenses as policy tools beyond emergencies, potentially clearing a path to easier access to generic medicines.
- Contributed to the revision of the EU Pharmaceutical Legislation through consultations and leading in the alignment of EU-based NGOs through our ad-hoc coordination mechanisms.
- Provided expertise to the global discussions on Pandemic Prevention Preparedness and Response, participating in working sessions of Working Group on the International Health Regulations and the Intergovernmental Negotiating Body (INB).





Partnering with Access to Medicines Platform Form Keya, we focus on empowering communities and healthcare workers through capacity strengthening and education on effective prevention, first aid, management and treatment of snakebite.

## HIGHLIGHTS:

- The Snakebite Community Engagement Network (SCEN) launched in July and now has 50 members from 20 different low- and middle-income countries.
- Our snakebite prevention comic book, “Safiya’s 8 secrets”, was translated into French, with other languages in the pipeline, including Kinyarwanda.
- The Snakebite schools programme was extended into six new schools in Kenya with a further 700 copies of “Safiya’s 8 Secrets” handed to school children (taking to the total to over 1000).



RESEARCH

ADOLESCENT-FRIENDLY HEALTH SERVICES IN TANZANIA

Healthcare Workers' Perspectives on Barriers and Services Offered

SEXUAL AND REPRODUCTIVE HEALTH COMMODITIES IN TANZANIA: AVAILABILITY, STOCKOUTS AND AFFORDABILITY



REPORT  
SEXUAL AND REPRODUCTIVE HEALTH COMMODITIES IN KENYA: AVAILABILITY, STOCKOUTS AND AFFORDABILITY

ANTIMICROBIAL RESISTANCE ACTION PLANS IN THE EU

A Comparative Analysis of National Antimicrobial Resistance Action Plans in Italy, the Netherlands and the United Kingdom

REPORT  
SEXUAL AND REPRODUCTIVE HEALTH COMMODITIES IN ISIOLO COUNTY, KENYA: AVAILABILITY, STOCKOUTS AND AFFORDABILITY


REPORT  
SEXUAL AND REPRODUCTIVE HEALTH COMMODITIES IN ZAMBIA: AVAILABILITY, STOCKOUTS AND AFFORDABILITY

REPORT  
SEXUAL AND REPRODUCTIVE HEALTH COMMODITIES IN RWANDA: AVAILABILITY, STOCKOUTS AND AFFORDABILITY

It was a particularly busy year for HAI's Research Team who faced a huge task in analysing and reporting on the evidence gathered across the six SHARP countries, both on availability and affordability of SRH commodities, and on health worker perspectives on access to adolescent friendly health services.

Meanwhile, there was research carried out on national AMR action plans in Europe as well as a paper finalised on access to snakebite medicines in Rwanda. Working on behalf of the WHO, we carried out a review of availability of medicines for substance use disorder and a scoping review on informal medicines markets. The former was also the focus of a three-day meeting of the WHO's Informal Market Working Group, organised by HAI in Utrecht, the Netherlands.





With the launch of the new constitution came a need to refresh our mission and vision. The Communications Team worked closely with the Executive Director and Deputy Director to produce something that accurately reflects our work and goals. After much careful consideration, we also came up with the updated tagline: **Evidence, Advocacy, Change**. The knock-on effect of this was the need to refresh the look of our digital channels using the new tagline. But the biggest change came to the website. The team held a workshop to carry out a full audit of the website, looking at what worked, what didn't, and how to improve user experience overall, with the results now live on the website.

We also put more emphasis on expanding our network of journalists, particularly in Europe, through stepping up our outreach and relationship building, as well as organising a breakfast briefing for Brussels-based journalists. This briefing resulted in coverage of our positions on the EU's AI Act. Elsewhere in the media, the work of ACCISS was the focus of a Guardian article on the affordability of insulin in LMICs and provided an expert civil society perspective on a range of articles covering access to medicines, AI and pandemic treaty negotiations.

Using social media quizzes, audio clips and videos, as well as creating a giant jigsaw puzzle which was put to use outside the United Nations in Geneva during the World Health Assembly, the HAI Communications Team continued to pioneer new ways of engaging audiences and increasing impact.





## PLANNING, MONITORING & 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.

A particular highlight of 2023 were a number of PME workshops organised during the SHARP Annual Reflection Meeting, held in Nairobi in April. The PME elements included engaging scenario-based exercises to get partners used to using monitoring and reporting tools in a “safe” environment, but had the added effect of building team cohesion!



## PROGRAMATIC CHALLENGES & MITIGATION

| Challenge  | Mitigation  |
|--|---|
| <p>Historically, we have been concerned about the poor youth representation in the HAI Europe Association Network. A new board for the association has been installed with greater youth representation.</p>                                       | <p>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 2024.</p>   |
| <p>It remains the case that the public and many donors falsely equate NGO size and 'gloss' with the delivery of results. As a result, the development 'industry' remains dominated by a few monopolistic NGOs that continue to grow and merge.</p> | <p>Eschewing monopoly NGOs and large partnerships by 'going it alone' is a risk, and whilst it has proven successful in the short term, we will again court relationship with the leading NGOs in the field.</p>  |
| <p>Gender bias remains one of the most significant barriers to successful development programmes, and while donors and civil society recognise the impact of gender, it is often lost on the target group.</p>                                     | <p>We have tightened our front facing commitment to gender and inclusiveness. 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.</p>  |
| <p>Recognition by donors and NGOs alike that development needs to be ground up and driven by local knowledge and context has the potential to be misinterpreted. HAI fully support decolonisation of development as a process.</p>                 | <p>We will attempt to convince donors that decolonisation of development is a process, and not something that needs to be implemented by the wholesale withdrawal of funding from "Northern" NGOs. HAI never opens offices in target countries but work through implementing partners based in the countries in which we have target populations. We will embrace decolonisation of development and continue to rely on implementing partners to provide context and make sure that we are delivering what our target group wants, not what Northern institutions think is right.</p> |

## FUNDRAISING & ACQUISITION ACTIVITIES

HAI's funding team, comprising representation from all projects, meets weekly and has worked tirelessly throughout 2023 and, 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.

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 able to contract out specialist skills on a consultancy basis, to like-minded organisations. With this in mind, as can be seen in the above table, HAI won bids to work on a contract basis with WHO.

| UNSOLICITED PROPOSALS  |            |  |
|--|------------|--|
| Giekses Strijbis Fonds   | Nov 2023   | Unsuccessful                               |
| Charles Stewart Mott Foundation  | Dec 2023   | Unsuccessful                               |
| BIDS FOR OPEN CALLS  |            |  |
| WHO (Department of Substandard & Falsified Medical Products)                             | April 2023 | Successful                                 |
| WHO (Department of Mental Health and Substance Use)                                      | Aug 2023   | Successful                                 |
| HORIZON Environment and Health   | Sep 2023   | Unsuccessful                               |
| The Clean Air Fund   | Sep 2023   | Unsuccessful                               |
| Nederlandse Postcode Loterij   | Sep 2023   | Unsuccessful                               |
| SOLICITED PROPOSALS  |            |  |
| The Waterloo Foundation  | Nov 2023   | Unsuccessful (change of funder's strategy) |
| WHO Falsified Medicines in Unregulated markets (consultancy)                             | July 2023  | Successful                                 |
| WHO Methodologies for access to medicines used for substance use disorders (consultancy) | Aug 2023   | Successful                                 |

## 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 and will be extended in 2024 with a carbon audit. 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 in the use of paper,

energy, water, office supplies, transportation, 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 & RESULTS

### Key Figures

During the financial year 2023, Stichting HAI spent €3,823,228 (2022: €3,024,304), of which €3,713,106 (97.12%) was spent on achieving HAI's objectives (2022: €2,786,097) and €86,182 on Management & Administration (2022: €183,276). This represents 2.21% of the total expenditure. Expenditure on Income generation in 2023 was €23,940 (2022: €54,931). This represents 0.63% of the total expenditure.

The result for 2023 shows an operating surplus of €139,245.

### Reserves & Funds

#### Continuity Reserve

The continuity reserve amounts to €250,139 as of 31 December 2023. HAI aims to be able to pay at least 6 months salary (of all employees) and 4 months general costs with the continuity reserve. The wage costs for 6 months amount to a little over 350k and the general costs (housing, office and depreciation costs) amount to approximately 70k.

Its purpose is to offer continuity to the organisation and its staff for a temporary decrease in income.

In 2023, the Executive Director, in coordination with the Supervisory Board, decided to create two new reserves: the fundraising reserve (20k) to anticipate current social, economic and political developments and Project SHARP reserve (75k) for the final settlement of Project SHARP in 2026.

### Diversity of Funding

83.3% of the income of €3,959,091 consists of multi-year grants, and 16.83% of the income in year 2023 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 2023 (€23,940) has decreased compared to 2022 (€54,931).



# RISK ASSESSMENT

## 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, as we have said previously, the donor landscape must accept that 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 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 such as 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, continues to mitigate 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.

## 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 have been no challenges 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.

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

| Risk   | Heatmap | Mitigation   | 2023  |
|--|---------|--|---|
| 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 2023   |
| HAI becomes over- priced                       | 13      | Maintain tight budget control on bids that are actual & reasonable         | No challenges in 2023   |
| 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 2023   |
| External Fraud                                 | 14      | Zero tolerance policy / Transparency                                       | No challenges in 2023   |
| External ethical breach                        | 14      | Zero tolerance policy / Transparency                                       | No challenges in 2023   |
| External Safeguarding breach                   | 14      | Zero tolerance policy / Transparency                                       | No challenges in 2023   |
| Competence Drain                               | 13      | Staff benefits and CPE programme   | No challenges in 2023   |
| Failure to attract talent                      | 13      | Intern programme   | No challenges in 2023   |
| Internal Fraud                                 | 6       | Zero tolerance policy / Transparency                                       | No challenges in 2023   |
| Internal ethical breach                        | 6       | Zero tolerance policy / Transparency                                       | No challenges in 2023   |
| Internal Safeguarding breach                   | 6       | Zero tolerance policy / Transparency                                       | No challenges in 2023   |

|                   |                |               |       |          |       |          |
|-------------------|----------------|---------------|-------|----------|-------|----------|
| <b>Likelihood</b> | 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 |
|                   |                | <b>Impact</b> |       |          |       |          |

## Our Future

As referred to above, in 2023 HAI's statutes (constitution) was finalised and validated by the regulatory authorities to better reflect what we do and how we do it. 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 now have a strong presence in the field of AI, recognising that AI is already being introduced without safeguards for vulnerable groups.

HAI is now constitutionally equipped to work on:

- Access to medicines and their rational use
- Sexual and 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.

As previously reported, the new constitution also reflects changes in the Dutch law governing not-for-profit organisations and a new model of governance and management, the so-called 'Supervisory Board' model, whereby more governance, accountability and responsibility are transferred to the Management board, 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 is now enshrined in the statutes.



# BUDGET 2024

Approved by the Supervisory Board in February 2024

|  | €                | % of total income |
|--|------------------|-------------------|
| <b>INCOME</b>                                  |                  |                   |
| Raised income                                  | 4,339,864        | 91.2%             |
| Submitted proposals                            | 328,699          | 6.9%              |
| Proposals to submit                            | 87,506           | 1.8%              |
| <b>TOTAL INCOME</b>                            | <b>4,756,069</b> | <b>100.0%</b>     |
| <b>EXPENDITURE</b>                             |                  |                   |
| <b>Programme costs</b>                         |                  |                   |
| Direct project expenditure                     | 2,987,504        | 62.8%             |
| Staff costs                                    | 1,417,315        | 29.8%             |
| Occupancy costs                                | 82,175           | 1.7%              |
| Office and general costs                       | 93,298           | 2.0%              |
| Depreciation                                   | 13,977           | 0.3%              |
| <b>Total Programme costs</b>                   | <b>4,594,269</b> | <b>96.6%</b>      |
| <b>Income generation</b>                       |                  |                   |
| Fundraising costs                              | 5,000            | 0.1%              |
| Staff costs                                    | 35,046           | 0.7%              |
| <b>Total Income generation</b>                 | <b>40,046</b>    | <b>0.8%</b>       |
| <b>Communications</b>                          |                  |                   |
| Publicity and communications costs             | 3,750            | 0.1%              |
| <b>Total Communications</b>                    | <b>3,750</b>     | <b>0.1%</b>       |
| <b>Management and Administration</b>           |                  |                   |
| Staff costs: current staff                     | 96,123           | 2.0%              |
| <b>Total Management &amp; Administration</b>   | <b>96,123</b>    | <b>2.0%</b>       |
| <b>TOTAL EXPENDITURE</b>                       | <b>4,734,198</b> | <b>99.5%</b>      |
| <b>RESULT (Addition to Continuity reserve)</b> | <b>21,880</b>    | <b>0.5%</b>       |

# FINANCIAL STATEMENTS 2023

## Balance Sheet as of 31 December 2023

|   | 31 December 2023 | 31 December 2022 | See notes: |
|---|------------------|------------------|------------|
|   | €                | €                |            |
| <b>ASSETS</b>                           |                  |                  |            |
| <b>FIXED ASSETS</b>                     |                  |                  | A          |
| Tangible fixed assets                   | 11,891           | 11,184           |            |
| Intangible fixed assets                 | 14,128           | 21,500           |            |
|   | <b>26,019</b>    | <b>32,684</b>    |            |
| <b>CURRENT ASSETS</b>                   |                  |                  |            |
| <b>Receivables and prepaid expenses</b> |                  |                  |            |
| Grants to receive                       | 125,351          | -                | B          |
| Prepaid expenses                        | 40,596           | 448,861          | C          |
| Other receivables                       | 10,278           | 8,062            | D          |
|   | <b>176,225</b>   | <b>456,923</b>   |            |
| <b>Cash and cash equivalents</b>        | <b>2,955,198</b> | <b>2,141,614</b> | E          |
|   | <b>3,131,423</b> | <b>2,598,537</b> |            |
|   | <b>3,157,442</b> | <b>2,631,221</b> |            |
| <b>LIABILITIES</b>                      |                  |                  |            |
| <b>RESERVES AND FUNDS</b>               |                  |                  | F          |
| Continuity reserve                      | 250,139          | 206,350          |            |
| Fundraising reserve                     | 20,000           |                  |            |
| Project SHARP reserve                   | 75,456           | -                |            |
|   | <b>345,595</b>   | <b>206,350</b>   |            |
| <b>SHORT TERM LIABILITIES</b>           |                  |                  |            |
| Grants received in advance              | 2,475,462        | 2,185,629        | G          |
| Taxes and social security premiums      | 34,249           | 71,642           | H          |
| Creditors                               | 88,235           | 57,043           |            |
| Other debts                             | 213,902          | 110,557          | I          |
|   | <b>2,811,848</b> | <b>2,424,871</b> |            |
|   | <b>3,157,442</b> | <b>2,631,221</b> |            |

# Statement of Income and Expenditure 2023

|   | Actual 2023<br>€ | Budget 2023<br>€ | Actual 2022<br>€ | See notes: |
|---|------------------|------------------|------------------|------------|
| <b>INCOME</b>   |                  |                  |                  | J          |
| Income from foundations and charitable funds                          | 1,361,796        | 1,554,645        | 1,880,218        |            |
| Government grants   | 2,505,275        | 2,597,348        | 1,151,808        |            |
| Income from own fundraising   | 599              | -                | -                |            |
| Income from services/products   | 84,189           | -                | 360              |            |
| Other income  | 7,232            | 3,500            | 3,634            |            |
| <b>TOTAL INCOME</b>   | <b>3,959,091</b> | <b>4,155,493</b> | <b>3,036,020</b> |            |
| <b>EXPENDITURE</b>  |                  |                  |                  |            |
| <b>EXPENDITURE on objectives</b>                                      |                  |                  |                  | K          |
| ACCISS (Insulin)  | 1,007,204        | 1,157,054        | 909,335          |            |
| SHARP   | 1,577,680        | 1,722,321        | 806,365          |            |
| SRHR (Burundi)  | 537,071          | 586,309          | 358,363          |            |
| European projects   | 337,964          | 363,599          | 211,722          |            |
| AI and Medicines Policy   | 86,118           | 92,650           | 88,711           |            |
| Snakebite   | 97,495           | 110,264          | 209,906          |            |
| Short-term agreements   | 69,574           | -                | 65,588           |            |
| Generic Pharmacy Chain (Zambia)                                       | -                |                  | 72,249           |            |
| SRHR (Kenya)  | -                |                  | 57,534           |            |
| Medicine Pricing & Global projects                                    | -                |                  | 6,324            |            |
| <b>Programme costs</b>  | <b>3,713,106</b> | <b>4,032,197</b> | <b>2,786,097</b> |            |
| <b>INCOME GENERATION</b>  |                  |                  |                  | K          |
| Fundraising costs   | 23,940           | 54,393           | 54,931           |            |
| <b>MANAGEMENT AND ADMINISTRATION</b>                                  |                  |                  |                  | K          |
| Management and administrative costs                                   | 86,182           | 65,695           | 183,276          |            |
| <b>TOTAL EXPENDITURE</b>  | <b>3,823,228</b> | <b>4,152,285</b> | <b>3,024,304</b> |            |
| <b>Result before financial income and expenditure</b>                 | <b>135,863</b>   | <b>3,208</b>     | <b>11,716</b>    |            |
| Financial income and expenditure: received Interest on saving account | 3,382            | -                | -                |            |
| <b>RESULT</b>   | <b>139,245</b>   | <b>3,208</b>     | <b>11,716</b>    |            |
| <b>APPROPRIATION OF RESULT</b>  |                  |                  |                  |            |
| Additions to / deductions from:                                       |                  |                  |                  |            |
| Continuity reserve  | 43,789           | 3,208            | 11,716           |            |
| Fundraising reserve   | 20,000           | -                | -                |            |
| Project SHARP reserve   | 75,456           | -                | -                |            |
|   | <b>139,245</b>   | <b>3,208</b>     | <b>11,716</b>    |            |

## Cash Flow Statement 2023

|   | Actual 2023<br>€ | Actual 2022<br>€ |
|---|------------------|------------------|
| <b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>        |                  |                  |
| Result from the statement of income and expenditure | 139,245          | 11,716           |
| <b>ADJUSTMENTS FOR:</b>                             |                  |                  |
| Depreciation  | 12,562           | 6,088            |
|   | 12,562           | 6,088            |
| <b>CHANGES IN WORKING CAPITAL:</b>                  |                  |                  |
| Short-term receivables                              | 406,049          | (331,793)        |
| Short-term debts                                    | 337,082          | 955,928          |
|   | 743,131          | 624,135          |
|   | <b>819,482</b>   | <b>641,939</b>   |
| <b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>         |                  |                  |
| Investments in tangible fixed assets                | (5,898)          | (13,589)         |
| Investments in intangible fixed assets              | -                | (22,114)         |
|   | <b>(5,898)</b>   | <b>(35,703)</b>  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>          | -                | -                |
| <b>Changes in cash and cash equivalents</b>         | <b>813,584</b>   | <b>606,236</b>   |
| <b>Cash and cash equivalents</b>                    |                  |                  |
| Balance per 1 January                               | 2,141,614        | 1,535,378        |
| Balance at 31 December                              | 2,955,198        | 2,141,614        |
| <b>Changes in cash and cash equivalents</b>         | <b>813,584</b>   | <b>606,236</b>   |



# EXPLANATORY NOTES FOR ANNUAL ACCOUNTS: ACCOUNTING PRINCIPLES

## General

The financial statements are prepared on the basis of the historical cost concept. Unless indicated otherwise, assets and liabilities are stated at 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 2023 are compared with the budget as approved by the HAI Foundation Board and 2022 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.

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.

## 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 a new 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.

### 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

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

## Result

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



# EXPLANATORY NOTES TO THE BALANCE SHEET

## ASSETS

### A. Fixed Assets

Actual 2023

€

|   | Tangible fixed assets     |                  | Total tangible fixed assets | Intangible fixed assets |                               |
|---|---------------------------|------------------|-----------------------------|-------------------------|-------------------------------|
|   | Computers and peripherals | Office furniture |                             | Software                | Total intangible fixed assets |
| <b>Balance as of 1 January</b>          |                           |                  |                             |                         |                               |
| Aquisition value                        | 39,929                    | 19,801           | <b>59,730</b>               | 22,114                  | <b>22,114</b>                 |
| Accumulated depreciation                | (31,086)                  | (17,460)         | <b>(48,546)</b>             | (614)                   | <b>(614)</b>                  |
| <b>Carrying value as of 1 January</b>   | <b>8,843</b>              | <b>2,341</b>     | <b>11,184</b>               | <b>21,500</b>           | <b>21,500</b>                 |
| <b>Movements</b>                        |                           |                  |                             |                         |                               |
| Aquisitions                             | 5,898                     | -                | <b>5,898</b>                | -                       | -                             |
| Disposals                               | (4,853)                   | -                | <b>(4,853)</b>              | -                       | -                             |
| Depreciation                            | (4,614)                   | (577)            | <b>(5,191)</b>              | (7,371)                 | <b>(7,371)</b>                |
| Depreciation on disposals               | 4,853                     | -                | <b>4,853</b>                | -                       | -                             |
| <b>Total movements</b>                  | <b>1,284</b>              | <b>(577)</b>     | <b>707</b>                  | <b>-7,371</b>           | <b>(7,371)</b>                |
| <b>Balance as of 31 December</b>        |                           |                  |                             |                         |                               |
| Aquisition value                        | 40,974                    | 19,801           | <b>60,775</b>               | 22,114                  | <b>22,114</b>                 |
| Accumulated depreciation                | (30,847)                  | (18,037)         | <b>(48,884)</b>             | (7,986)                 | <b>(7,986)</b>                |
| <b>Carrying value as of 31 December</b> | <b>10,127</b>             | <b>1,764</b>     | <b>11,891</b>               | <b>14,128</b>           | <b>14,128</b>                 |
| Depreciation percentages per year       | 33%                       | 20%              |                             | 33%                     |                               |

**Computers and peripherals:** Acquisitions in 2023 consisted of laptops. The laptops were replacements of obsolete equipment, which were disposed of.

All fixed assets are used for HAI's operations.

## B. Grants to Recieve

|  | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
|  | €                | €                |
| European Commission HADEA                    | 125,351          | -                |
| <b>Carrying Value as of 31 December 2023</b> | <b>125,351</b>   | <b>-</b>         |

## C. Prepaid Expenses

|   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
|   | €                | €                |
| Prepaid expenses                        | 40,596           | 18,907           |
| Prepaid to partners                     | -                | 429,954          |
| <b>Carrying value as of 31 December</b> | <b>40,596</b>    | <b>448,861</b>   |

## D. Other Receivables

|   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
|   | €                | €                |
| Other receivables                       | 6,340            | 4,702            |
| Deposits                                | 3,360            | 3,360            |
| Advances                                | 578              | -                |
| <b>Carrying value as of 31 December</b> | <b>10,278</b>    | <b>8,062</b>     |

## E. Cash & Cash Equivalents

|   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
|   | €                | €                |
| ING current USD-account                 | 785,629          | 881,846          |
| ING current Euro-account                | 1,206,096        | 1,049,612        |
| Triodos current Euro-account            | 27,104           | 109,179          |
| ASN savings Euro-account                | 935,550          | 99,961           |
| Cash foreign currencies                 | 362              | 985              |
| Cash euro                               | 457              | 31               |
| <b>Carrying value as of 31 December</b> | <b>2,955,198</b> | <b>2,141,614</b> |

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 & Funds

|   | 31 December<br>2023 | Additions<br>2023 | Deductions<br>2023 | 31 December<br>2022 |
|---|---------------------|-------------------|--------------------|---------------------|
|   | €                   | €                 | €                  | €                   |
| <b>Reserves</b>                         |                     |                   |                    |                     |
| Continuity reserve                      | 250,139             | 43,789            | -                  | 206,350             |
| Fundraising reserve                     | 20,000              | 20,000            | -                  | -                   |
| Project SHARP reserve                   | 75,456              | 75,456            | -                  | -                   |
| <b>Carrying value as of 31 December</b> | <b>345,595</b>      | <b>139,245</b>    | <b>-</b>           | <b>206,350</b>      |

## G. Grants to Spend

|   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
|   | €                | €                |
| Helmsley Charitable Trust                               | 929,130          | 866,692          |
| Camino Global Foundation/Perls<br>Foundation            | 160,598          | 95,344           |
| Open Society Foundations                                |                  | 25,472           |
| Waterloo Foundation                                     |                  | 2,192            |
| Hennecke Foundation                                     | 121,218          | 116,206          |
| European Artificial Intelligence Fund                   | 38,415           |                  |
| Other Foundations                                       |                  | 15,332           |
| Embassy of the Kingdom of the<br>Netherlands in Burundi | 115,923          | 202,385          |
| European Commission HADEA                               | 1,110,178        | 862,006          |
| <b>Carrying value as of 31 December</b>                 | <b>2,475,462</b> | <b>2,185,629</b> |



## H. Taxes & Social Security Premiums

|   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
|   | €                | €                |
| Wage tax and social security premiums   | 34,249           | 71,642           |
| <b>Carrying value as of 31 December</b> | <b>34,249</b>    | <b>71,642</b>    |

## I. Other Debts

|   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
|   | €                | €                |
| Outstanding payments to partners        | 96,884           | -                |
| Salaries and holiday pay                | 49,075           | 53,001           |
| Provision for holidays not taken        | 32,631           | 27,210           |
| Audit costs                             | 31,620           | 30,270           |
| Other debts                             | 3,693            | 76               |
| <b>Carrying value as of 31 December</b> | <b>213,902</b>   | <b>110,557</b>   |

## 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 rent amount is indexed annually in May, in 2023 the increase was 4.5%. The rental costs for 2023 amount to €51,236.

HAI owns a refurbished multifunctional printer/copier machine with a service contract of €858 per year (including VAT). The duration of the service contract is 60 months and ends in July 2026.

# EXPLANATORY NOTES TO THE STATEMENT OF INCOME & EXPENDITURE 2023

## J. Income

|  | Actual 2023<br>€ | Budget 2023<br>€ | Actual 2022<br>€ |
|--|------------------|------------------|------------------|
| <b>Income from foundations and charitable funds</b>  |                  |                  |                  |
| Perls Foundation                                     | 84,579           | 88,390           | 77,904           |
| European Artificial Intelligence Fund                | 84,140           | 94,138           | 84,264           |
| Helmsley Charitable Trust                            | 1,061,624        | 1,229,915        | 973,639          |
| Hennecke Foundation                                  | 102,204          | 117,202          | 100,483          |
| IDA Charity Foundation                               | -                | -                | 92,500           |
| Lillian Lincoln Foundation                           | -                | -                | 148,849          |
| Open Society Foundations                             | 25,472           | 25,000           | 82,394           |
| Unitaid  | -                | -                | 170,114          |
| The Waterloo Foundation                              | -                | -                | 57,480           |
| Other funds  | 3,778            | -                | 92,591           |
|  | <b>1,361,796</b> | <b>1,554,645</b> | <b>1,880,218</b> |
| <b>Government grants</b>                             |                  |                  |                  |
| European Commission                                  | 1,607,473        | 1,658,879        | 731,854          |
| Embassy of the Kingdom of the Netherlands in Burundi | 641,367          | 681,826          | 419,954          |
| European Commission HADEA                            | 256,435          | 256,643          | -                |
|  | <b>2,505,275</b> | <b>2,597,348</b> | <b>1,151,808</b> |
| <b>Income from own fundraising</b>                   |                  |                  |                  |
| Donations and gifts                                  | 599              | -                | -                |
|  | <b>599</b>       | <b>-</b>         | <b>-</b>         |
| <b>Income from services/ products</b>                |                  |                  |                  |
| Short-term agreements                                | 84,142           | -                | 292              |
| Publications   | 46               | -                | 68               |
|  | <b>84,189</b>    | <b>-</b>         | <b>360</b>       |
| <b>Other income</b>                                  |                  |                  |                  |
| Membership fees                                      | 5,040            | 3,500            | 3,634            |
| Misscellaneous income                                | 2,192            | -                | -                |
|  | <b>7,232</b>     | <b>3,500</b>     | <b>3,634</b>     |
| <b>Total income</b>                                  | <b>3,959,091</b> | <b>4,155,493</b> | <b>3,036,020</b> |



## K. Distribution of Expenditure

|  | Expenditure                |                   |                  |                 |                          |               | Total            |
|--|----------------------------|-------------------|------------------|-----------------|--------------------------|---------------|------------------|
|  | Direct project expenditure | Publicity & comms | Staff costs      | Occupancy costs | Office and general costs | Depreciation  |                  |
| <b>Projects</b>                              |                            |                   |                  |                 |                          |               |                  |
| ACCISS (Insulin)                             | 643,366                    | 733               | 319,971          | 19,843          | 20,213                   | 3,078         | 1,007,204        |
| European projects                            | 94,490                     | 490               | 214,119          | 13,279          | 13,526                   | 2,060         | 337,964          |
| Snakebite                                    | 40,971                     | 114               | 49,709           | 3,083           | 3,140                    | 478           | 97,495           |
| SRHR (Burundi)                               | 230,154                    | 618               | 269,912          | 16,739          | 17,051                   | 2,597         | 537,071          |
| Artificial Intelligence and Medicines Policy | 33,950                     | 105               | 45,879           | 2,845           | 2,898                    | 441           | 86,118           |
| SHARP  | 1,260,619                  | 639               | 278,833          | 17,292          | 17,614                   | 2,683         | 1,577,680        |
| Short-term agreements                        | 31,743                     | 76                | 33,270           | 2,063           | 2,102                    | 320           | 69,574           |
| <b>All projects</b>                          | <b>2,335,293</b>           | <b>2,775</b>      | <b>1,211,693</b> | <b>75,144</b>   | <b>76,544</b>            | <b>11,657</b> | <b>3,713,106</b> |
| Income generation                            | 3,127                      | 42                | 18,304           | 1,135           | 1,156                    | 176           | 23,940           |
| Management & administration                  |                            | 174               | 75,791           | 4,700           | 4,788                    | 729           | 86,182           |
| <b>Actual 2023</b>                           | <b>2,338,420</b>           | <b>2,990</b>      | <b>1,305,788</b> | <b>80,979</b>   | <b>82,489</b>            | <b>12,562</b> | <b>3,823,229</b> |
| Budget 2023                                  | 2,683,303                  | 4,050             | 1,280,703        | 78,382          | 94,229                   | 11,618        | 4,152,285        |
| Actual 2022                                  | 1,568,588                  | 4,111             | 1,291,992        | 74,804          | 78,719                   | 6,090         | 3,024,303        |

### Staff Costs

|                           | Actual 2023      | Budget 2023      | Actual 2022      |
|---------------------------|------------------|------------------|------------------|
|                           | €                | €                | €                |
| Gross salaries            | 990,701          | 1,000,496        | 998,723          |
| Social security premiums  | 138,468          | 125,062          | 132,109          |
| Pension costs             | 119,691          | 111,562          | 113,337          |
| Sickness benefit received | (8,287)          | -                | -                |
| Other staff costs         | 65,215           | 43,583           | 47,824           |
|                           | <b>1,305,788</b> | <b>1,280,703</b> | <b>1,291,993</b> |

Please see **page 8** for a breakdown of staff numbers and composition.

## 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 2023 from €606,236 at 1 January 2023, to €813,584 at

31 December 2023. The increase of €207,348 in cash and cash equivalents is attributable in large part to an increase in the working capital. The investments shown in the cash flow statement are in office equipment (see explanatory note on fixed assets).

### Executive Remuneration and Foundation Board Remuneration\*

|  |                    |                |
|--|--------------------|----------------|
| <b>Name</b>                              | Tim Reed           |                |
| <b>Position</b>                          | Executive Director |                |
|  | Actual 2023        | Actual 2022    |
| <b>Employment</b>                        |                    |                |
| Term                                     | Indefinite         | Indefinite     |
| Hours (full-time)                        | 36.00              | 36.00          |
| Part-time percentage                     | 100%               | 100%           |
| Period                                   | Jan-Dec 2023       | Jan-Dec 2022   |
|  | €                  | €              |
| <b>Remuneration</b>                      |                    |                |
| <b>Annual income</b>                     |                    |                |
| Gross salary                             | 114,996            | 108,924        |
| Holiday allowance                        | 9,279              | 8,734          |
| Year-end allowance                       | 500                | 11,689         |
| Variable annual income                   | -                  | -              |
| <b>Total annual income</b>               | <b>124,775</b>     | <b>129,347</b> |
| Taxable allocations                      | -                  | -              |
| Pension costs (employer share)           | 28,057             | 26,747         |
| Provisions for future payments           | -                  | -              |
| End of service benefits                  | -                  | -              |
| <b>Total salary and employer charges</b> | <b>152,832</b>     | <b>156,094</b> |

\*Members of the Supervisory Board are volunteers, and do not receive remuneration or allowances for their work, nor did they, as of 31 December 2023, or during 2023, have outstanding loans, advances or guarantees.



## Key Figures

|  | objective | 2023  | 2022  | 2021  | 2020  | 2019  |
|--|-----------|-------|-------|-------|-------|-------|
| Spent on fund raising vs total income                | ≤5%       | 0.6%  | 2.2%  | 0.5%  | 1.5%  | 3.9%  |
| Spent on objectives vs total income                  | ≥90%      | 95.6% | 90.2% | 94.9% | 95.1% | 93.5% |
| Spent on objectives vs total expenditure             | ≥91%      | 97.1% | 92.6% | 97.5% | 96.5% | 93.1% |
| Spent on management & administration vs total income | ≤5%       | 2.2%  | 5.0%  | 1.8%  | 2.0%  | 3.1%  |

## Variance Analysis

### Income

The income is €196k (4.7%) lower than budgeted. This is mainly due to delays in (partner) activities in the ACCISS and SHARP projects. These project activities and the linked income will be realised in 2024.

### Expenditure

The expenditure €329k (7.9%) lower than budgeted. A delay in (partner) activities is the main cause of this reduction. These activities will be carried out in 2024.

Amsterdam, 7 June 2024

|  |  |
|--|--|
| Cecilia Sison<br>Chair, Health Action International<br>Supervisory Board | Tim Reed<br>Executive Director, Health Action<br>International |
| On behalf of the Health Action International Supervisory Board:          |  |
| Brieuc-Yves (Mellouki) Cadat-Lampe                                       | Marcus Vreeburg  |

## INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Stichting Health Action International

### **Report on the audit of the financial statements 2023 included in the annual report**

#### ***Our opinion***

We have audited the financial statements 2023 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 2023 and of its result for 2023 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 2023;
2. the statement of income and expenditure for 2023; 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 and the Supervisory 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.

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

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

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

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



We have exercised professional judgement and have maintained professional 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.

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

We communicate with the Supervisory 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 in Sliedrecht, 2 July 2024.

WITh Accountants B.V.  
P. Alblas RA