

Hlanganisa Institute for Development
In Southern Africa



Hi·D·SA

Strengthening community & civil society voice

2016 ANNUAL REPORT

ANNUAL REPORT

HLANGANISA INSTITUTE FOR DEVELOPMENT
IN SOUTHERN AFRICA

2016

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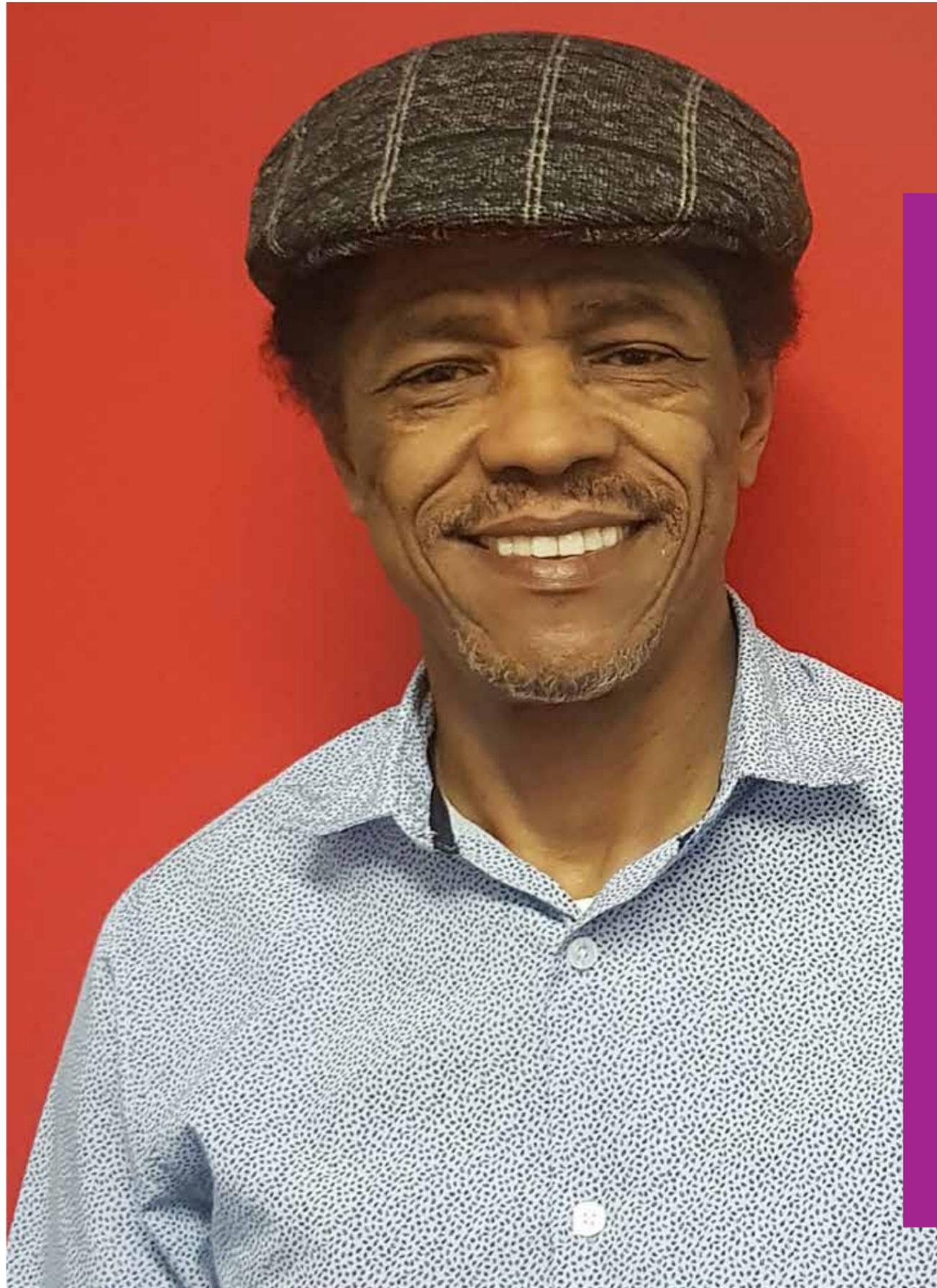
A Litany for Survival a Poem by Audre Lorde

'For those of us who live at the shoreline
standing upon the constant edges of decision
crucial and alone
for those of us who cannot indulge
the passing dreams of choice
who love in doorways coming and going
in the hours between dawns
looking inward and outward
at once before and after
seeking a now that can breed futures
like bread in our children's mouths
so their dreams will not reflect
the death of ours:

For those of us
who were imprinted with fear
like a faint line in the center of our foreheads
learning to be afraid with our mother's milk
for by this weapon
this illusion of some safety to be found
the heavy-footed hoped to silence us
For all of us
this instant and this triumph
We were never meant to survive.

And when the sun rises we are afraid
it might not remain
when the sun sets we are afraid
it might not rise in the morning
when our stomachs are full we are afraid of indigestion
when our stomachs are empty we are afraid
we may never eat again
when we are loved we are afraid
love will vanish
when we are alone we are afraid
love will never return
and when we speak we are afraid
our words will not be heard
nor welcomed
but when we are silent
we are still afraid

So it is better to speak
remembering we were never meant to survive.



Message from the Director

“The year 2016 has been characterized by significant and tumultuous change-both internally and externally to Hlanganisa. The words from Audrey Lorde’s poem, A Litany of Survival, could not have captured the essence of the change that we have gone through...and survived...much more succinctly.”

The year 2016 has been characterized by significant and tumultuous change-both internally and externally to Hlanganisa. The words from Audrey Lorde’s poem, A Litany of Survival, could not have captured the essence of the change that we have gone through... and survived...much more succinctly.

Our relevance as an organisation depended on constantly reading the environment and responding appropriately to it; often this implied negotiating very challenging and difficult terrain in order to advocate for positive changes in the lives of the people we exist to serve. What was memorable about 2016 was that not a week would pass without a new issue taking the stage- be it political, economic, social, or climate-related. The world, it seemed, was in a constant state of flux, throwing up regular and rapid challenges that had enormous implications for the work that we do. Internal to the organisation, the same experience was being mirrored.

Like individual change, organisational and social change can disrupt and disturb those that are accustomed to the status quo. Change processes are messy and despite careful planning, are often more convoluted and complex than first estimated.

One of the most prominent changes in the political landscape included, amongst others, the diminishing power of the ruling ANC party whilst growth in numbers, voice and stature of opposition parties had increased. This was clearly evidenced at the last local government elections. Economically, South Africa’s growth rate continued to tread water while social and economic inequality continued to rise. Fluctuations in typical seasonal weather made it difficult for sustaining natural resources and food production- this was evident in the lasting impact made by the on-going drought that we still feel at this moment. All these conditions continue to affect our primary beneficiaries the most- namely, women and children.

Divergence from the guiding Batho Pele principles of public service delivery has had several repercussions for the South African citizenry over the past two decades. Gradually communities began to organise themselves and protest against the lack of service delivery and state accountability, almost reminiscent

of the dark days of apartheid; community- based organisations and non- state actors have joined forces and, in some instances, employed litigation as a tactic to address constitutional violations; and individuals within the state apparatus have also expressed their disdain of policies and processes that work against the national interest. For an organisation such a Hlanganisa Institute of Development (HiDSA), these state of affairs presented both challenges and opportunities over the past year. Questions and debates of the relevance of civil society organisations (CSOs) have become more intense, especially in view of the critical conclusion that “what we have always done” is not sufficient anymore. Sticking with the old approaches is, very often, not leading to the innovation, breakthroughs and advances we require in terms of addressing the complexities of human rights injustices.

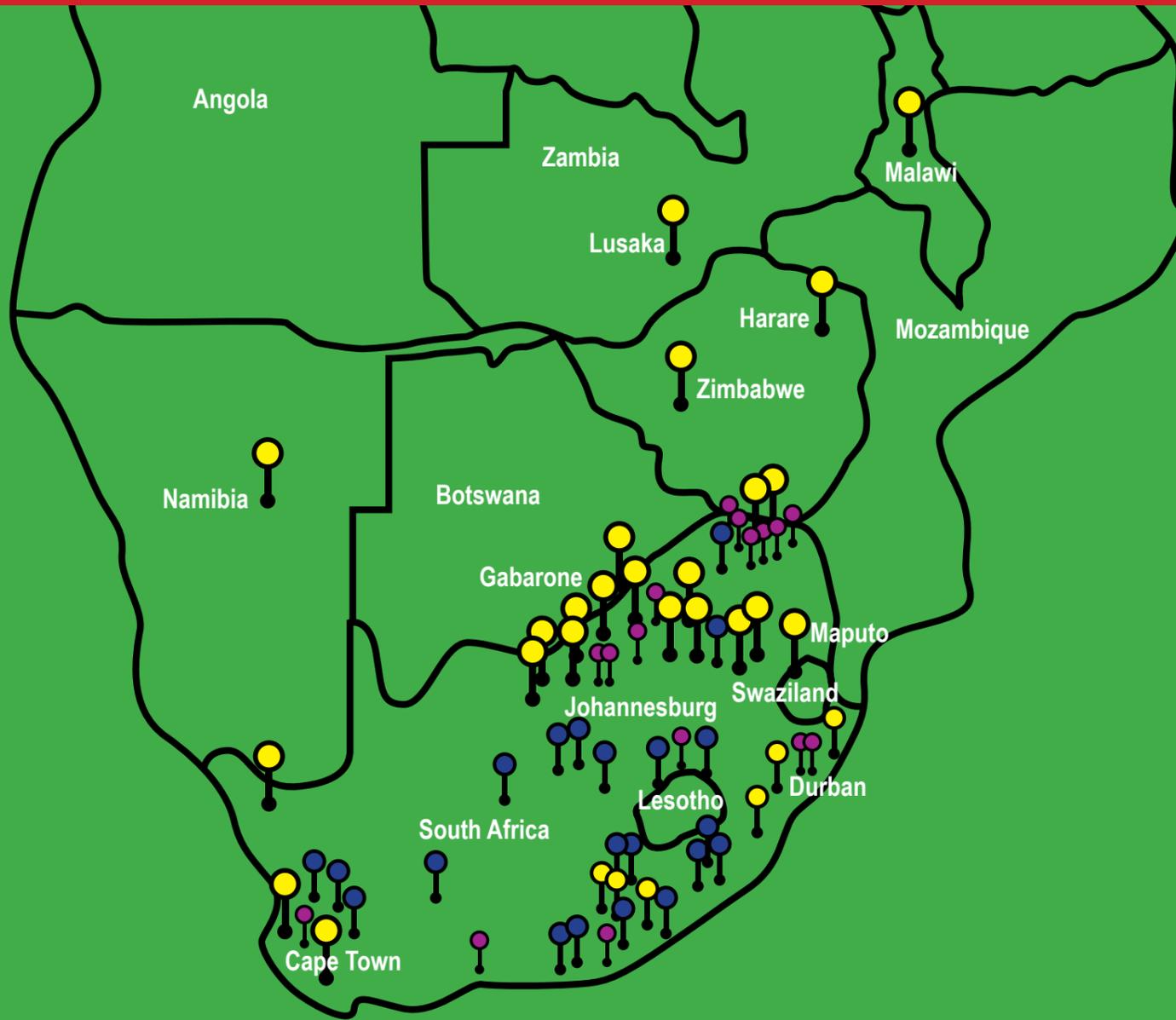
Strategically these challenges meant that as an organisation we needed to reconsider and chart a new, more fitting way forward. An organisation such as Hivos-South Africa (HIVOS-SA) played a crucial role in filling in the gaps left bare by the state. Through our innovative grant- making mechanisms (multi- donor, co- ordinated funding pool) we were able to support the activities of organisations at national, provincial and community levels to keep their doors open so that they could provide the necessary services to the communities and individuals that exist on the margins of society. Together with the capacity strengthening initiatives through our three flag- ships programmes- the Joint Gender Fund (JGF), Multi-Agency Grant Initiative (MAGI) and the Sexual and Diversity Rights (SDR) programmes- we were able to link partners with each other, and facilitate important platforms for learning, sharing and strategizing.

Much like the partners we assist, internally we too have been compelled to change our course of existence to become more relevant and valuable to society. A resource challenge at the level of our international Hivos headquarters has prompted the need for ‘indigenizing’ and ‘localizing’ the South African country office. Such a radical shift has motivated us to develop a new identity, open up possibilities for innovative thinking, learning and doing, and even re- invent ourselves as a truly African- centred organisation. Our donors have also been impacted- the change process has meant uncertainty, and in some cases delays in the submission of general reports as well as updates on the change process. It must be acknowledged that as a result of our donors, partners and board giving us genuine support during the beginnings of the change process in 2016, we have managed a relatively seamless transition from being a country office of an international organisation (HIVOS), to a local, indigenized, Africa- centred organisation (Hlanganisa Institute for Development in South Africa). Our calls to innovation and action in strengthening community voice and choice will characterise the way we move forward from now on.

I wish to thank our donors for their sustained support during this period of change. Immense thanks are also due to the organisation’s board who guided the organisation through 2016 and the staff (both past and present) who worked tirelessly and with conviction to accomplish the results as reflected in this report.



ABOUT HLANGANISA INSTITUTE FOR DEVELOPMENT IN SOUTHERN AFRICA



Annual Partner's meeting, March 2016

After several years of supporting South Africans in the struggle against apartheid, HIVOS (a Netherlands-based organisation) established the South Africa office in 2006. It sought out new and innovative solutions to historical and current social and economic challenges. With smart programs in the right places, HIVOS aimed to oppose discrimination, inequality and abuse of power. Appreciating that counterbalance alone is not enough HIVOS' primary focus is achieving structural change. For these reasons HIVOS cooperates with foundations, trusts, bi-laterals, citizens and their organizations. HIVOS shares a vision with its partners of sustainable economies and inclusive societies. HIVOS-SA has experience in grant-making, hosting and managing multi agency (basket) funds and building the capacity and raising the profile of community based organizations (CBOs) and initiatives. HIVOS-SA is a unique organisation with a distinctive profile and focus in the South African funding scene. Within a broader human rights and social justice agenda, it has maintained a sustained focus on gender-based violence (GBV), work with CBO's and support for lesbian, gay, bisexual, transgender and intersex (LGBTI) communities in South Africa and around the region. HIVOS-SA continued to hold its ground as an important partner to civil society in the context of a democratising society. HIVOS-SA, through the Multi-Agency Grants Initiative (MAGI) programme and the Joint Gender Fund (JGF), continued to excel at channelling resources to NGO's and CBOs in South Africa.

Hlanganisa Institute for Development Southern Africa (HiDSA), is the same organisation as HIVOS-SA and is registered as a non-governmental organisation in South Africa since 2016. It is based in Johannesburg. When HIVOS-SA turned into a local organisation driven by a locally-led board, it changed its name to HiDSA. Taking into account the socio-economic and political challenges in the country, HiDSA was established in 2016 with the aim of working together with local organisations towards achieving free, fair and sustainable communities in which citizens have equal access to the resources and opportunities required for their development. HiDSA is committed to the poor and the marginalised, and envisages that the ultimate benchmark for its work and efforts is the sustainable improvement in their conditions. The empowerment of women is a central concern of all its programmes. HIVOS-SA in 2015 provided support in the form of capacity development, network and partnership-building, as well as knowledge development and dissemination for local community based organisations and non-governmental organisations. As an intermediary organisation and development agent, HiDSA remains a flexible, accessible and responsive in its approach. We ensure donor compliance and, at the same time, maintain horizontal discussions with civil society organisations. In this vein, the HIVOS-SA programme (and now HiDSA) staff continue to walk alongside and "think together" with CBOs and other civil society organisations as they journey towards greater strength and maturity.

GEOGRAPHICAL LOCATION OF OUR PARTNERS

THE SOUTH AFRICAN LANDSCAPE

South Africa, a country with many comparative advantages supported by a strong constitution, continues to be besieged by a range of problems at all levels of society during the period under discussion of this annual report.

The organisation's country's institutions continued to act as a bulwark against any decline and a beacon of democratic practice. The electoral system once again proved itself during the local government elections. Furthermore, in cases after case, the judiciary showed itself as a place where justice and redress could be achieved- where corruption could be challenged and the constitution could be defended. On the delivery side, government continues to play a major role in contesting poverty. The social grant system serves millions of people and acts as a buffer against starvation and complete destitution for households in all provinces. In this regard, government recognizes the failures of the current economic system and has taken action to deal with a rapid slide into poverty. The greatest beneficiaries of this system are women, children, people living with disabilities and the elderly- people who happen to be the most vulnerable sector of South African society.

Despite these gains, we are encountering rapid poverty and inequality in an economy that is still controlled by a few, that benefits the white minority disproportionately, and that remains shackled to low- growth which is associated with dependence on extractive industries. The policies and programmes of post- democratic South Africa therefore begs the question, 'development for who...and how?'

For communities and households that are predominantly black, poor and female- headed, struggles play out in the critical areas of access to land, housing, education, sanitation, food security, safe neighbourhoods, safe transport, restorative justice, reasonable communications costs and most significantly, in healthcare. Access to these assets is vital for sustaining a livelihood; however millions of people still remain vulnerable, frustrated and on the brink of hopelessness. Against this backdrop service delivery protests increased every month. Violence against women remained unacceptably high and we have witnessed a progressive decline in psychosocial and legal services to women and children seeking recourse.

Despite the progressive legislative gains made since 1994, sexual minorities continue to face stigma and shame within the communities they live in and from the institutions that exist to uphold the rights. The spate of violent attacks on the LGBTI community continues unabated. In the period under review, it is clear that we are not making enough headway in terms of social justice, human rights and socio- economic development that is genuinely inclusive and just. Regardless of this stark and glaring contextual reality, there are nodes of hope- HIVOS-SA has continued to sharpen its strategies and deepen its commitment to civil society. We have continued to maintain our focus on supporting community based organisations that amplify community voice, to support advocacy organisations that are active in combating GBV, working with local and regional organisations on LGBTI issues. We remained part of critical networks in civil society, including the GBV sector and the community-based advice office sector, as well as broader civil society concerned with strengthening governance and delivery in line with the Constitution of the Republic of South Africa.

The situation in the country, namely growing and emergent citizen activity at community level and universities, as well as shifts in voting patterns, speaks to a changing political landscape. This situation throws up opportunities for new alliances, new strategies and innovative approaches to responding to social justice issues broadly, and for GBV in particular. Refining strategy and consolidating strategic partnerships is critical within this process. Within HIVOS globally, change processes continue. HIVOS globally is reducing its involvement in re-granting and orienting towards the management of macro projects on aspects such as biogas, sustainable agriculture and open government partnerships. However, after intense discussion and engagement with the local office, HIVOS has formally agreed with the new South African board members that the model used in South Africa (e.g. basket funds and re- granting) still has value and will continue into the future.

SHARING OUR STORY: Achievements

Changes in the external landscape have had significant and specific implications for South Africa. The HIVOS-SA country office still delivers valuable services at community level in the empowerment of women (through the JGF), in the empowerment of community- based organisations (through the MAGI), and in promoting and protecting the rights of sexual minorities (through the SDR Programme). Despite the difficulties of implementing planned strategic initiatives during a state of organisational transition, each of these programmes has succeeded to accomplish the following as illustrated in this section of the report.

JOINT GENDER FUND (JGF)

The Fund has worked actively since 2009 to strengthen the GBV sector, through grant disbursement of funds for strategic and innovative work, facilitating capacity building for partners, and also through bringing partner organisations together in learning and sharing platforms.

CONTEXT

According to the World Health Organisation, South Africa has one of the highest rates of violence against women in the world¹. In a context of severe socio-economic inequality, women who face poverty and additional forms of marginalisation and stigma (such as young women, lesbian or bisexual women, transgender women, commercial sex workers, women with disabilities and migrant women) also experience a compounded risk of GBV.

Civil society continues to play a crucial role in the fight against GBV. Within a context of on- going changes to the funding flow for GBV, a stronger and more cohesive civil society is more important than ever. With the increase in GBV and the related lack of recourse for survivors of GBV, the Joint Gender Fund's role in funding individual Civil Society Organizations (CSOs) and in strengthening and bringing together the sector as a whole, therefore remains all the more relevant.

The initiatives by CSOs to build greater synergies between themselves whilst holding political principals accountable for their seemingly inadequate response provide a key opportunity for sector strengthening. The Fund's position as a strategic actor has enabled JGF to respond to this opportunity by funding several sector strengthening initiatives and taking forward strategic conversations around important thematic areas. This period has seen a positive shift towards greater cohesion and willingness to collaborate in the GBV sector, as evidenced at the JGF annual partner meeting in May 2016.

Sustained, meaningful cooperation with government remains challenging, but partners and the Fund have continued to engage government strategically from local to national level, identifying opportunities to strengthen work to address GBV and respond to critical issues such as alcohol abuse and resourcing for post-rape care services. This period has also seen the work of partner organisations continue unabated. Despite numerous challenges facing the sector, civil society organisations have worked tirelessly to address GBV in a wide variety of ways. JGF partners have also begun to think more about documenting their work, with a view to capturing and sharing knowledge about promising interventions to prevent and respond to GBV at community level, thereby contributing to a strengthened sector which is better able to tackle GBV in South Africa.

¹ WHO 2014 Global Status Report on Alcohol and Health

PRIMARY PROGRAMME ACTIVITIES

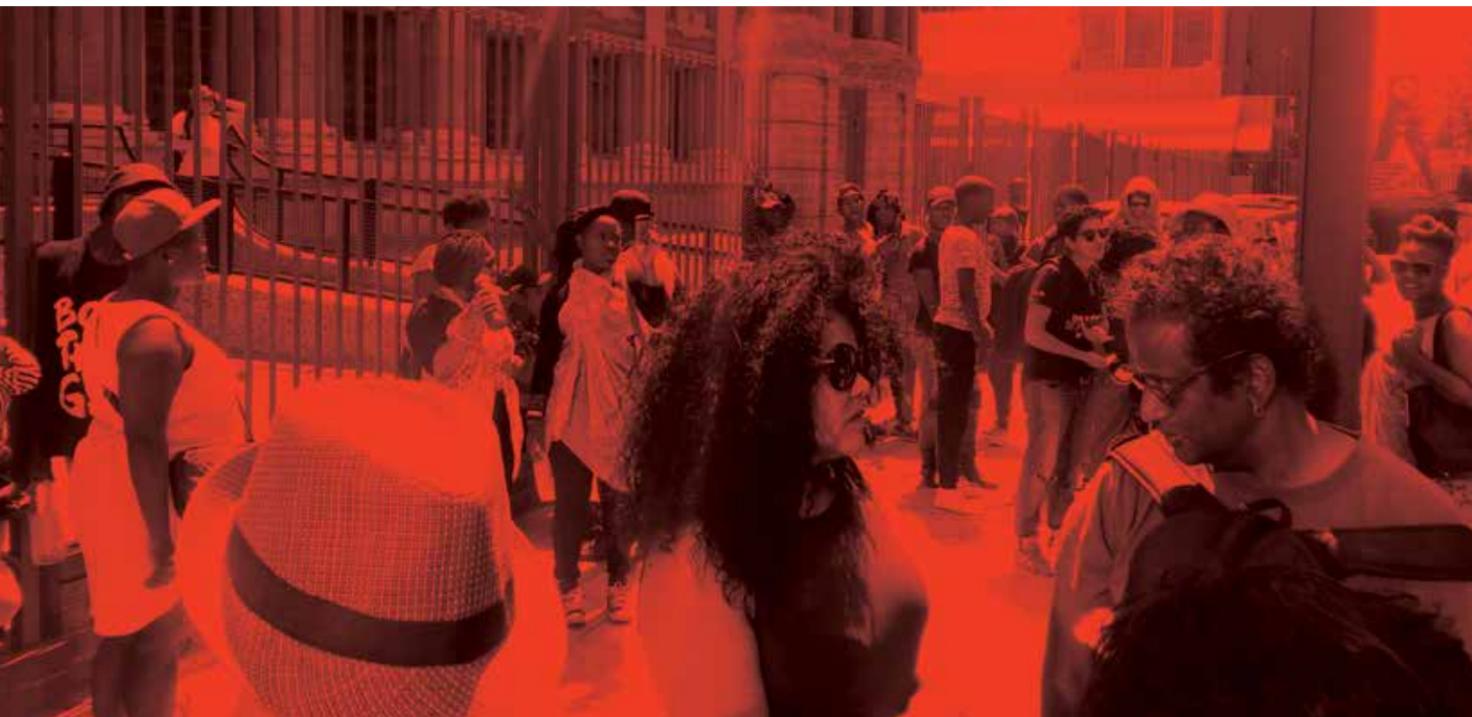
Since 2009, the JGF remains a key role player in the GBV sector in South Africa- in certain instances acting as a central agent for cohesion and a focal point for dialogue amongst partners in the sector. The Fund has worked steadily to strengthen the sector- through fund disbursement directly to partner organisations, and through forging multi- stakeholder partnerships in order to take forward strategic work. The Fund has made significant strides towards addressing intersecting forms of oppression affecting women and sexual minority groups during the period under review. Whilst acknowledging the intersectionality of factors that drive physical, emotional, economic and political violence against women, the Fund has still managed to retain its core focus on GBV.

The uniqueness of the JGF lies in its ability to attract collaborative, multi- donor funds from a variety of funding sources. These funds were managed and co- ordinated by the JGF team in HiDSA with on-going consultation of an Advisory Committee (a structure of all donors that contribute to the Fund). For 2016, the JGF has been supported by Irish Aid, Ford Foundation, and Raith Foundation. Expansion of the Fund has been continuous and consistent. To date, the JGF funds between 35 and 40 grantee organisations annually throughout South Africa.

In addition to our usual grants and re- grants to GBV- focused organisations in South Africa, the JGF has included a Rapid Response/ Emergency Grant funding to its cohort of funding. The purpose of this type of grant is to respond timeously and effectively to burning issues that may have emerged during the year that was not planned for from the onset. So far the JGF has funded the following activities under the emergency grant:

1. POWA mobilised court support and made public the trial of John Qwelane, a state official who published an inflammatory, homophobic article in the Sunday World titled, "Call me names, but gay is not okay" (July 2008). During 2016 the case suffered several postponements, but grant money from the Fund were diverted to related support activities.
2. The One- in- Nine Campaign organised a day of commemoration and resistance in honour of Fezeka Kuzwayo, an activist who took President Zuma to court for rape and who passed away in October 2016.

Picture 1 'Her name is Fezeka!' One- in- Nine Campaign commemoration of the passing of Fezeka Kuzwayo, October 2016



INNOVATIVE DEVELOPMENTS

New projects arose directly from the lessons drawn out from a Strategic Review in 2015, which explicitly stated that the JGF does not sufficiently reach community- based organisations, especially in far- flung rural areas where GBV is deeply entrenched and under- reported. In addition to this the review highlighted that the JGF supports projects with a narrow focus on GBV, in isolation of the complex intersections at play when addressing GBV issues in its entirety. By doing so, the JGF was missing out on contributing to a significant segment in the CSO sector, namely CBO's and NGOs that face GBV from other perspectives (for e.g. migration, disability, and sexual orientation).

As a result, new calls for proposals have taken the JGF to another level- from funding of traditional, well- established NGO's in the GBV sector to supporting smaller, and less- capacitated organisations. It was a bold leap, and one which presented several risks in terms of making an impact in a short space of time. Nevertheless, the intention to broaden the scope of the GBV sector was achieved, and the new 'entrants' to the Fund have already expressed their gratitude for both the financial and non- financial benefits that they have derived so far from the JGF.

In 2016 the JGF Advisory Committee approved two new calls for proposals:

1. Twinning Project: A focus on NGOs in the GBV sector supporting and building the capacity of community-based organisations, and
2. Cross- cutting Project: Addressing GBV from an intersectional perspective.

In addition to charting new pathways under the Cross- Cutting and Twinning projects, the Documentation Project was conceived.

The documentation project was conceptualised from an understanding that valuable information and knowledge from the ground does not always make its way into the national arena. This has meant that useful data that could be packaged and used for effective strategy development fell through the cracks. Knowledge and information that is used for advocacy or strategic planning purposes in the CSO sector are usually derived from academic sources, which are generally recognized as more valuable than information that is captured from day-to-day experiential knowledge of the NGOs and CBOs themselves.

Frank Meintjies Presenting at Documentation Proposal Development, February 2016



Essentially the documentation project aimed to uplift the voices of the people at the coalface of GBV and render them more visible and valuable, whilst simultaneously building the capacity of partner organisations (grantees) in research processes. Seven selected partners were funded to submit proposals of what they intended to document, to conduct data- collection, analyse and package their research into a user- friendly product. The entire process was supervised by a group of well- known female academics who assisted partners by exposing them to research methodologies and in following ethical clearance criteria.

The proposals submitted ranged in emphasis in both content and methodology. Some partners chose to take on a more traditional academic research path (and even out- sourced the project to established researchers), whilst others drew from their own experiences and adopted a more participatory approach to the documentation process.

In hindsight, the Documentation Project had a radical intention- to bring to the fore the question of attributing value and significance to community voices by communities themselves. A meta- evaluation of the project is planned for at the end of the project, the purpose of which is to assess the extent to which this objective was achieved, and to draw out critical lessons for the sector as a whole in terms of research, documentation and publication.

SECTOR STRENGTHENING PROCESSES

In addition to sustaining individual grantees with both financial and technical assistance, the JGF was instrumental in contributing to strengthening the GBV sector as a whole. The following activities enabled JGF and other critical stakeholders in the sector to gather and consolidate strategic priorities. By doing so, the JGF played an influential role in evidence- based policy and in re- enforcing strong partnerships.

Annual Partner Meeting 2016

JGF partners were brought together following the outcomes of a review of the programme conducted in 2015. The intention was to create a platform for partners to engage with the new results framework and discuss JGF's strategy. This was well received and resulted in partners and the JGF team jointly ratifying certain restatements about the role of JGF within broader development funding arena, in line with the revised results-based framework for the Fund.

In attendance, there were a total of 22 funded JGF funded partners:

01

NISSA

02

Sekwele Centre for Social Reflection

03

Thusanang Advice Centre

04

Labour Research Service

05

Rural Development Support Program

06

South African Faith and Family Institute

07

KZN Network

08

Project Empower

09

Justice and Women

10

Lifeline Pietermaritzburg

11

Southern Cape Land Committee

12

TVEP

13

NAMKO

14

Masimanyane Women Support Centre

15

Ikhwezi Women Support Centre

16

Rape Crisis Centre PE

17

Sinamandla

18

Free State Network

19

New World Foundation

20

Western Cape Network

21

Umvoti Aids Centre

22

Rape Crisis Centre PE

Critical outcomes from the gathering included an affirmation of the need for co-ordination and to strengthen bodies such as Shukumisa; an emphasis on the importance of documentation of lessons from the field; calls to examine ways in which to deepen and widen work in schools; and within a context of a growing constricted funding environment, a re- engagement with government to assume greater responsibility for delivery of psycho-social services.

Annual Partners Meeting, Muldersdrift, May 2016



Wellness Programme:

Civil society organisations who work within the GBV context are frequently exposed to high levels of trauma and burnout, exacerbated by the stresses associated with funding challenges, lack of adequate staffing and a tense relationship with government institutions. It was within this context that the JGF sought to provide its partner organisations with a wellness programme, offering staff psychosocial support, as well as the provision of more sustainable resilience building.

Arising from a partner meeting workshop in 2015 it emerged that the issue vicarious trauma faced by all who work in this sector is a key issue resulting in burnout, a lack of motivation and high turnover rates. The Fund subsequently engaged the services of a counsellor to assist with a range of issues that staff faces. Further to this, a set of Resilience Retreats were organised to build on individual and organizational resilience to consistent stress and trauma.

The wellness programme continues to progressing very well. Recent statistics show that partners have used the programme for many different reasons, including, stress, family matters, trauma after hijacking and more. In considering the psychosocial well-being of individuals within partner organisations, the JGF was commended for its visionary approach to strategic sector strengthening that is holistic and is in line with the ecological model for understanding violence, which implies making an impact across all levels of society viz. individual, organization, partnerships and sectoral.

Dialogues on alcohol as a driver as GBV

The JGF, in partnership with a leading driver in the GBV sector, Tshwaranang Legal Advocacy Centre (TLAC), engaged with the research community, national government and donors on the contribution and effects of alcohol abuse on GBV, particularly drawing on research conducted in the Northern Cape Province.

Participants engaged intensively about the effects of alcohol as an exacerbating factor in violence in general, and in GBV in particular. Key issues that emerged as a result of these engagements included the inadequate application of regulations (related to alcohol); the failure of companies producing alcohol to properly warn the public about health consequences

of abuse; the silo approach besetting the work of different government agencies; and insufficient evidence-based policy-making. The roundtables laid the basis for stronger co-ordination among multiple stakeholders and contributed to broadening knowledge-based advocacy for greater government co-ordination in tackling key drivers of GBV.

Panel discussion on addressing GBV and HIV

A panel discussion at the pre-conference to The International AIDS Conference (IAC)² was hosted by the JGF. It provided an important space for women from different communities to come together and share their experiences of the intersections between HIV and GBV. In addition participating women were active in identifying shared struggles as well as issues that are locally or culturally specific. Unique, local contexts are often overlooked in the CSO sector; hence this platform was critical to women expressing themselves (in their dominant vernacular, isiZulu and isiXhosa)

The event included representatives from JGF partner organisations: One in Nine Campaign, Justice and Women (JAW), Project Empower, Masimanyane Women's Support Centre and LifeLine Pietermaritzburg, as well as women from communities in which JAW works.

Despite differences in perspective, there was a clear demand from participants present for similar dialogues, in order to share openly about their own lived experiences and their experiences of working to address GBV and HIV in holistic ways. Whilst this event provided a platform for marginalized women to share their experiences, it also created an opportunity to guide JGF strategic thinking and implementation for the year ahead.

HIV Roundtable, 17 July 2017



Prevention in Action Capacity Building

GBV prevention is as crucial redress. The JGF provided the opportunity for three organisations in the Western Cape to be trained by the KZN Network on Violence against women, on the Prevention in Action Programme, an innovative idea to GBV prevention. The project showed that innovative capacity enhancement for GBV prevention of this kind could easily and without much financial input be implemented within their communities, provided that there is community buy-in and commitment.

EU partnership

Building on the two strategic donor roundtables co-hosted by both the EU and HIVOS South Africa in 2015, a follow-up meeting was held with the EU delegation to South Africa in 2016. This represented a positive step towards greater donor coordination beyond the basket fund itself. The meeting initiated a process of the Fund being contracted by the EU to host two to three multi-stakeholder gatherings to deliberate on the state of post-rape care services. This strategic partnership was critical to forging greater co-ordination and collaboration between donors, national government (in particular, National Treasury) and leading civil society organisations.

² See list of MAGI grantees for 2016 under Section 6 of this annual report

Supporting civil society campaigning at different levels

Over the reporting period, JGF actively supported interventions that contributed towards strengthening local community-based women's movement building. These interventions sought to create platforms in various localities, where women from rural and urban informal areas, or other socially excluded spaces, can engage with each other, foster and develop leadership and find cross-community solidarity.

This was a turning point for such marginalised groups to mobilise collectively around issues of GBV at various forums. It is intended that these efforts will be escalated as the Fund begins to look at movement building in other localities across the country, with the aim of convening one or two networking opportunities for these groups. As part of the sector strengthening granting the JGF supported the Shukumisa Campaign (with People Opposing Women Abuse (POWA) as the administrative partner of the funds). This contribution is in support of a project to build cross-sectoral alliances within the social care sector by drawing together post-rape services, domestic violence and shelter services, home and community-based care workers, as well as children's and other related welfare services. During this reporting period, the Campaign has engaged National Treasury, as well as the Department of Social Development (DSD) at national and provincial levels. Workshops have also been conducted with 47 civil society organisations around the funding they receive from DSD. In May 2016 the Shukumisa Campaign was notified that DSD at provincial level will be revising its policy on Financial Awards.

MULTI- AGENCY GRANT INITIATIVE (MAGI)

CONTEXT

The community is the base from which millions of people and hundreds of thousands of households try to forge a decent livelihood and build a sense of future. The communities are filled with diverse assets including non-material aspects such as history of struggles, leadership and the millions of resourceful people. At the same time, the community areas are places of deprivation and neglect. Poverty is widespread (with about 20 million people that can be classified as ultra poor). In a recent backward-looking report (released Aug 2017), Statistics South Africa (SA) announced that policies have failed the people of SA. 30.4-million of South Africa's 55-million citizens in 2015 – three million more than in 2011 – lived in poverty, or below the upper poverty line of R992 per person per month. The report also observes that: "One in three South Africans lived on less than R797 per month. with more women affected than men, and children and the elderly hardest hit, while racial inequalities continue to define poverty as largely a black African problem."

There is a growing impatience at grassroots level. There are numerous service delivery protests a month (so many that the new media often fails to report on them). Youth are marginalised and while many are resilient and resourceful, significant numbers of them are drawn into crime or antisocial activities. The fabric of community life (community-centeredness, solidarity, working together) while still present is severely eroded and many governments in many instances no longer count on positive community support for initiatives.

Against a background of growing dislocation between the people and the office-bearers who have been appointed to meet their interests, the existence of CBOS has become more relevant over the past two decades. CBOs play a significant role in in strengthening active agency of people, versus being passive recipients of development from the 'top'. However, CBOs have tended to be largely side-lined from accessing mainstream donor funding, mainly as a result of the perception that they are not 'organisationally ready' to receive and manage such funds. The MAGI programme (a basket fund of contributions from the Ford Foundation, Mott Foundation and Raith Foundation) deliberately targets CBOs so that small grants, ranging in value from R50,000 to R250,000 can be made to CBOs. In light of our experiences of coalescing funding with technical support and facilitating CBO networking, we have witnessed the growth, sustainability and impact of organisations that operate with the most limited resources.

PRIMARY PROGRAMME ACTIVITIES

While a small grant-making initiative is not unique in South Africa, the MAGI model combines certain elements in an innovative manner. The basic pillars of the model are grant-making, capacity building, brokering linkages and referrals, monitoring and evaluation (and to this we would add leveraging of additional funds within a consortium model). Key elements of the model are, in combination, accessibility (which includes flexibility), responsiveness, quality, quantity, cost-effectiveness and accountability.

In addition, the MAGI model encompasses drawing on the experiences of experts in their respective fields and with networks in development- or the potential to develop these- together with a passion and commitment for what they are doing. Principally, the programme was implemented successfully through the ability of the donor consortium members leveraging additional money and through the in-built networking nature of the work. For some of the members accessing grassroots organisations they do not usually fund, reflected a genuine partnership approach to philanthropic funding that involved the active engagement of grantees, donors and strategic partners.

Grant distribution³

In 2016, MAGI had managed to reach eight provinces through its grant distribution. The two implementing partners in Gauteng province that the MAGI team had built up a partnership with have reached provinces and beneficiaries that the programme would not have influenced on its own. Community Advice Offices (CAOs) formed the bulk of the partners granted funding this year. Their focus areas ranged from providing support to specific vulnerable groups within their geographical and issue- based constituencies, to facilitating human rights awareness education initiatives. All in all, the partners diligently achieved most of their goals within the set limits despite limited financial and technical resources. In the face of the range of constraints and challenges of implementing work in remote areas, a significant number of organisations have exceeded expectations of the MAGI programme.

³ See list of MAGI grantees for 2016 under Section 6 of this annual report

- All funded CAOs have submitted final narrative and financial reports to MAGI.
- The Free State Advice Office re-grant programme by the Mott Foundation (2015-2016) ended in December 2016
- Qholaqhwe has also submitted the AFS for 2016 and the statement reflects an income of R3.7 m in 2016, an increase in their budget of R1 m from the previous year.

Embassy of the Kingdom of the Netherlands Review and Reflection Workshop



Support to Land and agrarian reform CBOs

Regarding the land and agrarian reform NGOs, 13 of the 14 CBOs that received a grant in support of their work on land and agrarian reform received their second tranche in the reporting period

Raising LGBTI awareness in Human Rights CBOs

The purpose of the programme is to link the rights of LGBTI people to the other rights based work being done in the communities where the CBOs are located. The grants of seven CBOs⁴ that were funded through MAGI under this project came to an end during 2015. Subsequently these organisations were able to receive funds by the Embassy of the Netherlands and were able to continue with work as planned.

Building organisational capacity

We have taken cognisance of the feedback about good capacity building support to CBOs funded by MAGI. The set of trainings, awareness raising and organisational development support has been regarded as invaluable in building their institutional capacity and strengthening organisations ability to be more sustainable and responsive to the needs of the communities that they serve.

Over the reporting period, the following beneficial capacity building interventions were implemented:

- Capacity gaps were assessed at the initial assessment visits to the organisations in 2016
- Seven CBOs and CAOs had gone through specific capacity development interventions. Of the seven, two had subsequently received seed funding⁵
- Three CBOs in Limpopo were supported through training from the MAGI Programme Manager and an external OD consultant⁶
- Training on planning, governance and resource mobilisation was facilitated by I with four Eastern Cape- based CBOs⁷
- Two peer learning exchange visits have taken place in March and April⁸

There have been positive results post the training in the form of improvements in the governance, and strengthened plans, whilst a few organisations have went as far as having developed strategic plan and associated budget linked to a resource mobilisation plan. Post- training visits to the Limpopo- based CBOs revealed that there were minimal changes in Tokologo organisation that were attributed to the training ; however, the other two CBOs found value in the training and used the knowledge gained to improve their implementation and service delivery

The Eastern Cape organisations have used the information and knowledge gained to improve on their plans, develop a strategic plan and a resource mobilisation plan. The #wegirls CBO reported that they found the experience of peer learning to be a useful learning, the result of which is that the exposure to counselling services enabled them to provide support to survivors of gender based violence in Apel where IVSC is based.

MAGI is an exciting model despite, and perhaps because of, its evolving status. It is attempting to create a good practice model for grant-making that focuses on grassroots organisations and leads to the strengthening of marginalised voices in civil society in South Africa. It has met its initial goals in terms of structuring a grant-making mechanism to do this. It is too soon to be looking at specific sectoral impact, although the system needs to be developed now so that it can support such an investigation in the future.

⁴ Letsopa Advice Office, Blood River Advice office; Mamadi Advice Office, Tshireletso Against Women Abuse, Qholaqhwe Advice Centre, and Trans and Intersex Africa.

⁵ Tokologo and #wegirls

⁶ Tokologo, #wegirls and Centre for Research and Development

⁷ Jersey Farm Advice Office, Flagstaff Advice Office, Resurrection Support Group and Qunu Advice Office. Resurrection Support Centre, and Qunu Advice Office

⁸ Between Tokologo and Mankweng Community Law Centre and #wegirls and Integrated Victim Support Centre.

Capacity building is taking place in a number of ways which are innovative in terms of the model. These include the direct capacity development done through contact between Programme/Project Officers (PO) and the grantees; the way in which MAGI is making use of strategic partners; and, to some degree (although not sufficiently) through the simplifying of the procedures in applying for, and accounting for, MAGI grants. There is scope for extending the understanding of capacity development to include exposure of small CBOs to analysis of, and engagement with, some of the larger advocacy issues underpinning problems such as poverty and patriarchy in South Africa. This is already being done to some extent, and often through the brokerage of MAGI, by linking projects to strategic partners. Together with an evolving system for managing the project cycle and the monitoring and evaluation process so that it complements the MAGI model, there is room for more work in this regard so that the programme is able to make a greater impact at the level of CBO strengthening.

Partners	Province	Purpose of funding
Strydenburg Future Leaders Organisation	Northern Cape	To educate and train farm workers, workers employed in other industries and in the communities on socio-economic rights, labour, human rights and women and children's rights.
Tokologo Centre For Democratic Society Rights and Empowerment	Limpopo	Seed funding to develop systems and activities to benefit mining affected communities.
Trans and Intersex Africa (TIA)	Gauteng	Advocacy and awareness raising, outreach and psychosocial support; training, capacity and movement building.
Trust for Community Outreach and Education	Western Cape	Organising and working with farm workers including migrant workers (women) and youth in the Free State and Limpopo.
Tshatshu Advice Centre	Eastern Cape	Planning and conduct human rights awareness workshops, administration and personnel.
Tshireletso Against Women abuse	Free State	Addressing high levels of discrimination against LGBTI people and GBV against women, children, the elderly and people with disabilities.
Voices of Woman of Africa	Eastern Cape	Advancing popular against xenophobia in Grahamstown.
Witzenburg Rural Development	Western Cape	Access to Justice programme, capacity building workshops, engagement with Witzenberg partnership project.

Partners	Province	Purpose of funding
Beaufort West Legal Advice and Development Office	Western Cape	Conducting an outreach programme for schools, provide paralegal assistance, conduct workshops for farm committees and stipends.
Centre For Research and Development	Limpopo	Empowering farmworkers in Limpopo to assert their rights.
Citrusdal Advice Office	Western Cape	Farmworkers, dwellers and migrants forum
Ficksburg Advice Office	Free State	Access to Justice programme
Flagstaff Community Advice Centre	Eastern Cape	Facilitating consultative meetings as preparations for their workshops, Conduct human rights awareness workshops, women empowerment, Administration and Personnel.
Hashtag we Girls	Mpumalanga	Seed funding to develop systems, register the board and engage young women in Spring Valley.
Integrated Victim Support Centre	Limpopo	Public Awareness campaign on Gender-based violence and domestic violence, and support services for survivors of violence in Fetakgomo Municipality.
Interchurch Local Development Agency	Eastern Cape	Establish a shared interest in the recapitalization projects/programmes. Create an enabling environment between farm owners, workers and dwellers and enabling women to be self-reliant.
Jersey Farm Advice And Information Centre	Eastern Cape	Conducting 12 workshops on ABCD.
Khanyisa Education and Development Trust	Eastern Cape	1. Facilitate the establishment of farmworkers forum to champion the rights of farm workers.
2. Support and strengthen rural movements in Sarah Baartman Districts and Uitenhage.		
Letsopa Advice Centre	North West	Rights awareness, including LGBTI rights; counselling to GBV victims; community dialogues around GBV; and advice and paralegal services to community members in Ottosdal, Delareyville, Sannieshof and surrounding farms and villages.
Mamadi Advice Office	Limpopo	Informing community members and traditional leaders about LGBTI rights, women's rights, gender, sex, and sexual orientation.
Manguang Advice Centre	Free State	Providing para legal advice to community members, conduct awareness campaigns, community dialogues and forums and capacity building to strengthen the organization.
Masiphakameni Local Development Agency	Eastern Cape	Engaging stakeholders, Conduct human rights awareness workshops, Sexual rights, 16 days of activism, farmworkers rights, paralegal, administration, personnel and a contribution to office equipment.
MEJCON/ Centre for Environmental Rights	Western Cape	Promoting the human rights of communities affected by mining and uniting them through training and networking.

Partners	Province	Purpose of funding
Messina Legal Advice Office	Limpopo	Promoting and protecting the human rights of asylum seekers and migrants through monitoring and legal assistance
Nonesi Development and Legal Advice Office	Eastern Cape	Improving livelihoods and exploring innovative reform methods for optimal production.
People First Foundation	Western Cape	To build the capacity of NPO Leaders – as a means of strengthening the organisations' institutional capacity to deliver effective and efficient services and programmes that address poverty in the Eastern, Northern and Western Cape.
Qholaqhwe Advice Office	Free State	Advocacy against GBV affecting the LGBTI population.
Promoting access to justice and increase visibility of the office, support existing offices in the district and build a network of stakeholders and service providers.		
Qunu Community Advice Office	Eastern Cape	Conducting human rights awareness workshops, transport for the planning meetings and workshops, administration and personnel.
Relemogile Community Advice Office	Limpopo	Addressing GBV, violence against women and LGBTI rights through door-to-doors and events.
Resurrection Support Centre	Eastern Cape	Providing victim empowerment services including lay counselling, referrals, capacity building, outreach and awareness campaigns.
Ruliv	Eastern Cape	Establishment of a committee for the Ngxutyana Development Association in Willowvale and facilitation of a development strategy together with mentoring rural leadership.
Rural Legal Trust	GP,MP, FS, NW, NC	Creating an enabling environment and platform for working and non-working women and young women on farms to assert their human and socio-economic rights; pursue their right to land ownership and security of tenure.
Rural people's Movement	Eastern Cape	Organise, mobilise and support small scale producers and livestock owners on agro-ecology practices.
Sandveld Local Development Agency (SALDA)	Western Cape	Access to Justice, community workshops, dialogues and women's empowerment.

SEXUAL & DIVERSITY RIGHTS (SDR)

CONTEXT

South Africa stands at a cross-road: the dream of the rainbow nation as enshrined in its constitution is met by a reality of a country still defined by terrible injustice. In a country which on paper promises non-discrimination on the basis of race, gender and sexual orientation, pervasive problems of systemic racism, stunted land reform, inadequate access to water and sanitation, xenophobia, sexism, homophobia and trans-phobia are realities for so many. LGBTI organisations have a long history of using legal change, grassroots campaigns and dialogues to challenge injustice in South Africa. Despite a restricted environment with limited resources and a growing backlash against sexual minorities, important gains have been made and should be acknowledged as they provide us with the opportunity for learning and adapting our strategies for action.

In the communities where emerging organisations are based and young activists live, racism, sexism, xenophobia and inadequate access to employment and sustainable livelihoods remains enormously complex and dire. Their realities are intersecting – being lesbian, gay, bisexual, transgender or intersex is intertwined with the social and economic problems. Even though on paper LGBTI people in South Africa have made huge legal and social advances – in their communities, the home, at schools, health and religious institutions, LGBTI people still experience high levels of discrimination and prejudice. These attitudes have reached dangerous proportions, and to a large extent have motivated the increase in violence, attacks and murders of sexual minorities throughout the country.

Notwithstanding the rise of LGBTI organisations in South Africa, CBOs that are particularly black and under- resourced are faced with several inherent challenges: the lack of legal and psycho- social support outside of urban centres; the lack of capacity and resources for to effectively participate in national campaigns (such as the LGBTI National Task Team); insufficient skills and confidence to develop evidence based tools for advocacy and lobbying at a local level; rising threats of violence against LGBTI leaders at a community level; limited (if any) localized strategies to respond to hate crimes or access to health and justice services; vulnerability of LGBTI people living in communities with under- resourced and biased safety and security systems; and discriminatory policy implementation by public stewards such as local government office- bearers, police and health service providers.

The list goes on; however these issues are consistent and prevalent and have had huge implications for how an organisation like Hlanganisa approached its support to organisations working with the LGBTI community nationally.

In the rest of the region, LGBTI people face numerous restrictions which include being demonised by politicians, widespread stigma, legal restrictions and criminalisation as well as well denial of dignity and access to health services. Many LGBTI people face concerns of safety and security; conditions are seldom favourable for coming out, but organisations are making headway in providing a spaces of safety and solidarity. In various countries NGOs exist and have been taking up these battles; however, the NGO coverage in many countries is inadequate. NGOs also lack sufficient resources and capacity to meet the needs of members and to engage in the awareness, activism and skilful engagement work that their mandate requires of them. Working with partners, Hivos-SA SDR programme has walked alongside organisation, providing support on social security, channelling funding towards them and assisting with on the ground support to organisations in the rest of the region.



PRIMARY PROGRAMME ACTIVITIES

Grant funding:

The SDR call for proposals was framed around work focusing on: responding to hate crimes and discrimination at community level, dissemination of information lead to social mobilization and actions which use an intersectional approach to build a stronger national LGBTI movement. The process looked for those developing manuals and toolkits, engagement with partners and use of new media to combat hate crimes and prejudice. The detailed pay-off line for the programme is: Realising, protecting and entrenching the rights of Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI people across South Africa).

In response to this context, HIVOS-SA with support from the EU, developed the People's Power Initiative. The grant targets organisations and group formations in each of the nine South African provinces⁹. The grant offered a unique opportunity for new LGBTI organisations and emerging leaders to not only access funding and technical support – but tailored mentorship as well. In the reporting period HIVOS-SA facilitated the following ground- breaking activities:

- Supported five organisations in South Africa through providing each organisation with a small grant to embark on a set of actions implemented over a 6-month period.
- Learning exchanges with opportunities for grantees to learn from established organisations were promoted.
- An opportunity to build national strategies through the People's Power network was created.
- Development of an app called Home for the Holidays which will reach an estimated 100 LGBTI youth in crisis to access basic services during the pilot period.
- Policy analysis with 45 trans students based at 9 universities in South Africa on transgender inclusion in higher education.
- Sensitization of 600 school learners on sexual orientation and gender identity at 6 schools in Nelson Mandela Bay
- Created safe spaces for 300 learners and 30 parents to deal with LGBTI issues in the south coast of Kwazulu Natal; and
- Empowered 15 transgender people and 15 healthcare workers so that transgender people have better access to healthcare in Cape Agulhas municipal area.

It is estimated that over 1000 individuals were directly reached through these actions. However in the absence of a rigorous monitoring and evaluation system, it was not possible to calculate the exact number of individuals that were directly and indirectly affected by the Peoples' Power project. Since the project started, HIVOS has expanded the People's Power network to include over 120 community group from across South Africa. People's Power has emerged as a strong, responsive and inclusive network of LGBTI community leaders and organisations – based in rural and urban areas. The network has grown organically, through workshops and spaces convened by HIVOS-SA. Furthermore,

organisations in rural areas and more established urban- based organisations have started partnerships. Further LGBTI community groups from rural areas are now participating more than ever in key national spaces such as the LGBTI National Task Team. This project has allowed for new and emerging LGBTI organisations, grassroots groups and groups from hard to reach areas to build their leadership capacity, access resources and have a voice in the national LGBTI movement.

⁹ See list of partner organisations under section 6 of this annual report

SDR programme officer Gabriel Hoosain Khan



INNOVATIVE DEVELOPMENTS

The DIDIRI Programme

This was a regional programme which involved a range of organisations¹⁰, including the HIVOS Regional Hub, HIVOS-SA and Positive Vibes. HIVOS-SA's role was primarily to provide monitoring support and giving cross cutting input through participation in the steering structures of the programme. HIVOS-SA was the fiscal host of the programme. HIVOS-SA, apart from ensuring effective flow of funds to partner organisations, conducted monitoring of grant recipients. It also hosted and a partner feedback and review meeting in Johannesburg, motivated for and facilitated partner participation in the 2016 Aids conference in Durban and motivated for effective and strategic use of remaining resources in the programme.

HIVOS South Africa contributed to the overall outcomes of the DIDIRI programme, which were hailed a success according to an external evaluation. In light of this finding, the programme has helped to create safer spaces for LGBTI programme amid broader advocacy work to transform the environment; the focus on personal identity has helped to show real successes in in that, now, "in all countries now minimally have health workers that provide effective health care service to LGBTI people", has led to increased access to HIV and SRH services which are more respectful and accommodating for LGBTI people, and has led to an increased number of LGBTI people who are seeking SRH and HIV services than before.

¹⁰ See list of organisations under Section 6 of this report



Inter- Programme Collaboration (Magi and SDR)

HIVOS-SA received funding from the Embassy of the Kingdom of the Netherlands to support community based organisations programmes that focus on addressing gender based violence that includes LGBTI persons' as a key population group. The overall objective of the programme was to contribute to the realisation, protection and entrenchment of human rights for women and girls across South Africa. The second objective of the programme was "to strengthen the sustainability of the participating community based organisations". The provinces in which the participating CBOs were based were: the Free State, Limpopo and North West. This was the first time that the MAGI programme included sexual diversity into its work with supported CBOs and CAOs. This programme was managed outside of the collaborative fund and had a specific set of objectives and outcomes attached to it. Participating women's rights CBOs have mobilised their communities on a variety of human rights issues. These include, amongst others, women's oppression, violence against women, sexual diversity, advocating for human rights violations to be highlighted, and raising awareness of upholding international human rights standards in their communities by using a mix of traditional, new and innovative ways of working. Each of the participating organisations has done well in their efforts to advocate for various human rights in their communities. They have, in their own unique ways, managed to:

- a. Change perceptions towards LGBTI individuals, which has led to reduction in cases of abuse
- b. Succeed in changing the perceptions of some religious leaders towards LGBTI individuals
- c. Enable traditional leaders to reconsider traditional practices that were discriminatory towards LGBTI individuals and their families viz. LGBTI individuals are now able to access land, leaders whose children are LGBTI individuals no longer lose their positions of authority
- d. Parents are starting to change their behaviour and attitudes towards their LGBTI children. For instance, a mother of an LGBTI individual only allowed her child to dress how he wants as long as he stays indoors. As a result of exposure to the programme she realised the importance of permitting her child wear what he wants in or outside the house.

ORGANIZATIONS FUNDED UNDER THE SDR PROGRAM

DIDIRI Programme
 Sexual Rights Center SRC
 LeGaBiBo
 Gay and Lesbian Network GLN
 CEDEP
 The LGBT community and Health Center
 LGBTCHC
 Trans Bantu Association Zambia TBZ
 LeGaBiBo
 GALZ
 SHE
 MANARELA
 LGBTCHA
 SRC
 Friends of Rainka
 Rock of Hope
 People's Matrix

People's Power Programme
 Same Love toti
 Butterfly foundation
 Outology network
 Cross University Trans Collective
 TransWellness Project

CONCLUSION

A call for innovation and Action

Looking ahead to the new year, the organisation is inspired by themes such as Innovation and Action. More CSOs especially those existing for a long time need to examine what works and take such reflection as a guide to moving forward. They need to show they can relate to changing contexts. In this connection, it is not that CSOs should change for the sake of it; at the same time, they should not pass by opportunities for renewal. There are many CSOs which renew themselves and make adjustments to strategy from time to time; these organisations are the most dynamic.

In terms of 'Action', we believe many NGOs possess a great deal of vital information arising from their work. In some cases, the information highlights a gap between policy or professed positions and evidence emerging in the field. At other times, it is about the depth and scale of a particular human rights or social justice issue. A good number of CSOs are of course good examples of action. But, all too often, CSOs don't do enough to with the knowledge and information. They seem not to realise how they can benefit society if they took action on that information: present it to a department, present it to parliament, distribute it widely to the populace, organize advocacy around it.

HIDSA sees the work for justice continuing apace into the future. Although the work is often hard and the road seems long, there are always important gains to be noted. It gains strength from the resilience, spirit and determination of social justice campaigners on many fronts and many levels. HIDSA is proud to be a supporter of civil society organisations working tirelessly for democracy, human rights and social justice.



A joint funding mechanism
provide grants to civil
Community Based Or
and Non-Govern
Organisations) in su
projects
ased



FINANCIALS

**HUMANIST INSTITUTE FOR CO-OPERATION WITH
DEVELOPING COUNTRIES (SOUTH AFRICA) NPC**

(REGISTRATION NUMBER 2006/017949/08)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Community, social and personal services activities
Directors	T Lubbers E Huizing L Ramafoko I Mkhabela IP Fenyane L Schout BGM Witjes JG Campbell JJAF Kok F Meintjies
Registered office	25 Owl Street 7th Floor Auckland Park, Johannesburg, 2109
Business address	25 Owl Street 7th Floor Auckland Park, Johannesburg, 2109
Postal address	Postnet Suite 515 Private Bag X113 Melville 2109
Bankers	The Standard Bank of South Africa Limited
Auditor	PricewaterhouseCoopers Inc.
Company registration number	2006/017949/08
Tax reference number	9121291166
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were independently compiled by: DO Nkosi CA(SA) Kettle Consulting
Issued	20 October 2017

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The reports and statements set out below comprise the financial statements presented to the members:

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December, 2017 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on pages 6 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the members, the directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The financial statements and additional schedules set out on pages 9 to 43, which have been prepared on the going concern basis, were approved by the board of directors on 20 October 2017 and were signed on their behalf by:



Director

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of the company for the year ended 31 December 2016.

1. Nature of business

The company is engaged in community, social and personal services activities and principally operates in South Africa. There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Share capital

The company has no share capital as it is an association incorporated as a non-profit company in terms of the Companies Act of South Africa.

4. Directorate

The directors in office at the date of this report are as follows:

Directors	Nationality	Appointment details
T Lubbers	Netherlands	
E Huizing	Netherlands	
L Ramafoko	South African	
I Mkhabela	South African	
IP Fenyane	South African	
L Schout	Netherlands	
BGM Witjes	Netherlands	
JG Campbell	South African	
JJAF Kok	Netherlands	
F Meintjies	South African	1 June 2015

5. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

DIRECTORS' REPORT

6. Events after the reporting period

As part of becoming a fully independent organisation, the board of directors of Hivos South Africa and the Hivos Foundation in the Netherlands, mutually agreed that the company become a fully independent entity operating without the Hivos name, with effect from 01 May 2017. Consequently, the company's name was changed to Hlanganisa Institute for Development Southern Africa.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

8. Auditors

PricewaterhouseCoopers Inc. will continue in office in terms of section 90 of the Companies Act.

9. Secretary

The company had no secretary during the year.

10. Liquidity and Solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa.

11. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 20 October 2017. No authority was given to anyone to amend the financial statements after the date of issue.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

Figures in Rand	Note(s)	2016	2015
Assets	3	137,761	149,969
Non-Current Assets			
Property, plant and equipment			
Current Assets	4	2,199,199	744,776
Trade and other receivables	5	23,624,640	27,455,275
Cash and cash equivalents		25,823,839	28,200,051
Total Assets		25,961,600	28,350,020
Equity and Liabilities			
Equity		7,465,030	6,329,028
Reserves		1,523,832	2,771,222
Retained income		8,988,862	9,100,250
Liabilities			
Current Liabilities			
Trade and other payables	7	5,225,478	4,206,677
Deferred income	8	11,747,260	15,043,093
Total Equity and Liabilities		16,972,738	19,249,770
		25,961,600	28,350,020

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2016	2015
Revenue	9	30,025,581	33,492,124
Other operating gains (losses)	8	8	-
Other operating expenses		(31,272,979)	(33,463,914)
Operating (deficit) surplus	10	(1,247,390)	28,210
(Deficit) surplus for the year		(1,247,390)	28,210
Interest income		1,136,002	3,867,575
Total comprehensive (loss) income for the year		(111,388)	3,895,785

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Hivos Reserve account	Retained income	Total equity
Balance at 1 January, 2015	2,461,453	2,743,012	5,204,465
Surplus for the year	-	3,895,785	3,895,785
Transfer to reserve	3,867,575	(3,867,575)	-
Total comprehensive income for the year	3,867,575	28,210	3,895,785
Balance at 1 January, 2016	6,329,028	2,771,222	9,100,250
Deficit for the year	-	(111,388)	(111,388)
Transfer to reserve	1,136,002	(1,136,002)	-
Total comprehensive Loss for the year	1,136,002	(1,247,390)	(111,388)
Balance at 31 December, 2016	7,465,030	1,523,832	8,988,862
Note(s)			

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from (used in) operations	13	(4,987,880)	(6,487,111)
Sale of property, plant and equipment		1,136,002	3,867,575
Net cash used in operating activities		(3,851,878)	(2,169,536)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(68,757)	(86,065)
Sale of property, plant and equipment	3	-	2,452
Net cash from investing activities		(68,757)	(83,613)
Total cash movement for the year		(3,830,635)	(2,703,149)
Cash at the beginning of the year		27,455,275	30,158,424
Total cash at end of the year	5	23,624,640	27,455,275

ACCOUNTING POLICIES

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and the Companies Act of South Africa, as amended.

The financial statements have been prepared on the historic cost convention basis, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in South African Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Trade and other receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Residual values and useful lives of property, plant and equipment

The directors reviewed the residual values, useful lives and carrying amounts of property, plant and equipment to determine the appropriate level of depreciation and whether there is an indication that those assets suffered an impairment loss. The directors judged the residual values as zero as a result of the fact that the plant and equipment are held for trading, and normally scrapped.

ACCOUNTING POLICIES

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

1.3 Property, plant and equipment (continued)

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Office decor	Straight line	6 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

ACCOUNTING POLICIES

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments Classification

Instruments Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

ACCOUNTING POLICIES

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account.

Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables and are measured at amortised cost. Loans from group companies are classified as financial liabilities measured at amortised cost.

ACCOUNTING POLICIES

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

1.4 Financial instruments (continued) Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Tax

Tax expenses

Taxation was not provided for as the company is incorporated as a non-profit company in terms of the Companies Act of South Africa and has been granted a tax exemption certificate in terms of section 10(1)(cN) of the Income Tax Act.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

ACCOUNTING POLICIES

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7 Impairment of assets

Any contingent rents are expensed in the period they are incurred.

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

ACCOUNTING POLICIES

1.8 Hivos reserve account

The Hivos reserve account comprises interest received on project funds that are not capitalised to specific projects during the duration of the project, in terms of contractual agreements, as well as the balance of grants from closed projects if no refund is required by the donor in terms of the contract.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.10 Revenue

Grant income is recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

ACCOUNTING POLICIES

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Functional and Presentation currency

The annual financial statements are presented in "South African Rand" ("ZAR"), which is the company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January, 2016	The impact of the standard is not material.
Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	1 January, 2016	The impact of the amendment is not material.
Amendment to IAS 19: Employee Benefits: Annual Improvements project	1 January, 2016	The impact of the amendment is not material.
Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	1 January, 2016	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 1 January, 2017 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IFRS 16 Leases	1 January, 2019	Likely that there will be a material impact
IFRS 9 Financial Instruments	1 January, 2018	Unlikely there will be a material impact
IFRS 15 Revenue from Contracts with Customers	1 January, 2018	Unlikely there will be a material impact
Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	1 January, 2018	Unlikely there will be a material impact
Amendments to IAS 7: Disclosure initiative	1 January, 2017	Unlikely there will be a material impact

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

Figures in Rand	2016			2015		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	192,668	(144,435)	48,233	192,668	(128,024)	64,644
Office equipment	81,988	(63,757)	18,231	81,988	(48,869)	33,119
IT equipment	354,587	(283,291)	71,296	285,80	(233,625)	52,205
Office decor	56,148	(56,147)	1	56,148	(56,147)	1
Total	685,391	(547,630)	137,761	616,634	(466,665)	149,969

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	64,644	-	(16,411)	48,233
Office equipment	33,119	-	(14,888)	18,231
IT equipment	52,205	68,757	(49,666)	71,296
Office decor	1	-	-	1
Total	149,969	68,757	(80,965)	137,761

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	38,464	39,886	-	(13,706)	64,644
Office equipment	38,231	9,025	-	(14,137)	33,119
IT equipment	52,465	37,154	(2,452)	(34,962)	52,205
Office decor	1,234	-	-	(1,233)	1
Total	130,394	86,065	(2,452)	(64,038)	149,969

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011, is available for inspection at the registered offices of the company.

NOTES TO THE FINANCIAL STATEMENTS

4. Trade and other receivables

Trade receivables	1,828	38,914
Amounts due from related parties	522,829	388,721
Deposits	55,422	55,422
VAT	86,450	261,866
Other receivable	1,532,670	-
Total	2,199,199	744,776

Fair value of trade and other receivables

The carrying amount of trade and other receivables balances approximates their fair value.

Figures in Rand	2016	2015
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Trade and other receivables impaired

Trade and other receivables does not contain any assets that are past due nor impaired.

The carrying amount of trade and other receivables are denominated in the following currencies:

Rand	2,199,199	744,776
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The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The company does not hold any collateral as security.

5. Cash and cash equivalents

Cash and cash equivalents consist of:		
Bank balances	23,624,640	27,455,275

The business had the following credit facilities at the end of the financial year:

Product - Card
Expiry date - 20/06/2017
Limit - R500,000

6. Hivos Reserve account

Opening balance	6,329,028	2,461,453
Transfer from reserves	1,136,002	3,867,575
Total	7,465,030	6,329,028

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2016	2015
7. Trade and other payables		
Trade payables	41,162	1,340,803
Joint Gender Fund	1,658,800	1,913,515
Grantees	192,227	153,584
Accrued leave pay	3,333,289	800,043
Other accrued expenses	-	(1,268)
Other payables		
	5,225,478	4,206,677

Fair value of trade and other payables

The carrying amount of the trade and other payables balances approximates their fair value.

The carrying amounts of trade and other payables are denominated in the following currencies:

Rand	5,225,478	4,206,677
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8. Deferred income

Opening balance	15,043,093	12,697,960
Plus: Receipts	26,729,748	35,837,257
Less: Transfers to revenue	(30,025,581)	(33,492,124)
Deferred revenue	11,747,260	15,043,093

Deferred income is de-recognised when the related expenses can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2016	2015
9. Revenue		
Grant income	30,025,581	33,492,124
The amount included in grant income by source of funds are as follows:		
Joint Gender Fund - Grant income	16,277,556	13,104,862
Multi Agency Grant Initiative	13,273,652	16,495,339
Royal Netherlands Embassy	2,246,792	-
Integrated Refugee Rights Program	-	9,386,720
Mobile Populations	2,105,537	-
Making All Voices Count – MAVC	4,381,156	3,102,894
Sexual & Reproductive Rights	2,392,672	8,102,222
BRICS	309,657	309,657
Democracy Works	926,272	343,753
MAC Aids	-	247,484
Global Doctors for Choice	237,735	232,922
Benetech	787,228	-
Global Fund	(29,414)	-
	42,908,843	51,325,853
Less: Deferred grant income	(11,747,260)	(15,043,093)
Less: Moved to reserves	(1,136,002)	(2,790,636)
	30,025,581	33,492,124

The Multi Agency Grants Initiative comprises the following donors: Atlantic Philanthropies, Ford Foundation, HIVOS NL, Anglo American Chairman's Fund, Raith Foundation and Charles Stewart Mott Foundation.

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2016	2015
10. Operating surplus (deficit)		
Operating (deficit) surplus for the year is stated after charging (crediting) the following, amongst others:		
Expenses by nature		
Accounting Fees	24,502	13,422
Audit fee	553,500	648,996
Advertising & Promotions	7,200	11,220
Bank Charges	32,775	32,675
Computer expenses	214,234	251,535
Consulting fees	449,114	205,475
Courier & Postage	7,388	18,173
Depreciation	80,965	64,038
Employee costs	1,983,750	2,510,392
Electricity & Water	230,083	229,465
Fundraising	45,298	-
General expenses	30,891	28,812
Osiris	-	162
Insurance	95,504	89,756
Legal fees	90,199	13,222
Security	12,037	9,407
Meeting expenses	71,891	33,284
Penalties and interest	143	-
Printing and stationery	74,831	90,546
Rental lease and operating lease	713,582	689,018
Rental - Parking bays	119,191	115,952
Repairs and maintenance	16,504	37,858
Subscriptions	2,272	7,313
Staff welfare / training	413,117	1,219,786
Staff Consultancy Contracts	1,250,972	414,681
Set up / SLA Costs	73,251	63,822
Telephone & Fax	111,331	125,654
Travel and accommodation	720,929	786,362
Project Monitoring & Programme Evaluation	432,799	313,593
Capital expenditure – Other	27,561	9,504
Projects – Salaries	5,855,222	4,283,577
Projects - Capacity Building	9,642,751	4,861,415
Projects - Grants	7,889,192	16,284,798
	31,272,979	33,463,913

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2016	2015
11. Employee costs		
Employee costs		
Salaries and wages	9,226,231	7,416,519
Average number of persons employed during the year		
Number of employees	20	14
12. Taxation		
No provision has been made for taxation as the company is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.		
13. Cash generated from (used in) operations		
Surplus/(deficit) before taxation	(111,388)	3,895,785
Adjustments for:		
Depreciation on property, plant and equipment	80,965	64,038
Movement in reserves	(1,136,002)	(3,867,575)
Changes in working capital:		
Trade and other receivables	(1,454,423)	(386,128)
Trade and other payables	1,018,801	(8,538,364)
Deferred income	(3,295,833)	2,345,133
	(4,987,880)	(6,487,111)
14. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	596,858	584,461
- in second to fifth year inclusive	4,294,471	-
- later than five years	413,580	-
	5,304,909	584,461
Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of five years. No contingent rent is payable.		

NOTES TO THE FINANCIAL STATEMENTS

17. Comparative figures (continued)

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2015					
Assets					
Non-Current Assets					
Property, plant and equipment	3	-	-	149,969	149,969
Current Assets					
Trade and other receivables	4	427,488	-	317,288	744,776
Cash and cash equivalents	5	27,455,275	-	-	27,455,275
		27,882,763	-	317,288	28,200,051
Total Assets		27,882,763	-	467,257	28,350,020
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent:					
Reserves		-	-	6,329,028	6,329,028
Retained income		-	-	2,771,222	2,771,222
		-	-	9,100,250	9,100,250
Total Equity		-	-	9,100,250	9,100,250
Liabilities					
Current Liabilities					
Trade and other payables	7	-	3,241,045	965,632	4,206,677
Deferred income	8	-	-	15,043,093	15,043,093
		-	3,241,045	16,008,725	19,249,770
Total Liabilities		-	3,241,045	16,008,725	19,249,770
Total Equity and Liabilities		-	3,241,045	25,108,975	28,350,020

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

2016

2015

18. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes borrowings (excluding derivative financial liabilities), cash and cash equivalents disclosed in note 5, and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the company maintains flexibility in funding by keeping cash on hand.

Surplus cash held by the company over and above the balance required for working capital management are invested in interest bearing accounts.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2016	Less than 1 year
Trade and other payables	5,225,478

At 31 December 2015	Less than 1 year
Trade and other payables	4,206,667

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2016	2015
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Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

At 31 December, 2016, if interest rates on Rand-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been R 236,246 (2015: R274,553) lower or higher, mainly as a result of higher or lower interest income on bank balances.

18. Risk management (continued)

Credit risk

Potential concentration of credit risk consists principally of cash investments and deposits. The company's main income stream is derived from grants received. Therefore no trade receivables exist. The company only deposits cash surpluses with major banks of high quality credit standing.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2016	2015
Standard Bank (F1+(baf))	23,624,640	24,755,275

Foreign exchange risk

The company does not have receivables or payables denominated in foreign currency and is therefore not exposed to foreign exchange risk arising from currency fluctuations.

The company reviews its foreign currency exposure, including commitments on an ongoing basis. The company expects its foreign exchange contracts to hedge foreign exchange exposure.

Price risk

The company is not exposed to equity securities price risk because it does not hold any investments in listed securities nor does it hold any commodities.

19. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2016	2015
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20. Events after the reporting period

As part of becoming a fully independent organisation, the board of directors of Hivos South Africa and the Hivos Foundation in the Netherlands, mutually agreed that the company become a fully independent entity operating without the Hivos name, with effect from 01 May 2017. Consequently, the company's name was changed to Hlanganisa Institute for Development Southern Africa.

