



Annual Report

Year ended 31 December 2013

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Cover Photo: Educating school children about child marriage, Ranchi, India (Breakthrough)

Administrative Information

Registered Office: Steinengraben 5
CH-4003 Basel
Switzerland

Auditors: KPMG
Viaduktstrasse 42
P.O. Box 4002
Basel
Switzerland

Structure, Governance & Management

Human Dignity Foundation (HDF) is a Swiss registered charity established in 2004. The foundation is a pro-active grant-making foundation and does not carry out any other activities.

The foundation is governed by a board of seven Directors including the founder who is Chairman. There was one appointment, two re-appointments and one resignation of directors during 2013. The board meets on a quarterly basis.

A strategic review in 2009 led to the board's decision to become a limited life foundation. The expected lifespan is to 2021 during which the foundation will spend both its income and its capital to achieve its objectives. The foundation does not actively fundraise.

Taking advice from the Executive Director, and external advisers, the Directors make all decisions regarding the approval or otherwise of grant applications as well as the investment policy and practice of the foundation. Day-to-day running of the foundation is undertaken by the Executive Director supported by three staff members. The full-time equivalent of the team is 3.5 staff following the appointment of a full-time Finance Manager during 2013.

Risk management systems are in place to mitigate exposure to major risks and the risk register is continuously reviewed. A risk management report is provided to the Directors at each board meeting.

At the request of the HDF Board, the foundation undertook a compliance audit in 2013 to ensure full compliance with all requirements laid down by the Swiss regulatory authorities. Undergoing the audit was a useful process as it ensured that all documents are in order and also familiarised newer members of staff with such documents. There were no serious omissions or errors identified and there is opportunity to better manage risk by implementing the recommendations.

An increase in the number of transactions being undertaken by the foundation has prompted a move from quarterly to monthly management accounts. Staff and systems have been put in place for this to occur from January 2014.

The external auditors, KPMG AG, were re-appointed for 2013.

Two board committees exist, each meeting a minimum of quarterly:

1. **Investment committee** – the purpose of this committee is to oversee HDF's investment portfolio and act in an advisory capacity to the board of Directors. It is comprised of two board members and three external advisors with the Finance Manager acting as secretary to the committee.
2. **Finance committee** – the purpose of this committee is to be responsible for, and to make recommendations to the board of directors in relation to, the financial reporting process, external audit function, system of internal financial controls and financial regulatory compliance of the foundation. This committee is comprised of two board members with the Finance Manager acting as secretary to the committee.

Strategy 2014-2018

During 2013 HDF conducted a wide-ranging review to inform the meridian phase of its life, 2014 to 2018 inclusive. This process looked at HDF's experience to date, what others are doing and the operating context. Having reflected on the contents and recommendations of the review, HDF's board approved the strategy for 2014-2018. The contents of the strategy are reflected on HDF's website; in summary HDF will work on child protection and life choices in India, Malawi and South Africa.

HDF Vision

Children and young people living with dignity

HDF Mission

Guided by its vision, Human Dignity Foundation supports relevant organisations to expand and improve their work with children and young people in Africa and Asia.

HDF Values

- **Passion** for our vision and mission
- **Accountability** to programme participants, grantees and other donors
- **Courage** to fund courageous work, to challenge the status quo, to admit our mistakes
- **Excellence** in all that we do

HDF PROGRAMME OUTCOMES 2014-2018



Organisation Outcomes

During the period of 2014-2018 HDF will:

- A. Be an effective, respected and reputable funder
- B. Model good practice in its governance, leadership and resource management

Child Protection

In 2013 HDF commissioned an external review of its child protection policy and practice. This valuable exercise recognised the good basis from which HDF is operating and made concrete recommendations for improvement. Some of these recommendations have been implemented and the remainder are scheduled for implementation early in 2014.

Investment Strategy

HDF pursues a conservative investment strategy in conjunction with external investment advisers to meet the following investment criteria:

- Security of capital
- Spread of risk
- Generation of income to contribute to project funding commitments

In accordance with Board instructions, the investment committee undertook significant efforts in 2013 to reduce portfolio exposure in high-risk asset classes such as equities and hedge funds (reduced from 44% in 2012 to 28% in 2013) in favour of low-risk cash and investment-grade fixed income assets (72% in 2013 compared with 56% in 2012).

Commitments to fund projects are only entered into to the extent that funds are available. As more projects are approved for funding the investment portfolio will be appropriately managed to ensure availability of cash against commitments.

Summary of Expenditure

Grant Approvals	\$10,168,617
Grant Disbursements	\$6,189,950
Operations & Administration	\$530,257

Grant-making Policy

In 2013 HDF employed a range of approaches to grant-making and will continue to operate in this manner in the years ahead. The approaches fit under two headings as follows:

1. Active solicitation/referral e.g. Camfed, Retrak
2. Call for proposals - unilateral or collaborative e.g. Partnership for Strengthening Innovation and Practice in Secondary Education (PSIPSE)

The Board reviews and approves or declines grants on the basis of sound, written documentation; a signed agreement forms the basis of fund disbursement. Each funded project is monitored through site visits, reports and external reviews. Multi-annual commitments to a maximum of 5 years are made where that is deemed to be appropriate for the project, the grantee and the foundation.

Our Work in 2013

During 2013 HDF approved **ten new grants** to organisations, five of which were new grantees and five of which were previous grantees. In addition to new grants, HDF continued to deliver on **seventeen existing grants** to organisations.

For the first time in its history HDF ran its own call for proposals on the issue of child trafficking in India. The process was a positive experience for HDF and two new grantees (Plan India and Foundation Terre des Hommes) were funded to a total value of USD3.96m.

Reflecting HDF's revised geographic focus, the team undertook **monitoring and exploratory trips to three countries**: India, Malawi and South Africa.

HDF believes in collaborative funding, where meaningful, and continued to engage with **three funder groups** in 2013:

1. International Education Funders Group
2. Child Protection Funders Group
3. PSIPSE (Partnership for Strengthening Innovation and Practice in Secondary Education)

In **India** more than 93,000 migrant workers benefited from the services of Aajeevika Bureau and more than USD210k was settled in favour of workers from their employers. The Women on Wheels initiative of Azad expanded to Gurgaon and Jaipur with Kolkata being assessed as an option. There are now 72 drivers employed on private or commercial placement. A new Child Labour Bill has been drafted with significant input from HDF grantee Global March; this bill will not be passed until later in 2014 due to the national elections.

In **Sierra Leone and Liberia** more than three hundred thousand children have been registered and issued with birth certificates as a result of Plan International's intervention. At the global level, some multi-country research was undertaken and will shed new light, supported by qualitative and quantitative evidence, on the direct and indirect benefits of birth registration to the individual and the state. Dissemination will occur after the current peer review.

Four secondary scholarship students in **Malawi** advanced to third level study, one being Chifundo Gross who is studying irrigation engineering with funding from a HDF grant. The seventh of ten children she is the first in her family to complete secondary education. More than two hundred young women completed secondary school with Camfed support and have joined Camfed's association for young women as they start their journey into socially and economically productive adulthood. Two street children centres re-launched their services and a third now has transport to bring children home to their remote villages whatever the weather. Traditional leaders in Trocaire's four target districts have instituted by-laws (punishable by fine through traditional courts) to modify cultural practices that promote gender inequality and HIV vulnerability. For example, in Salima, MIAA have worked

intensively with traditional leaders to cement previous commitments to eradicate early and forced marriages, gender based violence and initiation ceremonies.

In **South Africa** the Stage III Zisukhanyo schools showed an increase of 7.4% in the pass rate of Grade 6 systemic tests compared with 2012. These schools outperformed other schools in the wider Western Cape Education Division where the pass rate increase from 2012 was 1.9%.

In **Afghanistan** five thousand women were supported through life-skills and vocational training. For the women trained in 2012 the number earning more than USD1 per day rose from 5% to 65%. Their involvement in household financial decision-making also rose substantially from 44% to 95%.

In **the EU** advocacy and lobbying by the End FGM campaign and its partner organisations resulted in the European Commission publishing an action plan on FGM. As per their [press release](#):

To fight FGM, the Commission will make full use of future EU funding to help prevent the practice; improve support for victims; support health practitioners, as well as national enforcement of anti-FGM laws; and improve protection under EU asylum rules for women at risk. The Commission and the European External Action Service have also committed to promoting worldwide elimination of FGM through bilateral and multilateral dialogue. Finally, the Commission will encourage more research into the number of women and girls at risk. Today's action plan is a follow-up to the public consultation on FGM launched by the Commission in March.

While this action plan is not quite the directive that the campaign set out to achieve, it is a very close second and is a significant milestone for girls and women at risk of, or victims of, FGM in Europe and beyond.

Plans for 2014

During 2014, HDF will focus on:

- Growing an impactful grant portfolio on child protection and life choices for young people
- Succession planning for board membership
- Strengthening child protection policy and practice in HDF and grantees
- Improving grant management with the introduction of a database
- Ongoing monitoring of the investment portfolio
- Improved external communication with a new website
- Consideration of a fourth country of operation
- Marking HDF's tenth anniversary with grantee awards and learnings

Signature: _____

Dr. John Climax, Chairman

Date: _____