

## Directors' Report 2012

### Fierce swings overshadow fragile recovery

Slowly but surely the world appears to be getting a stronger grip on the aftershocks of the big financial crisis. World trade is picking up hesitantly and the worst of the euro crisis seems to have passed. We even got to see surprising growth statistics in many developing countries, including in Africa. There are national economies and businesses that have used the crisis to make the transition to a more sustainable way of operating. Alas, their lead has not yet been followed widely enough.

This fragile economic recovery cannot hide the fact that 2012 was also characterised by a lot of political and social unrest. Inequalities within and between countries appear to have grown quickly. The high price many ordinary people have had to pay for the mistakes of the financial and economic elite has led to power changes around the world, but also to rising isolationism. "Blood is thicker than water" became the new motto – and everyone else has to sort things out for themselves.

The noticeable impact of climate change also gave cause for serious concern. Not only has global warming continued, but extreme weather events too were more frequent. We have witnessed more and bigger floods, super storms and periods of extreme heat. This gave rise directly and indirectly to more hunger in already vulnerable regions, such as the Horn of Africa and the western Sahel countries, where about 18 million people faced famine conditions. Oxfam reached over 1 million people with a co-ordinated response in seven countries. Oxfam Novib led the response in Niger. Joint lobbying has resulted in the recognition and implementation of the Food Charter, and in a proposal to set up national and regional food reserves.

The extreme drought in the US, where wheat and maize harvests failed, also produced severe food price shocks, with prices sometimes rising by over 50%. Oxfam's GROW campaign, focused on food security for all, now and in the future, is more relevant than ever.

Many fragile states not only struggled with huge food shortages, but also with new explosions of violence. The conflict in the east of DR Congo reignited in the second half of 2012, resulting in a huge increase in the number of displaced people and refugees. The fighting over land and oil between the Sudans also reignited. In Somalia the government appears to be more securely in charge, with the help of the African Union and Kenya, forcing the rebels of Al Shabab into the defensive. In Mali, however, the aftermath of the civil war in Libya and dissatisfaction among the Tuareg have led to the conquest of the north, the sudden rise of Islamic fundamentalists and a coup d'état in the south. The net result is that a country which was seemingly making slow but steady progress in the struggle against poverty has now regressed into lawlessness and food insecurity, aggravated by a refugee crisis.

The terrible civil war in Syria, with tens of thousands of people dead and still without a solution in sight, is a tragedy. In the Arab world we have also witnessed the power of the people's voice, when people join hands to express their opinions. People were on the streets in droves, calling for freedom and raising their voices against injustice. This mass popular movement in the Arab world has not everywhere led to the change these people clamoured for.

It speaks for itself that Oxfam Novib and its partner organisations provide extra humanitarian aid where possible, for instance in the form of capacity building of our partners in the Sahel. Our structural development projects are also paying more and more attention to strengthening people's resilience, by better preparing them for disasters, by involving them in conflict transformation, and by collaborating with them on enhancing their food security (via our GROW campaign). Many obstacles to development, however, are of a political nature. That is why we are and will stay active in individual countries and worldwide to combat forms of harrowing inequality. Oxfam Novib will continue to use BankWiser, for example, to make the financial sector more responsible. We are advocating that the tax avoidance of multinationals be addressed. And in many places we are fighting the nasty practice of land grabbing.

## **Less space for civil society**

In many countries there is decreasing space for civil society to call power-holders to account. 2012, for instance, was an exceptionally lethal year for journalists. The number of journalists killed last year, because of their work, rose by 33%. An estimated 130 journalists have perished. The number of international aid workers killed or kidnapped is even higher, at 187 persons. Many human rights activists have disappeared or been prosecuted and convicted on trumped-up charges. In Laos, for instance, land rights activist Sombath Somphone, founder of our partner organisation PADETC, has disappeared without trace.

It is impressive to see people daring to speak out against injustice, aware that their words and deeds may result in intimidation, violence or even death. That is also why we continue to present the Oxfam Novib PEN Award to really courageous people, although they do not consider themselves as such – they always reserve the term “courageous” for others, the ones left behind, imprisoned or robbed of their lives. This year Syrian writer Samar Yazbek was one of the winners. Special mention needs to be made of her novel “A Woman in the Crossfire”, published in the Netherlands by Oxfam Novib, among others.

Another courageous person, who became an icon of girls’ right to education last year, is the 14-year old Pakistani girl Malala Yousafzai. She barely survived a Taliban attack and was grievously wounded. This callous attack led to national and international outrage. We launched a Facebook action, in collaboration with our office in Pakistan, which quickly collected over 8,000 shares, and this was followed by a wake in two Pakistani cities, where over 8,000 candles were lit in each city.

## **Internationalisation**

Going against the trend of growing isolationism, Oxfam Novib’s internationalisation is forging ahead. In this respect 2012 was a very positive year. Important milestones were reached in our ambitious change agenda. The decentralisation of our partner-related work was completed in no fewer than sixteen countries. In a yet larger group of countries the different Oxfams are now working in an integrated fashion under a single name, based on a common strategy and mostly from a single country office. The continuing internationalisation of Oxfam is permitting us to enhance the impact of our work. Our success in raising new funds with international donors is a clear sign of their appreciation of this new approach of Oxfam.

As one of the founders of the Confederation Oxfam International, we are also proud that it has now grown to include 17 affiliates. Last year Oxfam Japan and Oxfam Italy formally joined the Confederation. In Brazil we are working with partner organisation Vitae Civilis on founding an Oxfam Brazil. Similar preparations are also underway in South Africa. We already have affiliates in China, India and Mexico.

Last year we and other affiliates of Oxfam International worked hard on Oxfam International’s new common Strategic Plan for the period 2013 to 2019. Through this plan we are making the necessary tough choices for an action-ready and relevant role as an international NGO in a rapidly-changing world. We do this in the awareness that poverty is not just concentrated in the poorest countries, but that big inequalities in emerging economies and in developed countries also prevent people from realising their rights. To empower people to wrest themselves free from poverty and get access to sustainable social services, such as quality health care and education, it really matters to give people a voice and the opportunity to decide on their own fate.

At the moment Oxfam has an affiliate or lobby office in 17 of the G20 countries, enabling us to respond to the new multipolar power relations in the world. The rising influence of countries such as China, India, Brazil, South Africa and Russia was noticeable at large multilateral meetings such as the Rio+20 Summit in Brazil, the G20 in Mexico and the Climate Summit in Doha. By having an Oxfam in these countries and by actively working on broader alliances with other organisations, we are better able to influence such important negotiations.

Last year extra attention was paid to strengthening the Southern voice in the preparations for the agreements meant to succeed the current Millennium Development Goals in 2015. Ambitious development goals should be combined, in our view, with sustainability goals that ensure that the planet’s limits are taken into account. Otherwise, we will not succeed in offering future generations a more just world, without poverty.

## **The end of rebuilding is in sight**

Oxfam Novib has been working on a drastic rebuild for over two years now. Important strategic choices have been fleshed out, including to focus more strongly on a much reduced number of countries – which meant phasing out of relationships with a large group of partners. This process has now been completed. In Latin America our work is now limited to supporting Oxfam Mexico and Oxfam Brazil, and to a set of outstanding microfinance loans. The lion's share of Oxfam Novib's work now takes place in Africa, the Middle East and Asia.

The change process of decentralising our country programmes from The Hague to the countries where we work has been particularly significant. Benefitting from excellent preparations, this decentralisation also entailed a far-reaching modernisation of our business operations. In 2011 we were able to officially open offices in the first six countries, as part of an Oxfam office in those countries, and we succeeded in doing the same in no fewer than eleven other countries in 2012. They are Afghanistan, Bangladesh, Burundi, Niger, Nigeria, Mozambique, Senegal, Tunisia (the management base for the programme in three other Maghreb countries), Uganda (the management base for Rwanda), and South Sudan.

In the first six months of 2013 the last four countries will be decentralised. The Board of Directors is extremely proud of the way in which staff committed to make this possible. Their willingness to change, commitment and engagement were impressive. We hold deep respect for the colleagues engaged in this work, knowing that they would also be heralding the end to their working life at Oxfam Novib. No matter how justified and necessary the process of decentralisation was, we had to say goodbye to people who for years had put their heart and soul into Oxfam Novib and its local partners, and we hugely miss them.

One of the most visible and far-reaching effect of decentralisation is the increase in the diversity of our staff. We have mainly recruited local staff to implement country programmes. This is helping to reinforce the voice from the South in our work, though internationalising our human resources policy involved big challenges, for instance navigating local differences in legislation.

## **Several programme results**

Whilst making headway on our rebuilding process, we also worked hard on the goals we had set for our five big programmes. By launching new actions and releasing reports in the context of the GROW campaign, we have succeeded in gaining support internationally for addressing the main causes of the lack of food security. In part because of this, the UN Committee on World Food Security (CFS) adopted voluntary guidelines for large land purchases, and the International Finance Corporation, the World Bank's investment branch, was forced to tighten its guidelines on land investments.

Alongside our work on land grabbing, fierce debates arose – including in the Netherlands – on food price speculation, land grabbing, outdated biofuel policies and the ongoing lack of investments in small-scale farmers. This, in turn, has led to parliamentary questions, to special public hearings, to extra policy letters of the Dutch government and to a dialogue with the Dutch governor of the World Bank.

Thanks to our use of the BankWiser to publicise research into the involvement of bank groups in land grabbing, several banks have tightened their policies. In Cambodia, Indonesia, Uganda and Mozambique, among others, Oxfam Novib has supported specific work on protecting land rights.

With the help of a critical report and a chastising campaign denouncing the use of food as biofuel, we were able to prevent the Netherlands from raising its blending targets faster. And we also seem to have prevented the share of biofuels made from food from growing much more in the Netherlands. By means of the Facebook action "*Like to Dislike*", which gave a visually strong presentation of the dirty truths on food security from our GROW campaign, we were able to double the number of supporters on Facebook, to over 20,000 individuals.

Last year we launched a special partnership in public-private collaboration. Together with our partner FADU in Nigeria, a development organisation of local farmers, Oxfam Novib began a special cocoa project. Not only is it supported financially by the ASN Bank and the IDH, we are also working in a consortium with companies including Continaf, Delfi Cocoa and Ferrero. Training small-scale farmers

– including women – in cultivation techniques and responsible pest control increases the quality and quantity of the cocoa harvest. This cocoa is then certified and sold, with the aid of cocoa farmers from the communities themselves who have been trained as buyers, in a closed chain with Continaf as trader and chocolate makers Delfi and Ferrero benefiting from the new set-up. In the first year, the farmers involved already saw their incomes rise, and there is still further space for productivity growth and quality improvements in the years to come.

In 2012 Oxfam Novib managed to give 375,000 people access to micro-credit or savings collectives, to improve investment in people's own enterprises. In late 2012, the Oxfam Novib Fund had a total of €40,239,817 in loans and guarantees outstanding in 43 countries. The share of outstanding loans in Africa rose from 25% in 2010 to 29% in 2011 and 32% in 2012.

Oxfam Novib has been in the vanguard of developing and making available female condoms. On September 12, 2012, the Day of the Female Condom, it was announced that 2.4 million female condoms had by then been sold in developing countries and many millions of women had received information on the importance of protection.

Oxfam Novib successfully contributed to a campaign urging for a strong arms trade treaty. Together with Amnesty and IKV Pax Christie we collected the signatures of 93,500 people on a petition, which was then presented to the Dutch government and Ban Ki-Moon, the UN's Secretary General. The tools provided by the BankWiser also gave the opportunity to draw attention successfully to the involvement of Dutch financiers in companies supplying weapons to the Assad regime in Syria.

Also requiring a special mention is the international campaign focused on serious food shortages in the Sahel. An effective multimedia campaign convinced more donors, including the Dutch government, to provide additional resources. Working with Avaaz, Oxfam's campaign mobilised over 400,000 people in the span of a few weeks. This ensured that the appeal for more humanitarian aid had a powerful resonance. One tweet by the British band Coldplay, who supported the campaign, reached no fewer than 7.1 million people. The Dutch government not only raised its contribution to relief by €3 million, but then also decided to reserve 1% of the total development aid budget and 10% of the humanitarian aid budget for Disaster Risk Reduction.

Results were achieved with the Robin Hood campaign, which advocated the introduction of a financial transaction tax. A group of 11 EU member states wants to introduce such a levy and the new Dutch government is now also in favour, in part due to our pressure. We and our partners in the Tax Justice Network Netherlands have also played a positive role in the Dutch decision to have a critical review of tax treaties with development countries and give more support to the capacity building of local Inland Revenue services. There is still a lot left for us to do in tackling the tax evasion of multinationals using so-called paper companies.

In 2012, members of the IMPACT Alliance further intensified their collaboration. For example, Oxfam Novib collaborated closely with SOMO on several studies of relevance to our private sector work, with HIRDA in response to events in Somalia, with Butterfly Works on various forms of digital collaboration and also with the 1% Club. Fairfood International played a role in preparing a new phase in the GROW campaign, which Oxfam will be launching early in 2013, when it will be addressing the ten biggest food companies in the world on their responsibilities.

On a less positive note, 2012 was a rather disappointing year in terms of influencing the Dutch government to develop a strategy for the protection of civilians, which had been promised in 2011. The Dutch government's letter to Parliament lacked ambition to create or develop an effective strategy. Oxfam Novib and IKV Pax Christi wrote a response, put forward parliamentary questions and promoted a parliamentary motion, which however was again put on hold, to be discussed in 2013.

In Burundi, two partners (ACORD and FORSC) initiated an awareness campaign on the need for a law on equal inheritance for women and matrimonial regimes, given the utmost importance of having secure control over land for all smallholder producers. Unfortunately, Burundi's president has suspended the law.

For Oxfam Novib it remains true that supporting local partner organisations and enabling people to do things for themselves is the way to overcome obstacles to development. Extreme inequality and lopsided power relations should be tackled and changed. This motive is etched into our DNA, in part thanks to our founder Simon Jelsma. Last year the first Simon Jelsma Award was presented in his

memory. Erik Bos, founder of *Libre Foundation*, received the prize on May 24, 2012 from jury chair Herman Tjeenk Willink.

## **Financially a good year**

2012 saw commitment and financial support from stakeholders and supporters. We are especially grateful to one of our most loyal and largest supporters, the National Postcode Lottery. Early in 2012 the Lottery made us happy with an allocation of over 7 million euros to our Dream Fund project Internet Now. This ambitious project in northern Uganda is about setting up a micro-telco business that will give internet access to 870,000 people, create micro-work jobs, and provide market information and sales tools for farmers. On November 16 Farah Karimi opened the first super centre in Gulu, the provincial capital. In the coming years this centre will link up with 100 hubs in as many communities in northern Uganda. One of our partners in this project, Arid Land Information Network (ALIN), won the UNESCO-IPDC Prize for Rural Communication.

In addition to this allocation, 2012 saw an evaluation of the collaboration between Oxfam and the Postcode Lottery over the past five years. We are very happy that the Lottery's evaluation arrived at a positive judgement, and it was prepared to immediately conclude a new five-year contract with us.

Despite the tangible impact of the economic crisis on the wallets and purses of many Dutch men and women, we have succeeded in raising more funds, with the loyal support of private and business donors. From € 27.7 million in 2011, this income has grown to € 28.9 million in 2012, a rise of 4.3%.

2012 was a good year financially, with a remarkable growth in contracts signed with donors, which more than doubled (110% growth) from 34 million in 2011 to 71.4 million. Past extra investments and the huge commitment of staff are now giving returns. Other factors of success are our innovative and high quality programmes, an excellent network of partners, the way in which decentralisation has increased knowledge of local contexts, and the more intensive collaboration with other Oxfams.

We really appreciate that big donors like SIDA, ECHO, DIFID, NORAD, Comic Relief, Gates Foundation, Ford Foundation and others also appreciate our work, and trust us to make a success of big projects, often implemented in several countries simultaneously.

Last summer we also received good news from the Dutch government. In addition to our programme funding from MFS2, an amount of over 17.1 million euros was approved for three projects in the context of the Tender on Reconstruction 2012-2015. These projects focus on security and conflict transformation in fragile states, such as Afghanistan, Pakistan, South Sudan and the Great Lakes Region in Central Africa. A fourth project, focused on the border areas of Ethiopia and Somaliland and implemented mainly with Oxfam Great Britain and IMPACT Alliance partner HIRDA, received € 5 million.

Appreciation of our work is not only expressed in a financial sense. For the second year in a row Oxfam Novib was awarded the Transparency Prize for the most innovative Annual Report regarding impact. We are also proud of our fifth place in the total Transparency ranking, rewarding our open communication about projects that are going less well or failing, and recognising the way we actively involve citizens in our results reporting through the digital platform Praat Mee (Have Your Say). At the same time, we have had to readjust somewhat our ambitions to quickly become a platform organisation; resolving capacity problems and the selection of technical solutions that fulfil our wishes proved more difficult than anticipated.

## **Netherlands in the world**

While it was financially a good year for Oxfam Novib, this cannot be said of the political and social support base for an active role of the Dutch government in development co-operation. After the first Rutte government had already cut 1 billion euros on this policy, a second round of cuts was on the table at the prime minister's official residence when the two governing parties and the non-governing party that provided the majority in parliament discussed the 2013 budget. Oxfam Novib played a key role in the sector-wide #jekrijgtwatjegeeft ("you get what you give") campaign. During the seven weeks of negotiations the campaign stirred up a lively debate. In addition to Dutch celebrities, such people as Bill Gates, Desmond Tutu and Bob Geldof also participated. After the collapse of these talks and the fall of the government, the so-called Kunduz parties (the two governing parties plus

three from parliament, making up a majority) decided not to cut back on development co-operation in 2013. New elections were then called.

In the run-up to the new elections the parties adopted, in part in response to #jekrijgtwatjegeeft, revised passages and financial obligations in their manifestos at their conferences. The surprising comeback of the PvdA in the election battles gave rise to an unprecedented coalition of VVD and PvdA, applying mutual back-scratching to resolve issues. As a result we had the sad announcement that another 1 billion euros would be cut from development aid, leaving the Netherlands allocating only 0.55% of GNP for development aid, way below the international norm of 0.7%. For the country which is second richest per capita in the European Union, after Luxemburg, this is a painful break with the past, especially because of the negative domino effect on other countries. It will result in multilateral organisations and NGOs in the North and South having to cut back on important work. The positive note is the appointment of a Minister for Trade and Development Co-operation, and development-relevant coherence has moved up the agenda.

Through lobbying, the Green Santa and the Yes I Care campaign Oxfam Novib tried to give some counterweight during the budget negotiations. We will continue to do all we can to prevent the cutbacks, once in place, from having a disproportionate impact on our partners. We are also advocating limiting, as much as possible, the spending of monies meant for other purposes, such as climate adaptation. When it is about the bigger role of the private sector in development co-operation, we emphasise its relevance to development and we communicate the message that 'tied aid' should not be reintroduced. It also runs foul of European rules on state support. Looking back, we believe that collaboration within the sector, and between members of the branch organisation Partos, is often difficult; in part because of this, opportunities are missed to strengthen the support base of development co-operation and to influence politics.

### **How our annual reports came to be**

Oxfam Novib strives to be a learning organisation, one that analyses its own mistakes and stimulates innovation. Despite receiving the Transparency Prize for the most innovative Annual Report for the second year in a row, we feel that things can still improve. We have therefore decided to invite people this year to go travelling and be actively involved in judging several of our projects. It is always good to hear personally the testimonials of beneficiaries, to grasp unexpected obstacles and see results with one's own eyes.

We feel it is important not only to accumulate more knowledge about the impact of our work, but also to share it with our stakeholders. This is why we have invested in a new tool, alongside more traditional evaluations: the *World Citizens Panel*. This digital tool with a mobile telephone app makes it possible to interview directly people who should be benefiting from our projects and ask them about the impact of our work.

Alongside the extensive English version of our Annual Report, we will publish a brief and digitally attractive report in Dutch. We have once again created space for people to participate in judging the success of individual projects, enhancing accessibility through graphics, icons and film clips. It speaks for itself that we will be providing a financial insight in outline of the entire Oxfam Confederation. Because the great majority of Oxfam members work with a financial year starting on April 1, that information will not be in synchrony with the information on Oxfam Novib. That is why this year will probably be the last in which Oxfam Novib's financial year is based on the calendar year. To achieve further synergy among the Oxfams, and economise on the costs of harmonisation, Oxfam Novib will most likely switch over to working with a financial year starting on April 1.

Our current multi-annual plan, Fair Future, provides our lead for the coming years. In early 2013 we will have a midterm review, to apply lessons learned and assess if the new Strategic Plan of the Oxfam confederation should lead to shifts in emphasis or new initiatives. We will also be starting Project 2020, in which we use scenarios to determine how to provide our substance-related priorities in the years to come on a solid financial basis and supported by effective and efficient operational management. At the same time we continue to work hard on the further diversification of our income, so Oxfam Novib and its partners are less vulnerable to any new cutbacks in the Dutch government's contribution to development co-operation.

## **Our inspiration**

The power of people being able to take control of their own futures is what drives many to collaborate with us on our mission of creating a just world, without poverty. It is intolerable that not every human being, irrespective of their place of birth, enjoys all human rights. That is why we try to support people and their organisations to develop by themselves and improve their own fate and that of their loved ones – empowerment to demand justice. Only the power of people's voices will and resilience can defeat extreme inequality and injustice. That insight unites and people from Hargeisa to Dhaka, from Harare to Phnom-Penh and from Beijing to Purmerend.

As directors, we owe many thanks to our staff members, whose indefatigable commitment in uncertain times has driven them to keep working for Oxfam Novib's mission. Many thanks are also due to the half a million volunteers, activists and donors, who strive with us to achieve a just world, without poverty. Special thanks also for Wout Blokhuis, Marianne Douma, Tonny Filedt Kok and Fré le Poole, who have been supporting us for many years as active and expert members of the Board of Supervision. Finally, we want to praise our co-director Adrie Papma for her tireless commitment, her management capacities and warm demeanour. After many years of dedication to Oxfam Novib she is now transferring to a crucial position at Oxfam International. We wish her a lot of success!

The Hague, April 2013

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