

Photo: Patricio Cáceres Vergara

ANNUAL REPORT 2023



WHY ARE GRASSROOTS RECYCLERS ON THE COVER OF OUR ANNUAL REPORT?

Over the past few years, we have worked alongside our partners to ensure that Chilean grassroots recyclers actively participate in the design of their Extended Producer Responsibility Law.

The process was lengthy, but it finally paid off: in September, when the law came into effect, this social collective was already legally organized and technically ready to play a leading role in the implementation stage.

The collective went from living on the margins of society to becoming an example and inspiration for the rest of the continent. Because of this true paradigm shift, we are proud that Chilean grassroots recyclers are on the cover of our 2023 Annual Report.

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When I look back on all we experienced and achieved last year, I can't help but remember the disruptions, distress, and suffering caused by the global pandemic from 2020 to 2022. COVID is still with us, but 2023 was the first year it didn't color every aspect of our work. And we most certainly took advantage of it!

2023 was a record year for Fundación Avina, our allies, and the causes we embrace, both in terms of results (nine of which had massive public impact) and the number of agreements with co-financing partners to launch new shared agendas. For example, the Green Climate Fund (GCF), an operating entity of the United Nations Framework Convention on Climate Change's (UNFCCC) financial mechanism to assist developing countries in adaptation and mitigation practices to counter climate change, approved a climate change adaptation project we

MESSAGE FROM THE CHAIR OF THE BOARD

co-designed with local stakeholders in the Marajó Archipelago in the Brazilian Amazon.

We also signed agreements with the European Union to support the resilience of communities and institutions that we work with in the South American Chaco, a tri-national biome lying across Argentina, Bolivia, and Paraguay. The scale and maturity of these new alliances are opening up pathways toward greater impact in the future.

Our Board of Directors also welcomed a new member from Brazil and another from Mexico. Txai Suruí appeared on the cover of our 2021 annual report, addressing leaders from over 100 countries at COP26 in Glasgow, bringing her message about indigenous rights and forest protection to the global stage. Beginning in 2024, she will bring her unique perspective and wellspring of energy to our discussions about Fundación Avina's strategy. We will also greatly benefit from the contributions of Julio Madrazo, a political and business adviser with extensive experience who has served as a strategic consultant to our Mexico team for several years. Now we will be able to take advantage, at the institutional level, of his wise takes on a wide range of contexts. In addition, Richard Aitkenhead, a

businessperson and former finance minister of Guatemala, accepted our invitation to serve as a special adviser to the Board. Along with Anamaria Schindler, Brizio Biondi-Morra, Hilda Vega, our CEO Gabriel Baracatt, and myself, the Board will strive to ensure that Fundación Avina's work continues to be relevant in the complex times we are living in. Our organization is in good hands!

On behalf of the Board, I'd like to thank the entire Fundación Avina team for putting their heart and soul into the work we do. Their dedication is what enables our organization to foster concrete, positive transformation, hand in hand with the communities where we work. This new year that's just beginning is a special one for all of us, as Fundación Avina turns 30 in 2024. We plan to commemorate Fundación Avina's three decades with events, a series of videos documenting our collaborative impact, and a new book to share our many learnings. It fills us with pride to continue to pursue the mission for which our founder, Stephan Schmidheiny, laid the foundation in 1994. Along with our allies, we are cultivating islands of hope in the midst of tumultuous waters, finding in them the motivation to sail onward in the direction of our vision. To all of you who are by our side with an oar in the water, thank you! And may every reader find inspiration and hope in these pages!



Sean McKaughan
Chair

As the spirit of the times shifts and evolves, certain concepts take on more or less relevance in our lives. Some will later be remembered as mere passing trends, but others can change the course of the future.

Amid ever-changing realities in Latin America and around the globe, two concepts have proven to be key to lasting impact: resilience and innovation.

We can't aspire to promote systemic changes if we ignore these concepts. At Fundación Avina, we've learned that the challenging and often alarming times we live in require us to think and act in a resilient and innovative way.

2023 was a year in which we strengthened resilience by focusing on our core competencies and main causes: collaborative impact, sustainability, and the future. We co-constructed innovative visions and strategies with the capacity to weather the storms of hostile contexts and highly complex societies.

Along with our allies, we generated highly significant impact, continued to lay the foundation for sustainability, looked to the global South for inspiration, and deepened our collaborative relationships, all with innovation with purpose as our compass.

MESSAGE FROM THE CEO

This was only possible thanks to our staff, who have an immense capacity to face unforeseen challenges with passion and commitment; our partners and allies, who are essential to our ability to create collective impact; and our Board of Directors and founder, Stephan Schmidheiny, whose support enabled us to achieve the results featured in this annual report.

We are beginning 2024 in a better state than a year ago. We won't be held back by the disheartening news of a world that's increasingly turbulent, unsafe, and often indifferent to the adverse effects of inequality, forced migration, and climate change. We're willing to tackle these challenges head-on so we can create the conditions for lasting, systemic changes, because we know that we're not alone. We know that the more people that join hands to work together on behalf of just causes, the better the results. We understand that only CollaborAction will enable us to overcome these challenges and reverse their negative effects. So let's get to it!



Gabriel Baracatt
CEO

**WHO
WE ARE,
WHAT WE DO,
HOW WE
DO IT**

Fundación Avina is a global organization that drives systemic changes. We achieve this by bringing together co-investors and over 8,000 multi-sector allies to participate in collaborative processes. Rooted in the global South, we follow a unique work model called CollaborAction.

Fundación Avina can be summed up in two words:

Collaborative Impact

Mission

Rooted in the global South, Fundación Avina works to drive collaborative processes that bring about systemic changes in favor of human dignity and care for the planet.

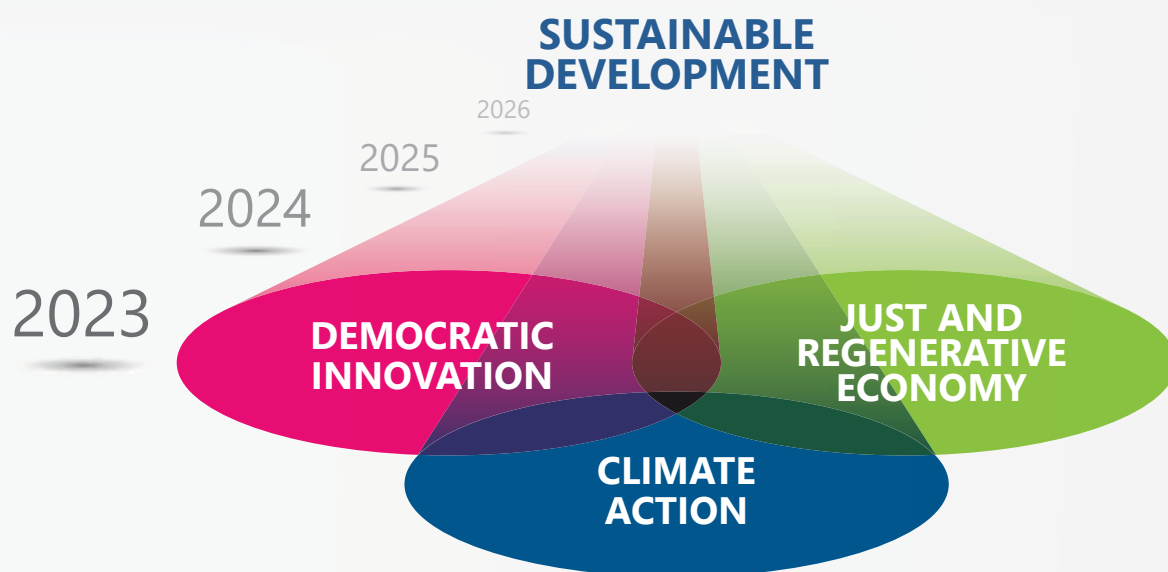
Vision

A just, democratic, sustainable, and flourishing world that draws inspiration from its diversity.



Three Pillars of Sustainable Development:

Fundación Avina focuses on three main pillars that guide our work to impact sustainable development.



We take on a variety of roles to foster collaborative processes:



Connectors

Bringing together key stakeholders.
Creating a unifying vision.
Establishing shared action agendas.



Guides

Implementing our unique work model (CollaborAction). Promoting innovation in the programs in which we participate.
Contributing our expertise.



Investors

Contributing, eventually, strategic and financial resources.

Our work model



We operate by following a unique work model called CollaborAction, which we have developed over the course of 25 years of experience in the field.

<https://biblioteca.avina.net/biblioteca/collaboraction-a-practical-guide-to-promoting-sustainability/>

Rooted in the Global South

We are a global organization, but our view of the world is informed by our particular vantage point. At Fundación Avina, we are rooted in the global South, and we bring this perspective to the table to enrich conversations about critical issues and to impact decision-making spaces.

During 2023, actions benefiting more than 30 countries were developed, linked to the 8 programs prioritized by Fundación Avina and its allies.



United States



Mexico



Barbados



Costa Rica



Cuba



El Salvador



Guatemala



Honduras



Panama



Dominican Republic



Argentina



Bolivia



Brazil



Chile



Colombia



Ecuador



Paraguay



Peru



Surinam



Uruguay



Cameroon



Ghana



Kenya



Madagascar



Morocco



Níger



Nigeria



Republic of Congo



Democratic Republic of Congo



Tunisia



Uganda



Zambia



Zimbabwe



Philippines



Indonesia



Programs

Access to water

Biomes

Future of work and business

Inclusive recycling

Innovation for democracy

Migration

Resilience and climate transition

Sustainable cities

COLLABORATIVE IMPACT IN 2023

THE FUTURE AS A POLITICAL ACTOR

During 2023, we reflected on Fundación Avina's role in political change. We discussed the future as a political actor, meaning that protecting the future should be a determining factor in the creation of public policies and the transformation of prevailing models of power accumulation and wealth concentration. If we understand politics as a worldview and geopolitical dynamics as an opportunity to position the global South, we can design and carry out actions with a regional asset-based approach, not a deficit-based approach fueled by comparison to more developed countries. With this in mind, we seek collaborative impact in order to achieve the following:

Societies prepared to play an active role in a future where political visions foster global human dignity and planetary regeneration.

Politics is the capacity to negotiate interests in pursuit of the common good so that democracy becomes a worldview capable of organizing collective life and guaranteeing access to human dignity. Social organizations can make many different contributions when interacting with the political system: political parties ensure the plurality of ideas, while social organizations guarantee the diversity of causes; political leaders take a generalist approach to society's problems, while social leaders deal with specific issues; the government may only do what is stipulated by law, while civil society can do anything that is not prohibited by law; the party system gives rise to political activism, while social organizations foster volunteerism; political representatives fight for power, while civil society enriches, questions, and restrains power.

Geopolitical dynamics demand that we address complexity on a global scale. For this reason, in 2023 we

strengthened our capacity to contribute to sustainable development from the global South, expanding our social capital in new geographic areas and diving deeper into shared agendas that value Latin America's human and natural resources. Under the banner of South-South cooperation, which encourages co-learning and co-creation of change via more equitable alliances, we completed our first climate solutions lab with a cohort of young people from Guatemala, the Dominican Republic, Madagascar, Zambia, and Niger. At global spaces like COP28, we called on philanthropic organizations from the global South to participate in dialogues to build alignment. We led the South-South Capacities Day at the COP28 Capacity-building Hub, exploring new alliances for 2024 and helping build a geopolitical approach rooted in the global South. We are working to redefine the collective rules of the game and make use of the resources and potential of the collaborative impact generated by Fundación Avina, its allies, and its co-investors across the three pillars of sustainable development (climate action to protect the planet, democratic innovation to strengthen the institutions that collectively organize society, and just and regenerative economy to guarantee a decent and sustainable life for all people). We are promoting systemic changes and shifting from talking about transformation to making it a concrete reality. The following are just a few examples:



Guillermo Scallan with Guido Girardi, the visionary behind the concept of "The Future as a Political Actor".



A RIVER WITH RIGHTS



Flowing for over 1,200 km (~746 mi) and fed by the waters of numerous tributaries, the Beni River is the second most important waterway in the Amazon basin in Bolivia. It flows into the Madre de Dios River, which is a main conduit for the gold industry. Gold mining has long been a business that profits few and causes conflict for many, given the irreparable damage it does to the environment and the negative consequences it has for people living in the area.

Conflicts between the gold industry and riverside communities grew even more acute when, in 2021, authorities discovered that only 14 out of 180 gold mining boats on the river were operating legally. This created a hostile context that needed to be defused. Fundación Avina first got involved through Voices for Just Climate Action (VAC), an alliance of which we are a member. The launchpad for this collaborative process was Palos Blancos, a small city in Bolivia considered to be a strategic access point for the Amazon basin and whose municipal government has agroecological policies in place to prevent the intrusion of gold mining companies.

Together with our VAC allies, we helped build a relationship between Liga de Defensa del Medio Ambiente (LIDEMA) and the Bolivian Ombudsman's Office. This was the beginning of the formation of a multi-stakeholder coalition bringing together municipal officials, the Ombudsman's Office, grassroots leaders, and civil society organizations.

The coalition initiated a collaborative process, creating synergies which led to a court ruling that vacated a resolution permitting gold mining companies to operate in the area.

The mining companies cannot appeal the decision of the court of first instance until the Bolivian Constitutional Court affirms or rejects the ruling. This ensures that there will be a two-year pause in extraction activities that damage the environment, which will boost both wellbeing in the area as well as the chances of securing broader collaboration agreements. Above all, the greatest impact



of the court's decision is not the pause in gold mining, but rather the determination that a river has rights, setting an important precedent for other cases to come.

Following this process of joint action and mobilization, the communities along the Beni River now have the breathing room to come up with strategies to ensure a decent life in harmony with nature, thanks to the Bolivian justice system's ruling in favor of Mother Earth.

Strategic Pillar	Democratic Innovation
Elements of the Collaborative Process	Social capital, unifying vision, shared agenda, innovation
People Directly Impacted	16,786
People Indirectly Impacted	11,000,000



EXTENDED PRODUCER RESPONSIBILITY INCLUDES RECYCLERS



In Chile, grassroots recycling has historically been an informal economic activity. With the government turning a blind eye, recyclers have been relegated to the margins of society and faced precarious conditions out on the streets, with no job security, rights, or future prospects.

In this highly complex context, an opportunity for change arose in 2016 with the passage of the Extended Producer Responsibility (EPR) Law, which requires producers and importers in Chile to recover and recycle their own packaging waste. Fundación Avina helped advocate for the law, which is the first national EPR legislation in the world to legally recognize grassroots recyclers.

Once the law was passed, it was clear that grassroots recyclers needed to take steps to formalize their work in order to participate in the new opportunities that the legislation offered. But what type of formalization process did they need to undergo? The answer had to come from recyclers themselves.

Our job, therefore, began where it usually does: on the ground, side by side with the main players, creating spaces for dialogue and supporting a bottom-up, multi-stakeholder process to build a common vision for the future, one of the five components of our unique work model, CollaborAction.

With this common vision as our guide, in 2022 we began to work closely with recyclers to set up recycling cooperatives, providing technical assistance and a variety of tools to ensure their growth and efficient management. By 2023, 20 recycling cooperatives had been formally established, promoting the circular economy in a number of cities and strengthening the recycling sector throughout the country.

Finally, in September of last year, Chile's EPR Law went into effect, an important milestone not only for the country, but also for the grassroots recyclers who were poised and ready to take advantage of fresh business and professional development opportunities. This completely new, inclusive system has the potential to help recyclers rise out of poverty.

Chile has a promising future on the horizon, with an essential sector of society prepared to enjoy its benefits.



Strategic Pillar	Just and Regenerative Economy
Elements of the Collaborative Process	Social capital, unifying vision, shared agenda, innovation
People Directly Impacted	60,640
People Indirectly Impacted	6,500,000



NEW AND IMPROVED VEHICLES FOR REPORTING COMPLAINTS

In the past, automakers in Mexico have implemented mechanisms for submitting complaints, but their reach has been rather limited. A lack of transparency in the way information is processed, systems with narrow options, and limited reporting channels are the norm in an industry that has the potential to set standards on a global scale.

German auto manufacturers in Mexico, aware of this deficit and seeking to uphold human rights throughout their supply chain, decided to overhaul their complaint submission system.

In line with our CollaborAction work model, Fundación Avina joined the effort, aiming to address collaboration gaps and ensure that mechanisms for submitting complaints operate properly at every step along the entire supply chain. In order to do this, we had to create viable, transparent channels of communication between the executives of German automakers and industry suppliers based in Mexico.

Fundación Avina was created to promote sustainable development, but it was also founded by a businessperson. We are no strangers to working with the private sector, and we brought our experience in fostering the convergence of different interests to this particular initiative.

Committed to creating a unifying vision and a shared agenda, two key components of our CollaborAction work model, Fundación Avina helped engage stakeholders at the center of the conflict in an active dialogue about the different issues each party brought to the table. Companies, workers, suppliers, and political leaders

(including from the German government) were all part of the solution. As a result, German auto manufacturers in Mexico collaboratively designed a complaint submission system that functions across their entire supply chain in the country.

This system will offer a number of different reporting channels and convene an independent panel of experts to review the complaints. It will also employ ad hoc investigations to reduce the burden on potentially affected individuals and groups to present proof of their complaints. Similarly, the new mechanism will set higher standards that the German auto companies are already implementing across their other global supply chains.

As often happens, the impact of collaboration went far beyond our wildest expectations!



Strategic Pillar	Just and Regenerative Economy
Elements of the Collaborative Process	Social capital, unifying vision, shared agenda, innovation
People Directly Impacted	14,000
People Indirectly Impacted	1,846,000



SAVING A NATIONAL PARK

When a bill that would legalize mining in the Médanos del Chaco National Park in northeastern Paraguay was presented before the country's Chamber of Deputies without a public review or comment period, the Guaraní Ñandeva and Ayoreo indigenous communities, whose ancestral lands are located in the park, went on high alert. The situation was critical: with one small change in legislation, the protected area would become vulnerable to extractivist activities. The bill had been drafted without consulting the indigenous communities or the Paraguayan Ministry of Environment and Sustainable Development, the government authority responsible for enforcing the Protected Forest Areas Law.

As soon as Fundación Avina became aware of the bill, we joined the Coalición por los Bosques, a pro-forest advocacy coalition consisting of over 80 organizations. Representatives from indigenous communities and the private sector also joined the coalition, and together we launched

the #LosMedanosNoSeTocan (Hands Off the Médanos) campaign. This coordinated effort is yet another example of how collaboration can produce tangible impact for entire communities of people and entire geographical areas. In record time, the campaign gained an incredible amount of visibility and strong public support, including that of the Paraguayan president, Mario Abdo Benítez. There was no choice but to roundly reject the bill, which is exactly what the Paraguayan Senate did.

This campaign was a victory for the Guaraní Ñandeva and Ayoreo peoples in their ongoing struggle for the right to be informed, consulted, and to freely give or withhold their consent to decisions that impact their territory and way of life.



Strategic Pillar	Democratic Innovation
Elements of the Collaborative Process	Social capital, unifying vision, shared agenda, innovation
People Directly Impacted	100,000
People Indirectly Impacted	7,000,000



A

FUNDAMENTAL

FUND

The political and institutional crisis that erupted in Chile in late 2019 left many nonprofit organizations teetering on the precipice of financial ruin. Then, to make matters worse, the global pandemic threatened to be the final push that would send them over the edge. The national crisis and the worldwide disaster shattered their financial models and left them literally on the brink of disappearing.

With firsthand knowledge of the importance of nongovernmental organizations (NGOs) and their direct, tangible impact on communities and people's quality of life, we at Fundación Avina knew we had to leap into action as quickly as possible. The first order of business was to do what we always do: reach out to our allies and begin to weave together a collaboration network. We joined forces with Fundación Olivo, Fundación Dinero y Conciencia, and Comunidad de Organizaciones Solidarias, and our mission was clear: to create a financial assistance fund, with minimal requirements and no bureaucratic holdups, to help nonprofit organizations in crisis.

Within a matter of months, we created and began to promote the "Fondo A Fondo" fund, launching the first call for severely affected organizations to apply for support. We selected 12 organizations to receive support in the 2020-2021 cycle, and 13 more in the 2021-2022 cycle. All the selected organizations make verifiable contributions to Chilean society, work on a wide array of issues, and have significant on-the-ground reach throughout the country.

Even though collaboration is at the heart of our work model, it managed to surprise us once again: for the first time, a group of foundations partnered with a family office (the Izquierdo family) to support the nonprofit sector. Other entities also joined the initiative, including Confederación de la Producción y del Comercio (CPC) and the European Union. The 25 selected organizations not only received resources from the fund, they also received support and advising to overhaul their revenue strategies.

The CollaborAction model proved to be successful: 24 out of 25 organizations supported by Fondo A Fondo are still standing, were able to keep their staff on the payroll, and are becoming more sustainable. Eight more organizations were already selected in the fund's third cycle, which received additional support from the Inter-American Foundation (IAF).

The organizations supported by the fund are continuing to generate impact and transform their communities. In the same way, Fondo A Fondo will keep working, as its mission states, "for the sustainability of civil society."



Strategic Pillar	Just and Regenerative Economy
Elements of the Collaborative Process	Social capital, unifying vision, shared agenda, innovation
People Directly Impacted	101
People Indirectly Impacted	171,263



A WORLD OF WORK FREE FROM GENDER-BASED VIOLENCE

International Labour Organization (ILO) Convention No. 190 (C190) is "the first international treaty to recognize the right of everyone to a world of work free from violence and harassment, including gender-based violence and harassment," according to the ILO website. The Convention states that "all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity."

Statistics show that 26% of women active in the labor force in Mexico have been victims of workplace violence, and 19.3% of working women have been victims of sexual harassment. These figures are likely lower than the real numbers, as the fear of losing one's job in retaliation often prevents women from reporting abuses. In the face of these harsh working conditions for women, the Mexican government's ratification of C190 was both an opportunity and a need. This is why Fundación Avina decided to get involved under the umbrella of our Future of Work and Business program.

We undertook an intensive advocacy campaign on every possible level and called on our close allies to create the diffuse power structure necessary to push the Mexican government to sign on to C190. Red de Mujeres Sindicalistas, Fondo Semillas, member organizations of the Arropa and Periplo initiatives, and many other feminist organizations throughout Mexico participated in this process to improve conditions for women in the workplace.

We supported our allies as they helped bring the voices of women workers to important forums, meetings, and decision-making spaces. We also worked with media

outlets to publish important reports to increase public awareness of the issue. In parallel, we partnered with different organizations to include the voices and concerns of Mexican women workers in the public agenda.

Finally, this collaborative action bore fruit in July when, having been ratified unanimously by the Mexican Senate, Convention 190 went into effect. Currently, Mexico is laying the foundation to become a better place to work, particularly for the millions of women who have been victims of violence and harassment.

Now we can dream even bigger and keep working for those dreams to become a reality. It's our right.



Strategic Pillar	Just and Regenerative Economy
Elements of the Collaborative Process	Unifying vision, shared agenda
People Directly Impacted	0
People Indirectly Impacted	40,000,000



INDIGENOUS POLITICAL CANDIDATES

EXPAND

REPRESENTATION

Historically, the political participation of indigenous peoples in elections in Brazil has been limited, and very few indigenous candidates have managed to be elected to Parliament. The cacique Mário Juruna was the first indigenous person elected to the Brazilian Chamber of Deputies (after running as a member of the PDT party), serving between 1983 and 1987. After Juruna, many years passed until an indigenous woman, Joenia Wapichana, was elected to the Chamber of Deputies in 2018 (after running as a member of the Rede Sustentabilidade party). But when civil society starts mobilizing and indigenous communities begin to participate strategically in politics, they can open up a pathway toward a brighter future.

During the 2014 legislative elections in Brazil, 29 indigenous candidates ran for office; in 2022, that number rose to 85. Not only did the number of candidates triple, two of them were elected to federal office in the Chamber of Deputies: Sônia Guajajara, who received over 157,000 votes in São Paulo, and Célia Xakriabá, who received over 100,000 votes in Minas Gerais. This was possible thanks to the work of Articulação Nacional das Mulheres Indígenas

Guerreiras da Ancestralidade (ANMIGA), a network dedicated to expanding the representation of indigenous women in the Brazilian Parliament and a Fundación Avina ally. They created Bancada do Cocar, a political platform that launched the campaigns of seven candidates from indigenous communities for the national Chamber of Deputies and 10 for state legislatures. The Brazilian National Congress is gradually becoming more integrated and diverse, guaranteeing the inclusion of traditionally underrepresented communities.

Fundación Avina also supported a number of events that were part of the Caravana das Originárias, a movement that organized 18 gatherings in 14 Brazilian states, directly impacting 846 indigenous women and indirectly reaching over 5,000 more. The gatherings offered spaces for the women to share their stories, experiences, and struggles; debate the key issues their communities are facing; build connections and relationships; and become empowered to be leaders in their communities. In addition, Fundación Avina provided funding to cover part of the costs of the first “Las originarias de la tierra” (The Original Women of the Land) workshop.

We are certain that this trend will continue to grow with each coming election until indigenous representation in the National Congress and different legislative bodies reflects the immense contributions of indigenous peoples to Brazil.



Strategic Pillar	Democratic Innovation
Elements of the Collaborative Process	Social capital, unifying vision, innovation
People Directly Impacted	900,000
People Indirectly Impacted	213,000,000



NONPROFIT ORGANIZATIONS EMBRACE FINANCIAL TRANSPARENCY

Historically, compliance with regulations to prevent money laundering and the funding of terrorism was difficult for nonprofit organizations in Paraguay. The policies in effect clearly had not been designed for this type of organization and were not appropriate for either the nature of their work or their administrative capacity. There was a definite need to rethink the rules for nonprofits. As we began to discuss the issue with stakeholders, we collectively came to the conclusion that the best solution would be a set of separate regulations specific to the nonprofit sector.

With the collaborative process underway, a number of roundtables were held to share different perspectives and needs. The participating nonprofits (over 60 organizations) advocated for segmented legislation to take into account their diversity and variability. The government, understandably, insisted on high standards of transparency in line with recommendations from the Financial Action Task Force on Money Laundering (FATF).

Slowly but surely, as the meetings progressed, collaboration managed to transform conflicting opinions into concrete proposals.

The Paraguayan Office for the Prevention of Money Laundering (SEPRELAD) contributed their technical expertise to help draw up the new regulations. Organizations from the financial and business sectors also joined the effort.

Finally, after two years of work, the steering committee presented a new set of policies to the SEPRELAD. It was widely celebrated and quickly put into action, precisely because it was the result of a diverse, multi-stakeholder process. In fact, the new regulations were so readily

accepted that they were featured in Paraguay's report to the Financial Action Task Force of Latin America (GAFILAT), which brings together 17 countries from across the region.

The new policies went into effect at the same time as the Sistema Integrado de Reportes de Operaciones (SIRO), an online portal for organizations to input their information and determine their risk levels and reporting obligations, which enables the government to effectively monitor the nonprofit sector in real-time. The best part is that this new model has the potential to be replicated in other countries.

When nonprofit organizations are more transparent, the region is more transparent.



Strategic Pillar	Democratic Innovation
Elements of the Collaborative Process	Unifying vision, shared agenda
People Directly Impacted	0
People Indirectly Impacted	7,000,000

THE AVINA ECOSYSTEM

The Fundación Avina Ecosystem is made up of organizations created by Fundación Avina to develop social, scientific, technological, and business innovations to activate our theory of change.

Below are a few 2023 highlights from different organizations in our ecosystem:



For over a decade, Fundación Avina has been strategically investing in a limited portfolio of companies. As an angel investor that contributes both capital and nonfinancial services, Fundación Avina is the ideal partner to take on risk, as we are motivated to bring disruptive innovations to market so they can generate a high level of impact.

After assessing the health of our portfolio and seeking to elevate our investment criteria, in 2023 **Fundación Avina decided to turn the management of its entire business investment portfolio over to IKATU**, a corporation of which Fundación Avina is the sole shareholder. Headquartered in Panama, IKATU will continue to participate in the four companies of which it is a shareholder (Plasma Water Solutions, Impact Innovation Alliance, PERA Complexity, and Banca Ética Latinoamericana) and the sustainable finance funds that it supports, including Fondo de Desarrollo Rural, Aceleradora de Economía Circular, and Consorcio de Negocios Alimentarios Regenerativos. It will also open a line of business providing consulting services.

The following are some portfolio highlights from 2023:



Reached a technological milestone: with a focus on food security, the company perfected its prototype for Plasma-ized Water, a water solution for irrigation produced in constant flow, using only water and electricity, without chemicals. For the second year in a row, successful technical testing took place in the United States and India, with incredible results for the plants on which it was used: more efficient germination, accelerated growth, and greater protection against disease and harsh conditions.



Signed an agreement with a German consulting firm to prepare for a new investment stage to accelerate the technologies the company has developed.



Reached an institutional milestone: they completed the design of the Fondo de Inversión Privada (private investment fund) and launched it in December 2023. The company also prepared for its initial public offering (IPO) in January 2024 on the Chilean stock market to raise 5 million USD in capital, with the support of EY Financial Services and Ameris Capital. Between 2017 and 2023, Banca Ética awarded nearly 900 loans for a total of 90 million USD across Chile, Brazil, Argentina, and Uruguay.



In alliance with Balloon Latam, completed its first cycle of funding for rural microentrepreneurs in Chile; the fund earned sufficient trust and support from its investors for a second cycle of funding in 2024.



Reached an investment milestone: through its ally NESsT, it awarded loans to 10 cooperatives in Brazil, Colombia, and Peru to strengthen their regenerative food production models. The consortium, which is coordinated by Fundación Avina, also launched its online hub: <https://regenerativo.org/en/>



Latin American Ethical Banking, with the support of the consultancy EY, launched its first round of public investment (IPO: initial public offering).



With the RFB team
(Regenerative Food Businesses).

In 2023, WTT achieved major results, organized fruitful gatherings, and identified challenges to take on in 2024. We renewed alliances, forged new partnerships, and made important strides in the WTT Centro de Orquestación de Innovaciones (innovation center) projects. We also co-hosted the first Foro Brasileño de Innovación Orientada a Misiones, a forum on mission-driven innovation in Brazil. At this event, we reinforced our efforts to advocate for public policies that promote innovation.

The forum, which took place in São Paulo in October, was organized by WTT in collaboration with the Universidade de São Paulo's innovation center and the support of 23 other organizations. The event brought together over 100 representatives from civil society organizations, federal government agencies, academia, the private sector, and research foundations in Brazil. The forum positioned WTT as a leader among a broad, highly qualified group of stakeholders.

This opened important doors for us to provide input and support to the public sector on developing public policies to encourage mission-oriented innovation. For example, WTT was invited to help shape the 5th annual Conferência Nacional de Ciencia, Tecnologia e Inovação, a science, technology, and innovation conference organized by the Brazilian National Industrial Development Council (CNDI), as well as to support science and technology institutions like Instituto Tecnológico Vale in adopting mission-driven innovation strategies.

When it comes to the Centro de Orquestación de Innovaciones, two patents were registered for the biofilm technology developed in collaboration with the Brazilian National Institute for the Semi-arid Region. We also held a workshop to install nine innovative water reuse systems in the Semi-arid Region and made significant progress on the research/prototype/manufacturing process using the first Brazilian-made bioplastic derived from chestnut by-products, with commercial orders that will benefit communities in Lábrea, Amazonas, Brazil.

WTT also released three publications last year on the topics of family agriculture, mission-driven innovation, and agroecological transition, which are available for download on the WTT website. In addition, we made key contributions to the Impulsouth, Consorcio de Negocios Alimentarios Regenerativos, and Chaco Innova projects.

<https://wttventures.net/>



Photo: ASPACS/Lábrea. Workers in the process of chestnut extraction. The shell is the residue used in the manufacture of bioplastic.

OTHER SPACES



As a 501(c)(3) tax-exempt public charity in the United States, Avina Americas is an integral part of the Fundación Avina ecosystem. We serve as a pivotal bridge, connecting philanthropic organizations, corporations, and US government agencies with the causes championed by Fundación Avina in Latin America and globally. United by our mission to foster inclusive and sustainable development, Avina Americas collaborates closely with Fundación Avina, engaging a diverse range of stakeholders in initiatives to enhance social, economic, and environmental resilience.

2023 was a landmark year for Avina Americas. We were proud to join forces with USAID Administrator Samantha Power and **14 other philanthropic organizations to champion locally-led development** at the 78th UN General Assembly in New York. Avina Americas, alongside leading foundations across the sector, including the Conrad N. Hilton Foundation, Ford Foundation, and Skoll Foundation, signed onto USAID's **Donor Statement on Supporting Locally-Led Development**. This collective pledge emphasizes the need to decentralize power, ensure high-quality, direct funding to the local level, and advocate for local leadership in global development. Valeria Scorza, Executive Director of Avina Americas, highlighted the importance of this commitment: "Local issues require local leadership. By uniting our efforts, we aim to facilitate a meaningful shift in how resources and decision-making power are allocated, ensuring that local voices lead the way in shaping their future."

Our commitment to excellence and transparency has been recognized by leading nonprofit evaluators. In 2023, Avina Americas was awarded the Platinum Seal of Transparency by Candid and a four-star rating by Charity Navigator, reflecting a 100% score for our financial management, accountability, and transparency.

Our financial statements, audited by Crowe LLP, are a testament to our dedication and are publicly accessible on our website at <https://www.avina.net/en/avina-americas-2/>



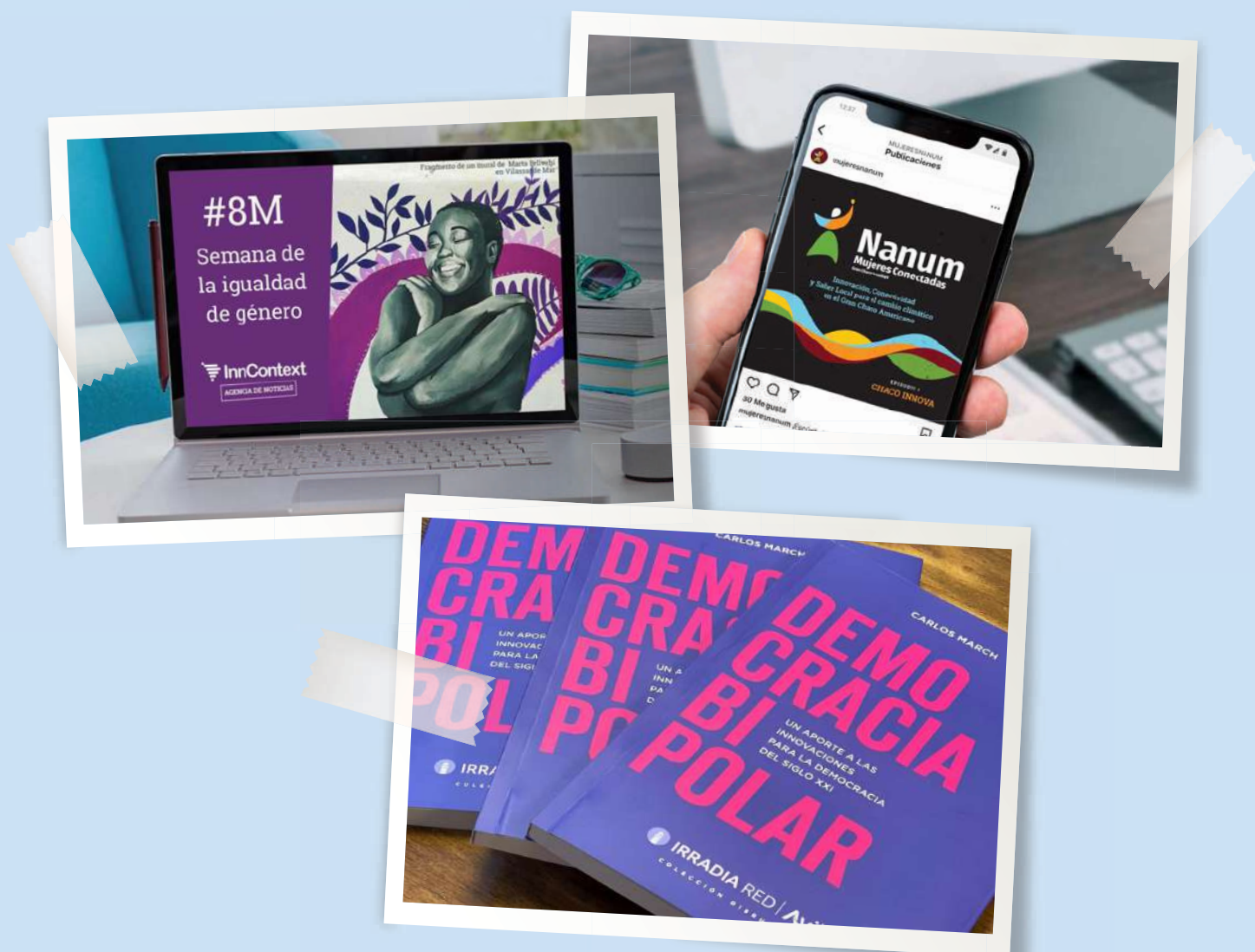
USAID Administrator, Samantha Power, is joined by Avina Americas President Sean McKaughan and other leaders from across the philanthropic sector in New York during the 2023 UN General Assembly.



InnContext is a communications platform that encompasses: a news agency to disseminate information generated by civil society organizations and show that transformation is newsworthy, with over 500 cables published to date; a communications agency to help civil society organizations design communications materials and narratives that center their causes; a consulting firm that performs contextual analysis and develops strategies to convert hostile environments into opportunities, working with clients like Nacional Monte de Piedad, one of Mexico's largest charitable organizations, to refine their social investment strategy; and a press that publishes the Colección Disruptiva (Disruptive Collection), a series of titles that challenge the status quo through a combination of analysis and solutions.

All of these divisions work in coordination to support organizations and leaders that are forging a new path toward social innovation and sustainability.

<https://inncontext.net/>



AVINA

IN NUMBERS

Impact in Numbers

In 2023

631 social investments that benefit our allies in different countries across Africa, North America, Latin America, Asia, and the Caribbean.

12.33 million USD.

Over the course of 29 years in operation

Directly disbursed by Fundación Avina to finance **12,631 social investments** led by our allies.

479 million USD.

During this period, the sum of Fundación Avina's programmatic support plus leveraged resources has exceeded

1.145 billion USD.

New Income

In 2023, we received new income totaling 32.34 million USD from over 60 co-investment partners, from both the public and private sectors, including VIVA Trust.

Financial Mobilization 2023

Fundación Avina's financial mobilization includes not only its programmatic support, but also leveraged third-party resources. Both forms of investment are made with the expectation of a return in the form of social impact.

In 2023, the programmatic support totaled 18.75 million USD, which includes both social investment (12.33 million USD in grants that Fundación Avina disbursed to initiatives in line with our institutional priorities) and program implementation (6.42 million USD in direct interventions and services provided by the Fundación Avina team).

Fundación Avina also facilitated the mobilization of third-party resources, including counterpart funding and leverage opportunities. With our direct support, these funds, amounting to 26.43 million USD, were directed from various financing institutions to the organizations and initiatives led by our allies.

Total 45.18 million USD.

Dynamic Operating Structure

Fundación Avina's regional operating structure encompasses 15 legal entities registered in 10 Latin American countries and the United States, where our sister organization, Avina Americas, is a 501(c)(3) tax-exempt public charity eligible to receive contributions from US-based partners.

Administrative costs in 2023 totaled 2.98 million USD, which includes building and maintaining a solid operating structure that meets the highest standards for administrative, financial, and tax management at the local, regional, and global levels.

The consolidated financial statements prepared by the management team under the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) and audited by the independent firm CROWE Panama Services, S.A., member of CROWE GLOBAL, are available at <https://www.avina.net/en/transparency/>

(Figures expressed in US dollars).

Reimbursable Financial Assistance

550 thousand USD.

Invested in 3 initiatives in Chile, Ecuador, and Guatemala.

3 companies were supported by the Business Accelerator of the regional platform Latitud R (<https://latitudr.org/>), which seeks to scale the socio-environmental impact of these startups that develop innovative solutions to give a second life to materials that are difficult to recycle, generating a positive linkage with grassroots recyclers, their organizations, families, and communities.



ESSENTIAL COMMITMENTS

Sustainable organizations cannot achieve their objectives without considering the unintended consequences of their actions. For Fundación Avina, the way in which we achieve results is of the utmost importance, and transparency, diversity, and our carbon footprint are top of mind in our daily work. The following is a summary of our efforts in these fundamental areas.



The Next Phase of Fundación Avina's Carbon Neutrality Strategy.

In 2023, Fundación Avina, WTT, and Avina Americas renewed their commitment to achieving carbon neutrality and revised the corresponding strategic plan drafted in 2019. Incorporating institutional lessons learned and international advances on the issue, they developed a new transition plan that will go into effect in 2024, including a fresh roadmap to expand and optimize actions related to:

- **The progressive measurement of carbon emissions associated with our social investments**
- **The development of additional measures and awareness-raising efforts to prioritize the reduction of carbon emissions**
- **The identification of carbon removal strategies in the coming years**

In addition, the Avina Carbon Neutrality team continued to conduct research and exchange knowledge with partner organizations; they also established a baseline for reporting our organization's progress to the International Philanthropy Commitment on Climate Change.

In 2023, Fundación Avina's annual CO₂ equivalent emissions reached a total of 364.51 metric tons CO₂e, most of which was related to travel as in-person activities resumed post-COVID. To counteract these unavoidable emissions, we have once again turned to our trusted ally, Instituto de Conservação e Desenvolvimento Sustentável do Amazonas (IDESAM). IDESAM will plant a total of 1,215 native trees in the Uatamã region of the Brazilian Amazon, with active participation from the local community.



Transparency.

Transparency is one of Fundación Avina's core values, as it is essential for building trust-based relationships with our allies, funders, and stakeholders. Through periodic evaluations, we are able to gather valuable information on the outcomes of our work, which we then use to make informed decisions about how to improve and refine our strategy going forward. This emphasis on ongoing evaluation, in addition to enabling us to determine the reach of our impact, also enhances our accountability and demonstrates our commitment to the efficient use of resources to achieve our goals.

Our commitment to transparency also extends to our administrative and financial practices. We regularly publish detailed financial reports and independent audits prepared in accordance with International Financial Reporting Standards (IFRS), which are available on our website. The principles of transparency are also embedded throughout the Fundación Avina ecosystem.

To guarantee absolute quality and transparency, our financial statements are permanently audited by Crowe and are available in our website <https://www.avina.net/en/transparency/>



Diversity, Equity, and Inclusion.

In 2023, Fundación Avina reinvigorated its focus on gender, diversity, equity, and inclusion with new membership and leadership of the corresponding internal committee, which was brought into the fold of the Social Innovation Division to ensure its connection to each of the organization's program areas.

The committee created an action plan focused on promoting an intersectional perspective and creating internal spaces to discuss how to make Fundación Avina's programmatic teams more diverse and inclusive. In addition, the committee explored the integration of gender, diversity, equity, and inclusion into the way we measure and report institutional results as well as at all-staff accountability sessions.

This led to the hiring of a specialized consulting firm to identify these dimensions of our work, record them in our internal systems, and report on the organization's impact in these areas. The consulting firm will begin this project in 2024 as part of the annual DEI work plan, which includes new training and communication initiatives to strengthen the entire staff's understanding and handling of gender and diversity issues.



THANKS

TO OUR

CO-INVESTORS

Facing uncertainty caused by pandemics, wars, the climate crisis, and ever-evolving technology requires that we build trust with one another; this is not the only step, but it is the first and arguably most important one as we move forward.

Creating quality connections where everyone wins and maintaining these relationships over the long term is essential to lasting, resilient progress.

Therefore, we would like to thank our entire community of donors for their trust and contributions that enabled us to achieve significant results last year. Their financial support continues to help tangibly improve quality of life for people and care for our shared planet.



- ACDI/VOCA
- Adaptation Research Alliance
- Ambev S.A.
- Banco Interamericano de Desarrollo (IDB/BID Lab)
- Cervecería Boliviana Nacional S.A.
- Citi Foundation/CAF America
- Climate Emergency Collaboration Group
- Coca-Cola (Foundation, Chile, Mexico)
- Dow
- Embajada de Suecia
- European Union
- Fidelity Charitable
- Fonds Danone pour l'Écosystème
- Ford Foundation
- Fundación Coppel/Fundes
- Fundación Gonzalo Río Arronte
- Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Global Commons Accountability Alliance (GCAA)
- Global Resilience Partnership
- Green Climate Fund
- Heineken
- Humanity United
- Individual donors
- Inter-American Foundation (IAF)
- International Institute for Sustainable Development
- International Development Research Centre (IDRC)
- Laudes Foundation
- Luminate
- Mercado Libre
- NDC Partnership
- Norwegian Ministry of Climate and Environment
- Open Society Foundations
- Organización Internacional para las Migraciones (OIM)
- Ouranos
- Panorama Global
- PepsiCo
- Programa de Pequeñas Donaciones del Fondo para el Medio Ambiente Mundial (PNUD)
- Research ICT Africa (RIA)
- Skoll Foundation
- Société des Produits Nestlé S.A.
- Target Foundation
- The William and Flora Hewlett Foundation
- U.S. Department of State
- UN-Habitat
- W.K. Kellogg Foundation (WKKF)
- Wallace Global Fund
- Walmart Foundation
- WWF-NL

VIVA Ecosystem.

The extraordinarily generous support of VIVA Trust, part of the legacy of our founder Stephan Schmidheiny, sustains our innovative spirit, forward-looking perspective, and ongoing mission to make a lasting impact on people's lives.

To mark the 20th anniversary of VIVA Trust in 2023, along with the other organizations in the VIVA Ecosystem (Fundación Avina, Fundes, MarViva, Masisa, and VIVA Idea), we launched a space to share best practices and foster joint action to optimize our collective impact in pursuit of sustainability and equity.

We sincerely thank VIVA Trust for continuing to invest in Fundación Avina as we expand our geographic and programmatic reach.

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Valeria Scorza

CALL TO ACTION!

By definition, **COLLABORATIVE IMPACT** is achieved by working together, not in isolation. No matter where you come from or which sector of society you represent, Fundación Avina will always be open to whoever is ready and willing to do their part. Governments, private companies, civil society organizations, philanthropists, technical experts, ordinary citizens...

Each and every one of us can and -as our current reality demands- must be part of forging a new path toward sustainable development!

If we haven't had the pleasure of meeting yet, here is how to get in touch with us:

avina.net/contacto

**Join us in creating COLLABORATIVE IMPACT
across the globe.**

Your contribution will support our work to promote Climate Action, Democratic Innovation, and a Just and Regenerative Economy in Latin America and around the world.





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