VISION
We strive for a prosperous, integrated, supportive and democratic Latin America, inspired by its diversity and embodying citizenship that positions the region globally based on its own model of inclusive and sustainable development. We want to be recognized as an innovative and efficient organization that produces concrete contributions from Latin America to sustainable development.

MISSION
Impact sustainable development from Latin America by creating favorable conditions for diverse actors to join forces in contributing to the common good.
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[www.avina.net](http://www.avina.net)
Highlights

1. In 2012, Avina expanded its presence in Latin America by consolidating its operations in Mexico and launching operations in Venezuela. Currently the organization works in 21 Latin American countries. Avina has a physical presence in 15 nations through self-regulated teams that work in virtual offices and in traditional face-to-face settings. Avina also supports activities in six other countries—Cuba, El Salvador, Honduras, Puerto Rico, Dominican Republic and Suriname—through links with allies and networks.

2. The total volume of resources mobilized in 2012 to benefit the strategies for impact we support surpassed $73 million. Avina invested $12.4 million in 718 new initiatives with allies across the region, and helped channel another $47 million from other financial donors to the initiatives of allies. Avina also invested $13.3 million through its own actions in these strategies.

3. Avina contributed to 96 concrete changes in 2012. These advances benefit millions of people throughout the region. According to our achievement rating system, 15 of those changes each had a direct or indirect impact on more than one million people in Latin America. Many of these achievements are described in this report.

4. In 2012, Avina completed the five-year plan begun in 2008. The five-year plan covered a very successful period of achievement and institutional consolidation that served as motivation as the entire staff formulated strategies and objectives for the next five years. After a participatory planning process in 2012, Avina created and introduced its five-year plan for the 2013-2017 period which emphasizes valuing public goods and speeding the transition toward a new economy that promotes social progress and mitigates inequality in Latin America, while preserving its natural resources.

5. In the new five-year plan, Avina focuses its portfolio on nine regional initiatives that represent opportunities to have an impact on sustainable development in Latin America. These include Access to Water, Sustainable Cities, Energy, the Amazon Biome Strategy, Migration, Inclusive Recycling, the South American Chaco, Extractive Industries and Democratic Institutions. The teams of these opportunities have expanded their network of alliances in the 21 countries in the region where Avina is active, creating strong working relationships with hundreds of local, national and global organizations.

6. Aligned with the opportunities portfolio, Avina has created four tools and services for impact: Climate Change, Technology for Social Change, the Social Progress Index and Impact Businesses. These tools create value and foster innovation and help advance each of the opportunities, individually and in combination.

7. During 2012, Fundación Avina and Avina Americas established or renewed alliances with several organizations in order to support strategies to reach common objectives in the region. Some of these organizations are private foundations such as Ford Foundation, Oak Foundation, Open Society Foundations, Omidyar Network, Rockefeller Foundation and Skoll Foundation. Others are private sector companies including The Coca-Cola Company and Xylem Inc.

8. With the goal of promoting the causes advanced by Avina and its allies, the organization continued to maintain a strong digital presence in 2012, including the official website and social media accounts on Twitter (with more than 2,000 followers) and Facebook (with more than 5,600 subscribers), as well as a Youtube channel.

9. Avina also supported a series of publications in 2012. Commissioned by Fundación Avina, the economist and sociologist Ricardo Abramovay published his book, Muito Além da Economia Verde (Far Beyond the Green Economy) in June of 2012. With a foreword by Brazil’s former Environment Minister Marina Silva, and support from Fundación Avina, the book describes a new economy, one that stimulates social cooperation and natural resource conservation and regeneration. Seven other books were published in 2012 with Avina’s support: Guide to Creating Sustainability Reports, Learning About Compensation and Payments for Environmental Services, Financial Mechanisms for Water in Latin America (all in Spanish), and studies about the advance of the Millennium Development Goals in the Amazon in Bolivia, Ecuador, Peru and Venezuela.

10. Avina, in alliance with Ashoka, Skoll Foundation and Fundação Roberto Marinho, collaborated in organizing the Forum on Social Entrepreneurship in the New Economy, held from June 15-17, 2012, during the United Nations Conference on Sustainable Development (Rio+20) in Brazil. Experts from around the world met to exchange ideas and common sense solutions for promoting greater sustainability in the context of economic development. The Inter-American Foundation, the Rockefeller Foundation and Instituto Arapyaú provided support for the forum.
Chairman’s Message

This year, both Avina’s outgoing chairman and its new chairman have the pleasure of presenting Avina’s 2012 Annual Report. For the past few years, Avina has used the Chairman’s Message to share some impressions from the board on global affairs with an emphasis on Latin America and the work Avina is doing. This year is no different, although the transition from one chairman to the next allowed us to think together. As we began to discuss the year past and the one dawning, one thought seemed to us particularly appropriate to begin this message: there is no going back to the “regular” cycles of the past, welcome to the “new normal”!

As influence shifts to emerging countries, Latin America could produce positive examples in a world searching for solutions.

2012 left no doubt that variability and uncertainty is what will remain constant for the foreseeable future. Wherever one looked, once stable ground showed signs of buckling. Europe teetered on the brink of sovereign debt oblivion with the Euro in the balance, while the United States perched on the edge of a financial cliff of its own making. Meanwhile the Chinese economy fell back to “only” 7.8% growth, dampening the outlook for a worldwide economic recovery. In our own region, the Brazilian growth machine sputtered (though thankfully with record employment), while Chile, Peru and Panama thundered forward and Mexico’s economy sprung back to life. Businesses and households struggled to understand it all, as did governments.

The political terrain of 2012 was also uncertain. China changed leaders but not its overall direction. The United States kept the same leader, who proclaimed he would push for change. The popular upheavals of 2011 in Tunisia, Egypt, Libya and elsewhere during the “Arab Spring” continued to send deep shockwaves to the south and east, even as those new governments struggled to establish order. In Latin America, the PRI returned to power in Mexico and Fernando Lugo was impeached in Paraguay. In Argentina, the Presidenta’s ship of state sailed through rough seas with some signs of discontent from anxious passengers as the pots sounded from the decks.

For Avina this uncertain global context was the backdrop for our five-year planning process, which allowed us to try to make some sense of it. Amid the contradictions, a few trends stand out.

One trend is that the “emerging” countries of the world are more and more influential. About 75% of world economic growth came from “emerging” economies. That trend will continue. Even though it may have avoided economic collapse, Europe will spend many years digging itself out of the rubble. Japan continues to fight to stave off deflation. Even if the U.S. avoids self-inflicted recession in coming years, it can look to only moderate growth prospects, many of these tied to the motor of emerging markets. At the same time, burgeoning economies like Nigeria, Mexico, Turkey and the Philippines indicate that the ‘BRIC’ nations of Brazil, Russia, India and China are not to be the only emerging markets that merit attention.
Another trend is that democracy is spreading, but it is also diversifying, and at times looks like something else entirely, fueled by changes in communication technology and increased connectedness. Even as established democracies in the West often appear dysfunctional, radical or hybrid governments rise to power through democratic means and are reelected by popular vote. Since Egypt’s 2011 revolution that sent Hosni Mubarak from power, the world’s dictators have been put on notice that they must seek popular support or face chaos. China too will certainly have to find its own path to democracy (as it did to the free market) due to a huge new middle class that may soon start to demand transparency and a voice in decisions. Even Burma has finally moved towards a freer society. In our own region, the one nondemocratic country surely must take similar steps or face deepening marginalization and irrelevance. Representational government is on the march, with all of its destabilizing and unpredictable consequences.

Furthermore, the challenge of climate change is proving quite difficult to address at the international level. No one would argue that the Rio+20 Conference achieved the ground-breaking success the world hoped for. No grand consensus was proclaimed like in 1992. No new spirit of international collaboration coalesced around shared challenges. Instead, reports on the effects of climate change left no doubt that the world is progressing according to the worst scientific projections, and should expect the more dire scenarios that pleas for early concerted action had hoped to avoid. The nine hottest years on record occurred since 2000. In 2012 unpredictable extreme weather was the norm, including rogue storms of increasing intensity, droughts and floods. Glaciers and sea ice continued to melt at unprecedented rates. At the time of writing, inhabitants of Beijing have been ordered to stay inside as a toxic cloud hovers over northern China. Yet international agreements have thus far proved largely ineffectual at changing behavior.

On a positive note, quality of life indicators are improving rapidly across the globe, even in some of the most persistent pockets of under-development. The world appears on track to meet the Millennium Development Goal of halving poverty by 2015, and has already met the goal for access to clean water. These are surely encouraging signs. At the same time there is ample evidence that inequality is also growing apace. And there are all too few examples of growth without increasing CO₂ emissions and reduction of natural resources. As emerging economies grow and create wealth, they decrease poverty but also increase inequality and consumption of natural resources. Natural limits to growth and the negative effects of wealth concentration represent twin threats to current social progress.

For Avina, these trends put the spotlight on a region like Latin America to innovate and lead. Our region has a wealth of natural resources, bright economic prospects, promising demographics and a commitment to democracy. It also has, as a region, one of the lightest ecological footprints relative to economic output and quality of life indicators. An organization dedicated to sustainable development in Latin America, Avina believes in the potential for the region to “get it right”. As influence shifts to emerging countries, Latin America could produce positive examples in a world searching for solutions. However, if it is to fulfill its potential, Latin America will have to meet a number of daunting challenges. Our five-year plan focuses on several of these, such as the creation of “public goods”, i.e. amenities accessible to everyone, the transformation of the economy through a proliferation of sustainable businesses, and stronger institutions and better policies through citizen action. In each of our strategies we will prioritize these objectives.

In this 2012 Annual Report, you will read about the pillars of Avina’s institutional strategy for the next five years. Each year in this report, we will update you on our progress toward making a difference for Latin America through concrete changes that benefit real people. The contribution of Avina and its allies toward producing change that matters is how we measure success, and we are pleased with our progress on these fronts in 2012.

A prime example of making strides is in the fight to reduce deforestation, where we can point to some real advances. In the Ecuadorian Amazon, the Kichwa Sarayaku people won their case in the Inter-American Court of Human Rights against a company responsible for destroying forestland without community consultation. After the ruling, the Ecuadorian government announced a change in policy to avoid a recurrence of such conflicts. In the Brazilian Amazon, several forest municipalities, like Alta Floresta, managed to exit the government list of worst deforesters, thanks to the combined effort of local government, business leaders and civil society organizations. Also, in South America’s tri-national Gran Chaco region, provincial governments in partnership with citizen environmental organizations have adopted satellite-monitoring techniques to stem the illegal removal of indigenous vegetation through better policing.
Avina also continued to support and participate in a regional network of sustainable cities that is changing how politics works in urban areas across Latin America. Cities such as Córdoba in Argentina and Belo Horizonte in Brazil changed their local ordinances to require mayors to communicate and report on tangible goals during their mandate which can be monitored by citizens’ groups. In Brazil, 191 newly elected mayors (representing over 60 million citizens) adopted a common set of indicators to monitor progress in terms of quality of life and urban sustainability. Also in Brazil, different citizen groups came together to pressure the governments of the cities hosting the 2014 World Cup soccer matches to make a number of public commitments regarding inclusiveness, government transparency and actions on community-based priorities.

In a third example, the government of Chile for the first time announced a long term national energy plan and policy, the result of years of public debate and consultation. When Avina began working with citizen groups in Chile in 2007 to improve national energy policy, there was very little in the way of national dialogue on the topic. Avina supported the creation of a process of multi-stakeholder dialogue, engaging the government, energy companies, universities and civil society groups. In 2010, Avina was co-organizer in a televised national debate by presidential candidates where different proposed scenarios for Chile’s energy future were compared and contrasted, leading to a new level of public dialogue. In 2012, we were delighted to see the Chilean government announce a national strategy, incorporating many elements that emerged from this interactive process.

All of these advances arose from complex challenges that involved multiple sectors, organizations, interests, and countries. The recipe for cooking up change is different in each case, but invariably it depends on the collaboration of a diverse group of actors around a common purpose in a dynamic environment. As we look forward to the next five years and beyond, it seems clear that those institutions that know how to build collaboration and adapt to change are the ones that will thrive in the years to come. At Avina we constantly invest in that capacity, as we continue to work with our partners to find opportunities for making positive changes that will benefit Latin America and the world for generations to come. We have our work cut out for us, but thankfully, we are in good company.

Finally, we want thank the members of the Avina board for their commitment and contributions. We also cannot overlook the vast contributions of Avina’s founder, Stephan Schmidheiny. His vision for Avina to be an “open-ended learning endeavor” continues to guide us as we move forward. We especially want to congratulate and offer our support to Avina’s new CEO, Gabriel Baracatt. The board looks forward to great things from Gabriel and the Avina team, as laid out in Avina’s five-year plan.

We also want to thank all of those working for a better future across this wonderful Latin American region. Avina is pleased to be able to dedicate its team and resources to the vision we share with our partners and allies for a more sustainable and equitable Latin America.

Sincerely,

Brizio Biondi-Morra
(outgoing Chairman)

Sean McKaughan
(incoming Chairman)
CEO’s Message

The end of a cycle is a great moment to look over what you have learned, both achievements and failures. But as part of an on-going commitment to social change, it also marks a new point of departure for the next cycle, a moment to set your sights on a new set of challenges and move forward.

Avina’s five-year strategy cycle that ended in 2012 was pivotal in the evolution of our organization, especially as the stage in which we consolidated our approach to promoting sustainability by empowering collaboration. For the period 2008 – 2012, we defined three major objectives: contributing to ten impacts of regional relevance for sustainable development; expanding and diversifying our “social capital” of partners, networks and allies; and building a team of change agents, capable of facing multiple challenges, negotiating shared agendas for impact and inspiring confidence through dialogue.

With the leadership and talents of our allies, and the value created by our dedicated team, we were able to contribute to some significant changes in the region.

Achievements over the past five years have reaffirmed the vision that led Avina to focus on the collaboration process in all the causes we promote in Latin America. Evidence from the field proves the point, like the recyclers who have recovered their dignity through economic inclusion, the thousands of adults and children from vulnerable communities that now are drinking clean water, the environmental movements that have succeeded in creating new national parks. Collaboration unlocks huge potential for making change happen in the region. But there is still a long way to go.

We are encouraged by our recent achievements to sustain our momentum and reach further in the years ahead. Latin America continues to suffer from acute social and economic inequality despite significant recent advances. Economic growth throughout the region has been rapid, while social development has been more limited. The ranks of the middle class are rising in Latin America, but this often comes with increased consumption and higher debt loads instead of a greater savings capacity, thus limiting social mobility. Quality of life can also suffer from reckless development. We see mistakes repeated, like infrastructure projects implemented without first consulting with communities that would be affected, and without regard to sustainability.

The challenges we face in Latin America remain enormous which is why it is important in the next five years for Avina to consolidate its hybrid model of social venture capital, one that incorporates financial support as one tool among many in generating real opportunities for social change with our allies.

“With the leadership and talents of our allies, and the value created by our dedicated team, we were able to contribute to some significant changes in the region.
Over the course of several months in 2012, our entire institution shared in a participatory planning process. With additional input from the executive team and Board of Directors, we finalized a new strategic plan which will be the compass for our activities over the next five years, from 2013 to 2017.

Central to our vision is how Latin American issues fit into a global context. As one example, we are very concerned about the impact of demand from resource-hungry Asian economies for vast amounts of mineral wealth from South and Central America. This demand is strong enough to overpower national agendas for sustainable development, where they exist. Countless cases of social and environmental conflicts are testament to this trend. The challenge is to define how to move toward a value-added economy that is capable of providing guarantees of sustainable, inclusive and equitable growth, changing the formula that equates that growth with destruction and exportation of natural wealth.

During the strategic planning process, we also decided to refine our mission statement and to make adjustments to the way we will operate in the next few years, which we call Augmenting Impact. We will continue to act and innovate in order to tackle the key challenges facing the region. One of the biggest is overcoming inequality by generating public goods and services that promote inclusion and equity. The other big task is to provide encouraging examples of how a new sustainable economy can produce prosperity more efficiently.

We can take the example of the economy. Until very recently our reference was the "lost decades", but the region has enjoyed several years of impressive progress in many countries which, if we make the right choices, future generations may refer to as the "great turn-around". Our goal at Avina is to build on the favorable economic and social trends, to lay the foundation for several productive decades ahead. In that vein, we see business and technological innovations as critical components in the solutions to social and environmental problems, especially those solutions benefitting people at the base of the economic pyramid. This is why we are currently building alliances with innovators, and honing Avina’s role as “translator” between the worlds of business, technology and traditionally marginalized communities for the benefit of all three.

Of course our institutional cornerstone remains the same: the alliances for sustainable development that we have established with social, governmental and business leaders, their organizations and networks. It is through these alliances and by encouraging effective collaboration among them that Avina creates value. Likewise, we will redouble our efforts to align our support and invest together with other foundations, international entities and philanthropists who have shared priorities and values.

Although 2012 was a dynamic year with heightened uncertainty in the region and around the globe, Avina’s commitment to the betterment of Latin American society has remained steadfast and the organization has renewed purpose and energy as we begin implementing our new five-year plan in 2013. With the collaboration of our allies and team, I have no doubt that we will achieve our common objectives for the benefit of Latin America.

I want to acknowledge and thank the team members that make up the institution, as all of Avina’s progress in 2012 was made possible only through their commitment and dedication.

In the name of the whole team I would like to congratulate Sean McKaughan, who in January stepped into his new role as chairman of Avina’s board of directors. We are privileged to have someone of his experience, commitment and vision in such a vital position of leadership. Together we will continue to expand our organization’s capacity and relevance for the evolving challenges in the region and beyond.

Likewise, I would also like to thank our partners and allies, with whom we share values and a vision that inspire us to action toward a sustainable future for Latin America. Reading the examples in this report, you will see that through collaboration we have the capacity to achieve great things.

Finally, please allow me to share how I feel as Avina’s new Chief Executive. After 12 years of working in our institution, I am happy and humbled to take on these new responsibilities, and will do so with the same passion that continues to motivate me each day as we help shape a more promising future for our region. I can accept this challenge because of my confidence in our institutional commitment to Latin America, the relevance of Avina’s contribution to its future, and the remarkable dedication of my colleagues to our common cause.

Gabriel Baracatt
Chief Executive Officer
Who We Are

Avina is a Latin American foundation that identifies opportunities to achieve systemic change relevant for sustainable development, by connecting and empowering people and institutions in shared agendas for action. The organization creates and supports collaborative processes that produce effective cooperation among entrepreneurs, companies, civil society organizations, academia and governmental institutions so together they can contribute to advancing the common good. Through its activities, Avina builds conditions capable of influencing decision makers and generating the changes necessary for a sustainable Latin America.

Objectives 2013-2017

Avina’s main objective is to contribute to concrete and relevant changes that lead to more sustainable development in Latin America.

We believe two types of changes will be key in the region:

1. Placing value on public goods, that is, what belongs to all of us as citizens, since we believe that, as the number of public goods rises, inequality diminishes.
2. The transition toward a new economy that preserves natural wealth and contributes to social progress.

To reach this impact objective, Avina will invest in four institutional assets:

- **Social Capital**: the capacity to bring together a critical mass of allies and different actors on the ground with the potential to have an impact on public policy and influence society.
- **Operational Excellence**: the capacity for analysis, institutional coordination and management that empowers the team to create favorable conditions for change.
- **Intellectual Capital**: the capacity to transform the lessons learned by Avina into a methodology for value creation that strengthens its actions and guides team training.
- **Communication**: the capacity to craft narratives and messages that have resonance inside and outside the region and add concrete value to the agendas for change in Latin America.

These challenges reflect Avina’s commitment to constantly learn, adapt and develop new institutional capacity in order to increase its contribution to the opportunities for impact prioritized by Avina and its allies.

Values

Avina is based on four ethical principles that define the organization’s precepts, its work philosophy and its actions:

- The full realization of the human being, in a context of individual, social, and environmental harmony, as the central focus of sustainable development.
- Human dignity expressed as the exercise of democracy, equity of opportunities, freedom with responsibility, honesty, and solidarity.
- Modesty, which must guide our actions, encouraging us to celebrate the contributions of others in the process of building together a better world for each and every person.
- Continuous innovation, which allows us to be increasingly effective and productive.

Origin

Avina was founded in 1994 by the Swiss entrepreneur Stephan Schmidheiny, who inspired the vision and values that guide the organization. Avina is maintained by VIVA, a trust created by Stephan Schmidheiny to further sustainable development through alliances between successful and responsible businesses and philanthropic organizations that promote leadership and innovation.
Organizational Structure

Our operational model seeks to ensure agile decision-making, effective management, coherent strategy, correct analysis of the social and political context, and efficient coordination of value-added actions in the institution’s priority initiatives in 21 Latin American countries. Our operational base has three pillars: distributed presence, autonomous teams and aligned management.

**Distributed Presence:** Avina has local teams based in 15 countries. Each team member is well grounded in the country’s characteristics and complexities. Avina always works through alliances, and therefore we recognize the importance of being close to the actors and organizations working on the front lines of development challenges in each country. To maximize the coverage of the region by our 100 team members, we work in a virtual network based out of 14 legal entities and multiple local offices. The coordination across teams, cultures, languages, entities, currencies and countries is handled efficiently thanks to robust technological systems and clear and consistent management protocols. We also have initiatives in place in six other countries through our extensive network of allies.

**Autonomous Teams:** Avina is an international organization with regional strategies implemented in a coordinated manner in various countries. This coordination requires collaborators be simultaneously members of local and international teams. To maximize the efficiency and flexibility of teams, the collaborators operate autonomously within a framework of shared policies and practices. The majority of Avina collaborators are part of more than one team, and periodic rotation of responsibilities occurs in order to respond to changing external demands and needs for professional growth.

**Aligned Management:** The alignment of teams, areas and strategies in the region also demands an agile and collegial management. Avina’s chief executive officer leads an executive team of six directors that ensures the integrity of Avina’s operations in all of Latin America.
Where We Work

Our Presence in Latin America

Avina operates in 21 countries in the region. We have a physical presence in 15 of those countries, including our regional headquarters in Panama and seven national headquarters, as well as a network of local and virtual offices in the region.

In another six countries we operate through links with our allies and networks.

To strengthen the activities of our Latin American allies and bring them to scale, we form alliances with organizations throughout the world. To that end, members of our team also work from Europe and the United States, in the latter case thanks to an alliance with Avina Americas.
Access to Water

Access to water and sanitation services is a human right on which people’s health and quality of life, diverse ecosystems, the economy and sustainable development depend. Currently there are approximately 70 million Latin Americans who can quench their thirst and live their daily lives with dignity thanks to more than 80,000 community water management initiatives spread out all over Latin America that ensure this basic right.

Access to Water: the Promise of Community Management

Avina has discovered vast amounts of social mobilization among citizen initiatives that have the potential to help close the gap in access to water and sanitation services that still affects more than 40 million people in Latin America. These valuable community efforts not only provide access to water, but also strengthen participatory democracy, yet they receive scant attention from governments and aid organizations and are often invisible to society at large.

What Avina Does for Access to Water

Avina and a growing number of allies work to bring together, strengthen and showcase community providers of clean water. Social organizations, businesses and governments have joined the effort, as have hundreds of local allies and thousands of community organizations across the region, including the recently created Confederacion Latinoamericana de Organizaciones Comunitarias de Servicios de Agua y Saneamiento (Latin American Confederation of Community Organizations for Water and Sanitation Services), or CLOCSAS.

For these community providers to reach their full potential, more actors must become aware of the issue and get involved. That is where public policy comes in. Avina also works to sensitize decision makers about the relevant role that community water management plays in a country’s development. With more awareness, concrete actions become more viable.

These are some of the results obtained in the Access to Water Opportunity for Impact in 2012:

**Alliances for More Water in Argentina, Chile and Peru**

Avina has helped find common ground among different key players: companies looking to compensate for the water footprint of their production activities, community organizations that democratically manage water services and organizations that fight to secure access to water for vulnerable populations.

In July of 2010, the United Nations recognized access to water and sanitation services as an essential human right.
In 2012, Avina and the Coca-Cola Company’s South Latin unit, with the support of The Coca-Cola Foundation, joined forces to work together in Argentina, Chile and Peru in the “+ AGUA” (More Water) initiative, which has two aims: to increase access to clean water through community organizations, and protect and conserve threatened ecosystems that provide sources of water. Through the excellent on-the-ground efforts by allied organizations, the “+ AGUA” initiative helped 11,252 people in marginalized communities in all three countries improve the quality of the water they receive. Furthermore, nearly two million people benefited from improved water sources, thanks to the development of conservation strategies that directly expanded water recharge and the replenishment of native ecosystems.

For the Argentine city of Cordoba, the conservation of scarce water sources is critical. That’s why Avina, along with local allies, worked to conserve 14,500 hectares of land in the Estancia La Calera reserve, where a more efficient and coordinated fire prevention system was set up with military authorities and firefighters. Cordoba also benefitted from 26 hectares of replanted native forest to be managed with agroforestry practices, while the vegetation and water quality in important wetlands were also enhanced.

The combination of results in these two fronts of the initiative also contributes to the objective of adaptation to climate change.

Empowering Community Organizations in Colombia

In Colombia, there are more than 11,800 Community Organizations of Water and Sanitation Services (OCSAS) that provide access to water for approximately 10 million people. In 2012, the Colombian government received a $60 million loan from the Inter-American Development Bank (IDB) to increase the coverage of water and sanitation services in rural communities. Avina, in alliance with UNICEF, helped the Colombian government construct a vision for impact in this project that includes, as one of its fundamental cornerstones, development and capacity building of community water managers.

Moreover, Avina took part in regional workshops alongside community and institutional actors as part of the process to create a national public policy for water and sanitation services in rural areas. The process brings together communities and municipalities to create integrated actions that will encourage sustainability when developing infrastructure and providing water, sewage and garbage-collection services.

These achievements are in part a result of the growing voice of the community organizations that have united through the Latin American Community Water Management Conference, an event convened by Avina and its allies that is raising awareness among key actors. These annual meetings have changed the way community managers see themselves, increasing their self-esteem and the value they place on their unacknowledged and sometimes invisible labor. By recognizing the regional dimension of their sector in terms of size, diversity, potential, and their shared challenges, the members of these community organizations return to their home countries empowered to create alliances as equals with the business community, governments and the academic sector.

As a result of this empowering process, during its third annual conference in Cuenca, Ecuador, in 2012 the newly named Latin American Confederation of Community Organizations for Water and Sanitation Services held its Initial Assembly and democratically elected its first governing body.

The cumulative result of all of Avina’s efforts to showcase, strengthen and unite these community initiatives to provide access to water and sanitation services in the region is that in 2012 the organization and its allies helped 392,574 people gain access to clean water or sanitation services in their homes, while another 275,756 gained improved quality of service. Since 2009, Avina and its allies have helped 2,258,412 people increase or improve their access to water and/or sanitation services.

Our main allies and co-investors for this Opportunity for Impact in 2012 were:

- **CARE International** with which we worked on the preparation and dissemination of the 10 Modules that make up the Unified Program of Capacity Building for community organizations for water and sanitation services across the region.
- **Xylem Inc.**: a multinational company that co-invests with Avina to help a local ally in the Brazilian northwest region, Articulação do Semi-Árido (Networking for the Semi-Arid Region), provide clean water for schools with more than 2,500 young students.
- **Confederación Latinoamericana de Organizaciones Comunitarias para Servicios de Agua y Saneamiento** (Latin American Confederation of Community Organizations for Water and Sanitation Services) with which we seek to promote the collaboration of the community providers of water and sanitation services, the capacity building of community managers, the improvement of their financial tools, and the recognition of the sector’s contribution to the development of their countries.
- **Stockholm International Water Institute** (SIWI) with which Avina developed efforts to strengthen the impact, organization and capacity building of Latin American community water managers.
Sustainable Cities

Despite the robust economic growth experienced by Latin America over the last decade, progress for millions of its citizens has been hampered by unequal distribution of the benefits of this growth. Inequality is the main obstacle standing in the way of sustainable cities.

According to UN-HABITAT, Latin America is the most urbanized developing region in the world with 80% of Latin Americans living in cities. These cities increasingly affect surrounding natural resources due to the growing pressure of urban consumption. If Latin America succeeds in finding solutions to the environmental, cultural, economic and political challenges of creating more sustainable cities, its example could have global implications as other emerging regions begin the urbanization process. For Avina, the creation of sustainable cities depends on involved citizens participating democratically in local governance to ensure that public decision-making favors the common good.

What Avina Does for Sustainable Cities

From Guadalajara, Mexico, to San Martin de los Andes, in the Patagonia of Argentina, Avina’s strategy to spur the construction of sustainable cities is based on recognizing, supporting and coordinating dozens of urban citizen movements. These groups draw together local leaders, businesses and civil society organizations to monitor and influence urban policy, regulation and the municipal programs that affect the quality of life of city residents. This experiment in citizen involvement in city government is currently underway in more than 70 urban areas that are linked thanks to Avina’s active support of the Red Latinoamericana de Ciudades Justas, Democráticas y Sustentables (Latin American Network for Fair, Democratic and Sustainable Cities).

Results in 2012 were related to the positioning, mobilization and enhanced capacity of local initiatives and citizen movements at the local and national level. One of the most relevant events was a citizens’ summit about cities and climate change which took place in Bogotá in November 2012. Mayors from across the region renewed their pledges to reduce the negative effects of climate change on city dwellers, and more than a dozen mayors added their signatures.

Last year saw the proliferation of city management plans in dozens of Latin American cities. It is increasingly common for citizens to hold their mayor accountable for meeting performance goals according to a public management plan. But what would happen if the mayor’s own municipal management plan was formulated jointly with citizens even before the elections? This year we are pleased to see the implementation of this idea, called the “programmatic vote”, where citizens vote for the plan and its performance goals associated with the candidate. It is another democratic innovation born in
Colombia, that is now being adopted by hundreds of mayoral candidates in Brazil and Chile, offering not only a different way of doing politics, but also a municipal management tool based on clear indicators for performance and priorities for decision-making.

Here are some of the results of Avina’s work with partners during 2012 on behalf of the Sustainable Cities Opportunity for Impact:

**Sustainable Cities Program in Brazil**

The Sustainable Cities initiative — a campaign for citizen accountability and participation in city government — made history in Brazilian municipal elections by convincing hundreds of mayoral candidates to sign public pledges regarding their intended program of government. Under the coordination of the Rede Nossa São Paulo (Our São Paulo Network), the Rede Social Brasileira por Cidades Justas e Sustentáveis (Brazilian Network for Fair and Sustainable Cities), the Instituto Ethos and with Avina’s support, 555 mayoral candidates from all political parties in 330 cities made a formal commitment to this participatory citizens’ platform for accountability in municipal government. Among those candidates, 205 were elected to govern in urban areas whose combined population is over 60 million people, or about 30% of the Brazilian population. The “programmatic vote” requires candidates to present transparently their administration plan before the elections and to implement those plans if elected. In this case, the tool included 100 indicators divided into 12 categories to measure sustainability in urban areas, facilitating goal-setting and replication of best practices.

Additionally, two of Avina’s allies—Jogos Limpos (Clean Games) and Atletas pela Cidadania (Citizen Athletes) — joined forces with the Rede Social Brasileira por Cidades Justas e Sustentáveis to develop a programmatic vote campaign aimed at the transparency, integrity and legacy of investments in the host cities of the 2014 Soccer World Cup in Brazil. After meeting with different segments of society, the mayors of Belo Horizonte, Cuiabá, Curitiba, Manaus, Porto Alegre, Salvador, São Paulo, Rio de Janeiro, Recife, Natal and Fortaleza made a public commitment to adopt the standards proposed by these groups and to establish social and environmental performance goals for their administrations. In three of these cities (Belo Horizonte, São Paulo and Rio de Janeiro) these commitments are now mandatory, as the city ordinances mandate that each new administration must present a government management plan for sustainability that is in keeping with the promises made during the electoral campaign.

**Campanha “Vota programa, no botes tu voto” (não jogue seu voto fora) no Chile**

Com apoio técnico e financeiro da Avina, no marco das últimas With Avina’s technical and financial support, the Red de Territorios Ciudadanos (Citizens’ Territory Network) carried out the “Vota programa, no botes tu voto” (“Vote for a Program, Don’t Throw Away Your Vote”) campaign ahead of mayoral and council member elections in Chile. The network led an initiative to encourage candidates to prepare their plan for government with input from citizens and present it to the public with a pledge to follow through upon their election. The campaign was part of the Citizens’ Territory Network’s overall goal for a national law to require the “programmatic vote” and instituting the recall referendum in Chile.

During the two months leading up to elections, in 31 of the most populous municipalities in the country 59% of the candidates presented a plan for their administration — up from 18% in previous elections. Among these, 26 of the candidates (and 21 politicians running for city council) signed on to the campaign in favor of a national law for the “programmatic vote” and the recall referendum.

It is especially significant that a dozen candidates created their respective government programs through a participatory process of consultation with citizens. At the same time, 15 candidates registered their programs before a notary public, meaning that the program is mandatory once in office. The “Vote for a Program” campaign and its promotion in the media and social networks created a new dynamic in the municipal elections and established an important precedent ahead of the 2013 presidential elections.
OPPORTUNITIES FOR IMPACT

Sustainable Cities in Mexico

The Red Mexicana de Ciudades Justas, Democráticas y Sustentables (Mexican Network for Fair, Democratic and Sustainable Cities) was born in late 2010 with the creation of the “Jalisco Cómo Vamos” (Jalisco How are we Doing) citizen movement, an initiative for more democracy and participation to promote government transparency and accountability in the city of Guadalajara.

The effectiveness of the network’s team work is evident in the creation of a system of indicators and several citizen perception polls. These management techniques to provide common points of reference for city government have now been adopted by Mexico City, Monterrey, Ciudad Juárez and León. These cities in Mexico joined the city network and are contributing their own knowledge, strategies and organizational techniques to strengthen citizen participation and advocacy for public policies addressing the issues most in demand at the municipal level: water, public spaces, transportation and the environment.

Los Arcos in Guadalajara, Mexico. “Jalisco Cómo Vamos” (Jalisco How are we Doing) is a citizens’ initiative for more democracy and participation to promote government transparency and accountability.

Our main allies and co-investors for this Opportunity for Impact in 2012 were:

- **Avina Americas**: who contribute to strengthen the Sustainable Cities movement across Latin America, especially the impact of citizens’ participation in decision-making at the municipal level.
- **UN-Habitat**: this United Nations agency collaborated on a study about inequality in cities. The Latin American Network for Just, Democratic and Sustainable Cities conducted citizen perception surveys in ten Latin American cities, and the results will be published in UN-Habitat’s study.
- **CAF-Development Bank of Latin America**: with which we promote inter-agency dialogue at a regional level and at the national level to find opportunities for collaboration with Avina’s allies, through summits, technical seminars and specific projects in different countries in the region.
- **New Cities Foundation (NCF)**: with which we established a collaborative relationship around the annual event, New Cities Summit, organized by NCF in 2012. Avina and its allies in The Latin American Network for Just, Democratic and Sustainable Cities contributed to the panel on Latin American cities.
- **IBM**: A relationship that has given the Sustainable Cities national networks access to the company’s collaborative platform, Smart Cloud for Social Business, and contributed to the strengthening of local citizen movements.
- **OAK Foundation and the Latin American Climate Initiative (ICAL), Hewlett Foundation and the Children Investment Fund of the United Kingdom**: A collaborative relationship that has disseminated the work of the Brazilian Network of Just and Sustainable Cities and led to the joint creation of a proposal for co-investing in the development of the Sustainable Cities Program.
Energy

Energy generation and consumption are the pillars that sustain any development model. The majority of Latin American countries are challenged by growing demand, an infrastructure deficit, a lack of planning culture in government and insufficient incentives to increase energy efficiency. Add to that an escalation in social conflicts surrounding a series of projects, and a growth trend in CO₂ emissions in the emerging economies of the region.

These new technologies, however, have not evolved at the global scale due to a complex web of challenges. Key among these is the influence of special interests that benefit from and seek to protect the predominant energy structure, a lack of strategic planning or long-term vision from government, and the dependence on a centralized system of energy generation.

What Avina Does for Energy

Latin America is the region of the world with the highest concentration of resources for generating energy sustainably, but global energy challenges are also clearly reflected in the region’s energy policies. Only now are the first steps toward a more sustainable energy grid being taken.

Several Latin American countries are acting proactively to define policies that consolidate a sustainable energy grid. With that in mind, and within the context of 2012 as the UN’s “International Year of Sustainable Energy for All”, Avina and its allies sought to set the stage for a new energy governance that allows different players to participate in planning and decision-making in the sector, guaranteeing equal voice and facilitating a long-term vision for a more sustainable, safe and inclusive grid. In this context there are three main areas of action:

1. Create a transparent and public debate about the long-term vision for energy and generate conditions in the sector for more sustainable policy decisions.
2. Strengthen energy security and diversification of the matrix based on incorporating renewable energy sources into the grid and increasing energy efficiency. Promote universal access to high quality, clean energy.

These are some of the results of Avina’s work with our allies on Energy during 2012:
**Contribution to Chile’s National Energy Strategy 2012-2030**

In February of 2012, Chilean President Sebastián Piñera, along with then Energy Minister Rodrigo Álvarez Zenteno, presented the Estrategia Nacional de Energía, 2012-2030 (National Energy Strategy 2012-2030), which includes seven themes for developing the country’s energy market: energy efficiency, renewable energy, more hydroelectric power, less dependence on imports, a public electricity highway, a more competitive electricity market and options for regional interconnections for electricity.

The National Energy Strategy 2012-2030 is a result of the Energy Ministry’s analysis and projections which incorporate input from businesses and civil society organizations interested in Chile’s energy future. As part of the social consultation process which led to the strategy, Avina convened and developed Chile’s Plataforma Escenarios Energéticos Chile (Energy Scenarios Platform) which, in 2012, became the recognized platform of reference for debating the energy future of the country. The platform assured technical rigor and a level playing field for a diversity of proponents, supplying content and contributing to the complex compromises embodied in the National Energy Plan. As a collateral benefit, the platform has produced a culture of dialogue between the sector’s main players, who are united by their common objective—a long term energy vision for Chile built through dialogue between diverse sectors and contributing to a sustainable energy policy.

Following on this success, Avina’s institutional strategy for Energy joined Argentine institutions in presenting the results of the energy scenarios dialogue for Argentina 2030. With regard to renewable energy, Avina partnered with Mesa Solar (Solar Task Force Uruguay) in its contributions to the Plan Solar Térmico del Uruguay (Solar Thermal Plan of Uruguay). This stimulus program for Uruguayan households and businesses promotes the use of clean and renewable energy through the installation of solar water heaters, leading to efficiency and lower bills. Avina also supported its allies in monitoring the legislation for decentralized energy in Chile and Brazil. Finally, Avina supported the launch of the Latin American Platform for Just and Sustainable Energy.

**Decentralized Microgeneration in Brazil**

Brazil’s electricity regulatory agency, ANEEL, approved a new regulation (Resolution 482/2012) in December of 2012 that establishes the general conditions for connecting micro-energy generation to the power grid. The regulation also created a financial compensation system for energy supplied to the grid.

The regulation allows consumers to install energy generators of up to 100kW on their property, using solar, wind, biomass, qualified co-generation and hydro-powered sources of energy. It also provides a legal basis for connecting to the power grid; electricity distribution companies are obligated by the regulation to receive the applications of micro and mini-generation distributors looking to connect to the utility grid.

The approval of this measure has been pending since 2004 due to strong pressure from groups opposed to the regulation. In 2012, with backing from the Brazilian government and pressure from civil society, the resolution was submitted, approved and implemented. Avina has fully backed the participation of its allies in the Rede Nacional de Organizações para as Energias Renováveis (National Network of Civil Society Organizations for Renewable Energies) in public hearings focused on the issue. These activities contributed to moving the proposals forward.

**OPPORTUNITIES FOR IMPACT**

Our main allies and co-investors for this Opportunity for Impact in 2012 were:

- **OAK Foundation**: pledges its resources to tackle international, social and environmental challenges, especially those that impact the less privileged. It is a co-investor in the Energy strategy supported by Avina.

- **Rede Nacional de Organizações para as Energias Renováveis** (National Network of Civil Society Organizations for Renewable Energies, RENOVE): leads the Plataforma Latinoamericana de Energias Sostenibles y Equidad (Latin American Platform of Just and Sustainable Energy) made up of 35 civil society organizations that promote access to energy and the development of technologies for sustainable power generation.

- **Plataforma Escenarios Energéticos Chile** (Energy Scenarios Platform of Chile): an alliance of institutions that promote an open debate about energy in Chile.

- **Fundación Futuro Latinoamericano** (Latin American Future Foundation): Avina’s first ally in the Energy Scenarios Platform in Chile. It is dedicated to strengthening leadership and facilitating processes to reach agreement on long term sustainable visions and policies in the region.

- **Escenarios Energéticos Argentina** (Energy Scenarios Platform Argentina): an alliance of institutions that promote open debate about energy in Argentina.

- **Mesa Solar** (Solar Task Force Uruguay): comprised of different players from three sectors of society interested in advancing energy efficiency policies in Uruguay.
The Amazon Biome is a region shared by nine countries—Brazil, Bolivia, Colombia, Ecuador, Peru, Venezuela, Guyana, Suriname and French Guiana—and has an approximate surface of 7.8 million square kilometers (similar in size to the United States). This planetary asset of incalculable value is made up of a complex diversity of ecosystems with a wealth of natural resources that provide oxygen, water and energy for sustaining planetary systems.

**What Avina Does for the Amazon Biome**

Avina focuses its vision and action on the Amazon basin as a whole, extending beyond the many administrative and political boundaries that divide it. For this reason, our contribution to the cause involves the coordination and strengthening of local and regional players to enhance their efforts to mitigate climate change and guarantee the sustainability of the ecosystem and the quality of life for inhabitants. Our goal is to identify, strengthen and connect initiatives in building a vision of the Amazon as a public good. Coordinated actors from different sectors who share goals and are armed with accurate and timely information, can begin to steer the Amazon Biome toward sustainability. Our action emphasizes three strategic goals in particular:

1. Consolidate a Pan-Amazon platform for collaboration that reinforces the culture of sustainability in the Amazon and mobilizes social and environmental responses to the most threatening trends in the region.
2. Set up a permanent and effective capacity for civil society in the countries of the Amazon to independently monitor deforestation independently and in real time in order to pressure government and the private sector.
3. Consolidate and replicate successful local land management models on the front line of deforestation in the Amazon to promote effective sustainable development alternatives.
During 2012, the Amazon Biome Strategy team at Avina worked intensely to refine this agenda, reviewing the current context of pressures and threats in the Amazon, as well as the most effective means to counteract them. These refined strategic goals allow Avina to further focus its actions and performance, enabling a greater contribution and, we hope, increased signs of progress in the coming years.

These are some of the results generated in the Amazon Biome for 2012:

**Governments and Civil Society Join Forces to Reduce Deforestation**

In 2012, the Amazon Biome Strategy made important contributions to reducing deforestation in the region through improved interaction between our allies and governments which resulted in influencing public sector priorities and its policies. One of the major achievements of 2012 is that the Alta Floresta municipality in Brazil's Mato Grosso state went from being one of the worst examples of deforestation nationally to become a “Green Municipality” that has eliminated deforestation through cross-sector commitments and sustainable production processes. The Brazilian Environment Ministry confirmed that Alta Floresta has been removed from the list of municipalities that cause the most damage to forests in the Amazon region.

Another important outcome was the launch announced by the governor of Brazil’s Pará state of the so-called “zero deforestation” goal for 2020. This is a challenging goal, but aligned with Brazil’s national target to reduce deforestation by 80 percent.

The successes achieved in these countries enjoy support from the alliance between Avina and the Skoll Foundation, and are due to the action of local allies such as the Instituto Centro de Vida (Life Center Institute), Imazon, Fundación Amigos de la Naturaleza (Friends of Nature Foundation), the Alta Floresta municipal government and the state governments of Santa Cruz and Pará, among others.

**New Networks for More Impact**

Avina’s Amazon Biome Strategy has supported the activities of two influential regional networks: The Red Amazónica de Información Socioambiental Georreferenciada, or RAISG, (Amazonian Network of Geo-referenced Socio-Environmental Information) and the Red Latinoamericana de Ministerio Público Ambiental (Latin American Environmental Prosecutor Network).

RAISG is made up of 11 organizations representing the different countries of the Amazon basin. This network generates strategic information for civil society that consolidates data across the Amazon and offers an integrated overview of the pressures and threats that the region faces. In 2012, RAISG created and launched three important information products: “El Mapa 2012 de Áreas Protegidas y Territorios Indígenas” (“The 2012 Map of Protected and Indigenous Territories”); the atlas, “Amazonía Bajo Presión,” (“Amazon under Pressure”), which analyzes the main threats to the region; and the map, “Deforestación en la Amazonía,” (“Map of Deforestation of the Pan-Amazon Region”) an insert in the atlas.
Amazon Biome Strategy (continued)

The Latin American Environmental Prosecutor Network recognizes that infrastructure projects create significant stresses in the Pan-Amazon region. The network created a working group to produce an integrated analysis of the impact of hydroelectric plants across different countries in the region. The resulting study has already begun to influence court decisions related to the issue, such as a court order for new comprehensive environmental assessments related to projects in the Tapajós and Jamanxim river basins in Brazil, and a review of the collective impact of construction of a series of small hydroelectric plants in the Pantanal wetlands. The network links federal environmental prosecutors from several different countries in order to encourage exchange of best practice and technology, and to plan coordinated actions.

Protecting the Human Rights of Amazon Inhabitants

Avina was pleased to see additional important advances in 2012 in the struggle to defend the human rights of Amazonian residents. The Kichwa, indigenous people of Sarayaku, had brought a case before the Inter-American Commission on Human Rights (IACHR) in 2003 against the State of Ecuador for harm done by allowing a private oil company to exploit deposits in their ancestral territory since the late 1990s without their consent. In June of 2012, the IACHR ruled against the Ecuadorian government for not consulting with the Kichwa people before allowing oil exploration activities on their land, denying them their rights to prior consultation and respect for their ancestral territory and cultural identity. This victory is key for other indigenous people in the region as the IACHR ruling sets a promising legal precedent.

Avina provided support for leaders of the Kichwa people to argue their case at hearings in the U.S. and regional forums.

Launch of “Amazon under Pressure” atlas in Santa Cruz, Bolivia.

Our main allies and co-investors for this Opportunity for Impact in 2012 were:

- **Skoll Foundation**, with whom Avina has an alliance for climate change mitigation through conservation of the Amazon Biome and its associated environmental services.
- **Climate and Land Use Alliance**, promotes the reduction of greenhouse emissions caused by deforestation in Brazil.
- **Fundo Vale** (Vale Fund): builds a cooperative strategy for the Pan-Amazon region.
- **Articulación Regional Amazónica (Amazon Regional Articulation)**: promotes a network of Amazonian allies to discuss alternatives for conservation of the basin at the national and Pan-Amazon levels.
- **Red Latinoamericana de Ministerio Público Ambiental** (Latin American Environmental Prosecutor Network): fosters communication among environmental prosecutors who handle similar cases regarding pressures for unsustainable development of the Amazon in their respective countries.
- **Forum Amazónica Sustentável** (Sustainable Amazon Forum): the most important cross-sector debate about development models for the Brazilian Amazon.
- **Red Amazónica de Información Socioambiental Georreferenciada** (The Amazonian Network of Georeferenced Socio-Environmental Information), an alliance to exchange, integrate and share geo-referenced information related to socio-environmental diversity in the Amazon.
- **CAF-Banco de Desarrollo de América Latina, Programa GeoSUR** (CAF’s GeoSUR Program) offers vital information for geographical monitoring of the region, and an exchange forum to provide training to networks of relevant actors in the region.
- **Grupo de Trabalho Amazônico** (Amazon Working Group), promotes the participation of 600 community organizations of the Brazilian Amazon in creating sustainable development policies, in recognition that the cooperation of native and traditional peoples is essential for achieving sustainability.
Migration

There are 215 million migrants worldwide, and of them, 30 million, or 13%, are from Latin America. Although migration is a common occurrence, and has produced significant advances in the region’s development, the focus on security in receiving nations and the lack of opportunities in countries of origin produce one of the region’s biggest humanitarian crises, affecting especially Mexican and Central American migrants. Only through the action of supranational alliances focused on access to justice, social integration, more open labor markets, as well as development in the migrants’ home communities, will it be possible to reduce the negative effects of migrations.
Migrating in Pursuit of a Better Future

Economic crises, political instability and security concerns all influence the decision to migrate. The expectation is that a change of country or region will improve the economic outlook, family and social well-being, and overall quality of life.

Migrants create important changes in the economies and cultures of their countries of origin, the nations they travel through, as well as their final destinations. Migration is not a new phenomenon, but in the last 40 years, the existing laws, institutions and policy frameworks in Latin America haven’t evolved to reflect the complexity of current migration flows. In fact, there is an increasing need for common solutions to critical problems, such as the violation of fundamental human rights suffered by migrants in transit and the socio-economic factors that drive migrants to leave their countries in search of better opportunities.

While many of the destination and transit countries on the migration routes adopt restrictive policies towards admitting foreigners and letting them stay, others respond with forethought, integrating multiple needs. In the absence of a system guaranteeing migrants their human rights, several governments have taken an interest in updating and harmonizing their regulatory frameworks. Meanwhile, businesses, civil society and migrant organizations are looking to implement measures that will facilitate mobility, boost positive outcomes and provide basic protections for all migrants.

What Avina Does for Migration

Avina and its allies promote collaborative efforts among different segments of society. On a local and global scale, we channel these efforts toward the goal of a regulatory, institutional and ethical framework for human mobility that is respectful, democratic and sustainable.

Our joint action strategy centers on a drive to improve public policy, protect migrants’ human rights and to create economic alternatives that strengthen sustainable development in communities susceptible to the effects of migrations. To achieve those goals, we’ve joined forces with the Ford Foundation and the Open Society Foundations in the alliance CAMMINA.

During 2012, we focused our efforts with our allies on consolidating networks and transnational alliances, strengthening our technical and managerial capabilities, and promoting the leadership and participation of migrants in influencing public policy in Mexico and Central America.

These are some of the results from 2012 in the Migrations Opportunity for Impact:

Avin CONTRIBUTES TO WELL-BEING OF MORE THAN 400,000 MIGRANTS IN COSTA RICA

Fundación Avina helped the Costa Rican government’s General Migrations and Foreign Citizens Bureau in designing and implementing the National Migrant Integration Plan of Costa Rica which coordinates the operations of 11 institutions that provide migrants with basic services such as health care, education, labor rights and technical assistance. With Avina’s support, the perspectives of civil society, academia and migrant organizations were taken into account in creating the plan.

The main objective of the National Migrant Integration Plan, which will determine priority public actions regarding migration, is to facilitate access to services aimed at the well-being and economic and social integration of at least 400,000 migrants (8% of the general population).

The organizations that provide social services for migrants are: The General Migrations and Foreign Citizens Bureau, the Education Ministry, the National Learning Institute, the Costa Rican Social Security Fund, the National Insurance Institute, the Health Ministry, the Public Works Ministry, the National Social Adaptation Bureau, the National Community Development Bureau, and the National Institute of Water Supply and Sewerage.
Our main allies and co-investors for this Opportunity for Impact in 2012 were:

- **Ford Foundation** and **Open Society Foundations**, as part of the CAMMINA alliance launched in 2011. The mission is to bring about sustainable changes in public policy that promote the rights of migrants and contribute to the economic viability of their communities of origin. As part of this strategy, CAMMINA is collaborating with the following allies, among many others:
  - **National Alliance of Latin American and Caribbean Communities (NALACC)**, to strengthen transnational alliances with civil society organizations in Mexico, Guatemala, Honduras and El Salvador with the goal of creating a shared agenda and creating change on behalf of migrants.
  - **Equipo de Estudios Comunitarios y Acción Psicosocial, Guatemala** (Team of Community Studies and Psycho-Social Action, Guatemala), the **Office of Project Counseling Service for Central America and Mexico (PCS)**, **Enlace Comunicación y Capacitación A.C. (Mexico)** (Communication and Capacity Liaison – Mexico) and **Voces Mesoamericanas – Acción con pueblos migrantes** (Meso-American Voices-Migrant Peoples’ Action, Mexico), to prevent or reduce harm and psychological and social impacts due to human rights violations suffered by migrants in Mexico and Central America.
  - **Instituto Centroamericano de Estudios Sociales y Desarrollo (INCEDES)** (Central American Institute for Social and Development Studies), **NicasMigrante** (Migrant Nicaraguans), the **Red de Desarrollo Sostenible de Honduras** (Sustainable Development Network of Honduras) and the **Universidad Panamericana de El Salvador** (Pan-American University of El Salvador) to boost leadership, entrepreneurship and the empowerment of youth who are susceptible to out-migration in Guatemala, Honduras, El Salvador and Nicaragua.
  - **Centro de Investigación y Docencia Económicas** (Center for Economic Sciences Teaching and Research); To develop capability among Central American diplomatic personnel to provide consular protection to migrants.
  - **Oxfam México**: To strengthen business capabilities and national and international networking among migrant populations and promote their participation and influence in policy-making and improving legal frameworks.

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**Consular Protection: A Pillar for Migrants in Mexico**

After a long campaign to raise awareness and participation, the Mexican Center for Economic Sciences Teaching and Research (CIDE) is seeing positive results, having influenced policy implementation with a first round of workshops, targeting mainly consular officers. The goal is to make consular offices throughout Central America effective protectors of migrants’ human rights.

With economic help from Avina, and through the work of CAMMINA, the workshops took place in the Ministries of Foreign Relations of El Salvador, Honduras and Guatemala. At least 100 consular office workers, as well as deputy ministers, high-ranking local authorities and civil society representatives, participated in the meetings.

The main outcome of these workshops was the commitment made by consular personnel to protect migrants in their countries. The issue was made a priority in the foreign policy of these countries, laying the foundation for even more cooperation among the different sectors involved.

CIDE is currently involved in offering additional workshops for consular personnel. CIDE has created an international forum to increase dialogue, strengthen partnerships and formulate effective communication strategies. These actions will benefit all Central American migrants, especially those who are in transit through Mexico.
Inclusive Recycling

Waste management is defined as a public service in Latin American legal systems, therefore the state defines the rules for waste management systems. But these public management systems interact constantly with markets that use recyclable materials as inputs to generate economic value. Society’s role is also important. Either as a citizen or consumer, each member of our society shares responsibility for the waste he or she produces.

What Avina Does for Inclusive Recycling

Achieving the goal of inclusive recycling not only requires public policies to promote separation of solid waste but also the formalization of recycling activities. The market has to become more transparent, efficient and inclusive by recognizing the recyclers as an essential link in the chain of value creation. Only then will the recycler’s labor and human rights be respected, and steps taken to provide fair pay for their services.

Avina seeks to recognize and strengthen the recycler’s role in a comprehensive approach to solid waste management. We work with the recycling industry to meet its potential to create simultaneously more economic value, increased environmental benefits and decent work for the greatest possible number of recyclers.

To this effect, Avina and its allies have developed a strategy aimed at:

1. Promoting the creation and implementation of public policies and regulations that recognize and strengthen the role of recyclers in sustainable systems of waste management.
2. Raising the added value of recycling organizations — with close attention to management and production — to advance social responsibility, inclusive business and a new economy.
3. Fostering leadership development and effective organization among associations of recyclers.

These were some of the results recorded in the Opportunity for Impact of Inclusive Recycling in 2012:

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Millions of recyclers across the region are still socially excluded and economically exploited.

Recyclers Provide a Public Service

There are millions of people in Latin America working in waste management through recycling initiatives, the majority of them in the informal sector. Despite this valuable contribution to their community and the environment, millions of these recyclers in our region are marginalized and exploited by the recycling industry even as they create value.

An overhaul of the waste industry to promote recycling and create a recognized role for recyclers would offer a solution with social, environmental and economic benefits. The creation of a sustainable and inclusive model of waste management offers an opportunity for impact across the entire region.
Empowering Recyclers

In Argentina, the Recycling with Inclusion pilot project developed and implemented a management system adapted for cooperatives of urban collectors of recyclable material. In keeping with the development of a social business that delivers a public service, the project’s goal is to create a software program that these Argentine cooperatives can use to manage data and information. The project began with El Álamo cooperative and expanded to six other cooperatives. In alliance with the Njambre incubator, it is inspired by the development of the Cata Fácil software program in Brazil.

The Cuenca Urban Recyclers Association (ARUC) in Ecuador saw a 150% increase in revenue from sales of polyethylene terephthalate (PET) bottles as a direct result of participating in the green tax system developed by the national tax collection agency. Under the arrangement, recyclers can sell PET bottles back to the industry at a premium price. To gain access to the new pricing system, the ARUC registered with Ecuador’s Ministry of Productivity and met all the requirements to operate as recipients and sellers of PET bottles.

Likewise, in Totonicapán, Guatemala, 28 communities in three municipalities advanced in implementing their business plans during the third phase of an initiative led by the Central American Bottling Corporation (CABCORP), a Pepsi bottling company. The goal is to reuse PET and create businesses that will benefit the recyclers. The initiative was supported by PepsiCo, Fundación Avina, Earth Communities and the Argidius Foundation. It was developed by FUNDES, which selected and trained a team of environmental promoters, creating 187 new jobs that mainly benefited local indigenous women (82% of the newly employed), who are normally excluded from the labor market in the department of Totonicapán.

In these three cases, Avina provided technical assistance, financing, strategic support and connections between allies in order to achieve these results.

Formalizing the Work of Recyclers in Buenos Aires

After a year of preparing and negotiating for the waste management contract of the City of Buenos Aires, 13 urban recycling cooperatives won the bid for the city’s solid waste collection.

The contract-signing by each of these cooperatives formalized the commitment to provide services throughout the city during a four-year period. The contract marks a milestone in the process of organizing and formalizing the work of recyclers, as this is the first time in Latin America that the key role of recyclers as providers of public services has been recognized for an entire city.

As a result, a job that has been carried out by Buenos Aires recyclers without any regulations for many years is now co-managed by the state and the cooperatives—meaning that the work of recyclers in Buenos Aires is now formalized, a strong public commitment to recycling and the social acceptance of recyclers.

Our main allies and co-investors for this Opportunity for Impact in 2012 were:

- **Bill & Melinda Gates Foundation**: A joint investment of $5 million over five years to strengthen the Latin American recycling network, Red Latinoamericana de Recicladores (Red LACRE), and expand it across the continent, to consolidate the model of Brazil’s recycling movement, Movimento Nacional de Catadores de Brasil, and to support inclusive recycling more broadly in Latin America.
- **Multi-lateral Investment Fund/Inter-American Development Bank (MIF/IDB), Coca-Cola Brasil, Ministério de Desenvolvimento Social e Combate à Fome (Ministry of Social Development and Fight Against Hunger of Brazil), and the Interchurch Organization for Development Cooperation (ICCO)**: A joint investment of $7.9 million over four years for Brazil’s “Cata-Ação” program.
- **MIF/IDB, PepsiCo and Organización Román**: A joint investment of $1.1 million over three years for Argentina’s program, “Socio-Economic Inclusion of Collectors of Recyclable Materials”.
- **Danone Ecosystème**: A joint investment of €1 million over three years for the program, “Cartoneros: Inclusive Recycling”, in Argentina.
- **MIF/IDB, the Water & Sanitation Initiative of IDB and Coca-Cola Latin America**: A joint investment of $8.4 million over four years for the “Inclusive Recycling Regional Initiative”.

OPPORTUNITIES FOR IMPACT

Inclusive Recycling (continued)
The South American Chaco has seen an increase in deforestation, pollution and the expulsion of rural and indigenous populations.

Amid the never-ending demand for natural resources worldwide, the South American Chaco—the biggest continuous dry forest in the world and the second largest forest biome in South America—is under increasing pressure. In recent years, the South American Chaco has seen an increase in deforestation, pollution and the expulsion of indigenous populations and farmers. The exploitation of hydrocarbons and the expansion of cattle ranching and farming frontiers have not alleviated the structural poverty characteristic of the region. In fact, traditional communities that have lived harmoniously with the forest have been forced to abandon their land, while expansion of agribusiness increases environmental degradation.

What Avina Does for the South American Chaco

Avina and its allies work to transform the seeming impasse between conservation and production into a solution. The goal is to promote a new economy built around seeking a convergence of interests among leading actors in which indigenous and rural populations, social organizations, businesses and governments participate equally in sustainably managing the region’s shared assets: the forest, water and soil, among others.

These are some of the results we saw in 2012 in the South American Chaco:

**Satellite Tracking to Prevent Illegal Deforestation in Argentina**

Monthly monitoring of land use throughout the South American Chaco—an operation led by Avina’s ally, Guyrá Paraguay—is increasingly used by authorities to fight illegal deforestation. Consolidation of satellite tracking operations to monitor deforestation in the region began in 2012. Alerted by the Córdoba Environmental Forum, the Environment Department of Argentina’s Córdoba province used the tracking reports of Guyrá Paraguay to detect illegal deforestation in Minas province. The timely detection led to punishment of those responsible for the unauthorized deforestation. As a result of citizen oversight by the Environmental Forum, deforestation in the Córdoba region of the South American Chaco decreased monthly, from 3,302 hectares in June of 2012 to 85 hectares in January of 2013.

Satellite tracking in Paraguay and Bolivia has influenced government actions and served to guide public policies.
The Native Project—a collaborative effort which includes Avina—began releasing deforestation reports on the Argentine region of the South American Chaco based on data produced through the alliance between the Red Agroforestal Chaco Argentino (Agro-Forestry Network of the Argentina Chaco) and the Facultad de Agronomía de la Universidad de Buenos Aires (Agronomy School at the University of Buenos Aires). In the near future, this new technology will provide alerts even sooner by also detecting preparations for deforestation.

Adapting to Climate Change in Bolivia

Amid the threats brought on by climate change, Avina’s allies, Nativa Bolivia and Agro XXI, have developed a participatory methodology to strengthen the ability of communities to respond to the impacts of climate change, many already visible in the region.

The town of Villamontes, located in the Bolivian Chaco near Tarija, was the first place to create a pilot plan for adaptation to climate change. The plan called for: the creation of a forum to strengthen governance through shared development goals; public investment targeted to citizens’ needs, especially of those most vulnerable; definition of innovation and cooperation priorities; and an alignment of local objectives to the global challenges.

Due to the success of this initiative, the approach is already being applied in four other municipalities of the South American Chaco, and nine towns in the Bolivian Amazon are planning to replicate it. More than 170 requests to recreate the methodology locally have been received from towns in five countries. Moreover, municipal associations have expressed interest in adopting the program in Bolivia, with the potential to reach an additional 300 towns.

Our main allies and co-investors for this Opportunity in Development in 2012 were:

- **Redes Chaco** (Chaco Networks): Gaining visibility for issues crucial to the eco-region and for creating participatory governance.
- **Nativo, Bosques y su Gente** (Native Forests and Their People): A bi-national (Chile-Argentine) initiative aimed at reducing the rates of deforestation and degradation of native forests through citizen participation, teaching how to sustainably use and manage forests, and improving opportunities to market the goods and services they provide.
- **Guyrá Paraguay**: Tracking deforestation, fires and floods in Argentina, Bolivia, Brazil and Paraguay with the goal of promoting sustainable production practices, involving businesses in the protection of biodiversity and creating incentives for forest conservation.
- **Movimiento Agua y Juventud** (Water and Youth Movement): Providing access to clean water for 100,000 families in the South American Chaco.
- **Fundación Nativa** (Nativa Foundation): Supporting Chaco towns by designing and implementing climate change adaptation plans.
- **Banco de Bosques** (Bank of Forests): Mobilizing the population to value the Chaco forests and to create the La Fidelidad National Park.
- **Red de Monitoreo Pilcomayo** (Pilcomayo Tracking Network): Strengthening the disaster alert and prevention system, and generating data for sustainable management in these three Chaco nations.
Extractive Industries

Avina seeks to promote forums for dialogue among diverse sectors that will lead to the creation and spread of novel approaches to extractive activities.

With few exceptions, Latin America’s current model of economic development is based on exporting primary goods, hydrocarbons and minerals. A variety of problems are linked to extractive industries: they create relatively few jobs relative to capital investments, they are energy-intensive, they concentrate income, and they are vulnerable to the volatility of international markets. Furthermore, they generate negative impacts for the environment and for the communities and native peoples nearby. As investment in extractive industries grows in Latin America, the challenge is to find opportunities to increase its benefits to society and reduce its detrimental aspects.

What Avina Does for Extractive Industries

Avina has been supporting national initiatives related to mining for several years, mainly in Colombia, Chile and Peru. In 2012, Avina’s planning process identified extractive industries, including mining, as a key challenge for Latin America over the next decade, due to the increasing pressure on regional non-renewable resources to meet spiking global demand.

Avina focuses on dialog, building trust between sectors as a way to reduce destructive activities and maximize positive impact for the environment, human welfare and quality of life.

Avina promotes the production, compilation and spread of knowledge about extractive activities, including how to prevent and manage the resulting environmental and social conflicts. These forums also provide guidance regarding the regulations necessary to encourage good governance, appropriate extractive technologies, voluntary initiatives for prevention, protection, security and reparations. The goal is to improve the extractive sector and create a new narrative based on its benefits.

These are some of the encouraging results related to Extractive Industries in 2012:

Mining, Democracy and Sustainable Development

In 2012, the Grupo de Diálogo Latinoamericano (Latin American Dialogue Group, GDLA) “Mining, Democracy and Sustainable Development” was created jointly by CARE Peru, Fundación Avina, Fundación Futuro Latinoamericano (Latin American Future Foundation of Ecuador) and Fundación Cambio Democrático (Democratic Change Foundation of Argentina). This regional platform for exchange and collaboration consists of groups and initiatives focused on mining in different Latin American countries. Its current membership includes Colombia’s Permanent Dialogue Committee, the Mining Dialogue Initiative of Ecuador, Argentina’s Mining, Democracy and Sustainability Dialogue, the Group for Mining Dialogue and Sustainable Development of Peru and two new dialogue start-up processes in Chile and Brazil. These initiatives promote democratic and equitable dialogue about mining activity between leaders from government institutions, mining companies, civil society organizations, local communities, indigenous populations and universities. In addition to the direct contribution of its members, this forum has already received co-financing from the European Union. Avina has participated both as a member and as representative of the Mesa de Diálogo Permanente de Colombia (Permanent Dialogue Committee of Colombian), and will continue supporting the group as a strategic partner.

Permanent Dialogue Committee

In 2012, the Permanent Dialogue Committee of Colombia consolidated its position as a cross-sector forum where mining companies and civic organizations can debate openly and publicly about issues related to mining, the environment and human rights.
The Permanent Dialogue Committee was created in early 2011 with the goal of developing trust between the mining sector and civic organizations to create a new mining model based on responsible use of natural resources, human dignity and economic development that benefits society. Since 2011, the forum has gained strength and is now widely recognized by all sectors in Colombia. The Committee includes participants from the main mining companies—Anglo American, Anglo Gold Ashanti, Cerrejon, Rio Tinto, Eco Oro, CCX, and Prodeco (Glencore), mining unions—Large Scale Mining Sector Association (SMGE), the Colombian Mining Chamber and Asomineros ANDI—and civic organizations—Fundación Ideas para la Paz (Ideas for Peace Foundation), Conservación Internacional (Conservation International), Corporación Nuevo Arco Iris (New Rainbow Corporation), Fundación Natura (Natura Foundation), Foro Nacional por Colombia (National Forum for Colombia), World Wildlife Fund, Colombian Business Council for Sustainable Development (CECODES), Amazon Conservation Team, Consultancy for Human Rights and Displacement (CODHES), Transparencia por Colombia (Transparency for Colombia), Red de Jóvenes (Youth Network), Tropenbos International, Instituto de Estudios para el Desarrollo y la Paz, or Indepaz (Institute for Studies for Development and Peace), Pax Christi, Epopeya Colombia, Asociación Interamericana para la Defensa del Ambiente, or AIDA (Association for Environmental Defense), Lawyers Without Borders, Centro Internacional de Toledo para la Paz, or CiTpax (Toledo International Center for Peace), the U.S. Department of the Interior, Gestión Ambiental Estratégica (Strategic Environmental Management), Razón Pública (Public Reason Foundation) and Fundación Avina.

Avina promotes this forum for dialogue in alliance with Gestión Ambiental Estratégica and Razón Pública.

Closing Down Former Mining Sites in Chile

Chile, the quintessential mining country, is saddled with environmental liabilities from decades of mining operations, all told more than 500 tailing deposits and abandoned mining sites. Until last year, there were no laws requiring companies to shut down mining projects once they were no longer productive, or to remedy the environmental impacts caused by the mines.

As a response, in 2012 Avina supported the Chile Sustentable (Sustainable Chile) organization to create technical working groups, advice on legislation and advocate for a bill that would require new mining operations to assume responsibilities and financing for closing down the mines when production ends. In November of 2012, the Chilean Mine Closure Act became law. Its first objective is to "safeguard the life, health and safety of people", in addition to managing "the physical and chemical stability" of tailing deposits and abandoned mines. Environmental restoration is an obligatory component of every mine closure plan, and design of the plan is linked to conditions stated in an Environmental Impact Assessment conducted before and after operations. Financial provisions required by the law assure resources are set aside for implementing the projected remediation projects.

Our main allies and co-investors for this Opportunity in Development in 2012 were:

- Gestión Ambiental Estratégica [Strategic Environmental Management]: A private consultant and Avina’s ally in facilitating the Permanent Dialogue Committee in Colombia.
- Razón Pública [Public Reason foundation]: Avina’s ally in facilitating the Permanent Dialogue Committee through its virtual magazine, Razón Pública.
- CARE Peru: The main facilitator of the Group for Mining Dialogue and Sustainable Development in Peru and one of the main catalysts for the Latin American Dialogue Group.
- Chile Sustentable [Sustainable Chile]: An organization responsible for legislative tracking and support to various sustainable development bills in Chile.
- Fundación Futuro Latinoamericano [Latin American Future Foundation]: An organization in charge of coordinating Ecuador’s mining dialogue group.
- Fundación Cambio Democrático [Democratic Change Foundation]: In charge of coordinating dialogue in Argentina.
- Agenda Pública [Public Agenda]: A catalyst of the incipient dialogue initiative in Brazil.
- Fundación Casa de la Paz [Peace House Foundation]: A facilitator of the recent dialogue initiative in Chile.
Democratic Institutions

La Alameda Foundation unveiled its “Hidden Agenda” digital platform to inform the public about complaints filed against textile businesses and brothels.

Latin America is experiencing one of the most promising phases in the history of its political development. The majority of the region’s countries have electoral democracies and growing political participation. Unfortunately, the presence of democratically elected governments does not always correspond to democratic exercise of power, quality governance, nor the effectiveness of government institutions.

In recent years, Latin American democracies have been increasingly challenged by collective risks such as organized crime, public safety concerns and violence which endanger the exercise of citizenship and human rights. The persistent fragility of government institutions and, in some instances, the erosion of the state’s ability to perform its most basic functions and provide public goods ultimately damages the legitimacy and sustainability of democracy. These problems are seen clearly in the rural areas of many countries and in some of the region’s most important cities.

A related threat comes from the “parallel institutions” increasingly visible in many parts of Latin America. These arise when informal or even illegal activities “capture” public institutions whose rules, practices and policies begin to favor or answer to private or even criminal interests, thereby destroying the ability of government to provide goods and services in the public interest.

To counteract these challenges to the democratic advances in the region, what is needed is a new vision of governance and the exercise of power, as well as innovative strategies for civil society, the public and private sector to work together in solving public problems. This involves building stronger and more sustainable institutions that can provide public services effectively, particularly in terms of improved policy-making.

What Avina Does for Democratic Institutions

From its inception, Avina has considered democratic governance a pillar of sustainable development. Avina has supported hundreds of leaders and organizations committed to improving citizen participation, public accountability and democracy. In analyzing key challenges for Latin America over the next decade as part of our planning process in 2012, it was clear that there is an opportunity for Avina to contribute to stronger democratic institutions. Avina decided to develop this opportunity as part of our five-year plan, by building on its recent learning and experience and its wide network of allies.

Avina’s strategy aims at better understanding the political factors that shape development and learning how to influence those factors. Our approach focuses on the active collaboration of a wide range of actors and sectors to expose the cracks in public institutions and build sustainable solutions that improve the quality of life of citizens.

Avina’s Democratic Institutions team has convened a range of experts and allies to consider innovative strategies to strengthen governments and recognize their key role in delivering public goods and services. Argentina and Mexico were chosen to pilot this Impact Opportunity in Development for Avina. The Argentine pilot sought to reduce threats posed by organized crime. In Mexico, our work focused on new approaches to institutional capacity-building to improve the provision of public services.

As Avina’s strategy in this new area becomes clearer, we believe that innovations in public policy and institutions will promote durable, effective and replicable solutions that will assure the continued consolidation of Latin American democracy.
Below are some promising results related to Democratic Institutions that we saw in 2012:

The Fight to Combat Labor and Sexual Exploitation in Argentina

In Argentina, Avina’s ally, Fundación La Alameda (La Alameda Foundation), made inroads against impunity and industries based on labor and sexual exploitation. In 2012, it unveiled its digital platform, “Hidden Agenda”, through which it makes public complaints about textile businesses and underground brothels operating in urban areas. By the end of the year, La Alameda had won the direct support of the General Labor Confederation (CGT). Jointly, they launched the National Campaign against Slave Labor and moved to organize public demonstrations and bring lawsuits against business people who exploit their workers.
Systemic challenges require a cross-sector response. Climate change is a systemic challenge created by our carbon-intensive development model, and Latin America is especially vulnerable. This threat has galvanized alliances among groups to advance integrated agendas that target not just climate change, but also sustainable development, civic values, the promotion of a new business model and dialogue that bridges different development agendas.

**Avina’s Climate Change Impact Tool**

For the new five year strategic plan introduced in 2012, Avina will consolidate a new impact tool called Climate Change that will integrate this key challenge across the organization’s different Impact Opportunities. The tool adds value through three complementary elements: a) it weaves into one narrative the climate change mitigation and adaptation contributions of all Opportunities; b) it deepens the work done around the environment in those same Opportunities; and c) it strengthens the regional positioning of Avina and Latin America in the global climate debate.

These are some of the results we saw in 2012 related to Climate Change:

**Climate Change as a Regional Priority**

In 2012, Avina’s climate change team promoted the climate agenda of Latin American cities and municipalities in several ways, such as co-organizing the Cities and Climate Change Summit in Bogota, supporting the launch of the Islands and Climate Change Network, and backing a municipal climate change adaptation plan in Lima.

Avina also took part in the global debate, participating in the Climate Reality Project and forging significant spaces for dialogue during the UN Conference on Sustainable Development (Rio+20).
Leadership and Climate Change

At Avina’s initiative, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and eight universities from Argentina, Brazil, Chile, Paraguay and Uruguay signed an agreement to form the Regional Climate Change and Leadership Training Center. It is aimed at decision-makers from the public and private sectors, as well as civil society leaders. With institutional support from the Ibero-American General Secretariat (SEGIB), the Inter-American Institute for Global Change Research (IAI), the Government of Uruguay and the financial commitment of UNESCO and Avina, 2013 will mark the start of a pilot program with national chapters and a regional workshop based on an intensive development program taught collectively by the universities.

Fundación Avina has had a crucial role in this process from its beginning by offering financial and political support to the Regional Climate Change and Leadership Training Center. It also facilitated the meetings that made the alliance possible.

Public Policies Assessment

In the presence of Peru’s Environment minister, the former ministers of Colombia and Ecuador, and more than 40 officials and experts from several countries, the Latin American Climate Platform (PCL) unveiled a comparative study about the state and quality of public policy regarding climate change, agriculture and forestry in 10 Latin American countries. Despite the different characteristics of each country, cross-border patterns emerged. The similarities included lack of coordination between national climate policies and specific policies in each sector; a low level of climate policy implementation, and a reactive approach in general. An additional analysis compared the 10 national studies. The results will be published in 2013.

Fundación Avina has backed PCL since its creation, providing financial support for its launch and the development of the national studies. Also, Avina actively participates in the Executive Committee of PCL.

Regional Forum in Lima (Peru), where the Latin American Climate Platform report “The State and Quality of Public Policies around Climate Change and Development in Latin America” was presented for debate.

Our main allies and co-investors in 2012 were:

- **UNESCO**: which worked on the joint organization of the Regional Climate Change and Leadership Training Center.
- **Serviço Florestal Brasileira** (Forest Service of Brazil): which helped support the organization of the Tii-Flor 2012 event in Brazil.
- **Fundação Roberto Marinho** (Roberto Marinho Foundation), **Skoll Foundation, Ashoka**: all helped put together the Forum on Social Entrepreneurship in the New Economy in Rio+20.
- **Global Footprint Network**: which organized a joint event with Avina at Rio+20.
The new Social Progress Index measures the extent to which countries succeed in meeting the social and environmental needs of their citizens, rather than measuring the level of effort made.

In the last 500 years, and especially in the last half century, the well-being of humanity has advanced noticeably. There is no doubt that, even while population growth continues, poverty has declined. Despite this, in recent years the continuing economic expansion and the ensuing environmental damage have been distributed unequally, resulting in huge gaps in revenues and well-being between developed and emerging countries, and even within each country.

Economic growth by itself cannot fix this problem. Economic development of countries must be achieved in a socially and environmentally sustainable way. Progress toward sustainability is challenged today by prevalent inequality, climate change, migration, food insecurity and international economic and fiscal crises.

Information for Decisions and Change
Better information, across all fields, is needed to deal with these problems. Recently, some significant efforts have been made at the international level to provide more useful and precise information to meet these challenges. Today, there are many new measurements and international indices that seek to help focus the attention of leaders and policymakers on priority issues. Fundación Avina has been part of previous initiatives to promote access to better information on matters such as economic competitiveness, environmental performance and social responsibility in Latin America.

But do we really have all the indicators we need to satisfy society’s needs? Amartya Sen, the 1998 Nobel laureate in Economics and one of the creators of the United Nations Human Development Index, has said that more precise information is essential for decision-makers to allow them to make choices among the many investment options they face.

Social Progress Imperative
For this reason, Fundación Avina, along with Skoll Foundation and Mexico’s Compartamos Bank, formed an alliance with Cisco and Deloitte for the purpose of creating the Social Progress Imperative (formerly known as the Global Social Progress Initiative), a global project whose initial concept was first proposed in 2009 by Matthew Bishop, of The Economist, during the World Economic Forum’s Global Agenda Council on Philanthropy and Social Investment. The goal of this new organization is to provide disaggregated information about human well-being and national capacity to policymakers, international development organizations, philanthropic foundations, civil society and academia. All of these sectors can then focus their investments in those areas that will most contribute to improving the well-being of every country and region around the world.
In 2012, the Social Progress Imperative established itself as an independent organization. It launched its first product, an index of national performance, in April 2013. Looking forward, it will create regional and national networks with global reach that will ensure that this-e information gets to target audiences and informs decisions about policy and investments.

Social Progress Index

The Social Progress Imperative’s new Social Progress Index is a disaggregated index of well-being divided into three dimensions: Basic Human Needs (nutrition and basic medical care, air, water and sanitation, shelter, personal safety), Foundations of Well-being (access to basic knowledge, access to information and communications, health and wellness, ecosystem sustainability), and Opportunity (personal rights, access to higher education, personal freedom and choice, equity and inclusion).

In contrast with many other indices, the Social Progress Index measures outcomes instead of efforts, since its purpose is to provide a clear vision of the level of well-being in each country and not the effort made to achieve well-being.

The Social Progress Imperative complements the Index by actively disseminating in each country the information produced by the Index in order to influence decision-makers dealing with policies or strategies to increase well-being and equality in each country. This approach is sustained by an in-country network of leaders, academics and media outlets, is unique to the Social Progress Imperative, and makes it an effective driver of social performance at the national and global levels.

Social Progress Imperative in 2013

The 2013 milestones for the Social Progress Imperative will be:

1. Its consolidation as an independent organization, with a world-class Board of Directors and Advisory Board
2. Securing the necessary funds to cover the cost of the first three years of work.
3. The launch of the Social Progress Index covering 50 countries at the Skoll World Forum held in April of 2013.
4. The implementation of the Social Progress Index and creation of influential networks in 10 countries, including six Latin American nations. This pilot program of the Index will serve as a measuring and planning tool for public and private institutions.
Impact Business

Impact businesses make money while generating social and environmental benefits. The emergence of this sector is a key element in the creation of a new economy. It can serve as a pillar of sustainable development, but it remains an unfulfilled promise. It is a sector plagued by high transaction costs and a lack of supporting infrastructure. Impact business has yet to produce an integrated value chain. The nascent sector should be creating a continuous flow of investment opportunities linked to a growing number of businesses that offer adequate rates of return. Instead, there are only a few examples of fast-growing impact businesses, beyond microfinance and micro-insurance, and these generally do not include technology to any significant degree.

Avina’s Impact Business Tool

The Impact Business tool represents a new phase of Avina’s work in inclusive business and markets that benefit the base of the economic pyramid. The goal is to generate economic value by turning innovation and technology into solutions for the environment and low-income communities.

Since it was founded in 1994, Avina has sought to involve the business world in solving the challenges of environmental sustainability and social inclusion. Its years of supporting micro- and small businesses, corporate social responsibility, green businesses and cooperative movements have provided encouraging results. In the last five years, Avina has focused on business at the base of the pyramid and inclusive markets, supporting innovators and entrepreneurs who are, piece by piece, creating a new value chain. This includes organizations that promote entrepreneurship, business incubators and accelerators, and impact investment funds. It also includes agencies that promote innovation, international development organizations, private companies and foundations. This diverse group of people and organizations all seek to forge new business models, creating profitable companies focused on generating social and environmental impact. Our goal over the next five years will be to accelerate the growth of the impact business industry through technological innovation.

Inclusive Markets as a Regional Priority

In 2012, Avina continued to promote the development of inclusive markets in Latin America, having become a regional and global reference for this growing sector. Activities were focused on building an ecosystem that favors the creation and promotion of inclusive businesses.

Below are some of the results we saw in 2012 in the area of Inclusive Markets:

Support for Investment Funds

In 2012, Fundación Avina entered into a limited partnership with Adobe Capital in order to support an investment fund during its fund-raising stages. During this process, Avina helped Adobe Capital build its contacts and engage potential investors. Adobe succeeded in winning support from Promotora Social Mexico ($600,000), CAF - Development Bank of Latin America ($2 million), Calvert Investments ($500,000), The Enlightened World Foundation ($600,000), New Island Capital ($2.2 million), KL Felicitas ($100,000), Mexico Ventures ($2 million) and DEG ($5 million), for a total of $15 million in funds raised.

At the same time, Avina promoted Adobe Capital’s visibility as an active participant in different international events. Avina also invested $250,000 in the fund and participated in its Board of Directors.
Growth of B Corporations in Latin America

B Corporations are companies that, besides seeking an economic return, are dedicated to creating social and environmental benefits. Such businesses can apply for certification that indicates having met certain social and environmental standards. In 2012, 39 companies in Latin America became certified as B Corporations: 22 in Chile, eight in Argentina, six in Colombia and three in Brazil.

Currently, there are an additional 450 businesses in the region that have shown the interest and potential to become B Corporations, of which more than 200 have committed to the certification process while 90 are in the process of being certified. To be certified, a company must undergo a rigorous analysis of its business model, evaluation of its labor and environmental practices, and review of its relationship to the local community, among other factors.

Avina thinks that B Corporations can become important agents of change by presenting solutions to some of society’s most entrenched problems—poverty, inequality and discrimination.

Avina has encouraged the consolidation of the B Corporation community in Latin America by meeting with different groups and committed businesses. Avina sponsored and backed Sistema B (B System)—the organization that drives B Corporations in Latin America—and pushed for the application of the model in Brazil. The official launch of Sistema B and B Corporations was held at the offices of Avina in Santiago, Chile.

Impact Business in 2013

Looking forward, the Impact Business tool will link innovation and businesses, creating a network that increases the level of collaboration among different stakeholders in the sector. It will also look to address the gaps in the impact business value chain. To fulfill its role as a facilitator and catalyzer, Avina, through Impact Business, will aim to:

1. Strengthen key players, such as business incubators and impact investment funds.
2. Mobilize the efforts of technology companies seeking original and scalable solutions to meet environmental and social inclusion challenges in our region.
3. Support the creation of new businesses and joint ventures that maximize the social and environmental impact of new technologies, products and services.

This will allow Avina to promote a growing collaborative ecosystem and contribute to a new economy based on profitable businesses generating social and environmental impact with a regionally and global reach.

Our main allies and co-investors in 2012 were:

- **Citibank**: with which we organized the Citi Microentrepreneur Award in Argentina, Brazil and Paraguay, and supported efforts in Peru.
- **Omidyar Network and Rockefeller Foundation**: which joined in organizing the Impact Investment Forum held in Sao Paulo and the Impact Economy Innovation Fund.
- **Folha de S. Paulo**: with which we backed the Social Entrepreneur Award.
- **CAF - Development Bank of Latin America**: with which we organized the Inclusive Markets Forum held in Lima, Peru.
- **Halloran Philanthropies**: with which we created the IDESAM forest business incubator in the Amazon.
Tools and Services for Impact

Technology for Social Change

A number of countries in Latin America have recently passed laws to ensure access to public information, and movements to put government services and records online are increasing. Growing Internet access, use of mobile devices, and availability of applications for them help drive such initiatives.

Civic groups and citizen movements are turning to information and communication technologies (ICT) as tools for transparency and accountability. So are communities and organizations that develop and deliver public services. Technology can accelerate social change in Latin America.

Civic groups and citizen movements are interested in using information and communication technologies as tools for transparency and accountability.

Technology as Tool for Impact

Avina’s new impact tool, Technology for Social Change, explores the potential use of ICTs to develop, accelerate, and scale up civic processes, as well as empowering citizens by ramping up public participation. Furthermore, the tool promotes research and documents experience from successful cases of technology applications that promote social change.

As a result, Avina has mapped hundreds of civic platforms and dozens of Latin American organizations and communities dedicated to exploring the use of technologies for social change.

Technology for Social Change in 2013

Among the many projects under way is the Civic Innovations Accelerator Fund. Fundación Avina, Avina Americas and Omidyar Network sealed an alliance at the end of 2012 to promote the development of civic technology projects, especially those based on open data and with the goal of increasing government accountability and citizen participation.

The Civic Innovations Accelerator Fund was created for a three-year term. It seeks to reduce the gap between civic movements and technology. It also seeks to identify and support, in a comprehensive manner, the implementation of technological innovations that accelerate collective strategies for social change in Latin America, especially in urban areas.

Initiatives that will be supported must be replicable, scalable, sustainable, and geared toward change and the implementation of public policy while also boosting public participation. The Fund will also promote a community case study, developing research and models on how information and communication technologies can accelerate social change.

In the first of the three scheduled calls for projects (in 2013, 2014 and 2015), priority will be given to investments in platforms that target the following issues: tracking quality-of-life indicators, e-participation, tracking government plans, public budget monitoring and control, mapping of resources and community coordination, public data and information access, environmental impact monitoring, monitoring of human rights violations, responsible consumption and tracking local elections in Latin American countries.

Our main allies and co-investors in 2012 were:

Avina proposes ideas for a new economy during the Rio+20 conference

The Forum on Social Entrepreneurship in the New Economy was held from June 15 – 17, 2012, in Rio de Janeiro, Brazil, at the United Nations Conference on Sustainable Development (Rio+20). This was part of the Rio+20 initiative, Humanidade 2012, held at the Forte de Copacabana.

The Forum was organized jointly by Fundación Avina, Ashoka, Skoll Foundation and the Roberto Marinho Foundation. Support for the event was also provided by the Inter-American Foundation, the Rockefeller Foundation and the Arapyaú Institute.

The Forum on Social Entrepreneurship in the New Economy offered a variety of experiences aimed at inspiring a change in practice among consumers, businesses, civic associations and governments. Experts from all over the world came together to exchange ideas and practical solutions that offer new perspectives and concrete examples of the emergence of a new economy based on sustainability. The event also recognized the critical role that social entrepreneurs paly as they seek to unite society, nature, ethics and the economy as the foundation for sustainable development. The Forum was a call for entrepreneurs from across all sectors and citizens committed to today’s social and environmental challenges to participate in the debate, deepen their knowledge and contribute with their experience regarding the proposals presented.

Discussion during the first and second days of the Forum included themes such as: “Empathy and Caring: Paradigms for a New Civilization,” moderated by TV Globo Brazilian journalist Renata Ceribelli, with panelists including theologian Leonardo Boff, Colombian philosopher and educator Bernardo Toro and sociologist Anamaria Schindler; the “Transition to a New Economy” panel discussion, moderated by economist and sociologist Ricardo Abramovay, and featuring Marina Silva, Tim Jackson, Brooke Barton and Eduardo Giannetti da Fonseca; and “Business Models for the New Economy,” moderated by Brazilian economist and commentator, Ricardo Amorim, with panelists Carmen Correa, Luiz Ros, Margot Brandenburg and Valeria Budinich.

The third day’s agenda included “Social Entrepreneurship and Technologies for Collaboration,” with panelists Ellen Miller, Michel Bauwens and Silvio Meira, and “Sustainable Cities: Opportunities for Social Entrepreneurs,” with panelists Boaventura de Sousa Santos, Javier Maroto and Oded Grajew.

In addition to panel discussions, workshops were offered during the three-day Forum to tackle issues such as access to water, energy, mining, climate change and platforms for social movements, among others.

During the event, Ricardo Abramovay presented his book, “Muito Além da Economia Verde” [Far Beyond the Green Economy], inspired by a report on the new economy commissioned by Avina. Cultural activities included a concert by the Recycled Instruments Orchestra of Paraguay and the play, “Mobilization for Diversity”, performed by the theater troupe, Os Inclusos y os Sisos.

After closing the Forum on Social Entrepreneurship in the New Economy, former Fundación Avina chief executive and current chairman of the Board of Directors, Sean McKaughan, joined Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs at the United Nations Department of Economic and Social Affairs, Thomas Stelzer, Mathis Wackernagel of the Global Footprint Network, and ECLAC Executive Secretary Alicia Barcena, in the debate, “Latin America: The Green Continent and its Comparative Advantages in a Scenario of Scarcity”.

This event was part of a series of debates about the Amazon region organized by the Forum Amazônia Sustentável (Sustainable Amazonia Forum) held at Rio’s Maria Clara Machado Municipal Theater.

During the three days of the Forum, 4,550 people participated in six panels, 16 workshops and two cultural events. Of the total of 24 activities, 19 were coordinated by Fundación Avina.

Luiz Ros of IDB, Margot Brandenburg of Rockefeller Foundation, Carmen Correa of Fundación Avina, and economist Ricardo Amorim during the “Business Models for the New Economy” panel discussion.
Institutional Opportunities Portfolio

Since 2009, Avina’s efforts have been focused on a portfolio of opportunities on a regional scale. These strategies are selected for their relevance to the sustainable development of Latin America and have been built together with our allies and are carried out in ways that are appropriate in the different countries where we operate. Avina constantly assesses the most significant challenges to sustainability at a local and regional level in order to determine if there’s an opportunity—a tipping point—for changing the balance. We also analyze whether Avina’s contribution—facilitating collaborative processes and shared agendas among key players—could make a difference. It is also necessary to keep institutional limitations in mind: Sometimes saying “yes” to one opportunity implies saying “no” to another one.

In 2012, after carrying out an in-depth study of the political, economic, social and environmental trends in Latin America for the next ten years, Avina identified what it considers to be the most relevant challenges for the region. Avina adjusted its portfolio of impact opportunities in the region based on this analysis and an evaluation of our institutional capabilities. Each one of the chosen opportunities represents an institutional commitment to contribute to changes of significance together with our allies over a period of five to 10 years.

Starting in 2013, Avina will scale back those activities not related to the regional opportunities for impact selected in the new institutional portfolio. Avina’s impact strategy for each of the 15 countries where it operates will consist of the mix of regional opportunities that is most relevant for each country.

Our belief is that our focus on these opportunities will allow us to generate an even greater impact for sustainable development. It will allow us to increase management efficiency, ensure adequate resources for each opportunity, strengthen the capacity of local teams, produce more and augment our agility in responding to needs on the ground.

The institutional portfolio for the next five-year period includes two different types of opportunities:

**Opportunities in Development:** In the initial phase, Avina’s actions in these opportunities will be limited to specific geographical areas. The aim is to seed collaborative processes, increase the number and diversity of allies involved, build a shared vision, incubate pilot programs, foster participatory design of programs and test an action strategy for the opportunity. Three priority opportunities are in development: the South American Chaco, Extractive Industries and Democratic Institutions.

**Opportunities for Impact:** These opportunities have proven potential and Avina’s added value has been demonstrated. A critical mass of allies are involved who share a vision and priorities for national and regional action. In these opportunities, Avina looks to scale up impact at the regional level. We currently have six such opportunities for impact in the portfolio: Access to Water, Sustainable Cities, Energy, the Amazon Biome Strategy, Migration and Inclusive Recycling.

To ensure smooth interaction between Avina and its allies, contacts and important actors in each country, Fundación Avina has a Country Liaison for every country where we operate. The Country Liaison represents our organization with multiple stakeholders and ensures the relevance of Avina’s activities in the country according to local priorities for sustainability.
The strategic plan for 2013-2017 is designed so that Avina and its allies will together generate large-scale changes that favor sustainable development and that will improve the quality of life for millions of Latin Americans. Avina must innovate constantly in order to remain relevant and achieve the impact we seek. One of these innovations is the creation of Tools and Services for Impact that will empower our activities in all of the impact opportunities in our portfolio.

The four Tools and Services for Impact—Climate Change, Social Progress Index, Impact Business and Technology for Social Change—have their own action teams and strategies, and will work closely with the Opportunities. These teams will develop new lessons and partnerships in their areas of action, making global contacts, resources and know-how available to our allies.

The Tools and Services for Impact also play a critical role in terms of institutional innovation by collaborating with the Opportunities to identify new ideas and technologies that emerge on the ground, accelerate their development and expand their reach and application. At the same time, the Tools and Services for Impact develop—alongside Avina’s allies—innovative and efficient solutions to meet the demands and challenges identified by the Opportunities. Each one of these Tools and Services contributes to the impact of each Opportunity and to the entire portfolio.
Avina in Numbers

VIVA Trust is an organization created by the founder of Avina and is the main source of funds managed by Fundación Avina. Since 2008, Avina has sought proactively to develop alliances for co-investment with other philanthropic organizations to increase the number and quality of resources available for the regional strategies it promotes jointly with its allies in Latin America.

Social Investments in Latin America since 1994

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>TOTAL</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>28,111</td>
<td>811</td>
</tr>
<tr>
<td>Bolivia</td>
<td>7,380</td>
<td>216</td>
</tr>
<tr>
<td>Brazil</td>
<td>44,101</td>
<td>3,095</td>
</tr>
<tr>
<td>Chile</td>
<td>20,792</td>
<td>842</td>
</tr>
<tr>
<td>Colombia</td>
<td>3,383</td>
<td>340</td>
</tr>
<tr>
<td>Ecuador</td>
<td>5,865</td>
<td>363</td>
</tr>
<tr>
<td>Central America and Mexico</td>
<td>14,185</td>
<td>1,009</td>
</tr>
<tr>
<td>Paraguay</td>
<td>17,988</td>
<td>149</td>
</tr>
<tr>
<td>Peru</td>
<td>14,183</td>
<td>487</td>
</tr>
<tr>
<td>Uruguay</td>
<td>1,491</td>
<td>114</td>
</tr>
<tr>
<td>Venezuela</td>
<td>1,259</td>
<td>125</td>
</tr>
<tr>
<td>More than one country</td>
<td>206,713</td>
<td>5,010</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>365,452</strong></td>
<td><strong>12,562</strong></td>
</tr>
</tbody>
</table>

Numbers in thousands of dollars.

The table and charts reflect the cumulative total investment in each country when the investment was directed at a single country. In the cases where an investment by Avina was directed to two or more countries, it has been classified as “More than one country.”

Since 2009, Fundación Avina has maintained a strategic alliance and close relationship with Avina Americas, an independent sister organization based in Washington, D.C., dedicated to positioning in the United States the causes that both organizations promote in Latin America. This close relationship allows us to consolidate our global financial data under the International Financial Reporting Standards (IFRS) in order to provide a picture of the sum of our joint activities. These consolidated financial results, audited by Crowe Horwath, are available to interested parties.

The majority of resources that Avina mobilizes from other sources for shared strategies flows directly to our partner organizations in Latin America. In some cases, when it benefits our allies and co-investors, Fundación Avina or Avina Americas may receive and manage co-investment funds.

The following chart illustrates the diversity of sources of funds Avina received in 2012:
Balanced Scorecard

Since 2006, Fundación Avina has measured performance by using both financial and non-financial indicators. Known as the Balanced Scorecard (BSC), this method of evaluating results consists of a strategic map of institutional objectives linked to performance goals. Results are measured in terms of impact finances, social investments and the services we provide.

Below we present some of the results from 2012:

Chart 1 shows the impact achieved in 2012 by Avina and its allies in the opportunities that were prioritized by the organization. Each result we contribute to is registered as an "achievement". These are verifiable changes such as public policy, markets and business, new technologies, improved quality of life and the conservation of natural resources. Level 1 achievements are those changes that impacted over a million people and in which Avina’s contribution was considered significant by its allies.

In 2012, we were able to contribute to 96 concrete changes in Latin America; 15 of these changes each affected at least one million people (Level 1 achievements). This means that in 2012 we surpassed the goal set for this performance indicator.

We’re pleased to note that we also greatly exceeded our goal for "Process Achievements". These are important advances in the change process that raise the probability of positive results, but do not yet represent an effective change.

Another promising result, illustrated in Chart 2, is Avina’s contribution to the achievements creating the highest impact. In 2012, our contribution to Level 1 achievements was up significantly in comparison to 2010 and 2011.
MANAGEMENT OVERVIEW

BALANCED SCORECARD (CONTINUED)


2012 was the sixth year that Avina registered its contribution to changes using its results management system. It was a good time to analyze progress over the last few years and draw lessons from our performance and institutional value-added. Since 2007, Avina has contributed to 76 Level 1 achievements, those of the highest level impacts. Analyzing these changes in Chart 3, it can be seen that nearly half of the changes were in the area of public policy, an outcome that confirms Avina’s commitment to influence decision-making that affects the citizens of a city, province or country.

As shown in Chart 4, the mobilization of resources by Avina for the causes it supports grew considerably with respect to 2011, especially in terms of the support mobilized from third parties and, in particular, due to the contribution of Avina in encouraging investment in funds that support impact businesses for the base of the pyramid. In 2012, capital raised for impact business funds supported by Avina reached approximately $27 million. Avina’s direct financing to the causes it supports increased in part due to outlays originally scheduled for 2011. Based on current information, Avina expects to maintain or surpass these levels in 2013. It’s worth emphasizing that Avina’s program contribution includes social investment (donations) as well as direct action from Avina’s team.

<table>
<thead>
<tr>
<th>INDICATORS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avina program contributions</td>
<td>USD 25,326,343</td>
<td>USD 21,534,400</td>
</tr>
<tr>
<td>Mobilization of third parties</td>
<td>USD 47,375,885</td>
<td>USD 24,000,000</td>
</tr>
<tr>
<td>Total mobilized</td>
<td>USD 72,702,228</td>
<td>USD 45,534,400</td>
</tr>
<tr>
<td>Avina Administrative Cost</td>
<td>USD 6,050,306</td>
<td>USD 5,342,521</td>
</tr>
</tbody>
</table>
Offices & Contacts

Fundación Avina
Calle Evelio Lara, Casa N°131-B
Ciudad del Saber, Clayton
Panamá, República de Panamá
Tel: +507 317 1121

Founder
Stephan Schmidheiny

Board of Directors
Sean McKaughan, Chairman
Anamaria Schindler
Antonio Espinoza
Brizio Biondi-Morra
Gabriel Baracatt (Ex-officio)

Executive Team
Gabriel Baracatt
Chief Executive Officer
Carlos V. Oxenford
Chief Financial Officer
Emily Fintel Kaiser
Executive Director of Avina Americas
Guillermo Scallan
Director of Social Innovation
Márcia Pregololatto
Director of Human Resources
Marcus Fuchs
Director of Strategic Communications
Valdemar de Oliveira
Director of Impact Business

National Offices
Argentina
Parera 15, piso 10
C 1014 ABA
Buenos Aires, Argentina
Tel: +54 (11) 4816 2400
info.conosur@avina.net

Bolivia
Av. Los Cusis No. 2145,
Edificio Silene, Piso 1A
Entre Av. Alemana y Av. Beni
Santa Cruz de la Sierra – Bolivia
Tel: +591 (3) 344 1961
info.santacruz@avina.net

Brazil
Rua Voluntários da Pátria, n° 286 Sala 301
Botafogo
22270-010 – Rio de Janeiro - RJ - Brasil
Tel: +55 (21) 2195 3663
info.rj@avina.net

Chile
Las Hortensionas 2882
Santiago, Chile
Tel: +56 (2) 333 0516
info.santiago@avina.net

Colombia
Calle 72 # 9-55 Oficina 1103
Bogotá, Colombia
Tel: +57 (1) 345 6090
info.bogota@avina.net

Paraguay
Bruselas 2688 c/ Denis Roa
Barrio Ycuá Satí
Asunción, Paraguay
Tel: +595 (21) 612 746
info.asuncion@avina.net

Peru
Calle Mariano de los Santos Nº 183,
oficina 802. Edificio “Polanco”
San Isidro, Lima, Perú
Tel: +51 (1) 221 5070
+51 (1) 421 6017
info.lima@avina.net

Country Liaisons
Argentina – Pablo Vagliente
(pablo.vagliente@avina.net)
Bolivia – Miguel Castro
(miguel.castro@avina.net)
Brazil – Glaucia Barros
(glaucia.barros@avina.net)
Chile – Francisca Rivero
(francisca.rivero@avina.net)
Colombia – Bernardo Toro
(bernardo.toro@avina.net)
Costa Rica – María José Meza
(marijose.meza@avina.net)
Ecuador – Carolina Zambrano
(carolina.zambrano@avina.net)
Guatemala – Cynthia Loría
(cynthia.loria@avina.net)
Mexico – Federico Vázquez
(federico.vazquez@avina.net)
Nicaragua – Edgard Bermúdez
(edyard.bermudez@avina.net)
Paraguay – Eduardo Rotela
(eduardo.rotela@avina.net)
Peru – Martin Beaumont
(martin.beaumont@avina.net)
Uruguay – Carmen Correa
(carmen.correa@avina.net)
Venezuela – Guayana Páez-Acosta
(guayana.paez@avina.net)

Point Persons in Countries with a Virtual Presence
Cuba – Pamela Ríos
(pamela.rios@avina.net)
El Salvador – Cynthia Loría
(cynthia.loria@avina.net)
Honduras – Cynthia Loría
(cynthia.loria@avina.net)
Puerto Rico – Miguel Castro
(migue.castro@avina.net)
Dominican Republic – Raúl Gauto
(raul.gauto@avina.net)
Surinam – Guayana Páez Acosta
(guayana.paez@avina.net)

Regional Managers and Strategy Team Leaders for Opportunities for Impact
Access to Water – Lil Soto and Raúl Gauto
(acceso.agua@avina.net)
Sustainable Cities – Diana Castro and Martín Beaumont
(ciudades.sustentables@avina.net)
Energy – Paulo Rocha and Ramiro Fernández
(energia@avina.net)
Amazon Biome Strategy – Juliana Strobel and Cecilia Barja
(ebra@avina.net)
Migration –
Cynthia Loría and Daniel Gonzales
(migraciones@avina.net)
Inclusive Recycling –
Oscar Fergutz and Miguel Castro
(reciclaje.inclusivo@avina.net)

Regional Managers and Strategy Team Leaders for Opportunities in Development
The South American Chaco – Eduardo Rotela, Heiver Andrade and Andrés Abecasis
(granchacoamericano@avina.net)

Extractive Industries –
Paulo Rocha and Bernardo Toro
(industrialextractivas@avina.net)

Democratic Institutions –
Federico Vázquez and Pablo Vagliente
(institucionalidad@avina.net)

Strategy Team Leaders for Impact Tools and Services
Climate Change – Ramiro Fernández
(cambioclimaltico@avina.net)

Social Progress Index – Raúl Gauto
(indiceleoprogressosocial@avina.net)

Impact Business – Carmen Correa
(negociosdeimpacto@avina.net)

Technology for Social Change –
Márcio Vasconcelos
(tecnologiacambiosocial@avina.net)

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