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TABLE OF CONTENTS

- A letter from our Chairman Fernando Henrique Cardoso
- A message from H360's President Patrícia Villela Marino
- Programmes 2018
- 2018 Highlights: A Year in Review
- Spotlight Project: Entrepreneurship Behind and Beyond Bars - Tereza
- Spotlight Project: The Americas Civic Empowerment Index
- Spotlight: Training for Journalists on using tool for analyzing criminal networks - The Lava Jato Case



A LETTER FROM OUR CHAIRMAN FERNANDO HENRIQUE CARDOSO

Dear Friends,

I'm particularly glad in commending Humanitas360's work and achievements during 2018. I noticed the Institute has strived to further development a comprehensive and holistic vision compared to 2017: prison reform, transparency and drug policy are now part of broader programs namely reducing violence, citizenship and governance.

Civil society, governments and academia as much as regular citizens, won't be able to contribute to cope with growing violence, weakened governance, disillusioned voters if not understanding existing interlinkages and pursuing crosscutting and integrated approaches. Public ecosystems should be better understood. Private, public partnerships, active civil society as much as public administrations should get closer and learn more about the way each other works. I understand Humanitas360 is progressing on this path.

As much as in 2017, Humanitas360 program and actions to address Brazilian prison system have drawn my attention. Latin America is experiencing prison overcrowding and high level of recidivisms. The system is not rehabilitating individuals, is not restoring lives. I see so much innovation in bringing entrepreneurship into prison as a powerful tool for inspiring inmate's personal growth and providing them with concrete, self-managed opportunities by building an effective bridge behind and beyond bars.

In the case of Humanitas360 pilot initiatives in São Paulo state, inmates are members and owners of cooperatives operating in prison. The same cooperatives have a branch established and operating outside the prison. Once released former inmates are keeping on working for the business they own outside prison. Such a model is cutting out several hurdles that are usually bringing individuals to the only option of getting back to crime. Humanitas360's partnership with the Brazilian Federal administration for establishing a business in one prison of each of the 27 Brazilian states is a great and inspiring achievement.

Restoring lives and giving them back to societies as responsible citizens is a socio-economic gain for us all. Humanitas360's Americas Civic Empowerment Index reminds us of a growing citizen's activism as well as a growing perception that such activism is bringing barely any changes. Restore lives is restoring citizens. I encourage Humanitas360 to persevere.



A MESSAGE FROM H360'S PRESIDENT PATRÍCIA VILLELA MARINO

Dear Friends,

In 2017, Weaving Freedom, Humanitas360's documentary recipient of the United Nations Nelson Mandela Award, told the story of the first ever business owned and run by a group of inmates in a female prison in Brazil. The transformative and restorative power of entrepreneurship along with the empathic and innovative vision of a prison director, were able to restore human values, dignity and efficiency of public services and ultimately human lives and personal growth. A year later, two cooperatives of inmates in the State of São Paulo are up and running under our "Entrepreneurship Behind and Beyond Bars" project, one of the most innovative initiatives in the realm of prison reform in Latin America. As proof of our success, the Brazilian National Council of Justice and Humanitas360 signed an agreement to bring this innovative programme to each state of the Brazilian Federation. We are particularly proud of this achievement, which takes us towards addressing major challenges.

The year 2018 has exceeded all of our expectations at Humanitas360, against a national and regional backdrop pointing at raising violence, increasing social disparities, human rights and governance crisis. Ultimately, we have achieved relevant results with our programmes aimed at reducing violence and increasing transparency and citizenship. The unexpected developments of the Venezuelan crisis, the increasing demand for transparency and the political polarization in the USA which has spread to Latin American in 2018 (evident from election results in Brazil, Colombia, Mexico) show that citizens are not satisfied by democracies while, at the same time, show that there is little evidence indicating voters prefer any alternative. This is the reason why we believe, support and work around citizens and active citizenship as the main engine for positive change. H360's Americas Civic Empowerment Index continues to spark such debate across the region.

Humanitas360 has travelled the region, in particular Colombia, forging partnerships aimed at spreading the Entrepreneurship Behind and Beyond Bars project. We gained attention at the United Nations by introducing the project to the UN constituency contributing to the achievement of addressing nine Sustainable Development Goals through one project. In addition, we are proud of being able to inspire and provide opportunities to individuals to regain dignity and restore their lives. They are the doers in our prison project, we just set the scene for them to thrive.

As much as in 2017, Humanitas360 went through important transformations in 2018. We are proud to announce that Humanitas360 Brazil is fully operational, increasing the Institute's ability to effectively work in the main Latin American economy. We have been able to operationalize programmatic and financial partnerships with recognized international institutions and foundations. We continue to strive for professionalization through team immersions that strengthen our dedicated structure for the management of projects and partnerships.

Sincerely,



Patricia Villéla Marino



REFINING OUR PROGRAMMES

In 2018, Humanitas360 Institute (H360) enhanced the process of consolidation as a think and-do-tank started in 2017.

We are increasingly drawn by a vision of a more socially just Latin America, supported by a network of civic-social organizations and entrepreneurs, working with citizen empowerment and to ensure sustainable improvement of the standard of living across the continent.

Our mission is to promote research, knowledge, citizen engagement and transparency, developing collaborative solutions in order to reach significant social change within one generation.

To accomplish this mission, we develop projects and facilitate coalitions of social organizations, professionals and public servants, focused on reducing violence, promoting citizenship and increasing transparency.

Building on the work of 2017 we aimed to improve our vision, strategic approach and the comprehension of our work by several audiences to whom we relate. We build three main programmes that all relate to our mission and included a more comprehensive and holistic vision:

Programmes

- a) Reducing Violence
- b) Governance and Transparency
- c) Active Citizenship



2018 HIGHLIGHTS: A YEAR IN REVIEW

- In 2018 we leveraged our presence in Denver, Colorado (USA), to strengthen our partnership with the University of Denver, Daniels College of Business having Humanitas360 Institute as case for devising and comparing fundraising strategies in Latin America and in the United States.

- In addition, the Humanitas360 Institute provided insight in the selection of “Empathy in Action” as the theme of the 2019 Biennial of the Americas, a festival of ideas, art and culture based in Denver, Colorado, and will be providing programmatic support for the festival’s content. Empathy will be a strategic and powerful tool for advocating and mobilizing individuals around challenging issues.

- The Americas Civic Empowerment Index was launched in May 2018 and sparked debate amongst experts, academics, civil society and citizens. The Index integrating compares the level of citizen engagement in seven countries and serves as interactive and dynamic open tool available to a large audience.



Students from the University of Denver (USA) came to Brazil to get a closer look at the work developed by the Humanitas360 Institute.



Humanitas360 Institute launches first Index about Citizen Empowerment in the Americas.

- In 2018 we kept on supporting a project aimed mapping criminal networks in Latin America based on data available from the Operation Car Wash in Brazil in cooperation with researcher Eduardo Salcedo. Those actions lead to effective cooperation with Brazilian prosecutorial authorities in 2018. The Lava Jato team of prosecutors and collaborators received training and assistance on how to upload and analyze information related to case under investigation allowing a better understanding of ongoing criminal cases. The whole project turned into “Macro-Corrupción y Co-optación Institucional” published in 2018.

- In 2018 we kept on picking-up brains of prison directors, researchers, judges, members of civil society organizations who participated in the workshop “Sentence, Prison and Resocialization of Inmates”. The process aimed at co-creating a comprehensive and holistic strategy with concrete projects that will help change society’s view about prisons is ongoing.



H360 ANNUAL REPORT 2018

- In 2018 we successfully managed to navigate an extremely complex environment, by **creating and bringing to full operation two co-ops inside prisons in the state of São Paulo** as part of the project Entrepreneurship Behind and Beyond Bars. Activities included: co-creating the **brand Tereza**; setting up a selling website and launching Tereza, an overarching brand gathering **merchandise** from ongoing and to-be-created cooperatives in Brazil; establishing **Casa Tereza**, the first co-operative branch located outside a prison; co-creating co-operatives business management and selling strategy.



Members of the female cooperative in Tremembé celebrate the partnership with Humanitas360 team.



The brand Tereza was created to sell products produced by cooperatives of detainees and ex-detainees in Brazil and other countries in the Americas.



The cooperative of inmates developed by the Humanitas360 Institute in the Men's Penitentiary II in Tremembé, São Paulo, has received a mechanized irrigation system.



The men's cooperative include the implementation of a new 7,500 square meter area for cultivation.

- Setting up a mechanism for **multilingual volunteers** to operate in prison settings and in particular where co-operatives are operational.

- Compiling a detailed **methodological guide of lessons learned and "how-to's"** as reference for establishing **cooperatives in prisons**.

- **Supporting COOSTAFE**: the first inmates cooperative set up in a female prison in Belém, in the State of Pará by increasing **product quality, sales channels and financial resources management**.



H360 ANNUAL REPORT 2018



Carmen Botelho, the founder of Coostafe and the director of the Center of Reeducation for Women (Pará), with the Justice Dias Toffoli (CNJ).



Carmen Botelho visits the female cooperative in Tremembé (São Paulo).

- In partnership with Denver based researcher Dr. Sylvia Gaylord, we were able to realize a survey **mapping entrepreneurship in prisons in Latin America** and enhancing cooperation with the Inter-American Development Bank by participating in efforts aimed at devising a study to map prison innovation in the subcontinent. We cemented cooperation with **Inspere**, a globally-ranked school of business, economics, and engineering, in São Paulo on this issue.

- As evidence of an intense policy and programmatic dialogue with the Brazilian Federal authorities, **Humanitas360 signed an agreement with the National Justice Council (CNJ, in Portuguese) aimed at replicating a co-operative in each of the 27 Brazilian states by 2021.** Humanitas360 is working with CNJ to create an implementation plan.



The judge Luís Lanfredi and members of the National Justice Council (CNJ) visit the female cooperative, in Tremembé.



The objective of the technical term of cooperation to contribute to the socioeconomic emancipation of inmates and former inmates, thus reducing recidivism and violence in Brazilian cities.

- In 2018 **Humanitas360 Brazil was created.** The organization will bring efficiency and increase operational capacity in Brazil where the vast majority of Humanitas360's pilot projects and operations are taking place.

- In 2018 **Humanitas360 continued to support and coach various civic-social entrepreneurs** around a variety of issues with citizenship and civic engagement as guiding principles.

- In 2018 we strove for **grassroot, effective and impactful philanthropy** by strengthening policy and programmatic dialogue with the Stanford University Center on Philanthropy and Civil Society (PACS), the Edmond De Rothschild Foundation and participating in the debate on endowment and philanthropy reform in Brazil.



ENTREPRENEURSHIP BEHIND AND BEYOND BARS - TEREZA

PROGRAMME: REDUCING VIOLENCE

As part of Humanitas360 programme for reducing violence, we have been able to find innovative solutions contributing to prison management and reducing recidivism. The project “Entrepreneurship Behind and Beyond Bars” is part of series of actions contributing to Humanitas360’s vision of a paradigm shift in the way society is looking at prisons. The deficiencies of the prison systems in Latin America in general, and Brazil in particular, are serious and notorious. Rates of criminal recidivism of former inmates are estimated to be anywhere from 30% to over 50% in certain regions. The growing power of organized crime gangs both inside and outside of the prisons and the high rates of violence and criminality throughout Latin America are two sides of the same perverse reality. Our prisons have been transformed into **incubators for criminal organizations**.



Flávia Maria and Tânia Rodrigues at the inmate's cooperative of Tremembé. "In the co-op I feel free", says Tânia.



H360 ANNUAL REPORT 2018

Specialists on the subject are unanimous in pointing out, as the main antidotes for these ills (a) greater participation by society in issues associated with prison management and the execution of criminal sentences and (b) professional training, job offers and income for inmates and former inmates.

Based on three pilot experiments in prisons of Tremembé (São Paulo, Brazil) and Ananindeua (Pará, Brazil), the project by H360 wants to foster the production of these antidotes, **consolidating an entrepreneurial ecosystem model for inmates, former inmates and their families**. Within each of these penitentiaries, we support the creation of a cooperative with the detainees. When attain freedom, they have the option of continuing to be members of the cooperative, ensuring a source of income away from trafficking and other forms of crime.

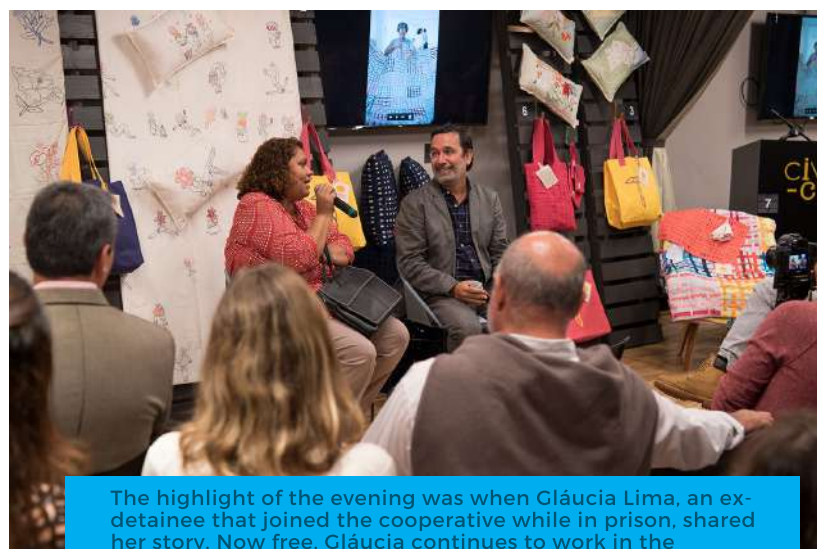
The objective is to keep inmates, former inmates and their families members away from crime, by offering them a real alternative to a career in crime proposed by organized crime gangs, and therefore contributing in a decisive manner to reducing rates of violence in the country. The model are being designed for widespread dissemination, through different social organizations in conjunction with government.

In the last three years, about 250 women have already passed through the cooperative of the female penitentiary of Ananindeua (Pará state), and none returned to crime. Despite the small sample, the number contrasts heavily with the 50% average recidivism rate in the country. This is the indicator that encouraged the Humanitas360 Institute to create two new cooperatives in Tremembé prisons (São Paulo state) this year, where we are refining the model to allow its fast disseminations all over the country - and abroad.

A symbol of this movement, the brand Tereza is the marketing umbrella to sell all the kinds of products developed by each co-op, like crafts, textiles and organic food. On the labels of all of its products, there are short life stories of the members of these cooperatives, fighting social prejudice against inmates and former inmates, and positioning itself as a standard bearer for the pacification of society.



The Humanitas360 Institute promoted a charity auction to launch the brand Tereza. All the funds raised were split among the members of the cooperative.



The highlight of the evening was when Gláucia Lima, an ex-detainee that joined the cooperative while in prison, shared her story. Now free, Gláucia continues to work in the cooperative, but from her home.



The ecosystem is formed by the following elements:

- (a) cooperatives of inmates and former inmates, the startups, the central focus of the project;
- (b) civil servants and administrators of the executive and judiciary, needed to authorize activities and support efforts toward resocialization, as the human interface of daily contact with the inmates;
- (c) volunteers from companies and institutions that support the project and individual volunteers;
- (d) incubators for cooperatives, which support the startups in the development of products, management and raising of funds, formed by different arrangements between social organizations, private companies, public agencies and volunteers (role played by H360 in the pilot projects, and must be played by other NGOs in order to scale the model);
- (e) marketing umbrella, responsible for all the startups in the creation and development of products, as well as in their pricing, promotion, distribution and sale, operating under the auspices of the brand Tereza (role played by H360 in the pilots and in the dissemination of the model).

Main features of this project have been introduced to the UN in New York, gaining UN's membership attention and praises. At the same time an evaluation mechanism is under construction in cooperation with INSUPER São Paulo as well as a Methodology Guidelines. It's is Humanitas360 intention to export the methodology throughout Latin America were countries are affected by similar cycle of violence.



H360 ANNUAL REPORT 2018

PROJECT SPOTLIGHT

THE AMERICAS CIVIC EMPOWERMENT INDEX

PROGRAMME: ACTIVE CITIZENSHIP

Announced in 2017, **The Americas Civic Empowerment Index**, developed in partnership with The Economist Intelligence Unit (EIU), was launched in April 2018 at the World Economic Forum Summit in São Paulo (Brazil), and presented in May at the Inter-American Development Bank in Washington DC.



The study shows that, in almost all the countries, there has been an increase in people's willingness to participate in political protests and to sign petitions – in some of them, those levels have been at their highest compared to the past ten years.



The first edition of the Index examined civic empowerment in seven countries across the Americas (USA, Mexico, Brazil, Chile, Guatemala, Colombia, Venezuela). The countries are assessed across three dimensions: the enabling environments, the current state, and public perceptions of civic empowerment.

The research found that people's perceptions of their civic empowerment are not always aligned with their country's legislated rights or current levels of civic participation. For example, Brazil had the highest levels of participation in petitions and demonstrations, but expressed low confidence in the protection of freedom of speech of all countries in the study.

On the other hand, Venezuela ranks at the bottom for freedom and fairness of elections, yet a higher percentage of Venezuelans surveyed believed in the effectiveness of voting than any other country in the index (77.7%, versus 50.4 - 70.6% elsewhere).

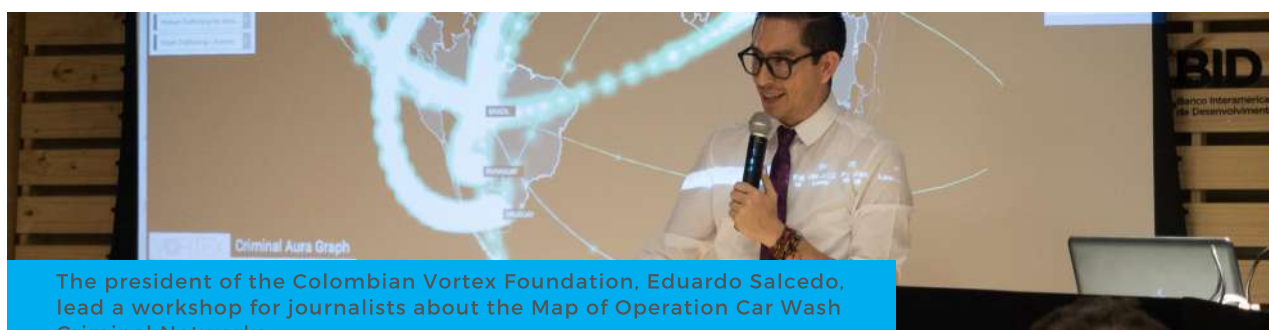
Similarly, confidence and satisfaction in institutions may not be connected with their objective strength - Chile's educational attainment is high, but its public satisfaction with education is the lowest. Guatemala, on the other hand, has the lowest life expectancy of countries in the index, yet it has highest levels of satisfaction with access to health services.

Another key finding from the index is that civic participation can sometimes have an inverse relationship with the enabling conditions and perceptions of civic empowerment. As may be expected, poor perceptions of civic empowerment and levels of trust in government can be linked to higher levels of civic participation. However, potentially less anticipated, strong legal protections for civic engagement do not always translate into high levels of civic participation, even among less overtly political activities, such as volunteerism in the community.

The index is an interactive tool for building likely citizens participations scenario's depending on the score of the enabling environments, the current state, and public perceptions of civic empowerment. The maximum score for the entire Index is 100, with each category weighted equally at 33 ⅓. Changing score, the Index shows likely scenario.



TRAINING FOR JOURNALISTS ON USING TOOL FOR ANALYZING CRIMINAL NETWORKS: THE LAVA JATO CASE PROGRAMME: TRANSPARENCY



The president of the Colombian Vortex Foundation, Eduardo Salcedo, lead a workshop for journalists about the Map of Operation Car Wash Criminal Networks.

As part of “**Operation Car Wash**”: Mapping the corruption network spreading across Latin America project, developed in partnership with the Vortex Foundation from Colombia, a number of qualified journalists received a training on how to use an interactive tool for analyzing criminal networks.

Journalist were able to get a overall view of the case, amongst others:

- The amount and diversity of people, companies, financial systems, institutions and countries involved, almost anyone would acknowledge today that the “Lava Jato” operation revealed a massive network of corruption and institutional co-optation.
- The result of this analysis revealed a massive structure of corruption, institutional co-optation and money laundering in which around 900 social agents, including individuals and companies, established almost 2,700 interactions, and number of agents and interactions keeps growing as the Brazilian authorities reveal more information.
- The fragmentation of information, which means that gathering and analyzing all the 150 sources consulted herein, to elaborate and understand the entire network, required a specific protocols and numerous hours of data collection and analysis.
- At the end, more than 250 Brazilian and foreign companies, 170 individuals specifically related to businesses, and 100 public officials were identified, and that information today relies on a centralized database with the detailed information of each one of those intervening agents.
The notion of “macro-corruption”.





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