

Netherlands Institute for  
**Multiparty Democracy**

**FINANCIAL REPORT 2014**

# CONTENT

|           |  |          |
|-----------|--|----------|
|           | <b>CONTENT</b>                                   | <b>1</b> |
| <b>1.</b> | <b>NOTES TO THE FINANCIAL REPORT 2014</b>        |          |
| 1.1       | Board statement                                  | 2        |
| 1.2       | Budget 2015                                      | 4        |
| 1.3       | Donor overview                                   | 5        |
| <b>2</b>  | <b>FINANCIAL STATEMENTS</b>                      |          |
| 2.1       | Balance sheet                                    | 6        |
| 2.2       | Statement of income and expenditure              | 7        |
| 2.3       | Cash flow statement                              | 8        |
| <b>3</b>  | <b>NOTES</b>                                     |          |
| 3.1       | Notes  | 9        |
| 3.2       | Notes to the balance sheet                       | 11       |
| 3.3       | Notes to the statement of income and expenditure | 15       |
| <b>4</b>  | <b>Other</b>                                     |          |
| 4.1       | Auditors Report                                  |          |

## 1.1 BOARD STATEMENT

### INTRODUCTION

The Netherlands Institute for Multiparty Democracy (NIMD) was founded in 2000 by seven Dutch political parties. NIMD's multiparty identity provides it with the legitimacy to work on an impartial basis with all political parties in a country and the unique opportunity to encourage dialogue between them.

NIMD is based in The Hague with 6 country offices—in Ecuador, Central America (covering El Salvador, Honduras and Guatemala), Colombia, Mozambique, the South Caucasus and Uganda— as well as 9 implementing partner organizations and 2 joint representatives (in Benin and Myanmar).

### GOVERNANCE STRUCTURE AND STAFFING

NIMD operates from its head office in The Hague and is headed by an Executive Director with a current staff of 28 people. The Executive Director is responsible for the management and strategic development of the organization and reports to the Supervisory Board.

The Supervisory Board consists of six independent members: Mr B. R. Bot, Mrs I. van Veldhuizen, Mr J. Hoekema, Mr W. Jacobs (who stepped down from the Board in 2014), Mr M. Stolk and Mr E. van Middelkoop. Mr Bot also acts as Chair of the Supervisory Board.

NIMD provides €250 per person per attended Supervisory Board meeting as a reimbursement of expenses, taking into account the amended legislation on tax on salaries. In 2014 there were 5 regular Supervisory Board meetings with a total remuneration for the six members of €7000.

An Advisory Council, consisting of representatives of the seven Dutch founding political parties, provides strategic advice on key policy issues. In 2014, the Advisory Council held two regular meetings. Apart from a small reimbursement for expenses, NIMD does not provide remuneration to the Advisory Council.

In 2014 NIMD opened a new country office in Colombia. The opening of this office had several benefits for the funding and implementation of the NIMD programme. In total, the six NIMD country offices started 2014 with 50 full-time equivalent (FTE) staff positions and ended the year with 56 FTE positions.

### BUDGET

The overall NIMD budget for 2014 was €12.01 million, of which €9.5 million was financed by the Dutch Ministry of Foreign Affairs (MFA) through its Political Parties 2 fund, the Human Rights fund subsidy and the Reconstruction Programme. The remaining €2.5 million was budgeted as income from other donors. A detailed overview is presented in chapter 1.3 of this financial report.

The overall budget for 2014 was divided into €7.2 million for the country and regional programmes; €0.99 million for linking and learning activities (which ensure innovative, effective and sustainability programme interventions); €0.7 million as an additional funding target; €2.75 million for programme management funding; and €0.37 million for strategic activities with like-minded organizations in the field of democracy (e.g. NIMD's strategic partnerships, communications and publications, referred to here as 'matching organization and niche').

### OWN FUNDRAISING ACTIVITIES

While a significant proportion of NIMD's programmes are financed by the Dutch MFA through its Political Parties 2 fund, this subsidy framework will come to an end in late 2015. Consequently, in 2014 a top priority was finding new donors to enable NIMD to continue its work in the future.

In 2014 NIMD engaged a large number of new donors for its country programmes which resulted in 15 new contracts with an overall value of €4.0 million. In addition, a consortium between NIMD and the Association of European Parliamentarians with Africa (AWEPA) has been selected as one of the Dutch MFA's 25 Strategic Partners in the field of Lobby and Advocacy for the period 2016–20.

### FINANCIAL MANAGEMENT AND THE ORGANIZATION

In 2014 NIMD updated its fraud and financial incapacity policy and procedures, ensuring a more pro-active way of working to detect possible irregularities. This policy is also embedded in the general conditions of the new partner contract formats. Furthermore, in 2014 NIMD commenced training for all financial staff in its non-Spanish-speaking country offices and partner organizations. The objectives of this training included updating knowledge and exchanging best practices between the different participants.

### MAIN FINANCIAL RESULTS

NIMD budgeted for total programme costs in 2014 of €8.90 million, while actual expenses totalled €7.40 million. One of the explanations for the difference between the budgeted and actual programme costs is the fact that the costs for other funding and the MFA Human Rights Fund were €1.0 million lower than was budgeted.

In addition, although NIMD secured more new donor contracts than budgeted, in several instances the actual implementation of these contracts commenced later than expected. Therefore, the spending on these new projects (in particular, the Uganda programme and the Human Rights Fund) occurred later than planned. In other cases (e.g. in Egypt and Zimbabwe) the allocation of costs was lower than budgeted.

Finally, NIMD was not able to secure a budgeted European Union (EU) project in South Sudan due to violent clashes in the country, which forced NIMD to temporarily halt its activities.

A detailed overview of expenditure for each NIMD programme is available in chapter 3.3, 'Notes to the statement of income and expenditure' and in related notes.

In terms of programme management costs, the total expenditure was €0.33 million lower than budgeted, due to some small deviations. The actual contribution for the total programme management—which includes direct staff costs and indirect overhead and administration—was 24 per cent overall, and 27 per cent specifically for funding received from the Dutch MFA's Political Parties 2 fund. 30 % of the programme management expenditures is overhead & administration costs which is 12 % of the total expenditures of NIMD.

Spending on the budget line for 'matching organization and niche' (specifically, spending on methodology development) increased by €0.075 million, due to the provision of financial training for all financial staff from the NIMD country offices and partner organizations, as well as the costs of a pilot project to test the Interparty Dialogue Module. The overspending on communications is attributable to extra costs for the *Vice Versa* special, translation costs for NIMD's corporate brochures and events organized by NIMD.

### GENERAL RESERVATION

In order to ensure the continuity of the organization, NIMD requires a minimal level of general reserve. This reserve can be used for two purposes. First, to meet moral and legal obligations in case of an unexpected and significant reduction in income. Second, as a continuity reservation in cases where NIMD needs to downsize.

NIMD follows the 'Richtlijn Reserves Goede doelen' of 'De Vereniging Fondsenwervende Instellingen' which specifies a maximum of 150 per cent of the annual costs of the working organization.

The desired and necessary reserve is discussed with the Supervisory Board every year. The overall general reserve for 2014 was €550 480 which included a €300 000 appropriated reserve for co-funding and a €250 480 sustainability reserve. The reserve for co-funding is used as leverage when attracting donors' contributions.

dubois & co  
REGISTERACQUANTIS  
Amsterdam, 29 MEI 2015  
paraaf voor identificatiedoeleinden:

## RISK ANALYSIS

### Financial risks

The Dutch MFA is NIMD's main funder, providing 89 per cent of the overall organization's budget. This is an unbalanced situation and potentially makes NIMD vulnerable to future changes in Dutch government funding models'. Diversifying NIMD's funding base is therefore one of the main objectives NIMD has committed itself to in its 2012–15 Multi Annual Plan.

In post-conflict areas, or when working with newly established partner organizations, it is often uncertain whether the funding can be allocated as planned. NIMD encourages its partner organizations to obtain revenues from different sources and our relations with our partners are open and transparent.

The financial programme officer and programme manager visit every partner organization at least once each year. NIMD also has a protocol stipulating how to proceed if there is any suspicion of fraud. Fraudulent use of funds is further countered by internal checks and balances.

### Operational risks

Each NIMD country programme is exclusively implemented by a partner that enjoys the trust of all political parties. However, working with partner organizations also entails potential operational risks. Any problem with the partner organization will directly influence the programme's implementation.

In addition to close contact with its partner organizations, NIMD has begun to work with self-assessment tools for its partners. Furthermore, programme progress is monitored through accurate monitoring procedures including financial and narrative reports, audits, missions, evaluations and the fraud and incapacity policy.

NIMD staff members work in post-conflict countries where the political situation is continuously changing. NIMD has begun to implement a security policy under which all relevant staff is being trained. Therefore, staff members who travel regularly need to be aware of risks they might encounter and are trained in order to adequately react to any potential threats.

### Reputation risks

Working in countries that lacks an open, stable and inclusive democratic environment, can have an effect on NIMD's reputation. Therefore, it is always important to monitor potential reputation risks. NIMD does this by continuously analysing the political situation in the programme countries. This contributes to open, stable and inclusive democratic systems.

For NIMD, the space for dialogue and the ability to work with all parliamentary political parties, including the opposition, are critical criteria. If the situation in a country changes and these criteria are not met, this would then form the basis of a decision by NIMD to re-examine its programme in that country.

If continuing the programme under NIMD's conditions is practically impossible and could end up damaging NIMD's reputation as an impartial political party assistance organization, NIMD could decide to end the programme. In making such a decision, NIMD looks at all contributing factors and focuses on the long-term democratization process. After all, democratization is sometimes unpredictable, and requires a long-term commitment.

## FUTURE

In 2014 NIMD made a number of major strategic decisions: it defined its niche and funding strategy, initiated a global practitioner's network, and strengthened existing alliances. Taking into account the political climate in the Netherlands, it is certain that the available funding from the Dutch MFA will decrease in the coming years.

NIMD receives funding from the Dutch MFA across different departments and Embassies, and has therefore maintained a consistent total budget. However, as NIMD seeks to diversify its funding base, it focuses on new sources of funding. Perhaps more importantly, NIMD must focus on maintaining and improving the implementation of its programmes and its knowledge as a political practitioner, as good quality is essential when seeking the interest of new funders.

In conclusion, NIMD believes that an optimal functioning of its internal organization is a prerequisite for solidly monitored programmes. This forms the basis of NIMD's reputation as a trustworthy and transparent organization in the eyes of funders.

In order to better ensure and monitor quality standards, the implementation of a certified quality system is needed. The first steps towards implementation of such a system were taken in 2014, and in 2015 NIMD will implement ISO 9001. Furthermore, NIMD will start a project in 2015 based on an open data programme, the International Aid Transparency Initiative (IATI).

In this way, NIMD wants to share its programme and project data (including budgets, targets and impact of our work) so that our work and impact continue to be monitored effectively.

Hans Bruning  
Executive Director, NIMD  
29th May 2015

dubois & co  
REGISTRARCO-STATUS  
Amsterdam, 29 MEI 2015  
paraaf voor identificatiedoeleinden:

## 1.2 BUDGET 2015

All amounts in euros

|  | BUDGET 2015      |                  |                   |
|--|------------------|------------------|-------------------|
|  | PP2              | Other funding    | Total             |
| <b>FUNDING</b>                                     |                  |                  |                   |
| Ministry of Foreign Affairs PP2 funding            | 8.193.000        | -                | 8.193.000         |
| Ministry of Foreign Affairs Reconstruction funding | -                | 1.424.851        | 1.424.851         |
| Ministry of Foreign Affairs Human Rights fund      | -                | 672.208          | 672.208           |
| Other funding                                      | -                | 2.210.253        | 2.210.253         |
| <b>TOTAL FUNDING</b>                               | <b>8.193.000</b> | <b>4.307.312</b> | <b>12.500.312</b> |
| <b>EXPENDITURE</b>                                 |                  |                  |                   |
| Country & Regional Programmes                      | 4.431.000        | 2.034.189        | 6.465.189         |
| Linking country's & mutual learning                | 1.090.000        | 45.000           | 1.135.000         |
| Reconstruction                                     | -                | 1.198.000        | 1.198.000         |
| Human Rights Fund                                  | -                | 622.123          | 622.123           |
| <b>Total Programmes</b>                            | <b>5.521.000</b> | <b>3.899.312</b> | <b>9.420.312</b>  |
| <b>Programme management</b>                        | <b>2.292.000</b> | <b>408.000</b>   | <b>2.700.000</b>  |
| <b>Matching organization &amp; niche</b>           | <b>380.000</b>   | <b>-</b>         | <b>380.000</b>    |
| <b>TOTAL TO BE FUNDED</b>                          | <b>8.193.000</b> | <b>4.307.312</b> | <b>12.500.312</b> |

### NOTE

The Ministry of Foreign Affairs Reconstruction Subsidy budget consists of €1.198.000 programme budget and €226.851 programme management & mission budget.

The Ministry of Foreign Affairs Human Rights Fund budget consists €622.123 programme budget and €50.085 programme management & mission budget.

### 1.3 DONOR OVERVIEW 2014

All amounts in euros

| DONOR   | NIMD PROGRAMME                            | EXPENDITURE       |
|---|---|-------------------|
| British High Commission   | Georgia                                   | 54.268            |
| Canadian Department of Foreign Affairs, Trade & Development (DFATD)   | El Salvador, Mozambique                   | 37.760            |
| Danish Embassy  | Mozambique                                | 5.613             |
| Danish Institute for Parties & Democracy (DIPD)                       | Egypt, Zimbabwe                           | 71.869            |
| Democratic Governance Facility (DGF)                                  | Uganda                                    | 635.378           |
| Dutch Ministry of Foreign Affairs - Political Parties Fund 2          |   | 7.446.322         |
| Dutch Ministry of Foreign Affairs - Reconstruction Fund               | Central America, Colombia                 | 1.586.025         |
| Dutch Ministry of Foreign Affairs - Human Rights Fund                 | Colombia, Kenya, Tunisia                  | 273.725           |
| Dutch Ministry of Foreign Affairs - Embassies                         | Burundi, Georgia, Honduras                | 223.012           |
| European Commission   | Burundi                                   | 177.691           |
| European Partnership for Democracy (EPD)                              | Georgia, Inspired                         | 48.369            |
| Instituto de la Democracia (IDD)                                      | Ecuador                                   | 28.436            |
| International Institute for Democracy and Electoral Assistance (IDEA) | Ecuador, Africa Regional Conference (ARP) | 99.297            |
| Open Society Initiative for Southern Africa (OSISA)                   | Mozambique                                | 69.464            |
| Organisation for Security & Cooperation in Europe (OSCE)              | Georgia                                   | 9.061             |
| Swedish International Development Cooperation Agency (SIDA)           | Guatemala                                 | 23.927            |
| Swiss Federal Department of Foreign Affairs (FDFA)                    | Burundi                                   | 17.556            |
| Wateraid  | Mozambique                                | 7.486             |
|   | <b>TOTAL</b>                              | <b>10.815.259</b> |

## 2.1 BALANCE SHEET

All amounts in euros

|   | 31-12-2014       | 31-12-2013       |       |
|---|------------------|------------------|-------|
| <b>ASSETS</b>   |                  |                  |       |
| <b>FIXED ASSETS</b>   |                  |                  |       |
| <b>Intangible fixed assets</b>                              |                  |                  |       |
| Programme management software & website                     | 2.751            | 2.431            | 3.2.1 |
|   | <b>2.751</b>     | <b>2.431</b>     |       |
| <b>Tangible fixed assets</b>                                |                  |                  |       |
| Computer equipment  | 13.523           | 22.540           | 3.2.2 |
| Furniture   | 1.494            | 7.429            |       |
|   | <b>15.017</b>    | <b>29.969</b>    |       |
| <b>CURRENT ASSETS</b>                                       |                  |                  |       |
| <b>Receivables</b>  |                  |                  |       |
| Accrued subsidies   | 146.318          | 208.407          | 3.2.3 |
| Claim pension insurance                                     | 5.371            | -                |       |
| Programme receivables & prepayments                         | 658.998          | 511.063          |       |
| VAT to be returned  | 128.246          | 118.596          |       |
| Other advance payments & accrued receivables                | 162.053          | 155.956          |       |
|   | <b>1.100.987</b> | <b>994.021</b>   |       |
| <b>Liquidities</b>  | <b>5.978.014</b> | <b>1.675.601</b> | 3.2.4 |
| <b>TOTAL ASSETS</b>   | <b>7.096.769</b> | <b>2.702.022</b> |       |
| <b>LIABILITIES</b>  |                  |                  |       |
| <b>EQUITY</b>   |                  |                  |       |
| Sustainability reserve                                      | 713.079          | 462.598          | 3.2.5 |
| Appropriation reserve for co-funding                        | 300.000          | -                |       |
|   | <b>1.013.079</b> | <b>462.598</b>   |       |
| <b>CURRENT LIABILITIES</b>                                  |                  |                  |       |
| Advance received subsidies from Ministry of Foreign Affairs | 4.825.711        | 1.194.574        | 3.2.6 |
| Advance received subsidies from other donors                | 427.906          | 179.279          |       |
| Creditors   | 148.127          | 122.183          |       |
| Personel related liabilities                                | 191.078          | 174.396          |       |
| Programme liabilities                                       | 432.868          | 532.540          |       |
| Other advance receipts & accrued liabilities                | 58.002           | 36.473           |       |
|   | <b>6.083.690</b> | <b>2.239.424</b> |       |
| <b>TOTAL LIABILITIES</b>                                    | <b>7.096.769</b> | <b>2.702.022</b> |       |

dubois & co  
 REGISTER ACCOUNTANTS  
 Amsterdam, 29 MEI 2015  
 paraaf voor identificatiedoelinden:



## 2.2 STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

|  | RESULT 2014            |                    | BUDGET 2014            |                    | RESULT 2013            |                    |
|--|------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|
| <b>INCOME</b>                                      |                        |                    |                        |                    |                        |                    |
| Ministry of Foreign Affairs PP2 funding            | 7.446.322              |                    | 7.760.000              |                    | 7.924.063              |                    |
| Ministry of Foreign Affairs Reconstruction funding | 1.586.025              |                    | 1.352.284              |                    | 996.441                |                    |
| Ministry of Foreign Affairs Human Rights Fund      | 273.725                |                    | 393.000                |                    | -                      |                    |
| Other donors                                       | 1.908.132              |                    | 2.507.716              |                    | 1.569.082              |                    |
| Inspired funding                                   | 4.656                  |                    | -                      |                    | 10.027                 |                    |
| <b>TOTAL FUNDING</b>                               |                        | <b>10.815.259</b>  |                        | <b>12.013.000</b>  |                        | <b>10.499.613</b>  |
| <b>EXPENDITURE</b>                                 |                        |                    |                        |                    |                        |                    |
|  | <b>Non PP2 funding</b> | <b>Total Costs</b> | <b>Non PP2 funding</b> | <b>Total Costs</b> | <b>Non PP2 funding</b> | <b>Total Costs</b> |
| Country & Regional Programmes                      | 1.263.194              | 4.917.440          | 1.402.000              | 5.452.000          | 1.284.606              | 5.971.922          |
| Inspired   | 4.056                  | 64.302             | -                      | -                  | 9.989                  | 9.989              |
| Linking countries & mutual learning                | 104.789                | 867.862            | 48.000                 | 990.500            | 24.887                 | 805.690            |
| Reconstruction                                     | 1.340.067              | 1.340.067          | 1.352.284              | 1.352.284          | 737.215                | 737.216            |
| Human Rights                                       | 210.723                | 212.069            | 393.000                | 393.000            | -                      | -                  |
| Additional funding target                          | -                      | -                  | 897.716                | 897.716            | -                      | -                  |
| <b>Total Programmes</b>                            | <b>2.922.818</b>       | <b>7.402.320</b>   | <b>3.893.000</b>       | <b>8.895.500</b>   | <b>2.056.697</b>       | <b>7.524.816</b>   |
| <b>Programme management</b>                        | <b>446.119</b>         | <b>2.419.533</b>   | <b>360.000</b>         | <b>2.750.000</b>   | <b>518.814</b>         | <b>2.359.701</b>   |
| <b>Matching organization &amp; niche</b>           | <b>-</b>               | <b>442.926</b>     | <b>-</b>               | <b>367.500</b>     | <b>-</b>               | <b>382.372</b>     |
| <b>TOTAL COSTS</b>                                 |                        | <b>10.264.779</b>  |                        | <b>12.013.000</b>  |                        | <b>10.266.889</b>  |
| <b>RESULT</b>                                      |                        | <b>550.480</b>     |                        | <b>-</b>           |                        | <b>232.725</b>     |

### NOTE

The Ministry of Foreign Affairs Reconstruction Subsidy budget consists of €1.352.284 programme budget and €216.851 programme management & mission budget.

### ALLOCATION OF RESULTS

|                      | RESULT 2014 | RESULT 2013 |
|----------------------|-------------|-------------|
| Sustainable reserve  | 250.480     | 232.725     |
| Appropriated reserve | 300.000     | -           |
|                      | 550.480     | 232.725     |

## 2.3 CASH FLOW STATEMENT

All amounts in euros

|   | 2014             | 2013              |
|---|------------------|-------------------|
| <b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>          |                  |                   |
| <b>Result</b>   | 550.480          | 232.725           |
| <b>Corrections for:</b>                               |                  |                   |
| - Depreciation assets                                 | 23.914           | 23.844            |
| <b>Changes in working capital:</b>                    |                  |                   |
| - Receivables   | 106.965-         | 128.409-          |
| - Liabilities   | 3.844.266        | 4.062.420-        |
|   | 3.737.301        | 4.190.828-        |
| <b>NET CASH GENERATED FROM OPERATIONAL ACTIVITIES</b> | <b>4.311.695</b> | <b>3.934.259-</b> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>            |                  |                   |
| - Investments   | 9.282-           | 4.063-            |
| - Desinvestments                                      | -                | -                 |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>          | <b>9.282-</b>    | <b>4.063-</b>     |
| <b>IN- / DECREASE IN LIQUIDITIES</b>                  | <b>4.302.413</b> | <b>3.938.321-</b> |
| <b>CHANGE IN LIQUIDITIES</b>                          |                  |                   |
| Liquidities as of 01 january                          | 1.075.601        | 5.613.922         |
| In- / Decrease in liquidities                         | 4.302.413        | 3.938.321-        |
| <b>LIQUIDITIES AS OF 31 DECEMBER</b>                  | <b>5.978.014</b> | <b>1.675.601</b>  |

dubois & co  
 REGISTERACCOUNTANTS  
 Amsterdam, 29 MEI 2015  
 paraaf voor identificatiedoeleinden:

## 3.1 NOTES

### 3.1.1 GENERAL

#### OBJECTIVE

The institutional objective of NIMD is to support democratisation in young democracies by supporting political parties and the political society in general as pillars of democracy. Democratisation should result in a well-functioning, sustainable and pluralistic party-political system.

#### FINANCIAL REPORTING PRINCIPLES

The financial report is in accordance with Guidelines for Annual Reporting, specifically Guideline 640 for not-for-profit organisations.

### 3.1.2 PRINCIPLES OF VALUATION AND CALCULATION OF RESULTS

#### PRESENTATION

The annual accounts are presented in Euro. Notes to separate items in the balance sheet have been numbered in accordance with the paragraphs of chapter 3.

#### GENERAL PRINCIPLE OF VALUATION

The annual accounts are based on accrual accounting and use the historical cost basis. Assets and liabilities are accounted for with their nominal values unless stated differently. Receivables are discounted for provisions when necessary.

#### COMPARISON WITH PREVIOUS ANNUAL ACCOUNTS

The principles of valuation and calculation of results are the same as those in the previous annual accounts.

#### INTANGIBLE FIXED ASSETS

Investments in developing programme management software and websites are valued at historical cost. Depreciation is linear and in 3 years, starting when assets are taken into use.

#### TANGIBLE FIXED ASSETS

Tangible fixed assets are valued at historical cost minus linear depreciation during estimated economic life span.

#### PROGRAMME LIABILITIES

Programme liabilities are recognised as costs in the statement of costs and revenue and as liabilities in the balance sheet to the extent and at the moment that the decision to grant a subsidy is laid down in a contract. Contractual obligations to subcontractors (organisations or individuals without outcome responsibility as they implement activities on the basis of instructions by NIMD) are not recognised as costs until their expenditure is invoiced or otherwise reported. Programme liabilities are valued at the maximum NIMD commitment according to the contract minus advance payments transferred.

#### OTHER CURRENCIES

Values of assets and liabilities in other currencies than Euro are converted into Euro with the exchange rates as of 31 December. Exchange rate differences are directly included in the results. During the financial year transactions in other currencies are accounted for with the interbank exchange rate of the beginning of each month or -in the case of some country office administrations- with the end of cumulative period interbank exchange rate.

## GENERAL PRINCIPLE OF CALCULATION OF RESULTS

The general principle of calculation of results is historical cost. Revenue is accounted for in the year in which it is realised. Expenditure is taken into account in the year in which it is incurred. Costs and revenue are thus accrued to the financial year in which the activities concerned take place. In the case of granting subsidies to partner organisations, signing the grant contract that implies the obligation is the relevant activity according to Guideline 640.

## SUBSIDY MINISTRY OF FOREIGN AFFAIRS

As of 1 January 2007 fund accountability reporting to the MFA is based on accrual accounting. General purpose annual financial reports in accordance with Guideline 640 can thus form the basis of fund accountability reporting to the MFA.

Revenue from the MFA is calculated on the assumption that all expenditure not subsidised by others is fundable by the Ministry. This assumption is valid as long as the programme(s) on the basis of which the Ministry makes grants include(s) all NIMD activities and by the realistic expectation that NIMD has met all conditions as stipulated in the grant decision(s).

Differences in subsidy income resulting from the final subsidy determination are recognized in the year in which the donor has formally finalized the grant.

## OTHER SUBSIDIES

All other subsidies NIMD receives are reported based on accrual accounting. Average duration of the funding is between one and three years. Annual financial reports are based on Guideline 640.

dubois & co  
REGISTER ACCOUNTANTS  
Amsterdam, 23 MEI 2015  
paraaf voor identificatiedoeleinden:

### 3.2 NOTES TO THE BALANCE SHEET

| 3.2.1 INTANGIBLE FIXED ASSETS                      | Programme management | Programmes | Total |
|--|----------------------|------------|-------|
| <b>PROGRAMME MANAGEMENT SOFTWARE &amp; WEBSITE</b> |                      |            |       |
| Net value as of 01 Januari                         | 2.431                | -          | 2.431 |
| Added: investments                                 | 1.860                | -          | 1.860 |
| Deducted: depreciation 33%                         | 1.539                | -          | 1.539 |
| Net value as of 31 December                        | 2.751                | -          | 2.751 |

  

| 3.2.2 TANGIBLE FIXED ASSETS | Programme management | Programmes | Total  |
|-----------------------------|----------------------|------------|--------|
| <b>COMPUTER EQUIPMENT</b>   |                      |            |        |
| Net value as of 01 Januari  | 16.409               | 6.131      | 22.540 |
| Added: investments          | 7.423                | -          | 7.423  |
| Deducted: depreciation 33%  | 10.309               | 6.131      | 16.440 |
| Net value as of 31 December | 13.523               | -          | 13.523 |
| <b>FURNITURE</b>            |                      |            |        |
| Net value as of 01 Januari  | 2.531                | 4.898      | 7.429  |
| Added: investments          | -                    | -          | -      |
| Deducted: depreciation 25%  | 1.037                | 4.898      | 5.935  |
| Net value as of 31 December | 1.494                | -          | 1.494  |

  

| 3.2.3 RECEIVABLES                              | 31 December 2014 | 31 December 2013 |
|--|------------------|------------------|
| <b>ACCRUED SUBSIDIES</b>                       |                  |                  |
| Burundi - European Union                       | 74.768           | -                |
| Ecuador - IDD                                  | 28.436           | -                |
| Ecuador - IDEA                                 | 15.697           | -                |
| Georgia - EPD                                  | -                | 12.550           |
| Georgia - EPD                                  | 4.837            | 4.837            |
| Georgia - EPD                                  | 2.068            | -                |
| Georgia - OSCE                                 | -                | 6.917            |
| Guatemala - SIDA                               | 554              | -                |
| Inspired - EPD                                 | 8.092            | -                |
| Mozambique - Danish Embassy                    | -                | 10.285           |
| Uganda - DGF                                   | 3.372            | 67.526           |
| Zimbabwe - DIPD                                | 8.493            | 106.291          |
|  | <b>146.318</b>   | <b>208.407</b>   |
| <b>PROGRAMME RECEIVABLES &amp; PREPAYMENTS</b> |                  |                  |
| Burundi  | 137.247          | 13.738           |
| Colombia                                       | 12.280           | -                |
| Ecuador  | 37.264           | 605              |
| Egypte   | 42.060           | -                |
| Georgia  | 13.943           | 786              |
| Ghana  | 5.223            | 31.700           |
| Guatemala                                      | 54.705           | 15.345           |
| Human Rights                                   | 7.386            | -                |
| Indonesia                                      | 126.105          | 74.091           |
| Involving Partners                             | -                | 137              |
| Kenia  | 96.470           | 82.207           |
| Mali   | 5.255            | 33.546           |
| Malawi   | -                | 23.094           |
| Methodology Development                        | 1.435            | -                |
| Mozambique                                     | 32.755           | 33.090           |
| Myanmar  | 1.887            | -                |
| Peer Learning                                  | 18.818           | -                |
| Reconstruction                                 | -                | 150.133          |
| South Sudan                                    | -                | 778              |
| Strategic Cooperation                          | 35.173           | 141              |
| Tunesia  | 15.518           | 42.582           |
| Uganda   | 15.474           | 29.094           |
|  | <b>658.998</b>   | <b>511.063</b>   |

The programme receivables and prepayments can be advance contract payments for 2015 or costs paid in 2014, that are related to 2015.

dubois & co  
REGISTERED ACCOUNTANTS  
Amsterdam, 29 MEI 2015  
paraaf voor identificatiedoeleinden:

|   | 31 December<br>2014 | 31 December<br>2013 |
|---|---------------------|---------------------|
| <b>OTHER ADVANCE PAYMENTS &amp; ACCRUED RECEIVABLES</b> |                     |                     |
| Accrued interest  | 42.278              | 23.289              |
| Rent advance  | 39.532              | 41.570              |
| Other non-programme advances & accruals                 | 80.243              | 91.117              |
|   | <b>162.053</b>      | <b>155.956</b>      |

### 3.2.4 LIQUIDITIES

|   | 31 December<br>2014 | 31 December<br>2013 |
|---|---------------------|---------------------|
| Rabobank - current account                        | 76.796              | 225.441             |
| Rabobank - savings account                        | 5.060.023           | 960.000             |
| Rabobank - security account rent The Hague        | 104.933             | 103.825             |
| Rabobank - current account Uganda programme (DDP) | 177                 | 16                  |
| Bank accounts and petty cash Colombia             | 412                 | -                   |
| Bank accounts and petty cash Ecuador              | -4.156              | 43.207              |
| Bank accounts and petty cash Georgia              | 197.133             | 115.262             |
| Bank accounts and petty cash Guatemala            | 140.323             | 91.261              |
| Bank accounts and petty cash Mozambique           | 41.576              | 68.454              |
| Bank accounts and petty cash Uganda               | 359.190             | 66.707              |
| Petty cash The Hague (EUR and foreign currencies) | 1.607               | 1.368               |
|   | <b>5.978.014</b>    | <b>1.675.601</b>    |

Bank balances are directly retrievable, except for the security bank account. This bank account refers to a rent security for the office in The Hague.

### 3.2.5 EQUITY

|                               | 2014           | 2013           |
|-------------------------------|----------------|----------------|
| <b>SUSTAINABILITY RESERVE</b> |                |                |
| Accumulated as of 01 January  | 462.598        | 229.873        |
| Added: result bookyear        | 250.480        | 232.725        |
| Deducted: used reserve        | -              | -              |
| Accumulated as of 31 December | <b>713.079</b> | <b>462.598</b> |

### APPROPRIATION RESERVE FOR CO-FUNDING

|                               |                |   |
|-------------------------------|----------------|---|
| Accumulated as of 01 January  | -              | - |
| Added: result bookyear        | 300.000        | - |
| Deducted: used reserve        | -              | - |
| Accumulated as of 31 December | <b>300.000</b> | - |

### 3.2.6 CURRENT LIABILITIES

|  | 31 December<br>2014 | 31 December<br>2013 |
|--|---------------------|---------------------|
| <b>ADVANCE RECEIVED SUBSIDIES FROM MINISTRY OF FOREIGN AFFAIRS</b> |                     |                     |
| Subsidy PP2  | 4.242.286           | 394.546             |
| Subsidy Reconstruction   | 497.992             | 620.449             |
| Subsidy Respect for Human Rights fund                              | 85.433              | 179.579             |
|  | <b>4.825.711</b>    | <b>1.194.574</b>    |

The subsidy for PP2 can be further specified:

|                           |                  |                |
|---------------------------|------------------|----------------|
| Balance as of 01 January  | 394.546          | 4.553.921      |
| Received                  | 11.294.063       | 3.764.688      |
| Spent                     | 7.446.322        | 7.924.063      |
| Balance as of 31 December | <b>4.242.286</b> | <b>394.546</b> |

The subsidy for Reconstruction can be further specified:

|                           |                |                |
|---------------------------|----------------|----------------|
| Balance as of 01 January  | 620.449        | 353.693        |
| Received                  | 1.403.568      | 1.263.197      |
| Spent                     | 1.586.025      | 996.441        |
| Balance as of 31 December | <b>497.992</b> | <b>620.449</b> |

The subsidy for Respect for the Human Rights fund can be further specified:

|                           |               |                |
|---------------------------|---------------|----------------|
| Balance as of 01 January  | 179.579       | -              |
| Received                  | 179.579       | 179.579        |
| Spent                     | 273.725       | -              |
| Balance as of 31 December | <b>85.433</b> | <b>179.579</b> |

dubois & co  
REGISTERACCOUNTANTS  
Amsterdam 23 MEI 2015  
paraaf voor identificatiedoelinden:

|   | 31 December<br>2014 | 31 December<br>2013 |
|---|---------------------|---------------------|
| <b>ADVANCE RECEIVED SUBSIDIES FROM OTHER DONORS</b> |                     |                     |
| Burundi - European Union                            | -                   | 46.704              |
| Burundi - RNE                                       | 140.983             | -                   |
| Burundi - Swiss MFA                                 | 64.878              | -                   |
| Ecuador - UNFPA                                     | -                   | 3.859               |
| Ecuador - UNIFEM                                    | -                   | 11.860              |
| Egypt - DIPD  | -                   | 29.932              |
| El Salvador - DFATD                                 | 3.978               | -                   |
| Georgia - OSCE                                      | 927                 | -                   |
| Georgia - RNE II                                    | -                   | 44.484              |
| Georgia - RNE III                                   | 52.722              | -                   |
| Georgia - British Embassy                           | 29.622              | -                   |
| Inspired - EPD                                      | -                   | 10.273              |
| Libia - European Union                              | -                   | 15.257              |
| Mozambique - CCD Ghana                              | -                   | 4.315               |
| Mozambique - OSISA                                  | -                   | 12.588              |
| Uganda - DGF  | 5.421               | -                   |
| Uganda - DGF  | 129.474             | -                   |
|   | <b>427.906</b>      | <b>179.279</b>      |

**PERSONEL RELATED LIABILITIES**

|                               |                |                |
|-------------------------------|----------------|----------------|
| Capitalised vacation rights   | 60.866         | 95.885         |
| Vacation allowance            | 66.139         | 63.933         |
| Income insurance premiums due | 1.286          | -2.848         |
| Salary to be paid             | 125            | 2.748          |
| Tax withheld from salary      | 62.662         | 54.679         |
|                               | <b>191.078</b> | <b>174.396</b> |

**PROGRAMME LIABILITIES**

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| Benin                             | 43.279         | 1.803          |
| Bolivia                           | -              | 49.417         |
| Burundi                           | 16.895         | 90.405         |
| Colombia                          | 409            | -              |
| Communication                     | 6.040          | 24             |
| Ecuador                           | 68.241         | 29.648         |
| Egypt                             | -              | 50.000         |
| Georgia                           | 3.324          | 4.031          |
| Guatemala                         | 45.721         | 35.036         |
| Human Rights                      | 17.585         | -              |
| Involving Partners                | 498            | 50.031         |
| Jordan                            | -              | 8.996          |
| Methodology Development           | 466            | 13.011         |
| Mozambique                        | 1.543          | 1.504          |
| Myanmar                           | 4.715          | -              |
| Peer Learning                     | 27.609         | -              |
| Planning, Monitoring & Evaluation | 2.420          | 52             |
| Reconstruction                    | 68.516         | 1.695          |
| South Sudan                       | -              | 4.962          |
| Strategic Cooperation             | 8.253          | 35.000         |
| Uganda                            | 4.355          | 35.346         |
| Zimbabwe                          | 113.000        | 123.580        |
|                                   | <b>432.868</b> | <b>532.540</b> |

The programme liabilities can be contract liabilities to be paid in 2015 or costs paid in 2015 that are related to 2014.

**OTHER ADVANCE RECEIPTS & ACCRUED LIABILITIES**

|   |               |               |
|---|---------------|---------------|
| Audit costs                             | 30.000        | 25.000        |
| Other non-programme advances & accruals | 28.002        | 11.473        |
|   | <b>58.002</b> | <b>36.473</b> |

dubois & co  
REGISTERED ACCOUNTANTS  
Amsterdam, 28 MEI 2015  
paraaf voor identificatiedoeleinden:

### 3.2.7 CLAIMS AND LIABILITIES NOT TAKEN INTO ACCOUNT IN THE BALANCE SHEET

#### **Rent agreement**

The contract period for the rent of the NIMD office runs until 31 August 2016. The rent is €60.303 per quarter, including service costs. The Rabobank guarantees rent and service costs for €104.933 on the basis of the balance on a separate bank account.

#### **The Political Parties Fund 2**

The Ministry decided 24 November 2011 (project number 23460/DMH0114688) to grant NIMD a programme contribution under its grant framework Political Parties Fund 2 (PP2) for 2012-2015. The maximum contribution for these 4 years is €30.117.500 on basis of the multi-annual budget that was agreed.

#### **The Reconstruction Programme.**

Together with Cordaid, NIMD prepared the proposal under the Reconstruction Tender. The Ministry decided 28 June 2012 (project number EFV-311/12(24353) to grant NIMD a contribution for Reconstruction Programme for programmes in Colombia, Guatemala and El Salvador for the periode from 1 July 2012 to 30 June 2016. The maximum contribution for these 4 years would be €4.802.184 on basis of the multi-annual budget that was agreed.

#### **The Human Rights Fund**

The Dutch Ministry of Foreign Affairs granted NIMD's application for MRF 2014-2017 / Project " Respect for Women's Political Rights: Fostering Political Environment for Equal Participation and Leadership of Women in Political Parties ", project no. 26091. The maximum contribution for 4 years is €2.000.000.

dubois & co  
REGISTERED ACCOUNTANTS  
Amsterdam 29 MEI 2015  
paraaf voor identificatiedoeleinden:



### 3.3 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

#### 3.3.1 SPECIFIED STATEMENT COSTS AND REVENUE 2014

| PROGRAMMES                                   | BUDGET 2014      |                  |                   | ALLOCATION ACTUAL EXPENSES PROGRAMMES 2014 |                  |                  | ALLOCATION ACTUAL EXPENSES PROGRAMME MANAGEMENT 2014 |                 |
|--|------------------|------------------|-------------------|--|------------------|------------------|--|-----------------|
|  | PF2              | OTHER FUNDING    | TOTAL COSTS       | TOTAL EXPENSES                             | PF2              | OTHER FUNDING    | OTHER FUNDING  |                 |
| Benin  | 200.000          | -                | 200.000           | 144.993                                    | 144.993          | -                | -  |                 |
| Burundi                                      | 160.000          | 55.000           | 215.000           | 276.737                                    | 51.221           | 225.516          | 17.301   | 3.3.1.1         |
| - El Salvador                                | 65.000           | -                | 65.000            | 59.083                                     | 49.983           | 9.099            | -  | 3.3.1.2         |
| - Guatemala                                  | 325.000          | -                | 325.000           | 319.583                                    | 295.656          | 23.927           | -  | 3.3.1.3         |
| - Honduras                                   | 160.000          | -                | 160.000           | 144.058                                    | 144.058          | -                | -  |                 |
| Centraal America                             | 550.000          | -                | 550.000           | 522.723                                    | 489.697          | 33.026           | -  |                 |
| Colombia                                     | 95.000           | -                | 95.000            | 75.800                                     | 75.800           | -                | -  |                 |
| Ecuador                                      | 100.000          | 75.000           | 175.000           | 213.960                                    | 125.524          | 88.436           | -  | 3.3.1.4         |
| Egypt  | 160.000          | 130.000          | 290.000           | 63.940                                     | 564              | 63.376           | -  | 3.3.1.5         |
| Georgia & South Caucasus                     | 240.000          | 123.000          | 363.000           | 539.435                                    | 307.497          | 231.938          | -  | 3.3.1.6         |
| Ghana  | 320.000          | -                | 320.000           | 314.777                                    | 314.777          | -                | -  |                 |
| Indonesia                                    | 420.000          | -                | 420.000           | 422.506                                    | 422.506          | -                | -  |                 |
| Kenya  | 375.000          | -                | 375.000           | 345.046                                    | 345.046          | -                | -  |                 |
| Mali   | 335.000          | -                | 335.000           | 336.107                                    | 336.107          | -                | -  |                 |
| Mozambique                                   | 380.000          | 55.000           | 445.000           | 464.263                                    | 362.341          | 101.922          | 9.302  | 3.3.1.7         |
| Myanmar                                      | 50.000           | -                | 50.000            | 45.335                                     | 45.335           | -                | -  |                 |
| South Sudan                                  | 135.000          | 79.000           | 214.000           | 20.246                                     | 20.246           | -                | -  |                 |
| Tunesia                                      | 135.000          | -                | 135.000           | 121.638                                    | 121.638          | -                | -  |                 |
| Uganda                                       | 200.000          | 885.000          | 1.085.000         | 788.876                                    | 278.389          | 510.487          | 96.232   | 3.3.1.8         |
| Zimbabwe                                     | 150.000          | -                | 150.000           | 218.000                                    | 209.507          | 8.493            | -  | 3.3.1.9         |
| New programmes & opportunities               | 45.000           | -                | 45.000            | 3.059                                      | 3.059            | -                | -  |                 |
| Country & Regional Programmes                | 4.060.000        | 1.402.000        | 5.462.000         | 4.917.440                                  | 3.654.246        | 1.263.194        | 122.835  |                 |
| Inspired project                             | -                | -                | -                 | 64.302                                     | 50.246           | 4.055            | 14.314   | 3.3.1.10        |
| - Knowledge                                  | 115.000          | -                | 115.000           | 129.077                                    | 129.077          | -                | -  |                 |
| - Mission costs & Technical Assistance       | 265.500          | 48.000           | 313.500           | 255.300                                    | 214.808          | 40.492           | -  |                 |
| - Peer learning                              | 290.000          | -                | 290.000           | 410.572                                    | 346.275          | 64.297           | -  | 3.3.1.11        |
| - Planning, Monitoring & Evaluation          | 272.000          | -                | 272.000           | 72.914                                     | 72.914           | -                | -  |                 |
| Linking countries & mutual learning          | 942.500          | 48.000           | 990.500           | 867.862                                    | 763.073          | 104.789          | -  |                 |
| - Colombia                                   | -                | 40.832           | 40.832            | 40.159                                     | -                | 40.158           | -  |                 |
| - Cordaid                                    | -                | 844.462          | 844.462           | 993.436                                    | -                | 993.436          | -  |                 |
| - El Salvador                                | -                | 97.375           | 97.375            | 89.896                                     | -                | 89.896           | -  |                 |
| - Guatemala                                  | -                | 264.215          | 264.215           | 207.212                                    | -                | 207.212          | -  |                 |
| - Regional activities                        | -                | 105.400          | 105.400           | 9.354                                      | -                | 9.354            | 245.968  |                 |
| Reconstruction programme                     | -                | 1.352.284        | 1.352.284         | 1.340.057                                  | -                | 1.340.057        | 245.968  | 3.3.1.12        |
| - Colombia                                   | -                | 83.692           | 83.692            | 47.209                                     | -                | 47.269           | -  |                 |
| - IDEA                                       | -                | 112.487          | 112.487           | 44.368                                     | -                | 44.368           | -  |                 |
| - Kenia                                      | -                | 111.965          | 111.965           | 73.729                                     | -                | 73.729           | -  |                 |
| - Tunesia                                    | -                | -                | -                 | 45.297                                     | -                | 45.297           | -  |                 |
| - Regional activities & other costs          | -                | 84.856           | 84.856            | 1.996                                      | 1.936            | 60               | 63.002   |                 |
| Human Rights Programme                       | -                | 393.000          | 393.000           | 212.659                                    | 1.936            | 210.723          | 63.002   | 3.3.1.13        |
| Additional funding target                    | -                | 697.716          | 697.716           | -  | -                | -                | -  |                 |
| <b>TOTAL FUNDED PROGRAMMES</b>               | <b>5.002.500</b> | <b>3.893.000</b> | <b>8.895.500</b>  | <b>7.402.320</b>                           | <b>4.479.502</b> | <b>2.922.818</b> | <b>446.119</b>                                       |                 |
| <b>PROGRAMME MANAGEMENT</b>                  | <b>2.390.000</b> | <b>360.000</b>   | <b>2.750.000</b>  | <b>2.419.633</b>                           | <b>1.973.413</b> | <b>446.119</b>   | <b>-</b>   |                 |
| - Communication & publications               | 96.000           | -                | 96.000            | 130.777                                    | 130.777          | -                | -  |                 |
| - Involving partners & Strategic positioning | 186.000          | -                | 186.000           | 169.633                                    | 169.633          | -                | -  |                 |
| - Methodology & policy development           | 85.500           | -                | 85.500            | 122.619                                    | 122.616          | -                | -  |                 |
| <b>MATCHING ORGANIZATION &amp; NICHE</b>     | <b>367.500</b>   | <b>-</b>         | <b>367.500</b>    | <b>442.926</b>                             | <b>442.926</b>   | <b>-</b>         | <b>-</b>   | <b>3.3.1.14</b> |
| <b>RESULT</b>                                | <b>7.760.000</b> | <b>4.253.000</b> | <b>12.013.000</b> | <b>10.264.779</b>                          | <b>7.446.322</b> | <b>3.368.937</b> | <b>446.119</b>                                       |                 |

#### NOTE

The original budget 2014 as mentioned above is revised during the Mid Year Review for the following countries/programmes:

\* The Ministry of Foreign Affairs Reconstruction Subsidy budget is adjusted to €1,541,945.

\* The Ministry of Foreign Affairs Political Parties Fund 2 Subsidy is adjusted for :

- Georgia & South Caucasus €264.000.
- Indonesia €435.000.
- South Sudan €25.000
- Uganda €230.000.

dubois & co  
REGISTERED ACCOUNTANTS

Amsterdam, 19 MEI 2015

paraaf voor identificatiedoeleinden:

### 3.3.1 NOTES TO THE SPECIFIED STATEMENT COSTS AND REVENUE 2014

#### GENERAL

##### COMPARISON WITH PREVIOUS ANNUAL ACCOUNTS

The financial strategy of NIMD is focuses on more donors besides the Ministry of Foreign Affairs as NIMD's core funding (PP2) will stop at the end of 2015. For that reason changed it's financial report more towards a multiple donor report and will continue this even further the next years.

#### SPECIFIC NOTES

##### Budget

The budget 2014, formulated in "2.2 Statement of income and expenditure", is €10,3 million total costs. The budget is 86% funded with budget from the Dutch Ministry of Foreign Affairs and 14% with other funding like EU, DGF, DIPD. The overall programme management costs are funded for 72% with MFA funding and 18% with other funding.

The overall expenditures in this financial report for the different country programmes may vary from the result reported at Head Quarters. This is due to the fact that other costs besides the partner contracts are registered on the specific cost center (for instance exchange rate results are included in the bookkeeping of Head Quarters on the ledger 'other revenues' )

##### 3.3.1.1 Burundi

In Burundi NIMD together with it's local partner BLTP secured two new contracts in 2014 with the Dutch Embassy (RNE) and Swiss Embassy. This contribution from both new donors resulted in an lower allocation for PP2 than budgetted.

Specification other funding:

|               | Programme costs | Overhead costs | Mission costs | Total          |
|---------------|-----------------|----------------|---------------|----------------|
| EU            | 162.788         | 10.738         | 4.165         | 177.691        |
| RNE           | 51.170          | 3.027          | 5.206         | 59.403         |
| Swiss Embassy | 11.558          | 3.536          | 2.462         | 17.556         |
|               | <u>225.516</u>  | <u>17.301</u>  | <u>11.833</u> | <u>254.650</u> |

##### 3.3.1.2 Centraal America - El Salvador

Specification other funding:

|       | Programme costs | Overhead costs | Mission costs | Total        |
|-------|-----------------|----------------|---------------|--------------|
| DFATD | 9.099           | -              | -             | 9.099        |
|       | <u>9.099</u>    | <u>-</u>       | <u>-</u>      | <u>9.099</u> |

##### 3.3.1.3 Centraal America - Guatemala

Actual PP2 expenses for Central America overall are € 489.697 which is lower than budget. The most important reason for this deviation is the exchange rate result that is registered at Head Quarters ('other revenues').

Specification other funding:

|      | Programme costs | Overhead costs | Mission costs | Total         |
|------|-----------------|----------------|---------------|---------------|
| SIDA | 23.927          | -              | -             | 23.927        |
|      | <u>23.927</u>   | <u>-</u>       | <u>-</u>      | <u>23.927</u> |

##### 3.3.1.4 Ecuador

IDEA finances partly the office costs of the NIMD's country office in Ecuador which is this year slightly lower as 2013 (€75.000) and as expected. This results in a higher allocation of PP2.

Specification other funding:

|      | Programme costs | Overhead costs | Mission costs | Total         |
|------|-----------------|----------------|---------------|---------------|
| IDD  | 28.436          | -              | -             | 28.436        |
| IDEA | 60.000          | -              | -             | 60.000        |
|      | <u>88.436</u>   | <u>-</u>       | <u>-</u>      | <u>88.436</u> |

### 3.3.1.5 Egypt

The actual costs in 2014 are €148,354. The PP2 amount contains in addition to the actual costs two corrections. First there is a correction of the actual costs incurred by the 2012/2013 audit report. There was also a reversal of the contract value in 2013 of the e-learning program.

Specification other funding:

|      | Programme costs | Overhead costs | Mission costs | Total  |
|------|-----------------|----------------|---------------|--------|
| DIPD | 63.376          | -              | -             | 63.376 |
|      | 63.376          | -              | -             | 63.376 |

In the period 2012 – 2014, NIMD have received the following amounts from DIPD:

|                 | Amount  | Description                               |
|-----------------|---------|---|
| 06 May 2014     | 33.444  | contribution towards the programme.       |
| 25 October 2012 | 86.000  | contribution towards the programme.       |
| 02 October 2012 | 22.743  | contribution to the Indonesia exchange.   |
| 02 October 2012 | 20.626  | contribution to the programme consultant. |
|                 | 162.813 |   |

In the period 2012 - 2014, the realisation of the programme costs is:

|             | Amount  | Budget  |                            |
|-------------|---------|---------|----------------------------|
| 2014        | 63.376  | 33.444  | (+ €29.932 from 2012/2013) |
| 2012 - 2013 | 56.068  | 130.000 |                            |
| 2012        | 22.743  | -       |                            |
| 2012        | 20.626  | -       |                            |
|             | 162.813 | 163.444 |                            |

### 3.3.1.6 Georgia & South Caucasus

NIMD Georgia & South Caucasus succeeded in expanding their funding in 2014 with a new funding from the Royal Netherland Embassy, EPD and the British Embassy, which is a new donor (budget €123.000 and actual expenses €231.938). As there were good opportunities within the current programme the budget PP2 was incremented to €264.000. Actual PP2 expenses are €307.497 which is mainly due to the exchange rate result, less allocation than expected this year to the RNE contract and other costs at Head Quarters.

Specification other funding:

|                 | Programme costs | Overhead costs | Mission costs | Total   |
|-----------------|-----------------|----------------|---------------|---------|
| EPD             | 30.000          | -              | -             | 30.000  |
| OSCE            | 9.061           | -              | -             | 9.061   |
| RNE             | 138.609         | -              | -             | 138.609 |
| British Embassy | 54.268          | -              | -             | 54.268  |
|                 | 231.938         | -              | -             | 231.938 |

### 3.3.1.7 Mozambique

In 2014 NIMD Mozambique received funding from the Canadian Department of Foreign Affairs and a small contribution from Water Aid. The total expenses on other donors besides PP2 (Dutch MFA) is almost €50.000 than budgetted which resulted in a lower PP2 allocation.

Specification other funding:

|                | Programme costs | Overhead costs | Mission costs | Total   |
|----------------|-----------------|----------------|---------------|---------|
| Danish Embassy | 5.613           | -              | -             | 5.613   |
| DFATD          | 28.661          | -              | -             | 28.661  |
| OSISA          | 60.162          | 9.302          | -             | 69.464  |
| WaterAid       | 7.486           | -              | -             | 7.486   |
|                | 101.922         | 9.302          | -             | 111.224 |

### 3.3.1.8 Uganda

NIMD Uganda succeeded to continue the good relation with DGF which resulted in a new contract for 2 years and good programme opportunities. Due to some necessary organisational adjustments the overall PP2 budget was incremented to €230.000. Actual PP2 expenses are €278.389 which is mainly due to the fact that the actual expenses of DGF no cost extension contract were registered in 2014 instead of 2013.

Specification other funding:

|     | Programme costs | Overhead costs | Mission costs | Total   |
|-----|-----------------|----------------|---------------|---------|
| DGF | 510.487         | 96.232         | 28.659        | 635.378 |
|     | 510.487         | 96.232         | 28.659        | 635.378 |

### 3.3.1.9 Zimbabwe

Based on guideline 640 NIMD is obliged to register the whole contract amount at the moment of signing. As the bookyear in Zimbabwe starts in March this means that the whole contract amount is registered in 2014.

Specification other funding:

|      | Programme costs | Overhead costs | Mission costs | Total |
|------|-----------------|----------------|---------------|-------|
| DIPD | 8.493           | -              | -             | 8.493 |
|      | 8.493           | -              | -             | 8.493 |

### 3.3.1.10 Inspired

Specification other funding:

|     | Programme costs | Overhead costs | Mission costs | Total  |
|-----|-----------------|----------------|---------------|--------|
| EPD | 4.055           | 14.314         | -             | 18.369 |
|     | 4.055           | 14.314         | -             | 18.369 |

### 3.3.1.11 Linking countries & mutual learning - Peer learning

Specification other funding:

|      | Programme costs | Overhead costs | Mission costs | Total  |
|------|-----------------|----------------|---------------|--------|
| RNE  | 25.000          | -              | -             | 25.000 |
| IDEA | 39.297          | -              | -             | 39.297 |
|      | 64.297          | -              | -             | 64.297 |

### 3.3.1.12 Reconstruction Programme

The realization of the regional activities are much lower than budgetted. This is because these activities are carried out by the Cordaid partners which explains the higher than budgetted realization of Cordaid.

|                             | Realisation 2014 | Budget 2014 | Realisation 2013 | Budget 2013 |
|-----------------------------|------------------|-------------|------------------|-------------|
| Colombia                    | 40.158           | 40.832      | 71.828           | 192.000     |
| Guatamala                   | 207.212          | 264.215     | 125.324          | 141.000     |
| El Salvador                 | 89.896           | 97.375      | 94.193           | 105.000     |
| Regional Activities & Other | 9.354            | 105.400     | 51.190           | 170.000     |
| Cordaid                     | 993.436          | 844.462     | 394.680          | -           |
| Total direct programme      | 1.340.057        | 1.352.284   | 737.215          | 608.000     |
| Programme management        | 245.968          | 216.851     | 259.226          | 250.082     |
|                             | 1.586.025        | 1.569.135   | 996.441          | 858.082     |

### 3.3.1.13 Human Rights Programme

|                                   | Realisation<br>2014 | Budget<br>2014 |
|-----------------------------------|---------------------|----------------|
| Colombia                          | 47.269              | 83.692         |
| IDEA                              | 44.368              | 112.487        |
| Kenia                             | 73.729              | 111.965        |
| Tunesia                           | 45.297              | -              |
| Regional activities & other costs | 1.996               | 84.856         |
|                                   | <u>212.659</u>      | <u>393.000</u> |
| Programme management              | 63.002              | -              |
|                                   | <u>275.661</u>      | <u>393.000</u> |

### 3.3.1.14 Matching Organization and Niche

This cost center is for strategic activities with likeminded organizations, methodology & tool development, communication activities and publications. In 2014 there was an overspending on methodology development due to an organised financial training for all financial staff from the NIMD country offices and partner organisations and due to a pilot for a developed Inter Party Dialogue Module. The overspending on communications is attributable to extra costs for the Vice Versa special, translation costs of corporate brochures and events NIMD organised.

### 3.3.2 SPECIFIED STATEMENT PROGRAMME MANAGEMENT COSTS

|                           | ACTUALS<br>2014  | BUDGET<br>2014   | ACTUALS<br>2013  |         |
|---------------------------|------------------|------------------|------------------|---------|
| Salary & Social benefits  | 1.764.301        | 1.975.000        | 1.629.210        | 3.3.2.1 |
| Commuting                 | 44.654           | 51.000           | 50.639           |         |
| Subsistence costs         | 15.672           | 16.000           | 12.897           |         |
| Other personnel costs     | 117.606          | 168.000          | 152.472          |         |
| Third party services      | 54.861           | 50.000           | 57.524           |         |
| Accommodation             | 238.949          | 234.400          | 235.318          |         |
| Depreciation              | 12.885           | 14.000           | 11.701           |         |
| ICT                       | 54.597           | 60.000           | 59.776           |         |
| Office costs              | 84.907           | 65.000           | 65.130           | 3.3.2.2 |
| Audit & consultancy costs | 33.549           | 25.000           | 52.111           |         |
| Other general costs       | -703             | 41.000           | 22.485           | 3.3.2.3 |
| Other revenues            | -1.745           | -                | 10.437           | 3.3.2.4 |
|                           | <b>2.419.533</b> | <b>2.699.400</b> | <b>2.359.701</b> |         |

### 3.3.3 WET NORMERING TOPINKOMENS

Since 2013 a new law in The Netherlands called 'Wet Normering Topinkomens' (WNT) is applicable for organizations working in the (semi)public sector. The law prohibits in 2014 a maximum of top incomes within the development branche with a maximum limit of: €230.474 (€187.340 salary, €8.263 expenses, €34.871 pension contribution for the employer). Within NIMD, this is the Executive Director Hans Bruning.

|                      | Executive<br>Director |
|----------------------|-----------------------|
| Salary               | 96.695                |
| Remuneration         | 1.200                 |
| Pension Contribution | 17.343                |
|                      | <b>115.238</b>        |

NIMD provided per Supervisory Board meeting €250 per person as a reimbursement of expenses. Taking into account the amended legislation around tax in salary. In 2014 there were 5 regular meetings. In 2014 the total remuneration was € 7.000 for all six members together.

### 3.3.2 NOTES TO THE SPECIFIED STATEMENT PROGRAMME MANAGEMENT COSTS

#### SPECIFIC NOTES

##### 3.3.2.1 Salary & Social benefits

NIMD invested in 2014 in a fundraising officer, HR advisor and office event manager. For that reason headcount increased from 25 to 28 at the end of 2014. The salary & social benefits were higher in 2014 compared to 2013 but still within budget.

##### 3.3.2.2 Office costs

The Office expenses of NIMD in 2014 are higher than the budget (€0.02 mln) mainly due to the fact that NIMD needed to invest in a new ICT facilities, a new telephone infrastructure and provider.

##### 3.3.2.3 Other general costs

In 2014 NIMD received more than expected interest.

##### 3.3.2.4 Other revenues

The other revenues includes other income, exchange differences and other differences. This way of working could not be budgetted which makes budget and expenses comparison on this ledger not possible.

dubois & co  
REGISTERACCOUNTANTS  
Amsterdam, 29 MEI 2015  
paraaf voor identificatie doeleinden:

## INDEPENDENT AUDITOR'S REPORT

To: the board of Netherlands Institute for Multiparty Democracy Foundation,  
The Hague, The Netherlands.

We have audited the accompanying financial statements of Netherlands Institute for Multiparty Democracy Foundation, The Hague, which comprise the balance sheet as at 31 December 2014, the statement of income and expenses for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### *Board's responsibility*

The board is responsible for the preparation and fair presentation of these financial statements and for the preparation of the board report, both in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 640 "Not-for-profit organizations" and the legal provisions of and in accordance with the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT). Furthermore the board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing, as well as the Audit Protocol WNT. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Oranje Nassaulaan 1  
1075 AH Amsterdam  
Postbus 53028  
1007 RA Amsterdam

Telefoon 020 571 23 45  
E-mail [info@dubois.nl](mailto:info@dubois.nl)  
[www.dubois.nl](http://www.dubois.nl)  
KvK nummer 34374865



*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Netherlands Institute for Multiparty Democracy Foundation as at December 31, 2014 and of its result for the year then ended in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 640 "Not-for-profit organizations", and the legal provisions of and in accordance with the WNT.

Amsterdam, 29 May 2015

Dubois & Co, Registeraccountants

M. Karman RA

K. Ait Boukdir RA

## INDEPENDENT AUDITOR'S REPORT

To: the board of Netherlands Institute for Multiparty Democracy Foundation,  
The Hague, The Netherlands.

We have audited the accompanying financial statements of Netherlands Institute for Multiparty Democracy Foundation, The Hague, which comprise the balance sheet as at 31 December 2014, the statement of income and expenses for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### *Board's responsibility*

The board is responsible for the preparation and fair presentation of these financial statements and for the preparation of the board report, both in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 640 "Not-for-profit organizations" and the legal provisions of and in accordance with the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT). Furthermore the board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing, as well as the Audit Protocol WNT. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Oranje Nassaulaan 1  
1075 AH Amsterdam  
Postbus 53028  
1007 RA Amsterdam

Telefoon 020 571 23 45  
E-mail [info@dubois.nl](mailto:info@dubois.nl)  
[www.dubois.nl](http://www.dubois.nl)  
KvK nummer 34374865

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Netherlands Institute for Multiparty Democracy Foundation as at December 31, 2014 and of its result for the year then ended in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 640 "Not-for-profit organizations", and the Policy rules implementation WNT.

Amsterdam, 29 May 2015

Dubois & Co. Registeraccountants

Signed on original:

M. Karman RA and K. Ait Boukdir RA