

Netherlands Institute for
Multiparty Democracy

FINANCIAL REPORT 2015

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1.1 BOARD STATEMENT

INTRODUCTION

The Netherlands Institute for Multiparty Democracy (NIMD) is a democracy assistance organization that supports political parties in developing democracies. NIMD's approach is characterized by interparty dialogue, which brings political parties together and encourages them to cooperate on political issues.

NIMD provides safe environments for political parties to meet, overcome distrust and work together on political issues. Furthermore, NIMD fosters a democratic culture in countries by providing political education programmes for political leaders and other (potential) politicians.

ORGANIZATION

NIMD works with local partner organizations or through NIMD country offices. These partner organizations and country offices are a pivotal part of the network, linking NIMD's worldwide expertise and resources to local activities as well as creating direct impact on the ground. They have knowledge of the people and the political culture of the country and are perceived as trustworthy by the politicians. NIMD's headquarter is in The Hague with 6 country/regional offices—in Ecuador, Central America (covering El Salvador, Honduras and Guatemala), Colombia, Mozambique, the South Caucasus (covering Georgia, Armenia, Azerbaijan and the Ukraine), Uganda—as well as 8 implementing partner organizations and 2 joint representatives (Benin and Myanmar).

At the beginning of the year 26 employees (24 fte) were based at NIMD's headquarter in The Hague. At the end of the year the number rose to 29 employees (26 fte). During the year an average of three interns joined NIMD to gain work experience and share their knowledge and insights. At the country/regional offices the number of staff grew from 56 to 67 employees in 2015.

GOVERNANCE STRUCTURE

The Executive Director of NIMD, Hans Bruning, who is appointed by the Supervisory Board of NIMD He is responsible for NIMD strategy, programmes and finances and oversees the NIMD head office and the 6 country/regional offices. The Supervisory Board, composed of independent professionals, bears the ultimate responsibility for NIMD and oversees its activities. Supervisory Board members are independently elected for a limited term and according to a profile system that ensures a balanced composition of background, experience and specific managerial and policy skills. In 2015 the Supervisory Board consists of:

- Mr B.R. Bot (Chair)
- Mrs I. van Veldhuizen
- Mr M. Stolk
- Mr J. Hoekema
- Mr E. van Middelkoop
- Mrs I. van Biezen
- Mrs A. Mijnsbergen

The Advisory Council is a body of representatives from the political parties who are NIMD's founding members. The Supervisory Board and Executive Director determine its composition. The Advisory Council's main formal role is to provide advice, including on its own initiative, to the Executive Director and Supervisory Board. The multiparty composition of the Advisory Council is the organizational foundation of NIMD's non-partisan identity.

The Supervisory Board members receives a remuneration of €250 per meeting with 4 meetings average a year. Apart from a small reimbursement for expenses, NIMD does not provide remuneration to the Advisory Council.

INCOME

The budget for the year 2015 was based on an ambitious growth target for income and donor diversification. This path, initiated some years ago, paid off particularly in 2015 when NIMD secured an income of €13.2 million and formalised relations with 5 new donors. An income this high has never been achieved in the history of NIMD.

The Political Party II subsidy, that NIMD received from the Dutch Ministry of Foreign Affairs (MFA) ended on 31 December 2015. For the period 2016-2020 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 and has secured a total of €32 million. A grant of €15 million for the period 2016-2020 has also been received from the Dutch Ministry of Foreign Affairs (MFA) for a programme called Dialogue for Stability: Inclusive politics in fragile settings. This programme aims to contribute towards open and accessible political systems, and to the legitimacy and responsiveness of political actors in countries affected by conflict and fragility. With these subsidies in place NIMD has secured a solid funding base for the future and its programmes.

To advance NIMD's strategic positioning and to generate income NIMD explored opportunities for short, stand-alone projects which are rooted in NIMD's core area of work. Furthermore, in 2015 NIMD secured a funding from the United Nations Development Programme (UNDP) and British Council for short term projects for capacity building and training of political parties in Tanzania and Zambia. A detailed overview is presented in chapter 1.3 of this financial report.

NIMD's overall budget for 2015 was €12.5 million, of which €10.3 million was financed by the Dutch Ministry of Foreign Affairs. €2.9 million was budgeted as income from other donors. See overview 1.3 donor overview for more detail.

The overall budget for 2015 was specified in line with NIMD's approach: the work in country programmes €8.3 million; the development and improvement of instruments NIMD uses (linking countries and mutual learning €1.1 million) and the collaboration with strategic partners/networks for joint programme planning and joint fundraising efforts (Matchina organization & Niche €0.4 million). The programme's management costs (€2.7 million) consists

EXPENDITURE

Total expenditure in 2015 amounted to €13.2, this is €0.7 more than budgeted. Of this 78 percent was funded by the Dutch MFA. NIMD budgeted €8.3 million for total programme costs in 2015, while actual expenses totalled €9.0 million. One of the explanations for the difference between the budgeted and actual costs is that NIMD exceeded its expectations for the amount of income as it was able to secure funding from new donors. NIMD stayed within budget for its main subsidies received from the Dutch MFA, Political Parties 2 fund (budget €8.2 million and result €8.0 million), the Human Rights fund subsidy (budget €0.67 million and result €0.55 million), and the Reconstruction Programme (budget €1.4 million and result €1.3 million).

In terms of programme management costs, which includes direct and indirect overhead and office support costs, the total expenditure was as budgeted. There was an under-spending in the programme management costs of almost €0.1 million, but the ledger 'other revenues' showed a negative balance mainly due to the exchange rate differences. This is the result of the decline of the euro rate in 2015 and the fact that NIMD compared to earlier years had more transfers in foreign currencies. The contribution for the total programme management was 20 percent overall, and 26 percent specifically for the funding received from the Dutch MFA's Political Parties 2 fund.

Spending on the budget line for 'matching organization and niche' was €0.35 million, and was mainly used for the strategic partnership days, communication activities and the 15 years anniversary celebration of NIMD.

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.

THE OPERATING RESULT

Contingency reserve

The contingency reserve exists to ensure that the organization can meet its obligations in the future and to guarantee the organization's continuity. Its level is determined by the risks the organization runs with a drop in income.

In line with the model developed, the desirable size of the contingency reserve was recalculated in line with the agreed methodology with the Dutch Ministry of Foreign Affairs and verified by Dubois & Co. The size of the overall contingency reserve was €0.7 million euros at the start of the year. In 2015 €60,029 is added to the contingency reserve. The total contingency reserve amounts after profit appropriation €773,107.

General notes on earmarked reserves

The size of the earmarked reserve was €0.30 million at the start of 2015. This reserve can be used for leverage purposes if the grant requires a contribution from the applicant itself (Co-funding). In 2015 NIMD extracted €47.496 for leverage. The earmarked reserve is added to the contingency reserve in 2016. This was approved by the Supervisory Board in 2016.

FINANCIAL RISK

The Dutch Ministry of Foreign Affairs is NIMD's main funder, providing 78 percent (2014: 89 percent) of the overall organization's budget. This is an unbalanced situation and potentially makes NIMD vulnerable to future changes in Dutch government funding models. Therefore, diversifying NIMD's funding base continues to be a key objective in the Multi Annual Plan (MAP) for the period (2016-2020).

As for the country programmes: NIMD has been working significantly more in post-conflict areas, and will continue to do so in the next few years. Due to the volatility of the political situation in these settings, it is often uncertain whether the funding can be allocated as planned. Programme progress is monitored through accurate monitoring procedures including financial and narrative reports, audits, missions, evaluations and a fraud and incapacity policy. In 2015 an internal audit team audited the financial accountability and administrative organization of two

FUTURE

Based on the vision in the Multi Annual Plan 2016-2020, NIMD successfully applied for two major funding frameworks with the Dutch Ministry of Foreign Affairs for the next 5 years. The financial challenges for the near future are more or less clear.

Reorganization - The ambitions in the MAP combined with the commitments made with the Ministry in the aforementioned funding frameworks, and decreasing the level of funding available for institutional running costs within them, led to a decision to start a reorganization of NIMD in 2016 that is finalized the first quarter of this year.

Risk management & Control – There are two changed circumstances. First NIMD will work more in fragile countries the next coming years and secondly more responsibilities will be delegated to our partners and country offices - like fundraising and programmatic development. Taking into account the more strict and increased donor

Hans Bruning
Executive Director, NIMD
31 May 2016

1.2 BUDGET 2016

All amounts in euros

	BUDGET 2016
INCOME	
Dutch Ministry of Foreign Affairs	9,258,829
Multilateral Organizations	262,587
Bilateral Organizations	835,631
To be funded	550,108
TOTAL FUNDING	10,907,155
EXPENDITURE	
Programmes	6,728,771
Strategic Relations & Knowledge	1,366,184
Management & Administration	2,812,200
TOTAL TO BE FUNDED	10,907,155

1.3 DONOR OVERVIEW

All amounts in euros

DONOR	EXPENDITURE 2015		EXPENDITURE 2014	
British Council	2,320			
British High Commission	94,062		54,268	
Canadian Department of Foreign Affairs, Trade & Development (DFATD)	14,404		37,760	
Colombia Ministry of National Affairs	13,770			
Danish Embassy			5,613	
Danish Institute for Parties & Democracy (DIPD)	104,650		71,869	
DEMO Finland	147,370			
Democratic Governance Facility (DGF)	941,487		635,378	
Dutch Ministry of Foreign Affairs	10,303,368		9,529,084	
Eduardo Frei Foundation (EFF)	4,545			
European Commission	21,867		177,691	
European Partnership for Democracy (EPD)	60,000		48,369	
Instituto de la Democracia (IDD)			28,436	
International Institute for Democracy and Electoral Assistance (IDEA)	58,816		99,297	
Organisation for Security & Cooperation in Europe (OSCE)	30,774		9,061	
Open Society Initiative for Southern Africa (OSISA)			69,464	
Swiss Federal Department of Foreign Affairs (FDFA)	202,430		17,556	
United Nations Development Programme (UNDP)	898,202			
United Nations Office for Project Services (UNOPS)	252,222		23,927	
United States Department of State (US State Department)	70,242			
Wateraid			7,486	
TOTAL	13,220,529		10,815,259	
Dutch Ministry of Foreign Affairs	10,303,368	78%	9,529,084	88%
Other funding	2,917,161	22%	1,286,175	12%
	13,220,529		10,815,259	

2.1 BALANCE SHEET

All amounts in euros

	31-12-2015	31-12-2014	
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Programme management software & website	1,544	2,751	3.2.1
	1,544	2,751	
Tangible fixed assets			
Computer equipment	7,986	13,523	3.2.2
Furniture	457	1,494	
	8,443	15,017	
CURRENT ASSETS			
Receivables			
Accrued subsidies	191,740	146,318	3.2.3
Claim pension insurance	-	5,371	
Programme receivables & prepayments	596,961	658,998	
VAT to be returned	98,205	128,246	
Other advance payments & accrued receivables	161,593	162,053	
	1,048,499	1,100,987	
Liquidities	2,541,925	5,978,014	3.2.4
TOTAL ASSETS	3,600,411	7,096,768	
LIABILITIES			
EQUITY			
Sustainability reserve	1,025,611	713,078	3.2.5
Appropriation reserve for co-funding	-	300,000	
	1,025,611	1,013,078	
CURRENT LIABILITIES			
Advance received subsidies from Ministry of Foreign Affairs	578,849	4,825,711	3.2.6
Advance received subsidies from other donors	1,179,337	427,906	
Creditors	212,800	148,127	
Personel related liabilities	209,158	191,078	
Programme liabilities	354,501	432,868	
Other advance receipts & accrued liabilities	40,154	58,002	
	2,574,800	6,083,691	
TOTAL LIABILITIES	3,600,411	7,096,768	

2.2 STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

	RESULT 2015		BUDGET 2015		RESULT 2014	
INCOME						
Ministry of Foreign Affairs PP2 funding	8,006,974		8,193,000		7,446,322	
Ministry of Foreign Affairs Reconstruction funding	1,301,461		1,424,851		1,586,025	
Ministry of Foreign Affairs Human Rights fund	545,296		672,181		273,725	
Other donors	3,366,798		2,210,280		1,505,132	
Inspired funding	-		-		4,055	
TOTAL FUNDING		13,220,529		12,500,312		10,815,259
EXPENDITURE						
	Non PP2 funding	Total Costs	Non PP2 funding	Total Costs	Non PP2 funding	Total Costs
Country & Regional Programmes	3,113,012	7,577,429	2,034,189	6,465,189	1,263,194	4,917,440
Inspired	-	5,631	-	-	4,055	64,302
Linking countries & mutual learning	71,550	982,145	45,000	1,135,000	104,789	867,862
Reconstruction	1,101,925	1,101,925	1,198,000	1,198,000	1,340,056	1,340,057
Human Rights	487,457	487,457	622,123	622,123	210,723	212,659
Total Programmes	4,773,944	10,154,587	3,899,312	9,420,312	2,922,817	7,402,320
Programme management	439,611	2,702,300	408,000	2,700,000	446,119	2,419,533
Matching organization & niche	-	351,109	-	380,000	-	442,926
TOTAL COSTS		13,207,996		12,500,312		10,264,779
RESULT		12,533		-		550,480

NOTE

The Ministry of Foreign Affairs Reconstruction Subsidy budget consists of €1.198.000 programme budget and €216.851 programme management & € 10.000 mission budget.
The Ministry of Foreign Affairs Human Right Subsidy budget consists of €622.123 programme budget and €50.058 programme management & mission budget.

ALLOCATION OF RESULTS

	RESULT 2015	RESULT 2014
Sustainable reserve	312,533	250,480
Appropriated reserve	-300,000	300,000
	<u>12,533</u>	<u>550,480</u>

2.3 CASH FLOW STATEMENT

All amounts in euros

	2015	2014
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Result	12,533	550,480
Corrections for:		
- Depreciation assets	13,552	23,914
Changes in working capital:		
- Receivables	52,487	106,965-
- Liabilities	3,508,891-	3,844,266
	<u>3,456,403-</u>	<u>3,737,301</u>
NET CASH GENERATED FROM OPERATIONAL ACTIVITIES	3,430,319-	4,311,695
CASH FLOW FROM INVESTING ACTIVITIES		
- Investments	5,770-	9,282-
- Desinvestments	-	-
NET CASH USED IN INVESTING ACTIVITIES	5,770-	9,282-
IN- / DECREASE IN LIQUIDITIES	3,436,089-	4,302,413
CHANGE IN LIQUIDITIES		
Liquidities as of 01 january	5,978,014	1,675,601
In- / Decrease in liquidities	<u>3,436,089-</u>	<u>4,302,413</u>
LIQUIDITIES AS OF 31 DECEMBER	2,541,925	5,978,014

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 statements have been prepared in accordance with the Dutch Accounting Guidelines for Annual Reporting (RJ 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

Revenue from the Dutch MFA for the Political Parties fund is calculated on the assumption that all expenditures for the programme management costs not subsidised by others is funded 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).

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.

3.2 NOTES TO THE BALANCE SHEET

3.2.1 INTANGIBLE FIXED ASSETS	Programme management	Programmes	Total
PROGRAMME MANAGEMENT SOFTWARE & WEBSITE			
Net value as of 01 Januari	2,751	-	2,751
Added: investments	767	-	767
Deducted: depreciation 33%	1,974	-	1,974
Net value as of 31 December	1,544	-	1,544

3.2.2 TANGIBLE FIXED ASSETS	Programme management	Programmes	Total
COMPUTER EQUIPMENT			
Net value as of 01 Januari	13,523	-	13,523
Added: investments	5,003	-	5,003
Deducted: depreciation 33%	10,539	-	10,539
Net value as of 31 December	7,986	-	7,986

FURNITURE			
Net value as of 01 Januari	1,494	-	1,494
Added: investments	-	-	-
Deducted: depreciation 25%	1,037	-	1,037
Net value as of 31 December	457	-	457

3.2.3 RECEIVABLES	31 December 2015	31 December 2014
ACCRUED SUBSIDIES		
Burundi - European Union	-	74,768
Burundi - Swiss Ministry of Foreign Affairs	42,354	-
Burundi - UNDP	10,026	-
Burundi - US State Department	24,935	-
Colombia - Ministerio del Interior	2,852	-
Ecuador - IDD	-	28,436
Ecuador - IDEA	-	15,697
Georgia - EPD	-	6,905
Guatemala - SIDA	9,553	554
Inspired - EPD	-	8,092
Myanmar - DEMO	47,370	-
Uganda - DGF	-	3,372
Zimbabwe - DIPD	54,650	8,493
	191,740	146,318
PROGRAMME RECEIVABLES & PREPAYMENTS		
Benin	2,617	-
Burundi	85,824	137,247
Colombia	5,040	12,280
Ecuador	-	37,264
Egypte	-	42,060
Georgia	13,440	13,943
Ghana	-	5,223
Guatemala	5,500	54,705
Human Rights	47,174	7,386
Indonesia	10,917	126,105
Kenia	28	96,470
Mali	972	5,255
Methodology Development	-	1,435
Mozambique	4,364	32,755
Myanmar	13,722	1,887
Peer Learning	17,996	18,818
Strategic Cooperation	208	35,173
Strategic Partnership with AWEPA	333,333	-
Tunesia	27,793	15,518
Uganda	28,032	15,474
	596,961	658,998

The programme receivables and prepayments can be advance contract payments for 2016 or costs paid in 2015, that are related to 2016.

	31 December 2015	31 December 2014
OTHER ADVANCE PAYMENTS & ACCRUED RECEIVABLES		
Accrued interest	18,796	42,278
Loan to staff	13,000	-
Rent advance	40,237	39,532
Other non-programme advances & accruals	89,560	80,243
	161,593	162,053

3.2.4 LIQUIDITIES	31 December 2015	31 December 2014
Rabobank - current account	922,627	76,796
Rabobank - savings account	415,023	5,060,023
Rabobank - security account rent The Hague	185,000	104,933
Rabobank - current account Uganda programme (DDP)	119	177
Bank accounts and petty cash Colombia	4,965	412
Bank accounts and petty cash Ecuador	113,457	-4,156
Bank accounts and petty cash Georgia	199,944	197,133
Bank accounts and petty cash Guatemala	80,786	140,323
Bank accounts and petty cash Mozambique	47,915	41,576
Bank accounts and petty cash Uganda	567,881	359,190
Petty cash The Hague (EUR and foreign currencies)	4,207	1,607
	2,541,924	5,978,014

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	2015	2014
SUSTAINABILITY RESERVE		
Accumulated as of 01 January	713,078	462,598
Added: result bookyear	12,533	250,480
Added: from appropriation reserve	300,000	-
Deducted: used reserve	-	-
Accumulated as of 31 December	1,025,611	713,078
APPROPRIATION RESERVE FOR CO-FUNDING		
Accumulated as of 01 January	300,000	-
Added: result bookyear	-	300,000
Deducted: used reserve	300,000	-
Accumulated as of 31 December	-	300,000

3.2.6 CURRENT LIABILITIES	31 December 2015	31 December 2014
ADVANCE RECEIVED SUBSIDIES FROM MINISTRY OF FOREIGN AFFAIRS		
Subsidy Human Rights	176,923	85,433
Subsidy PP2	-602,350	4,242,286
Subsidy Reconstruction	4,276	497,992
Subsidy Strategic Partnership	1,000,000	-
	578,849	4,825,711
<u>The subsidy for Human Right can be further specified:</u>		
Balance as of 01 January	85,433	179,579
Received	636,786	179,579
Spent	545,296	273,725
Balance as of 31 December	176,923	85,433
<u>The subsidy for PP2 can be further specified:</u>		
Balance as of 01 January	4,242,286	394,546
Received	3,162,338	11,294,063
Spent	8,006,974	7,446,322
Balance as of 31 December	-602,350	4,242,286
<u>The subsidy for Reconstruction can be further specified:</u>		
Balance as of 01 January	497,992	620,449
Received	807,745	1,463,568
Spent	1,301,461	1,586,025
Balance as of 31 December	4,276	497,992

	31 December 2015	31 December 2014
<u>The subsidy for Strategic Partnership can be further specified:</u>		
Balance as of 01 January	-	-
Received	1,000,000	-
Spent	-	-
Balance as of 31 December	1,000,000	-
ADVANCE RECEIVED SUBSIDIES FROM OTHER DONORS		
Burundi - RNE	102,707	140,983
Burundi - Swiss MFA	-	64,878
Ecuador - European Union	46,559	-
El Salvador - DFATD	-	3,978
Georgia - British Embassy	84,545	29,522
Georgia - DFATD	19,074	-
Georgia - OSCE	13,592	927
Georgia - RNE	105,491	52,722
Honduras - DFATD	7,140	-
Uganda - DGF	375,636	134,895
Zambia - DFID	424,593	-
	1,179,337	427,906
PERSONEL RELATED LIABILITIES		
Capitalised vacation rights	66,603	60,866
Vacation allowance	64,903	66,139
Income insurance premiums due	2,465	1,286
Salary to be paid	5,801	125
Tax withheld from salary	69,386	62,662
	209,158	191,078
PROGRAMME LIABILITIES		
Benin	-	43,279
Burundi	85,779	16,895
Colombia	10,237	409
Communication	5,712	6,040
Ecuador	85,278	68,241
El Salvador	1,644	-
Georgia	11,012	3,324
Ghana	5,223	-
Guatemala	18,576	45,721
Human Rights	-	17,585
Involving Partners	-	498
Knowledge - Thematic Team Interparty Dialogue	577	-
Knowledge - Thematic Team Political Innovation	800	-
Knowledge - Thematic Team Programmatic Parties	10,000	-
Methodology Development	-	466
Mozambique	2,982	1,543
Myanmar	5,082	4,715
New Programmes	1,887	-
Peer Learning	18,316	27,609
Planning, Monitoring & Evaluation	4,675	2,420
Reconstruction	59,828	68,516
Strategic Cooperation	-	8,253
Uganda	-	4,355
Zimbabwe	26,892	113,000
	354,501	432,868
The programme liabilities can be contract liabilities to be paid in 2016 or costs paid in 2016 that are related to 2015.		
OTHER ADVANCE RECEIPTS & ACCRUED LIABILITIES		
Audit costs	20,000	30,000
Other non-programme advances & accruals	20,154	28,002
	40,154	58,002

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 period 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 Strategic Partnership

For the period 2016-2020 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. The Dutch Ministry decided 17 November 2015 (project number 27543) to grant NIMD-AWEPA a contribution for this Strategic Partnership subsidy for the period from 1 January 2016 to 31 December 2020. The maximum contribution for these 4 years is €32.050.195.

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.

3.3 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

3.3.1 SPECIFIED STATEMENT COSTS AND REVENUE 2015

	BUDGET 2015			ALLOCATION ACTUAL EXPENSES PROGRAMMES 2015			ALLOCATION ACTUAL EXPENSES PROGRAMME MANAGEMENT 2015	
	PP2	OTHER FUNDING	TOTAL COSTS	TOTAL EXPENSES	PP2	OTHER FUNDING	OTHER FUNDING	
PROGRAMMES								
Benin	220,000	-	220,000	217,413	217,413	-	-	
Burundi	200,000	400,000	600,000	841,631	213,384	628,247	81,513	3.3.1.1
- El Salvador	-	-	-	161,283	152,698	8,586	-	3.3.1.2
- Guatemala	-	-	-	604,487	352,265	252,222	-	3.3.1.3
- Honduras	-	-	-	217,147	211,486	5,660	-	3.3.1.4
Central America	580,000	194,000	774,000	982,917	716,449	266,468	-	
Colombia	125,000	-	125,000	163,917	150,147	13,770	-	3.3.1.5
Ecuador	125,000	183,465	308,465	216,177	135,494	80,683	-	3.3.1.6
Egypt	120,000	-	120,000	97,660	97,660	-	-	
Georgia & South Caucasus	251,000	289,724	540,724	628,866	324,843	304,022	-	3.3.1.7
Ghana	390,000	-	390,000	325,223	325,223	-	-	
Indonesia	420,000	-	420,000	410,084	410,084	-	-	
Kenya	420,000	-	420,000	438,822	438,822	-	-	
Malawi	-	-	-	1,479	1,479	-	-	
Mali	375,000	-	375,000	374,028	374,028	-	-	
Mozambique	435,000	-	435,000	428,300	428,300	-	-	
Myanmar	150,000	150,000	300,000	269,209	121,839	147,370	-	3.3.1.8
South Sudan	25,000	-	25,000	-	-	-	-	
Tanzania	-	-	-	735,575	-	735,575	20,818	3.3.1.9
Tunesia	150,000	-	150,000	190,732	190,732	-	-	
Uganda	220,000	750,000	970,000	994,470	164,212	830,258	79,552	3.3.1.10
Zambia	-	-	-	1,967	-	1,967	353	3.3.1.11
Zimbabwe	150,000	67,000	217,000	221,616	116,966	104,650	-	3.3.1.12
New programmes & opportunities	75,000	-	75,000	37,343	37,343	-	-	
Country & Regional Programmes	4,431,000	2,034,189	6,465,189	7,577,429	4,464,417	3,113,012	182,236	
Inspired project	-	-	-	5,631	5,631	-	-	
Linking countries & mutual learning	1,090,000	45,000	1,135,000	982,145	910,594	71,550	-	
Reconstruction programme	-	1,198,000	1,198,000	1,101,925	-	1,101,925	199,536	3.3.1.13
Human Rights Programme	-	622,123	622,123	487,457	-	487,457	57,839	3.3.1.14
TOTAL FUNDED PROGRAMMES	5,521,000	3,899,312	9,420,312	10,154,587	5,380,643	4,773,944	439,611	
PROGRAMME MANAGEMENT	2,292,000	408,000	2,700,000	2,702,300	2,262,689	439,611	-	
MATCHING ORGANIZATION & NICHE	380,000	-	380,000	351,109	351,109	-	-	3.3.1.15
RESULT					12,533			
	8,193,000	4,307,312	12,500,312	13,207,996	8,006,974	5,213,555	439,611	

NOTE

The original budget PP2 2015 is revised during a Mid Year Review. Due to unforeseen circumstances programmes can develop themselves different than expected. The budget for the following countries/ programmes is adjusted:

- Benin €210.000.
- Central America €648.900.
- Colombia €145.000.
- Egypt €95.000
- Georgia & South Caucasus €256.000.
- Ghana €320.000.
- Myanmar €130.000.
- New Programmes €20.000.
- South Sudan €0.

3.3.1 NOTES TO THE SPECIFIED STATEMENT COSTS AND REVENUE 2015

GENERAL

The budget of NIMD is broken down in four main categories: country programmes, linking countries & mutual learning, matching organization & niche and programme management costs. As the core of NIMD's work are the country programmes the most substantial part of the budget as allocated for this category. NIMD works towards a stable and inclusive democracy together with implementing partners and country offices in those countries. The budget for the country programmes contains direct activity costs as well as local overhead of the partner organisation/country offices. NIMD develops and uses instruments in a way that maximizes impact. NIMD and its partners also provide capacity strengthening, democracy education and peer-to-peer learning for political parties. The budget for linking countries & mutual learning consists of the development and implementation of those instruments (item 'knowledge' and 'peer learning') and for PM&E and mission costs. The third main budget item is matching organization and niche. NIMD actively supports mutual exchange and cooperation with organizations working in the field of democracy assistance. Involving other specialist organizations gives a broader perspective on the future context of country programmes and ensures results and experiences are shared. And finally the programme management costs consisting of the total overhead and office support costs for NIMD Headquarter. They include the costs for all staff at Headquarters: the direct programme staff, management, administration staff and office support costs.

SPECIFIC NOTES

Budget

The budget 2015, formulated in "2.2 Statement of income and expenditure", is €12.5 million total costs. The budget is 80% funded with budget from the Dutch Ministry of Foreign Affairs (2014: 86%) and 20% with other funding like EU, DGF, DIPD. The budget for the overall programme management costs are funded for 85% with MFA funding (2014: 82%) and 15% with other funding.

Expenditure

The implementation costs are allocated to the four categories of the budget: country programmes, linking countries & mutual learning, matching organization & niche and programme management costs. The expenditure for country programmes represents the actual expenditures of contractual obligations with subcontractors and costs for activities related to this country programme. The expenditure for the other three categories are the actual costs represented during the year.

3.3.1.1 Burundi

In Burundi NIMD together with its local partner BLTP secured two new donors for NIMD in 2015: the United Nations Development Programme (UNDP) and the United States Department of State (US State Department).

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
RNE	307,755	21,926	5,472	335,153
Swiss Embassy	176,296	16,463	9,671	202,430
UNDP	99,676	31,202	10,930	141,809
US State Departement	44,520	11,922	13,801	70,242
	<u>628,247</u>	<u>81,513</u>	<u>39,873</u>	<u>749,634</u>

3.3.1.2 Centraal America - El Salvador

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
DFATD	8,586	-	-	8,586
	<u>8,586</u>	<u>-</u>	<u>-</u>	<u>8,586</u>

3.3.1.3 Centraal America - Guatemala

Actual PP2 expenses for Central America overall are €64.549 higher than the Mid Year Review budget, due to more programme activities and salary costs.

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
UNOPS	252,222	-	-	252,222
	<u>252,222</u>	<u>-</u>	<u>-</u>	<u>252,222</u>

3.3.1.4 Centraal America - Honduras

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
DFATD	5,660	-	-	5,660
	<u>5,660</u>	<u>-</u>	<u>-</u>	<u>5,660</u>

3.3.1.5 Colombia

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
Ministerio del Interior	13,770	-	-	13,770
	<u>13,770</u>	<u>-</u>	<u>-</u>	<u>13,770</u>

3.3.1.6 Ecuador

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
EU	21,867	-	-	21,867
IDEA	58,816	-	-	58,816
	<u>80,683</u>	<u>-</u>	<u>-</u>	<u>80,683</u>

3.3.1.7 Georgia & South Caucasus

The actual spending on Political Party 2 subsidie is €73.843 higher than budgetted, due to delay in programmes funded with other donors and an increase in salary costs.

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
DFATD	157	-	-	157
EFF	4,545	-	-	4,545
EPD	60,000	-	-	60,000
OSCE	30,774	-	-	30,774
RNE	114,484	-	-	114,484
British Embassy	94,062	-	-	94,062
	<u>304,022</u>	<u>-</u>	<u>-</u>	<u>304,022</u>

3.3.1.8 Myanmar

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
DEMO	147,370	-	-	147,370
	<u>147,370</u>	<u>-</u>	<u>-</u>	<u>147,370</u>

3.3.1.9 Tanzania

NIMD secured a funding from the United Nations Development Programme (UNDP) for a short term project for capacity building and training of political parties in Tanzania.

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
UNDP	735,575	20,818	-	756,393
	<u>735,575</u>	<u>20,818</u>	<u>-</u>	<u>756,393</u>

3.3.1.10 Uganda

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
DGF	830,258	79,552	31,677	941,487
	<u>830,258</u>	<u>79,552</u>	<u>31,677</u>	<u>941,487</u>

3.3.1.11 Zambia

In the last quarter of 2015 NIMD secured a funding from the British Council for a short term project for capacity building and training 2015-2016 of political parties in Zambia.

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
DFID	1,967	353	-	2,320
	<u>1,967</u>	<u>353</u>	<u>-</u>	<u>2,320</u>

3.3.1.12 Zimbabwe

Specification other funding:

	Programme costs	Overhead costs	Mission costs	Total
DIPD	104,650	-	-	104,650
	<u>104,650</u>	<u>-</u>	<u>-</u>	<u>104,650</u>

3.3.1.13 Reconstruction Programme

	Realisation 2015	Budget 2015	Realisation 2014	Budget 2014
Colombia	-	39,200	40,158	40,832
Guatemala	145,678	145,000	207,212	264,215
El Salvador	124,384	130,000	89,896	97,375
Regional Activities & Other	-	-	9,354	105,400
Cordaid	831,863	893,498	993,436	844,462
Total direct programme	<u>1,101,925</u>	<u>1,207,698</u>	<u>1,340,057</u>	<u>1,352,284</u>
Programme management	199,536	216,851	245,968	216,851
	1,301,461	1,424,549	1,586,025	1,569,135

3.3.1.14 Human Right Programme

The NIMD annual budget of € 622.123 was updated and approved by the MFA for €672.181.

	Realisation 2015	Budget 2015	Realisation 2014	Budget 2014
Colombia	108,172	192,900	47,269	83,692
IDEA	43,060	46,948	44,368	112,487
Kenia	238,734	147,432	73,729	111,965
Tunesia	73,440	137,747	45,297	-
Regional activities & other costs	24,051	47,038	1,996	84,856
	<u>487,457</u>	<u>572,065</u>	<u>212,659</u>	<u>393,000</u>
Programme management	57,839	50,058	63,002	-
	545,296	622,123	275,661	393,000

3.3.1.15 Matching Organization and Niche

Spending on the budget line for 'matching organization and niche' (specifically, spending on methodology development) increased by €0.35 million, and is mainly used for the strategic partnership days and the 15-years celebration of NIMD (€0.135 million), strategic partnerships (€0.06 million). There was an underspending on communication activities of €0.04 million.

3.3.2 SPECIFIED STATEMENT PROGRAMME MANAGEMENT COSTS

	ACTUALS 2015	BUDGET 2015	ACTUALS 2014	
Salary & Social benefits	1,850,462	2,042,644	1,764,301	3.3.2.1
Travel in the Netherlands	58,057	45,000	44,654	
Subsistence costs in the Netherlands	16,014	11,000	15,672	
Other personnel costs	127,761	129,000	117,606	3.3.2.2
Third party services	96,764	45,000	54,861	
Accommodation	228,080	236,900	238,949	
Depreciation	13,551	10,000	12,885	
ICT	56,443	55,000	54,597	
Office costs	80,347	70,500	84,907	
Audit & consultancy costs	55,253	25,000	33,549	
Other general costs	21,270	30,000	-703	
Other revenues	98,298	-	-1,745	3.3.2.3
	2,702,300	2,700,044	2,419,533	

NOTES TO THE SPECIFIED STATEMENT PROGRAMME MANAGEMENT COSTS

The programme management costs are all the staff costs and office support costs of NIMD headquarter. The main subsidy Political Party 2 contributes 84% of the total costs which is 16% lower as budgetted. This year NIMD received €439.611 from other subsidies (2014: €446.119)

3.3.2.1 Salary & Social benefits

As NIMD determines its remuneration policy according to the subsidy guidelines from the Dutch Ministry of Foreign Affairs (MFA) the organisation uses the pay-scale of Bezoldigings Besluit Rijksambtenaren (BBRA). In 2015 there was a new Collective Labour Agreement (CAO) for the Civil Servants that NIMD partly implemented. 2.05% for 2015 with retroactive effect from September 2015 and by January 1st, 2016 the 3.0% wage increase.

3.3.2.2 Other Personnel Costs

Other Personnel Costs are personnel related costs like insurances, remuneration of the Supervisory Board, costs for training of the staff and security training

3.3.2.3 Other Revenues

The other revenues mainly consists of exchange rate differences, results on donorcontracts and bookings necessary to keep the administration of the country offices and Head Quarters in line. Amounts in foreign currency are translated into euros at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currency are translated at the rates of exchange ruling at the time of the transaction. Based on the results of previous years NIMD doesn't budget for exchange rate differences. The result is taken to the statement of income and expenditure. In 2015 the total cost amount is €98.298, which is a significant difference with 2014 (surplus of €1.745). Although NIMD had a positive balance of € 138.034 for the Tanzanian project funded by UNDP, it ended up with a negative result for 'other revenues' mainly due to the exchange rate differences. This is the result of the decline of the euro rate in 2015 and the fact that NIMD compared to earlier years had more transfers in foreign currencies.

3.4 Specification Wet Normering Topinkomens

As of 2013 the Law "Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector" (WNT) applies. This justification is based on the WNT-limits for development.

The maximum remuneration in 2015 for NIMD's senior executive is €163.000. The displayed individual WNT-limit is calculated in proportion to the size and also to the time of employment, with the knowledge that the calculation can never be greater than 1.0 FTE. The individual WNT-limit for the members of the Supervisory Board is for the chairman 15% and for the other members 10% of the maximum remuneration of the senior executive, calculated in proportion to the duration of employment.

Remuneration of senior executives

	Mr. J. Bruning
2015	
Function	Executive Director
Duration of employment	01-01 / 31-12
Size of employment (in FTE)	1.0
Former senior executive?	No
Real or fictitious employment?	Real
Individual WNT maximum	163,000
<u>Remuneration</u>	
Salary	95,439
Remuneration	1,200
Pension Contribution	18,520
Total remuneration	115,159
2014	
Duration of employment	01-01 / 31-12
Size of employment (in FTE)	1.0
Individual WNT maximum	230,474
<u>Remuneration</u>	
Salary	96,695
Remuneration	1,200
Pension Contribution	17,343
Total remuneration	115,238

Remuneration of supervisory board

	Mr. B. Bot	Mrs. I. van Biezen	Mr. J. Hoekema	Mr. E. van Middelkoop	Mrs. A. Mijsbergen	Mr. M. StolK	Mrs. I. van Veldhuizen
2015							
Function	Chairman	Member	Member	Member	Member	Member	Member
Duration of membership	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12
Individual WNT maximum	24,450	16,300	16,300	16,300	16,300	16,300	16,300
<u>Remuneration</u>							
Salary	0	0	0	0	0	0	0
Remuneration	1,000	750	1,000	1,000	1,000	750	1,000
Pension Contribution	0	0	0	0	0	0	0
Total remuneration	1,000	750	1,000	1,000	1,000	750	1,000
2014							
Duration of membership	01-01 / 31-12		01-01 / 31-12	01-01 / 31-12		01-01 / 31-12	01-01 / 31-12
Individual WNT maximum	34,571		23,047	23,047		23,047	23,047
<u>Remuneration</u>							
Salary	-		-	-		-	-
Remuneration	1,250		750	1,327		1,250	1,250
Pension Contribution	-		-	-		-	-
Total remuneration	1,250		750	1,327		1,250	1,250

NIMD (Netherlands Institute for Multiparty Democracy)
T.a.v. de heer H. Bruning
Passage 31
2511 AB DEN HAAG

Amsterdam, 31 mei 2016

Behandeld door: K. Ait Boukdir
Referentie: 2825.C.15/24109

Geachte heer Bruning,

Hierbij zenden wij u één door ons ondertekend exemplaar van onze controleverklaring bij de jaarrekening 2015 van Stichting Netherlands Institute for Multiparty Democracy te Den Haag, alsmede vijftientig exemplaren waarin verwezen wordt naar het door ons origineel getekende exemplaar. Tevens zenden wij u een door ons geïdentificeerd exemplaar van de jaarrekening.

Het door ons ondertekende exemplaar van de controleverklaring en het geïdentificeerde exemplaar van de jaarrekening zijn bestemd voor uw archief. De exemplaren van de controleverklaring waarin verwezen wordt naar het door ons origineel getekende exemplaar, zijn bestemd voor inbinding in de jaarrekening. Dit conform het advies van de beroepsorganisatie NBA ter vermijding van fraude met handtekeningen van accountants.

Wij geven u toestemming de controleverklaring met de tekst 'origineel getekend door' gedateerd op 31 mei 2016 op te nemen in de jaarrekening 2015. De jaarrekening dient te worden uitgebracht overeenkomstig het door ons geïdentificeerde exemplaar.

Wij vertrouwen erop u hiermee van dienst te zijn geweest.

Hoogachtend,
Dubois & Co. Registeraccountants

A.F. Buteijn RA

Bijlagen

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KvK nummer 34374865

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 2015, 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 the Policy rules implementation 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 Policy rules implementation WNT, including 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.

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

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, 2015 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, 31 May 2016

Dubois & Co. Registeraccountants

A.P. Buteijn RA

K. Ait Boukdir RA



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Amsterdam, 31 May 2016

Dubois & Co. Registeraccountants

Signed on original:

A.P. Buteijn RA and K. Ait Boukdir RA

