

Netherlands Institute for
Multiparty Democracy

**FINANCIAL
STATEMENT
2016**

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1.1 STATEMENT OF THE EXECUTIVE DIRECTOR

NIMD's mission, as laid down in its statutes, is to support the democratization process in young and emerging democracies by strengthening political parties/groupings as the backbone of democracy. NIMD works with like-minded national and international organizations to achieve its objective of promoting inclusive and transparent democracies.

NIMD seeks to make an impact on three levels: political system, actor, and culture. On the system level, NIMD facilitates dialogue between political parties to jointly address democratic deficits; at the actor level, the organization directly supports parties as key actors in linking citizens and the state; while support on the culture level aims to increase democratic values and behaviour in (future) politicians. In 2016, NIMD worked in 24 countries around the world through a network of 16 implementing partners or (regional) country offices.

NIMD is registered under RSIN identification number 810625921 and operates as a Public Benefit Organization under Dutch tax law with *Algemeen Nut Beogende Instelling* (ANBI) status. This entails a number of benefits and responsibilities such as tax advantages for funding partners.

GOVERNANCE STRUCTURE

The Board is supervisor for NIMD and oversees all of its activities. The Supervisory Board appoints the Executive Director. The Executive Director, is responsible for the strategic development of NIMD, its financial position and its overall performance. The Advisory Board is a body of representatives from NIMD's seven founding member political parties. The Supervisory Board and Executive Director determine its composition. The Advisory Board's main formal role is to provide advice, including on its own initiative, to the Executive Director and Supervisory Board. There is also an employee representative body within NIMD, consisting of three members selected by the staff. They act as the collective voice of the workforce of NIMD's Headquarters.

The Financial Statement 2016 fulfills the requirements set out by the Guideline 640 for Non Profit Organisations and is audited by Dubois & Co. The Executive Director of NIMD establishes the Financial Statement after approval by the Supervisory Board.

NIMD 2016

NIMD works both with local partner organizations and through its country/regional offices. These partner organizations and country/regional offices are a pivotal part of the organization's 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 their country and are trusted by its politicians. In addition to its Headquarters in The Hague, NIMD has six country/regional offices - in Ecuador, Central America (covering El Salvador, Honduras and Guatemala), Colombia, Mozambique (until 1 July 2016), the South Caucasus (covering Georgia, Armenia, Azerbaijan and Ukraine) and Uganda. NIMD also works with eight implementing partner organizations and two joint representatives (Benin and Myanmar). In 2016, the country office in Mozambique was registered as a national organization (*Associação Instituto para a Democracia Multipartidária* – AIMD) for the main purpose of being able to apply for local fundraising. At the beginning of the year, 29 employees (25 FTE) were based at NIMD's Headquarters in The Hague. On 31 December, this figure was 26 employees (22 FTE). Over the course of the year, three interns joined NIMD to gain work experience and share their knowledge and insights.

In order to enable NIMD to meet the goals and aspirations of the Multi-Annual Plan 2016-2020, and the donor requirements set out in two major grants acquired by the organization, the decision was taken to undertake an internal restructuring. This process started at the end of 2015 and the new structure was rolled out on 1 April 2016.

EXPENDITURE

Total expenditure in 2016 amounted to €12.1 million; this was €1.4 million less than budgeted. This means that programme expenditure accounted for approximately 80% of the budget. The main explanation for the relative under-expenditure is the fact that 2016 saw the start of two large contracts: the Strategic Partnership programme (with AWEPA) and the Dialogue for Stability programme. As it was the first year of both subsidies, more than expected effort was required to set up an adequate PME system, with baseline studies carried out across all countries, and develop country-specific Theories of Changes.

In terms of the management & accounting costs, which include staff and office support, the total expenditure was approximately 8,6 % below budget.

THE OPERATING RESULT

NIMD's sustainable reserve ensures that the organization can meet its future obligations and guarantees its continuity. NIMD used a part of the reserve (€186.571) to support country programmes during the finalization and transition of the Political Party II (2012-2015) subsidy. This enabled them, for instance, to overcome an uncertain period in funding in the case of programme closure or use the funds as leverage needed for other new funding. This is accounted for in section 3.3.1, "Specified Statement Costs and Revenue 2016". The small shortage relating to NIMD's management costs (€59.315) is also accounted for in this result. And finally there was also a negative result of € 4,164. Please see Section 2.2, "State of Income and Expenditure", for a detailed overview. As NIMD has been able to add funds to the reserve over the last three years, it was foreseen that, with 2016 representing a starting up year, a utilization of the reserve would be necessary. The overall sustainable reserve at the end of 2016 stands at €775.561 (see 3.2.5 "Equity").

RISKS

With the end of the Political Party II (PP II) subsidy, NIMD no longer benefits from the relative security of flexible funding arrangements related to management & accounting costs. It is expected that income will fluctuate more than before, especially at the level of overhead contribution. For 2016 and beyond, this means that NIMD should select funding opportunities even more carefully and only apply if matching funds from the sustainability reserve are available.

As the funding base will diversify even more over the coming years, with each funding partner presenting its own programme demands and requirements for accountability, the task of delivering and reporting progress, will be increasingly complicated. To address this, NIMD improved its internal management information system to provide better insight on progress and risks.

In 2016, NIMD also invested in fundraising procedures and processes to increase the efficiency and the success rate of proposals. As part of its requirements, the Dialogue for Stability subsidy calls for 25% of NIMD's income to come from sources other than the Netherlands Ministry of Foreign Affairs on average over the total duration of this contract. In 2016, the Ministry of Foreign Affairs provided 76% (2015: 78% and 2014: 89%) of the organization's overall income. This means that slowly but steadily NIMD is on track to reaching this requirement.

As for the country programmes, NIMD has been working increasingly in post-conflict areas over the years, and will most likely continue to do so in the near future. Due to the volatility of the political situation in these settings, it is often uncertain whether the funding can be allocated as planned. NIMD works with organizations whose capacity needs to be developed, so this involves a certain risk. To counter this, programme progress and accountability are accurately monitored through, among other tools, financial and narrative reports, audits, missions, evaluations and a fraud and incapacity policy. Every three years, a country office of NIMD is financially audited. In addition, a yearly risk assessment screens the organizational capacity of the implementing partner organizations and country offices. No severe irregularities were found in 2016, but some partner organizations/country offices require substantial improvements in their capacity, sustainability and quality.

FUTURE

Based on the vision set out in the Multi-Annual Plan 2016-2020, NIMD successfully applied for two major funding frameworks with the Netherlands Ministry of Foreign Affairs for 2016-2020. This provides a solid base for NIMD in two ways. Firstly, it gives us the opportunity to work effectively towards the objectives as described in our MAP. Secondly, it covers almost 80% of NIMD's running costs until 2020.

In 2017, we will also continue to work on making our vision of becoming the lead centre for political practitioners on inclusive political change a reality. We are proud of the fact that there is already a lot of drive among NIMD staff that we can tap into and further develop on this exciting journey.

Karijn de Jong (Acting Executive Director)

1 June 2017

1.2 STATEMENT OF THE SUPERVISORY BOARD

THE SUPERVISORY BOARD

NIMD changed its governance structure on 1 January 2012 and – by that date - established a Supervisory Board. The Supervisory Board is charged with the supervision of the day-to-day affairs of NIMD, and of the management and policy pursued by the Executive Director. The Board is also responsible for the duties and powers based on the Articles of Association:

- Appointment and dismissal of the Executive Director including remuneration;
- Approval of the annual plan including the budget;
- Approval of the – 4 yearly – Multi- Annual Plan including multi-annual budget;
- Approval of the yearly report including annual accounts;
- Discharging the Executive Director from liability for his management in the past financial year;
- Appointment of the external auditors.

The Supervisory Board had five meetings in 2016, of which four regular and one related to the reorganization process of NIMD. In November 2016, Mr B.R. Bot, was elected as Chair of the Board by its members for a third term until December 2017.

THE COMPOSITION OF THE SUPERVISORY BOARD

With the establishment of a Supervisory Board as of 1 January 2012 members of the former Board of Directors were appointed as members of the Supervisory Board with Mr B.R. Bot as Chair. According to the Articles of Association of NIMD members of the Supervisory Board are elected for a maximum term of four years and can be re-elected for a second term of a maximum of another four years. Mr B.R. Bot has decided to end his second term by the end of 2017. In the Supervisory Board meeting of March 2016 the roster of retirement is adjusted:

Name	Appointed to the Supervisory Board	End 1st period	Re-appointed	End 2nd period
Mr B.R. Bot, Chair	January 2012	December 2015	January 2016	End of 2017
Mr J.T. Hoekema	January 2012	February 2015	February 2016	End of 2019
Mr M. Stolk	January 2012	February 2015	February 2016	End of 2019
Mr E. van Middelkoop	June 2012	May 2015	May 2016	End of 2020
Mrs I.L. van Veldhuizen	April 2012	March 2015	January 2016	End of 2020
Mrs I.C. van Biezen	March 2015	February 2018		
Mrs A. Mijnsbergen	March 2015	February 2018		

FOCUS OF THE SUPERVISORY BOARD 2016

The Supervisory Board meets regularly and at least four times a year. The Executive Director and the rest of the Management Team are present during the meetings with the exception of discussions the Supervisory Board members wish to hold amongst themselves.

A delegation of the Supervisory Board meets the employee representative body at least once a year. In 2016 this meeting took place on 26 May 2016 and 15 March 2017. The next meeting will be scheduled later this year.

A delegation of the Supervisory Board holds an assessment interview with the Executive Director at least once a year. The last interview took place on 6 December 2016.

The Supervisory Board had five meetings in 2016, of which four regular and one related to NIMD's reorganization process. During these meetings the following topics were on the agenda:

- Policy and activities of NIMD and the decision-making process related to the starting and ending of activities including in specific countries;
- Possibilities of co-operation with strategic partners and other organizations;
- The reorganization that took place during 2016 and which was set up based on the multi-annual strategy for the period 2016-2020;
- The appointment of Dubois & Co Registeraccountants as external auditors for the year 2017;
- Approval of the Annual Report including annual accounts 2015;
- Reporting of findings based on the audit executed in 2015 by Dubois & Co Registeraccountants;
- Approval of the annual plan including budget for 2017;
- Financial management including risk management based on progress reports presented to the Supervisory Board. An important topic in this regard is the financial position of NIMD. In recent years, NIMD had to use part of its sustainability reserve to meet its goals. In addition, it is currently more difficult to find coverage for overhead costs. During every meeting, the Supervisory Board is given a report on the expected outcome for the year and the effect on the sustainability reserve. Based on this, the Board discusses possible and necessary measures to be taken in order to improve the financial situation. The sustainability reserve of NIMD as of 31 December 2016 is regarded as sufficient with the intention to increase this reserve and in the knowledge that only a small yearly increase will be possible;
- Continuity of NIMD's management due to illness of the Executive Director for an extended period and, during this period, weeks of full and weeks of partial incapability for work;
- The constitution of Stichting Global Partnership for Multiparty Democracy (GPMD). GPMD was established by NIMD. The Board of Directors is appointed by GPMD's member organizations. NIMD appointed its Executive Director, as a member of the GPMD Board of Directors. GPMD is a related party of NIMD. Further information about GPMD is given in the paragraph on 'Related parties'.

1.3 BUDGET 2017

All amounts in euros

	BUDGET 2017
INCOME	
Grants from Governments	8.792.580
Grants from the European Union	-
Grants from bi- & multilateral donors	441.082
	<hr/> 9.233.662
New funding	2.000.000
	<hr/> 2.000.000
	<hr/> 11.233.662 <hr/>
EXPENDITURE	
Programmes	8.589.462
Overhead	2.644.200
	<hr/> 11.233.662
	<hr/> 11.233.662 <hr/>

At the moment of approval of the budget 2017, 1 November 2016, the secured income 2017 is € 9.2 million. Within the forecasted revenue is €2.5 million for overheads. To finance the budget in 2017 as listed €2.5 million guaranteed by the overhead contribution of already contracted donor contracts. The difference of €0,1 million will be initially covered from new recruited grants. The already covered on NIMD's programme expenditure (€ 8.5 million) is in line with former years and with the estimated new funding of €2.0 million is sufficient to achieve NIMD's objectives. If this is not sufficient NIMD shall downsize its programme & accounting costs.

2.1 BALANCE SHEET

All amounts in euros

	31-12-2016	31-12-2015	
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Programme management software & website	1.569	1.544	3.2.1
	1.569	1.544	
Tangible fixed assets			
Computer equipment	31.395	7.986	3.2.2
Furniture	8.989	458	
Renovation Real Estate	43.757	-	
	84.142	8.444	
CURRENT ASSETS			
Receivables			
Accrued subsidies	530.625	191.740	3.2.3
Debtors	52.694	-	
Programme receivables & prepayments	816.717	596.961	
VAT to be returned	183.345	98.205	
Other advance payments & accrued receivables	122.659	161.593	
	1.706.039	1.048.499	
Liquidities	3.116.736	2.541.924	3.2.4
TOTAL ASSETS	4.908.486	3.600.411	
LIABILITIES			
EQUITY			
Sustainability reserve	775.561	1.025.611	3.2.5
	775.561	1.025.611	
LONG-TERM LIABILITIES			
Rental debt	37.333	-	3.2.6
	37.333	-	
CURRENT LIABILITIES			
Advance received subsidies from Ministry of Foreign Affairs	2.217.953	578.849	3.2.7
Advance received subsidies from other donors	553.615	1.179.337	
Creditors	115.091	212.800	
Personel related liabilities	186.146	209.158	
Programme liabilities	989.028	354.501	
Other advance receipts & accrued liabilities	33.759	40.154	
	4.095.592	2.574.800	
TOTAL LIABILITIES	4.908.486	3.600.411	

2.2 STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

	ACTUAL 2016	BUDGET 2016	ACTUAL 2015
INCOME			
Grants from Governments	10.833.496	12.595.440	10.700.596
Grants from the European Union	83.008	67.397	21.867
Grants from bi- & multi lateral donors	889.545	752.500	2.498.066
TOTAL INCOME	11.806.050	13.415.338	13.220.529
EXPENSE			
Spent on country- & regional programmes	8.749.140	9.193.510	7.577.429
Spent on Strategic Relations and Knowledge	896.219	1.569.628	1.338.885
Management and accounting costs	2.410.739	2.652.200	2.702.300
TOTAL COSTS	12.056.099	13.415.338	13.207.996
RESULT	-250.049		12.533
ALLOCATION OF RESULTS			
	RESULT 2016		RESULT 2015
Sustainable reserve	-250.049		312.533
Appropriated reserve	-		-300.000
	-250.049		12.533
EXPLANATION OF THE RESULT			
	RESULT 2016		
Funding contribution for Management and accounting costs	-59.315		
Finalization of the Political Party II subsidy (2012-2015)	-186.571		
Other result	-4.164		
	-250.049		

2.3 INCOME OVERVIEW

All amounts in euros

PROGRAMME	DONOR	INCOME 2016	INCOME 2015
Grants from Governments			
Burundi	Royal Netherlands Embassy (RNE)	361.747	335.153
Burundi	Swiss Federal Department of Foreign Affairs (FDFA)	13.847	202.430
Burundi	United State Department of State (US State Department)	650.395	70.242
Colombia	Colombia Ministry of National Affairs	-	13.770
Dialogue for Stability	Dutch Ministry of Foreign Affairs	2.073.744	-
El Salvador	Canadian Department of Foreign Affairs, Trade & Development (DFATD)	-	8.586
Ethiopia	Royal Netherlands Embassy (RNE)	139.194	-
Georgia	British High Commission	107.845	94.062
Georgia	Canadian Department of Foreign Affairs, Trade & Development (DFATD)	21.972	157
Georgia	Royal Netherlands Embassy (RNE)	113.724	114.484
Honduras	Canadian Department of Foreign Affairs, Trade & Development (DFATD)	6.042	5.660
Human Rights	Dutch Ministry of Foreign Affairs	524.633	545.296
Political Parties II	Dutch Ministry of Foreign Affairs	-	8.006.974
Reconstruction	Dutch Ministry of Foreign Affairs	816.729	1.301.461
Strategic Partnership	Dutch Ministry of Foreign Affairs	5.313.394	-
Zambia	The British Council	690.231	2.320
		10.833.496	10.700.596
Grants from the European Union			
Ecuador		83.008	21.867
		83.008	21.867
Grants from bi- & multilateral donors			
Burundi	United Nations Development Programme (UNDP)	166.587	141.809
Ecuador	International Institute for Democracy and Electoral Assistance (IDEA)	-	58.816
Flexibel Funds - Burkina Faso	European Centre for Electoral Support	5.000	-
Georgia	Eduardo Frei Foundation (EFF)	-	4.545
Georgia	European Partnership for Democracy (EPD)	-	60.000
Georgia	Organisation for Security & Cooperation in Europe (OSCE)	75.722	30.774
Guatemala	Swedish International Development Cooperation Agency (SIDA)	231.438	252.222
Knowledge & Innovation Fragile States	Netherlands Organisation for Scientific Research (NWO)	24.310	-
Myanmar	DEMO Finland	119.941	147.370
Tanzania	United Nations Development Programme (UNDP)	-	756.393
Uganda	Democratic Governance Facility (DGF)	266.547	941.487
Zimbabwe	Danish Institute for Parties & Democracy (DIPD)	-	104.650
		889.545	2.498.066
		11.806.049	13.220.529

2.4 CASH FLOW STATEMENT

All amounts in euros

	2016	2015
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Result	250.049-	12.533
Corrections for:		
- Depreciation assets	8.462	13.552
Changes in working capital:		
- Receivables	657.540-	52.487
- Liabilities	1.558.124	3.508.891-
	<u>900.584</u>	<u>3.456.403-</u>
NET CASH GENERATED FROM OPERATIONAL ACTIVITIES	658.997	3.430.319-
CASH FLOW FROM INVESTING ACTIVITIES		
- Investments	84.186-	5.770-
- Desinvestments	-	-
NET CASH USED IN INVESTING ACTIVITIES	84.186-	5.770-
IN- / DECREASE IN LIQUIDITIES	574.811	3.436.089-
CHANGE IN LIQUIDITIES		
Liquidities as of 01 january	2.541.925	5.978.014
In- / Decrease in liquidities	<u>574.811</u>	<u>3.436.089-</u>
LIQUIDITIES AS OF 31 DECEMBER	<u>3.116.736</u>	<u>2.541.925</u>

3.1 GENERAL NOTES AND PRINCIPLES OF VALUATION AND CALCULATION OF RESULTS

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 organizations) .

RELATED PARTIES

International Lobby and Advocacy (ILA) towards the United Nations, the European Union and other regional organizations forms a key component of the Strategic Partnership (SP) between the Netherlands Ministry of Foreign Affairs and NIMD/AWEPA for 2016-2020. Both organizations work closely together and are member of the The European Partnership for Democracy (EPD) which focuses its work on the strategic priorities for ILA vis-à-vis the EU. The Executive Director of NIMD, Mr Bruning is also the Chair of the Board of Directors of EPD. For 2016, NIMD paid a membership fee of €0,025 million and a contract for ILA towards the EU of €0,08 million.

Furthermore in 2016 NIMD founded the Stichting Global Partnership for Multiparty Democracy (GPMD). The objective of GPMD is to strengthen the position of organizations supporting political parties from a multiparty perspective within the democracy assistance sector. This is done by developing joint positions on issues relating to political party support and lobbying for and advocating these positions with the international donor community. GPMD partner organizations are provided with a communication and coordination channel to continuously support the improvement of their approaches through knowledge sharing activities and furthermore, to help them to perform any tasks that are directly or indirectly conducive to the achievement of its objectives. GPMD being an independent foundation, representation in NIMD financial statements is through the membership fee and contribution for the formalization and set up of the foundation. NIMD paid a contribution of €0,003 million and took care of the secretariat for which it received a compensation of the costs (€0,02 million).

3.1.2 PRINCIPLES OF VALUATION AND CALCULATION OF RESULTS

PRESENTATION

The annual accounts are presented in Euro. As NIMD closed its main institutional funding in 2015 and started with new fundings, the Annual Report 2016 is adjusted to provide a better overview and insight. The presentation of the budget and income&expenditure overview is more multi-donor based. In contrast, the former annual report which was more focused on NIMD's main donor the Netherlands Ministry of Foreign Affairs.

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 account.

TANGIBLE FIXED ASSETS

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

PROGRAMME LIABILITIES

Programme liabilities are recognized as costs in the statement of costs and revenue and as liabilities in the balance sheet at the moment that the decision to grant a subsidy is laid down in a contract. Contractual obligations to subcontractors (organizations 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 currencies other than Euro are converted into Euro using 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 using the interbank exchange rate of the beginning of each month or -in the case of some country office administrations- using 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 organizations, signing the grant contract that implies the obligation is the relevant activity according to Accounting Guideline RJ 640.

SUBSIDY MINISTRY OF FOREIGN AFFAIRS

The actual contribution from the Netherlands Ministry of Foreign Affairs for the Dialogue for Stability subsidy for the management and accounting costs is granted if NIMD, on average over the total duration of this contract, is able to add more than 25 % of the income from non-Ministry of Foreign Affairs subsidies.

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 Accounting Guideline RJ 640

3.2 NOTES TO THE BALANCE SHEET

3.2.1 INTANGIBLE FIXED ASSETS			
PROGRAMME MANAGEMENT SOFTWARE & WEBSITE			
Net value as of 01 Januari		1.544	
Added: investments		928	
Deducted: depreciation 33%		902	
Net value as of 31 December		1.569	
3.2.2 TANGIBLE FIXED ASSETS			
COMPUTER EQUIPMENT			
Net value as of 01 Januari		7.986	
Added: investments		29.012	
Deducted: depreciation 33%		5.604	
Net value as of 31 December		31.395	
FURNITURE			
Net value as of 01 Januari		458	
Added: investments		9.089	
Deducted: depreciation 25%		557	
Net value as of 31 December		8.989	
RENOVATION REAL ESTATE			
Net value as of 01 Januari		-	
Added: investments		45.156	
Deducted: depreciation 20%		1.399	
Net value as of 31 December		43.757	
3.2.3 RECEIVABLES		31 December 2016	31 December 2015
ACCRUED SUBSIDIES			
Burundi	- Swiss Ministry of Foreign Affairs	25.143	42.354
Burundi	- UNDP	176.613	10.026
Burundi	- US State Department	305.051	24.935
Colombia	- Ministerio del Interior	-	2.852
Georgia	- OSCE	795	-
Guatemala	- SIDA	-	9.553
Knowledge & innovation Fragile States	- NWO	3.082	-
Myanmar	- DEMO	19.941	47.370
Zimbabwe	- DIPD	-	54.650
		530.625	191.740
PROGRAMME RECEIVABLES & PREPAYMENTS			
Benin		5.825	2.617
Burundi		11.215	85.824
Colombia		65.101	5.040
Ecuador		617	-
Egypte		23.500	-
El Salvador & Guatemala		1.394	5.500
Georgia		9.536	13.440
Honduras		2.032	-

	31 December 2016	31 December 2015
Human Rights	-	47.174
International Lobby & Advocacy	4.464	-
Indonesia	-	10.917
Innovation	8	-
Jordan	1.159	-
Kenia	48.533	28
Mali	569	972
Mozambique	257.348	4.364
Myanmar	2.130	13.722
Peer Learning	-	17.996
Strategic Cooperation	-	208
Strategic Partnership with AWEPA	348.439	333.333
Tunesia	24.849	27.793
Uganda	3.722	28.032
Zimbabwe	6.275	-
	816.717	596.961

The programme receivables and prepayments are advance contract payments for 2017 or costs already paid in 2016, but related to 2017.

OTHER ADVANCE PAYMENTS & ACCRUED RECEIVABLES

Accrued interest	10.776	18.796
Loan to staff	10.580	13.000
Rent advance	11.033	40.237
Other non-programme advances & accruals	90.269	89.560
	122.659	161.593

3.2.4 LIQUIDITIES

	31 December 2016	31 December 2015
Rabobank - current account	286.327	922.627
Rabobank - savings account	2.150.720	415.023
Rabobank - security account rent The Hague	50.100	185.000
Rabobank - current account Uganda programme (DDP)	59	119
Bank accounts and petty cash Colombia	20.299	4.965
Bank accounts and petty cash Ecuador	84.241	113.457
Bank accounts and petty cash El Salvador & Guatemala	189.189	74.413
Bank accounts and petty cash Georgia	41.249	199.944
Bank accounts and petty cash Honduras	2.569	6.374
Bank accounts and petty cash Mozambique	-	47.915
Bank accounts and petty cash Myanmar	26.597	-
Bank accounts and petty cash Uganda	254.143	567.881
Petty cash The Hague (EUR and foreign currencies)	11.244	4.207
	3.116.736	2.541.924

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

	2016	2015
SUSTAINABILITY RESERVE		
Accumulated as of 01 January	1.025.611	713.078
Added: result bookyear	-250.049	12.533
Added: from appropriation reserve	-	300.000

Deducted: used reserve	-	-
Accumulated as of 31 December	775.561	1.025.611
APPROPRIATION RESERVE FOR CO-FUNDING		
Accumulated as of 01 January	-	300.000
Added: result bookyear	-	-
Deducted: used reserve	-	300.000
Accumulated as of 31 December	-	-
3.2.6 LONG-TERM LIABILITIES		
	31 December 2016	31 December 2015
RENTAL DEBT		
Balance as of 01 January	-	-
Added	37.333	-
Deducted	-	-
Balance as of 31 December	37.333	-
3.2.7 CURRENT LIABILITIES		
	31 December 2016	31 December 2015
ADVANCE RECEIVED SUBSIDIES FROM MINISTRY OF FOREIGN AFFAIRS		
Subsidy Dialogue for Stability	928.942	-
Subsidy Human Right	217.684	176.923
Subsidy Political Parties II	-	-602.350
Subsidy Reconstruction	-251.511	4.276
Subsidy Strategic Partnership	1.322.838	1.000.000
	2.217.953	578.849
<u>The subsidy for Dialogue for Stability can be further specified:</u>		
Balance as of 01 January	-	-
Received	3.000.000	-
Received interest	2.686	-
Spent	2.073.744	-
Balance as of 31 December	928.942	-
<u>The subsidy for Human Right can be further specified:</u>		
Balance as of 01 January	176.923	85.433
Received	565.394	636.786
Spent	524.633	545.296
Balance as of 31 December	217.684	176.923
<u>The subsidy for Political Parties II can be further specified:</u>		
Balance as of 01 January	-602.350	4.242.286
Received	602.350	3.162.338
Spent	-	8.006.974
Balance as of 31 December	-	-602.350
	31 December 2016	31 December 2015
<u>The subsidy for Reconstruction can be further specified:</u>		
Balance as of 01 January	4.276	497.992
Received	560.942	807.745
Spent	816.729	1.301.461
Balance as of 31 December	-251.511	4.276

The subsidy for Strategic Partnership can be further specified:

Balance as of 01 January	1.000.000	-
Received	5.631.190	1.000.000
Received interest	5.041	-
Spent	5.313.394	-
Balance as of 31 December	1.322.838	1.000.000

ADVANCE RECEIVED SUBSIDIES FROM OTHER DONORS

Burundi	- RNE	78.233	102.707
Ecuador	- European Union	17.059	46.559
Ethiopia	- RNE	40.806	-
Georgia	- British Embassy	47.406	84.545
Georgia	- DFATD	-	19.074
Georgia	- OSCE	-	13.592
Georgia	- RNE	2.834	105.491
Guatemala	- RNE	48.414	-
Guatemala	- SIDA	46.701	-
Honduras	- DFATD	-	7.140
Mozambique	- Finnish MFA	100.000	-
Uganda	- DGF	172.163	375.636
Zambia	- DFID	-	424.593
		553.615	1.179.337

PERSONEL RELATED LIABILITIES

Capitalised holliday allowance rights		63.562	66.603
Holliday allowance		63.638	64.903
Income insurance premiums due		370	2.465
Salary to be paid		1.990	5.801
Tax withheld from salary		56.586	69.386
		186.146	209.158

PROGRAMME LIABILITIES

Burundi		258.229	85.779
Colombia		9.037	10.237
Communication		-	5.712
Ecuador		54.021	85.278
El Salvador & Guatemala		34.731	20.220
Georgia		13.426	11.012
Ghana		-	5.223
Honduras		328	-
Indonesia		5.107	-
Innovation		6.750	-
Kenia		481	-
Knowledge		13.955	-
Knowledge - Thematic Team Interparty Dialogue		-	577
Knowledge - Thematic Team Political Innovation		-	800
Knowledge - Thematic Team Programmatic Parties		-	10.000
Mozambique		-	2.982
		31 December 2016	31 December 2015
Myanmar		12.314	5.082
New Programmes		-	1.887
Peer Learning		-	18.316
Planning, Monitoring & Evaluation		-	4.675
Positioning		1.575	-
Reconstruction		513.596	59.828

Tunesia	24.811	-
Uganda	25.697	-
Zambia	14.971	-
Zimbabwe	-	26.892
	989.028	354.501

The programme liabilities can be contract liabilities to be paid in 2017 or costs paid in 2017 that are related to 2016.

OTHER ADVANCE RECEIPTS & ACCRUED LIABILITIES		
Advance providing supplies and services National IDEA	1.595	-
Audit costs	20.000	20.000
Other non-programme advances & accruals	12.164	20.154
	33.759	40.154

3.2.8 CLAIMS AND LIABILITIES NOT TAKEN INTO ACCOUNT IN THE BALANCE SHEET

Rent agreement

The contract period for the rent of the NIMD office is September 1st 2016 renewed for five years. The rent is € 140.000 per annum (without 5 VAT and service costs. The Rabobank guarantees rent and service costs for €50,100 on the basis of the balance on a separate bank account. National IDEA is subtenant of NIMD and pays a rent of € 47,000 per annum (without VAT and service costs) .

The Dialogue for Stability Programme

The Dutch Ministry decided 13 november 2015 to grant NIMD a contribution for a Dialogue for Stability subsidy (project number 28231) for the period from 1 January 2016 to 31 December 2020. The maximum contribution for these 4 years is € 15.000.000

The Human Rights Programme

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.

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. After the approval of the Ministry of Foreign Affairs in January 2017 and final payment in April, this grant is settled in April 2017.

The Strategic Partnership Programme

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.

3.2.9 NOTES TO RECEIVABLES

Loan to staff

Based on the internal trainings&education policy of NIMD, an specific eduction and contribution for that education was approved in 2014. NIMD also provided a loan to that taff member for that specefic course. The loan is repaid in monthly installments or fully if the staff member leaves NIMD.

Mozambique

NIMD's country office Mozambique is registered as a local organization at 30 June 2016. As the finalization of this process is not finished yet and and the last half year costs is not approved yet, the actual expenditures of the last half year are not booked in the statement of income and expenditures

3.3 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

3.3.1 SPECIFIED STATEMENT COSTS AND REVENUE 2016

	BUDGET 2016 PROGRAMMES	ACTUAL EXPENSE PROGRAMMES	MANAGEMENT & ACCOUNTING COSTS	
PROGRAMMES				
Benin	354.350	251.265	30.000	3.3.1.1
Burundi	728.867	1.255.355	224.605	3.3.1.2
- <i>El Salvador</i>	-	170.495	17.640	3.3.1.3
- <i>Guatemala</i>	-	472.833	24.480	3.3.1.4
- <i>Honduras</i>	-	159.048	17.880	3.3.1.5
Centraal America	925.668	802.375	60.000	
Colombia	209.365	181.736	38.720	3.3.1.6
Ecuador	113.584	134.153	3.813	3.3.1.7
Ethiopia	-	114.534	26.853	3.3.1.8
- <i>Burkina Faso</i>	-	4.000	-	3.3.1.9
- <i>Flexible Funds SP Ethiopia</i>	-	48.601	-	3.3.1.10
Flexibel funds	162.640	52.601	-	
Georgia & South Caucasus	298.743	581.174	40.000	3.3.1.11
Ghana	144.960	132.811	24.000	3.3.1.12
Indonesia	169.423	101.137	37.500	3.3.1.13
Israel & Palestina	6.080	9.097	63.280	3.3.1.14
Jordan	13.920	45.132	55.440	3.3.1.15
Kenya	652.657	540.522	37.500	3.3.1.16
Kurdistan	46.080	6.508	23.280	3.3.1.17
Lebanon	53.920	21.730	15.440	3.3.1.18
Mali	659.664	558.623	30.000	3.3.1.19
Mozambique	653.467	476.540	37.500	3.3.1.20
Myanmar	380.120	302.182	37.500	3.3.1.21
South Sudan	58.000	-	12.000	3.3.1.22
Tunesia	234.000	185.401	30.880	3.3.1.23
Uganda	788.696	763.543	84.363	3.3.1.24
Ukrain	192.362	157.134	23.280	3.3.1.25
Zambia	664.977	655.385	12.024	3.3.1.26
Zimbabwe	456.500	277.336	30.000	3.3.1.27
Country & Regional Programmes	7.968.042	7.606.274	977.978	
Positioning	71.000	53.260	80.000	3.3.1.28
Coördination Strategic Partnership	337.628	259.774	87.500	3.3.1.29
Innovation	150.000	31.242	50.000	3.3.1.30
International Lobby & Advocacy	230.000	136.927	20.000	3.3.1.31
Knowledge	160.000	99.816	80.000	3.3.1.32
Knowledge & Innovation Fragile States	240.000	114.418	200.000	3.3.1.33
Knowledge & Research (Learning Agenda)	150.000	102.596	-	3.3.1.34
Peer Learning	-	-1.107	-	3.3.1.35
Planning, Monitoring & Evaluation	231.000	99.294	84.000	3.3.1.36
Strategic Relations & Knowledge	1.569.628	896.219	601.500	
- <i>Colombia</i>	24.000	23.505	-	
- <i>Cordaid</i>	463.301	453.769	-	
- <i>El Salvador</i>	100.000	99.294	-	
- <i>Guatemala</i>	87.000	88.322	-	
- <i>Regional activities</i>	61.000	28.000	107.323	
Reconstruction programme	735.301	692.890	107.323	3.3.1.37
- <i>Colombia</i>	136.740	104.831	-	
- <i>IDEA</i>	45.903	64.456	-	
- <i>Kenia</i>	90.210	78.246	-	
- <i>Tunesia</i>	153.244	171.101	-	
- <i>Regional activities & other costs</i>	64.070	31.342	61.538	
Human Rights Programme	490.167	449.976	61.538	3.3.1.38

TOTAL FUNDED PROGRAMMES	10.763.138	9.645.360	1.748.339
General overhead NIMD			
Dialogue for Stability			232.187
Strategic Partnership			370.899
MANAGEMENT AND ACCOUNTING COSTS	2.652.200	2.410.739	
	13.415.338	12.056.099	2.351.425

3.3.1 NOTES TO THE SPECIFIED STATEMENT COSTS AND REVENUE 2016

GENERAL

The budget of NIMD is broken down in two main categories: country programmes and Strategic Relations & Knowledge. As the core of NIMD's work are the country programmes the most substantial part of the budget is allocated for this category. The budget and actual expenses for the country programmes contains direct activity costs as well as local overhead of the implementing partner organisations and NIMD country offices. Management and accounting costs consists of the contribution for the programme management costs of NIMD HQ. The second category is Strategic Relations & Knowledge that is related to capacity strengthening, democracy education and peer-to-peer learning for political parties and for general planning, monitoring and evaluation costs. And finally the management costs & accounting 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 country programme budget consists of the overall budget for the Strategic Partnership Subsidy of NIMD and AWEPA (Association of European Parliamentarians with Africa). The total budget 2016 € 6.63 million is divided in AWEPA €2,32 million and NIMD €4,30 million.

Expenditure

For the finalization of the Political Party II programmes (Egypt and Ecuador) and for the transition of some programme's towards new funding NIMD costs were made in some country programmes. This is accounted for with the description Political Parties II. The accounted expenditure for the Strategic Partnership Subsidy 2016 is AWEPA €1,98 million and NIMD €3,34 million.

3.3.1.1 Benin

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	243.950	7.315	30.000	281.265
	<u>243.950</u>	<u>7.315</u>	<u>30.000</u>	<u>281.265</u>

3.3.1.2 Burundi

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	179.940	1.741	46.080	227.761
Political Parties II	52.493	-	-	52.493
RNE	337.133	3.163	21.451	361.747
Swiss Embassy	-	-	20.978	20.978
UNDP	118.218	5.181	43.187	166.587
US State Departement	521.057	36.428	92.909	650.395
	<u>1.208.842</u>	<u>46.514</u>	<u>224.605</u>	<u>1.479.960</u>

The Dialogue for Stability, UNDP, US State Department and RNE are all two yearly contracts with the implementing partner. According to the Accounting Guideline RJ 640 the total contract obligation is booked and actual costs are accounted for at the end of the contract. The programme costs in 2016 therefore doesn't represent the actual expenditures.

3.3.1.3 Centraal America - El Salvador

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Political Parties II	2.825	-	-	2.825
Strategic Partnership	165.555	2.115	17.640	185.310
	<u>168.380</u>	<u>2.115</u>	<u>17.640</u>	<u>188.135</u>

3.3.1.4 Centraal America - Guatemala

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Political Parties II	15.849	-	-	15.849
Strategic Partnership	220.956	4.590	24.480	250.026
SIDA	231.438	-	-	231.438
	<u>468.243</u>	<u>4.590</u>	<u>24.480</u>	<u>497.313</u>

3.3.1.5 Centraal America - Honduras

Specification funding:

	Programme	Mission costs	Overhead costs	Total
DFATD	8.955	-	-	8.955
Strategic Partnership	147.799	2.293	17.880	167.972
	<u>156.754</u>	<u>2.293</u>	<u>17.880</u>	<u>176.928</u>

3.3.1.6 Colombia

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	177.265	4.471	38.720	220.456
	<u>177.265</u>	<u>4.471</u>	<u>38.720</u>	<u>220.456</u>

3.3.1.7 Ecuador

Specification funding:

	Programme	Mission costs	Overhead costs	Total
EU	54.470	-	3.813	58.283
Political Parties II	49.962	-	-	49.962
VAT	29.721	-	-	29.721
	<u>134.153</u>	<u>-</u>	<u>3.813</u>	<u>137.966</u>

As the allocated benefits in 2015 were too low for the EU programme, this is compensated in 2016. Allocated benefits are therefore higher than allocated costs.

3.3.1.8 Ethiopia

Specification funding:

	Programme	Mission costs	Overhead costs	Total
RNE	114.534	-	26.853	141.387
	<u>114.534</u>	<u>-</u>	<u>26.853</u>	<u>141.387</u>

3.3.1.9 Flexibel Funds - Bukina Faso

Specification other funding:

	Programme	Mission costs	Overhead costs	Total
ECES	4.000	-	-	4.000
	<u>4.000</u>	<u>-</u>	<u>-</u>	<u>4.000</u>

3.3.1.10 Flexibel Funds Strategic Partnership- Ethiopia

Specification other funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	28.105	20.496	-	48.601
	<u>28.105</u>	<u>20.496</u>	<u>-</u>	<u>48.601</u>

3.3.1.11 Georgia & South Caucasus

Specification other funding:

	Programme	Mission costs	Overhead costs	Total
British Embassy	107.845	-	-	107.845
DFATD	21.972	-	-	21.972
OSCE	75.722	-	-	75.722
Political Parties II	7.000	-	-	7.000
RNE	113.724	-	-	113.724
Strategic Partnership	251.611	3.300	40.000	294.910
	<u>577.874</u>	<u>3.300</u>	<u>40.000</u>	<u>621.174</u>

3.3.1.12 Ghana

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	125.389	7.422	24.000	156.811
	<u>125.389</u>	<u>7.422</u>	<u>24.000</u>	<u>156.811</u>

3.3.1.13 Indonesia

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	91.395	9.742	37.500	138.637
	<u>91.395</u>	<u>9.742</u>	<u>37.500</u>	<u>138.637</u>

3.3.1.14 Israel & Palestina

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	9.097	-	63.280	72.377
	<u>9.097</u>	<u>-</u>	<u>63.280</u>	<u>72.377</u>

3.3.1.15 Jordan

Specification funding:

	Programme	Mission costs	Overhead costs	Total
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Dialogue for Stability	38.956	6.177	55.440	100.572
	<u>38.956</u>	<u>6.177</u>	<u>55.440</u>	<u>100.572</u>

3.3.1.16 Kenia

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Political Parties II	14.523	-	-	14.523
Strategic Partnership	514.755	11.244	37.500	563.499
	<u>529.278</u>	<u>11.244</u>	<u>37.500</u>	<u>578.022</u>

3.3.1.17 Kurdistan

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	4.000	2.508	23.280	29.788
	<u>4.000</u>	<u>2.508</u>	<u>23.280</u>	<u>29.788</u>

3.3.1.18 Lebanon

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	10.520	11.210	15.440	37.170
	<u>10.520</u>	<u>11.210</u>	<u>15.440</u>	<u>37.170</u>

3.3.1.19 Mali

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	551.278	7.345	30.000	588.623
	<u>551.278</u>	<u>7.345</u>	<u>30.000</u>	<u>588.623</u>

3.3.1.20 Mozambique

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	467.649	8.891	37.500	514.040
	<u>467.649</u>	<u>8.891</u>	<u>37.500</u>	<u>514.040</u>

3.3.1.21 Myanmar

Specification other funding:

	Programme	Mission costs	Overhead costs	Total
DEMO	119.941	-	-	119.941
Strategic Partnership	171.667	10.574	37.500	219.741
	<u>291.608</u>	<u>10.574</u>	<u>37.500</u>	<u>339.682</u>

3.3.1.22 South Sudan

Specification funding:

	Programme	Mission costs	Overhead costs	Total
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Dialogue for Stability	-	-	12.000	12.000
	-	-	12.000	12.000

3.3.1.23 Tunesia

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	165.110	5.291	30.880	201.281
Political Parties II	15.000	-	-	15.000
	<u>180.110</u>	<u>5.291</u>	<u>30.880</u>	<u>216.281</u>

3.3.1.24 Uganda

Specification other funding:

	Programme	Mission costs	Overhead costs	Total
DGF	267.706	2.223	39.363	309.292
Political Parties II	54.812	-	-	54.812
Strategic Partnership	431.322	7.480	45.000	483.803
	<u>753.840</u>	<u>9.703</u>	<u>84.363</u>	<u>847.906</u>

3.3.1.25 Ukrain

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	153.528	3.606	23.280	180.414
	<u>153.528</u>	<u>3.606</u>	<u>23.280</u>	<u>180.414</u>

3.3.1.26 Zambia

Specification other funding:

	Programme	Mission costs	Overhead costs	Total
DFID	650.760	4.625	12.024	667.409
	<u>650.760</u>	<u>4.625</u>	<u>12.024</u>	<u>667.409</u>

3.3.1.27 Zimbabwe

Specification other funding:

	Programme	Mission costs	Overhead costs	Total
Political Parties II	-26.892	-	-	-26.892
Strategic Partnership	285.593	18.635	30.000	334.228
	<u>258.701</u>	<u>18.635</u>	<u>30.000</u>	<u>307.336</u>

3.3.1.28 Positioning

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	38.840	13.420	80.000	132.260
Political Parties II	1.000	-	-	1.000
	<u>39.840</u>	<u>13.420</u>	<u>80.000</u>	<u>133.260</u>

3.3.1.29 Coördination Strategic Partnership

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	259.774	-	87.500	347.274
	<u>259.774</u>	<u>-</u>	<u>87.500</u>	<u>347.274</u>

The coordination costs of AWEPA includes also the general overhead.

3.3.1.30 Innovation

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	23.615	7.626	50.000	81.242
	<u>23.615</u>	<u>7.626</u>	<u>50.000</u>	<u>81.242</u>

3.3.1.31 International Lobby & Advocacy

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	130.387	6.541	20.000	156.927
	<u>130.387</u>	<u>6.541</u>	<u>20.000</u>	<u>156.927</u>

3.3.1.32 Knowledge

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	80.631	19.185	80.000	179.816
	<u>80.631</u>	<u>19.185</u>	<u>80.000</u>	<u>179.816</u>

3.3.1.33 Knowledge & Innovation Fragile States

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	72.783	19.680	200.000	292.464
NWO	21.954	-	-	21.954
	<u>94.737</u>	<u>19.680</u>	<u>200.000</u>	<u>314.418</u>

3.3.1.34 Knowledge & Research (Learning Agenda)

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	102.596	-	-	102.596
	<u>102.596</u>	<u>-</u>	<u>-</u>	<u>102.596</u>

3.3.1.35 Peer Learning

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Strategic Partnership	-1.107	-	-	-1.107
	<u>-1.107</u>	<u>-</u>	<u>-</u>	<u>-1.107</u>

3.3.1.36 Planning, Monitoring & Evaluation

Specification funding:

	Programme	Mission costs	Overhead costs	Total
Dialogue for Stability	18.317	11.639	44.000	73.955
Strategic Partnership	64.623	4.715	40.000	109.338
	<u>82.940</u>	<u>16.354</u>	<u>84.000</u>	<u>183.294</u>

3.3.1.37 Reconstruction Programme

	Realisation 2016	Budget 2016	Realisation 2015	Budget 2015
Colombia	23.505	24.000	-	39.200
Cordaid	453.769	463.301	831.863	893.498
El Salvador	99.294	100.000	124.384	130.000
Guatemala	88.322	87.000	145.678	145.000
Regional Activities & Other	28.000	61.000	-	-
	<u>692.890</u>	<u>735.301</u>	<u>1.101.925</u>	<u>1.207.698</u>
Programme management	107.323	108.426	199.536	216.851
	<u>800.213</u>	<u>843.727</u>	<u>1.301.461</u>	<u>1.424.549</u>

Due to positive exchange rate differences for the regional activities, the allocated benefits are higher than the allocated costs.

3.3.1.38 Human Right Programme

	Realisation 2016	Budget 2016	Realisation 2015	Budget 2015
Colombia	104.831	136.740	108.172	192.900
IDEA	64.456	45.903	43.060	46.948
Kenia	78.246	90.210	238.734	147.432
Tunesia	171.101	153.244	73.440	137.747
Regional activities & other costs	31.342	64.070	24.051	47.038
	<u>449.976</u>	<u>490.167</u>	<u>487.457</u>	<u>572.065</u>
Programme management	61.538	59.187	57.839	50.058
	<u>511.514</u>	<u>549.354</u>	<u>545.296</u>	<u>622.123</u>

Based on the audit report for Kenya, the actual allocation of the costs for 2015 were lower than accounted for in 2015.

3.3.2 SPECIFIED STATEMENT PROGRAMME MANAGEMENT COSTS 2016

	ACTUALS 2016	BUDGET 2016	ACTUALS 2015	
Salaries and staff expenses	1.892.080	2.070.200	2.052.295	3.3.2.1
Office expenses	331.457	393.000	364.869	3.3.2.2
Depreciation	8.462	20.000	13.551	3.3.2.3
General Expenses	178.741	169.000	271.585	3.3.2.4
	2.410.739	2.652.200	2.702.300	

NOTES TO THE SPECIFIED STATEMENT PROGRAMME MANAGEMENT COSTS

3.3.2.1 Salaries and staff expenses

Breakdown of the employee costs 2016:

	2016	2015
Salaries	1.603.698	1.733.605
Pension	165.413	173.010
Commuting	52.682	69.397
Mission costs for indirect staff	31.738	4.549
Education & Training	21.556	31.462
Insurances	68.974	61.906
Security Policy	1.194	9.120
Other personell costs	26.030	20.853
Reimbursements from staff insurances	-79.206	-51.606
	1.892.080	2.052.295

Salaries were mainly lower than 2015 as NIMD downsized it's staff to 22,1 FTE at the end of the year, whereas it started with 25,2 FTE on January 1st 2016.

As a consequence of changing subsidy requirements NIMD pays the mission costs of it's indirect staff towards programme countries and strategic relations from the management budget. This explains the increased costs from €4,549 to €31,738

Due to illness of several staffmembers for an extended period, the reimbursement for staff insurances in 2016 was higher than 2015.

3.3.2.2 Office expenses

The new rental agreement for the office, started in 2016, is approximately €0,1 million per year less than the former rental contract and includes a rental free period of 12 months starting on 1 September 2016. This means that the rental costs for 2016 are €162.158 opposed to €232.746 in 2016

3.3.2.3 Depreciation

As NIMD rented more office space to it's subrentee International IDEA, starting from September 2016 and NIMD decided to move to flexible workspaces it was necessary to adjust the office and invest in new equipment. The total costs of investments will be amortized in the coming years

3.3.2.4 General expenses

General expenses mainly consists of exchange rate differences, results on donorcontracts and bookings necessary to keep the administration of the country offices and Headquarters 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. The result is taken to the statement of income and expenditure.

3.4 Specification Wet Normering Topinkomens

The Supervisory Board determines the remuneration policy, the amount of the remuneration of the Executive Board, and the amounts of the other elements of remuneration. Following the agreements in 2011, this parcel was once more confirmed in 2016.

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

The maximum remuneration in 2016 for NIMD's senior executive is €168.000. 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.

	Mr. J. Bruning
2016	
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	168.000
<u>Remuneration</u>	
Salary	91.977
Remuneration	
Pension Contribution	18.658
Total remuneration	110.635
2015	
Duration of employment	01-01 / 31-12
Size of employment (in FTE)	1,0
Individual WNT maximum	163.000
<u>Remuneration</u>	
Salary	95.439
Remuneration	
Pension Contribution	18.520
Total remuneration	113.959

Remuneration of supervisory board

	Mr. B. Bot	Mrs. I. van Biezen	Mr. J. Hoekema	Mr. E. van Middelkoop	Mrs. A. Mijnsbergen	Mr. M. Stolk	Mrs. I. van Veldhuizen
2016							
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	25.200	16.800	16.800	16.800	16.800	16.800	16.800
<u>Remuneration</u>							
Salary	0	0	0	0	0	0	0
Remuneration	1.250	750	750	1.250	1.000	1.000	1.250
Pension Contribution	0	0	0	0	0	0	0
Total remuneration	1.250	750	750	1.250	1.000	1.000	1.250
2015							
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	25.200	16.800	16.800	16.800	16.800	16.800	16.800
<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

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

Amsterdam, 31 mei 2017

Behandeld door: K. Ait Boukdir
Referentie: 2825.C.16/25896

Geachte heer Bruning,

Hierbij zenden wij u één door ons ondertekend exemplaar van onze controleverklaring bij de jaarrekening 2016 van Stichting Netherlands Institute for Multiparty Democracy te Den Haag, alsmede vijf 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 vermindering van fraude met handtekeningen van accountants.

Wij geven u toestemming de controleverklaring met de tekst 'origineel getekend door' gedateerd op 31 mei 2017 op te nemen in de jaarrekening 2016. 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.P. Buteijn RA

Bijlagen

INDEPENDENT AUDITOR'S REPORT

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

A. Report on the audit of the financial statements 2016 included in the financial report

Our opinion

We have audited the financial statements 2016 of Netherlands Institute for Multiparty Democracy Foundation based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Netherlands Institute for Multiparty Democracy Foundation as at 31 December 2016 and of its result for 2016 in accordance with the Guidelines for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board, and the Policy rules implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2016;
2. the statement of income and expenditure for 2016; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Netherlands Institute for Multiparty Democracy Foundation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

B. Report on the other information included in the financial report

In addition to the financial statements and our auditor's report thereon, the financial report contains other information that consists of:

- Statement of the Executive Director;
- Statement of the Supervisory Board

Dubois & Co. Registeraccountants is een maatschap van praktijkvennootschappen. Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website www.dubois.nl, bevatten een aansprakelijkheidsbeperking.

Oranje Nassaulaan 1
1075 AH Amsterdam
Postbus 53028
1007 RA Amsterdam

Telefoon 020 571 23 45
E-mail info@dubois.nl
www.dubois.nl
KvK nummer 34374865



Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the board's report, in accordance with the Guidelines for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board, and the Policy rules implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT). Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

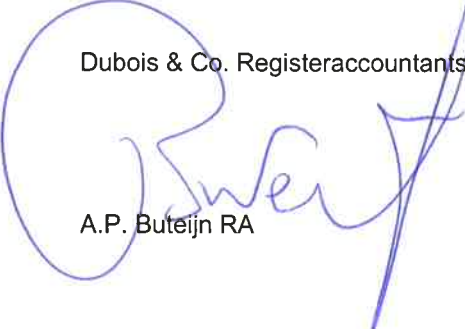
We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, as well as the Policy rules implementation WNT, including the Audit Protocol WNT, ethical requirements and independence requirements.

Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 31 mei 2017

Dubois & Co. Registeraccountants

A.P. Buteijn RA