



# FINANCIAL REPORT 2017

dubois+co  
REGISTERED ACCOUNTANTS

Amsterdam, 5 OCT 2018

initials for identification purposes:

Netherlands Institute for  
**Multiparty Democracy**

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## 1.1 STATEMENT OF THE EXECUTIVE DIRECTOR

The Netherlands Institute for Multiparty Democracy (NIMD) works to strengthen inclusive, democratic political systems worldwide. To that end, we aspire to work with the entire political sector in a country, from upcoming politicians to political leaders, and from national to local level. We firmly believe that politics should serve the citizens; without accountable and effective political governance, it will be impossible to achieve peace, stability and prosperity for all.

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 and other political stakeholders 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 2017, NIMD worked in 23 countries around the world through a network of 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 Supervisory Council supervises NIMD's work and needs to agree on a number of key decisions regarding areas like the organization's multi-annual policies, finance, and strategic partnerships. The Supervisory Board appoints and assesses the performance of the Executive Director who is responsible for the governance of NIMD, the strategic development, financial position and overall performance of the organization. In 2017 there were two changes with regards to the Executive Director. First due to sickness an interim Executive Director was appointed, and at the end of the year the Supervisory Council appointed a new Executive Director.

The Advisory Board is a body of representatives from NIMD's seven founding political parties. It serves as a linking pin with these parties. The Board's main formal role is to provide advice, including at its own initiative, to the Executive Director and Supervisory Board. There is also an employee representative body within NIMD, consisting of three members elected by the staff. They act as the collective voice of the workforce at NIMD's Headquarters.

The Financial Statement 2017 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 2017

NIMD works both with local partner organizations and through its country/regional offices. They are a crucial part of the organization's network, linking NIMD's worldwide expertise and resources to local knowledge and experience, securing that strategies and programmes are custom built to fit the local context.

In addition to our office in The Hague, NIMD has eight country/regional offices - in Ecuador (till September 2017), El Salvador, Honduras and Guatemala, Colombia, the South Caucasus (covering Georgia, Armenia, Azerbaijan and Ukraine) (until 10 July 2017), Myanmar and Uganda. In 2017, the office in Ecuador closed because our EU funded programme finished and no further funding was available. The office for the South Caucasus became independent in 2017.

At the beginning of the year, NIMD's headquarters in The Hague hosted 25 employees (23 FTE). On 31 December, this was 32 employees (28 FTE). Over the course of the year, three interns joined NIMD to gain work experience and share their knowledge and insights.

### AWEPA

The year 2017 has been a special one, in particular due to bankruptcy of AWEPA. During the course of 2017, NIMD discovered AWEPA had serious financial problems. In September the situation became untenable and NIMD cancelled its contract with AWEPA under the Strategic Partnership programme in which both organizations worked together on strengthening political parties (NIMD) and parliaments (AWEPA). This programme started in January 2016. Given the developments at AWEPA, it was no longer possible to continue the joint programme. Throughout this sensitive process we have been informing the Netherlands Ministry of Foreign Affairs regularly to see how to safeguard the Strategic Partnership programme objectives and preserve the knowledge and expertise that has been developed so far in the different countries.

## EXPENDITURE

The total expenditure in 2017 amounted to 13,1 million, slightly lower than budgeted but higher than the 2016 expenditure. The division in types of expenditure changed compared to the previous year. In 2016, 73% related to country & regional programmes, in 2017 this percentage decreased to 72% due to the necessary additional expenditure on Knowledge, Positioning and Innovation (from 7% in 2016 to 9% in 2017). The management & accounting costs were below budget, but stayed more or less on the same level compared to the total costs as in 2016 (20% compared to 19% in 2017). The rollover of the previous year for both the Strategic Partnership programme (with AWEPA) and the Dialogue for Stability programme was not completely used in 2017, which partly explains the overall underspending. Part of this underspending is not shown due to the fact that we were allowed to present the claim on Awepa of 980k in the SP budget. In terms of the management & accounting costs, which include staff and office support, the total expenditure was approximately 3,4 % below budget.

## THE OPERATING RESULT

NIMD's sustainable reserve is important to ensure the organization can meet its future obligations and guarantee its continuity in case of bankruptcy. In 2017, we were able to add a considerable amount to our reserves, which we can divide in two parts. One related to the difference between the overall management and accounting costs, and the income included in donor reports (positive result of €282k). The second part related to additional income we could claim once (€202k). Please see Section 2.3, "Income Overview", for a detailed overview of all different donors that contributed to this result.

## RISKS

With the end of the Political Party II (PP II) subsidy in 2015, NIMD no longer benefits from the relative security of flexible funding arrangements related to management & accounting costs. Consequently, it is expected that income will fluctuate more than before, especially at the level of overhead contribution. This means that NIMD should select funding opportunities even more carefully and only apply if matching funds from the sustainability reserve are available and their use can be justified.

As the funding base will need to further diversify over the coming years, with each funding partner (donor) 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. This process is not completed yet and will need further investments in 2018.

In 2017, NIMD also invested in fundraising procedures and processes to increase the efficiency and the success rate of proposals. In 2017, the Ministry of Foreign Affairs (including the Royal Netherlands Embassy (RNE)) provided 80% (2016: 79%, 2015: 78% and 2014: 89%) of the organization's overall income. In 2017, proposals from the European Union (Colombia, Honduras, Benin and the Global Call) were approved. As these projects started in 2018, they do not show as income in 2017 yet.

As for the implementing side of programmes, NIMD has been working increasingly in post-conflict areas over the years, and will most likely continue to work in conflicted affected and fragile environments in the near future. The volatility of the political situation in such settings often leads to a degree of uncertainty whether funding can be allocated as planned. As NIMD works with organizations whose expertise and capacities need to be further developed, this involves another 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.

In addition, a yearly risk assessment screens the organizational capacity of the implementing partner organizations and country offices. Based on these assessments, some partner organizations/country offices require substantial improvements in their capacity, sustainability and quality. Besides these assessments, NIMD visits each country office once every two year to do an internal audit.

On the management of personnel related risks, steps are being taken as well. In 2018, a updated integrity policy will be introduced, taking on board the most recent insights as to how to guarantee the highest possible integrity in NIMD's contacts with partners, suppliers, clients, among NIMD staff and in relation to business property. The new policy will contain three chapters: a code of conduct, an internal complaints procedure, and a whistleblower procedure. We will integrate the specific requirements of our country offices.

## 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 funding provided 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 gives us the leverage to further invest in diversifying our funding base.

For NIMD, 2018 will be an exciting year. On top of the existing donor contracts, we will kick off three European Union funded contracts, finish the feasibility studies to see if part of AWEPA's work can be integrated in our existing programming in a number of countries, and the next steps will be taken to optimizing our financial control. In addition, we will start the implementation of our reinforced strategy to optimize the quality of our interventions and to maximize our impact with a view to stay future proof.

Karijn de Jong (Acting Executive Director) October - 2018

## 1.2 STATEMENT OF THE SUPERVISORY COUNCIL

### THE SUPERVISORY COUNCIL

NIMD changed its governance structure on 1 January 2012 and – by that date - established a Supervisory Council. The Supervisory Council 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 Council 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 financial statement;
- Discharging the Executive Director from liability for his management in the past financial year;
- Appointment of the external auditors.

### THE COMPOSITION OF THE SUPERVISORY COUNCIL

With the establishment of a Supervisory Council as of 1 January 2012 members of the former Board of Directors were appointed as members of the Supervisory Council with Mr B.R. Bot as Chair. According to the Articles of Association of NIMD members of the Supervisory Council 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. Mr E. van Middelkoop did succeed him. In the Supervisory Council 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	January 2012	December 2015	January 2016	December 2017
Mr J.T. Hoekema	January 2012	December 2015	January 2016	December 2019
Mr M. Stolk	January 2012	December 2015	January 2016	December 2019
Mrs I.L. van Veldhuizen	April 2012	April 2016	April 2016	April 2020
Mr E. van Middelkoop, Chair	June 2012	June 2016	June 2016	June 2020
Mrs I.C. van Biezen	March 2015	March 2019		
Mrs A. Mijnsbergen	March 2015	March 2019		

### FOCUS OF THE SUPERVISORY COUNCIL 2017

The Supervisory Council meets regularly and, according to the Articles of Association, 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 Council members wish to hold amongst themselves.

A delegation of the Supervisory Board meets the employee representative body at least once a year. In 2017 there were two meetings, the first meeting took place on 15 March 2017 and the second on 13 June 2017.

The Supervisory Council had five meetings in 2017. During these meetings the following topics (amongst others) 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 evaluation of 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 2018;
- Approval of the Annual Report including Financial Statements 2016;
- Reporting of findings based on the audit executed in 2016 by Dubois & Co Registeraccountants;
- Approval of the annual plan including budget for 2018;
- Appointment of an interim Executive Director;
- Recruitment and appointment of new Executive Director.

## 1.3 BUDGET 2018

All amounts in euros

	BUDGET 2018
<b>INCOME</b>	
Grants from Governments	9.961.321
Grants from the European Union	1.530.923
Grants from bi- & multilateral donors	505.116
	<b>11.997.360</b>
<b>EXPENDITURE</b>	
Programmes	9.238.469
Management & Accounting	2.758.890
	<b>11.997.360</b>
Result	-

At the moment of approval of the budget 2018 in November 2017, the secured income 2018 is almost € 12 million. Within this forecasted revenue an amount of €2.8 million is included for management and accounting costs. The already covered NIMD's programme expenditure (€ 9.2 million) is a bit more than former years.

## 2.1 BALANCE SHEET

All amounts in euros

	31-12-2017	31-12-2016	
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Intangible fixed assets			3.2.1
Programme management software & website	677	1.570	
	<b>677</b>	<b>1.570</b>	
Tangible fixed assets			3.2.2
Computer equipment	20.565	31.396	
Furniture	6.524	8.989	
Renovation Real Estate	36.693	43.757	
	<b>63.783</b>	<b>84.141</b>	
<b>CURRENT ASSETS</b>			
Receivables			3.2.3
Accrued subsidies	1.202.949	530.625	
Debtors	10.581	52.694	
Programme receivables & prepayments	537.844	816.717	
VAT to be returned	0	183.345	
Other advance payments & accrued receivables	173.413	122.659	
	<b>1.924.787</b>	<b>1.706.039</b>	
Liquidities	<b>3.650.134</b>	<b>3.116.736</b>	3.2.4
<b>TOTAL ASSETS</b>	<b>5.639.379</b>	<b>4.908.486</b>	
<b>LIABILITIES</b>			
<b>EQUITY</b>			
Sustainability reserve	1.260.017	775.561	3.2.5
	<b>1.260.017</b>	<b>775.561</b>	
<b>LONG-TERM LIABILITIES</b>			
Rental debt	102.667	37.333	3.2.6
	<b>102.667</b>	<b>37.333</b>	
<b>CURRENT LIABILITIES</b>			
Advance received subsidies from Ministry of Foreign Affairs	1.991.590	2.217.953	3.2.7
Advance received subsidies from other donors	282.618	553.615	
Creditors	187.147	115.091	
Personnel related liabilities	202.639	186.146	
Programme liabilities	1.573.544	989.028	
Other advance receipts & accrued liabilities	39.158	33.759	
	<b>4.276.697</b>	<b>4.095.592</b>	
<b>TOTAL LIABILITIES</b>	<b>5.639.379</b>	<b>4.908.486</b>	



## 2.2 STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

	ACTUAL 2017	BUDGET 2017	ACTUAL 2016	
<b>INCOME</b>				
Grants from Governments	12.980.200	13.068.673	11.064.934	2.3
Grants from the European Union	114.487	-	83.008	
Grants from bi- & multi lateral donors	506.194	441.082	658.107	
<b>TOTAL INCOME</b>	<b>13.600.881</b>	<b>13.509.755</b>	<b>11.806.049</b>	
<b>EXPENDITURE</b>				
Spent on country- & regional programmes	9.413.953	8.786.275	8.749.140	3.3
Spent on Knowledge, positioning & Innovation	1.148.153	2.079.280	896.219	
Management & accounting costs	2.554.319	2.644.200	2.410.739	
<b>TOTAL COSTS</b>	<b>13.116.425</b>	<b>13.509.755</b>	<b>12.056.099</b>	
<b>RESULT</b>	<b>484.456</b>	<b>-</b>	<b>-250.050</b>	
<b>ALLOCATION OF RESULTS</b>				
	<b>RESULT 2017</b>		<b>RESULT 2016</b>	
Sustainable reserve	484.456		-250.050	
Appropriated reserve	-		-	
	<b>484.456</b>		<b>-250.050</b>	
<b>EXPLANATION OF THE RESULT</b>				
	<b>RESULT 2017</b>		<b>RESULT 2016</b>	
Funding contribution for Management and accounting costs	484.456		-59.315	
Finalization of the Political Party II subsidy (2012-2015)	-		-186.571	
Other result	-		-4.165	
	<b>484.456</b>		<b>-250.050</b>	

## 2.3 INCOME OVERVIEW

All amounts in euros

PROGRAMME	DONOR	INCOME 2017	INCOME 2016
<b>Grants from Governments</b>			
Burundi	Royal Netherlands Embassy (RNE)	371.636	361.747
Burundi	Swiss Federal Department of Foreign Affairs (FDFA)	46.152	13.847
Burundi	United State Department of State (US State Department)	170.150	650.395
Dialogue for Stability	Ministry of Foreign Affairs The Netherlands	2.635.910	2.073.744
Ethiopia	Royal Netherlands Embassy (RNE)	60.263	139.194
Georgia	British High Commission	87.966	107.845
Georgia	Canadian Department of Foreign Affairs, Trade & Development (DFATD)	-	21.972
Georgia	Royal Netherlands Embassy (RNE)	23.001	113.724
Guatemala	Royal Netherlands Embassy (RNE)	41.353	-
Guatemala	Swedish International Development Cooperation Agency (SIDA)	233.092	231.438
Honduras	Canadian Department of Foreign Affairs, Trade & Development (DFATD)	-	6.042
Human Rights Fund	Ministry of Foreign Affairs The Netherlands	656.346	524.633
Mozambique	Finnish Ministry of Foreign Affairs	1.500.000	-
Reconstruction	Ministry of Foreign Affairs The Netherlands	-	816.729
Strategic Partnership	Ministry of Foreign Affairs The Netherlands	7.044.348	5.313.394
Ethiopia 1% fund	Ministry of Foreign Affairs The Netherlands	109.983	-
Zambia	The British Council	-	690.231
		<b>12.980.200</b>	<b>11.064.934</b>
<b>Grants from the European Union</b>			
Ecuador	European Union	17.120	83.008
Tanzania	European Union	48.967	-
Jordan	European Union	48.400	-
		<b>114.487</b>	<b>83.008</b>
<b>Grants from multilateral &amp; other donors</b>			
Burundi	United Nations Development Programme (UNDP)	88.525	166.587
Burkina Faso	European Centre for Electoral Support	-	5.000
Georgia	Organisation for Security & Cooperation in Europe (OSCE)	-	75.722
Guatemala	Open Society Foundation	77.929	-
Guatemala	Oxfam Novib	9.472	-
International Lobby & Advocacy	GPMD	30.300	-
Inspired+	EPD	21.237	-
Knowledge & Innovation Fragile States	Netherlands Organisation for Scientific Research (NWO)	-	24.310
Myanmar	DEMO Finland	119.995	119.941
Uganda	Democratic Governance Facility (DGF)	158.735	266.547
		<b>506.194</b>	<b>658.107</b>
		<b>13.600.881</b>	<b>11.806.049</b>

dubois+co  
REGISTERED ACCOUNTANTS

Amsterdam, - 5 OCT 2018

initials for identification purposes:

## 2.4 CASH FLOW STATEMENT

All amounts in euros

	2017	2016
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>		
<b>Result</b>	484.456	250.050-
<b>Corrections for:</b>		
- Depreciation assets	25.314	8.462
<b>Changes in working capital:</b>		
- Receivables	218.747-	657.540-
- Liabilities	246.437	1.558.124
	27.690	900.584
<b>NET CASH GENERATED FROM OPERATIONAL ACTIVITIES</b>	<b>537.460</b>	<b>658.996</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Investments	4.061-	84.186-
- Desinvestments	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>4.061-</b>	<b>84.186-</b>
<b>IN- / DECREASE IN LIQUIDITIES</b>	<b>533.399</b>	<b>574.810</b>
<b>CHANGE IN LIQUIDITIES</b>		
Liquidities as of 01 January	3.116.735	2.541.925
In- / Decrease in liquidities	533.399	574.810
<b>LIQUIDITIES AS OF 31 DECEMBER</b>	<b>3.650.134</b>	<b>3.116.735</b>

## 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 form a key component of the Strategic Partnership (SP) between the Netherlands Ministry of Foreign Affairs and NIMD for 2016-2020. NIMD is a 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 Head of Knowledge and Innovation of NIMD, Mr W. Dol, is the Vice-President of the Board of EPD. For 2017, NIMD paid a membership fee of €25.000 and a contract for ILA towards the EU of €80.000.

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 assist 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 €41.000 and took care of the secretariat for which it received a compensation of the costs (€30.000).

### 3.1.2 PRINCIPLES OF VALUATION AND CALCULATION OF RESULTS

#### PRESENTATION

The annual accounts are presented in Euro.

#### 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.

### SUBSIDIES

The subsidies NIMD receives are reported based on accrual accounting. Average duration of the funding is between one and three years.

## 3.2 NOTES TO THE BALANCE SHEET

3.2.1 INTANGIBLE FIXED ASSETS			
<b>PROGRAMME MANAGEMENT SOFTWARE &amp; WEBSITE</b>			
Net value as of 01 Januari			1.570
Added: investments			-
Deducted: depreciation 33%			892
Net value as of 31 December			<b>677</b>
3.2.2 TANGIBLE FIXED ASSETS			
<b>COMPUTER EQUIPMENT</b>			
Net value as of 01 Januari			31.396
Added: investments			1.813
Deducted: depreciation 33%			12.643
Net value as of 31 December			<b>20.565</b>
<b>FURNITURE</b>			
Net value as of 01 Januari			8.989
Added: investments			-
Deducted: depreciation 25%			2.465
Net value as of 31 December			<b>6.524</b>
<b>RENOVATION REAL ESTATE</b>			
Net value as of 01 Januari			43.757
Added: investments			2.249
Deducted: depreciation 20%			9.312
Net value as of 31 December			<b>36.693</b>
3.2.3 RECEIVABLES		31 December 2017	31 December 2016
<b>ACCRUED SUBSIDIES</b>			
Burundi	- Swiss Ministry of Foreign Affairs	-	25.143
Burundi	- UNDP	-	176.613
Burundi	- US State Department	258.602	305.051
Burundi	- RNE	13.763	-
Ecuador	- European Union	62	-
Georgia	- OSCE	0	795
Guatemala	- Oxfam Novib	421	-
Guatemala	- Sida	23.352	-
Knowledge & innovation Fragile States	- NWO	-	3.082
Mozambique	- Finnish MFA	800.000	-
Myanmar	- DEMO	59.998	19.941
Uganda	- DGF	46.753	-
		<b>1.202.949</b>	<b>530.625</b>
<b>PROGRAMME RECEIVABLES &amp; PREPAYMENTS</b>			
Benin		15.187	5.825
Burundi		111.463	11.215
Colombia		7.359	65.101
Ecuador		31.259	617
Egypte		-	23.500
Central America - El Salvador		2.505	-
Central America - Guatemala		35.249	1.394
Central America - Honduras		4.539	2.032
Ethiopia		241	-

	31 December 2017	31 December 2016
Georgia & Ukraine	25.857	9.536
Ghana	44.284	-
GPMD	30.306	-
International Lobby & Advocacy	509	4.464
Innovation	-	8
Inspired+	2.403	-
Jordan	41.756	1.159
Kenia	24.215	48.533
Mali	1.478	569
Mozambique	49.808	257.348
Myanmar	7.007	2.130
Positioning	4.429	-
Strategic Partnership with AWEPA	-	348.439
Tunesia	58.226	24.849
Uganda	32.780	3.722
Zimwatch	4.483	-
Zimbabwe	2.500	6.275
	<b>537.844</b>	<b>816.717</b>

The programme receivables and prepayments are advance contract payments for 2018 or costs already paid in 2017, but related to 2018.

#### VAT TO BE RETURNED

VAT to be returned Ecuador	62.249	183.345
Provision VAT to be returned Ecuador	-62.249	-
	-	<b>183.345</b>

As the activities in Ecuador have ended, and the country office is closed, a provision for not receiving the VAT has been included.

#### OTHER ADVANCE PAYMENTS & ACCRUED RECEIVABLES

Accrued interest	2.597	10.776
Loan to staff	7.940	10.580
Rent advance	50.231	11.033
Claim with regards to supplies and services National IDEA	7.085	-
Other non-programme advances & accruals	105.559	90.269
	<b>173.413</b>	<b>122.659</b>

#### 3.2.4 LIQUIDITIES

	31 December 2017	31 December 2016
Rabobank - current account	99.907	286.327
Rabobank - savings account	2.948.713	2.150.720
Rabobank - security account rent The Hague	50.100	50.100
Rabobank - current account Uganda programme (DDP)	250	59
Bank accounts and petty cash Colombia	1.855	20.299
Bank accounts and petty cash Ecuador	4.613	84.241
Bank accounts and petty cash El Salvador	4.537	15.752
Bank accounts and petty cash Georgia	0	41.249
Bank accounts and petty cash Guatemala	118.640	173.438
Bank accounts and petty cash Honduras	384.838	2.569
Bank accounts and petty cash Myanmar	4.120	26.597
Bank accounts and petty cash Uganda	28.173	254.143
Petty cash The Hague (EUR and foreign currencies)	4.386	11.244
	<b>3.650.134</b>	<b>3.116.736</b>

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

3.2.5 EQUITY	31 December 2017	31 December 2016
<b>SUSTAINABILITY RESERVE</b>		
Accumulated as of 01 January	775.561	1.025.610
Added: result bookyear	484.456	-250.049
Added: from appropriation reserve	-	-
Deducted: used reserve	-	-
Accumulated as of 31 December	<b>1.260.017</b>	<b>775.561</b>
<b>3.2.6 LONG-TERM LIABILITIES</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>RENTAL DEBT</b>		
Balance as of 01 January	37.333	37.333
Added	65.333	-
Deducted	-	-
Balance as of 31 December	<b>102.667</b>	<b>37.333</b>
<b>3.2.7 CURRENT LIABILITIES</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>ADVANCE RECEIVED SUBSIDIES FROM MINISTRY OF FOREIGN AFFAIRS</b>		
Subsidy 1% Fund	146.517	-
Subsidy Dialogue for Stability	1.293.848	928.942
Subsidy Human Right	-269.331	217.684
Subsidy Political Parties II	-	0
Subsidy Reconstruction	-	-251.511
Subsidy Strategic Partnership	820.555	1.322.838
	<b>1.991.590</b>	<b>2.217.953</b>
<u>Subsidy 1% Fund:</u>		
Balance as of 01 January	-	-
Received	256.500	-
Received interest	-	-
Spent	109.983	-
Balance as of 31 December	<b>146.517</b>	-
<u>The subsidy for Dialogue for Stability can be further specified:</u>		
Balance as of 01 January	928.942	-
Received	3.000.000	3.000.000
Received interest	817	2.686
Spent	2.635.910	2.073.744
Balance as of 31 December	<b>1.293.848</b>	<b>928.942</b>
<u>The subsidy for Human Right can be further specified:</u>		
Balance as of 01 January	230.803	176.923
Received	169.331	565.394
Spent	669.465	524.633
Balance as of 31 December	<b>-269.331</b>	<b>217.684</b>
<u>The subsidy for Political Parties II can be further specified:</u>		
Balance as of 01 January	-	-602.350
Received	-	602.350
Spent	-	-
Balance as of 31 December	-	-



The subsidy for Reconstruction can be further specified:

	31 December 2017	31 December 2016
Balance as of 01 January	-251.511	4.276
Received	251.511	560.942
Spent		816.729
Balance as of 31 December	-	<b>-251.511</b>

The subsidy for Strategic Partnership can be further specified:

	31 December 2017	31 December 2016
Balance as of 01 January	1.322.838	1.000.000
Received	6.540.286	5.631.190
Received interest	1.780	5.041
Spent	7.044.348	5.313.394
Balance as of 31 December	<b>820.555</b>	<b>1.322.838</b>

**ADVANCE RECEIVED SUBSIDIES FROM OTHER DONORS**

Burundi	- RNE	-	78.233
Burundi	- Swiss Ministry of Foreign Affairs	46.848	-
Burundi	- UNDP	-0	-
Ecuador	- European Union	-	17.059
Ethiopia	- RNE	-	40.806
Georgia & Ukraine	- British Embassy	-	47.406
Georgia & Ukraine	- RNE	-	2.834
Central America - Guatemala	- RNE	45.740	48.414
Central America - Guatemala	- SIDA	-	46.701
Central America - Guatemala	- OSF	46.454	-
Inspired+	- EDP	46.491	-
Mozambique	- Finnish MFA	-	100.000
Tanzania	- European Union	97.085	-
Uganda	- DGF	-	172.163
		<b>282.618</b>	<b>553.615</b>

**PERSONNEL RELATED LIABILITIES**

Capitalised holiday allowance rights	67.249	63.562
Holiday allowance	68.032	63.638
Income insurance premiums due	-20.740	370
Salary to be paid	2.921	1.990
Tax withheld from salary	85.177	56.586
	<b>202.639</b>	<b>186.146</b>

**PROGRAMME LIABILITIES**

Burundi	77.530	258.229
Colombia	7.277	9.037
Ecuador	45.468	54.021
Central America - El Salvador	7.824	-
Central America - Guatemala	43.394	34.731
Central America - Honduras	374.366	328
Ethiopia	995	-
Georgia & Ukraine	19.829	13.426
Honduras	-	-
Indonesia	14.042	5.107
Innovation	4.672	6.750

	31 December 2017	31 December 2016
International Lobby & Advocacy	23.453	
Kenia	-	481
Knowledge	22.940	13.955
Knowledge & Research ('Learning Agenda')	5.789	-
Mozambique	878.132	-
Myanmar	-0	12.314
Positioning	-	1.575
Reconstruction	-	513.596
Tunesia	98	24.811
Uganda	21.655	25.697
Human Rights Fund	16.489	-
Zambia	-0	14.971
Zimbabwe	9.592	-
	<b>1.573.544</b>	<b>989.028</b>

The programme liabilities can be contract liabilities to be paid in 2018 or costs paid in 2018 that are related to 2017.

#### 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	19.158	12.164
	<b>39.158</b>	<b>33.759</b>

### 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 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. International 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 numer 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 NIMD 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 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.

#### Roasting coffee the Ethiopian way (1% Fund)

On 23 March 2017 NIMD received a confirmation that the Dutch Ministry of Foreign Affairs granted us €450,000 under application number 4000000082, to foster inclusive dialogue on political reform in Ethiopia for a period of two years. Running from 01 January 2017 till 31 December 2018.

### 3.2.9 NOTES TO RECEIVABLES

#### Loan to staff

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

dubois & co  
REGISTER ACCOUNTANTS  
Amsterdam, - 5 OCT 2018  
initials for identification purposes:

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

#### 3.3.1 SPECIFIED STATEMENT COSTS AND REVENUE 2017

##### GENERAL

The budget of NIMD contains three categories; country- & regional programmes, knowledge, positioning & Innovation and management & accounting costs. As the core of our work, of course, relates to the first category, this is the biggest part of our budget. The budget and actual expenses for the country & regional programmes contains direct activity costs (e.g. mission costs), as well as direct local overhead of the implementing partner organizations and NIMD country offices. Next to these direct costs, we also included the contribution from different donors for the programme management costs of NIMD HQ. These contributions are charged towards donors and cover the overall management & accounting costs (see below). The second category is Knowledge, positioning & Innovation. This relates to capacity strengthening, democracy education and peer-to-peer learning for political parties and for general planning, monitoring and evaluation costs. The last category is the management & accounting costs. These consists of the total non-billable costs and office support costs for NIMD Headquarter. Included in these costs is all staff at headquarters: the direct programme staff, management, administration staff and office support staff.

##### SPECIFIC NOTES

###### Budget

The country programme budget consists of the overall budget for NIMD for all different donors. For the Strategic Partnership both the budget of NIMD and AWEPA (Association of European Parliamentarians with Africa) is included. The total budget 2017 is € 7.2 million of which the AWEPA budget is €2.6 million.

###### Expenditure

The accounted expenditure for the Strategic Partnership Subsidy in 2017 is in total € 6 million, of which € 4.5 million by NIMD and € 1.6 million by AWEPA. In the following chapters we made a split per country/donor and donor/country.

	BUDGET 2017 PROGRAMMES	ACTUAL EXPENSES	MANAGEMENT & ACCOUNTING COSTS	
<b>PROGRAMMES</b>				
Benin	422.899	140.889	27.818	3.3.1.1
Burundi	688.084	580.735	241.208	3.3.1.2
- El Salvador	140.723	171.399	25.418	3.3.1.3
- Guatemala	452.467	551.099	33.174	3.3.1.4
- Honduras	132.689	161.613	28.144	3.3.1.5
Central America	725.878	884.111	86.736	
Colombia	397.419	403.775	56.332	3.3.1.6
Ecuador	-	43.082	-25.961	3.3.1.7
Ethiopia	300.000	289.536	74.674	3.3.1.8
Georgia & South Caucasus	241.251	277.166	98.018	3.3.1.9
Ghana	175.860	101.669	17.351	3.3.1.10
Indonesia	207.625	88.168	39.833	3.3.1.11
Jordan	460.350	195.651	77.164	3.3.1.12
Kenya	718.700	596.999	15.707	3.3.1.13
Lebanon	260.350	7.713	12.217	3.3.1.14
Mali	740.021	431.708	31.561	3.3.1.15
Mozambique	738.253	2.166.647	-6.573	3.3.1.16
Myanmar	289.695	308.823	62.921	3.3.1.17
Tanzania	129.429	24.584	24.383	3.3.1.18
Tunisia	392.902	333.815	51.748	3.3.1.19
Uganda	695.198	607.810	160.932	3.3.1.20
Ukraine	193.095	191.472	25.939	3.3.1.21
Zambia	-	1.186	-1.186	3.3.1.22
Zimbabwe	502.931	339.621	39.413	3.3.1.23
Inspired+	38.625	11.757	9.480	3.3.1.24
Coordination	467.710	1.387.036	102.024	3.3.1.25
<b>Country &amp; Regional Programmes</b>	<b>8.786.275</b>	<b>9.413.953</b>	<b>1.221.738</b>	
Positioning	202.400	158.248	76.687	3.3.1.26
Innovation	180.000	86.882	67.090	3.3.1.27
International Lobby & Advocacy	319.000	228.911	56.281	3.3.1.28
Knowledge	204.480	143.605	317.684	3.3.1.29
Knowledge & Innovation Fragile States	566.000	234.742	71.841	3.3.1.30
Knowledge & Research (Learning Agenda)	190.000	183.721	5.287	3.3.1.31
Peer Learning	101.200	11.475	0	3.3.1.32
Planning, Monitoring & Evaluation	316.200	100.568	95.745	3.3.1.33
<b>Knowledge, positioning &amp; innovation</b>	<b>2.079.280</b>	<b>1.148.153</b>	<b>690.615</b>	
<b>TOTAL FUNDED PROGRAMMES</b>	<b>10.865.555</b>	<b>10.562.106</b>	<b>1.912.353</b>	
<b>General Management &amp; Accounting costs NIMD</b>				
Dialogue for Stability			311.501	
Strategic Partnership			720.090	3.3.1.34
Human Rights Fund			94.831	
<b>MANAGEMENT AND ACCOUNTING COSTS</b>	<b>2.644.200</b>	<b>2.554.319</b> a		<b>3.3.2</b>
	<b>13.509.755</b>	<b>13.116.425</b>	<b>3.038.776</b> b	
<b>RESULT 2017</b>				
Actual M&A Costs 2017	a	2.554.319		
Actual coverage M&A Costs 2017	b	3.038.776		
		484.456		

### 3.3.1 NOTES TO THE SPECIFIED STATEMENT COSTS AND REVENUE 2017 (COUNTRY / DONOR)

#### SPECIFIC NOTES

##### Expenditure

Below an overview of the reported expenditure in 2017 per country / donor. This means per country we made an overview of all subsidy contracts financing these expenditure. The expenditure shown is divided in three categories; programme costs, mission costs and management & accounting costs (M&A Costs). As explained in chapter 3.3.1, the programme costs include the programme costs and the direct local overhead of the implementing partner organizations and NIMD country offices.

As NIMD follows the Accounting Guideline RJ 640, the total contract obligation is booked as project costs. This means that if an implementing partner received a multi-annual contract, the value shown below does not represent the actual costs accounted for at the end of the contract. In some cases, the programme costs in 2017 therefore does not represent the actual expenditures.

The total costs shown, represent the expenditure presented to our donors. If in the M&A costs therefore a negative amount is presented, this means we did not claim the full amount towards our donors yet.

#### 3.3.1.1 Benin

Specification funding:

	Programme	Mission costs	M&A costs	Total
Strategic Partnership	139.375	1.514	27.818	168.707
	<u>139.375</u>	<u>1.514</u>	<u>27.818</u>	<u>168.707</u>

#### 3.3.1.2 Burundi

Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	82.051	13.138	50.291	145.480
RNE	301.211	5.216	65.209	371.636
Swiss Ministry of Foreign Affairs	81.292	2.506	-37.645	46.152
UNDP	-7.137	-	95.663	88.525
US State Departement	95.127	7.332	67.691	170.150
	<u>552.543</u>	<u>28.192</u>	<u>241.208</u>	<u>821.943</u>

#### 3.3.1.3 Central America - El Salvador

Specification funding:

	Programme	Mission costs	M&A costs	Total
Strategic Partnership	164.921	6.478	25.418	196.817
	<u>164.921</u>	<u>6.478</u>	<u>25.418</u>	<u>196.817</u>

#### 3.3.1.4 Central America - Guatemala

Specification funding:

	Programme	Mission costs	M&A costs	Total
OSF	72.819	-	5.110	77.929
Oxfam Novib	8.394	-	1.079	9.472
RNE	42.709	-	-1.356	41.353
Sida	233.092	-	0	233.092
Strategic Partnership	191.767	2.319	28.342	222.428
	<u>548.781</u>	<u>2.319</u>	<u>33.174</u>	<u>584.274</u>

#### 3.3.1.5 Central America - Honduras

Specification funding:

	Programme	Mission costs	M&A costs	Total
Strategic Partnership	157.472	4.142	28.144	189.757
	<u>157.472</u>	<u>4.142</u>	<u>28.144</u>	<u>189.757</u>

### 3.3.1.6 Colombia

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Human Rights Fund	142.224	-	6.411	148.635
Dialogue for Stability	249.046	12.506	49.920	311.472
	<u>391.270</u>	<u>12.506</u>	<u>56.332</u>	<u>460.107</u>

### 3.3.1.7 Ecuador

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
European Union	43.494	-	-26.373	17.120
VAT	-412	-	412	-
	<u>43.082</u>	<u>-</u>	<u>-25.961</u>	<u>17.120</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	M&A costs	Total
RNE	43.430	-	16.833	60.263
Roasting coffee the Ethiopian way (1% Fund)	64.831	15.016	30.136	109.983
Strategic Partnership	144.782	21.477	27.706	193.965
	<u>253.043</u>	<u>36.494</u>	<u>74.674</u>	<u>364.211</u>

### 3.3.1.9 Georgia & South Caucasus

#### Specification other funding:

	Programme	Mission costs	M&A costs	Total
British Embassy	19.909	-	68.057	87.966
RNE	29.363	-	-6.362	23.001
Strategic Partnership	223.502	4.392	36.323	264.217
	<u>272.774</u>	<u>4.392</u>	<u>98.018</u>	<u>375.184</u>

### 3.3.1.10 Ghana

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Strategic Partnership	100.024	1.645	17.351	119.020
	<u>100.024</u>	<u>1.645</u>	<u>17.351</u>	<u>119.020</u>

### 3.3.1.11 Indonesia

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Strategic Partnership	83.953	4.215	39.833	128.001
	<u>83.953</u>	<u>4.215</u>	<u>39.833</u>	<u>128.001</u>

### 3.3.1.12 Jordan

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
European Union	19.990	-	28.410	48.400
Dialogue for Stability	160.950	14.710	48.755	224.415
	<u>180.941</u>	<u>14.710</u>	<u>77.164</u>	<u>272.815</u>

3.3.1.13 Kenya				
Specification funding:				
	Programme	Mission costs	M&A costs	Total
Human Rights Fund	102.167	-	-13.122	89.045
Strategic Partnership	490.308	4.524	28.829	523.661
	592.475	4.524	15.707	612.706

3.3.1.14 Lebanon				
Specification funding:				
	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	4.147	3.566	12.217	19.930
	4.147	3.566	12.217	19.930

3.3.1.15 Mali				
Specification funding:				
	Programme	Mission costs	M&A costs	Total
Strategic Partnership	419.151	12.557	31.561	463.268
	419.151	12.557	31.561	463.268

3.3.1.16 Mozambique				
Specification funding:				
	Programme	Mission costs	M&A costs	Total
Finnish MFA	1.528.482	471	-28.953	1.500.000
Strategic Partnership	628.522	9.172	22.380	660.074
	2.157.004	9.643	-6.573	2.160.074

3.3.1.17 Myanmar				
Specification other funding:				
	Programme	Mission costs	M&A costs	Total
DEMO Finland	119.995	-	-	119.995
Strategic Partnership	177.995	10.832	62.921	251.749
	297.990	10.832	62.921	371.744

3.3.1.18 Tanzania				
Specification funding:				
	Programme	Mission costs	M&A costs	Total
European Union	13.420	11.163	24.383	48.967
	13.420	11.163	24.383	48.967

3.3.1.19 Tunisia				
Specification funding:				
	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	135.323	1.302	34.853	171.477
Human Rights Fund	197.190	-	16.895	214.085
	332.513	1.302	51.748	385.562

3.3.1.20 Uganda				
Specification other funding:				
	Programme	Mission costs	M&A costs	Total
DGF	38.780	-	119.955	158.735
Strategic Partnership	555.479	13.551	40.977	610.007
	594.259	13.551	160.932	768.742

### 3.3.1.21 Ukraine

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	191.069	403	25.939	217.411
	<u>191.069</u>	<u>403</u>	<u>25.939</u>	<u>217.411</u>

### 3.3.1.22 Zambia

#### Specification other funding:

	Programme	Mission costs	M&A costs	Total
BRC	1.186	-	-1.186	-
	<u>1.186</u>	<u>-</u>	<u>-1.186</u>	<u>-</u>

### 3.3.1.23 Zimbabwe

#### Specification other funding:

	Programme	Mission costs	M&A costs	Total
Strategic Partnership	334.709	4.912	39.413	379.033
	<u>334.709</u>	<u>4.912</u>	<u>39.413</u>	<u>379.033</u>

### 3.3.1.24 Inspired+

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
EPD	-	11.757	9.480	21.237
	<u>-</u>	<u>11.757</u>	<u>9.480</u>	<u>21.237</u>

### 3.3.1.25 Coordination

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	7.548	-	682	8.230
Human Rights Fund	103.058	6.692	-	109.750
REC	3.751	-	-3.751	-
Strategic Partnership	1.265.987	-	105.093	1.371.080
	<u>1.380.345</u>	<u>6.692</u>	<u>102.024</u>	<u>1.489.060</u>

1.221.738

### 3.3.1.26 Positioning

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	153.406	4.843	76.687	234.935
	<u>153.406</u>	<u>4.843</u>	<u>76.687</u>	<u>234.935</u>

### 3.3.1.27 Innovation

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	82.762	4.120	67.090	153.972
	<u>82.762</u>	<u>4.120</u>	<u>67.090</u>	<u>153.972</u>

### 3.3.1.28 International Lobby & Advocacy

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
GPMD	-	-	30.300	30.300
Strategic Partnership	210.124	18.787	25.981	254.892
	<u>210.124</u>	<u>18.787</u>	<u>56.281</u>	<u>285.192</u>

### 3.3.1.29 Knowledge

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	137.370	6.234	317.685	461.289
DIP	-	1	-1	-0
	<u>137.370</u>	<u>6.235</u>	<u>317.684</u>	<u>461.289</u>

### 3.3.1.30 Knowledge & Innovation Fragile States

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	225.623	9.120	71.841	306.583
	<u>225.623</u>	<u>9.120</u>	<u>71.841</u>	<u>306.583</u>

### 3.3.1.31 Knowledge & Research (Learning Agenda)

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Strategic Partnership	157.591	26.130	5.287	189.008
	<u>157.591</u>	<u>26.130</u>	<u>5.287</u>	<u>189.008</u>

### 3.3.1.32 Peer Learning

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	7.494	3.980	0	11.475
	<u>7.494</u>	<u>3.980</u>	<u>0</u>	<u>11.475</u>

### 3.3.1.33 Planning, Monitoring & Evaluation

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability	355	8.216	49.168	57.739
Strategic Partnership	78.084	13.913	46.577	138.574
	<u>78.439</u>	<u>22.129</u>	<u>95.745</u>	<u>196.314</u>

### 3.3.1.34 General Overhead

#### Specification funding:

	Programme	Mission costs	M&A costs	Total
Dialogue for Stability			311.501	311.501
Human Right Fund			94.831	94.831
Strategic Partnership			720.090	720.090
	<u>-</u>	<u>-</u>	<u>1.126.423</u>	<u>1.126.423</u>
<b>Total</b>	<b>10.259.255</b>	<b>302.850</b>	<b>3.038.776</b>	<b>13.600.881</b>



### 3.3.1 NOTES TO THE SPECIFIED STATEMENT COSTS AND REVENUE 2017 (DONOR / COUNTRY)

#### SPECIFIC NOTES

##### Expenditure

Below an overview of the reported expenditure in 2017 per donor / country. This means per donor we made an overview of all countries expenditure incurred. The expenditure shown is divided in two categories; direct programme costs and management & accounting costs. As explained in chapter 3.3.1, the programme costs include the programme costs, the direct local overhead of the implementing partner organizations and NIMD country offices and NIMD mission costs.

As NIMD follows the Accounting Guideline RJ 640, the total contract obligation is booked as project costs. This means that if an implementing partner received a multi-annual contract, the value shown below does not represent the actual costs accounted for at the end of the contract. In some cases, the programme costs in 2016 therefore does not represent the actual expenditures.

The total costs shown, represent the expenditure presented to our donors. If in the M&A costs therefore a negative amount is presented, this means we did not claim the full amount towards our donors yet.

Roasting coffee the Ethiopian way (1% Fund)			
	Total expenditure 2017	Direct Programme Costs	M&A costs
Ethiopia	109.983	79.847	30.136
	109.983	79.847	30.136
Notes			

British Embassy			
	Total expenditure 2017	Direct Programme Costs	M&A costs
Georgia & South Caucasus	87.966	19.909	68.057
	87.966	19.909	68.057
Notes			

Demo Finland			
	Total expenditure 2017	Direct Programme Costs	M&A costs
Myanmar	119.995	119.995	-
	119.995	119.995	-
Notes			

DGF			
	Total expenditure 2017	Direct Programme Costs	M&A costs
Uganda	158.735	38.780	119.955
	158.735	38.780	119.955
Notes			

Dialogue for Stability

	Budget 2017	Total expenditure 2017	Direct Programme Costs	M&A costs
Burundi	335.590	145.480	95.189	50.291
Colombia	269.747	311.472	261.552	49.920
Jordan	260.350	224.415	175.660	48.755
Lebanon	260.350	19.930	7.713	12.217
Tunesia	228.653	171.477	136.625	34.853
Ukraine	193.095	217.411	191.472	25.939
Innovation	180.000	153.972	86.882	67.090
Knowledge	223.280	292.044	143.604	148.440
Knowledge & Innovation Fragile States	354.800	305.468	64.382	241.086
Coordination	25.000	8.230	7.548	682
Peer Learning	211.200	181.835	181.835	0
Planning, Monitoring & Evaluation	141.200	57.739	8.571	49.168
Positioning	202.400	234.935	158.248	76.687
	2.885.665	2.324.409	1.519.281	805.127
Programme management costs NIMD	380.000	311.501	-	311.501
	3.265.665	2.635.910	1.519.281	1.116.629

Notes

EPD

	Total expenditure 2017	Direct Programme Costs	M&A costs
Inspired+	21.237	11.757	9.480
	21.237	11.757	9.480

Notes

European Union

	Total expenditure 2017	Direct Programme Costs	M&A costs
Ecuador	17.120	43.494	-26.373
Jordan	48.400	19.990	28.410
Tanzania	48.967	24.584	24.383
	114.487	88.068	26.420

Notes; the negative amount presented under M&A costs, means we did not claim the full amount towards our donors

Finnish MFA

	Budget 2017	Total expenditure 2017	Direct Programme Costs	M&A costs
Mozambique	1.500.000	1.500.000	1.528.953	-28.953
	1.500.000	1.500.000	1.528.953	-28.953

Notes; the negative amount presented under M&A costs, means we did not claim the full amount towards our donors

GPMD

	Total expenditure 2017	Direct Programme Costs	M&A costs
International Lobby & Advocacy	30.300	-	30.300
	30.300	-	30.300

Notes

Human Rights Fund			
	Total expenditure 2017	Direct Programme Costs	M&A costs
Colombia	148.635	142.224	6.411
Kenya	89.045	102.167	-13.122
Tunesia	214.085	197.190	16.895
Coordination	109.750	109.750	-
	<u>561.515</u>	<u>551.331</u>	<u>10.184</u>
Programme management costs NIMD	94.831	-	94.831
	<u>656.346</u>	<u>551.331</u>	<u>105.016</u>

Notes; the negative amount presented under M&A costs, means we did not claim the full amount towards our donors

OSF			
	Total expenditure 2017	Direct Programme Costs	M&A costs
Central America - Guatemala	77.929	72.819	5.110
	<u>77.929</u>	<u>72.819</u>	<u>5.110</u>

Notes

Oxfam Novib			
	Total expenditure 2017	Direct Programme Costs	M&A costs
Central America - Guatemala	9.472	8.394	1.079
	<u>9.472</u>	<u>8.394</u>	<u>1.079</u>

Notes

RNE			
	Total expenditure 2017	Direct Programme Costs	M&A costs
Burundi	371.636	306.427	65.209
Central America - Guatemala	41.353	42.709	-1.356
Ethiopia	60.263	43.430	16.833
Georgia & South Caucasus	23.001	29.363	-6.362
	<u>496.253</u>	<u>421.929</u>	<u>74.323</u>

Notes; the negative amount presented under M&A costs, means we did not claim the full amount towards our donors

Sida			
	Total expenditure 2017	Direct Programme Costs	M&A costs
Central America - Guatemala	233.092	233.092	0
	<u>233.092</u>	<u>233.092</u>	<u>0</u>

Notes

### Strategic Partnership

	Budget 2017	Total expenditure 2017	Direct Programme Costs	M&A costs
Benin	422.952	168.707	140.889	27.818
Central America - El Salvador	191.283	196.817	171.399	25.418
Central America - Guatemala	216.173	222.428	194.086	28.342
Central America - Honduras	184.422	189.757	161.613	28.144
Ethiopia	300.000	193.965	166.259	27.706
Georgia & South Caucasus	241.251	264.217	227.894	36.323
Ghana	175.860	119.020	101.669	17.351
Indonesia	207.625	128.001	88.168	39.833
Kenya	638.636	523.661	494.832	28.829
Mali	740.021	463.268	431.708	31.561
Mozambique	738.253	660.074	637.694	22.380
Myanmar	289.695	251.749	188.828	62.921
Uganda	653.610	610.007	569.030	40.977
Zimbabwe	502.931	379.033	339.621	39.413
Coordination	150.000	1.371.080	1.011.770	359.310
Strategic Partnership with AWEPA	-	-	254.217	-254.217
International Lobby & Advocacy	319.000	254.892	228.911	25.981
Knowledge & Research (Learning Agenda)	190.000	189.008	183.721	5.287
Planning, Monitoring & Evaluation	150.000	138.574	91.997	46.577
	6.311.712	6.324.258	5.684.306	639.952
Programme management costs NIMD	887.365	720.090		720.090
	7.199.077	7.044.348	5.684.306	1.360.042

#### Notes

### Swiss Ministry of Foreign Affairs

	Total expenditure 2017	Direct Programme Costs	M&A costs
Burundi	46.152	83.797	-37.645
	46.152	83.797	-37.645

Notes; the negative amount presented under M&A costs, means we did not claim the full amount towards our donors

### UNDP

	Total expenditure 2017	Direct Programme Costs	M&A costs
Burundi	88.525	-7.137	95.663
	88.525	-7.137	95.663

#### Notes

### US State Departement

	Total expenditure 2017	Direct Programme Costs	M&A costs
Burundi	170.150	102.459	67.691
	170.150	102.459	67.691

#### Notes

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### 3.3.2 SPECIFIED STATEMENT MANAGEMENT & ACCOUNTING COSTS 2017

	ACTUALS 2017	BUDGET 2017	ACTUALS 2016	
Salaries and staff expenses	2.048.787	2.156.100	1.892.080	3.3.2.1
Office expenses	293.439	326.600	331.457	3.3.2.2
Depreciation	25.312	38.500	8.462	3.3.2.3
General Expenses	186.782	123.000	178.741	3.3.2.4
	<u>2.554.319</u>	<u>2.644.200</u>	<u>2.410.739</u>	

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

##### 3.3.2.1 Salaries and staff expenses

Breakdown of the employee costs:

	2017	2016
Gross Salaries	1.515.174	1.374.599
Social Security	244.441	224.774
Other salary costs	49.512	4.325
Pension	142.557	165.413
Commuting	52.293	52.682
Mission costs for indirect staff	5.377	31.738
Education & Training	22.037	21.556
Insurances	60.559	68.974
Security Policy	10.639	1.194
Other personnel costs	91.515	26.030
Reimbursements from staff insurances	-145.317	-79.206
	<u>2.048.787</u>	<u>1.892.080</u>

Salaries in 2017 were higher than 2016, mainly due to the increase in staff. In 2016 we ended the year with 22,1 FTE, at the end of 2017 this was 28,3 FTE. Also as of the first of January NIMD changed the pension plan from a defined benefit pension to a defined contribution scheme pension, this lowered the pensions costs for both employer as employee.

In 2017 less mission costs for indirect staff were booked on the overall management budget, due to the fact that we were able to include the traveling on the programs itself.

Two new staff members went on a security training (or a refresher course) in 2017, also inhouse emergency response team had some additional trainings. This explains the increase in costs on the security policy compared to 2016.

In 2017 a staff member which was on the payroll of a temp-agency was registered on the management budget. In previous years this was registered under the programatic costs, but in 2017 income based on time writing could be claimed so the registration

Unfortunately gain due to illness of several staffmembers for an extended period, the reimbursement for staff insurances in 2017 was again higher than previous year.

##### 3.3.2.2 Office expenses

In general the office expenses were 11% lower than 2016, this mainly due to less general housing costs, but also due to the fact the anticipated re-decoration did not take place (€ 25.000,-). These costs are expected to occur in 2018.

##### 3.3.2.3 Depreciation

Depreciation of furniture, rebuilding and hardware are in line with the budget 2017 and higher costs are due to extra investments made in 2016. Depreciation of software is considerably lower than the budget, but in line with previous years. This because the investment in our new project management system has not been done in 2017.

##### 3.3.2.4 General expenses

General expenses mainly consists of exchange rate differences, third party services (including the auditors) 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 (€ 140.000,-) is taken to the statement of income and expenditure. All other items included in this category are in line with the budget.

### 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 2017 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. Bruining		Ms. H.C. de Jong		Ms. S.L.J.M. Filippini
<b>2017</b>					
Function	Executive Director	Advisor to the Supervisory Council	Executive Director (acting)	Head Programmes & Projects	Executive Director
Duration of employment	01-01 / 15-05	16-05 / 31-12	16-05 / 15-10	16-10 / 31-12	16-10 / 31-12
Size of employment (in FTE)	1,0	1,0	1,0	1,0	1,0
Former senior executive?	No	Yes	No	Yes	No
Real or fictitious employment?	Real	Real	Real	Real	Real
Individual WNT maximum	63.000	105.000	70.000	35.000	35.000
<u>Remuneration</u>					
Salary	33.975	56.625	38.431	17.210	19.710
Remuneration					
Pension Contribution	6.890	13.508	4.848	2.424	3.944
Total remuneration	40.865	70.132	43.279	19.634	23.653
<b>2016</b>					
Duration of employment	01-01 / 31-12				
Size of employment (in FTE)	1,0				
Individual WNT maximum	168.000				
<u>Remuneration</u>					
Salary	91.977				
Remuneration					
Pension Contribution	18.658				
Total remuneration	110.635				

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## Remuneration of supervisory board

### 2017

	Mr. B. Bot	Mrs. I. van Biezen	Mr. J. Hoekema	Mr. E. van Middelkoop	Mrs. A. Mijnsbergen	Mr. M. Stolk	Mrs. I. van Veldhuizen
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	1.000	1.000	1.250	1.000	1.000	1.000
Pension Contribution	0	0	0	0	0	0	0
Total remuneration	1.250	1.000	1.000	1.250	1.000	1.000	1.000

### 2016

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

## INDEPENDENT AUDITOR'S REPORT

To: the Executive Director and the Advisory Council of Netherlands Institute for Multiparty Democracy Foundation, The Hague, The Netherlands.

### A. Report on the audit of the financial statements 2017 included in the financial report

#### Our opinion

We have audited the financial statements 2017 of Netherlands Institute for Multiparty Democracy Foundation based in The Hague, The Netherlands.

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 2017 and of its result for 2017 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 2017;
2. the statement of income and expenditure for 2017; 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 as well as the Policy rules implementation WNT, including the Audit Protocol WNT. 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.

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## **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 Council.

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 statement of the Executive Director, 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 Executive Director and the Supervisory Council for the financial statements**

The Executive Director 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 Executive Director is responsible for such internal control as the Executive Director 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 Executive Director is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Director 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 Executive Director 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.

The Supervisory Council is responsible for monitoring the financial reporting process of the organisation.

### **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 scepticism 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 Executive Director;
- 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, 5 October 2018

Dubois & Co. Registeraccountants

Signed on original:  
A.P. Buteijn RA and K. Ait Boukdir RA