

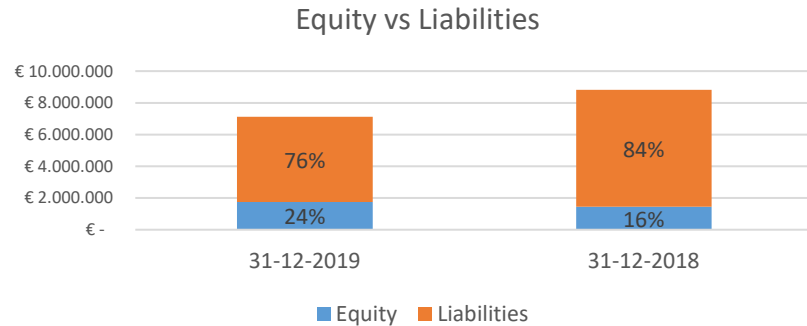


# **NIMD Financial Report** **2019**

Netherlands Institute for  
**Multiparty Democracy**

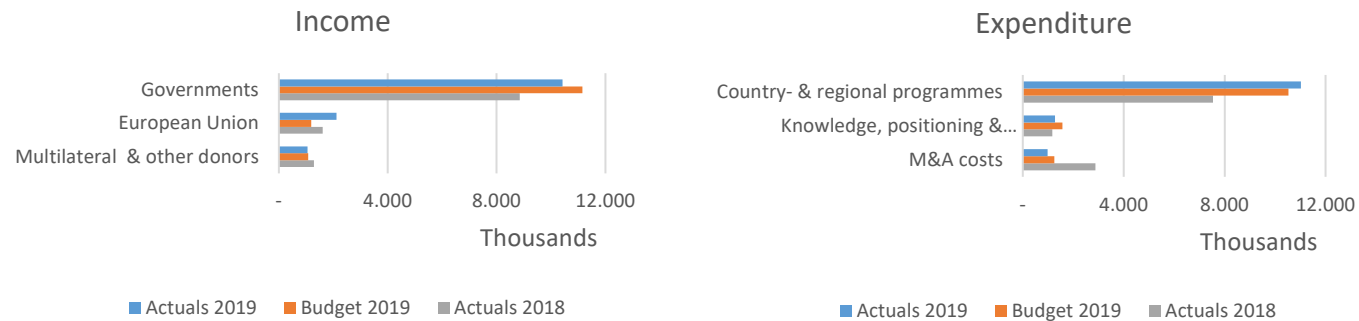
# 2019 Key Figures

## Equity vs Liabilities



In 2019, our equity again increased due to the positive result. This is in line with our ambitions to have a solid financial base for the organisation. Our liabilities went down with almost 2mio in 2019, which explains the better ratio between the two. Reasons for having less liabilities are; less prefinancing from donors and more spending, compared to last year. Also our liabilities towards partners went down.

## Income & Expenditure

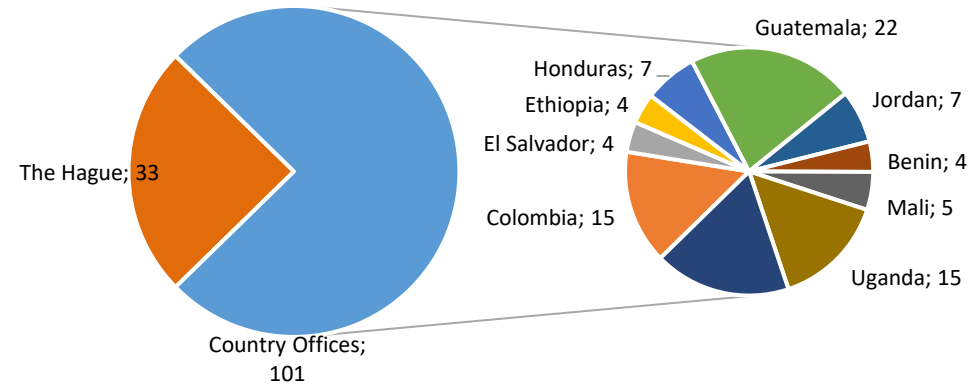


In 2019, NIMD received contributions for programmes from 18 different donor sources. These contributions brought our total annual income to €13.6 million, compared with €11.8 million in 2018. This increase is partially thanks to changes to NIMD’s fundraising strategy, as well as other factors relating to improved internal efficiency. Accordingly this amount provided a solid basis to continue NIMD’s work worldwide. NIMD’s overall expenditure over the course of 2019 was €13.3 million, some 15% higher than 2018 (€11.6 million). This figure is in line with annual budget (€13.3 million). Of that total figure, 92% (€12.3 million) was spent on country and regional programmes, as well as thematic programmes (knowledge, innovation and positioning). The remaining 8% was dedicated to non-direct human resources and office running costs (management and accounting costs).

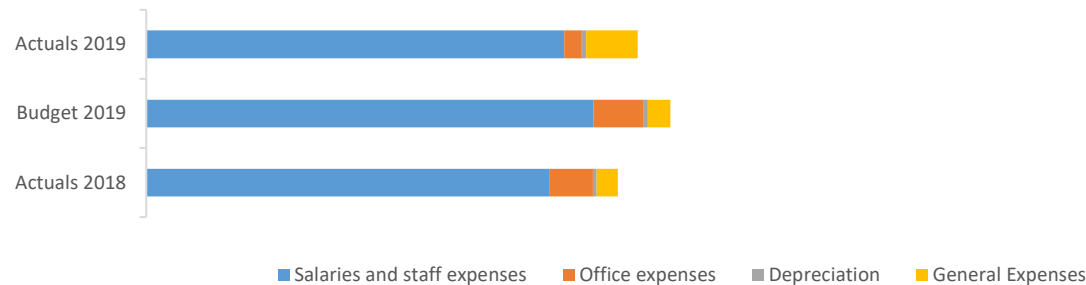
# 2019 Key Figures

## Employees in offices NIMD (per 31/12/2019)

In total NIMD had in 2019 eleven offices (including the office in The Hague). The offices in Myanmar, Jordan are still in the process of getting an official registration. In all these offices in total more than 130 people are working (via both staff contracts and as consultants). Still the biggest number in The Hague (33 persons). In most offices, the number increased significantly in 2019 due to new external funded programmes.



## Management & Accounting Costs



Compared to last year, NIMD had higher management and accounting costs. Only in volume (€ 2,9 mio in 2018 compared to € 3,2 mio in 2019) but not in relation to the other sub-headings (down from 25% in 2018 to 23% in 2019). These figures include all expenditure from NIMD’s headquarters, including the costs of staff in The Hague working directly on programmes. The increase is mainly caused by additional depreciation costs and an increase in general expenses. This last is due to exchange rate differences and currency losses.

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## 1.1 STATEMENT OF THE EXECUTIVE DIRECTOR

In 2019, as in previous years, the Netherlands Institute for Multiparty Democracy (NIMD) has again successfully pursued its mandate to strengthen inclusive, democratic political systems worldwide.

NIMD aspires to work with the entire political sector in a country in a neutral and independent way. We offer our support to upcoming politicians and to political leaders across the ideological spectrum at the national, regional and local level. This inclusive approach has been at the heart of the work of NIMD from our inception in 2000. We firmly believe that politicians should serve the citizens; our work aims to contribute to accountable and effective political governance, and ultimately to peace, stability and prosperity.

NIMD seeks to make an impact on three levels: the political system, political actors, and the political culture. At the system level, NIMD facilitates dialogue between political parties so that they can jointly address democratic challenges and formulate policies. At the actor level, the organization directly supports political parties, politicians and other political institutions with training and workshops. Thirdly, NIMD support at the culture level aims to increase democratic values and attitudes of (future) politicians.

We aim to be a global player. In 2019, NIMD worked in 17 countries around the world through its network of implementing partners and country/regional offices.

### GOVERNANCE STRUCTURE

The Supervisory Council oversees NIMD's work and strategic direction by approving important policy documents, such as the organization's multi-annual plans, financial overviews and the selection of strategic partners. The Supervisory Council appoints the Executive Director, who is responsible for the governance of NIMD, its strategic development, financial position and overall performance.

The Advisory Council is a body of representatives from NIMD's seven founding political parties, and serves as a linking pin with these parties. The Advisory Council's main formal role is to provide advice, including at its own initiative, to the Executive Director and Supervisory Council.

At the organization's headquarters, the employee representative body within NIMD consists of three members elected by the staff. They act as the collective voice of the workforce at NIMD's Headquarters.

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.

The Financial Statement 2019 fulfills the requirements set out by the Guideline 640 for Non Profit Organizations and is audited by Dubois & Co. The Executive Director of NIMD adopts the Financial Statement after approval by the Supervisory Council.

### NIMD IN 2019

#### STAFF

NIMD works both with local partner organizations and through its country/regional offices. Together, these form the organization's network, linking NIMD's worldwide expertise and resources to local knowledge and experience, ensuring strategies and programmes are custom-built to reflect the local political needs and contexts.

In addition to our main office in The Hague, NIMD has ten country/regional offices. This figure is one more than last year, following the opening of our office in Ethiopia. As of 1 January 2020, we have offices in Benin, Colombia, El Salvador, Ethiopia, Guatemala, Honduras, Jordan, Mali, Myanmar and Uganda.

In Myanmar and Jordan, the registration processes are still in progress and therefore not finalized. To ensure continuity of work and transparency in these countries, we work under a Memorandum of Understanding (MoU) with the responsible national ministry.

In total, 101 persons are working in NIMD's country/regional offices, excluding the staff at the office in The Hague.

At the beginning of 2019, NIMD's headquarters in The Hague hosted 29 employees (26,42 FTE). By 31 December 2019, this number increased to 33 employees (31,00 FTE). In total, eight colleagues joined the organisation, and four left. Also in February 2019, Thijs Berman joined the organization as the Executive Director.

## EXPENDITURE

The total expenditure in 2019 amounted to € 13.3 million, which is more or less in line with the budgeted amount for 2019 and above the 2018 actual expenditure. The remaining budget of the previous year for both the Strategic Partnership programme and the Dialogue for Stability programme was not completely used in 2019, which normally would mean an underspending is shown. Fortunately, in 2019 we were able to start some new programmes (e.g. Ethiopia, Guatemala, etc), which were not foreseen when drafting the 2019 budget, so additional expenditure is included. Therefore, as indicated, the total expenditure is more or less in line with the overall budget.

On the three budget sub-headings, some differences are noticeable compared to last year. To give more insight, in calculating the actual management and accounting costs in the 2019 budget we started to split the salary expenses of the office in The Hague over the three sub-categories: Programmes & Projects, Knowledge, Positioning & Innovation, and Finance & Support. This is based on the direct hours included in the timesheets. This means comparison with actuals of 2018 will not directly be possible from the current presentation.

However, using the figures shown in section 3.3.1 ("Specified Statement Costs & Revenue") means a comparison with last year's budget is possible. The largest part still relates to country and regional programmes (65% in 2018 compared to 70% in 2019). This increase was mainly due to a lower share of spending being directed towards Knowledge, Positioning & Innovation (in 2018 this was 10%, in 2019 this is 7%). As can be seen in section 3.3.3 ("Specified Statement M&A-costs"), The proportion of the budget allocated for total management and accounting costs is more or less unchanged (25% in 2018 and 23% in 2019). The figures shown in this statement include all expenditure from NIMD's headquarters, including the costs of staff in The Hague working directly on programmes.

In terms of the management and accounting costs, the total expenditure was approximately 5% under budget and 6% higher than last year. A more detailed overview will be found in Section 3.3.3 ("Specified Statement Management & Accounting Costs 2019").

## THE OPERATING RESULT

NIMD's continuity reserve ensures that the organization can meet its future obligations and has sufficient means to react on eventualities. In 2018, we were able to add €180,000 to our reserves. This year, we again expect to add an amount of approximately €250,000 to our reserve, a bit more than we expected. Of this amount, a part (€130,000) will be included in an appropriated reserve to finance the future depreciations costs of Project Connect. This is a new project management system, partly financed from our two main subsidy programmes from the Ministry of Foreign Affairs of The Netherlands. We decided to have this investment shown in our balance sheet for transparency reasons, and therefore this appropriated reserve has been created.

Section 2.3 ("Income Overview") offers a detailed overview of all different donors that contributed to this result, whereas Section 3.3 shows the link between the management and accounting contributions and costs, leading to this modest increase in our continuity reserve.

## RISKS

With the end of the Political Party II (PP II, granted by the Netherlands) subsidy in 2015, NIMD no longer benefits from the relative security of flexible funding arrangements offered by PP II in relation to management and accounting costs. Consequently, it is expected that income will fluctuate more than in previous years, especially at the level of the overhead coverage. This means that NIMD should select funding opportunities even more carefully; if they require co-financing by NIMD, this is only feasible if matching funds from our continuity reserve are available and their use can be justified.

NIMD's funding base will need to be further diversified over the coming years and the organization will assign dedicated staff to materialize this ambition, together with programme managers and colleagues at the country offices. 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 is adopting a continuous improvement process for its internal management information system and procedures (e.g. approval of new funding opportunities). The setup of the new Project Management System was completed in late 2019, and we started to use the system as of 1 January 2020.

Investments in fundraising procedures and processes to increase the efficiency and the success rate of proposals resulted in a change in the split of NIMD's income sources. The Netherlands Ministry of Foreign Affairs (including the Royal Netherlands Embassies (RNE)) provided 74% of the organization's overall income, more or less on the same level as in 2018: 72% (2017: 80%, 2016: 79%). This percentage is in line with the overall objective to gradually decrease dependency on Dutch funding. In 2019, contracts with the European Union (Colombia, Honduras, Benin, Ethiopia, Jordan, Zimbabwe and our global programme Reach4Democracy) represented 16% of our income (in 2018 this was 15%). Other governments, together with other (multilateral) donors provided 10% of the income (in 2018 this was 13%).

As for the implementation of programmes, NIMD has been working increasingly in post-conflict areas, and will continue to work in conflicted-affected and fragile environments in the near future. The volatility of the political situation in these situations often leads to a degree of uncertainty about the potential to allocate funding as planned. This risk is acknowledged and mitigated by continuous monitoring and evaluation, while keeping our donors informed and agreeing any changes in programming with them.

Another financial risk arises from NIMD's model of working with organizations whose expertise and capacities sometimes need to be further developed. To counter this, programme progress and accountability are accurately monitored through financial and narrative reports, audits, missions and evaluations, as well as 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 will need to further invest in optimizing their capacity and sustainability.

Aside from these risk assessments, NIMD also visits each country office once every two years for an internal audit. This gives a good and quantifiable oversight of the country office's capacities, priorities, and ongoing responsibilities. In 2019, the Guatemala office received an internal audit.

On the management of staff-related risks, we updated our integrity policy in 2019. This served to ensure our policy reflects the most recent insights as to how to respect the highest possible standards of integrity in NIMD's activities, both internally and in our contacts with partners, suppliers, and clients. A more detailed description of this policy can be found in Chapter 1.3 ("Integrity").

As part of our Safety & Security Policy, updated in 2018, we again put a lot of focus on personal safety. This applies to our colleagues working from The Hague office, colleagues in the different country offices, and the partner organizations involved in our programmes and projects.

### COVID-19

Many of the countries in which NIMD is active are currently bracing for the impact of Coronavirus. The disease is expected to reach its peak in Africa, Latin America and in the Middle East later than in Asia, North America and Europe. But the poorer regions of the world often lack the capacity and resources to counter the pandemic effectively. Unless sufficient action is taken globally, the virus will further deepen the divide between rich and poor. This has the potential of very significant social, economic and political tensions. For NIMD's democracy support programmes, the virus will likely have the double impact of both hampering the activities and increasing their relevance.

Following the COVID-19 outbreak, NIMD informed its donor network of measures taken in programme countries and in the Netherlands.

In addition, NIMD has prepared an overview of programmatic and financial implications of the crisis. Based on this, NIMD's Management Team prepared a request for a budget revision for our Strategic Partnership and Dialogue for Stability programmes to accommodate for unexpected costs related to the crisis.

A key aspect of this is to ensure continuation of salary and overhead costs, now that programme activities have come to a halt, and seek approval for flexibility in expenditure to facilitate working from home; exploring alternative methods for digital programme delivery; and improving communication tools and channels.

As part of our mid-year review (that we plan to already do in June 2020), we will assess the impact of the programmatic stop and seek approval for programme and budget amendments for the rest of 2020. As part of the review, we will also assess what changes need to be made to the results framework.

Based on our current cash-position, we do not foresee any issues for the continuity of NIMD due to the COVID-19 crisis.



## FUTURE

Based on the vision as laid down in the Multi-Annual Plan 2016-2020, NIMD has successfully worked within two major funding frameworks with the Netherlands Ministry of Foreign Affairs. This funding provided a solid base, allowing NIMD to work effectively towards the objectives as described in our Multi Annual Plan and offering leverage to further diversify our funding base.

Based on the lessons learned from the midterm reviews done for the two funding frameworks of the Netherlands Ministry of Foreign Affairs in August 2018, NIMD is committed to further enhance the reputed quality of its expertise, both on a programmatic basis and on an organizational level. In addition, NIMD is in the process to finalize the next Multi-Annual Strategy for 2021-2025 in the summer of 2020.

NIMD seeks to continue its strategic partnership with the Dutch MFA in the coming five years under the policy frameworks for 2021-2025 published by the Ministry in late 2019. The first proposal 'Power of Dialogue' has been brought forward by NIMD under the MFA policy framework 'Power of Voices.' It has been formulated by a consortium of four organizations[1] with NIMD as the leading partner.

The second proposal, LEAP4Peace, has also been formulated by a consortium of four partners[2] with NIMD leading, under the MFA policy framework 'Women, Peace and Security.' The results of these two bids were not yet known at the time of writing of this report.

NIMD is proud to present its 2019 Annual Report. It shows the financial resilience of the organization. This forms the basis of the unique programmes and projects of NIMD, of its cutting-edge political economy analysis and innovative, flexible approach.

Beyond the mere figures, NIMD owes its results to the dedication and professionalism of its staff at headquarters and in its international offices and partner network. They give their best to work with seasoned and aspiring politicians, those women and men who wish to stand in the political arena of their countries, to turn democratic values into a living reality - and to show that democracy works.

Thijs Berman (Executive Director), April - 2020

[\[1\] NIMD, Akina Mama Wa Afrika \(Uganda\), Institut Gorée \(Senegal\), Centre d'Etudes Méditerranéennes et Internationales \(CEMI, Tunisia\).](#)

[\[2\] The Women Leadership And Participation for Peace \(LEAP4Peace\) Consortium: NIMD, the Burundi Leadership Training Program \(BLTP\), the Gender Equality Network Myanmar \(GEN\), the NIMD Country Office in Colombia, and Gender Action for Peace and Security \(GAPS, UK\).](#)

## 1.2 STATEMENT OF THE SUPERVISORY COUNCIL

### THE SUPERVISORY COUNCIL

The Supervisory Council is charged with the supervision of the day-to-day affairs of NIMD and with the (financial) management and policy pursued by the Executive Director. The Supervisory Council also has an advisory role. Based on the constitution, the Supervisory Council is responsible for the following duties and powers:

- Appointment and dismissal of the Executive Director and remuneration of the Executive Director;
- Approval of the annual plan, including the budget;
- Approval of the Multi-Annual Plan including multi-annual budget (issued once every four years);
- 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;
- Approval of intended decisions by the Executive Director regarding specific issues and agreements of, amongst others, far-reaching changes to the organisational structure and/or the terms of employment.

### THE COMPOSITION OF THE SUPERVISORY COUNCIL

With the establishment of a Supervisory Council as of 01 January 2012, members of the former Board of Directors were appointed as members of the Supervisory Council. According to the constitution 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. Members are elected by the Supervisory Council based on a profile of the Supervisory Council as a whole. Since January 2018 Mr E. van Middelkoop is the chair of the Supervisory Council. At the end of 2019 the Supervisory Council said goodbye to Mr J.T. Hoekema and Mr. M. Stolk because they completed their second term. Mr Hoekema and Stolk were the last members of the Supervisory Council who had been member of the Board of Directors of NIMD before the 01 January 2012. Due to the fact that (1) the composition of the Supervisory Council according to the necessary profile currently needs members of both their respective backgrounds, (2) Mrs Ferrier needs time to settle in the Supervisory Council decided to extend the term of both Mr E. van Middelkoop and Mrs I.L. van Veldhuizen from 20 June 2020 and 18 April 2020 respectively until 31 December 2020. The composition of the Council in 2019 and as per date of approval of this report is as follows:

Name	Appointed to the Supervisory Council	End 1st term	Re-appointed	End 2nd term
Mr E. van Middelkoop, Chair	21 June 2012	20 June 2016	21 June 2016	31 December 2020
Mr J.T. Hoekema	01 January 2012	31 December 2016	01 January 2016	31 December 2019
Mr M. Stolk	01 January 2012	31 December 2016	01 January 2016	31 December 2019
Mrs I.L. van Veldhuizen	19 April 2012	18 April 2016	19 April 2016	31 December 2020
Mrs I.C. van Biezen	26 March 2015	25 March 2019	26 March 2019	25 March 2023
Mrs A. Mijnsbergen	26 March 2015	25 March 2019	26 March 2019	25 March 2023
Mrs W.J.J.M. van Eupen	01 November 2018	31 October 2022		
Mrs H.A.M. van Moorsel	01 January 2019	31 December 2023		
Mr F.J.M. de Lange	01 January 2019	31 December 2023		
Mrs K.G. Ferrier	01 March 2020	29 February 2024		

### FOCUS OF THE SUPERVISORY COUNCIL

The Supervisory Council meets regularly and, according to the constitution, at least four times a year. The Executive Director and, depending on the subjects, members of the Management Team are present during the meetings. This of course excludes discussions the Supervisory Council members wish to hold amongst themselves.

A delegation of the Supervisory Council meets the employee representative body at least once a year. In 2019 there were several meetings with the employee representative body and a few times with all staff. Individual members of the Supervisory Council do meet the Executive Director, other members of the Management Team and of the rest of the staff on specific topics. The Supervisory Council aims to have a good and close relationship with all staff in order to execute its supervisory and advisory roles as effectively as possible.

During most of these meetings a thematic presentation by a staffmember, and discussion about said theme, is part of the agenda.

In 2019 the Supervisory Council started to work on their own regulations. This to improve the governance structure in line with generally accepted good governance policies and to make more clear to all internal and external stakeholders what the roles and responsibilities of the Supervisory Council are. The discussion led to the decision to create an Audit Committee and a Remuneration Committee, with dedicated regulations for those committees. The Executive Director did give his advice, having heard the staff, on the final draft of the regulations of the Supervisory Council and committees. The regulations are approved the 7th of May 2020. The committees are installed as per that date.

The members of the Audit Committee are Mrs A. Mijnsbergen and Mrs I.C. van Biezen. Members of the Remuneration Committee are Mr E. van Middelkoop (the regulations state the the chair is qualitate qua member of the Remuneration Committee) and Mr F.J.M. de Lange.

In 2018 the Supervisory Council decided not to extend the contract with the former Executive Director. This of course was a difficult and hard decision which led to agitation amongst staff. The organisation, the Supervisory Council and the staff do need stability, also regarding the position of the Executive Director. The Supervisory Council the end of 2018 appointed Thijs Berman as from the 1st of February 2019 as Executive Director and decided the end of 2019 to extend his contract. In a meeting between a delegation of the Supervisory Council with the staff on the 6th of June 2019 a discussion was held with the aim to proceed together in good and renewed faith.

The worldwide coronacrisis does have an impact on NIMD and its staff. The Supervisory Council is in close contact with the Executive Director on the impact, the decisions taken having impact on the staff worldwide, as well as on the programmes, projects and other activities. NIMD is in close contact with the Netherlands Ministry of Foreign Affairs and other donors regarding the impact on NIMD and its staff.

Besides the uncertainty on the impact on NIMD and its staff the coronacrisis will have, the decision by the Netherlands Ministry of Foreign Affairs on funding NIMD as part of the programmes Power of Voices and Women, Peace and Security after 2021 will have a great impact on NIMD. This decision will make clear on what basis NIMD will operate the coming years.

The discussions about the governance structure and the future of NIMD led to the approval by the Supervisory Council of an amendment of the constitution regarding its aims and objective. On 05 March 2020 article 2.1 is changed, see chapter 3.1.1 General Notes for a further explanation and the amended aims and objectives.

The Supervisory Council had four meetings in 2019. During these meetings the following topics were on the agenda:

- Policy and activities - related to programmes and projects and to knowledge and strategic relations (including communications) - of NIMD and the decision-making process related to the starting and ending of activities (including in specific countries);
- The updated strategy for 2016-2020, including the outcomes of the mid-term evaluations done for the two largest programmes, that is the Strategic Partnership Programme and the Dialogue for Stability Programme;
- Input/discussion on the Multi Annual Strategy (MAS) 2020-2025;
- Input/discussion on the proposals NIMD submitted to the Netherlands Ministry of Foreign Affairs regarding the Power of Voices programme and the Women, Peace and Security programme for the period 2021 up to and including 2025;
- The annual plan, including 2019 budget, of above-mentioned programmes;
- The updated NIMD integrity policy including complaints regulation;
- Financial - and operational management including Human Resources;
- Approval of the updated Labour Conditions;
- The fundraising strategy;
- Approval of the Annual Report including Financial Statements 2018;
- Reporting of findings based on the audit executed in 2018 by Dubois & Co Registeraccountants;
- Approval of the annual plan for 2020, including budget;
- The composition of the Supervisory Board related to upcoming vacancies and the draft regulations of the Supervisory Council, Audit Committee and Remuneration Committee as mentioned above.

### 1.3 INTEGRITY

Due to the importance to act with integrity in general, but especially with regard to the work of NIMD, NIMD put in place a comprehensive Integrity Policy in 2019. The aim is to create and maintain awareness amongst internal and external stakeholders and to ensure maximum transparency in all our work. This was approved by the organization's Supervisory Council on 17 April 2019.

The Integrity Policy consists of:

- Code of Conduct
- Complaints Procedure
- Whistleblowing Policy.

By writing and implementing the Integrity Policy, NIMD underlined its commitment to the highest level of integrity in:

- all cooperation among staff
- every contact with partners, suppliers, clients
- the way we respect other's belongings, including company property.

The Integrity Policy is based on generally accepted guidelines regarding integrity and on the key values outlined in our Labour Conditions – justice; legal security; a safe environment; openness and clarity; individual and shared responsibility; and room for initiative, diversity and creativity.

Introducing an integrity policy is not a tick-box exercise. It is more than simply drawing up a number of rules of conduct. Throughout the introduction of the policy, NIMD remained aware that - as well as specific legal requirements - attitude, connectedness and a desire to do things properly are also crucial aspects of integrity. Integrity in our organization means displaying an open and respectful attitude towards each other, respecting and embracing differences, and being honest and accountable.

In view of this, NIMD requires its employees to abide by common social standards and values as well as complying with the legal requirements set out in the policy. Throughout 2019, NIMD put in place a series of measures, outlined below, to help staff understand and meet both requirements.

Read the full Integrity Policy [here](#).

### CONFIDENTIAL COUNSELLORS

Within NIMD, there is an Internal and an External Confidential Counsellor. The Confidential Counsellors were appointed by the Director of NIMD in cooperation with the Staff Representative Body (PvT) in 2017.

Each Confidential Counsellor has adequate knowledge and expertise in preventing and combatting inappropriate conduct and transgressive behaviour. The Confidential Counsellors aim to be easily approachable and trusted by the staff.

In 2019, the Confidential Counsellors continued their work to:

- be an independent advisor on work-related issues for those in need
- keep their knowledge up to date
- be available if needed

As an introduction to the new Integrity Policy, both Counsellors gave presentations to all employees of NIMD the Netherlands in 2019, to ensure that they were aware of the service provided by the Counsellors and how they can access it. This information was also sent to all country offices, and the Internal Confidential Counsellor organized Skype meetings with all Directors of country offices as follow-up.

All new employees have a meeting with the internal Confidential Counsellor as part of their induction programme. This meeting highlights the importance of the procedures, but also make the new colleagues aware of the services provided by Confidential Counsellors.

### **SOCIAL ANNUAL REPORT**

The Internal Confidential Counsellor draws up a yearly report, which includes feedback from the External Confidential Counsellor. This report contains information about relevant training activities that the Counsellors have followed; an overview of any activities designed to raise awareness on integrity; and an update on the number of complaints received.

In 2019, as in other years, the Internal Confidential Counsellor presented the report to the NIMD Management Team and the PvT. The report is strictly confidential.

### **CODE OF CONDUCT**

In 2019, NIMD introduced a Code of Conduct, which forms the basis of its integrity system. The Code defines the actions and behaviours which will not be tolerated by NIMD. It consists of a set of rules outlining the norms, rules, and responsibilities of an individual working at NIMD.

To ensure awareness of these rules among all staff members, employees from all NIMD offices (including NIMD the Netherlands) were asked to sign the Code of Conduct in 2019. In addition, new employees are asked to sign the Code of Conduct on joining the organization.

NIMD has also set up ongoing information sessions and workshops. The informal and interactive format of these sessions invites participants to reflect together on what integrity means for the organization, and how they can reflect the organization-wide focus on integrity in their own actions.

In addition, NIMD was keen to develop a system for regular moral deliberations about possible dilemmas occurring from the Code of Conduct. This was done by developing a card game, in cooperation with Partos (the Dutch membership body for organizations working on international development). The NIMD Dilemma card game was introduced in The Hague office in 2019, and rolled out to all country offices in 2020. Players answer questions in teams, with each question initiating discussion about integrity and its meaning in practice.

You can find the full Code of Conduct, which makes up part of the Integrity Policy, [here](#).

## COMPLAINTS PROCEDURE

NIMD's Complaints Procedure was renewed in 2019, as part of the Integrity Policy.

As stated in the Complaints Procedure, any person within NIMD who is confronted with inappropriate conduct at work, or as a result of a work situation, can submit a complaint to an external complaints board. Misconduct may prompt NIMD management to take disciplinary action, once the facts have been established and all parties have been heard.

As part of the renewal of the Integrity Policy in 2019, the Complaints Procedure was revised and the contract with the external body that handles complaints was renewed. To ensure that all staff are aware of the Complaints Procedure, the procedure was discussed in a presentation by the External Confidential Counsellor in 2019. In addition, all new employees, joining in 2019, had a meeting with the Internal Confidential Counsellor as part of their induction programme, in which the procedure is discussed.

The External and Internal Confidential Counsellors are also available for questions about the Complaints Procedure. In 2019, no complaints were filed.

You can find the full Complaints Procedure, which makes up part of the Integrity Policy, [here](#).

## WHISTLEBLOWING POLICY

As part of the introduction of the Integrity Policy, NIMD developed a Whistleblowing Policy in 2019. Through this policy, NIMD seeks to attain the highest possible levels of management and accountability. This whistleblowing procedure is an important element for detecting dangerous, immoral or illegal practices, and is consequently considered an essential component for achieving good corporate governance.

As part of our good governance practices, NIMD seeks to protect individuals who wish to report irregularities and malpractices that undermine the objectives of the organization.

The Whistleblowing procedure is therefore available to all NIMD employees, as well as beneficiaries, service providers and the staff of implementing partners. It is designed to ensure that they can raise concerns about wrongdoing or malpractice within NIMD without fear of victimization, subsequent discrimination, disadvantageous treatment, or dismissal.

It is also intended to encourage and enable employees to actively raise serious concerns within NIMD rather than ignoring a problem or going directly to external parties.

In 2019, NIMD focused on making the Whistleblowing policy accessible to staff. All staff were informed that the facility exists and can be used if needed. The policy was also published on the NIMD website, as part of the full Integrity Policy. In addition, an email account was set up specifically for whistleblowing purposes. Staff and others can report their suspicions or worries by sending an email to this account.

You can find the full Whistleblowing Policy, which makes up part of the Integrity Policy, [here](#).

## **NIMD'S WORK ON INTEGRITY IN 2019 and 2020**

With the introduction of the Integrity Policy in 2019, NIMD has worked to ensure maximum transparency in all its work. The policy sets out employees' responsibilities via the Code of Conduct, but also allows them to come forward in case of a wrongdoing (via the Confidential Counsellor or the Complaints Procedure). The Whistleblowing Policy is also available, so that staff and others involved in our work, can come forward if needed.

In 2019, NIMD's focus was on ensuring that the policy was embraced by staff, and seen as more than simply a document. The procedure put in place in 2019 makes sure that new staff will receive an introduction to the Integrity Policy as part of their Induction Programme. Beyond that, NIMD will also hold regular organization-wide sessions and discussions on integrity related issues. The roll-out to our country offices will continue in 2020, and a visit by the Internal Confidential Counsellor to one of the offices is planned.

In 2020, NIMD will further promote the Whistleblowing Policy within the full NIMD network, by contacting our partners directly. We will also investigate other methods of whistleblowing, to make sure this part of the integrity policy can be used when required.

## 1.4 BUDGET 2020

All amounts in euros

	BUDGET 2020
<b>INCOME</b>	
Grants from Governments	10.459.499
Grants from the European Union	2.264.138
Grants from bi- & multilateral donors	749.268
	<b>13.472.906</b>
<b>EXPENDITURE</b>	
Spent on country- & regional programmes	10.330.781
Spent on Knowledge, positioning & Innovation	1.691.900
Management & accounting costs	1.403.626
	<b>13.426.307</b>
Result	<b>46.599</b>

Like last year, in the budget 2020 we allocated the costs for the country- & regional programme staff, as well as the Knowledge. Positioning and innovation staff directly to the budget lines linked to these costs. This means that in the Management & Accounting costs the non direct time of these colleagues and the other costs of the The Hague office are included.



## 2.1 BALANCE SHEET

All amounts in euros

	31-12-2019	31-12-2018	
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Intangible fixed assets</b>			
Programme management software & website	178.848	283	3.2.1
	<b>178.848</b>	<b>283</b>	
<b>Tangible fixed assets</b>			
Computer equipment	7.225	14.836	3.2.2
Furniture	6.635	4.253	
Renovation Real Estate	21.266	27.212	
Fixed Assets in Country Offices	101.233	44.993	
	<b>136.359</b>	<b>91.294</b>	
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Accrued subsidies	837.796	1.059.241	3.2.3
Debtors	-	31.845	
Programme receivables & prepayments	547.662	849.740	
Other advance payments & accrued receivables	154.195	292.871	
	<b>1.539.653</b>	<b>2.233.698</b>	
<b>Liquidities</b>	<b>5.272.989</b>	<b>6.488.193</b>	3.2.4
<b>TOTAL ASSETS</b>	<b>7.127.848</b>	<b>8.813.468</b>	
<b>LIABILITIES</b>			
<b>EQUITY</b>			
Continuity reserve	1.562.955	1.442.026	3.2.5
Appropriated reserve	178.848	-	
	<b>1.741.803</b>	<b>1.442.026</b>	
<b>LONG-TERM LIABILITIES</b>			
Rental debt	46.667	74.667	3.2.6
	<b>46.667</b>	<b>74.667</b>	
<b>CURRENT LIABILITIES</b>			
Advance received subsidies from Ministry of Foreign Affairs	2.433.772	3.746.008	3.2.7
Advance received subsidies from other donors	1.588.793	1.419.969	
Creditors	293.253	275.678	
Personnel related liabilities	228.980	215.234	
Programme liabilities	757.792	1.606.160	
Other advance receipts & accrued liabilities	36.788	33.725	
	<b>5.339.378</b>	<b>7.296.775</b>	
<b>TOTAL LIABILITIES</b>	<b>7.127.848</b>	<b>8.813.468</b>	

## 2.2 STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

	ACTUAL 2019	BUDGET 2019	ACTUAL 2018	
<b>INCOME</b>				<b>2.3</b>
Grants from Governments	10.419.191	11.147.505	8.847.810	
Grants from the European Union	2.112.935	1.188.523	1.615.616	
Grants from bi- & multi lateral donors	1.056.505	1.081.151	1.290.354	
<b>TOTAL INCOME</b>	<b>13.588.631</b>	<b>13.417.179</b>	<b>11.753.780</b>	
<b>EXPENDITURE</b>				<b>3.3</b>
Spent on country- & regional programmes	11.023.303	10.526.545	7.532.980	
Spent on Knowledge, positioning & Innovation	1.283.388	1.573.916	1.166.273	
Management & accounting costs	982.163	1.245.179	2.872.518	
<b>TOTAL COSTS</b>	<b>13.288.854</b>	<b>13.345.640</b>	<b>11.571.771</b>	
<b>RESULT BEFORE APPROPRIATION</b>	<b>299.777</b>	<b>71.539</b>	<b>182.009</b>	
Added to/withdrawn from:				
Reserves				
Appropriated reserve Project Connect	178.848	-	-	
	<b>178.848</b>	<b>-</b>	<b>-</b>	
<b>RESULT AFTER APPROPRIATION</b>	<b>120.929</b>	<b>71.539</b>	<b>182.009</b>	
<b>ALLOCATION OF RESULTS</b>	<b>RESULT 2019</b>		<b>RESULT 2018</b>	
Continuity reserve	120.929		182.009	
Appropriated reserve Project Connect	178.848		-	
	<b>299.777</b>		<b>182.009</b>	

## 2.3 INCOME OVERVIEW

All amounts in euros

PROGRAMME	DONOR	INCOME 2019	INCOME 2018
<b>Grants from Governments</b>			
Burundi	Embassy of the Netherlands in Burundi	-	44.908
Burundi	Swiss Federal Department of Foreign Affairs (FDFA)	-	137.579
Burundi	United State Department of State (US State Department)	-	57.652
Dialogue for Stability	Ministry of Foreign Affairs The Netherlands	3.299.927	2.854.985
Ethiopia 1% fund	Ministry of Foreign Affairs The Netherlands	-5.273	194.797
Guatemala	Embassy of the Netherlands in Guatemala	40.628	72.578
Guatemala	Global Affairs Canada (Fund for Local Initiatives)	7.021	10.578
Guatemala	USAID (via IREX)	51.096	44.394
Guatemala	Swedish International Development Cooperation Agency (SIDA)	292.015	298.411
Iraq	Embassy of the Netherlands in Iraq	171.809	-
Mozambique	Finnish Ministry of Foreign Affairs	-16.827	-
Strategic Partnership	Ministry of Foreign Affairs The Netherlands	6.542.866	5.186.900
Tanzania	Department for International Development (DFID)	35.928	-
		<b>10.419.191</b>	<b>8.902.781</b>
<b>Grants from the European Union</b>			
Benin	European Union	130.928	134.361
Colombia	European Union	1.019.435	640.146
Ecuador	European Union	-	442
Ethiopia	European Union	86.334	-
Honduras	European Union	264.180	147.156
Reach for Democracy (Global)	European Union	68.460	551.890
Jordan	European Union (via ECES)	171.702	127.083
Inspired+	European Union (via EPD)	-	74.504
Myanmar	European Union (via International IDEA)	360.268	23.161
Zimbabwe	European Union (via Olaf Palme International Centre)	11.628	14.538
		<b>2.112.935</b>	<b>1.713.281</b>
<b>Grants from multilateral &amp; other donors</b>			
Burundi	United Nations Peacebuilding Fund (via UNDP)	247.046	858.121
Guatemala	Open Society Foundation	118.801	66.614
Guatemala	Oxfam	-	11.215
Guatemala	Global Human Rights Fund	6.251	-
Guatemala	Pluralism Foundation	88.815	-
International Lobby & Advocacy	Global Partnership for Multiparty Democracy (GPMD)	10.776	22.661
Myanmar	DEMO Finland	135.000	127.254
Uganda	Democratic Governance Facility (DGF - multidonor basket fund)	449.817	51.853
		<b>1.056.505</b>	<b>1.137.718</b>
		<b>13.588.631</b>	<b>11.753.780</b>

## 2.4 CASH FLOW STATEMENT

All amounts in euros

	2019	2018
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>		
<b>Result</b>	299.777	182.009
<b>Corrections for:</b>		
- Depreciation assets	26.318	23.608
<b>Changes in working capital:</b>		
- Receivables	694.045	308.911-
- Liabilities	-1.985.397	2.992.078
	<u>1.291.352-</u>	<u>2.683.167</u>
<b>NET CASH GENERATED FROM OPERATIONAL ACTIVITIES</b>	<b>965.256-</b>	<b>2.888.785</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Investments	-249.948	50.725-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>249.948-</b>	<b>50.725-</b>
<b>IN- / DECREASE IN LIQUIDITIES</b>	<b>1.215.204-</b>	<b>2.838.060</b>
<b>CHANGE IN LIQUIDITIES</b>		
Liquidities as of 01 January	6.488.193	3.650.134
Liquidities as of 31 December	<u>5.272.989</u>	<u>6.488.193</u>
<b>IN- / DECREASE IN LIQUIDITIES</b>	<b>1.215.204-</b>	<b>2.838.060</b>

## 3.1 GENERAL NOTES AND PRINCIPLES OF VALUATION AND CALCULATION OF RESULTS

### 3.1.1 GENERAL

#### OBJECTIVE

The object of NIMD is to support the democratization process in young and emerging democracies by strengthening political parties/political groupings as the backbone of an inclusive democracy. The dialogue between the supported parties is a key priority, as it facilitates the establishment of an effective, sustainable, pluralistic and multi-party political system as a prerequisite for inclusive development. NIMD links its activities to the objectives of national and international policy on sustainable poverty reduction in DAC Countries (Development Assistance Committee countries) and other countries and to the objectives of the international human rights framework, including specifically women rights and the rights of other underrepresented groups.

#### CONSOLIDATION

These annual accounts combine the balance sheets and statements of income and expense of the NIMD offices in the separate countries with the annual accounts of the NIMD HQ. The Executive Director of NIMD has full control over all those offices and management is organized centrally. There is organizational connectedness and economic unity between the entities that form part of the NIMD family when it comes to programming but also operationally. As all entries of the offices are included in one system, transactions between the separate offices are eliminated. The legal entities included in the consolidated annual accounts are offices in the following countries; Benin, Colombia, El Salvador, Ethiopia, Honduras, Guatemala, Jordan, Mali, Myanmar, The Netherlands (HQ) and Uganda.

#### 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. NIMD has a seat in the Board of EPD. For 2019, NIMD paid a membership fee of €25.000 (2018; € 25.000) and a contract for ILA towards lobbying of the EU of €101.536 (2018; € 100.000).

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 pays an annual contribution and in 2019 took care of the secretariat for which it received a compensation of the costs (2019: €10.776)

#### NOTES TO THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. The financial resources in the cash flow statement comprise cash at bank and in hand. Cash flows denominated in foreign currencies have been translated at an average exchange rate. Interest income and expense is included in the cash flow from operating activities. Transactions that do not involve any incoming or outgoing cash flows are not presented in the cash flow statement

## **ESTIMATES**

To apply the accounting principles and rules for compiling the annual accounts, the Managing Board of NIMD is required to form opinions about various matters and to make estimates that might be essential for the amounts presented in the annual accounts. Estimates have been made regarding provisions and monitoring and the collectability of claims. NIMD is not exposed to any risks to its results in this respect.

### **3.1.2 PRINCIPLES OF VALUATION AND CALCULATION OF RESULTS**

#### **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) .

#### **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.

#### **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 end of each month or -in the case of some country office administrations- using the end of cumulative period interbank exchange rate.

#### **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 website 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. Fixed Assets are depreciated as follows:

Renovation real estate - 4/5 years

Furniture - 4 years

Computer equipment - 3 years

Fixed Assets at Country Office - 2-5 years depending on assets

## RECEIVABLES

In the receivables the claims on grants are included under accrued subsidies and these refer to claims on governments and other authorities arising from liabilities into which NIMD has entered based on agreements to that effect as part of its program; these amounts include the related program management fee. Upon initial recognition, other receivables are presented at the fair value of the consideration, expressed in euros. Allowances for bad debts are deducted from the claim's book value.

## LIQUIDITIES

Cash at bank and in hand is presented at face value and is denominated in euros

## EQUITY

The equity contains two different types of reserves: the continuity reserve and an appropriated reserve for Project Connect. The continuity reserve is meant to create a sufficient-sized buffer that can be used to complete pending programs appropriately including staffing them with own people, if one or more key sources of funding were to dry up unexpectedly, and with due observance of existing legal and moral obligations. But also to cover unexpected losses. The appropriated reserve for Project Connect (Programme Management System) is used to cover the depreciation of our investment in Project Connect in three years.

## 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.

## 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.

## COMMITMENTS AND CONTINGENCIES NOT INCLUDED ON THE BALANCE SHEET

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 and has a balance of EUR 50.100,-

## 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	283
Added: investments	-
Deducted: depreciation 33%	283
Net value as of 31 December	0
<b>PROJECT CONNECT</b>	
Net value as of 01 Januari	-
Added: investments	178.848
Deducted: depreciation 33%	
Net value as of 31 December	178.848
3.2.2 TANGIBLE FIXED ASSETS	
<b>COMPUTER EQUIPMENT</b>	
Net value as of 01 Januari	14.836
Added: investments	4.503
Deducted: depreciation 33%	12.115
Net value as of 31 December	7.225
<b>FURNITURE</b>	
Net value as of 01 Januari	4.253
Added: investments	6.050
Deducted: depreciation 25%	3.667
Net value as of 31 December	6.635
<b>RENOVATION REAL ESTATE</b>	
Net value as of 01 Januari	27.212
Added: investments	4.308
Deducted: depreciation 20%	10.254
Net value as of 31 December	21.266
<b>FIXED ASSETS COUNTRY OFFICES</b>	
Net value as of 01 Januari	44.993
Added/Deducted: mutations	56.239
Net value as of 31 December	101.233

In 2018 we started with presenting the fixed assets of the country offices under chapter 3.2.2. In previous years these were presented under 3.2.3 Other non-programme advances & accruals. The mutations presented are the investments and depreciations done at country offices in local currency. And the revaluation to Euro done at Head Quarters.



3.2.3 RECEIVABLES		31 December 2019	31 December 2018
<b>ACCRUED SUBSIDIES</b>			
Burundi	- US State Department	-	42.184
Burundi	- UNDP	95.907	379.784
Colombia	- European Union	277.197	-
Mozambique	- Finnish MFA	-	300.000
Myanmar	- DEMO	135.000	62.500
Myanmar	- International IDEA	75.964	-
Inspired+	- EDP	-	28.013
Iraq	- RNE	84.671	-
Reach	- European Union	150.379	246.760
Tanzania	- DFID	18.678	-
		<b>837.796</b>	<b>1.059.241</b>

The accrued subsidies, show the claims of NIMD towards donors, based on signed agreements, which are part of the income in 2019, which have not been received yet

3.2.3 RECEIVABLES (continued)		31 December 2019	31 December 2018
<b>PROGRAMME RECEIVABLES &amp; PREPAYMENTS</b>			
Benin		781	17.431
Burundi		48.626	282.010
Colombia		16.768	21.633
El Salvador		6.595	38.292
Ethiopia		80.091	13.261
Georgia & Ukraine		8.617	57.995
Guatemala		14.286	31.733
Honduras		9.394	1.205
International Lobby & Advocacy		25.666	50.273
Jordan		136.438	122.728
Knowledge & Innovation Fragile States		617	-
Knowledge & Research ('Learning Agenda')		1.745	12.829
Kenya		17.998	-
Mali		2.515	30.475
Mozambique		19.255	72.723
Myanmar		4.555	592
Planning, Monitoring & Evaluation		8.036	750
Positioning		4.489	4.429
Reach		-	141
Tunesia		28.647	34.459
Uganda		59.534	3.512
Venezuela		189	-
Zimbabwe		52.817	53.272
		<b>547.662</b>	<b>849.740</b>

The programme receivables and prepayments are advance contract payments for 2020 or costs already paid in 2019, but related to 2020.

<b>OTHER ADVANCE PAYMENTS &amp; ACCRUED RECEIVABLES</b>			
Accrued interest		114	160
Loan to staff	See note	2.660	5.300
Rent advance		51.799	50.878
Claim with regards to supplies and services International IDEA		14.420	12.245
Other non-programme advances & accruals		85.201	224.289
		<b>154.195</b>	<b>292.871</b>

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.

3.2.4 LIQUIDITIES	31 December 2019	31 December 2018
Rabobank - current account	21.885	106.863
Rabobank - savings account	4.205.027	5.301.902
Rabobank - security account rent The Hague	50.100	50.100
Rabobank - current account Uganda programme (DDP)	498	562
Bank accounts and petty cash Benin	46.631	119.597
Bank accounts and petty cash Colombia	113.675	79.931
Bank accounts and petty cash Ecuador	-	8.057
Bank accounts and petty cash El Salvador	2.647	2.949
Bank accounts and petty cash Georgia	2.453	5.272
Bank accounts and petty cash Guatemala	212.532	139.785
Bank accounts and petty cash Honduras	343.316	332.048
Bank accounts and petty cash Mali	64.259	-
Bank accounts and petty cash Myanmar	38.484	72.885
Bank accounts and petty cash Uganda	166.235	262.201
Petty cash The Hague (EUR and foreign currencies)	5.247	6.041
	<b>5.272.989</b>	<b>6.488.193</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 and has a balance of EUR 50.100,-

3.2.5 EQUITY	31 December 2019	31 December 2018
<b>CONTINUITY RESERVE</b>		
Accumulated as of 01 January	1.442.026	775.561
Added: result bookyear	299.777	484.456
Added: from appropriation reserve	-	-
Deducted: used reserve	178.848	-
Accumulated as of 31 December	<b>1.562.955</b>	<b>1.442.026</b>
<b>APPROPRIATED RESERVE PROJECT CONNECT</b>		
Accumulated as of 01 January	-	-
Added: from continuity reserve	178.848	-
Deducted: used reserve	-	-
Accumulated as of 31 December	<b>178.848</b>	-

The appropriated reserve for Project Connect is created to cover the depreciation costs of the Project Management System NIMD will start to use in 2020. The reserve is created by including the investment in full in the current Dutch Ministry of Foreign Affairs programmes.

3.2.6 LONG-TERM LIABILITIES	31 December 2019	31 December 2018
<b>RENTAL DEBT</b>		
Balance as of 01 January	74.667	102.667
Added	-	-
Deducted	28.000	28.000
Balance as of 31 December	<b>46.667</b>	<b>74.667</b>

Of the open balance at year end 2019, an amount of 27.999,96 will be paid in 2020 (within one year)

3.2.7 CURRENT LIABILITIES		31 December 2019	31 December 2018
<b>ADVANCE RECEIVED SUBSIDIES FROM MINISTRY OF FOREIGN AFFAIRS</b>			
Subsidy Roasting coffee the Ethiopian way		-	-48.280
Subsidy Dialogue for Stability	See note 3.2.8	1.138.936	1.438.863
Subsidy Strategic Partnership		1.294.836	2.355.425
		<b>2.433.772</b>	<b>3.746.008</b>
<u>Subsidy for Roasting coffee the Ethiopian way (1% Fund):</u>			
Balance as of 01 January		-48.280	146.517
Received		48.280	-
Received interest		-	-
Spent		-	194.797
Balance as of 31 December		-	<b>-48.280</b>
<u>The subsidy for Dialogue for Stability can be further specified:</u>			
Balance as of 01 January		1.438.863	1.293.848
Received		3.000.000	3.000.000
Received interest		116	130
Spent	3.3.4.1	3.300.043	2.855.115
Balance as of 31 December		<b>1.138.936</b>	<b>1.438.863</b>
<u>The subsidy for Strategic Partnership can be further specified:</u>			
Balance as of 01 January		2.355.425	820.555
Received		5.480.227	6.721.769
Received interest		211	290
Spent	3.3.4.2	6.541.027	5.187.191
Balance as of 31 December		<b>1.294.836</b>	<b>2.355.425</b>
<b>ADVANCE RECEIVED SUBSIDIES FROM OTHER DONORS</b>			
Benin	- European Union	63.484	106.515
Colombia	- European Union	-	545.353
Ethiopia	- European Union	1.077.657	-
Guatemala	- RNE	54.827	-
Guatemala	- OSF	13.531	69.224
Guatemala	- FCIL Canada	0	4.779
Guatemala	- Global Rights	2.466	-
Guatemala	- Foundation Pluralism	69.573	-
Guatemala	- IREX	423	23.672
Guatemala	- SIDA	47.257	20.949
Honduras	- European Union	208.452	215.687
Mozambique	- Finnish MFA	16.827	-
Myanmar	- International IDEA	-	284.304
Uganda	- DGF	34.295	149.486
		<b>1.588.793</b>	<b>1.419.969</b>
<b>PERSONNEL RELATED LIABILITIES</b>			
Capitalised holliday allowance rights		78.342	68.273
Holliday allowance		88.551	75.914
Income insurance premiums due		-24.814	-22.483
Salary to be paid		394	4.087
Tax withheld from salary		86.508	89.443
		<b>228.980</b>	<b>215.234</b>

3.2.7 CURRENT LIABILITIES (continued)	31 December 2019	31 December 2018
<b>PROGRAMME LIABILITIES</b>		
Benin	-24	-
Burundi	187.648	625.081
Colombia	41.514	21.643
City Deals	18.049	11.338
Ecuador	-	8.057
El Salvador	7.337	11.132
Ethiopia	7.315	20
Georgia & Ukraine	-	18.573
Guatemala	14.900	7.634
Honduras	36.205	33.073
Indonesia	132.008	16.589
Innovation	-	54
International Lobby & Advocacy	1.568	24.903
Iraq	130.455	-
Jordan	11.093	3.796
Kenya	402	12.129
Knowledge	7.495	2.734
Knowledge & Research ('Learning Agenda')	-	30.855
Mali	15.142	-
Mena region	10.853	-
Mozambique	5.347	383.920
Myanmar	6.957	16.375
Knowledge & Innovation Fragile States	3.951	149
Positioning	994	-
Planning, Monitoring & Evaluation	4.218	-
Reach	56.904	342.040
Tunesia	-	30.244
Uganda	57.462	5.823
	<b>757.792</b>	<b>1.606.160</b>

The programme liabilities can be contract liabilities to be paid in 2020 (for costs related in 2019), or payments done in 2020 related to 2019.

OTHER ADVANCE RECEIPTS & ACCRUED LIABILITIES	31 December 2019	31 December 2018
Audit costs	20.000	20.000
Other non-programme advances & accruals	16.788	13.725
	<b>36.788</b>	<b>33.725</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 2017 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 2017 to 31 December 2020. The maximum contribution for these 4 years is € 15.000.000

**The Strategic Partnership Programme**

For the period 2017-2020 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 2017 to 31 December 2020. The maximum contribution for these 4 years is €31.793.468

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

On 23 March 2018 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 2018 till 31 December 2018.

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

#### 3.3.1 SPECIFIED STATEMENT COSTS AND REVENUE 2019

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 project 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 overhead we included in our two biggest programmes (Strategic Partnership & Dialogue for Stability), and cover the costs of NIMD Headquarter. This overview shows the total amount we report towards our donors on country level.

	BUDGET 2019 PROGRAMMES	TOTAL EXPENDITURE 2019	ACTUAL PROJECT EXPENSES	MANAGEMENT & ACCOUNTING COSTS BASED ON FEES
<b>PROGRAMMES</b>				
Benin	459.238	454.580	418.224	36.356
Burundi	799.499	838.255	725.288	112.967
City Deals	131.791	24.259	18.049	6.210
Colombia	1.156.430	1.229.978	1.076.398	153.580
El Salvador	246.250	310.658	289.256	21.402
Ethiopia	577.157	586.927	543.637	43.290
Guatemala	817.126	897.786	853.596	44.189
Honduras	419.996	531.568	482.307	49.261
Indonesia	169.422	175.648	147.034	28.614
Iraq	158.149	171.809	171.809	-
Jordan	488.669	488.161	408.697	79.464
Kenya	515.964	371.243	332.237	39.006
Mali	567.957	600.351	531.148	69.203
Mena region	375.967	259.073	148.514	110.559
Mozambique	558.054	570.281	479.207	91.073
Myanmar	744.406	799.457	695.626	103.831
SAHEL	236.786	284.031	262.707	21.324
Tanzania	35.144	40.537	28.865	11.672
Tunesia	274.443	240.248	204.217	36.031
Uganda	827.326	930.223	841.603	88.619
Ukraine	306.277	315.117	282.445	32.672
Venezuela	-	25.795	7.735	18.060
Zimbabwe	402.183	331.180	288.788	42.392
Inspired+	-	-	-	-
Reach	61.503	68.460	68.460	-
Coordination	196.808	193.767	55.500	138.267
<b>Country &amp; Regional Programmes</b>	<b>10.526.545</b>	<b>10.739.390</b>	<b>9.361.349</b>	<b>1.378.041</b>
Positioning	111.037	155.791	65.256	90.535
Innovation	118.439	152.877	77.948	74.929
International Lobby & Advocacy	280.644	264.570	154.999	109.571
Knowledge	173.958	233.019	120.722	112.298
Knowledge & Innovation Fragile States	222.814	329.295	104.409	224.887
Knowledge & Research ('Learning Agenda')	110.733	200.634	185.655	14.979
Peer Learning	118.439	941	-28	969
Planning, Monitoring & Evaluation	437.851	498.683	223.985	274.698
<b>Knowledge, positioning &amp; Innovation</b>	<b>1.573.916</b>	<b>1.835.810</b>	<b>932.945</b>	<b>902.865</b>
<b>TOTAL FUNDED PROGRAMMES</b>	<b>12.100.461</b>	<b>12.575.200</b>	<b>10.294.294</b>	<b>2.280.905</b>
General Management & Accounting costs NIMD				<b>3.3.1.33</b>
Dialogue for Stability		373.954		373.954
Strategic Partnership		817.593		817.593
<b>MANAGEMENT AND ACCOUNTING COSTS</b>	<b>1.245.179</b>			
	<b>13.345.640</b>	<b>13.766.746</b> c	<b>10.294.294</b>	<b>3.472.452</b> a

#### 3.3.2 SPECIFIED STATEMENT COSTS AND REVENUE 2019

To make a comparison between the overall budget 2019 and the actuals (see also chapter 2.2 State of income & expenditure), this year we included a separate overview, in which the costs of the office in The Hague are split over the three categories. Based on the timewriting, we allocated the direct time spent of the Salaries and staff expenses to the country- & regional programmes and Knowledge, positioning & Innovation. All indirect time and other expenses are included under Management & accounting costs. As explained above, the actual project 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.

	BUDGET 2019	TOTAL EXPENDITURE 2019	ACTUAL PROJECT EXPENSES	MANAGEMENT & ACCOUNTING COSTS
<b>Country &amp; Regional Programmes</b>	10.526.545	11.023.303	9.361.349	1.661.953
<b>Knowledge, positioning &amp; Innovation</b>	1.573.916	1.283.388	932.945	350.443
<b>TOTAL FUNDED PROGRAMMES</b>	<b>12.100.461</b>	<b>12.306.691</b>	<b>10.294.294</b>	<b>2.012.396</b>
General Management & Accounting costs NIMD	1.245.179	982.163	-	982.163
	<b>13.345.640</b>	<b>13.288.854</b>	<b>10.294.294</b>	<b>2.994.559</b> b <b>3.3.1.33</b>

#### RESULT 2019

Actual coverage M&A Costs 2019			a	3.472.452
Actual M&A Costs 2019			b	2.994.559
				<b>477.893</b> A
Project Income	See 2.3 Income Overview	13.588.631		
Project Expenditure		13.766.746 c		
		<b>-178.116</b> B		

#### RESULT 2019

**299.777** A+B

3.3.2 NOTES TO THE SPECIFIED STATEMENT COSTS AND REVENUE 2019 (DONOR / COUNTRY)

SPECIFIC NOTES

Expenditure

Below an overview of the reported expenditure in 2019 per donor / country. This means per donor we made an overview of all countries expenditure incurred. The expenditure shown is divided in three categories; direct programme costs, mission costs and management & accounting costs. As explained in chapter 3.3.1, the direct programme costs contains direct activity costs as well as local overhead of the implementing partner organizations and NIMD country office.

As NIMD follows the Dutch Accounting Guideline RJ 640, the total contract obligation is registered 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 2019 therefore do not represent the actual expenditures.

The total costs shown, represent the expenditure presented to our donors. If a negative amount is presented, this means we did not claim the full amount towards our donors yet or a correction on previous years has been made.

	Strategic Partnership	Dialogue for Stability	Demo Finland	DGF	DFID	European Union	FCI	Finnish MFA	Foundation Pluralism	Global Rights	GPMD	International IDEA	IREX	OSF	RNE	Roasting coffee the Ethiopian way (1% Fund)	Sida	UNDP	Total
Benin	€ 323.652					€ 130.928													€ 454.580
Burundi		€ 363.915																€ 474.340	€ 838.255
City Deals		€ 24.259																	€ 24.259
Colombia		€ 243.187				€ 986.791													€ 1.229.978
El Salvador	€ 310.658																		€ 310.658
Ethiopia	€ 505.865					€ 86.334										€ -5.273			€ 586.927
Guatemala	€ 270.684						€ 6.838		€ 90.006	€ 6.251			€ 53.499	€ 136.730	€ 41.764		€ 292.015		€ 897.786
Honduras	€ 280.702					€ 250.865													€ 531.568
Indonesia	€ 175.648																		€ 175.648
Iraq		€ -0													€ 171.809				€ 171.809
Jordan		€ 316.459				€ 171.702													€ 488.161
Kenya	€ 371.243																		€ 371.243
Mali	€ 600.351																		€ 600.351
MENA region		€ 259.073																	€ 259.073
Mozambique	€ 602.941							€ -32.661											€ 570.281
Myanmar	€ 321.422		€ 135.000									€ 343.035							€ 799.457
SAHEL	€ 284.031																		€ 284.031
Tanzania					€ 40.537														€ 40.537
Tunesia		€ 240.248																	€ 240.248
Uganda	€ 475.664			€ 454.559															€ 930.223
Ukraine		€ 315.117																	€ 315.117
Venezuela		€ 25.795																	€ 25.795
Zimbabwe	€ 319.553					€ 11.628													€ 331.180
Reach						€ 68.460													€ 68.460
Coordination	€ 133.372	€ 60.395																	€ 193.767
<b>Country &amp; Regional Programmes</b>	<b>€ 4.975.785</b>	<b>€ 1.848.448</b>	<b>€ 135.000</b>	<b>€ 454.559</b>	<b>€ 40.537</b>	<b>€ 1.706.707</b>	<b>€ 6.838</b>	<b>€ -32.661</b>	<b>€ 90.006</b>	<b>€ 6.251</b>	<b>€ 343.035</b>	<b>€ 53.499</b>	<b>€ 136.730</b>	<b>€ 213.573</b>	<b>€ -5.273</b>	<b>€ 292.015</b>	<b>€ 474.340</b>	<b>€ 10.739.390</b>	
Positioning		€ 155.791																	€ 155.791
Innovation		€ 152.877																	€ 152.877
International Lobby & Advocacy	€ 253.794									€ 10.776									€ 264.570
Knowledge		€ 233.019																	€ 233.019
Knowledge & Innovation Fragile States		€ 329.295																	€ 329.295
Knowledge & Research ('Learning Agenda')	€ 200.634																		€ 200.634
Peer Learning		€ 941																	€ 941
Planning, Monitoring & Evaluation	€ 293.082	€ 205.601																	€ 498.683
<b>Knowledge, positioning &amp; Innovation</b>	<b>€ 747.509</b>	<b>€ 1.077.524</b>								<b>€ 10.776</b>									<b>€ 1.835.810</b>
Overhead	€ 817.593	€ 373.954																	€ 1.191.547
<b>Management &amp; Accounting Costs</b>	<b>€ 817.593</b>	<b>€ 373.954</b>																	<b>€ 1.191.547</b>
<b>Total expenditure 2019</b>	<b>€ 6.540.887</b>	<b>€ 3.299.927</b>	<b>€ 135.000</b>	<b>€ 454.559</b>	<b>€ 40.537</b>	<b>€ 1.706.707</b>	<b>€ 6.838</b>	<b>€ -32.661</b>	<b>€ 90.006</b>	<b>€ 6.251</b>	<b>€ 10.776</b>	<b>€ 343.035</b>	<b>€ 53.499</b>	<b>€ 136.730</b>	<b>€ 213.573</b>	<b>€ -5.273</b>	<b>€ 292.015</b>	<b>€ 474.340</b>	<b>€ 13.766.746</b>



### 3.3.4 OVERVIEW OF SPECIFIC PROGRAMMES/PROJECTS

#### SPECIFIC NOTES

##### Expenditure

Below an overview of the reported expenditure in 2019 per donor / country for some specific programmes NIMD has. This means for these per donors we made an overview of all countries expenditure incurred. The expenditure shown is divided in three categories; direct programme costs, mission costs and management & accounting costs. As explained in chapter 3.3.1, the direct programme costs contains direct activity costs as well as local overhead of the implementing partner organizations and NIMD country office.

As NIMD follows the Dutch Accounting Guideline RJ 640, the total contract obligation is registered 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 2019 therefore do not represent the actual expenditures.

#### 3.3.4.1 Dialogue for Stability

	Budget 2019	Total expenditure 2019	Direct Programme costs	Mission costs	M&A costs
Burundi	409.961	363.915	309.583	-	54.332
Colombia	316.207	243.187	210.776	611	31.800
Ukraine	348.593	315.117	281.189	1.256	32.672
Iraq	-	-0	-	-0	-
Jordan	356.185	316.459	266.427	6.238	43.794
Lebanon	-	-	-	-	-
MENA region	427.912	259.073	142.498	6.016	110.559
Tunesia	312.361	240.248	203.022	1.195	36.031
Venezuela	-	25.795	-	7.735	18.060
City Deals	150.000	24.259	18.049	-	6.210
Innovation	160.000	152.877	76.780	1.168	74.929
Knowledge	235.000	233.019	120.722	-	112.298
Knowledge & Innovation Fragile States	301.000	329.295	97.951	6.457	224.887
Coordination	41.000	60.511	20.263	-	40.248
Peer Learning	160.000	941	-28	-	969
Planning, Monitoring & Evaluation	341.000	205.601	111.260	2.893	91.448
Positioning	150.000	155.791	61.391	3.865	90.535
	<b>3.709.219</b>	<b>2.926.089</b>	<b>1.919.884</b>	<b>37.434</b>	<b>968.770</b>
Programme management costs NIMD	474.409	373.954	-	-	373.954
<b>Total Costs 2019</b>	<b>4.183.629</b>	<b>3.300.043</b>	<b>1.919.884</b>	<b>37.434</b>	<b>1.342.725</b>
Received interest DfS 2019:	-	-116	-116	-	-
<b>Total Costs 2019</b>	<b>4.183.629</b>	<b>3.299.927</b>	<b>1.919.768</b>	<b>37.434</b>	<b>1.342.725</b>

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 2017 to 31 December 2020. The maximum contribution for these 4 years is € 15.000.000

Notes: In the coordination heading, the audit costs are also included, in the DfS report these are shown as a separate budget line



### 3.3.4.2 Strategic Partnership

	Budget 2019	Total expenditure 2019	Direct Programme costs	Mission costs	M&A costs
Benin	372.688	323.652	275.934	11.362	36.356
El Salvador	280.273	310.658	283.698	5.558	21.402
Guatemala	288.024	270.684	226.172	7.797	36.714
Honduras	228.024	280.702	257.027	2.145	21.530
Ethiopia	556.899	505.865	451.552	5.751	48.563
Georgia	-	-	-	-	-
Ghana	-	-	-	-	-
Indonesia	192.830	175.648	147.034	-	28.614
Kenya	587.251	371.243	321.805	10.431	39.006
Mali	646.428	600.351	521.017	10.131	69.203
Mozambique	635.157	602.941	565.326	3.711	33.905
Myanmar	362.257	321.422	261.369	6.017	54.036
SAHEL	269.501	284.031	246.645	16.062	21.324
Uganda	491.633	475.664	434.080	6.157	35.426
Zimbabwe	442.750	319.553	278.856	7.904	32.792
Coordination	183.000	133.513	18.844	16.394	98.275
International Lobby & Advocacy	369.122	253.794	148.692	6.307	98.795
Knowledge & Research ('Learning Agenda')	149.590	200.634	185.655	-	14.979
Planning, Monitoring & Evaluation	250.493	293.082	108.681	1.151	183.250
	<u>6.305.920</u>	<u>5.723.435</u>	<u>4.732.387</u>	<u>116.879</u>	<u>874.169</u>
Programme management costs NIMD	900.801	817.593	-	-	817.593
<b>Total Costs 2019</b>	<u>7.206.721</u>	<u>6.541.027</u>	<u>4.732.387</u>	<u>116.879</u>	<u>1.691.762</u>
Received interest SP 2019:	-	-211	-211	-	-
<b>Total Costs 2019</b>	<u>7.206.721</u>	<u>6.540.816</u>	<u>4.732.176</u>	<u>116.879</u>	<u>1.691.762</u>

For the period 2017-2020 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 2017 to 31 December 2020. The maximum contribution for these 4 years is €31.793.468

### 3.3.5 SPECIFIED STATEMENT MANAGEMENT & ACCOUNTING COSTS 2019

	ACTUALS 2019	BUDGET 2019	ACTUALS 2018	
Salaries and staff expenses	2.546.518	2.724.600	2.459.394	3.3.5.1
Office expenses	107.642	303.400	261.601	3.3.5.2
Depreciation	26.318	28.200	23.608	3.3.5.3
General Expenses	314.080	137.500	127.915	3.3.5.4
	<b>2.994.559</b>	<b>3.193.700</b>	<b>2.872.518</b>	

Based on the timewriting, we allocated the direct time spent of the Salaries and staff expenses to the country- & regional programmes and Knowledge, positioning & Innovation. All indirect time and other expenses are included under Management & accounting costs

Salaries and staff expenses				
Spent on country- & regional programmes	50%	Direct	96%	1.211.048 a
		Indirect	4%	53.826 c
Spent on Knowledge, positioning & Innovation	15%	Direct	94%	350.443 b
		Indirect	6%	23.929 c
Management & accounting costs	36%	Direct	50%	450.906 a
		Indirect	50%	456.367 c
				<b>2.546.518</b>

		Salaries and staff expenses	Office-, general expenses and depreciation	Total
Spent on country- & regional programmes	a	1.661.953	-	1.661.953
Spent on Knowledge, positioning & Innovation	b	350.443	-	350.443
Management & accounting costs	c	534.122	448.041	982.163
		<b>2.546.518</b>	<b>448.041</b>	<b>2.994.559</b>

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

##### 3.3.5.1 Salaries and staff expenses

Breakdown of the employee costs:

	2019	Budget 2019	2018
Gross Salaries	1.840.280	1.963.600	1.794.324
Social Security	340.619	357.100	317.789
Other salary costs	8.402	15.000	46.615
Pension	170.758	162.600	164.166
Commuting	86.299	61.900	57.097
Mission costs for indirect staff	20.002	15.500	2.020
Education & Training	36.040	45.800	24.608
Insurances	77.392	75.000	72.385
Security Policy	9.643	15.000	21.200
Other personnel costs	26.597	28.500	77.703
Reimbursements from staff insurances	-69.512	-15.400	-118.513
	<b>2.546.518</b>	<b>2.724.600</b>	<b>2.459.394</b>

Salaries in 2019 are higher than the actual costs in 2018, but within budget. This goes for the gross salaries and the social security costs. Increase compared to 2018 is due to an increase in staff. At the end of 2018 there were 28,47 FTE on our payroll, at the end of 2019 this is 31 FTE. We started the year with 29 persons working in the The Hague office, and ended with 33 colleagues. Eight persons joined, and four left. Reasons for leaving were for most related to finding a new position outside of NIMD.

The other salary costs are lower due to less recruitment costs in 2019 (in 2018 the recruitment of the new Executive Director was included). Mission costs and commuting increased considerably, this due to a Regional Finance Managers meeting we organised in November 2019. In this meeting all Finance Managers from all Country Offices came to The Netherlands, to share knowledge, learn and interact. In the commuting costs we did not only include the actual commuting, but also the hotel costs in The Netherlands for this meeting

In 2019 we did not use the full amount for Education & Training and Safety & Security. Part of these costs have also been included under the different programme learning budget lines. The other personnel cost related to temporary staff to replace sick colleagues and get legal advice, which stayed within budget 2019.

Like last year there (unfortunately) was a credit amount included due to illness of several staff members for an extended period, the reimbursement for staff insurances in 2019 was again higher than budgeted, but lower than the 2018 amount.

### 3.3.5.2 Office expenses

Breakdown of the office costs:

	2019	Budget 2019	2018
Rent	107.157	103.800	101.464
Cleaning	27.017	36.000	25.315
Other housing expenses	11.166	18.100	9.245
ICT-expenses	87.760	83.200	72.509
Project Connect	-178.848	-	-
Phone and Internet expenses	28.227	31.300	27.345
Bank costs	9.611	9.000	11.120
Other Office expenses	15.553	22.000	14.604
	107.642	303.400	261.601

Within the office costs we this year included an amount for Project Connect. This investment is financed within the two main programmes of the Ministry of Foreign Affairs of The Netherlands. As we wanted to show this investment as an asset on our Balance Sheet (see 3.2.1 Intangible Fixed Assets), the amount is shown here as a negative amount. The same amount will be added in an appropriated reserve on the credit side of our Balance Sheet (see 3.2.5 Equity). From this reserve the annual depreciation costs will be financed. Without this negative amount, the office expenses are 10% higher than 2018, but 6% below budget. All items are in line with the 2018 figures

Besides this, there is an increase in the ICT-expenses. The reason for this is that during the implementation of Project Connect, the old system was still in use, so part of the hosting costs were double in 2019.

### 3.3.5.3 Depreciation

Breakdown Depreciation

	2019	Budget 2019	2018
Depreciation furniture	3.667	4.300	2.271
Depreciation computer equipment	12.115	12.700	11.461
Depreciation Programme Management Software & Website	283	300	395
Depreciation Project Connect	-	-	-
Depreciation Renovation Office	10.254	10.900	9.481
	26.318	28.200	23.608

Depreciation is in line with budget and expenses of last year, with the exception of the depreciation of Project Connect. As we also have an appropriated reserve for this item, costs will not have an impact on the overall result.

### 3.3.5.4 General expenses

Breakdown General Expenses

	2019	Budget 2019	2018
Third party services	52.148	76.800	51.413
Auditors	31.685	25.000	36.999
Insurances	25.170	23.500	16.526
Other General expenses	11.323	12.200	11.059
Differences / other gains & losses	193.754	-	11.918
	314.080	137.500	127.915

The General expenses are a bit higher than budgetted. This mainly because of exchange rate differences. 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 of all these differences are not budgetted (due to the unpredictability), but do run via the statement of income and expenditure. The amount of 193k included as difference are mainly caused by exchange rate difference, but also includes revaluation differences at year end.

### 3.4 Specification Wet Normering Topinkomens

The Supervisory Council determines the remuneration policy, the amount of the remuneration of the Executive Director, and the amounts of the other elements of remuneration.

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

The maximum remuneration in 2019 for NIMD's senior executive is €181.000. 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 T. Berman	Ms. H.C. de Jong		Ms. S.L.J.M. Filippini
<b>2019</b>				
Function	Executive Director	Executive Director (acting)	Head Programmes & Projects	
Duration of employment	01-02 / 31-12	01-01 / 31-01	01-02 / 15-10	
Size of employment (in FTE)	1,0	1,0	1,0	
Real or fictitious employment?	Real	Real	Real	
Individual WNT maximum	165.917	15.083	165.917	
<u>Remuneration</u>				
Salary	88.686	7.335	76.222	
Remuneration	0	0	0	
Pension Contribution	13.436	580	6.907	
Total remuneration	102.122	7.915	83.129	
<b>2018</b>				
Function		Head Programmes & Projects	Executive Director (acting)	Executive Director
Duration of employment		01-01 / 15-10	16-10 / 31-12	01-01 / 15-10
Size of employment (in FTE)		1,0	1,0	1,0
Real or fictitious employment?		Real	Real	Real
Individual WNT maximum		137.750	36.250	137.750
<u>Remuneration</u>				
Salary		63.213	18.337	77.996
Remuneration		0	0	0
Pension Contribution		5.782	1.707	9.506
Total remuneration		68.995	20.044	87.502

## Remuneration of supervisory council

The Supervisory Council receives an allowance of €250,- per attended meeting

	Mr. E. van Middelkoop	Mrs. I. van Biezen	Mr. J. Hoekema	Mrs. A. Mijnsbergen	Mr. M. Stolk	Mrs. I. van Veldhuizen	Mrs. W.J.J.M. van Eupen	Mrs. E. Nauta - van Moorsel	Mr. F. de Lange
<b>2019</b>									
Function	Chairman	Member	Member	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	01-01 / 31-12	01-01 / 31-12
Individual WNT maximum	27.150	18.100	18.100	18.100	18.100	18.100	18.100	18.100	18.100
<b>Remuneration</b>									
Salary	0	0	0	0	0	0	0	0	0
Remuneration	1.000	750	750	1.000	1.000	1.000	750	750	1.000
Pension Contribution	0	0	0	0	0	0	0	0	0
Total remuneration	1.000	750	750	1.000	1.000	1.000	750	750	1.000
<b>2018</b>									
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	01-11 / 31-12		
Individual WNT maximum	26.100	17.400	17.400	17.400	17.400	17.400	2.900		
<b>Remuneration</b>									
Salary	0	0	0	0	0	0	0	0	0
Remuneration	1.250	1.000	1.250	1.250	1.250	1.250	250		
Pension Contribution	0	0	0	0	0	0	0		
Total remuneration	1.250	1.000	1.250	1.250	1.250	1.250	250		

## INDEPENDENT AUDITOR'S REPORT

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

### A. Report on the audit of the financial statements 2019 included in the financial report

#### Our opinion

We have audited the financial statements 2019 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 2019 and of its result for 2019 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 Standards for Remuneration Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2019;
2. the statement of income and expenditure for 2019; 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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**Compliance with rule against overlapping pursuant to the WNT not audited**

In accordance with the Audit Protocol under the Standards for Remuneration Act (“WNT”), we have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(j) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT, and whether the explanation required in this context is correct and complete.

**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 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 Standards for 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 dissolve 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, 23 June 2020

Dubois & Co. Registeraccountants

A.P. Buteijn RA

K. Ait Boukdir RA