



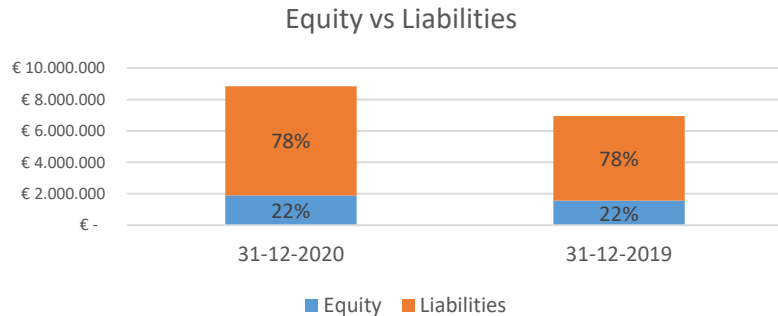
Netherlands Institute for
Multiparty Democracy

FINANCIAL REPORT 2020



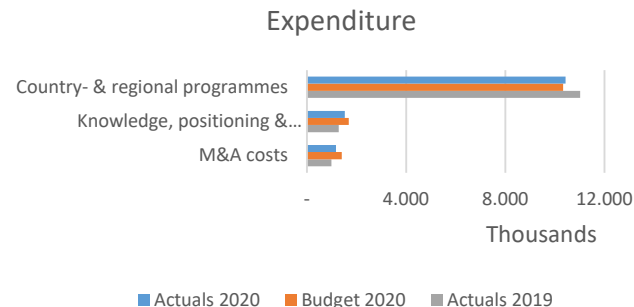
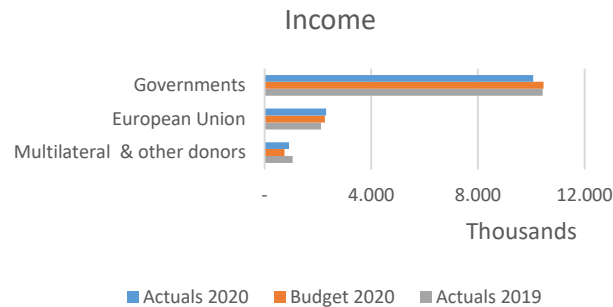
Key Figures 2020

Equity vs Liabilities



NIMD achieved a positive result of €0.16 million in 2020. As in the previous year, our equity increased in 2020, thanks to this positive result. This is in line with our ambition to strengthen our financial base for the organization. Our liabilities also increased in 2020, by almost €1.5 million. This is because we received more pre-financing from donors, as well as registering an increase in our liabilities towards partners. As a consequence, the ratio of equity to liabilities remained unchanged.

Income & Expenditure

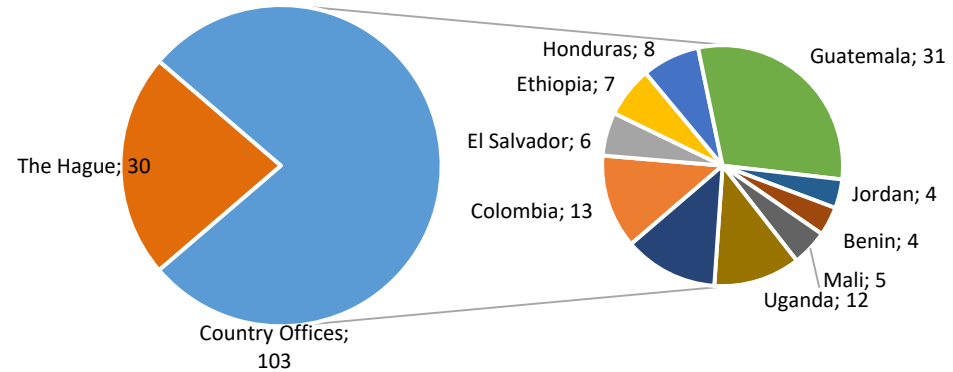


In 2020, NIMD received income for programmes from 18 different donors. These contributions brought our total annual income to €13.3 million, slightly lower than NIMD’s income of €13.6 million in 2019. This amount provided a solid basis for NIMD to continue its work worldwide in the coming years, and is in line with the 2020 annual budget (€13.5 million). Of NIMD’s total expenditure in 2020 (€13.1 million), we spent 92% (€12.0 million) on programmes. These included country and regional programmes, and thematic programmes (knowledge, innovation and positioning).. The remaining 8% was allocated to non-direct human resources and office running costs (management and accounting costs).

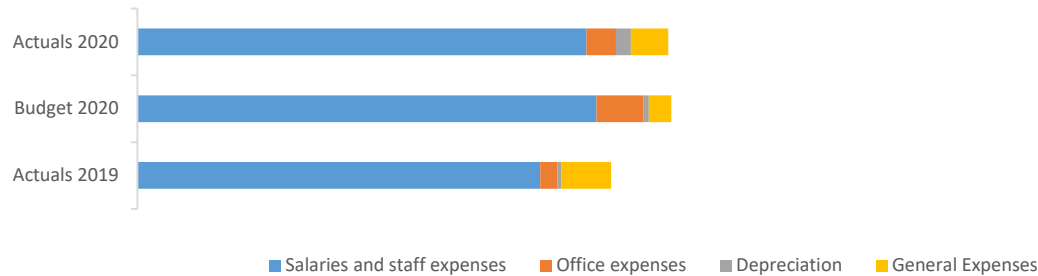
Key Figures 2020

Employees in offices NIMD (per 31/12/2020)

NIMD had eleven offices in 2020, in which slightly more than 130 people work, in total, either under a staff contract or as consultants. The biggest of these offices is our international office in The Hague (30 persons) and our office in Guatemala (31 persons). In most offices, the number of staff is generally in line with the previous year. Any major country-level changes compared to last year are due to the start (+) or finalization (-) of grants.



Management & Accounting Costs



Compared to last year, NIMD had higher management and accounting costs in 2020, both in terms of volume (€3.4 million in 2020, compared to €3.0 million in 2019) and in relation to the other line items (26% in 2020, compared to 23% in 2019). These figures include all expenditure from NIMD’s international office, including the costs of staff in The Hague working directly on programmes. The increase is mainly caused by additional salary costs which were foreseen in the budget, and an a small increase in office expenses due to the investment in our new Project Management System.

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1.1 STATEMENT OF THE EXECUTIVE DIRECTOR

The year 2020 marked an important change for Netherlands Institute for Multiparty Democracy (NIMD). It was the last year of our implementation of the two partnership programmes Strategic Partnership and Dialogue for Stability with the Dutch Ministry of Foreign Affairs.

For the five years to come (2021-2025) we will continue our strong cooperation with the Ministry under the two new framework programmes that we have successfully submitted to the Ministry. Together, the two programmes Power of Voices and LEAP for Peace (see below) will provide a sound basis of financial predictability and stability for the coming five years, for our programming. Apart from this strong basis, NIMD will increase its efforts to enlarge its array of funding partners, with the objective to diminish the proportion of funding of the Dutch MFA in our annual budget.

In 2020, NIMD has again 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 2020, NIMD worked in 23 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 2020 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 2020

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. We have offices in Benin, Colombia, El Salvador, Ethiopia, Guatemala, Honduras, Jordan, Mali (responsible for the Sahel region), Myanmar and Uganda. Due to the closing of the programme in Benin (no longer part of the new granted proposals), the office is closed per 31 December 2020.

Last year we succeeded to register our office in Jordan. In Myanmar, the registration process is still in progress and therefore not finalized. To ensure continuity of work and transparency in Myanmar, we work under a Memorandum of Understanding (MoU) with the responsible national ministry. The recent coup d'Etat in the country has forced us to suspend all activities, but we hope to be able to resume our work soon and if necessary we will adapt the implementation of our programmes.

In total 103 persons are working in NIMD's country/regional offices, excluding the staff at the office in The Hague. This is more or less on the same level as last year (2019; 101). At the beginning of 2020, NIMD's headquarters in The Hague hosted 33 employees (31,11 FTE). By 31 December 2020, this number decreased to 30 employees (28,42 FTE). In total, six colleagues joined the organisation, and nine left. In 2020 colleagues were leaving for different reasons; finding new challenges outside of NIMD, traveling around the world, ending of intern contracts, but also due to the reorganization that took place in 2020 (see below).

REORGANISATION

In 2020, NIMD reorganized the organization. In this process the network will, building on its expertise, enter a new phase in its development and endeavor to shift responsibilities and roles in line with our commitment to encourage Southern leadership. This reform is outlined in our Multiannual Strategy 2021-2025 (MAS) that includes our vision on changing roles and responsibilities for the global office in The Hague, as well as for the NIMD Country Offices and partners.

Consequently, as responsibilities in the network are changing, the team in The Hague has seen a change in its organogram, tasks and responsibilities. In addition, our financial means to sustain the office and the team in The Hague have decreased significantly as of 2021, due to a shrinking income to cover these costs.

After the reorganization, NIMD has a management team comprising an Executive Director and two Heads, who together manage four units/teams. The resulting organogram adapts the global office of NIMD at The Hague to its future role. It comprises a Management Team, a Programme Development & Knowledge Team, a Grants Management Team, a Positioning Team and a Finance, Control & Support team.

EXPENDITURE

The total expenditure in 2020 amounted to € 13.1 million, which is in line with the budgeted amount for 2020 (2% underspending) and the 2019 actual expenditure (1% below 2019 actuals).

To give more insight, in calculating the actual management and accounting costs in 2019 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.

The largest part of our spending still relates to country and regional programmes (83% in 2019 compared to 79% in 2020). This shift is mainly due to a higher share of spending being directed towards Knowledge, Positioning & Innovation (in 2019 this was 10%, in 2020 this is 12%). As can be seen, the proportion of the budget allocated for total management and accounting costs increased with 2% (7% in 2019 and 9% in 2020).

A more detailed overview of the management and accounting costs will be found in Section 3.3.5 (“Specified Statement Management & Accounting Costs 2020”). The figures shown here include all expenditure from NIMD’s headquarters, including the costs of staff in The Hague working directly on programmes, which in the statement of income and expenditure are divided over the three categories.

In terms of the management and accounting costs, the total expenditure was approximately 1% under budget and 12% higher than last year.

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 2020, we were able to add € 160.000 to our reserves (in 2019: € 300.000). Part of our equity (reserve) is an appropriated reserve formed to finance, in 2019 and 2020, the investment in our new project management system. Between 2020 and 2024, this reserve will serve to finance the depreciation of of this system. The investment has – in 2019 and 2020 - partly been financed from our two main subsidy programmes from the Ministry of Foreign Affairs of the Netherlands.

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 increase in our continuity reserve.

FUNDRAISING

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, in the new organogram after the reorganization, and in 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 72% of the organization’s overall income, slightly lower than in 2019 (74%). The figure confirms the trend of the last years towards a gradual decrease of the proportional weight of the Dutch MFA funding (2018: 72%, 2017: 80%, 2016: 79%). For 2021, the budgeted percentage is 61%.

This percentage is in line with the overall objective to gradually decrease dependency on Dutch funding. In 2020, contracts with the European Union (Benin, Burundi, Ethiopia, Honduras, Jordan, Myanmar and our global programme Reach4Democracy) represented 17% of our income (in 2019 this was 16%). Other governments, together with other (multilateral) donors provided 10% of the income (in 2019 this was also 10%).

RISKS

With the end of the two major grants funded by the Ministry of Foreign Affairs (The Netherlands Strategic Partnership Grant and the Dialogue for Stability Grant) in 2020, NIMD expects that income will from now on fluctuate more than in previous years. This is important at the level of the overhead costs, of which the coverage was more flexible in previous years. NIMD will need to 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.

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, as illustrated by the situation in Myanmar since the coup d'état early 2021. 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 mitigate this risk, programme progress and accountability are accurately monitored through financial and narrative reports, audits, missions and evaluations, as well as through 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 normally 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 2020, due to COVID-19 no office received an internal audit.

On the management of staff-related risks, we further invested in our integrity policy in 2020. 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").

In 2020, two cases of financial mismanagement have been reported. In one case, the partner has not been able to present adequate documentation to support certain expenses. After thorough investigation, also by an external auditor, the reality of the expenses has not been put into doubt, nor the reliability of the partner; it is a case of mismanagement. In the second case, two NIMD staff members requested a third party to transfer a part of the contract value to their personal accounts. Via the whistleblowing procedure, this partner came forward and immediate action has been taken (protection of the partner, letting go of the persons involved). In both cases, the Ministry of Foreign Affairs in The Netherlands has been informed as requested by the agreed procedures.

As part of our Safety & Security Policy 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

The global pandemic has affected the work of NIMD in various ways. Colleagues, family and friends have been infected. Some colleagues have had to mourn the death of relatives due to the virus. Social distancing and the isolation due to the lockdowns have demanded a lot from staff members, and we had to find new ways of working together. We have had to suspend our travels to and often even within programme countries. Our programmes are now being implemented mainly through online sessions. The adaptation to this new online reality went quite smoothly and shows the flexibility of the organization as a whole. Contrary to our concerns, we have been able to continue our work, albeit with some delays in most of the programme countries.

As part of our mid-year review (that we planned to already do in June 2020), we have assessed the impact of the temporary programmatic stop and were grateful for the flexibility of the Dutch MFA and other donors to accept programme and budget amendments for the remainder of 2020.

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

QUALITY MANAGEMENT

As already indicated, 2020 was a year of many changes for NIMD. One of them was to be ready for our new programmes starting in 2021. Therefore, NIMD set itself the goal of improving its quality management system. One of the objectives was to lead the organisation to a successful certification process for ISO 9001:2015 and Partos ISO:9001: version 2018. This certification ensures the effectiveness of our quality and control system and strengthens our accountability to our stakeholders. SGS conducted an audit during November 2020, and has granted the ISO certification of NIMD on 28 January 2021

FUTURE

In the summer of 2020, NIMD finalized the new Multi-Annual Strategy 2021-2025. Based on the vision laid down in this strategy, NIMD has been able to successfully apply for two funding frameworks with the Netherlands Ministry of Foreign Affairs. This funding provides 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.

NIMD will 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 organizations¹ with NIMD as the leading partner.

The second proposal, LEAP4Peace, has also been formulated by a consortium of four partners² with NIMD leading, under the MFA policy framework 'Women, Peace and Security.'

Apart from these major programmes, NIMD has been able to conclude important partnerships stretching over several years, in particular with Sweden and Canada, in Central America.

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).

NIMD is proud to present its 2020 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), 29 April 2021

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 statutes, 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 accounts, including financial report;
- 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 was the chair of the Supervisory Council. Mr E. Kronenburg succeeded Mr E. van Middelkoop as per 1 January 2021. The composition of the Council in 2020 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
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. Nauta - van Moorsel	01 January 2019	31 December 2022		
Mr F.J.M. de Lange	01 January 2019	31 December 2022		
Mrs K.G. Ferrier	01 March 2020	29 February 2024		
Mr E. Kronenburg, Chair from 01 January 2021	14 October 2020	13 October 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 2020, 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.

The worldwide coronacrisis does have an impact on NIMD and its staff. The Supervisory Council is, from the beginning of the crisis, 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.

In 2020 a lot of effort was put - and with success - on preparing proposals for the Netherlands Ministry of Foreign Affairs for funding NIMD as part of the programmes Power of Voices and Women, Peace and Security for the period 2021 - 2025. The approval of both proposals is of great importance for NIMD. The approval enables NIMD to continue working on its mission.

During most of the meetings of the Supervisory Council a thematic presentation by a staff member, 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.

As from the 7th May 2020, the members of the Audit Committee are Mrs A. Mijnsbergen (Chair) 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. As from 1 January 2021 Mr E. Kronenburg succeeded Mr E. van Middelkoop as Chair of the Supervisory Council and qualitate qua as Chair of the Remuneration Committee

The discussions about the governance structure and the future of NIMD led to the approval by the Supervisory Council of an amendment of the statutes 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 five meetings in 2020. During these meetings the following topics were on the agenda:

- The monitoring of the reorganisation, including approval of the social plan and reorganisational process.
- 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 final evaluations done for one of the two largest programmes, that is the Strategic Partnership Programme;
- Change of constitution (see above);
- Approval of COVID-19 Medical Emergency Fund;
- Approval of a renewal of the rent agreement for the office in The Hague for five years;
- Input/discussion on the Multi Annual Strategy (MAS) 2021-2025;
- 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 updated NIMD integrity policy including complaints regulation;
- Financial - and operational management including Human Resources;
- The fundraising strategy;
- Approval of the Annual Report including Financial Statements 2019;
- Reporting of findings based on the audit executed in 2019 by Dubois & Co Registeraccountants;
- Approval of the annual plan for 2021, 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.
- The extension of the employment contract with the Executive Director.

AUDIT COMMITTEE

Since the instalment of the Audit Committee (AC) the AC formally met 2 times in 2020. In between there is contact with the Executive Director and Head of Finance & Support on specific issues the AC need to be informed about, or in case the Executive Director requests the advice of the AC. The Chair of the AC informs the Chair of the Supervisory Council about the activities of the AC and reports to the Supervisory Council during its meetings or in between if necessary.

Permanent issues on the agenda are the financial situation; the administrative organisation including internal control; ICT, information management and legislation and regulation regarding privacy; human resources; risk assessment; fundraising and the relation with the donors; and findings of the external auditors.

In 2020, specific attention is given to a number of subjects amongst others, the reorganization and the future of NIMD. This last due to the uncertainty about the funding from the Netherlands Ministry of Foreign Affairs (until the end of 2020 the funding and the amount of funding were unsure). In addition, the budget for 2021, the way of dealing with exchange rate differences and the medical fund for COVID-19 have been discussed. Of course, there has been contact with the AC on the two cases of financial mismanagement (see chapter 1.1 Statement ED). The Executive Director or Head of Finance & Support contact the AC the moment there is a suspicion of financial mismanagement.

REMUNERATION COMMITTEE IN 2020

The Remuneration Committee prepared and supervised the procedure to fill a vacancy within the Supervisory Council following the statutory retirement of Ms Ida van Veldhuizen as member of the Supervisory Council. Because of this procedure (in which the position was made available via the NIMD website), Mr Ed Kronenburg joined the Supervisory Council as a member. On 21 December 2020, the Remuneration Committee also conducted the annual performance review with the Director of NIMD, Mr Thijs Berman.

Finally, the Remuneration Committee assessed the consequences for the position and function of the Executive Director in the new organisational structure. After the reorganisation - unlike before - the Executive Director has direct management over the positioning team, i.e. the staff members responsible for communication, external relations and fundraising. The Executive Director has also become the direct superior of the directors of the country offices. It has been established that the old and new position is not interchangeable. In view of the director's performance, the Remuneration Committee proposed to (re)-appoint Mr Thijs Berman to this new position. The full Supervisory Council adopted this proposal. The Supervisory Board has also decided that the change of position does not affect the Executive Director's salary (for the time being).

1.3 INTEGRITY

NIMD is committed to promoting a culture of integrity and transparency. We aim for the highest possible integrity in all our work,

As part of this commitment, we introduced a comprehensive [Integrity Policy](#) in 2019, which was approved by the Supervisory Council on 17 April 2019.

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.

The Integrity Policy consists of:

- a Code of Conduct
- a Complaints Procedure
- a Whistleblowing Policy

In 2020 a new policy was added:

- SEAH (Sexual Exploitation, Abuse and Sexual Harassment) Policy

NIMD has a zero tolerance for any form of misbehavior that includes sexual exploitation, harassment, sexual harassment, discrimination, and abuse of authority in any form. And with the introduction of this new policy this is highlighted. The policy indicates that every person working with and for NIMD has the right to be treated with dignity and respectfully at any time and to work within an environment free from any kind of harassment, sexual harassment, abuse and discrimination.

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

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

In 2020, we focused on further implementing this Policy. This has meant creating visibility and understanding around the Integrity Policy and highlighting its importance among NIMD staff and external stakeholders. Employees from various Country Offices have been involved in presenting and promoting the Integrity Policy.

For NIMD, introducing an integrity policy has not been a tick-box exercise. It has been more than simply drawing up a number of rules of conduct. Throughout the introduction of the policy, NIMD has 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, we require our employees to abide by common social standards and values as well as complying with the legal requirements set out in the policy. Throughout 2020, we put in place a series of measures, outlined below, to help staff understand and meet both requirements.

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

CONFIDENTIAL ADVISOR NETWORK

Within NIMD, there is a Confidential Advisor Coordinator and an External Confidential Counsellor. These two Counsellors were appointed in 2017 by the Director, in collaboration with the Staff Representation Body (PvT).

In 2020, the Confidential Advisor Coordinator in The Hague, identified several needs surrounding confidentiality amongst NIMD's international staff. These were:

- Across the NIMD network of Country Offices, it is important that the confidentiality service is as accessible as possible.
- To meet this need and in light of the new Multi-Annual Strategy for 2021-2025, the confidentiality services needed to be expanded.
- Some issues are easier to discuss in one's native language, or have cultural associations unique to a particular place or society. It is also important that confidentiality service users and providers are able to build trust and get to know each other.

To respond to these these considerations, we decided to set up a network of voluntary Confidential Advisors across the NIMD Country Office network. We recruited Regional Confidential Advisors for Central America, South America and West Africa. The network of Regional Confidential Advisors started its work in 2020 and will be rolled out further in 2021 with the aim of representing all regions in which NIMD has Country Offices.

This network of voluntary Confidential Advisors is coordinated by the Confidential Advisor Coordinator, based in The Hague. The aim of the Regional Confidential Advisors is to handle, monitor and, if possible, resolve individual cases.

Each Regional Confidential Advisor has adequate knowledge, skills and expertise to prevent and combat inappropriate behaviour and transgressive behaviour. The Regional Confidential Advisors strive to be easily approachable and trusted by the staff.

However, the Confidential Advisor Coordinator also remains available to provide counselling services to all staff in NIMD Country Offices worldwide, and to inform staff on the Code of Conduct and Integrity Policy at NIMD.

In 2020, both Confidential Counsellors in The Hague 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 part of the ongoing implementation of the Integrity Policy, both Counsellors gave a presentation to all employees of NIMD in the Netherlands in 2020. The aim was to ensure that all staff is aware of the service provided by the Counsellors, and how to access these services. This information was also sent to all Country Offices. In addition to this, the Confidential Advisor Coordinator organized several Skype meetings with all Directors of Country Offices as a follow-up.

The Confidential Advisor Coordinator remained available in 2020 to all employees in The Hague and the Country Offices. This year, her main focus, was to support employees through the COVID-19 pandemic and reorganization of the office in The Hague, including the impact of this reorganization on the Country Offices. Meetings were held via Skype, Zoom, Teams and by phone (WhatsApp).

All new employees in The Hague have a meeting with the Confidential Advisor Coordinator as part of their induction programme. This meeting highlights the importance of the Integrity Policy, but also makes the new colleagues aware of the services provided by the Confidential Counsellors.

SOCIAL ANNUAL REPORT

The Internal Confidential Advisor Coordinator 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. This report is confidential and no information is disclosed that can be used to identify any complainant.

In 2021, as in other years, the Internal Confidential Advisor Coordinator presented the 2020 report to the NIMD Management Team. The Executive Director decided that the report should be shared with NIMD staff worldwide and the NIMD Supervisory Council.

CODE OF CONDUCT

In 2019, we introduced a Code of Conduct, which forms the basis of its [Integrity Policy](#). The Code defines the actions and behaviors that 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 and in 2020. 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 explore together 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. In 2021, a digital version of an Integrity card game will be developed.

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

COMPLAINTS PROCEDURE

The 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 presented in a presentation by the External Confidential Counsellor in 2020. In addition, all new employees, joining in 2019 and 2020, had a meeting with the Internal Confidential Counsellor as part of their induction programme, in which the procedure is discussed.

The External Confidential Counsellor and Internal Confidential Advisor Coordinator are also available for questions about the Complaints Procedure. In 2020, no formal 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, we also developed a Whistleblowing Policy in 2019.

Through this policy, we seek 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 2020, we focused on making the Whistleblowing policy more accessible to staff. All staff were informed that the policy 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.

In 2020, research was also conducted on how to further deepen the Integrity Policy. In 2021, the Whistleblowing Policy will be reviewed to see if it needs to be updated, based on the findings of this research.

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

2020 HIGHLIGHTS

Following the introduction of the Integrity Policy in 2019, NIMD worked hard to roll out this policy and ensure maximum transparency in all its work in 2020.

In 2020, our focus was on ensuring that the Policy was embraced by staff, and seen as more than simply a document.

Our work in 2019 and 2020 has set a solid foundation for continuing to deepen our focus on integrity in 2021. We will continue to renew and revise our Integrity Policy where needed, and hold regular sessions and discussions on integrity-related issues to ensure that integrity forms the core of our thinking, work and interactions as a network.

Some key achievements for 2020 include:

- Integrity played an important role in the approval of our successful funding proposals with the Netherlands Ministry of Foreign Affairs (LEAP4Peace and Power of Dialogue).
- The Confidential Advisor Coordinator is accredited by the LVV (Landelijke Vereniging voor Vertrouwenspersonen), the National Association for Confidential Counselors.
- The Integrity Policy played a role in NIMD's achievement of an ISO certification.
- The Network of Regional Confidential Advisors has been set-up.
- Support during the COVID-19 pandemic
- Support to colleagues worldwide during the reorganization
- The SEAH policy has been created and implemented.

1.4 BUDGET 2021

All amounts in euros

	BUDGET 2021
INCOME	
Grants from Governments	8.570.042
Grants from the European Union	3.482.090
Grants from bi- & multilateral donors	223.071
	12.275.204
EXPENDITURE	
Spent on country- & regional programmes (including Knowledge, positioning & Innovation)	11.173.113
Management & accounting costs	1.273.157
	12.446.270
Result	-171.066

As in previous years, the 2021 budget directly allocates the cost of country and regional programme staff to relevant budget lines. This is also the case for the cost of staff dedicated to knowledge, positioning and innovation. This means that the non-direct time of these colleagues, and the other costs incurred by the office in The Hague, are included in the Management and Accounting costs.

As 2021 is the first year of a 5-year programming cycle, and the year in which NIMD's recent reorganization needs to be operationalized, a deficit is expected and accepted.

2.1 BALANCE SHEET

All amounts in euros

	31-12-2020	31-12-2019	
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Programme management software & website	199.633	178.848	3.2.1
	199.633	178.848	
Tangible fixed assets			
Computer equipment	9.019	7.225	3.2.2
Furniture	3.143	6.635	
Renovation Real Estate	10.924	21.266	
Fixed Assets in Country Offices	95.038	101.233	
	118.123	136.359	
CURRENT ASSETS			
Receivables			
Accrued subsidies	235.581	837.796	3.2.3
Debtors	-	-	
Programme receivables & prepayments	1.002.276	547.662	
Other advance payments & accrued receivables	156.119	154.195	
	1.393.976	1.539.653	
Liquidities			
	7.133.519	5.272.989	3.2.4
TOTAL ASSETS	8.845.251	7.127.848	
LIABILITIES			
EQUITY			
Continuity reserve	1.702.420	1.562.955	3.2.5
Appropriated reserve	199.633	178.848	
	1.902.053	1.741.803	
LONG-TERM LIABILITIES			
Rental debt	18.667	46.667	3.2.6
	18.667	46.667	
CURRENT LIABILITIES			
Advance received subsidies from Ministry of Foreign Affairs	3.255.935	2.433.772	3.2.7
Advance received subsidies from other donors	1.698.185	1.588.793	
Creditors	210.483	293.253	
Personnel related liabilities	236.727	228.980	
Programme liabilities	1.484.124	757.787	
Other advance receipts & accrued liabilities	39.076	36.793	
	6.924.531	5.339.378	
TOTAL LIABILITIES	8.845.251	7.127.848	

2.2 STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

	ACTUAL 2020	BUDGET 2020	ACTUAL 2019	
INCOME				
Grants from Governments	10.065.776	10.459.499	10.419.191	2.3
Grants from the European Union	2.309.078	2.264.138	2.112.935	
Grants from bi- & multi lateral donors	920.288	749.268	1.056.505	
TOTAL INCOME	13.295.142	13.472.906	13.588.631	
EXPENDITURE				
Spent on country- & regional programmes	10.428.270	10.330.781	11.023.303	3.3
Spent on Knowledge, positioning & Innovation	1.531.055	1.691.900	1.283.388	
Management & accounting costs	1.175.566	1.403.626	982.163	
TOTAL COSTS	13.134.892	13.426.307	13.288.854	
RESULT BEFORE APPROPRIATION	160.250	46.599	299.777	
Added to/withdrawn from:				
Reserves				
Appropriated reserve Project Connect	20.785		178.848	
	20.785		178.848	
RESULT AFTER APPROPRIATION	139.465		120.929	
ALLOCATION OF RESULTS				
	RESULT 2020		RESULT 2019	
Continuity reserve	139.465		120.929	
Appropriated reserve Project Connect	20.785		178.848	
	160.250		299.777	

2.3 INCOME OVERVIEW

All amounts in euros

PROGRAMME	DONOR	INCOME 2020	INCOME 2019
Grants from Governments			
Dialogue for Stability	Ministry of Foreign Affairs The Netherlands	3.008.762	3.299.927
Ethiopia 1% fund	Ministry of Foreign Affairs The Netherlands	-	-5.273
Guatemala	Embassy of the Netherlands in Guatemala	43.218	40.628
Guatemala	Global Affairs Canada (Fund for Local Initiatives)	-	7.021
Guatemala	USAID (via IREX)	-	51.096
Guatemala	Swedish International Development Cooperation Agency (SIDA)	458.705	292.015
Iraq	Embassy of the Netherlands in Iraq	-	171.809
Mozambique	Finnish Ministry of Foreign Affairs	17.458	-16.827
Strategic Partnership	Ministry of Foreign Affairs The Netherlands	6.537.632	6.542.866
Tanzania	Department for International Development (DFID)	-	35.928
		10.065.776	10.419.191
Grants from the European Union			
Benin	European Union	153.414	130.928
Burundi	European Union	456.353	-
Colombia	European Union	-45.950	1.019.435
Ethiopia	European Union	692.158	86.334
Honduras	European Union	306.464	264.180
Reach for Democracy (Global)	European Union	93.247	68.460
Jordan	European Union (via ECES)	197.697	171.702
Myanmar	European Union (via International IDEA)	455.696	360.268
Zimbabwe	European Union (via Olaf Palme International Centre)	0	11.628
		2.309.078	2.112.935
Grants from multilateral & other donors			
Burundi	United Nations Peacebuilding Fund (via UNDP)	150.715	247.046
Colombia	Misión de observación Electoral	45.753	-
El Salvador	Onumujeres	8.332	-
El Salvador	Plan Internacional	3.148	-
El Salvador	Open Society Policy Center	10.732	-
Guatemala	Open Society Foundation	-	118.801
Guatemala	Open Society Policy Center	38.848	-
Guatemala	Global Human Rights Fund	2.459	6.251
Guatemala	Pluralism Foundation	54.705	88.815
International Lobby & Advocacy	Global Partnership for Multiparty Democracy (GPMD)	1.069	10.776
Mozambique	IMD	10.581	-
Myanmar	DEMO Finland	99.000	135.000
Uganda	Democratic Governance Facility (DGF - multidonor basket fund)	494.944	449.817
		920.288	1.056.505
		13.295.142	13.588.631

2.4 CASH FLOW STATEMENT

All amounts in euros

	2020	2019
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Result	160.250	299.777
Corrections for:		
- Depreciation assets	93.917	26.318
Changes in working capital:		
- Receivables	145.677	694.045
- Liabilities	1.557.153	1.985.397-
	<u>1.702.830</u>	<u>1.291.352-</u>
NET CASH GENERATED FROM OPERATIONAL ACTIVITIES	1.956.997	965.256-
CASH FLOW FROM INVESTING ACTIVITIES		
- Investments	-96.467	249.948-
NET CASH USED IN INVESTING ACTIVITIES	96.467-	249.948-
IN- / DECREASE IN LIQUIDITIES	1.860.530	1.215.204-
CHANGE IN LIQUIDITIES		
Liquidities as of 01 January	5.272.989	6.488.193
Liquidities as of 31 December	<u>7.133.519</u>	<u>5.272.989</u>
IN- / DECREASE IN LIQUIDITIES	1.860.530	1.215.204-

3.1 GENERAL NOTES AND PRINCIPLES OF VALUATION AND CALCULATION OF RESULTS

3.1.1 GENERAL

OBJECTIVE

The object of the 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 multiparty political system. 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 NIMD's offices in the programme countries
- the Annual Accounts of the NIMD office in The Hague.

NIMD's Executive Director has full accountability for all NIMD offices, and management is organized centrally. There is organizational connectedness and economic unity between the entities that form part of the NIMD family, both when it comes to programming and operationally. As all entries from NIMD offices are registered in one system, transactions between the different offices are eliminated. The legal entities included in the consolidated Annual Accounts are the NIMD offices in the following countries: Benin, Colombia, El Salvador, Ethiopia, Honduras, Guatemala, Jordan, Mali, Myanmar, the Netherlands and Uganda. At the end of 2020, the office in Benin was closed due to the end of the programming in Benin.

RELATED PARTIES

International Lobby and Advocacy (ILA) towards the United Nations, the European Union and other regional organizations formed 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 European Partnership for Democracy (EPD), which focuses its work on the strategic priorities for ILA vis-à-vis the EU. NIMD has a seat (as Vice-Chair) in the Board of EPD. For 2020, NIMD paid a membership fee of €25.000 (2019: €25.000) and a contract for ILA towards lobbying of the EU of €100.000 (2019: € 101.536).

In 2016, NIMD founded the 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 to 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. This channel also aims to assist them in performing any tasks that are directly or indirectly conducive to achieving GPMD objectives. As GPMD is an independent foundation, representation in NIMD's financial statements is through the membership fee and our contribution to the formalization and set up of the foundation. NIMD pays an annual membership fee and, in 2020, was responsible for the secretariat, for which it received compensation of the actual costs made (2020: €1.069).

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 both cash at bank and cash in hand. Cash flows denominated in foreign currencies have been translated at an average of the exchange rate for 2020. Interest income and expenses from operating activities are included in the cash flow. 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 NIMD Management Team is required to form opinions about various matters and 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 exchange rate of the last payment made 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 includes 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 programmes appropriately, including staffing them with NIMD employees, if one or more key sources of funding were to dry up unexpectedly, and with due observance of existing legal and moral obligations. The continuity reserve is also meant 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 over three years.

LIABILITIES

Programme liabilities are recognized as costs set out in the statement of costs and revenues, 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 recognized as costs until their expenditure is invoiced or otherwise reported. Programme liabilities are valued at the maximum NIMD commitment (according to the contract) minus any advance payments already 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 realized. 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, the relevant activity is signing the grant contract that sets out the obligation, according to Accounting Guideline RJ 640.

SUBSIDIES

The subsidies NIMD receives are reported based on accrual accounting. Average duration of 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 contains a rent security for the office in The Hague and has a balance of €50.100.

3.2 NOTES TO THE BALANCE SHEET

3.2.1 INTANGIBLE FIXED ASSETS		
PROJECT CONNECT		
Net value as of 01 Januari		178.848
Added: investments		95.682
Deducted: depreciation 33%		74.897
Net value as of 31 December		199.633
3.2.2 TANGIBLE FIXED ASSETS		
COMPUTER EQUIPMENT		
Net value as of 01 January		7.225
Added: investments		6.980
Deducted: depreciation 33%		5.185
Net value as of 31 December		9.019
FURNITURE		
Net value as of 01 January		6.635
Added: investments		-
Deducted: depreciation 25%		3.493
Net value as of 31 December		3.143
RENOVATION REAL ESTATE		
Net value as of 01 January		21.266
Added: investments		-
Deducted: depreciation 20%		10.342
Net value as of 31 December		10.924
FIXED ASSETS COUNTRY OFFICES		
Net value as of 01 January		101.233
Added/Deducted: mutations		-6.195
Net value as of 31 December		95.038

The mutations presented are the investments and depreciations done at country offices in local currency. The revaluation to Euros is done at the NIMD office in The Hague.

3.2.3 RECEIVABLES		31 December 2020	31 December 2019
ACCRUED SUBSIDIES			
Burundi	- UNDP	-	95.907
Colombia	- European Union	-	277.197
El Salvador	- Plan Internacional	243	-
Honduras	- European Union	98.012	-
Mozambique	- DEMO	17.458	-
Myanmar	- DEMO	99.000	135.000
Myanmar	- International IDEA	-	75.964
Iraq	- RNE	-	84.671
Reach	- European Union	20.868	150.379
Tanzania	- DFID	-	18.678
		235.581	837.796

The accrued subsidies, show the claims of NIMD towards donors, based on signed agreements, which are part of the income in 2020, which have not been received yet

3.2.3 RECEIVABLES (continued)	31 December 2020	31 December 2019
PROGRAMME RECEIVABLES & PREPAYMENTS		
Benin	-	781
Burundi	130.485	48.626
Colombia	16.136	16.768
El Salvador	3.261	6.595
Ethiopia	13.769	80.091
Georgia & Ukraine	-	8.617
Guatemala	220.700	14.286
Honduras	16.867	9.394
International Lobby & Advocacy	17.119	25.666
Jordan	132.042	136.438
Knowledge & Innovation Fragile States	-	617
Knowledge & Research ('Learning Agenda')	-	1.745
Kenya	12.498	17.998
Mali	20.534	2.515
Mena Region	11.373	-
Mozambique	53.963	19.255
Myanmar	7.182	4.555
Planning, Monitoring & Evaluation	5.138	8.036
Positioning	13.141	4.489
Senegal	115.490	-
Tunesia	150.896	28.647
Uganda	42.399	59.534
Venezuela	19.023	189
Zimbabwe	260	52.817
	1.002.276	547.662

The programme receivables and pre-payments are either advance contract payments for 2021 or costs paid in 2020, but relating to 2021.

OTHER ADVANCE PAYMENTS & ACCRUED RECEIVABLES		
Accrued interest	17	114
Loan to staff	See note	2.660
Advances to staff	1.677	
Rent advance	52.252	51.799
Claim with regards to supplies and services International IDEA	8.942	14.420
Other non-programme advances & accruals	93.232	85.201
	156.119	154.195

Based on the NIMD's internal Training and Development Policy, a specific education request was approved in 2014, whereby NIMD provided a loan to a staff member for a specific course. The loan is being repaid in monthly installments, and will be repaid fully in the eventuality that the staff member should leave NIMD.

3.2.4 LIQUIDITIES	31 December 2020	31 December 2019
Rabobank - current account	227.851	21.885
Rabobank - savings account	5.500.000	4.205.027
Rabobank - security account rent The Hague	50.100	50.100
Rabobank - current account Uganda programme (DDP)	422	498
Bank accounts and petty cash Benin	3.278	46.631
Bank accounts and petty cash Colombia	217.011	113.675
Bank accounts and petty cash Ethiopia	68.054	-
Bank accounts and petty cash El Salvador	116.877	2.642
Bank accounts and petty cash Georgia	-	2.453
Bank accounts and petty cash Guatemala	161.759	212.537
Bank accounts and petty cash Honduras	512.223	343.316
Bank accounts and petty cash Mali	41.872	64.259
Bank accounts and petty cash Myanmar	79.129	38.484
Bank accounts and petty cash Uganda	148.874	166.235
Bank accounts and petty cash Venezuela	442	-
Petty cash The Hague (EUR and foreign currencies)	5.627	5.247
	7.133.519	5.272.989

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 2020	31 December 2019
CONTINUITY RESERVE		
Accumulated as of 01 January	1.562.955	1.442.026
Added: result bookyear	160.250	299.777
Added: from appropriation reserve	74.897	-
Deducted: used reserve	95.682	178.848
Accumulated as of 31 December	1.702.420	1.562.955
APPROPRIATED RESERVE PROJECT CONNECT		
Accumulated as of 01 January	178.848	-
Added: from continuity reserve	95.682	178.848
Deducted: used reserve	74.897	-
Accumulated as of 31 December	199.633	178.848

The appropriated reserve for Project Connect has been created to cover the depreciation costs of the Project Management System that NIMD introduced in 2020. The reserve was created by including the full investment in the current Netherlands Ministry of Foreign Affairs programmes.

3.2.6 LONG-TERM LIABILITIES	31 December 2020	31 December 2019
RENTAL DEBT		
Balance as of 01 January	46.667	74.667
Added	-	-
Deducted	28.000	28.000
Balance as of 31 December	18.667	46.667

Of the open balance at year end 2020, the full amount of EUR 18.667 will be paid in 2021 (within one year).

3.2.7 CURRENT LIABILITIES		31 December 2020	31 December 2019
ADVANCE RECEIVED SUBSIDIES FROM MINISTRY OF FOREIGN AFFAIRS			
Subsidy Roasting coffee the Ethiopian way		-	-
Subsidy Dialogue for Stability	See note 3.2.8	380.174	1.138.936
Subsidy Strategic Partnership		-124.238	1.294.836
Subsidy Power of Dialogue		3.000.000	-
		3.255.935	2.433.772
<u>Subsidy for Roasting coffee the Ethiopian way (1% Fund):</u>			
Balance as of 01 January		-	-48.280
Received		-	48.280
Received interest		-	-
Spent		-	-
Balance as of 31 December		-	-
<u>The subsidy for Dialogue for Stability can be further specified:</u>			
Balance as of 01 January		1.138.936	1.438.863
Received		2.250.000	3.000.000
Received interest		-	116
Spent	3.3.4.1	3.008.762	3.300.043
Balance as of 31 December		380.174	1.138.936
<u>The subsidy for Strategic Partnership can be further specified:</u>			
Balance as of 01 January		1.294.836	2.355.425
Received		5.118.558	5.480.227
Received interest		-	211
Spent	3.3.4.2	6.537.632	6.541.027
Balance as of 31 December		-124.238	1.294.836
<u>The subsidy for Power of Dialogue can be further specified:</u>			
Balance as of 01 January		-	-
Received		3.000.000	-
Received interest		-	-
Spent		-	-
Balance as of 31 December		3.000.000	-
ADVANCE RECEIVED SUBSIDIES FROM OTHER DONORS			
Benin	- European Union	-	63.484
Burundi	- European Union	41.943	-
Burundi	- UNDP	215.325	-
Colombia	- Misión de observación Electoral	128.251	-
El Salvador	- Onumujeres	12.406	-
El Salvador	- Plan Internacional	-	-
El Salvador	- OSF	86.933	-
Ethiopia	- European Union	385.499	1.077.657
Guatemala	- RNE	0	54.827
Guatemala	- OSF	-	13.531
Guatemala	- Open Society Policy Center	105.952	-
Guatemala	- Global Rights	-	2.466
Guatemala	- Foundation Pluralism	-	69.573
Guatemala	- IREX	-	423
Guatemala	- SIDA	680.539	47.257
Honduras	- European Union	-	208.452
Iraq	- RNE	8.494	-
Mozambique	- Finnish MFA	-	16.827
Myanmar	- International IDEA	25.723	-
Uganda	- DGF	7.120	34.295
		1.698.185	1.588.793

PERSONNEL RELATED LIABILITIES		
Capitalised holliday allowance rights	92.699	78.342
Holliday allowance	86.034	88.551
Income insurance premiums due	-31.757	-24.814
Salary to be paid	3.920	394
Tax withheld from salary	85.831	86.508
	236.727	228.980

3.2.7 CURRENT LIABILITIES (continued)	31 December 2020	31 December 2019
PROGRAMME LIABILITIES		
Benin	915	-24
Burundi	266.577	187.648
Colombia	3.319	41.514
City Deals	-	18.049
El Salvador	19.032	7.337
Ethiopia	28.156	7.315
Guatemala	162.729	14.900
Honduras	448.734	36.205
Indonesia	133.662	132.008
Innovation	1.500	-
International Lobby & Advocacy	25.054	1.563
Iraq	69.193	130.455
Jordan	48.205	11.093
Kenya	3.495	402
Knowledge	-	7.495
Knowledge & Research ('Learning Agenda')	2.940	-
Mali	-14.265	15.142
Mena region	-0	10.853
Mozambique	-	5.347
Myanmar	31.587	6.957
Knowledge & Innovation Fragile States	-	3.951
Positioning	-	994
Planning, Monitoring & Evaluation	95.711	4.218
Reach	8.686	56.904
Uganda	148.894	57.462
Venezuela	-	-
	1.484.124	757.787

Programme liabilities can be either contract liabilities to be paid in 2021 (for costs related in 2020), or payments made in 2021 which relate to 2020.

OTHER ADVANCE RECEIPTS & ACCRUED LIABILITIES		
Audit costs	20.000	20.000
Other non-programme advances & accruals	19.076	16.793
	39.076	36.793

Rent agreement

The contract period for the rent of NIMD's office in The Hague is 1 September, 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 (not including VAT and service costs).

The Dialogue for Stability Programme

On 13 November 2015, the Netherlands Ministry of Foreign Affairs decided to grant NIMD a contribution for a Dialogue for Stability subsidy (project number 28231) from 1 January 2016 to 31 December 2020. The maximum contribution for these 5 years is €15,000,000.

The Strategic Partnership Programme

For the period 2016-2020 NIMD has been selected as one of the Dutch MFA's 25 Strategic Partners in the field of Lobby and Advocacy. The Dutch Ministry decided 17 November 2015 (project number 27543) to grant NIMD a contribution for this Strategic Partnership subsidy for the period from 1 January 2016 to 31 December 2020. The maximum contribution for these 5 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 2019.

Power of Dialogue

For the period 2021-2025 NIMD has been selected as one of the Dutch MFA's to receive funding in the Power of Voices framework. The Dutch Ministry decided on 02-12-2020 (project number 4000004353) to grant a consortium of four organisations (NIMD, Akina Mama Wa Afrika (Uganda), Institut Gorée (Senegal), Centre d'Etudes Méditerranéennes et Internationales (CEMI, Tunisia)) in which NIMD is the leading partner, a subsidy for the period from 1 January 2021 to 31 December 2025. The maximum contribution for these 5 years is €32.677.156.

3.3 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

3.3.1 SPECIFIED STATEMENT COSTS AND REVENUE 2020

NIMD's budget contains three categories: country and regional programmes; knowledge, positioning and innovation; management and accounting costs. The core of our work, of course, relates to the first category and this is the biggest part of our budget. The budget and actual project expenses for the country and regional programmes comprise direct activity costs (e.g. mission costs), as well as direct local overhead costs 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's international office in The Hague. These contributions are charged towards donors and cover the overall management and accounting costs (see below).

The second category are costs related to knowledge, positioning and innovation. This also covers capacity strengthening, democracy education and peer-to-peer learning for political parties, as well as general planning, and monitoring and evaluation costs.

The last category are costs related to management and accounting. These costs consist of the total overhead included in our two biggest programmes in 2020 (the Strategic Partnership & Dialogue for Stability), and cover the costs of the NIMD international office in The Hague. This overview shows the total amount we report towards our donors on a country level.

See chapter 3.3.3 for an overview of expenditure per donor/country.

	BUDGET 2020 PROGRAMMES	TOTAL EXPENDITURE 2020	ACTUAL PROJECT EXPENSES	MANAGEMENT & ACCOUNTING COSTS	
PROGRAMMES					
Benin	428.917	504.889	414.609	90.280	
Burundi	647.145	540.130	463.473	76.658	
Colombia	274.689	287.502	252.932	34.570	
El Salvador	229.112	285.604	258.400	27.204	
Ethiopia	992.609	973.735	850.716	123.019	
Guatemala	936.580	959.553	874.496	85.057	
Honduras	412.986	447.908	397.711	50.198	
Indonesia	210.754	200.590	176.700	23.890	
Iraq	48.969	44.868	5.170	39.698	
Jordan	483.206	554.060	437.151	116.909	
Kenya	408.646	373.682	331.877	41.805	
Mali	542.454	655.774	613.212	42.562	
Mena region	197.186	111.194	67.396	43.798	
Mozambique	588.487	515.398	459.938	55.460	
Myanmar	743.421	748.779	657.385	91.394	
SAHEL	403.657	360.487	300.220	60.267	
Tanzania	-	21	21	-	
Tunesia	249.537	198.719	170.326	28.393	
Uganda	1.122.888	1.149.535	1.050.866	98.668	
Ukraine	231.812	226.136	203.000	23.136	
Venezuela	274.730	164.623	134.500	30.123	
Zimbabwe	411.221	487.471	457.965	29.506	
Reach	293.813	316.004	252.928	63.076	
Coordination	197.963	187.774	41.967	145.807	
Country & Regional Programmes	10.330.781	10.294.436	8.872.959	1.421.477	
Positioning	149.989	226.553	89.852	136.701	
Innovation	121.912	68.818	10.770	58.048	
International Lobby & Advocacy	226.755	369.140	311.809	57.331	
Knowledge	181.760	168.069	34.007	134.062	
Knowledge & Innovation Fragile States	232.089	347.335	50.676	296.659	
Knowledge & Research ('Learning Agenda')	220.050	173.162	82.909	90.253	
Peer Learning	118.218	-	-	-	
Planning, Monitoring & Evaluation	441.127	652.703	326.447	326.256	
Knowledge, positioning & Innovation	1.691.900	2.005.779	906.471	1.099.308	
TOTAL FUNDED PROGRAMMES	12.022.681	12.300.215	9.779.430	2.520.786	
General Management & Accounting costs NIMD					
Dialogue for Stability		340.947		340.947	3.3.4.1
Strategic Partnership		817.168		817.168	3.3.4.2
MANAGEMENT AND ACCOUNTING COSTS	1.403.626				
	13.426.307	13.458.330 c	9.779.430	3.678.901 a	

3.3 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE (continued)

3.3.2 SPECIFIED STATEMENT COSTS AND REVENUE 2020

In order to allow for a comparison between the overall 2020 budget and the actuals (see also chapter 2.2 State of Income & Expenditure), we have also included a separate overview in which the costs of the office in The Hague are split across the three categories. Moreover, based on our timewriting, we have split the salaries and staff expenses into two parts. The direct time has been listed under the country and regional programmes, and under knowledge, positioning & innovation. All indirect time and other expenses have been included under management and accounting costs.

As explained above, the actual project expenses for the country and regional programmes include direct activity costs (e.g. mission costs), as well as the direct local overhead costs of the implementing partner organizations and NIMD country offices..

	BUDGET 2020	TOTAL EXPENDITURE 2020	ACTUAL PROJECT EXPENSES	MANAGEMENT & ACCOUNTING COSTS	
Country & Regional Programmes	10.330.781	10.428.270	8.872.959	1.555.312	
Knowledge, positioning & Innovation	1.691.900	1.531.055	906.471	624.584	
TOTAL FUNDED PROGRAMMES	12.022.681	11.959.325	9.779.430	2.179.896	
General Management & Accounting costs NIMD	1.403.626	1.175.566	-	1.175.566	
	13.426.307	13.134.892	9.779.430	3.355.462	b 3.3.5
RESULT 2020					
Actual coverage M&A Costs 2020				a 3.678.901	
Actual M&A Costs 2020				b 3.355.462	
				323.438	A
Project Income	See 2.3 Income Overview	13.295.142			
Project Expenditure		13.458.330	c		
		-163.189	B		
RESULT 2020				160.250	A+B

3.3.3 NOTES TO THE SPECIFIED STATEMENT COSTS AND REVENUE 2020 (DONOR / COUNTRY)

SPECIFIC NOTES

Expenditure

The table below presents an overview of the reported expenditure in 2020 per donor and country. As NIMD follows Dutch Accounting Guideline RJ 640, the total contract obligations are registered as project costs. This means that, where an implementing partner received a multi-annual contract, the total shown below does not represent the actual costs accounted for at the end of the contract. Therefore, in some cases, the programme costs in 2020 do not represent the actual expenditure.

The total costs shown represent the expenditure presented to our donors. A negative amount either means that we have not yet claimed the full amount from our donors, or that we have made a correction on previous years.

	<i>Strategic Partnership</i>	<i>Dialogue for Stability</i>	<i>DEMO Finland</i>	<i>DGF</i>	<i>DFID</i>	<i>European Union</i>	<i>Finnish MFA</i>	<i>Foundation Pluralism</i>	<i>Global Rights</i>	<i>GPWD</i>
Benin	€ 395.212					€ 109.677				
Burundi		€ 256.644				€ 421.666				
Colombia		€ 241.747				€ 2				
El Salvador	€ 263.391									
Ethiopia	€ 323.501					€ 650.234				
Guatemala	€ 218.939							€ 83.589	€ 3.536	
Honduras	€ 150.197					€ 297.712				
Indonesia	€ 200.590									
Iraq										
Jordan		€ 356.348				€ 197.712				
Kenya	€ 373.682									
Mali	€ 655.774									
MENA region		€ 111.194								
Mozambique	€ 497.940						€ 17.458			
Myanmar	€ 252.920		€ 99.000							
SAHEL	€ 360.487									
Tanzania					€ 21					
Tunesia		€ 198.719								
Uganda	€ 557.438			€ 592.097						
Ukraine		€ 226.136								
Venezuela		€ 164.623								
Zimbabwe	€ 391.103					€ 96.368				
Reach						€ 316.004				
Coordination	€ 138.481	€ 49.293								
Country & Regional Programmes	€ 4.779.654	€ 1.604.704	€ 99.000	€ 592.097	€ 21	€ 2.089.375	€ 17.458	€ 83.589	€ 3.536	
Positioning		€ 226.553								
Innovation		€ 68.818								
International Lobby & Advocacy	€ 367.282								€ 1.858	
Knowledge		€ 168.069								
Knowledge & Innovation Fragile States		€ 347.335								
Knowledge & Research ('Learning Agenda')	€ 173.162									
Planning, Monitoring & Evaluation	€ 400.366	€ 252.337								
Knowledge, positioning & Innovation	€ 940.810	€ 1.063.112								€ 1.858
Overhead	€ 817.168	€ 340.947								
Management & Accounting Costs	€ 817.168	€ 340.947								
Total expenditure 2020	€ 6.537.632	€ 3.008.762	€ 99.000	€ 592.097	€ 21	€ 2.089.375	€ 17.458	€ 83.589	€ 3.536	€ 1.858

SPECIFIC NOTES (continued)

Expenditure (continued)

The table below presents an overview of the reported expenditure in 2020 per donor and country. As NIMD follows Dutch Accounting Guideline RJ 640, the total contract obligations are registered as project costs. This means that, where an implementing partner received a multi-annual contract, the total shown below does not represent the actual costs accounted for at the end of the contract. Therefore, in some cases, the programme costs in 2020 do not represent the actual expenditure.

The total costs shown represent the expenditure presented to our donors. A negative amount either means that we have not yet claimed the full amount from our donors, or that we have made a correction on previous years.

	International IDEA	Misión de observación Electoral	Onmujeres	OSF	Open Society Policy Center	Plan Internacional	RNE	Sida	UNDP	Total
Benin									€	504.889
Burundi									€	-138.180
Colombia		€ 45.753							€	287.502
El Salvador			€ 8.332		€ 10.732	€ 3.148			€	285.604
Ethiopia									€	973.735
Guatemala				€ 12.546	€ 39.064		€ 69.238	€ 532.650	€	959.553
Honduras									€	447.908
Indonesia									€	200.590
Iraq							€ 44.868		€	44.868
Jordan									€	554.060
Kenya									€	373.682
Mali									€	655.774
MENA region									€	111.194
Mozambique									€	515.398
Myanmar	€ 396.859								€	748.779
SAHEL									€	360.487
Tanzania									€	21
Tunesia									€	198.719
Uganda									€	1.149.535
Ukraine									€	226.136
Venezuela									€	164.623
Zimbabwe									€	487.471
Reach									€	316.004
Coordination									€	187.774
Country & Regional Programmes	€ 396.859	€ 45.753	€ 8.332	€ 12.546	€ 49.796	€ 3.148	€ 114.106	€ 532.650	€ -138.180	€ 10.294.436
Positioning									€	226.553
Innovation									€	68.818
International Lobby & Advocacy									€	369.140
Knowledge									€	168.069
Knowledge & Innovation Fragile States									€	347.335
Knowledge & Research ('Learning Agenda')									€	173.162
Planning, Monitoring & Evaluation									€	652.703
Knowledge, positioning & Innovation									€	2.005.779
Overhead									€	1.158.115
Management & Accounting Costs									€	1.158.115
Total expenditure 2020	€ 396.859	€ 45.753	€ 8.332	€ 12.546	€ 49.796	€ 3.148	€ 114.106	€ 532.650	€ -138.180	€ 13.458.330

3.3.4 OVERVIEW OF SPECIFIC PROGRAMMES/PROJECTS

SPECIFIC NOTES

Expenditure

The table below shows an overview of the reported expenditure in 2020 per donor and country for selected NIMD programmes. For each donor we included the expenditure in all countries involved. This is divided in three categories: direct programme costs; mission costs; management & accounting costs. As explained in chapter 3.3.1, the direct programme costs include direct activity costs as well as local overheads of the implementing partner organizations and NIMD country offices.

As NIMD follows Dutch Accounting Guideline RJ 640, the total contract obligation is registered as project costs. This means that, where an implementing partner received a multi-annual contract, the total shown below does not represent the actual costs accounted for at the end of the contract. Therefore, in some cases, the programme costs in 2020 do not represent the actual expenditure.

3.3.4.1 Dialogue for Stability

	Budget 2020	Total expenditure 2020	Direct Programme costs	Mission costs	M&A costs
Burundi	260.773	256.644	189.640	206	66.798
Colombia	230.474	241.747	206.029	1.148	34.570
Ukraine	267.356	226.136	203.000	-	23.136
Iraq	-	-	-	-	-
Jordan	353.382	356.348	300.989	618	54.741
Lebanon	-	-	-	-	-
MENA region	201.339	111.194	67.348	48	43.798
Tunesia	254.792	198.719	170.268	58	28.393
Venezuela	280.516	164.623	132.543	1.956	30.123
City Deals	-	-	-	-	-
Innovation	165.000	68.818	10.770	-	58.048
Knowledge	246.000	168.069	34.007	-	134.062
Knowledge & Innovation Fragile States	474.116	347.335	50.676	-	296.659
Coordination	45.000	49.293	20.000	-	29.293
Peer Learning	-	-	-	-	-
Planning, Monitoring & Evaluation	269.000	252.337	129.613	-	122.724
Positioning	203.000	226.553	89.852	-	136.701
	<u>3.250.748</u>	<u>2.667.816</u>	<u>1.604.737</u>	<u>4.034</u>	<u>1.059.045</u>
Sustainability budget	475.523	-	-	-	-
Programme management costs NIMD	432.997	340.947	-	-	340.947
Total Costs 2020	<u>4.159.268</u>	<u>3.008.762</u>	<u>1.604.737</u>	<u>4.034</u>	<u>1.399.992</u>
Received interest DfS 2020:	-	-	-	-	-
Total Costs 2020	<u>4.159.268</u>	<u>3.008.762</u>	<u>1.604.737</u>	<u>4.034</u>	<u>1.399.992</u>

The Dutch Ministry decided 13 november 2015 to grant NIMD a contribution for a Dialogue for Stability subsidy (project numer 28231) for the period from 1 January 2016 to 31 December 2020. The maximum contribution for these 5 years is € 15.000.000.

Note: The audit costs are also included under the coordination heading. In the DfS report these are shown as a separate budget line.

3.3.4.2 Strategic Partnership

	Budget 2020	Total expenditure 2020	Direct Programme costs	Mission costs	M&A costs
Benin	337.949	395.212	352.605	179	42.428
El Salvador	208.937	263.391	236.188	-	27.204
Guatemala	216.303	218.939	188.663	-	30.277
Honduras	168.178	150.197	128.302	618	21.278
Ethiopia	391.572	323.501	275.385	13	48.103
Indonesia	232.079	200.590	176.700	-	23.890
Kenya	346.745	373.682	326.737	5.141	41.805
Mali	553.877	655.774	609.265	3.948	42.562
Mozambique	588.157	497.940	454.467	5.471	38.002
Myanmar	272.556	252.920	204.813	758	47.349
SAHEL	412.157	360.487	297.987	2.232	60.267
Uganda	526.744	557.438	508.530	3.800	45.108
Zimbabwe	414.308	391.103	361.645	-48	29.506
Coordination	157.132	138.481	21.967	-	116.514
International Lobby & Advocacy	306.898	367.282	311.021	-	56.262
Knowledge & Research ('Learning Agenda')	297.823	173.162	82.909	-	90.253
Planning, Monitoring & Evaluation	328.037	400.366	195.970	864	203.532
	<u>5.759.452</u>	<u>5.720.464</u>	<u>4.733.153</u>	<u>22.974</u>	<u>964.337</u>
Sustainability budget	107.677	-	-	-	-
Programme management costs NIMD	858.943	817.168	-	-	817.168
Total Costs 2020	<u>6.726.072</u>	<u>6.537.632</u>	<u>4.733.153</u>	<u>22.974</u>	<u>1.781.505</u>
Received interest SP 2020:	-	-	-	-	-
Total Costs 2020	<u>6.726.072</u>	<u>6.537.632</u>	<u>4.733.153</u>	<u>22.974</u>	<u>1.781.505</u>

For the period 2016-2020 NIMD has been selected as one of the Dutch MFA's 25 Strategic Partners in the field of Lobby and Advocacy. The Dutch Ministry decided 17 November 2015 (project number 27543) to grant NIMD a contribution for this Strategic Partnership subsidy for the period from 1 January 2016 to 31 December 2020. The maximum contribution for these 5 years is €31.793.468.

3.3.5 SPECIFIED STATEMENT MANAGEMENT & ACCOUNTING COSTS 2020

	ACTUALS 2020	BUDGET 2020	ACTUALS 2019	
Salaries and staff expenses	2.838.978	2.902.150	2.546.518	3.3.5.1
Office expenses	186.159	297.600	107.642	3.3.5.2
Depreciation	93.917	31.600	26.318	3.3.5.3
General Expenses	236.409	142.900	314.080	3.3.5.4
	<u>3.355.462</u>	<u>3.374.250</u>	<u>2.994.559</u>	

Based on our timewriting, we have split the salaries and staff expenses into two parts. The direct time has been listed under the country and regional programmes, and under knowledge, positioning & innovation. All indirect time and other expenses have been included under management and accounting costs.

Salaries and staff expenses					
Spent on country- & regional programmes	43,5%	Direct	95,0%	1.173.211	a
		Indirect	5,0%	61.891	c
Spent on Knowledge, positioning & Innovation	24,1%	Direct	91,4%	624.584	b
		Indirect	8,6%	58.911	c
Management & accounting costs	32,4%	Direct	41,5%	382.101	a
		Indirect	58,5%	538.280	c
				2.838.978	

		Salaries and staff expenses	Office-, general expenses and depreciation	Total
Spent on country- & regional programmes	a	1.555.312	-	1.555.312
Spent on Knowledge, positioning & Innovation	b	624.584	-	624.584
Management & accounting costs	c	659.082	516.484	1.175.566
		<u>2.838.978</u>	<u>516.484</u>	<u>3.355.462</u>

NOTES TO THE SPECIFIED STATEMENT PROGRAMME MANAGEMENT COSTS

3.3.5.1 Salaries and staff expenses

Breakdown of the employee costs:

	2020	Budget 2020	2019
Gross Salaries	2.113.502	2.070.400	1.840.280
Social Security	344.688	379.300	340.619
Other salary costs	2.556	15.000	8.402
Pension	199.325	172.700	170.758
Commuting	26.776	95.500	86.299
Mission costs for indirect staff	-539	15.500	20.002
Education & Training	17.636	48.400	36.040
Insurances	77.498	75.000	77.392
Security Policy	4.029	15.000	9.643
Other personnel costs	56.050	30.750	26.597
Reimbursements from staff insurances	-2.542	-15.400	-69.512
	<u>2.838.978</u>	<u>2.902.150</u>	<u>2.546.518</u>

Salaries and staff expenses in 2020 are higher than the actual costs in 2019, but still fall within budget. This concerns both gross salaries and social security costs. The increase compared to 2019 is due to a planned increase in staff. In 2019, on average, there were 30,56 FTE on our payroll; in 2020 this was 35,18 FTE. We started 2020 with 33 persons working in office in The Hague, and ended the year with 30. Six persons joined, and nine left.

The other salary costs are lower due to less recruitment and decreased lunch costs in 2020. Mainly due to the Coronavirus, the mission costs and the costs of commuting are considerably lower compared to the budget. The actuals of 2019 included the Regional Finance Managers' meeting organized in November 2019 and are therefore higher.

In 2020 we did not use the full amount for Training and Development, nor for Safety and Security. Part of these costs have also been included under the different programme learning budget lines, but Coronavirus also had an impact on the number of trainings and courses. The other personnel cost relate to temporary staff, outplacement trajectories and legal advice.

Like last year, a credit amount was allocated to cover the costs of illness of staff members for an extended period. The reimbursement of staff insurances in 2020 was lower than budgeted and lower than the 2019 actuals.

3.3.5.2 Office expenses

Breakdown of the office costs:

	2020	Budget 2020	2019
Rent	107.235	103.800	107.157
Cleaning	32.209	36.000	27.017
Other housing expenses	6.344	17.800	11.166
ICT-expenses	84.360	79.300	87.760
Project Connect	-95.253	-	-178.848
Phone and Internet expenses	24.717	31.700	28.227
Bank costs	12.491	7.000	9.611
Other Office expenses	14.055	22.000	15.553
	186.159	297.600	107.642

Within the office costs for 2020, we have included an amount for Project Connect. This investment was 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 to an appropriated reserve on the credit side of our Balance Sheet (see 3.2.5 Equity). The annual depreciation costs will be financed from this reserve. Without this negative amount, the office expenses are 2% lower than in 2019, and 5% below budget. All items are in line with the 2019 figures.

Office expenses show some savings due to the fact that most colleagues worked from home in 2020. However, there was an increase in ICT expenses (to cater for working from home) and bank costs.

3.3.5.3 Depreciation

Breakdown Depreciation

	2020	Budget 2020	2019
Depreciation furniture	3.493	4.300	3.667
Depreciation computer equipment	5.185	17.000	12.115
Depreciation Programme Management Software & Website	-	800	283
Depreciation Project Connect	74.897	-	-
Depreciation Renovation Office	10.342	9.500	10.254
	93.917	31.600	26.318

Depreciation is in line with the budget and expenses of 2019, 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 and were therefore not budgeted.

3.3.5.4 General expenses

Breakdown General Expenses

	2020	Budget 2020	2019
Third party services	61.016	80.500	52.148
Auditors	16.240	25.000	31.685
Insurances	20.615	25.400	25.170
Other General expenses	17.495	12.000	11.323
Differences / other gains & losses	121.043	-	193.754
	236.409	142.900	314.080

The general expenses are lower than budgeted. The overall overspending compared to budget is because of exchange rate differences. Amounts in foreign currency are translated into euros at the exchange rates of the balance sheet date. Transactions denominated in foreign currency are translated at the exchange rates ruling at the time of the transaction. The result of all these differences are not budgeted, because of their unpredictability, but have been incorporated in the statement of income and expenditure.

3.4 Specification Wet Normering Topinkomens

The Supervisory Council determines the remuneration policy, including the total remuneration of the Executive Director and the totals of the other elements of remuneration. Following agreements in 2011, this policy was re-confirmed in 2016.

The Dutch law "Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector" (WNT) fixes the remuneration of chief executive managers in the (semi-) public sector and has been in force since 2013. The law fixes the maximum gross remuneration in 2020 for NIMD's senior executive at €189.000. The displayed individual WNT limit is calculated in proportion to:

- the FTE proportion of the employment contract
- the duration of employment

The WNT limit also takes into account that the calculation base can not exceed 1.0 FTE. The individual WNT limit for members of the Supervisory Council is: For the Chair - 15% of the maximum remuneration of the senior executive. For other members -10% of the maximum remuneration of the senior executive. The remuneration for Supervisory Council members is calculated in proportion to the duration of membership.

Mr T. Berman	
2020	
Function	Executive Director
Duration of employment	01-01 / 31-12
Size of employment (in FTE)	1,0
Contract Type	Employment
<u>Remuneration</u>	
Remuneration	99.938
Remuneration payable in time (Pension Contribution)	15.150
Total	115.088
Individual Remuneration maximum (WNT)	189.000
Minus: unduly paid and not yet reimbursed	0
Total remuneration	115.088

Reasons for acceptance/rejection exceeding maximum remuneration Not Applicable
 Explanation of unduly paid and not yet reimbursed Not Applicable

	Mr T. Berman	Ms. H.C. de Jong	
2019			
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
Contract Type	Employment	Employment	Employment
<u>Remuneration</u>			
Remuneration	88.686	7.335	76.222
Remuneration payable in time (Pension Contribution)	13.436	580	6.907
Total	102.122	7.915	83.129
Individual Remuneration maximum (WNT)	165.917	15.083	165.917
Minus: unduly paid and not yet reimbursed	0	0	0
Total remuneration	102.122	7.915	83.129

Reasons for acceptance/rejection exceeding maximum remuneration Not Applicable
 Explanation of unduly paid and not yet reimbursed Not Applicable

Remuneration of supervisory council

2020

	Mr. E. van Middelkoop	Mrs. I. van Biezen	Mrs. A. Mijnsbergen	Mrs. I. van Veldhuizen	Mrs. W.J.J.M. van Eupen	Mrs. E. Nauta - van Moorsel	Mr. F. de Lange	Ms. K.G. Ferrier	Mr E. Kronenburg
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	01-03 / 31-12	14-10 / 31-12
Individual WNT maximum	28.350	18.900	18.900	18.900	18.900	18.900	18.900	15.750	3.938
<u>Remuneration</u>									
Salary	0	0	0	0	0	0	0	0	0
Remuneration	1.250	1.000	1.250	1.250	1.250	1.250	1.250	1.250	500
Pension Contribution	0	0	0	0	0	0	0	0	0
Total remuneration	1.250	1.000	1.250	1.250	1.250	1.250	1.250	1.250	500

2019

	Mr. E. van Middelkoop	Mrs. I. van Biezen	Mrs. A. Mijnsbergen	Mrs. I. van Veldhuizen	Mrs. W.J.J.M. van Eupen	Mrs. E. Nauta - van Moorsel	Mr. F. de Lange	Mr. J. Hoekema	Mr. M. Stolk
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
<u>Remuneration</u>									
Salary	0	0	0	0	0	0	0	0	0
Remuneration	1.000	750	1.000	1.000	750	750	1.000	750	1.000
Pension Contribution	0	0	0	0	0	0	0	0	0
Total remuneration	1.000	750	1.000	1.000	750	750	1.000	750	1.000

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 2020 included in the financial report

Our opinion

We have audited the financial statements 2020 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 2020 and of its result for 2020 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 2020;
2. the statement of income and expenditure for 2020; 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 the 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.

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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, 20 mei 2021

Dubois & Co. Registeraccountants

A.P. Buteijn RA

K. Ait Boukdir RA