

# Annual Accounts 2018

Transnational Institute  
at Amsterdam

date 8 July 2019  
reference 19-560/MdV

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## Board Report

### 1. General information

#### 1.1 *Objectives of the Foundation*

The foundation "Stichting Transnational Institute" was created on 21 March 1974.

The objectives of the foundation are to strive for a world of peace, equity and democracy on a sustainable planet brought about and supported by an informed and engaged citizenry, as well as all that is directly or indirectly connected therewith or may be conducive thereto, all to be interpreted in the broadest sense, if in the general interest. The foundation seeks to realise its objectives, *inter alia*, by

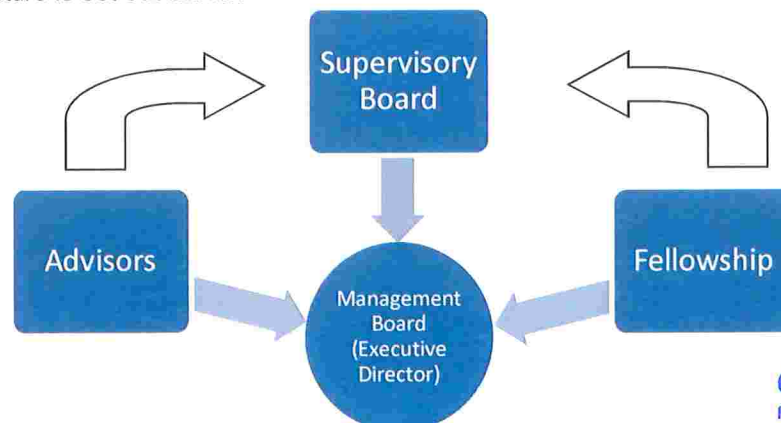
- a) strengthening the capacity of progressive international social movements to advocate for change
- b) acting as a unique nexus between social movements, engaged scholars and policy makers
- c) producing rigorous research and analysis
- d) organising international conferences; and
- e) collaborating with other organisations worldwide

#### 1.2 *Governance and Organization*

The governance structure of TNI is set up as follows:

- The Supervisory Board, which is responsible for supervising the management of the Foundation and the general course of affairs, and to provide the Management Board with advice.
- The Management Board (Executive Director), which is responsible for the realisation of the objects of the Foundation, the strategy, the policy and the results thereof.
- The Fellowship consisting of recognised international experts in the substantive areas that are relevant for the work of TNI, which also advises the Supervisory and the Management Board on issues of substance.
- The Board of Advisors, composed of eminent international experts, which renders assistance to the organisation in more general terms.

The structure is set out below:



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The composition of each of these organs is based on a careful balance to ensure participation of the various stakeholders relevant for TNI and to reflect its international composition and orientation as well as its ambitions. This includes considerations of gender, continental representation, scholarly capacity, engagement with social movements TNI seeks to serve, as well as the relevant disciplines and skills required by TNI.

### 1.2.1. Composition of the Supervisory Board in 2018

The Supervisory Board is selected on the basis of the criteria laid down in the by-laws, and profiles which are regularly reviewed and revised. A committee comprised of one Supervisory Board member, one staff member (usually the Executive Director), and one fellow interviews candidates and makes a recommendation to the Supervisory Board, which makes the final decision.

The Supervisory Board members serve a four-year term, once renewable, and are not remunerated. The Supervisory Board meets at least three times per year to discuss the progress of the organisational activities. Detailed information about the Supervisory Board members can be found on the TNI website [here](#).

Susan George has served as President of TNI since 2015, which is an honorary position. The composition of the Supervisory Board in 2018 was as follows:

Gisela Dütting (Chairperson)	15/04/2016 – 14/04/2020 (2 <sup>nd</sup> term)
Pauline Tiffen (Audit Committee)	12/12/2014 -- 11/12/2022 (2 <sup>nd</sup> term)
Mirjam van Reisen	30/09/2016 – 14/12/2018 (2 <sup>nd</sup> term)
Diederik van Irwaarden	20/03/2018 – 15/06/2018 (2 <sup>nd</sup> term)
Frenk van Enkevort	15/06/2018 – 14/06/2022 (1 <sup>st</sup> term)
Ruth Kronenburg	29/10/2018 – 28/10/2022 (1 <sup>st</sup> term)

There were some changes to the Supervisory Board in 2018. Diederik van Irwaarden stepped down from the Board after his first term of office ended, which decision was formalized on 15 June 2018. He was replaced by Frenk van Enkevort from that date. Mirjam van Reisen resigned from the Board with effect from 14 December 2018, just over half way into her second term of office. She was replaced by Ruth Kronenburg, who was formally appointed on 29 October 2018. Pauline Tiffen confirmed she would serve a second term from 12 December 2018.

### 1.2.2 Composition of the Management Board

The Management Board consists of one person - the Executive Director, Fiona Dove. All management staff report to her, as well as the Evaluation Officer and Community Builder.

The leadership expected from the Executive Director, as well as Programme Directors, is that they are able to provide vision and to help staff think strategically.

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The Supervisory Board determines the remuneration of the members of the Management Board. The remuneration complies with both the guidelines of Goede Doelen Nederland as well as those of the Dutch Government (Wet Normering Topinkomens).

Remuneration of the Management Board/Executive Director:

	2018	2017
	€	€
<i>Gross salary</i>	80.608	78.532
<i>Holiday pay</i>	6.405	6.239
<i>End of year payment</i>	500	500
	<b>87.513</b>	<b>85.271</b>
<i>Taxes and premiums paid by TNI</i>	9.702	9.421
<i>Pension contribution from TNI</i>	9.800	9.357
	<b>107.015</b>	<b>104.049</b>

### 1.2.3 Composition of the International Fellowship

The International Fellowship meets at least once a year. Fellows serve a four-year term, renewable once. All current Fellows are on their last term. Detailed information about the Fellows can be found on the TNI website [here](#).

Intellectual leadership is expected from the fellowship, and increasingly from the researchers and scholars drawn in to support the work of programmes. Intellectual leadership for TNI means the capacity to help people to think openly and critically.

The current composition is as follows:

<b>Achin Vanaik (India)</b>	3 December 2015	2 December 2019
<b>Ben Hayes (UK)</b>	30 September 2015	29 September 2019
<b>David Fig (South Africa)</b>	21 September 2015	20 September 2019
<b>Phyllis Bennis (USA)</b>	15 April 2015	14 April 2019
<b>Hilary Wainwright (UK)</b>	15 April 2015	14 April 2019
<b>Daniel Chavez (Uruguay)</b>	15 April 2015	14 April 2019
<b>Edgardo Lander (Venezuela)</b>	15 April 2015	14 April 2019
<b>Jun Borrás (Philippines)</b>	15 April 2015	14 April 2019

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#### 1.2.4 Composition of the International Advisory Board

The International Advisory Board, and its composition, is under consideration. It was not operational in 2018.

#### 1.2.5 Personnel

TNI's internal organisational culture is non-hierarchical and highly consultative, so decisions are almost always taken after consultation and a process of consensus-building. While most staff are expected to be self-steering, there are also clear lines of accountability and recognition of the authority of the team leader to make final decisions.

By the end of 2018, the foundation had **24,79** full time equivalent (FTE) employees (in 2017: 24,67) on the payroll. The average number of FTE over the year was 25,40, a 1,72 FTE increase on the previous year.

The ratio for Highest:Median salary rates was an average of 2,08 for 2018, while the ratio for Highest:Lowest (not adjusted for years of service increases, with the highest paid staff member having served 23 years) was 3,45 for 2018. The average age of TNI staff is mid-40s. 28% of staff have served for more than 10 years. 38% of staff hold senior positions. Of these, seven are female and four are male. 62% of the staff are female. 14 nationalities are represented among the staff.

Staff turnover and rates of absence due to illness are very low. TNI contracts other dedicated team members around the world, including in Brazil, Argentina, Spain, Denmark, the USA, India as well as a large team in Myanmar. External staff work under the same conditions and at the same rates as Amsterdam-based staff, adjusted for local taxes and costs of living.

The costs of the employees on the payroll were:

	2018	2017
	€	€
Salaries	1.163.197	1.064.187
Social security	185.503	170.832
Pension premiums	87.959	83.433
Sickness insurance	17.789	10.245
Other personnel costs	34.808	44.119
	<b>1.489.424</b>	<b>1.372.816</b>

An average of 46% (€ 680.501) of staff time in 2018 was spent directly on fundraising and administration. This was more than originally budgeted due to more time than anticipated being required for the internal reorganization process and the fundraising opportunities that arose in the course of the year.

An average of 54% (€ 808.923) of staff time was spent directly on programme implementation. This was significantly less than had been originally budgeted with the difference being spent on research and activities instead. This included commissioning research and contracting freelance staff based in the countries or regions where programme activities took place to do much of the organizational work required. The effect was that more was achieved in the programmes with less recorded staff hours.

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There is a slight increase in the total cost of salaries, compared to budget. Most of this is attributable to the cost of a settlement with an employee retrenched through reorganisation of our Finance Unit. Aside from this exceptional cost, the difference in comparison with the costs of 2017 is due to annual incremental increases within a salary scale and a 1.65% salary increase awarded to all staff on 1 January 2018, and a further 2% increase awarded on 1 July 2018, as well as the regular increase in pension premiums pegged to salaries and age. In respect of salaries and increases, TNI uses as its guideline the Collective Bargaining Agreement (CAO) for the Care and Welfare Sector in The Netherlands.

According to benchmarks established by the umbrella body for non-governmental organisations operating within the development cooperation sector, Partos, TNI salaries are within the norm for the sector. In respect of benchmarks for the charitable sector more broadly, established by Goede Doel Nederland, TNI salaries are slightly below the norm.

## 2. Taxes

For tax purposes, TNI operates with fiscal number 0034.74.082. It pays taxes on salaries. TNI is not considered an enterprise and as such is exempt from VAT. TNI is acknowledged by the Dutch tax authorities as an organization that works for the general interest (ANBI: Algemeen Nut Beogende Instelling).

## 3. Management report 2018

### 3.1 *Vision*

TNI envisions a world of peace, equity and democracy on a sustainable planet brought about and sustained by an informed and engaged people.

### 3.2 *Mission*

TNI's mission is to strengthen international social movements with rigorous research, reliable information, sound analysis and constructive proposals that advance progressive, democratic policy change and common solutions to global problems. In so doing, TNI acts as a unique nexus between social movements, engaged scholars and policy makers.

### 3.3. *Overarching Goals*

TNI's overarching goals for 2016-2020, consistent with our emancipatory vision for society, remain:

**Strategies:** Construct a broadly-shared understanding of what blocks realization of an emancipatory vision of the world and of viable ways towards achieving that vision, especially from the perspective of people in the Global South.

**Empowerment:** Achieve the realization of potentials by citizens everywhere, but especially those suffering exclusion and poverty, to organize around, articulate and amplify their concerns and proposals.

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**Transformation:** Advocate for the transformation of norms, policies and practice of key public and private institutions, especially those with transnational influence, towards greater transparency, accountability, engagement with and responsiveness to citizens in democratic, equitable and inclusive ways.

In support of these long-term goals, which also indicate the type of work TNI does, an ambitious five-year programme was developed. Although 2018 only marks the mid-point in implementation, impressive progress is already apparent. Below are brief summaries in this regard, and some elaboration of indications that the programme is on track to achieve its goals.

### 3.4 Programmatic Goals (2016-2020) and Results (2018)

**Objective 1:** *Move towards the establishment of a treaty for binding regulations for transnational corporations, which would end impunity, and secure justice for communities affected by corporate abuses.*

TNI's **Corporate Power** programme develops analysis and proposals on how to end corporate impunity and dismantle corporate power. TNI has played a critical role in coordinating the international Stop Corporate Impunity Campaign which provides ongoing evidence of the need for a Treaty. It works to broaden support for the treaty effort among affected communities and allies in South and Southeast Asia, Southern Africa, and Latin America; has built an international network of parliamentary supporters; catalysed the establishment of (networks of) people's observatories on transnational corporations; and has facilitated the collation of proposals for what campaign members would like to see in a prospective Treaty based on intensive consultations. TNI has played an important role in coordinating between the Campaign and the broader Treaty Alliance of civil society organizations, as well as helping to conduct advocacy with key governments in respect of the process taking place under the rubric of the United Nations Human Rights Council. TNI has successfully contributed to raised awareness of the need for a Treaty, played a critical role in amplifying the voice of communities negatively impacted by disregard for human rights and environmental standards, and provided access for affected communities to relevant UN forums. Strong campaigns have been built in Southern Africa and Latin America, as well as in Europe itself, with an emphasis on national level advocacy in the past year.

**Results:** Over the course of 2018, membership of the Global Inter-Parliamentary Working Group grew by a third to 327 spanning 14 countries, primarily European but also Asian and Latin American. New allies were found in Amnesty International, Greenpeace and the European Trades Union Congress. The African Union came out strongly in favour of negotiations en bloc, with Uruguay and Mexico emerging as champions from Latin America. Many national missions met with CSO counterparts, including within Asia, Southern African and Latin America. The European Parliament passed its 10th resolution in support of the Treaty, and there are indications that a number of individual member states would support a Treaty. The European Commission, however, insists that the EU must 'speak with one voice' and has been consistently obstructive to the process. Towards the end of the year, the Open-ended Inter-Governmental Working Group on human rights obligations for Transnational Corporations and other business enterprises published a zero draft text on the basis of which inter-governmental negotiations can begin in 2019. A record 96 governments were represented at the session where the zero draft was presented.

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In addition, thanks to the work of the Lobbywatch project focused on The Netherlands, a number of positive results were booked in respect to cleaning up risks of corporate capture of government - to which TNI contributed, as a partner in the project. These included: generating a national controversy over the scrapping of the dividend tax for two major Anglo-Dutch transnational corporations which saw the move rescinded; the scrapping of the advisory Trade & Investment Board after it was exposed as not being independent of corporate vested interests; Dutch ministers are obliged to publish their diary appointments which was reinforced when parliament challenged a minister who was found not to have disclosed a meeting with the CEO of a major bank; a fundamental review of rules and regulations for Senate members has been initiated to preclude conflicts of interest arising from secondary employment.

**Objective 2:** *To establish the principle that the public interest and integrity of national judicial systems should not be undermined by trade and investment rules, particularly investment disputes.*

TNI's **Trade & Investment** programme critically follows trade and investment policies, providing well-researched analysis for social movements on the social and ecological impacts, supporting the development of popular campaigns and proposing alternative paradigms that prioritise people's rights over corporate profits. Our team was active in supporting social movements and trade unions in Asia (particularly, Indonesia, Myanmar, Philippines, India and through regional Asian meetings and the Asia-Europe Peoples Forum), Latin America (particularly Mexico, Peru, Uruguay, Argentina and Ecuador and through regional networks), and Europe (with particular attention for The Netherlands as well as through regional networks).

**Results:** By the end of 2018, the unified campaign TNI has helped to build around the world had contributed significantly to sustaining the public de-legitimation of investor-state dispute settlement (ISDS) mechanisms. This is evidenced by reform being high on the agenda of the UN and many governments around the world, as well as more coverage in the mainstream media about the ISDS controversy. As a consequence of these efforts, 2018 saw Tanzania cancelling its Bilateral Investment Treaties with The Netherlands; the US, Canada and Mexico excluded ISDS from NAFTA; Indonesia's Constitutional Court ruling that all such agreements must be subject to parliamentary ratification; the European Court of Justice ruling that all intra EU bilateral investment treaties (BITs) are illegal – with around 1.500 now to be cancelled and setting a precedent for EU member states to cancel BITs with non-EU countries too; and the International Court of Justice restricting its members from serving as arbitrators in ISDS arbitrations, preventing the potential conflicts of interest which TNI exposed back in 2012. TNI and allies helped spark debate in the Argentinian Senate, resulting in delays to the signing of a free trade agreement with Chile and a bilateral investment treaty with Qatar, and media coverage of ISDS controversies there, as well as in Uruguay. Ecuador has also delayed negotiating any new BITs after it had cancelled all its BITs a few months earlier. The other important front has been Europe where the Commissioner declared ISDS "toxic" and proposed that negotiations for a Multilateral Investment Court be conducted under the auspices of the United Nations Commission on International Trade and Law (UNCITRAL), which it hopes will provide a more neutral setting for agreeing on how to handle trade and investment disputes. TNI is not in favour of a MIC because it will strengthen the ISDS system

Meanwhile, in The Netherlands, from where the second most ISDS cases emanate, the Handel Anders (Trade Differently) campaign was launched, hosted by TNI with a broad alliance that includes trade unions, farmers', consumer and environmental organisations. The Dutch Minister declared that ISDS provisions were not necessary between developed countries. The campaign also mobilised 1.600 people to participate in a public consultation on the new Dutch model BITs, and generated media coverage for the first time helped by report on 50 years of ISDS in Dutch treaties. The Minister responsible announced that the final model BIT would need to be ratified by Parliament.

TNI has also published research on the ISDS mechanism that the Chinese Government is developing for its Belt and Road Initiative (BRI) agreements under China's People's Supreme Court, and is starting to raise awareness of the implications of this for countries that participate in BRI.

Following TNI's co-publication of a report on how the Energy Charter Treaty (ECT) obstructs efforts to effect an energy transition, and is used for ISDS purposes, the Netherlands also agreed that it would renegotiate its position within the Energy Charter Treaty to ensure that the ISDS provisions are in line with the model BIT. Meanwhile, in Spain, which is the most sued country under provisions of the ECT, a national campaign has been launched for withdrawal from the treaty. In Pakistan, which decided not to accede to the ECT, the TNI co-publication was cited by media after the fact.

Meanwhile, in Latin America and Europe campaigns against ISDS have joined forces with the campaign for a UN treaty on transnational corporations and human rights. The former was formally launched in Argentina during the WTO and G20 Summits there at the end of 2018, and the latter soon after at a strategy meeting of the campaigners in Brussels.

**Objective 3:** *To improve climate, energy and food security policies that would redirect trade and investment towards sustainable and inclusive food and energy systems and which would genuinely address climate change challenges.*

TNI's **Agrarian & Environmental Justice** programme focuses on the nexus between agrarian and environmental justice in the context of agro(aqua)-industrial development strategies and market-led climate strategies. TNI works to reframe policy discussions in the direction of energy democracy which foregrounds universal access and socialised control; a just energy transition such that the costs are not disproportionately borne by the poor; and local agro(aqua)-ecological production as the best means to secure food sovereignty and sustainable food production. To this end, TNI works with international organisations of small-scale food producers, trade unions, and environmental organisations, as well as collaborating in a number of relevant academic research initiatives.

**Results:** In 2018, through the production and dissemination of well-used information resources as well as workshops and technical support, TNI contributed to stronger advocacy by the World Forum for Fisher Peoples (WFFP), its affiliates and allies. This included engagements with the Food & Agricultural Office (FAO) on adherence to the Small Fisheries Guidelines adopted in 2014, and in countering the Blue Economy narrative as an attempt to privatise the oceans in the name of addressing climate and sustainability.

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Longstanding TNI support for the advocacy of small-scale farmers' organisations and environmental movements, that agroecology is an important means of securing food sovereignty and the basis for sustainable future farming, received a major boost in 2018. The FAO launched the 'Scaling up Agroecology Initiative', which incorporated some of the demands of civil society organisations, and announced an award which will recognize the best enabling policies for agroecology. In Uruguay, the government adopted a new national plan for agroecology after concerted efforts by TNI's partner REDES.

Meanwhile, TNI also helped to link struggles against austerity with the right to food through publication of a well-researched report on the impact of Troika-prescribed austerity in Greece. The report concluded that EU institutions and the IMF were responsible for violating the right to food, generating considerable media attention in Europe. Follow-up litigation is now being considered by the former UN Special Rapporteur on the Right to Food.

TNI contributed to building greater trust and a common agenda among trade unions and other social movements in Latin America through a conference on energy, environment and labour held in Costa Rica convened with the Trade Union Congress of the Americas with support from TNI and FES Uruguay.

**Objective 4:** *To advance viable, feasible and progressive proposals on the democratic provision and financing of public goods and services.*

TNI's **Public Alternatives** project works to build a strong countervailing force that reverses privatisation and helps construct democratic, effective and universally accessible public services. The project has focused primarily on the water and renewable energy sectors, and has a special dimension concerned to explore and catalyse new thinking on politics and economics as a necessary condition for the achievement of public alternatives.

**Results:** TNI has contributed significantly to a strong evidence base for the growing trend towards re-municipalisation of public services. This has been taken forward by a number of inter-linked academic networks, keen to deepen and expand the studies. TNI research has also been used extensively by public sector trade unions for internal education purposes, and particular citizens' struggles in Jakarta (water), Lagos (water), and Cali (telecom), as well as in South Africa (energy), and more broadly in the UK (where shadow ministers of the Labour Party have sought TNI advice) and other European countries.

Outcomes included the Governor of Jakarta establishing an official advisory committee to prepare the return of the water utility to public management based on an earlier Supreme Court ruling, with civil society representatives included for the first time. In Colombia, following the successful halting of the Emcali privatisation, a pioneering Public-Public Partnership agreement was signed between the Cali utility and its Uruguayan counterpart, with a view to putting Emcali on a stronger footing. TNI research was also used to influence the public debate in the UK and in Japan about the cost of using the private sector to finance and construct public facilities or 'Public Finance Initiatives' (PFIs) that are then leased back to the state at a price. At European level, TNI helped to build opposition among municipalities to the EU Service's Notification Procedure as an obstacle for progressive municipal policies and initiatives. The Procedure has yet to be adopted as a result of the controversy.

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**Objective 5:** *To reassess the conventional repressive drugs policy approaches in favour of pragmatic policies based on harm reduction, human rights, and development principles.*

TNI's **Drugs & Democracy** programme analyses drug policies and trends in the illicit drugs market, examining the underlying causes of drug production and consumption, and the impacts of current drug policies on conflict, development and democracy. The programme seeks to give voice to small-scale producers, facilitates policy dialogues and advocates evidence-based policies, guided by principles of harm reduction and human rights for producers, as well as users.

Results: Following TNI's identification of *inter se* as a means by which a group of dissenting countries could modify certain treaty provisions among themselves, and testimony later given at the Senate, Canada became the second country to legalise use of cannabis. Following involvement in a number of Asian policy dialogues co-organised by TNI, Thailand announced its intention to legalise medical cannabis, which a number of Southern African countries also did in 2018. A Caribbean Community (CARICOM) Regional Commission on Marijuana has also recommended legalisation of cannabis, with Aruba already indicating it intends to do so. Mexico has scheduled a parliamentary debate on the same question.

As the momentum for legalisation of (medical) cannabis rolls on inexorably, the question of small growers' rights, rural development considerations and access to the opening licit market became more prominent on TNI's agenda. TNI organised workshops with farmers in the Caribbean and Morocco, facilitating exchanges between them as well as workshops on Fair Trade Cannabis and meetings with policy officials. The governments of St Vincent and Jamaica subsequently introduced special procedures for small farmers' access to cannabis markets. In 2018, Peru followed Colombia's announcement of the year before for proposed legislation to guarantee access for small farmers to legally regulated cannabis markets.

Mexico also withdrew its objection to Bolivia's earlier withdrawal in respect of traditional use of coca, and subsequent re-adherence to the 1961 UN Convention on Narcotic Drugs. This is significant insofar as it restores Latin American unity on the need for reform and signifies Mexico's commitment to this. TNI provided expert testimony to a case of personal use of coca in Spain, which laid a legal precedent that no crime was involved.

TNI contributed to the development of new human rights guidelines in respect of growers, which has found support in the European Union's position paper on alternative development published in 2018, as well as in the CARICOM commission's report.

Eight countries are now spearheading an insistence in UN forums that implementation of drugs conventions must be consistent with human rights obligations as agreed in the UN General Special Assembly on Drugs Outcome Document of 2016. For the first time, the UN Office on Drugs & Crime (UNODC) has said repeatedly that drug control is not intended to target small-scale growers, marking a major breakthrough in respect of repression towards small-scale growers.

**Objective 6:** *To make publicly visible permanent war and pacification of resistance.*

TNI's newest **War & Pacification** programme is concerned with analysing and publicising the drivers and consequences of permanent war for human rights and democracy, particularly in the context of the authoritarian trend discernibly growing globally. It focuses on corporate capture of security policy - particularly at EU level and the link to policies on migrants, refugees and borders; structural drivers of anti-Muslim hatred; civil liberties and counter-terrorism efforts; and intensifying attempts to criminalise dissent and solidarity.

Results: TNI's attempts to reframe the discourse on 'Shrinking Space' continued to see discernible shifts in how the issue of criminalization of dissent and solidarity is understood, particularly on the part of international NGOs. Particularly gratifying in 2018 was the enthusiasm for the reframing on the part of women's organisations in the Middle East and North African region (MENA), who experienced little 'space' in the first place. They volunteered to translate and subsequently disseminated TNI's framing paper in Arabic. TNI further consolidated network outreach to the MENA region through presentation of a new TNI co-published report on the EU's border externalization programme at a counter-summit on migration held in Marrakech. MENA and West African participants expressed that they were unaware of such research being done in Europe and were keen to cooperate further. A second co-published report on Europe's Border Walls received widespread global media coverage, including in the *New York Times*, hooked to President Trump's Mexican wall project.

TNI developed close relations with two UN Special Rapporteur in 2018. The one was the Special Rapporteur on Counter-terrorism and human rights who contributed to a report on the globalization of 'countering violent extremism' policies. She spoke at a TNI organized event at the UN in New York, which attracted UN officials, the Dutch and Irish missions, and civil society organisations. Civil society participants praised the event as the first time they had been able to engage pro-CVE officials about their concerns for civil liberties. The criteria used in the report to measure legitimate and effective policies were subsequently included in a tool box prepared for the Dutch Ministry of Foreign Affairs. The report has also been included in the curriculum of Duke University's Law School.

The other report involving the Special Rapporteur on the Human Rights of Migrants, who said he found the report particularly useful for his own purpose. Criminalisation of migrant solidarity was particularly acute in Italy at the time of publication. The report was translated into Italian and launched at an event in Palermo, attracting significant media attention. A similar report was published on attempts to criminalise the Boycott, Divest, Sanctions movement against Israel over the human rights situation in Palestine.

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**Objective 7:** *To support civil society organisations in Myanmar in addressing ethnic conflict to make the current peace and political and economic reform process more inclusive.*

TNI's **Myanmar** programme works to strengthen ethnic-based civil society organisations (CSOs) and Ethnic Armed Organisations (EAOs) to engage in policy development with respect to land and other natural resources. As these are often opium-growing regions, the programme necessarily includes a focus on drugs. TNI seeks to build the capacity and confidence of opium and other farmers, with an emphasis on participation by women and youth as well as internally displaced people (IDPs), to develop their own positions on policies; to normalize dialogues with the EAOs that control the territories such that a certain social compact is achieved; to facilitate exchanges among the regions such that they are collectively strengthened in engaging with the Myanmar national state on key common policy areas. TNI works in Karen, Kachin, Karenni, Mon, Shan, Kayah and Tanintharyi states, as well as at national level. It brings international context and experiences to bear on the process, and helps CSOs understand the more technical nature of national legal proposals and their implications for the communities while encouraging them to develop and articulate their own analysis and positions.

Results: Key results in 2018, as an outcome of processes TNI has facilitated since 2013, include land and natural resource policies developed in three more states (one has a draft ready, and two have zero drafts ready), with a fifth still in development. Over time, the EAOs as well as the Myanmar state have come to accept CSOs as dialogue partners. The land and natural resources policies are being developed with CSO input. Indeed, it is often that the CSOs are in the lead in this respect, thanks to the capacity-building support they have received from TNI and the Myanmar NGO partners with which cooperation has been built over the years. The Karen process, where a social contract was established with villagers in respect of land and natural resource policy, was achieved earlier, and has come to provide a model for the other states. TNI supported the development of the Karen Peace Park, initiated after the ceasefire agreement was signed between the KNU and the government. It gives the people a say in their own development path through a democratic process ratified by a referendum supported by 78% of the population, and includes the right to say no to foreign investors. Complementing this effort, a report commissioned by TNI on how Myanmar could take a sustainable development path and avoid the pitfalls of the prevailing orthodox was widely discussed by CSOs in Myanmar.

In 2018, the 2012 law on Vacant, Fallow and Virgin Land was amended to allow the government to reallocate ancestral lands governed by customary arrangements to domestic and foreign investors. This would render millions of people, particularly in ethnic minority regions, landless and criminalised should they attempt to use the lands, and profoundly threatens peace. TNI facilitated exchanges among IDPs and with CSOs across the five states. This resulted in a joint statement on the new law, and a major campaign launched for suspension of the amendment, which is due to come into effect in March 2019.

A similar effort was undertaken in and between Kachin and Karen state in respect of a new law on biodiversity conservation which had not been subject to any prior consultation. For the first time the programme also worked with communities in Tanintharyi state where marine, mining and Special Economic Zone projects are being implemented by the central government.

In respect of drugs policy, results were booked particularly in Shan and Kachin states. In Shan state opium farmers were able to safely dialogue with the EAO on drug policy issues for the first time in 2018. In Kachin state, where there is a heavy drug use problem with major public health consequences, the KNU has expressed interest in mobile harm reduction services to address the issue. TNI and the Myanmar government also co-hosted the second drugs dialogue, which included a field trip to opium growing areas, with no arrests taking place and engagements with farmers about policy issues, as well as a report on drugs problems in Myanmar to help support improved drugs policy-making. The latter was produced by the Drug Policy Advocacy Group, which TNI co-founded. TNI also helped organize an exposure trip to the Netherlands and Germany where Myanmar officials could examine alternative approaches to drugs. The delegation included representatives of the ministries of health and social welfare, the prison department, the Central Committee for Drug Abuse Control (CCDAC), the national police, as well as from the Kachin State Government and local departments. TNI also arranged exchange visits between Myanmar and Colombia so that farmers could learn lessons from different situations of drugs and conflict.

For more highlights from TNI's programme in 2018, please see <http://annual2018.tni.org>.

### 3.5 Internal Objectives (2016-2020)

TNI has also set internal objectives in its five-year strategic plan. These are:

#### **Objective 1: To secure TNI's financial sustainability post-2020**

In 2018, TNI continued to emphasise the importance of a diversified funding base. There was a significant increase in funds from philanthropic foundations compared to the previous year. The proportion of dependence on Dutch government funding increased, however, as a large EU-funded project was wound up. The rate of success in applying for grants was 56%, an improvement of 5% on the previous year.

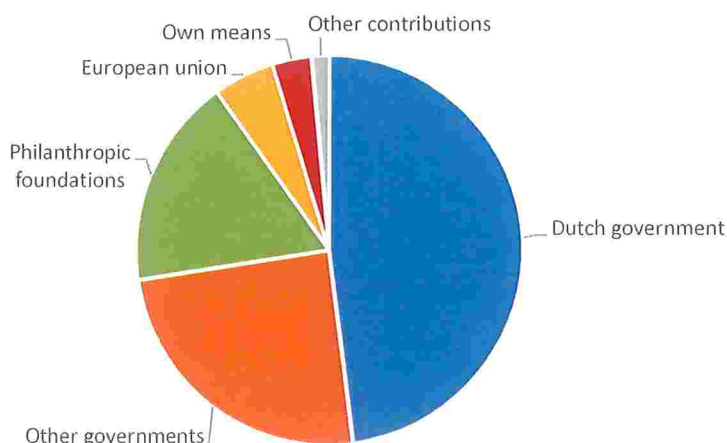
Source	Specification	% of total income in 2018
<b>Dutch government</b>	Netherlands Ministry of Trade & Development	48%
<b>Other governments</b>	Swedish International Development Agency; Swiss Development Cooperation; GIZ; DfID/Netherlands Science Council	25%
<b>Philanthropic foundations</b>	Foundation Open Society Institute (New York & Switzerland); Open Society Initiative for Europe; Open Society Initiative for Southern Africa; Fondation de France; Guerilla Foundation; Charles Leopold Meyer Foundation; Funders for Fair Trade; Rockefeller Bros Fund; Schöpfung Stiftung	18%
<b>European Union</b>	Development Education and Awareness-Raising; Justice and Home Affairs; Erasmus; H2020	5%
<b>Own means</b>	Rental, book sales, donations, currency gains, interest	3%
<b>Contributions from allies for joint activities</b>	various	1%

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### % of total income by source in 2018



The strategy to increase 'own income' took off in 2018 with € 5.500 raised from sales and donations. A visible cultural change took place within the organisation whereby every public event is accompanied by efforts to solicit donations. Setting up the infrastructure on the website to facilitate online donations proved a challenge, but was functional in the last quarter. The introduction of the General Data Protection Regulation in May 2018 also required some caution to ensure TNI was compliant with the law, which somewhat delayed efforts.

TNI has also been looking to reduce overhead costs. Two strategies have been followed.

The one concerns energy costs, also motivated by a desire for energy efficiency. The return on investment in solar panels, LED lights and a cheaper (renewable) energy supplier has seen a steady decrease in costs from a high of € 30.000 in 2015 to € 19.699 in 2018 (a 34% saving). TNI has saved 14 tons of CO<sup>2</sup> since installing its solar panels in May 2016, and has generated 19.764 Kwh of solar energy.

The other concerned financial administration. Major investments were made in new software which have helped streamline and automate many functions. A successful transition took place in 2018, under the guidance of a professional company specialising in non-profit organisations. This saw a marked improvement in efficiency, accuracy, greatly enhanced budget management and reduced financial risk. TNI decided to effectively outsource its financial administration, retaining only one part-time bookkeeping assistant. While costs were significantly higher in 2018, we expect to see a 10% reduction in costs by comparison with 2017 before the transition was effected.

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**Objective 2: To improve demonstrable effectiveness of TNI's programmes**

Since TNI created the function of Planning, Monitoring, Evaluation & Learning Officer in 2016, there has been considerable progress in the Institute being able to demonstrate its effectiveness. A system for ongoing documentation of verifiable results, detailed quarterly reports, outcome harvests in advance of annual reflection days, which feed into annual planning days have been institutionalised, as has quantitative data uploaded quarterly to the International Aid Transparency Initiative (IATI) open data base in respect of the major Dutch government-sponsored programme. This has given TNI a much stronger evidence base for assessing and communicating its effectiveness, and has proved very useful for refining strategies. Success is evidenced by the increasingly impressive results TNI is able to book. Importantly, it has also helped the Institute sustain the confidence of its existing funders and secure new support, particularly from philanthropic foundations.

**Objective 3: To increase the outreach and impact of all TNI communications on all our strategic communities, leading to a change in both the narrative on particular issues and, ultimately, to concrete policy changes**

An indicator of increased outreach in 2018 is the steady increase, compared to 2017, in social media followers: twitter (16% to 12,733 accounts and reaching an estimated 1.5 million people), and facebook (9% to 16,731) for the official accounts. Specialised programme accounts as well as individual staff accounts also saw significant increases. Subscriptions to TNI's e-newsletter increased by 13% to 21,535 people. Views of TNI webpages were logged at 1.13 million. TNI publications and articles by TNI staff, researchers and fellows were cited over 3,000 times in recorded academic references. Media coverage was steady, at a conservative estimate<sup>1</sup> TNI reached 19,155,000 readers in outlets across the world. At key moments, global influencers helped to amplify TNI's messages.

In 2018, TNI also entered into more formal partnerships with like-minded (online) magazines, which helped further amplify its messages.

Within the public sphere, significant narrative changes were discernible with respect to most of the issues TNI critically engages with. Most notably, drugs policy, investor-state dispute settlement, public ownership, austerity and human rights, and borders and refugees. Incremental shifts in policy are evident in the first two, and a shift in public discourse is discernible in the latter three.

**Objective 4: To nurture and consolidate a committed activist-intellectual community around TNI**

At institutional level, the international Fellowship and the network of TNI Associates constitute the formal activist-intellectual community around TNI. There are many more activist-intellectuals working with TNI at individual programme level, or in more formally constructed project partnerships.

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<sup>1</sup> There were 168 media articles in outlets with a readership of more than 100,000, and 157 in outlets with less than 100,000. The conservative calculation takes 168 x 100k plus 157 x 15k.

New developments in 2018 included collaboration with Swansea University (Wales) on farmers and cannabis legalisation; Glasgow University (Scotland) and others on municipal energy policy and practice; the Institute for Social Studies (ISS) of Erasmus University (Netherlands) on authoritarianism and emancipatory politics in rural settings; and with a project led by the University of Helsinki (Finland), and linked to the journal *Globalisations*, on global governance. A data base of all the activist-intellectuals TNI works with was begun in 2018, showing at least 166 people directly involved with TNI over the past 5 years. A consensus has emerged that there is a need to consider new 'structures of belonging' to TNI to ensure that the institute can nurture and consolidate this growing community. For this reason, consultations took place over the course of the past few years to reconsider the purpose of the fellowship, the traditional annual fellows' meeting as the primary institutional space for strategic thinking, the role of Associates, how to nurture younger thinkers, and how to provide a more inclusive structure to help TNI capitalise on the huge pool of committed intellectuals with whom it has relations. A final decision on new structures of belonging will be taken in 2019.

**Objective 5: To ensure TNI has well-functioning staff able to fulfill TNI's five-year strategic objectives**

Indicators of success include low staff turnover, with staff members serving an average of 10 years or more with TNI, and a low rate of sick leave taken (in 2018, there was one staff member on extended leave due to a sport injury). The successes booked by TNI above also bear witness that staff function well.

In 2018, new benefits introduced included recognition of 1 May (Labour Day) as a paid holiday, and the introduction of a formal 25 and 40 years' service jubilee bonus. Additional annual leave based on age was scrapped. Staff were awarded a 3,65% increase, in line with the Collective Bargaining Agreement (CAO) for the Care & Welfare Sector, which TNI uses as a guideline; as well as an across-the-board end-of-year (pro-rata) bonus of € 500, rather than a percentage-calculated bonus as provided for in the CAO, so as to benefit lower paid staff.

Personalised training was arranged for four staff to help them fulfil their functions better, and collective workshops were held on data protection and data security. On-the-job training also took place for management and Financial Administration staff in respect of new software introduced. TNI also invested in individual ergonomic assessment and training, and in buying new ergonomic office furniture.

Documented personnel policies were updated and presented at a staff workshop. These will constitute a major chapter in the updated TNI Policy Manual to be completed in 2019.

Staff capacity was increased in 2018 with the creation of two new vacancies in the Communications Unit, and another for a coordinator for the War & Pacification programme. The one Communications function is aimed at supporting content production suitable for outreach purposes, including the introduction of podcasts; and the other is an 'embedded' part-time Communications Officer position aimed at supporting the outreach of our growing Public Alternatives programme. TNI also reorganised its Financial Administration Unit as described under Objective 4 above, which has provided programme management staff with much greater support and relieved them of unnecessary administrative tasks.

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## 4. Risk Management

### 4.1 *Legal*

The main legal risk anticipated for 2018 was the introduction of the General Data Protection Regulation (GDPR) that came into effect on 28 May 2018.

TNI prepared well in advance. In late 2017, TNI contracted the services of a data protection consultant. He guided a thorough audit of the personal data held, where it is stored and who has access. A comprehensive inventory resulted which was shared with staff and the Supervisory Board, and is to be reviewed and updated at least annually. A workshop for staff and the Supervisory Board was subsequently organised. TNI revised its privacy policy, which was published on our website before the GDPR came into effect. TNI then worked to document its Information & Communication Technology (ICT) policy, including data protection, data security and data breach policies. This will be completed in the first quarter of 2019, with workshops again for staff and Supervisory Board.

### 4.2 *Security*

Key risks identified include data security and secure communications, particularly in the context of a growing climate of repression against progressive activists discernible across the world.

As mentioned in 4.1 above, over the past year TNI has undertaken significant steps to codify and improve policies and practices in respect of data security and secure communications, particularly as concerns data or communications that might jeopardise the safety of people with whom TNI works.

### 4.3 *Finances*

As in previous years, the main risks identified are the short-term nature of funder contracts, the proportion of current budget not secured post-2020, and dependence on governmental development cooperation funds in a fast changing field. An additional risk identified was the insufficient documentation of financial administration procedures and the large volume of manual work required for bookkeeping due to limited software capacity.

TNI is pursuing a multi-pronged strategy. This includes:

- raising more 'own funds' from donations, which began to show returns from the last quarter of 2018;
- increased outreach towards philanthropic foundations, which saw a 66% increase in 2018 over the previous year in the proportion of funds raised from this source and now constituting 15% of TNI funding;
- continuing to seek EU funds The success rate for EU funding in 2018 was 27% but TNI has been able to access funds from a range of EU directorates, including Justice, Horizon 2020, Erasmus as well as Development Education & Awareness-Raising.
- Continuing to seek development cooperation funds for as long as we qualify and without compromising TNI's values and independence. TNI currently has contracts with four major sources (Netherlands, Sweden, Switzerland, Germany, and works hard to demonstrate effectiveness. An immediate priority is preparing for a bid as part of the Fair, Green & Global Alliance for a new five-year grant from 2021 onwards.

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- The smooth introduction of new ledgers, invoice recognition and bookkeeping software, effected from 1 January 2018 and the decision taken in May 2018 to contract out most of the senior financial administration tasks.
- The documentation of elaborated financial policies and improved procedures, to be completed in the first quarter of 2019, with communications to staff in 2018 so that implementation is effected immediately.

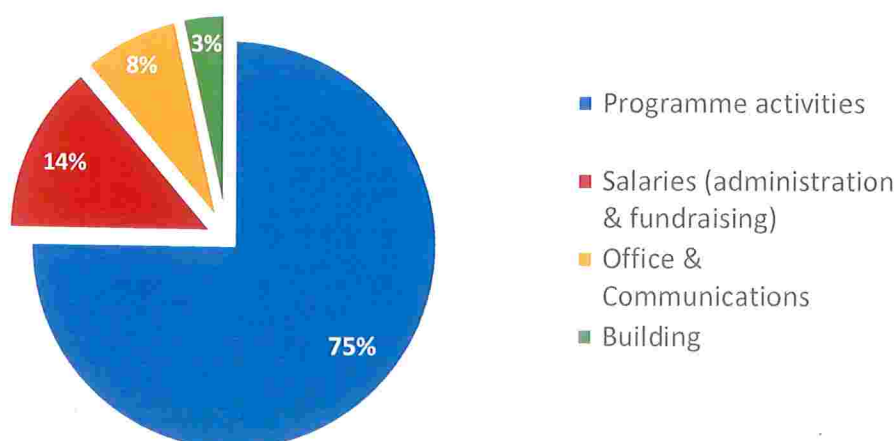
In 2017, TNI adopted a new Procurement Policy in respect of (technical) services and supplies. In 2018, TNI monitored adherence to the policy.

There were no exceptions made to the policy. There were no single invoices for amounts greater than € 30.000. TNI assessed 24 instances involving invoices exceeding € 5.000. The great majority of these were one-off invoices related to tickets and venues/accommodation in respect of large events organised by TNI. TNI has preferential relationships with four companies where the total annual costs paid exceed € 30.000. These involve a travel agency in the Netherlands that specifically services "humanitarian" NGOs working in conflict zones; a printing company in Amsterdam; and the auditing company and financial administration companies which service TNI. In the case of the former two companies, there is no exclusive arrangement and from time to time TNI will use other companies for the same kind of service. In the case of the latter two, these are formally contracted services. In each of these cases, regular evaluations take place with a view to improvements to the relationship.

#### 5. Expenditure 2018

TNI spent 75% of its income in 2018 on programme implementation, and 14% on administration and fundraising, and 11% on infrastructure.

**Expenditure by category 2018**



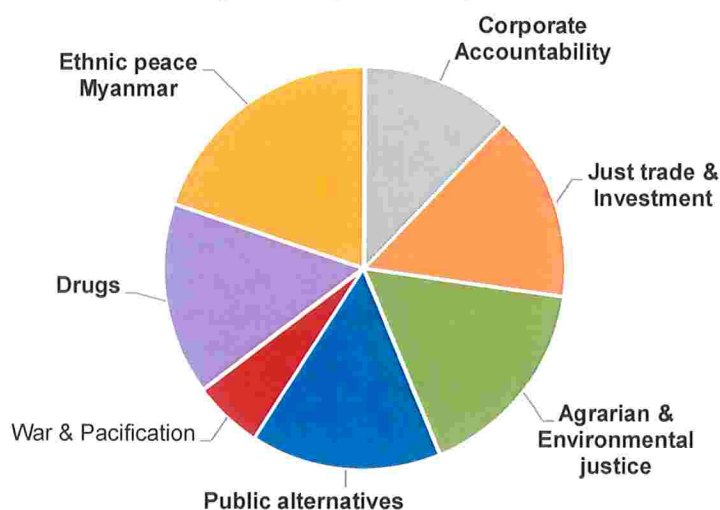
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TNI raises grants for projects developed by our seven programme themes. The Myanmar country programme had the highest budget, while the new War & Pacification programme had the smallest budget. There was a relatively even spread across the other programmes.

### Project expenses per theme



#### 6. Financial result 2018

The result in 2018 was € 67.053 which represents 1,4% of total income. The result represents a portion of the unrestricted monies raised through donations, honoraria, exchange rate and interest gains. The result has been allocated to TNI's general reserves.

TNI's reserves, at the end of 2018, stood at € 1.173.672. Of this, € 243.154 is held in fixed assets, representing the value of the office building TNI bought in 2005, and the down payment on the mortgage. In 2017, TNI's Board set a target for building liquid reserves which would enable TNI to continue to fulfilling its mission while it secures new funding. This was based on a risk assessment in respect to the relatively short-term funding contracts secured, and particularly for the post-2020 period. The target is to secure 50% of annual salary costs and annual mortgage costs into the liquid reserves. The liquid reserves are held in savings accounts, primarily at ASN Bank, considered by the Eerlijke Bankwijzer (Fair Bank Index) as the most ethical of banks in The Netherlands.

TNI also has a building maintenance reserve fund, currently based on a 10-year plan developed with a professional and budgeted at € 35.000 per year. This is reviewed on an annual basis. At the end of 2018, the Building Restoration Reserve stood at € 49.737.

While TNI is 95% dependent on funders, it has a survival ratio (reserves/total overhead expenses) of 216 days thanks to the general reserves it has built. The ratio of assets to liabilities is also healthy at 132%.

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7. Budget 2019

€

Income

Grants	4.630.769
Other project income	0
Donations and contributions	0
Exchange losses/gains	0
Interest	2.000
Other	6.876
	<hr/>
Total income	4.639.645

Expenditure

Overhead	
- Personnel costs	432.123
- Building expenses	49.870
- Office and communication	292.760
	<hr/>
Total overhead	774.753
Project costs	
- Direct project costs	2.810.026
- Personnel costs charged to projects	1.014.401
	<hr/>
Total project costs	3.824.427
Total expenditure	4.599.179
	<hr/>
Result	40.466

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## A. Balance sheet

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
ASSETS		
Fixed assets		
- Tangible fixed assets	<u>1.750.764</u>	<u>1.805.572</u>
Total fixed assets	<u>1.750.764</u>	<u>1.805.572</u>
Current assets		
- Receivables	262.324	563.224
- Cash and cash equivalents	<u>3.070.741</u>	<u>2.813.668</u>
Total current assets	<u>3.333.065</u>	<u>3.376.892</u>
Total assets	<u><u>5.083.829</u></u>	<u><u>5.182.464</u></u>
LIABILITIES		
Reserve	<u>1.173.672</u>	<u>1.106.619</u>
Provisions	<u>49.737</u>	<u>33.772</u>
Long-term liabilities	<u>1.483.280</u>	<u>1.485.066</u>
Short-term liabilities	<u>2.377.140</u>	<u>2.557.007</u>
Total liabilities	<u><u>5.083.829</u></u>	<u><u>5.182.464</u></u>

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## B. Statement of income and expenditure

	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<u>Income</u>			
Grants	4.602.722	4.143.966	5.399.348
Donations and contributions	50.666	0	0
Exchange losses/gains	16.724	0	-24.016
Interest	1.277	2.000	3.898
Income from rent	137.353	135.000	135.743
Other	59.411	0	173.335
Total income	<u>4.868.153</u>	<u>4.280.966</u>	<u>5.688.308</u>
<u>Expenditure</u>			
Administration and fundraising			
- Personnel costs	680.501	251.021	459.150
- Building expenses	165.775	165.015	154.855
- Office and communication	<u>368.572</u>	<u>271.000</u>	<u>178.065</u>
Total administration and fundraising	<u>1.214.848</u>	<u>687.036</u>	<u>792.070</u>
Research and activities	<u>3.586.252</u>	<u>3.519.025</u>	<u>4.809.357</u>
Total expenditure	<u>4.801.100</u>	<u>4.206.061</u>	<u>5.601.427</u>
Balance	67.053	74.905	86.881
Extraordinary income	<u>0</u>	<u>0</u>	<u>-1.378</u>
Result	<u><u>67.053</u></u>	<u><u>74.905</u></u>	<u><u>85.503</u></u>

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### C. Cash flow statement

	2018		2017	
	€	€	€	€
<u>Cash flow from operating activities</u>				
Result	67.053		85.503	
Depreciations	<u>57.402</u>		<u>57.032</u>	
		124.455		142.535
Mutations in work capital:				
- Receivables	300.900		-131.658	
- Provisions	15.965		14.684	
- Short-term liabilities	<u>-179.867</u>		<u>-489.116</u>	
Total mutations in work capital		<u>136.998</u>		<u>-606.090</u>
Total cash flow from operating activities		261.453		-463.555
<u>Cash flows used in investing activities</u>				
Purchases		-2.594		-39.637
<u>Cash flows used in financing activities</u>				
Decrease in debt	-7.726		-7.726	
Other long term liabilities	<u>5.940</u>		<u>0</u>	
Total cash flows used in financing activities		<u>-1.786</u>		<u>-7.726</u>
Net increase in cash and cash equivalents		<u>257.073</u>		<u>-510.918</u>
Cash and cash equivalents at year end		3.070.741		2.813.668
Cash and cash equivalents at beginning of year		<u>2.813.668</u>		<u>3.324.586</u>
Changes in cash and cash equivalents		<u>257.073</u>		<u>-510.918</u>

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## D. Accounting principles

### General

Assets and liabilities are stated at face value unless a different valuation principle is mentioned.

### Going concern

The accounting policies within the financial statements are based on the assumption that TNI will be able to continue as a going concern.

### RJ C1

This presentation of the financial statements is in accordance with Dutch Accounting Standard Board's Guideline for Annual Reporting C1 for small not-for-profit organisations.

### Currency

Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Any resulting exchange differences are recognised through income and expenditure. Amounts denominated in foreign currency have been converted into Euro using the exchange rate valid on the transaction date. Exchange differences are accounted for in the statement of income and expenditure, unless a different rate is mentioned.

### Comparative figures

The figures for the previous year included in the annual accounts have been adjusted for purposes of comparison only.

### Changes in accounting principles

The valuation and the principles for determination of results remained unchanged compared to 2017.

### Fixed assets

These are shown at historical cost. Depreciation and amortisation are calculated based upon these assets according to the straight line method on the expected useful life of the class of asset concerned. If there is deemed to be a permanent diminution in the value of an asset, the appropriate value adjustment is made.

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Depreciation percentages are 33,3% for computer equipment, 25% for inventory, 10% for solar panels and 2% for the building.

#### Receivables

Receivables are stated at face value with a net of provisions for doubtful debts where necessary.

#### OTHER INFORMATION

##### Allocation of results

The result has been allocated to the general reserves in advance of discussion of the meeting of the Supervisory Board.

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## E. Notes to the balance sheet

### ASSETS

#### Tangible fixed assets

	<u>Buildings</u>	<u>Office equipment</u>	<u>Total</u>
	€	€	€
Opening balance	1.767.847	37.725	1.805.572
Investments	0	2.594	2.594
Minus: depreciation	-47.353	-10.049	-57.402
Depreciation desinvestments	0	0	0
Minus: desinvestments	0	0	0
Net book value per 31 December 2018	<u>1.720.494</u>	<u>30.270</u>	<u>1.750.764</u>
Accumulated investments	2.481.123 *	81.052	2.562.175
Minus: accumulated depreciations per 31 December 2018	<u>-760.629</u>	<u>-50.782</u>	<u>-811.411</u>
Net book value per 31 December 2018	<u>1.720.494</u>	<u>30.270</u>	<u>1.750.764</u>

\* The building has been appraised, in a valuation by 'Draijer Makelaardij & Vastgoedbeheer' d.d. 11 October 2018, at a value of € 2.800.000.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<u>Receivables</u>		
Prefinancing partners pending deliverables	94.401 *	44.018
Accounts receivable	49.437	27.028
Prepayments	41.088	60.560
Grants	31.317	324.805
Other receivables	<u>46.081</u>	<u>106.813</u>
Total receivables	<u>262.324</u>	<u>563.224</u>

\* The account Prefinancing partners pending deliverables includes an amount of € 62.368 regarding the EU project CoSDAMHI and € 32.033 for the EU project NAHRPP.

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	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
- Grants		
Gesellschaft für Intern. Zusammenarbeit GmbH	24.310	0
OSF	6.596	0
PLAAS	411	0
EU DEAR	0	307.466
FAO	0	8.739
IDRC via FIAN International	0	8.600
	<u>          </u>	<u>          </u>
Total grants	<u>31.317</u>	<u>324.805</u>

- Other receivables

Advances projects	27.252	90.041
Advances Partner Pang Ku	5.651	11.651
Advances employees	4.796	800
Miscellaneous receivables	3.375	601
Interest	1.222	3.720
	<u>          </u>	<u>          </u>
Total other receivables	<u>42.296</u>	<u>106.813</u>

Cash and cash equivalents

ASN Bank	2.200.000	2.222.755
ABN AMRO Bank	447.246	217.000
Accounts in foreign currencies	360.769	316.654
Triodos Bank	48.913	42.206
PayPal	12.912	12.796
Petty cash	586	2.257
Credit card	315	0
	<u>          </u>	<u>          </u>
Total cash and cash equivalents	<u>3.070.741</u>	<u>2.813.668</u>

- Accounts in foreign currencies

ABN AMRO Bank USD	351.864	285.270
ABN AMRO Bank GBP	8.905	31.384
	<u>          </u>	<u>          </u>
Total accounts in foreign currencies	<u>360.769</u>	<u>316.654</u>

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	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>LIABILITIES</b>		
<u>Reserve</u>		
Balance 1 January	1.106.619	1.021.116
Allocation net result	<u>67.053</u>	<u>85.503</u>
Balance 31 December	<u><u>1.173.672</u></u>	<u><u>1.106.619</u></u>

The reserve exists to ensure that the organisation can also meet its obligations in the future. The reserve increases from € 1.106.619 to € 1.173.672 at year end.

#### Provisions

##### - Building restoration

Balance 1 January	33.772	19.088
Provision *	35.000	35.000
Restoration	<u>-19.035</u>	<u>-20.316</u>
Balance 31 December	<u><u>49.737</u></u>	<u><u>33.772</u></u>

\* The maintenance plan, which determines the yearly addition to the provision has been reviewed and updated. The new maintenance plan will be active starting the year 2019 until the year 2035.

#### Long-term liabilities

Mortgage Triodos Bank NL85 TRIO 0212 1493 42	1.440.000	1.436.137
Mortgage Triodos Bank NL10 TRIO 0212 1492 37	37.340	48.929
Other long-term payables	<u>5.940</u>	<u>0</u>
Total long-term liabilities	<u><u>1.483.280</u></u>	<u><u>1.485.066</u></u>

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Amsterdam, 12 JUL 2019

initials for identification purposes:

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
- Mortgage Triodos Bank NL85 TRIO 0212 1493 42		
Balance 1 January	1.440.000	1.440.000
Paid mortgage	<u>0</u>	<u>0</u>
Balance 31 December	1.440.000	1.440.000
Included in current liabilities	<u>0</u>	<u>-3.863</u>
Total mortgage Triodos Bank NL85 TRIO 0212 1493 42	<u>1.440.000</u>	<u>1.436.137</u>
- Mortgage Triodos Bank NL10 TRIO 0212 1492 37		
Balance 1 January	52.792	52.792
Paid mortgage	<u>-7.726</u>	<u>0</u>
Balance 31 December	45.066	52.792
Included in current liabilities	<u>-7.726</u>	<u>-3.863</u>
Total mortgage Triodos Bank NL10 TRIO 0212 1492 37	<u>37.340</u>	<u>48.929</u>
<u>Short-term liabilities</u>		
Grants	1.806.982	1.880.377
Accounts payable	294.579	193.512
Provision vacation pay/holidays	87.281	118.918
Liabilities to partners	55.736 *	281.672
Wage withholding tax	29.424	35.481
Security on rent	10.032	10.032
Triodos Bank mortgages, redemption due in next year	7.726	7.726
Other short-term liabilities	<u>85.380</u>	<u>29.289</u>
Total short-term liabilities	<u>2.377.140</u>	<u>2.557.007</u>

\* Liabilities to partners includes the outstanding accounts payable (grant amount minus prepayments) with project partners regarding the projects HOTL € 22.416, FGG € 30.778 and € 2.542 for MENA Food Sovereignty.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
- Grants		
European Union	513.606	0
Dutch Ministry of Foreign Affairs	436.693	647.524
Swedish International Development Coop. Agency	220.846	156.137
Funders for Fair Trade, Shöpflin and Rockefeller Found.	176.340	0
Funders for Fair Trade - S2B network	133.677	137.323
European Commission	110.028	202.186
Foundation Open Society Institute	48.307	326.870
Found. to Promote Open Soc.	46.079	
Rockefeller Foundation	35.911	42.423
Swiss Development Corporation	34.730	114.435
11.11.11	17.776	0
Erasmus+	13.696	0
Irish Research Council	12.292	0
Funders for Fair Trade - TTIP Alarm	7.001	60.520
Guerilla Foundation	0	1.439
Institute for Social Studies	0	28.463
Gesellschaft für Intern. Zusammenarbeit GmbH	0	163.057
Total grants	<u>1.806.982</u>	<u>1.880.377</u>
- Other short-term liabilities		
Payables expenses	76.269	18.814
Funds earmarked for projects	<u>9.111</u>	<u>10.475</u>
Total other short-term liabilities	<u>85.380</u>	<u>29.289</u>

## RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

### Contingent liabilities

In the balance sheet, liabilities include those to partners. These liabilities derive from contracts with partners under grants of the European Union. These liabilities are calculated for one year although the contracts in some cases have a longer duration. A committee makes the decision annually for the exact amount per partner.

This involves the following contract:

EU - "Combating the Structural Drivers of Anti-Muslim Hatred and Intolerance: Tools and Practices for Mobilising" (CoSDAMHI). TNI is the coordinator of this project, but there is no grant agreement (direct obligation) between TNI and the partners. TNI therefore doesn't disclose the full amount available for partners (€ 441.703) as a project expenditure. Instead the actual partner expenditures will be included in the statement of income and expenditures over the years 2018, 2019 and 2020. The EU finances all participating project partners through TNI. The prefinancing that TNI has sent to the project partners are included on the balance sheet ("*Prefinancing partners pending deliverables*" on page 26).

### Post balance sheet events

There have been no significant events post balance date which would materially affect the annual accounts.

## F. Notes to the statement of income and expenditure

	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<b>INCOME</b>			
<u>Grants</u>			
Dutch government	2.306.973		2.092.324
Other governments	1.186.913		944.083
European Union	246.842		1.714.140
Other philanthropic funds	861.994		648.801
Total grants	<u>4.602.722</u>	<u>4.143.966</u>	<u>5.399.348</u>
<b>EXPENDITURE</b>			
<u>Personnel costs</u>			
Salaries	1.163.197		1.064.187
Social security	185.503		170.832
Pension premiums	87.959		83.433
Arbo/sickness insurance	17.789		10.245
Other personnel costs	34.976		44.119
Subtotal personnel costs	1.489.424	1.391.356	1.372.816
Minus: personnel costs research and activities	<u>-808.923</u>	<u>-1.140.335</u>	<u>-913.666</u>
Total personnel costs administration and fundraising	<u>680.501</u>	<u>251.021</u>	<u>459.150</u>
<i>FTE (average over the year)</i>	25,40		23,68
<i>Number of employees per December 31st</i>	24,79		24,67

	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<u>Building expenses</u>			
Depreciation	47.353	47.370	47.353
Interest mortgage	45.403	45.500	45.638
Provision building maintenance	35.000	35.000	35.000
Maintenance, cleaning and purchase	28.585	29.645	19.352
Energy and water	19.699	22.000	20.902
Insurance, lease and taxes	26.691	26.500	26.750
Contribution tenants/service charges	-36.956	-41.000	-40.140
Total building expenses	<u>165.775</u>	<u>165.015</u>	<u>154.855</u>

Office and communication

Office supplies & communications	56.761		47.927
Office materials	8.396		5.593
Other organisational costs	19.116		43.248
External assistance	200.132 *		37.194
Auditor	51.994		27.830
Depreciation inventory	10.049		9.680
Provision uncollectable accounts	6.083		0
Fundraising	3.108		0
Bank charges	12.933		6.593
Total office and communication	<u>368.572</u>	<u>271.000</u>	<u>178.065</u>

\* The increase in external assistance is caused by hiring financial management and support. This function was in 2017 included in the personnel costs.

Research and activities

Personnel costs	808.923	1.140.335	913.666
Activity costs	1.180.993		
Travel and accommodation	937.290		
Publication, documentation and communication	360.360	2.378.690	3.895.691
Miscellaneous project costs	29.467		
Research partner fees	269.219		
Total research and activities	<u>3.586.252</u>	<u>3.519.025</u>	<u>4.809.357</u>

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REGISTERED ACCOUNTANTS

Amsterdam, 12 JUL 2019

initials for identification purposes:

## G. Summary of the projects 2018

	Liabilities 31-12-2017	Receivables 31-12-2017	New grants 2018	Expenditure on salaries 2018	Expenditure on activities 2018	Expenditure on overhead 2018	Total Expenditure 2018	Income 2018	Project result 2018	Reva- luations	Liabilities 31-12-2018	Received 2018	Receivables 31-12-2018	Balance liabilities and receivables
	€	€	€	€	€	€	€	€	€	€	€	€	€	€
	A	B	C	D	E	F	G	H	I = G-H	J	K = A+C-H-J	L	M = B+C-L+J	N = K-M
Dutch Ministry of Foreign Affairs	6 626 662	6 000 300	0	1 266 157	1 040 816	2 306 973	2 306 973	2 306 973	0	0	4 319 689	2 117 304	3 882 956	436 693
Swedish Int. Developm. Agency	1 987 027	1 830 890	0	0	413 211	521 043	521 043	521 043	0	0	1 375 544	585 752	1 154 698	220 846
Swiss Developm. Cooperation	1 134 310	1 019 875	0	52 632	337 073	389 705	389 705	389 705	0	-90 440	744 605	310 000	709 875	34 730
Deutsche Gesell. für Int. Zusammenarb.	110 107	73 538	-18 111	53 245	110 884	91 996	91 996	91 996	0	0	0	48 538	6 889	-6 889
Deutsche Gesell. für Int. Zusammenarb.	139 464	14 000	0	28 580	110 884	139 464	139 464	139 464	0	0	0	0	14 000	-14 000
Deutsche Gesell. für Int. Zusammenarb.	4 524	3 500	0	3 778	746	4 524	4 524	4 524	0	0	0	3 492	0	0
Deutsche Gesell. für Int. Zusammenarb.	0	0	40 000	12 664	27 517	40 181	40 181	40 181	0	760	579	36 760	4 000	-3 421
European Union/DEAR	113 696	400 000	0	16 101	90 956	6 639	113 696	113 696	0	0	184 773	0	74 745	110 028
European Union	276 931	74 745	0	24 093	62 036	92 158	92 158	92 158	0	0	216 792	123 613	132 137	84 655
European Union	0	0	255 750	26 221	4 945	7 792	38 958	38 958	0	0	534 834	430 981	105 883	428 951
European Union	0	0	538 864	1 804	93	133	2 030	2 030	0	0	71 773	76 479	53 997	17 776
European Union (through 11.11.11.)	0	0	130 476	9 223	45 640	3 840	272 253	272 253	0	0	211 448	0	0	0
Found. Open Soc. Inst. New York	272 253	0	0	130 832	141 421	37 518	272 253	272 253	0	-2 204	12 584	43 977	248 966	-37 518
Found. Open Soc. Inst. New York	35 305	41 735	0	14 327	23 191	37 518	37 518	37 518	0	2 242	33 495	0	0	12 584
Found. Open Soc. Inst. New York	33 495	0	0	320	24 643	24 963	24 963	24 963	0	0	16 778	11 569	23 374	-6 596
Found. Open Soc. Inst. New York	0	0	32 496	0	18 165	18 165	18 165	18 165	0	2 447	0	0	0	0
Found. Open Soc. Inst. New York	5 683	0	0	0	0	0	0	0	0	0	0	1 799	0	0
Found. Open Soc. Inst. Switzerland	11 709	0	0	343	13 365	13 708	13 708	13 708	0	1 799	89 091	49 449	51 011	38 080
Found. Open Soc. Inst. Switzerland	0	0	98 326	458	10 911	11 369	11 369	11 369	0	2 134	6 823	1 228	0	6 823
Found. Open Soc. Inst. Europe	11 445	1 285	0	724	3 841	4 565	4 565	4 565	0	-57	10 840	15 415	5 138	5 702
Found. Open Soc. Inst. for Europe/SOMO	0	0	20 553	8 692	1 021	9 713	9 713	9 713	0	2 245	68 169	71 879	32 949	35 220
Found. Open Soc. Inst. for Europe/SOMO	0	0	102 583	19 401	17 258	36 659	36 659	36 659	0	0	133 677	120 000	0	133 677
Found. Open Soc. Policy center	137 323	0	120 000	505	123 141	123 646	123 646	123 646	0	0	7 001	0	0	7 001
Funders for Fair Trade	60 520	0	0	0	53 519	53 519	53 519	53 519	0	0	0	0	0	0
Funders for Fair Trade, Shoplin and	0	0	292 340	0	66 000	66 000	66 000	66 000	0	0	226 340	242 340	50 000	176 340
Rockefeller Foundation	83 470	41 047	0	17 947	32 436	50 383	50 383	50 383	0	2 824	35 911	43 871	0	35 911
Rockefeller Foundation	28 692	229	0	0	23 164	23 164	23 164	23 164	0	-229	0	0	0	0
Institute for Social Studies/NWO	2 939	1 500	30 000	1 861	34 677	36 538	36 538	36 538	0	0	0	31 500	0	0
Guerilla Foundation/FPF	-1 117	3 494	0	0	0	0	0	0	0	0	0	2 419	0	0
FAO	0	4 128	0	0	0	0	0	0	0	0	0	4 128	0	0
FIAN Int	0	8 600	0	0	0	0	0	0	0	0	0	5 063	0	0
Erasmus+Terre de Liens	0	0	57 698	0	191	191	191	191	0	0	57 507	13 887	43 811	13 686
Irish Research Council	0	0	22 504	0	6 708	10 212	10 212	10 212	0	-14	12 292	22 504	0	12 292
Caroline Fellowship	0	0	5 965	0	0	0	0	0	0	0	5 951	0	5 951	0
Evaluation Consultancy	0	0	0	0	4 128	4 128	4 128	4 128	0	0	19 609	6 186	20 020	0
Voedselkaravaan	0	0	25 676	0	6 597	6 597	6 597	6 597	0	530	6 403	0	0	-411
PLAAS (through)	0	0	6 360	0	0	0	0	0	0	43	0	0	6 403	0
SSHRC (through) Queens university	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Municipal Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	11 074 438	9 518 866	2 013 650	1 797 740	2 777 045	27 937	4 502 722	4 602 722	0	-77 920	8 402 508	4 823 133	6 626 843	1 775 665

## H. Summary of the projects per theme 2018

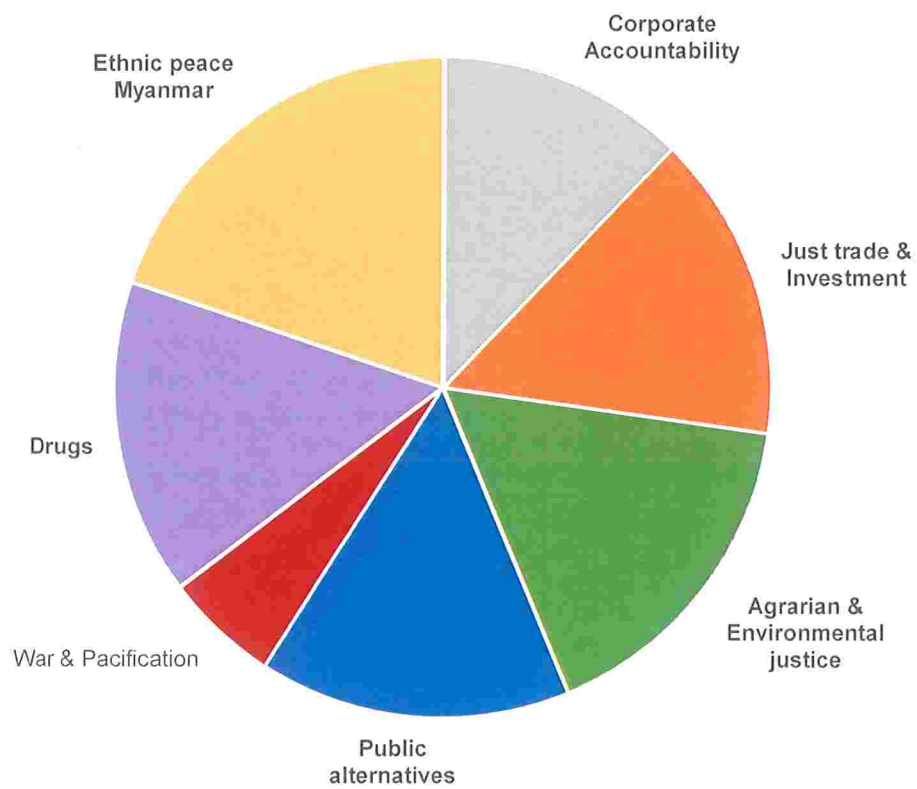
		Expenditure on salaries 2018	Expenditure on activities 2018	Expenditure on overhead 2018	Total Expenditure 2018
<b>Corporate Accountability</b>					
Dutch Ministry of Foreign Affairs 2016-2020	Corporate Regulation by Government	152.436	334.174	0	486.610
Found. Open Soc. Inst. for Europe	Lobbywatch	8.692	1.021	0	9.713
11.11.11.	ERPI	9.223	24.640	3.840	37.703
11.11.11.	Geneva	0	21.000	0	21.000
<b>Total Corporate Accountability</b>		<b>170.351</b>	<b>380.835</b>	<b>3.840</b>	<b>555.026</b>
<b>Just trade &amp; Investment</b>					
Dutch Ministry of Foreign Affairs 2016-2020	Trade & Investment Treaties	253.436	132.792	0	386.228
11.11.11.	Asia-Europe Peoples Forum	0	11.703	0	11.703
11.11.11.	Jakarta	0	3.745	0	3.745
Funders for Fair Trade	S2B network	505	123.141	0	123.646
Funders for Fair Trade	TTIP Alarm	0	53.519	0	53.519
Funders for Fair Trade, Shöpfli and Rockefeller Foundation	No more ISDS	0	66.000	0	66.000
Rockefeller Foundation	Investment Regime	17.947	32.436	0	50.383
<b>Total Just trade &amp; Investment</b>		<b>271.888</b>	<b>423.336</b>	<b>0</b>	<b>695.224</b>
<b>Agrarian &amp; Environmental justice</b>					
Dutch Ministry of Foreign Affairs 2016-2020	Fair, Green & Global	199.860	16.164	0	216.024
Dutch Ministry of Foreign Affairs 2016-2020	Relation with climate & agriculture policies	174.058	196.157	0	370.215
Institute for Social Studies	Mosaic	0	23.164	0	23.164
European Union/DEAR	Hand On the Land	16.101	90.956	6.639	113.696
Found. to Promote Open Soc.	MENA Food Sovereignty	320	24.643	0	24.963
Found. to Promote Open Soc.	MENA Alt. Development	0	0	0	0
Afrika Kontakt	Evaluation Consultancy	0	0	0	0
Voedsel Anders Nederland	Voedselkaravaan	0	4.128	0	4.128
Erasmus+	Landstrat	0	191	0	191
PLAAS	ERPI	0	6.597	0	6.597
FAO	Indonesia	0	0	0	0
FAO	Myanmar	0	0	0	0
FIAN Int	Tenure Guidelines	0	0	0	0
<b>Total Agrarian &amp; Environmental justice</b>		<b>390.339</b>	<b>362.000</b>	<b>6.639</b>	<b>758.978</b>
<b>Public alternatives</b>					
Dutch Ministry of Foreign Affairs 2016-2020	Financial Regulations	128.407	4.111	0	132.518
Dutch Ministry of Foreign Affairs 2016-2020	Tax Justice	247.084	274.386	0	521.470
Dutch Ministry of Foreign Affairs 2016-2020	Public funds Private Sector	0	15	0	15
Irish Research Council	Caroline Fellowship	0	6.708	3.504	10.212
Queens university	Municipal Services	0	0	0	0
European Union	mPower	26.221	4.945	7.792	38.958
<b>Total Public alternatives</b>		<b>401.712</b>	<b>290.165</b>	<b>11.296</b>	<b>703.173</b>
<b>War &amp; Pacification</b>					
Dutch Ministry of Foreign Affairs 2016-2020	Corporations & Human Rights Defenders	110.876	67.569	0	178.445
Guerilla Foundation/FPH	Shrinking Space	1.861	34.677	0	36.538
Found. Open Soc. Inst. for Europe	Corporate Security	724	3.841	0	4.565
Found. Open Soc. Policy center	Alternative Security	19.401	17.258	0	36.659
European union	COSDAMHI	1.804	93	133	2.030
<b>Total War &amp; Pacification</b>		<b>134.666</b>	<b>123.438</b>	<b>133</b>	<b>258.237</b>
<b>Drugs</b>					
Found. Open Soc. Inst. New York	Drugs & Democracy	130.832	141.421	0	272.253
Found. Open Soc. Inst. New York	Drugs & Democracy	14.327	23.191	0	37.518
Found. Open Soc. Inst. Switzerland	Drug Policy Advocacy	0	0	0	0
Found. Open Soc. Inst. Switzerland	Drug Policy Advocacy II	343	13.365	0	13.708
Found. Open Soc. Inst. Switzerland	Drug Policy Advocacy III	458	10.911	0	11.369
Deutsche Gesell. für Int. Zusammenarb.	Global Partn. Drug Pol.	53.245	38.751	0	91.996
Deutsche Gesell. für Int. Zusammenarb.	GPDPD Exchange	28.580	110.884	0	139.464
Deutsche Gesell. für Int. Zusammenarb.	9th Dialogue	3.778	746	0	4.524
Deutsche Gesell. für Int. Zusammenarb.	10th Dialogue	12.664	27.517	0	40.181
European Commission	NAHRPP	24.093	62.036	6.029	92.158
OSF	Myanmar SKOUN	0	18.165	0	18.165
<b>Total Drugs</b>		<b>268.320</b>	<b>446.987</b>	<b>6.029</b>	<b>721.336</b>
<b>Ethnic peace Myanmar</b>					
Swedish Int. Developm. Agency	Ethn. conflict Burma	107.832	413.211	0	521.043
Swiss Developm. Cooperation	Prom. Ethn. Rights Burma	52.632	337.073	0	389.705
<b>Total Ethnic peace Myanmar</b>		<b>160.464</b>	<b>750.284</b>	<b>0</b>	<b>910.748</b>
<b>Total</b>		<b>1.797.740</b>	<b>2.777.045</b>	<b>27.937</b>	<b>4.602.722</b>

dubois & co  
REGISTERACCOUNTANTS

Amsterdam, 12 JUL 2019

initials for identification purposes:

## Project expenses per theme



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REGISTERED ACCOUNTANTS

Amsterdam, 12 JUL 2019

initials for identification purposes:

## Other information

### Independent auditor's report

The independent auditor's report is included at the next page of the annual accounts.

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REGISTERACCOUNTANTS

Amsterdam, 1/2 JUL 2019

initials for identification purposes:



## INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Stichting Transnational Institute based in Amsterdam, The Netherlands.

### A. Report on the audit of the financial statements 2018 included in the annual report

#### Our opinion

We have audited the financial statements 2018 of Stichting Transnational Institute based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Transnational Institute as at 31 December 2018 and of its result for 2018 in accordance with the Guidelines for annual reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the statement of income and expenditure for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

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

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

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

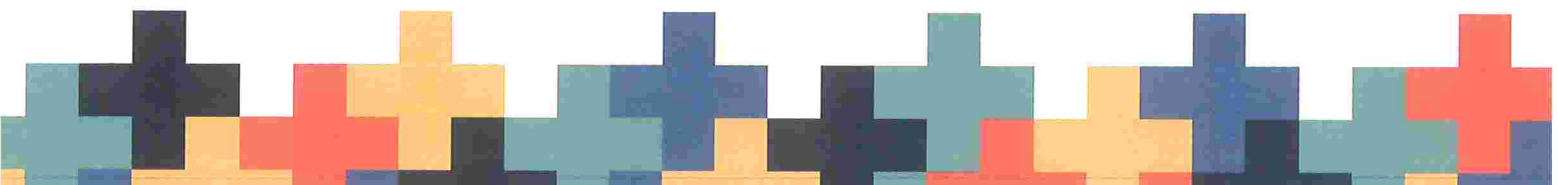
### B. Report on the other information included in the annual report

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

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

Oranje Nassaulaan 1  
1075 AH Amsterdam  
Postbus 53028  
1007 RA Amsterdam

Telefoon 020 571 23 45  
E-mail [info@dubois.nl](mailto:info@dubois.nl)  
[www.dubois.nl](http://www.dubois.nl)  
KvK nummer 34374865



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 supervisory board's report, in accordance with the Guidelines for annual reporting C1 Small Not-for-profit organisations of the Dutch Accounting Standards Board.

### **C. Description of responsibilities regarding the financial statements**

#### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board. Furthermore, management is responsible for such internal control as management 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, management is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management 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.

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

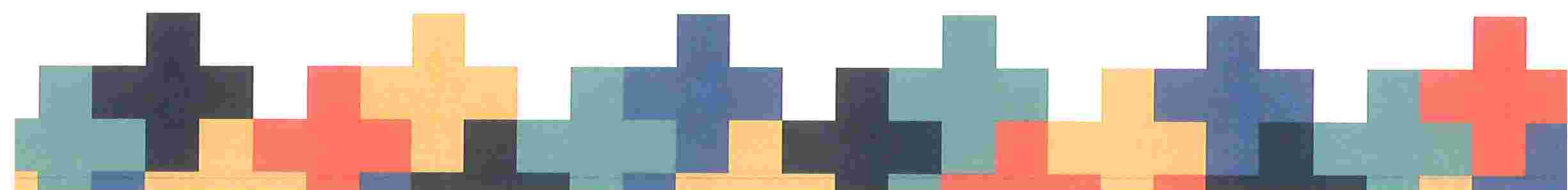
#### **Our responsibilities for the audit of the financial statements**

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

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.



Our audit included e.g.:

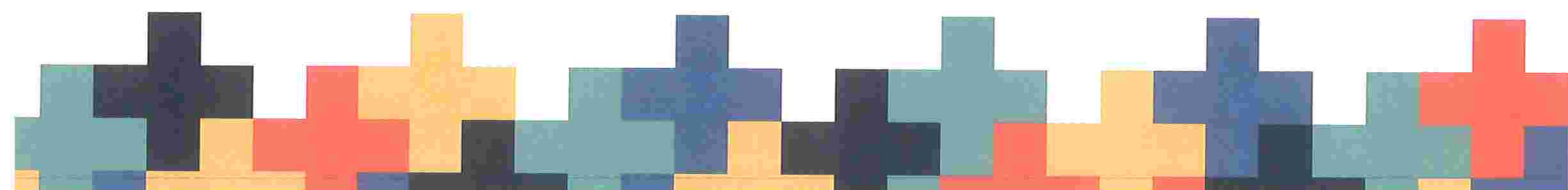
- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk 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 management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amsterdam, 12 July 2019

Dubois & Co. Registeraccountants

J.J.M. Huijbregts RA





## INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Stichting Transnational Institute based in Amsterdam, The Netherlands.

### A. Report on the audit of the financial statements 2018 included in the annual report

#### Our opinion

We have audited the financial statements 2018 of Stichting Transnational Institute based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Transnational Institute as at 31 December 2018 and of its result for 2018 in accordance with the Guidelines for annual reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the statement of income and expenditure for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

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

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

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

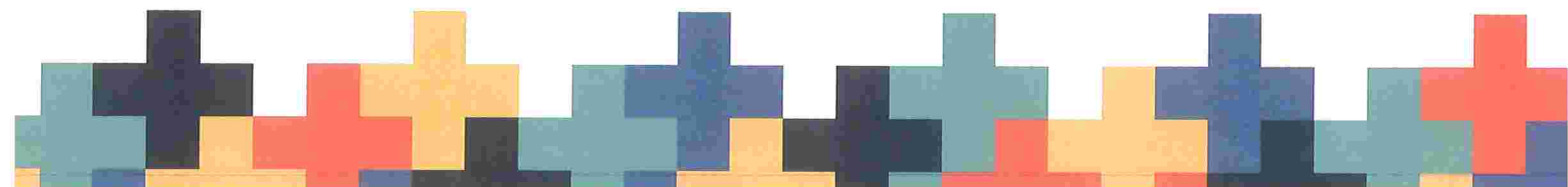
### B. Report on the other information included in the annual report

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

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

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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 supervisory board's report, in accordance with the Guidelines for annual reporting C1 Small Not-for-profit organisations of the Dutch Accounting Standards Board.

### **C. Description of responsibilities regarding the financial statements**

#### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board. Furthermore, management is responsible for such internal control as management 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, management is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management 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.

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

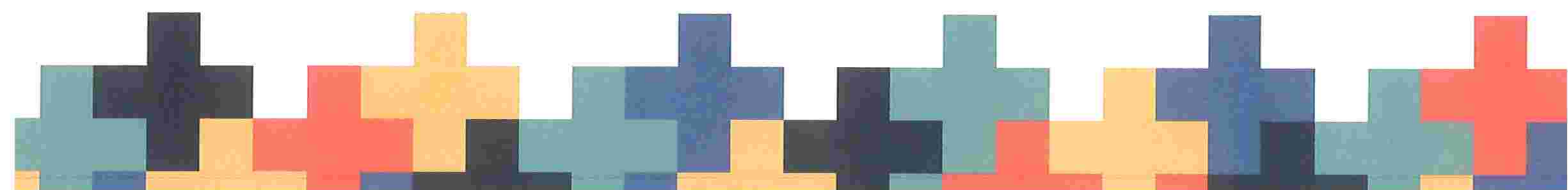
#### **Our responsibilities for the audit of the financial statements**

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

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, 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 management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amsterdam, 12 July 2019

Dubois & Co. Registeraccountants

Signed on original by:  
J.J.M. Huijbregts RA