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Geachte dames en heren,

Hierbij zenden wij u één door ons ondertekend exemplaar van onze controleverklaring bij de jaarrekening 2017 van Stichting Center for International Legal Cooperation, alsmede twee exemplaren waarin verwezen wordt naar het door ons origineel getekende exemplaar. Tevens zenden wij u één door ons geïdentificeerd exemplaar van de jaarrekening.

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Wij vertrouwen erop u hiermee van dienst te zijn geweest.

Hoogachtend,
Dubois & Co. Registeraccountants

A.P. Buteijn RA

Bijlagen

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CILC ANNUAL FINANCIAL REPORT 2017

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The Center for International Legal Cooperation (CILC) is a not-for-profit project organisation whose mission is to implement projects supporting the rule of law in countries in transition and countries in and around the European Union. To achieve this we provide public technical cooperation on behalf of the Netherlands by facilitating peer-to-peer exchange. We do this as the mandated body for the Netherlands Ministry of Justice and Security and the Dutch justice institutions. We are also increasingly conducting policy relevant research at the request of government institutions. We are the gateway to the many (inter)national and European legal institutions in The Hague – the International City of Peace and Justice.

International legal cooperation to promote rule of law

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INTRODUCTION

In the past year CILC has filled out its role as national agency with a public mandate for international legal cooperation. We delivered capacity building based on the transfer of public expertise and exchange of experiences among professionals with the aim of strengthening public institutions to help promote a rule of law and good governance. This is commonly known as public technical cooperation or assistance.

CILC brings together (legal) expertise to find solutions for challenges and needs formulated by beneficiaries and priorities set by the Dutch government and donor organisations. In 2017, most of our work was based on the transfer of (public sector) expertise and exchange of experiences among professionals and academics. Herein, CILC was the facilitator and mediator. We take pride in supporting project beneficiaries and stakeholders to really own change. Our cooperation is different from standard consultancy arrangements and contribution agreements with international organisations. In our projects, CILC provides access to expertise that may be otherwise difficult for beneficiaries and donors to mobilise. Our work has served as a basis for institutional exchange and public partnerships that the Netherlands would otherwise not have embarked on.

In 2017, CILC managed projects in cooperation with the Supreme Court in Indonesia, the Council for the Judiciary in Albania, Moldova and Romania, the Judicial Academy in Croatia, Kosovo and Indonesia, the Public Prosecution Office in the Western Balkans and Ukraine, the Academy for Legislation in Northern Africa, the Middle East and Indonesia, and with several law faculties in the Palestinian Territories. We continued building international partnerships with similar agencies in other EU member states mandated to enable international legal cooperation on behalf of their respective governments. We collaborated with German, French, Spanish, Austrian, Italian and Greek mandated bodies. These collaborations reassured the value of open and responsible partnerships respecting public accountability.

CILC's approach manifests from our recognition that the effective promotion of the rule of law necessitates a multilevel dimension and we insist on associating various levels of actors in a cohesive and efficient manner. We see that peer-to-peer partnerships have played an instrumental role in Dutch bilateral and European Commission's cooperation with accession and neighbourhood countries, but also other partner countries like Indonesia.

Today's challenges in Europe and beyond make it imperative for countries to help each other in strengthening their ability to cope. Our position as a country of peace and justice is accompanied by the obligation to propagate these values with conviction. The Netherlands makes clear choices to focus on areas where the Netherlands has added value. Experience has shown that many countries would like to take note of Dutch expertise in these policy fields. The Netherlands often ranks high in performance indexes such as the Justice Barometer, the Rule of Law Index and the Corruption Index. Dutch practices and reforms continue to be a source of inspiration for others.

In 2017 we at CILC exceeded our implementation targets by more than a third, we more than doubled our target for new contracts and we achieved the highest budget depletion rate for finalised projects of the past five years. This year we also concluded our policy cycle 2013-2017 and set the plans in motion for the next one.

Signed, The Hague 21 June 2018

Willem van Nieuwkerk
Director



Eric Vincken
Deputy Director

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A. MANAGEMENT REPORT

RETROSPECTIVE POLICY CYCLE 2013 – 2017

In 2017, we came to the end of the policy cycle of the multi-annual strategic plan 2013-2017 which guided our approach for the last five years. We adopted this plan in December in 2012 and the past five years can be summarised as follows:

- ☐ 2013 was a year of reorganisation
- ☐ 2014 was a year of rebuilding our project portfolio
- ☐ 2015 was a year of project implementation
- ☐ 2016 was a year of exploring new opportunities
- ☐ 2017 was a year of growth

It was a period in which we prioritised the sound and effective implementation of our projects. We also kept an eye out for any opportunities that would allow CILC to further fulfil its mission. In 2013 we went for a business model that would bring financial stability to the organisation. We focused on two main donors, the European Commission and the Netherlands, but by using different programmes of these donors we were able to reduce our dependence on any single funding instrument. As a consequence, our Dutch bilateral and especially our European portfolio grew almost each year.

In the past five years we developed a threefold strategy before deciding to embark on a new project. Firstly, we focused on projects in countries in which we were already working or had recently concluded work. Secondly, we focused on themes in which we had experience as an organisation or in which Dutch expertise was explicitly requested. Thirdly, we gave priority to building partnerships with other public technical assistance organisations in EU28. In doing so we gave justice to our status as a mandated body on behalf of the Netherlands Ministry of Justice and Security. In the past two years, we allowed ourselves, within the boundaries of our statutory provisions, to respond to emerging issues on the Dutch and European policy agendas, such as migration and organised crime¹. A primary strategic decision we took was to avoid applying for funding that required considerable co-financing, as such projects could put the financial wellbeing of the organisation at risk.

The new challenges of Europe required us to understand the CILC mission in a more comprehensive way. With more evidence showing that rule of law cannot and should not be taken for granted in the EU itself, we saw the better regulation agenda of the European Commission, for example, as an opportunity. Since 2016, we are engaged in this area through our participation in policy evaluation framework contracts of DG Home & Migration and DG Justice. In 2017, we supported the secretariat of a network of EU member states' migration services.

End 2016 we had an opportunity to start our own meeting and training space. This gave us more room to organise events and trainings, bring together practitioners and further promote our work in The Hague. Today CILC Meeting & Training is as much a key resource for our projects as it is a CILC product, shared with partners.

Traditionally, CILC brings together legal expertise from Dutch and international justice institutions to share experience with peers in developing countries and those in transition. Throughout the past policy cycle,

¹ CILC is already since 2011 involved in projects related to the fight against organised crime and corruption in the Netherlands

CILC strongly advocated for the presence of the Netherlands and of Dutch expertise in international legal cooperation. Through our engagement and exchange with government partners in our projects, the Netherlands gained an enhanced information position with third countries. This formed a basis for discussing sensitive issues (e.g. human rights, death penalty) and easier access to key institutions in partner countries, as well as a better basis for operational cooperation (police, prosecution, international judicial cooperation in civil and criminal matters).

In our ongoing endeavours to become more professional, effective and result-oriented, we embarked on creating a stimulating organisational working environment. CILC has an open and collegial office culture, where teamwork is key to delivering the results we promise. In the past five years our turnover and/or staff grew almost every year; in 2017 our turnover was 5.522.357 euro compared to 2012 when it was 3.403.942 euro and our staff was 13,2 fte (16 staff) at the beginning of 2018, vis-à-vis 11,7 fte (13 staff) in 2013.

Since 2014 we systematically invested in improving our project administration and financial management. We follow a financial management approach with clear division of tasks and effective checks and balances. In 2015 we became a paperless office and introduced a digital management information system. In the autumn of 2017 we reviewed our administrative organisation and internal controls to find those lessons of the past five years which allow us to move to the next level in terms of quality of our work. The last years have brought important changes in our infrastructure, governance, working mode and size. During these years of advancement and growth, we added new focus to our quality management. The objectives and priorities set for CILC in our new policy plan 2018-2020 have built-in quality ambitions, which are laid down in the internal Quality@CILC project. This project follows the model of an ISO 9001 quality certification.

Our approach to development cooperation is one of transparency and accountability. On our website, we share information about our projects in an accessible and open manner. Since the launch of the new website in 2014 we publish updates about project activities and events, and when allowed by the donor and the beneficiary we publish project products to inform other professionals and the general public about our work.

In the past five years, we have invested in our partner network by of public technical cooperation agencies that apply similar principles and tools for effective aid delivery. With them we shared good practices on more effective mobilisation and exchange of knowledge and experience. We were a diligent partner of the Ministry of Justice and Security and the Ministry of Foreign Affairs in promoting the rule of law worldwide. We actively promoted cooperation among Dutch (semi) public implementing agencies and Dutch NGOs operating in international legal cooperation or related policy areas. In doing so, we strengthened our position as a key project organisation for the Netherlands (public) legal community.

At the onset of a new policy cycle we can conclude that CILC is one of the leading mission-driven, public technical cooperation organisations in the area of international legal cooperation and rule of law.

1. SUPERVISORY COMMITTEE AND BOARD

The governance structure of the foundation consists of a supervisory committee and a board. These bodies ensure that the foundation operates within the mandate of the CILC statute. The board is responsible for the daily management of CILC and is overseen by the supervisory committee. The composition of these bodies are detailed in this chapter.

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1.1 SUPERVISORY COMMITTEE

The supervisory committee oversees the policy and management of the board and the general affairs of CILC. In performing their duties, the committee ensures the overall wellbeing of the foundation by supporting the board with advice and guidance. The members of the supervisory committee receive no remuneration for the performance of their duties.

The committee approved the annual report and the annual accounts. The supervisory committee has met three times in 2017. Throughout the year the supervisory committee and its individual members advised the board about issues related to the general strategy, strategic partnerships, human resources, and decisions about entering new focus areas and investing in a new meeting and training space.

In 2017, the supervisory committee was formed by the following persons:

- ▶ **Reinier van Zutphen (chairperson), National Ombudsman**
 - Trainer, Training and Study Centre for the Judiciary
 - Ambassador Foundation for Refugee Students UAF
 - Chairperson Supervisory Committee Legal Counter (Juridisch Loket)
 - Member Board Kirchheiner Stichting Ombudsman en Democratie
 - Member Advisory Council, Netherlands Institute for Human Rights
 - Chairperson Association for Right of Complaint
 - Member of the Board of the European Region of the International Ombudsman Institute
 - Chairperson Supervisory Committee Foundation Advising Administrative Justice (Stichting Advisering Bestuursrechtspraak)
- ▶ **Winfried van den Muijsenbergh, partner AKD (law firm)**
 - Member of Union Internationale des Avocats, International Bar Association, American Association of Justice, Associazione dei Iuristi di Lingua Italiana and the Netherlands Bar Association
 - Visiting professor University of Hainan and Pacific McGeorge School of Law
 - Member of International Advisory Board of Pacific McGeorge School of Law
 - Chairperson of Supervisory Committee of Museum Rotterdam
- ▶ **Koos Richelle, Chairperson Advisory Committee on Migration Affairs (government and parliament advisory committee)**
 - Chairperson of Advisory Commission on Migration Affairs (ACVZ)
 - Chairperson of Supervisory Board of SNV Netherlands Development Organisation
 - Chairperson of Governing Board of UNESCO-IHE
 - Vice-chairperson of Supervisory Board of the European Centre for Development Policy Management
 - Member of Commission for Development Cooperation of the Advisory Council on International Affairs
 - Member of the Board of Trustees of “Friends of Europe”
- ▶ **Martin Kuijer, professor human rights law, Vrije Universiteit Amsterdam and Senior Legal Advisor to the Minister of Justice and Security**
 - Judge (substitute) Court of Appeal Arnhem-Leeuwarden
 - Member (substitute) of the European Commission for Democracy through Law (Venice Commission) of the Council of Europe
 - Editor Netherlands Yearbook of International Law
 - Editor Nederlands Tijdschrift voor Mensenrechten (NTM / NJCM-Bulletin)

- ▶ Marianne van Kimmenade, partner EY (accountancy firm)
- ▶ Jan Terstegen (on behalf of the Ministry of Justice & Security), director for European and International Affairs
- ▶ Albert de Groot, director international development ECORYS (research based consulting firm)

None of the members of the supervisory committee have a conflict of interest with other paid or unpaid positions. CILC is recognised by the European Commission as the mandated body to implement EU Twinning projects on behalf of the Ministry of Justice and Security of the Netherlands according to the same conditions as if CILC was an integral part of the administration. To sustain this relation with the Ministry and to ensure a permanent and structural supervision there is always one member of the supervisory committee appointed on behalf of the Ministry of Justice and Security. In addition, upon the request of the Ministry of Justice and Security, the State Audit Service can carry out a review of the expenditure verification certified by our auditors.

1.2 BOARD

The board is responsible for the daily management of CILC. The statutory documents of the foundation foresee that the board is composed of at least one and at most three members. The current board is formed by Willem van Nieuwkerk (chairperson) and Eric Vincken. Willem van Nieuwkerk, as the statutory director, is in charge of the day-to-day management of the foundation.

- ▶ Willem van Nieuwkerk, statutory director
 - Member of the Board of H.V. & C.V. Quick
 - Member of the Board of the Romanian Child Helpline (Telefonul Copilului)
 - Chairperson of Supervisory Board of the Stichting The Mobile Educator
- ▶ Eric Vincken, deputy director

2. FISCAL POSITION

CILC is liable to pay VAT for projects. We consult the tax inspector on a case by case basis to determine whether VAT is owed for a project or not. We are currently discussing with the tax authorities whether we are liable to corporate taxes, also in view of the new CILC Meeting & Training.

3. ACTIVITY REPORT

In 2017, CILC built further on the successful results achieved in the previous years and obtained external confirmation of the quality and relevance of our work. Several of our larger projects ended or approached their completion dates (technical assistance in Moldova, Euralius IV in Albania, Matra in Montenegro, JSSP in Indonesia and the regional IPA project in the Western Balkans). The challenge of the year was therefore to get extensions or renewed contracts for these interventions. In terms of new projects, the Matra call of April 2017 offered the key opportunity of the year. As this year was also the end of the 2013-2017 policy cycle, it was a year of reflection. We looked back as a team at what we have achieved and we built external

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advice into the new policy plan.

CILC's results in 2017 reaffirm that our down to earth approach works. We have a solid basis of more than thirty years' experience in international legal cooperation projects and combine this with an open spirit, creativity and a service oriented attitude. There are a few events and achievements that we would like to highlight from this year:

The Justice Sector Support Programme continued to play an important role in implementing the justice reform agenda of the Indonesian Government. This was reaffirmed by the midterm evaluation of the programme. The intrinsic commitment of both the Indonesian and the Dutch partners is regarded as key to the successful implementation of new initiatives.

The Dutch-Ukrainian Peer-2-Peer-4-Justice project focussed on courts and prosecution service offices in the Lviv region in Western Ukraine. In two review reports the bottlenecks in the administration of justice were identified and guidance for ways how to address them formulated. Some fifty judges from the region discussed with peers from the Netherlands and Poland on the core values of justice and the direct implications of these values for their daily work in courts. In October 2017, a multi-stakeholder event was held at CILC in The Hague. We used the event to reflect on the usefulness of the actions and shared views on a follow-up initiative. Representatives of the Ministry of Foreign Affairs, the Netherlands Embassy in Kiev, the Council for the Judiciary, the Prosecution Service and the Ministry of Justice and Security expressed their enthusiasm and appreciation for the work done.

2017 was also an important year for our legal education project in Palestine. The project really took off in its second year of implementation. Important progress was made on for example the enrolment of Palestinian scholars in PhD trajectories at universities in the Netherlands, Tunisia and Egypt. Also, the procurement of equipment for classrooms started and we launched joint Dutch-Palestinian research projects (e.g. on the interaction between law and violence). These and other activities formed an important basis at the four partner law schools at the universities of An-Najah, Birzeit, Al Quds and Hebron and the Palestinian Judicial Institute in areas such as improved teaching methodologies, staff competences and improved administrative management.

The Shiraka Training Programme on Legislation took place in The Hague in November. In the previous training years we welcomed participants from five countries and this time they came from twelve countries (Algeria, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Palestine, Qatar and Tunisia). This diversity allowed for a broader comparative perspective on legislative drafting than in the years before. In this training, participants got to experiment with two Dutch legislative tools: the Table of Eleven and the Integrated Assessment Framework. Soft skill through serious gaming and other creative formats were other elements of the training. Could the participants beat the game 'Valley of Despair' by good teamwork and leadership skills? By mixing technical knowledge with soft skills and brainstorming in the group, the learning journey had more impact. The follow-up component of the training took place in Cairo in April 2018.

CILC expanded its support to the Euromed Justice IV project through the deployment of Dutch, European and regional expertise in the field of criminal justice. The project supports the co-ordination and co-operation between the countries from the Middle-East, Northern Africa and the EU in the area of criminal justice. This for example resulted in a handbook on judicial and law enforcement cooperation in criminal matters. The project also adapted possible approaches and good practices for the implementation of legal aid frameworks in the region. Through the various actions and initiatives regional and Euro-Mediterranean cooperation could be fostered on combatting cross-border crime.

In September we signed a Memorandum of Understanding with the Kigali International Arbitration Centre in Rwanda aimed at improving the accessibility and quality of alternative dispute resolution. The Centre has the ambition to become a provider of ADR training and advice in the whole of East Africa.

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Throughout this year, CILC supported the repatriation and return services of the EU member states, the European Commission and the European Border and Coast Guard Agency (Frontex) in exchanging experiences on how to cooperate with third countries to facilitate forced return, how to adopt more comprehensive approaches by linking migration to development, trade and diplomatic relations and applying a regional approach to the cooperation with third countries. CILC provided applied research on the current state of affairs of migratory movements from, within and towards migrants' countries of origin and transit. We also collected comparative return data and analysed national return processes towards third countries. Lastly, CILC improved the visibility of the exchange network by creating information products and periodic updates on its activities and results achieved.

In October, CILC organised a study visit to the Netherlands for the Corruption Eradication Commission in Indonesia. The visit offered an interesting and strategic opportunity for Indonesian professionals to exchange views with peers from the Netherlands Police in relation to the recovery and management of assets derived from criminal transactions. The participants gained insight in the regulations and practices in the Netherlands on seizure and management of assets. In the autumn CILC started a new two years project with the Macedonian Office of the Special Public Prosecutor. The Special Prosecutor was established in the fall of 2015 to initiate criminal proceedings on allegations of abuse of public office which was revealed by the political opposition's disclosure of wiretapped phone conversations of state officials. Its effective performance is critical both to resolve the internal crisis, as well as to entrench Macedonia in its path towards EU membership.

In November CILC and its local partners Lëvizja FOL and Kosovo Democratic Institute finalized an integrity scan for which 229 judges and 112 prosecutors completed a questionnaire. The results of the scan were published in Albanian, Serbian and English. By integrating the results for the judiciary and the ones for the prosecution, it became a comprehensive and reader-friendly report that allows for comparison between both judicial actors. Interestingly, the Kosovar Judicial Council and the Kosovar Prosecutorial Council want to use the outcomes of the scans for their own reform processes.

"CILC is a miracle" said Jan van Olden, co-founder and former director at the book launch of our CILC stories on 30 November. Despite the uncertain financial basis and constant changes in the field, CILC has managed to survive, reinvent itself and at times even grow during the last thirty-plus years. To celebrate this, we welcomed partners, staff and former colleagues at our own meeting & training space. During the event, Mima & Zoran Acoustic Duo performed some very happy Balkan tunes. Lino Brosius opened the event with an anecdote taking us all on a morally bumpy taxi ride through the Ukrainian landscape of law and culture. Many of us had experienced similar challenges where we had to reconcile our norms and values with the realities on the ground. Indeed, these moments abroad form a mirror of one's own country. Being "passionate and practical" is perhaps what CILC people have always had in common and what explains why CILC is still around. Rosa Jansen's final comment: "If CILC didn't exist today it should be established tomorrow" is a great testimony of the work and determination of CILC to contribute to a more just and fair world.

3.1 PROJECTS PORTFOLIO

By the end of the 2017 financial year the project portfolio of CILC contained fifty-two contracts, of which forty were for ongoing projects and twelve were expired projects which were not yet financially closed.

Projects	# of projects	Turnover 2017	% of turnover
Projects with ongoing activities (end date after 1 January 2018)	40	5.369.412	97,3

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Projects	# of projects	Turnover 2017	% of turnover
Projects without ongoing activities (expired before 1 January 2017 but still financially open)	12	152.946	2,7
Total	52	5.522.357	100

The forty ongoing projects targeted thirty countries. Eighteen of these projects were financed through Dutch bilateral resources (52% of total CILC portfolio value)², eighteen through European Union funds (44% of total portfolio value), and four through other instruments (4% of portfolio value). The projects funded by the Netherlands fell under the bilateral programmes of the Ministry of Foreign Affairs (MFA), the Netherlands Embassies, Nuffic and the Netherlands Enterprise Agency (RVO). Our EU funded projects also spanned a variety of financing instruments, which included twinning, international service contracts, grants and assignments for line DGs in Brussels.

Donor instrument	# of projects		Project value (budgeted towards CILC portfolio)	% of CILC portfolio	Turnover 2017	% of turnover 2017
EU / EC GRA	3	18	€ 3.687.221	44%	€ 1.326.376	54%
EU / EC SER	9		€ 3.792.909		€ 810.890	
EU / EC TWG	3		€ 1.193.220		€ 548.811	
EU / EU28	3		€ 260.620		€ 233.623	
NL Aid / Embassies	3	18	€ 2.490.303	52%	€ 756.038	44%
NL Aid / MFA	6		€ 2.956.729		€ 340.165	
NL Aid / Nuffic	5		€ 4.032.944		€ 965.226	
NL Aid / RVO	4		€ 1.014.101		€ 307.442	
Other	4	4	€ 845.681	4%	€ 80.839	2%
Total	40		€ 20.273.728		€ 5.369.412	

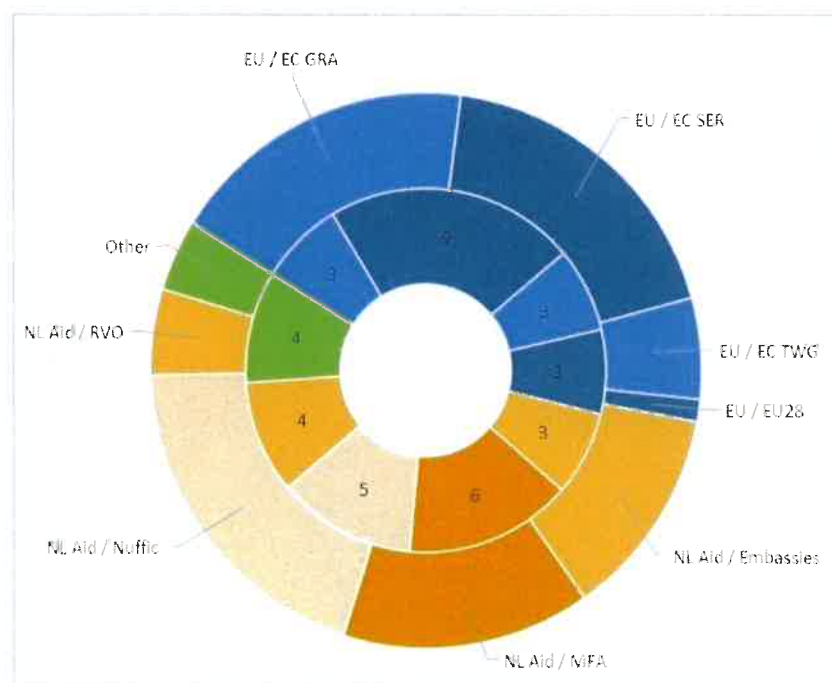


Figure 1 Distribution of CILC projects and budgets by donor instruments

² Portfolio value includes the full value of multi-annual projects, not only their value for the year 2017. The turnover for 2017 indicates a higher percentage of EU funded projects (53% versus 44% for NL funding).

In 2017 Asia has a larger share in our project portfolio, with ten projects (of which seven in Indonesia). Twelve of our forty ongoing projects targeted countries of the ENPI (East seven projects, South five). Our focus in the Balkans was maintained with nine ongoing projects). We also maintained a presence in Africa and widened the scope of our interventions in the EU.

Besides our traditional partnership with Indonesia, the current project portfolio is the result of a deliberate choice to focus on promoting rule of law in the European Union and in neighbouring countries (Eastern Europe, the Middle East and Northern Africa). In the current climate of growing nationalism, polarisation and populism, we believe that it is in the interest of the Netherlands (and Europe), with its open economy, dependency on international trade and deeply-established tradition in international law and human rights to put extra effort in strengthening the rule of law.

Country	Targeted by how many CILC projects in 2017
Indonesia	7
Moldova	4
Kosovo	4
Palestinian Territories	3
Morocco	3
Tunisia	3
Albania	3
Montenegro	3

Country	Targeted by how many CILC projects in 2017
Egypt	2
Lebanon	2
Macedonia	2
Rwanda	2
Serbia	2
Tajikistan	2
Ukraine	2



Figure 2 Geographic distribution of CILC interventions in 2017 (size reflects number of interventions in country)

Other countries we have worked with in 2017 through at least one project are Algeria, Bosnia and Herzegovina, Burkina Faso, Croatia, Gambia, Georgia, Iran, Israel, Jordan, Kazakhstan, Kyrgyz Republic, Libya, Turkmenistan, Uzbekistan and also the Netherlands.

Theme	# of projects
Judiciary	10
Justice system reform	10
Legal education	7
Criminal justice	6
Legislative drafting	5
Detention and probation	4

Theme	# of projects
Integrity and fight against corruption	4
Fundamental / human rights	3
Other	3
Access to justice	2
International judicial cooperation	2
Policy relevant research	2
Asylum and migration	1
Enforcement	1
Law enforcement	1
Legal aid	1

The most frequent thematic areas of our projects in 2017 were judiciary and justice system reform, followed by legal education, criminal justice and legislative drafting. It also included the fields of detention and probation, integrity and fight against corruption, fundamental/human rights, access to justice, international judicial cooperation and policy relevant research.

Dutch public bodies	# of projects	Public technical cooperation partners in EU MS	# of projects
Public Prosecution Office	8	IRZ (Germany)	3
Council for the Judiciary	7	GIZ (Germany)	3
Utrecht University School of Law	4	JCI (France)	2
Directorate European and International Affairs	3	AED (Austria)	2
Law school of VU University Amsterdam	3	FIIAPP (Spain)	1
Leiden Law School	3	EPLO (Greece)	1
Netherlands Probation Service	3	EIPA (Luxemburg)	1
Training and Study Centre for the Judiciary	3	Expertise France	1
Court of Appeal Arnhem-Leeuwarden	2		
Asser Institute	1		
Court of Appeal The Hague	1		
Custodial Institutions Agency	1		
Dutch Legal Aid Board	1		
Repatriation and Departure Service	1		
Supreme Court	1		
The Council of State	1		

In terms of partnerships, we continued to utilise our well-established relationship with the Netherlands judicial institutions and law enforcement bodies, such as the Public Prosecution Office (eight projects), the Council for the Judiciary (seven projects), the Netherlands Probation Service, the Dutch Training and Study Centre for the Judiciary, the Ministry of Justice (Directorate European and International Affairs) (three projects each), as well as the law schools of Utrecht University, Leiden University and VU University Amsterdam. In most of our EU funded projects we formed partnerships with EU member state public cooperation agencies. By having such important Dutch and European public partners as part of our projects, we were able to facilitate study visits, seminars and conferences, and tailored peer-to-peer learning for beneficiary countries.

3.2 PROJECTS COMPLETED IN 2017

In 2017, CILC completed thirteen projects with a total budget value of 3.544.000 euro (based on cumulated values of budgets assigned to CILC where we were not the consortium leader/lead implementing organisation). Of these, four EU funded projects represented almost 75% of the cumulated value and the

eight Dutch funded projects were almost 25% of the total value.

Countries	Title	Themes	Start date	End date	Budgeted € thousand	Spent € thousand	% spent
Gambia	Access to justice and legal education	Access to justice, Legal education	19-11-2014	18-07-2017	71	56	79%
Indonesia	Support to legislative drafting in the Indonesian Parliament	Legislative drafting	2-03-2017	31-03-2017	24	23	96%
Indonesia	Capacity building of DPR RI on legal aspects of police	Law enforcement, Legislative drafting	1-05-2017	31-08-2017	121	90	74%
Indonesia	KPK study visit	Integrity & anti-corruption	1-10-2017	30-11-2017	14	14	100%
Iran	Study visit by the Iranian Human Rights Council	Fundamental / human rights, Judiciary, Justice system reform	4-08-2017	4-11-2017	62	62	100%
Morocco	Renforcement des capacités du Conseil National des Droits de l'Homme	Fundamental / human rights	1-06-2015	30-11-2017	180	44	24%
Moldova	Support to pre-trial investigation, prosecution and the defence set-up	Justice system reform, Criminal justice, Fundamental / human rights	1-10-2014	15-03-2017	187	174	93%
Montenegro	Support to the probation service and the system of alternative sanctions	Detention and probation	1-01-2014	30-09-2017	321	274	85%
Rwanda	Domestic investigation & prosecution of international cross-border crimes	Criminal justice	1-09-2016	10-02-2017	81	72	89%
Tajikistan	Study tour on development of legal aid system	Legal aid, Access to justice	10-10-2017	10-12-2017	17	17	100%
Tunisia	Fact finding mission on support to the Tunisian national instance for the fight against corruption	Integrity and anti-corruption	15-02-2017	4-07-2017	18	18	100%
Ukraine	Peer 2 peer 4 justice Ukraine - phase I	Judiciary, Justice system reform	17-10-2016	16-10-2017	248	230	93%
Albania, Macedonia, Kosovo, Serbia, Montenegro, Bosnia and Herzegovina	International Cooperation in Criminal Justice: Prosecutors' Network of the Western Balkans	International judicial cooperation	1-12-2014	30-11-2017	2.204	2.193	100%

Our average expenditure rate in 2017 was 87%. This shows that we achieved our goal set in this respect in the multi-annual strategy 2013-2017. To compare, in 2012 our average expenditure rate was of 69%. No major unplanned obstruction or termination of projects happened in 2017. Only one project had significant underspending (less than 75%): In the Morocco twinning project there was an important shift in the scope of the project after start-up which reduced the input from the Netherlands. This loss will not be recovered.

3.3 PROJECTS ACQUIRED IN 2017

In 2017, CILC acquired eighteen new projects and became part of a new framework agreement with the newly

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acquired expected gross turnover totals 12.612.635 euro. Eleven out of nineteen projects were awarded to CILC as a consortium leader and eight as a consortium partner. Eight of these projects are funded by the Netherlands and nine by the European Commission.

Country / region	Donor	Project title	Budget in Euro	Type of contract	Lead	New / Follow-up or extension
Moldova	EU	Support to the enforcement, probation and rehabilitation systems	899.638	Service contract	CILC	Extension
Moldova	EU	ATRECO	472.345	Service contract	Other	Extension
Indonesia	NL	JSSP	571.805	Grant	CILC	Extension
Albania	EU	EURALIUS-2017	1.598.746	Grant	Other	Follow-up
Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, Serbia	EU	Countering serious crime in the Western Balkans	3.742.525	Grant	Other	Follow-up
Serbia & Montenegro	MFA NL	Strengthening the Probation and the system of alternative sanctions	1.547.376	Grant	Other	Follow-up
Albania	EU	International monitoring operation support to the process of re-evaluation of judges and prosecutors	658.692	Grant	Other	New
DG Just	EU	RfS8 Identification and assessment of legal and practical impediments for the use of digital tools for interaction between companies and their shareholders	2.385	FWC Assignment	Other	New
EU28	EU	Support to the EURINT secretariat	300.000	Direct agreement	CILC	New
EU28	EU	Technical and support services in field of irregular and legal migration	-	FWC Agreement	Other	New
Kosovo	EU	National Centralised Criminal Record System (NCCR)	10.000	Service contract	Other	New
Ukraine	MFA NL	Probation and alternative sanctions	1.596.750	Grant	CILC	New
Iran	NL	Study visit by the Iranian Human Rights Council	62.187	Service contract	CILC	New
Macedonia	NL	Together for accountability	649.990	Grant	CILC	New
Indonesia	Nuffic	Capacity building on legal aspects of police	124.859	Grant	CILC	New
Rwanda	RVO	Training and organisation of Arbitration Institute	297.998	Grant	CILC	New
Tunisia	RVO	Fight against corruption	18.326	Direct agreement	CILC	New
Tajikistan	UNDP	Study visit on development of legal aid system	17.181	Grant	CILC	New
Indonesia	USAID	Study visit	41.832	Service contract	CILC	New

The contracts for some of these projects were signed only in the first quarter of 2018, but we consider them to belong to acquisitions of 2017 due to the fact that the acquisitions efforts and investments were made in that year. The target of 2017 was to get a new project volume of 4,5 million euro for CILC. This target was achieved more than twice over. Twelve percent of our newly acquired portfolio is made up by service contracts. These are projects where we have to compete with commercial consultancies. In the other more than 85% we are considered an extension of the Dutch public sector. This indicates that through our sustained efforts during the last policy cycle, CILC has in fact become a public technical cooperation agency on behalf of the Netherlands justice sector.

In the last three years there has been a decreasing interest from Dutch public institutions in the justice

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sector to participate in EU twinings. This is visible in the trend of twinning acquisitions at CILC. For example, we were not selected for an anti-corruption twinning in Moldova because our resident twinning adviser candidate did not sufficiently qualify as a public servant. Furthermore, twinings are affected by bilateral relations. This explains why we did not submit proposals for six twinning opportunities in Turkey and why we were not awarded a custodial services twinning in Morocco, despite excellent expertise provided by the Dutch Custodial Services and the Spanish partners.

In 2017 CILC was granted two new Matra projects in the field of probation and alternative sanctions. In close cooperation with experts from Dutch courts, prosecution offices, the probation service and the custodial institutions, we will promote new approaches to sanctioning in Ukraine, Serbia and Montenegro. These projects add to our prisons and probation portfolio, which was also consolidated by the extension for another year of our only lead EU international service contract (which is implemented in Moldova). Another Matra project was awarded to us to support the newly established special prosecutor on anti-corruption in Macedonia. This is particularly exciting because of the momentum created there by the new government, which support reforms not only on paper but also in action. The special prosecutor will play a crucial role in safeguarding the separation of powers and the Netherlands can provide valuable expertise for this.

From the total budget value newly acquired in 2017, over two thirds are extensions of existing projects or follow-up contracts of interventions that ended in 2017. Better than any other indicator, this shows renewed confidence in CILC from our main donors and their confirmation of the quality and effectiveness of our work. For this we are grateful.

CILC secured an eighteen-month extension for the Justice Sector Support Programme with Indonesia. This means that the Memorandum of Understanding for the period 2018 – 2022, signed by the two supreme courts in January 2018 can be supported until at least July 2019 and that the Dutch judicial academy can continue supporting their colleagues in Indonesia with the preparation of the roll-out of a new initial training programme for 1.650 candidate judges.

After a year of negotiations with the European Commission, our consortium (built of different EU MS institutions and led by GIZ) was granted a third consecutive major contract to support investigations and prosecutions of cross-border organised crime in the Western Balkans. A second project that we implement together with GIZ on court management in Moldova was extended for another year. The successful implementation of Euralius IV can be continued through the new "Consolidation of the justice system in Albania - Euralius V" project, awarded to the same partnership (led by our German sister organisation IRZ).

Almost half of the extended/follow-up budgets is represented by a project financed by the European Commission through a delegated cooperation agreement³ with the German GIZ. It is common knowledge that the EU more and more applies this type of agreements to implement large projects by EU MS public technical cooperation agencies. Until the Netherlands sets up a general agency accredited for this purpose by the European Commission (such as GIZ, Expertise France, or the Spanish FIIAPP), CILC will be dependent on partnerships with other EU MS agencies to deploy Dutch expertise for major EU funded interventions. This represents an opportunity for the Netherlands for which CILC will continue to advocate.

3.4 CILC MEETING AND TRAINING

The CILC Meeting and Training space in The Hague was officially opened in May 2017. In its first year, the

³ Delegated cooperation/partnership: if a given sector (such as justice) is regarded as strategic for the EU and one or more EU member states, the European Commission may enter into a Delegated Cooperation / partnership arrangement with an EU member state agency, and thereby delegate authority to that agency to act on its behalf for administration of funds and for policy dialogue with the partner government. The delegation of cooperation from the EC to EU MS will follow the financial and implementation regulations of Community Budget and the EDF.

space proved its value for our organisation, being used for CILC events (30 year CILC book launch), internal trainings, project activities, trainings and events. In addition, we hosted numerous events and trainings of our partners in The Hague and in the public sector. By the end of the year, the revenue generated by all these events was sufficient to cover all running costs and investments.

3.5 PROJECT PROSPECTS FOR 2018

In 2018 our aim is to continue the good work on extended projects, starting the big new ones, profiling ourselves more and more as the public technical cooperation agency for international legal cooperation and rule of law in the Netherlands.

CILC will emphasise building strategic alliances for twinning projects and above all for projects under the delegated cooperation policy framework. Some twinning projects in Turkey will be relaunched and we expect new opportunities in Macedonia and Ukraine. As for projects under the delegated cooperation framework, CILC is discussing involvement in a project in Ukraine; we have also been invited by the EC to discuss involvement in the EU structural reform support programme. This programme is intended to help member states to design and implement institutional, administrative and structural reforms. It is demand driven and does not require co-financing from EU countries. CILC will also mobilise the necessary resources to get a new contract to support the European Integrated Return Management Network (Eurint) as well as other assignments supporting EU28. The new programmes of Nuffic will be another target for us, both the tailor-made-trainings and the new Orange Knowledge programme.

We will continue our thematic focus on organised crime, prisons and probation, and justice reform, while staying in line with Dutch priorities of cooperation for fighting terrorism. The geographical focus remains on the Western Balkans, Turkey, ENPI East and South, and Indonesia, but we will also keep an eye on Sub-Saharan Africa. The recently awarded DG EuropeAid Framework contract on human rights, governance, migration and security will give us opportunities to deploy Dutch expertise on an ad-hoc and demand driven basis related to the aforementioned themes and areas.

3.6 FINANCIAL MANAGEMENT

CILC's financial management cycle begins with an annual budget estimate and ends with an annual financial report. The controller gives a monthly financial status account to the board, with up-to-date information on the balance sheet, the profit and loss account, cash flow and the liquidity position. Each month we also have an overview of the financial status of each project. On a quarterly basis, the board and the controller discuss the financial and overall status of each project with the respective project teams. The supervisory committee receives an updated overview of the state of accounts in each quarter. The committee and its individual members can provide the board with solicited and unsolicited advice about the financial status of the foundation. These management tools ensure that we at CILC have permanent access to clear and up-to-date financial data of each individual project in order to:

1. Assess the financial situation in all ongoing projects;
2. Find new pathways when a project appears to be less financially viable, thus mitigating financial risks for CILC;
3. Adjust in a timely manner when the intended project outputs and results cannot be met; and
4. Analyse afterwards the final project results and determine where the eventual realisations differ from the initial budget (also aiming for more reliable and realistic cost estimates in the future).

This year we aimed at maximum realisation of the project budgets and this meant that by the end of the financial year the implementation volume was higher than we had planned; 5.522.375 euro (4.606.073

euro in 2016) instead of 3.903.407 euro (3.620.194 euro in 2016). This joint effort is an important reason why we have achieved one and a half million euro above our annual turnover target, solely through reimbursement of project funds that incurred a small positive result.

An external advisors' report on our financial information and management system in the final quarter of 2017 produced insights into what should be streamlined. In 2018 this will form the basis for a comprehensive adjustment of the financial information required and the means and frequency of producing it.

3.7 OPERATIONS

3.7.1 HUMAN RESOURCES

In December 2017 CILC employed sixteen people in The Hague, totalling 12,3 full-time equivalent (fte) compared to nine fte in 2016. In 2017 we recruited six new staff members: three project managers, two junior project managers and a project officer. This meant all together an additional total of 3,3 fte of new staff. Following a team building event CILC adopted the internal code of conduct "Words we live by".

We occasionally hired interim staff for servicing CILC Meeting & Training. In a number of countries we have self-employed experts who are contracted through our projects for a longer period of time and are representing CILC on demand. In such instances, these individuals act as the local project coordinator or as the resident team leader.

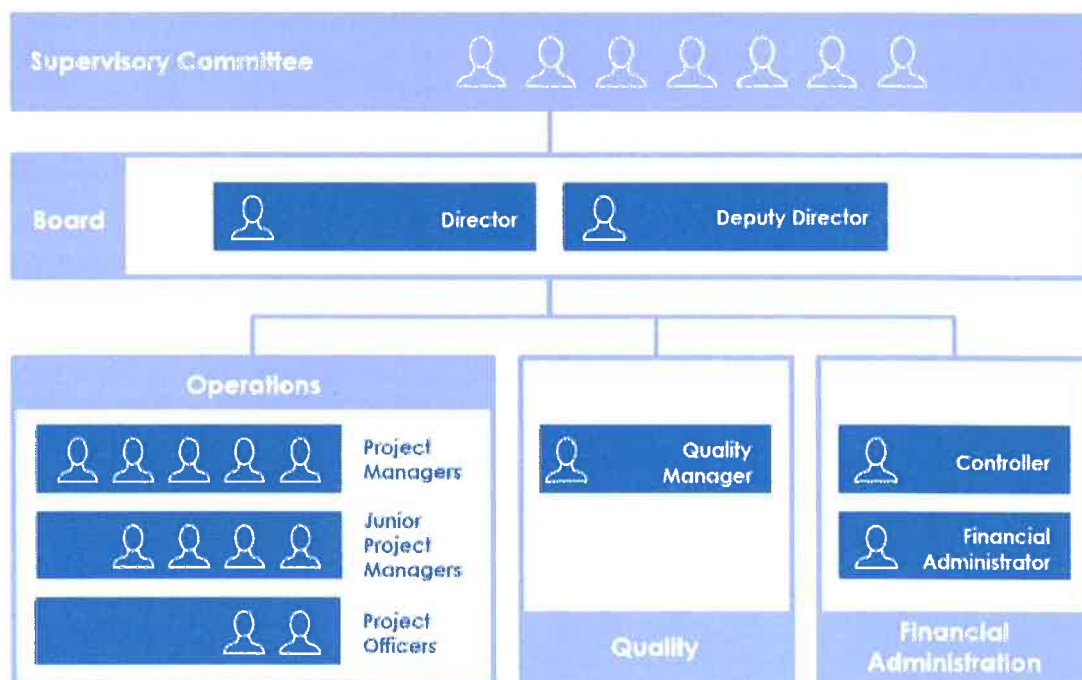


Figure 3 CILC organisation structure in December 2017

3.7.2 QUALITY MANAGEMENT

In 2017, we continued to operate paperless and strive to be environmentally friendly in a sustainable and efficient working environment. We had no major new investments or changes to our ICT system. Multivers is our software package for internal accounting and FileLinX our system for DMS, CRM, HRM and internal workflow management. One of the recommendations of the earlier mentioned external advice report was to make better use of our existing systems, in order to produce more accurate information more efficiently.

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at project and organisation level.

This was a year of reflection on our internal quality management, in conjunction also with the end of the 2014-2017 policy cycle and the significantly increased team in The Hague. CILC is a growing and successful project organisation. We welcomed quite a few new colleagues in the past two years, we acquired a variety of new and different projects and the overall results of the organisation are good. Still, it is especially in such times that an organisation can experience growing pains. Management and team members are fully aware of this and are working together to further professionalise the organisation. In a small and adroit organisation like CILC it can be a challenge to mobilise resources for developing and formalising working procedures. CILC employs experienced professionals who deliver by using the freedom they have to act. At the same time, the last two years have taught us that a growing team can benefit from more structure and guidance. This forms the basis of the new Quality@CILC project, launched in the autumn of 2017 and which will be pursued throughout 2018.

3.7.3 COMMUNICATION

In 2017 we used our website to communicate continuously about our projects and achievements. The website continues to be our central communication tool to inform the general public about our stories, our projects, our donors, our partners and our events. The CILC website was visited more than ten thousand times by external visitors and CILC posted forty-four news items.

4. RESULTS

CILC is a mission driven not-for-profit organisation. In order to maximise the impact of our projects, we aim to arrange our work in the most cost-effective and efficient way. Our project teams operate on a cost conscious basis and our projects are managed so as to at least break even. CILC closed the books on 2017 with a positive net result of 24.026 euro (2016: 14.958 euro). The subsidy benefits from ongoing⁴ projects amounted to 5.522.357 euro (2016: 4.606.073 euro), which is an increase of 20% compared to last year.

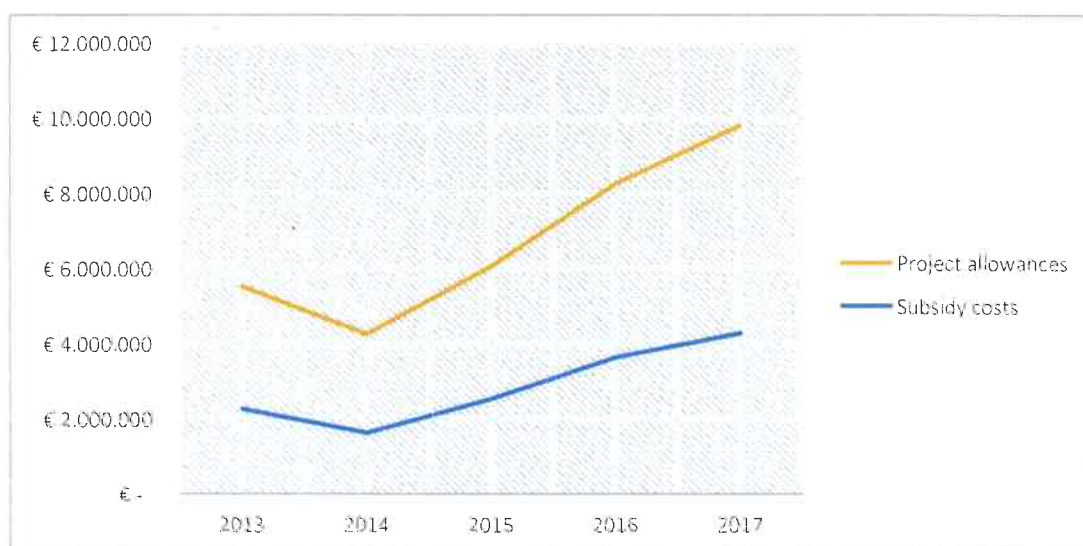


Figure 4 Development of subsidy benefits and expenditures

The underlying project costs related to the subsidy benefits are 4.281.443 euro (2016: 3.643.307 euro),

⁴ Understood as including both ongoing (end date not passed) and financially open (end date passed, but not financially closed yet) projects.

which is an increase of 18%. The total salary costs of 978.302 euro meant an increase of 26% in comparison with 775.545 euro in 2016. This is attributed to an increase in staff and the raising of salary levels through indexation.

5. FINANCIAL RESERVES

CILC aims for a financial reserve that covers the fixed costs of the organisation for a period of twelve months. Through this approach, we want to ensure the continuity of the organisation in case of a sudden drop in project income. The fixed costs contain the gross salary costs, including employers' costs, and rental and other accommodation related costs. In addition to the salary costs of personnel and housing costs listed above, the reserve should be sufficient for meeting a number of other financial obligations in view of unexpected events that could threaten the existence of CILC.

In December 2017 the continuity reserve of CILC was 713.712 euro (in 2016: 689.686 euro) and this represents 56% of the total fixed costs of 1.279.176 euro (in 2016: 84,2% of 819.024 euro). It will be important in 2018 to find ways to bring the reserve again closer to the annual fixed costs.

6. RISK ANALYSES

Through regular analyses of our projects and our financial situation as a whole we ensure that we are adequately prepared for risks. In the past year, we sustained the internal organisation and efficiency to prevent and manage risks. No major unforeseen situations occurred this year and it seems that our internal risk analysis capacity and risk policy is working. We were aware of potential risks and understood what mitigating measures were necessary. To better prepare our staff and seconded experts CILC against risks during travelling abroad we introduced a Travel Security Policy.

Significant risks for CILC include unexpected delays, suspension or termination of tender procedures or more importantly, projects under implementation. We address this systematically by spreading the number of donor agencies, donor instruments, target countries, regions and themes. Another way of managing risks is our policy to go for stable partnerships with organisations who share a similar vision and mission.

CILC is increasingly seen by the administrations of other EU member states, partner countries and the European Commission as an extension of the Netherlands executive and judiciary for international legal cooperation and promoting the rule of law. Against this background, despite being mandated to act on behalf of and together with the Dutch justice administration, CILC does not have a public status and therefore cannot rely on the state budget for its operating costs. Instead, all of CILC's staff and overhead costs need to be covered from project revenues. This situation is a serious concern as more and more EU funded and bilateral projects do not compensate anymore costs other than direct staff salaries. We will look for shared funding of our operating costs allowing the Netherlands to continue its involvement in international legal cooperation and promoting a rule of law, as laid down in our Constitution and the recently published 'Integrated Foreign and Security Strategy 2018-2022'.

7. PROSPECTS FOR 2018-2020

In 2017 we focused on delivering on the projects we had been awarded in the previous years. We achieved both in project acquisition and implementation volumes more than we had foreseen at the beginning of the year. This was confirmed by the extension and renewal of major project contracts with both the European Commission and the Dutch government. In 2018 and beyond we want to at least sustain the volume of our current project portfolio. Consequently it is CILC's ambition to acquire in 2018 new projects for around 6,5 million euro.

7.1 POLICY PLAN 2018 – 2020

In the new policy cycle, international project management remains at the core of CILC work. In the coming period we would like to consolidate our work in Eastern Europe and Indonesia, and expand in Northern-Africa and the Middle East as well as the EU28. CILC's policy plan for the next three years is based on five pillars, each focussing on a number of priorities. The implementation of the policy plan will be reviewed twice per calendar year.

PILLAR 1: A PROFESSIONAL, EFFECTIVE AND RESULT-ORIENTED ORGANISATION

Our first policy pillar concerns human resources and organisational development. Priority areas are to ensure that both staff and the organisation have the necessary means and tools to ensure CILC remains high-performing and flexible. In order to provide high quality services and products, we believe it is important to foster a learning environment. We apply a "learning by doing" approach in our projects for staff at all levels in the core operations. On-the-job coaching and support from senior staff is crucial to ensure exchange and assimilation of knowledge. We feel this deserves extra emphasis in the coming years. Especially for new staff, we will invest in standardised procedures so that they can be integrated at CILC in a structured and effective manner.

In order to make concrete steps towards standardising procedures, we have embarked on a trajectory "Quality@CILC" to improve our administrative organisation and internal operational procedures. We will map out the main organisational processes and workflows and assign roles and responsibilities. Updated job descriptions will be an essential element of this. Moreover, we will look into the benefits and costs of an ISO or other quality certification. Last but not least, we continue promoting an open and non-hierarchical office culture, in which teamwork and professionalism are key.

PILLAR 2: SOUND AND TRANSPARENT FINANCIAL MANAGEMENT

Our second policy pillar concerns a sound and transparent financial management system at CILC. Growth of our organisation is not a goal in and of itself, but it is key for the financial stability of CILC. Each year we aim to slightly increase our total turnover in order to ensure the continuity of the organisation. In light of this, we want to secure a continuity reserve that allows for one year of operations without income. We believe in a healthy administrative and financial management approach that observes the requirements of our donors, is in compliance with the law and serves the needs and priorities of efficient project management. As part of the Quality@CILC project under the first pillar, we will work towards more efficient financial project management. Our financial administration should be flexible enough to adapt to the requirements of individual donors, as the rules and regulations of these organisations have priority. We will continue investing in smart IT solutions. Simplicity and clarity will be guiding principles in this.

PILLAR 3: EFFECTIVE AND RATIONAL PORTFOLIO DEVELOPMENT

Our third policy pillar concerns upholding and expanding our project portfolio. CILC is increasingly seen as the extension of the Netherlands executive and judiciary for international legal cooperation and promoting rule of law worldwide. In the next policy period, we would like to remain the main implementing partner for Dutch public sector organisations in providing public technical cooperation within the EU28 and overseas. Our primary focus will remain on government-to-government and peer-to-peer type of projects. The European Commission's twinning instrument is a vital modality to acquire these kind of assignments, as well as projects under the delegated cooperation funding mechanism. Given the importance of government-to-government projects, we will invest in strengthening our current mandated body status on behalf of the Ministry of Justice and Security.

In our work to carry out the CILC mission, our preference is to be contracted by the Dutch Government or the European Commission. We will keep a focus on projects within our traditional sectors and/or in countries in which we have ongoing presence. We prefer building partnerships with other public technical cooperation agencies or other mission driven not-for-profit organisations. With regard to the EU28 framework contracts, we will assess whether it is worth to invest in pursuing such opportunities. The recent experience has taught us that these contracts are very competitive, but we continue to believe in the opportunities they present. Lastly, we will actively promote "CILC Meeting & Training" as a venue available for trainings, meetings and debates on international legal cooperation and promoting rule of law worldwide.

PILLAR 4: PUBLIC RELATIONS & COMMUNICATION

Our fourth policy pillar concerns making our projects more transparent and accountable by providing accessible information on our work. We will continue to use cilc.nl to provide detailed information about our projects and to publish frequent updates about our activities and events. In our public relations and external communication, we aim for harmony and coherence in the presentation of our materials, while encouraging innovative style and personal creativity among our authors. Based on the policy plan 2018 – 2020 we will adopt a communication policy, outlining the general principles guiding how CILC communicates and explaining how these principles feed into the day-to-day work of our staff. The communication policy will be subject to review in the same cycles as the policy plan. Annual communication plans are meant to provide clear and concrete action points for each calendar year on the basis of the communication policy in place. Such plans will be developed, executed and revised on a yearly basis, in a flexible and iterative process, where we learn by doing and where we can adjust our priorities and activity planning accordingly.

PILLAR 5: NETWORK ORGANISATION

Our fifth policy pillar concerns CILC as a network organisation. We are seeing that donor agencies and partner countries are increasingly requesting public expertise from different legal models. In matters related to the rule of law and good governance, it is due time to invest in initiatives that will allow for more comprehensive and effective mobilisation of knowledge and experience from the Netherlands and other EU member states. CILC will therefore focus on enhancing relations with our network of experts, partner organisations in Europe and be an active promotor of an alliance of European public technical cooperation agencies. Tied to the multilevel and peer-to-peer approach, it is our belief that partner countries should be able to draw from the expertise and experiences of different European legal systems to facilitate greater ownership and transfer of knowledge in technical cooperation projects. CILC will continue advocating for a more comprehensive and integrated approach towards public technical cooperation that prioritises the strengths, capacities and resources of Dutch and other EU28 judicial institutions and administrations. This deliberate "European approach" transcends national identities and converts bilateral efforts into a single European contribution where the whole is greater than the sum of its parts. Such a cohesive approach

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necessitates “rolling up the sleeves”, identifying each organisation’s added value, finding complementarities and developing opportunities for meaningful collaboration on technical cooperation between mandated agencies. CILC is well positioned and eager to play a facilitating role in this scheme.

7.2 STRATEGIC ALLIANCES

CILC has strong ties to legal professions and to justice administration structures in the Netherlands, thereby acting as effective national gateway for international legal cooperation. The main Dutch institutional partners of CILC in 2018 will continue to be the Netherlands Ministry of Justice and Security (and several operational bodies), the Ministry of Foreign Affairs, the Supreme Court of the Netherlands, the Council for the Judiciary, the Board of Prosecutors General, the Training and Study Centre for the Judiciary, the Supreme Court, the Probation Service, the Academy for Legislation, the Legal Aid Board and several law faculties.

In an attempt to boost our competitive advantage and to maximise our control over the quality and impact of our projects, we will invest in joining strategic partnerships with European technical cooperation organisations with a public service mission to implement European or bilateral development assistance. As not-for-profit organisations, such agencies are freer to invest in sustainable relationships with partners in beneficiary countries. They understand that promoting rule of law is a process requiring time and continued support and together, we could challenge international consultancy companies when bidding for legal and justice reform projects around the world. Above all, we believe for international legal cooperation in the power of aid modalities that prompt the mobilisation of public expertise from and through different European countries. Such modalities are a different model from normal consultancy arrangements and contribution agreements with international organisations, as they offer access to expertise that may be otherwise difficult to mobilise, and serves as a basis for institutional exchanges and public partnerships.

7.3 EXPECTED RESULTS 2018

The annual budget of CILC is based on the value of contracted projects and a projection of contract budgets to be acquired. In 2017, we had a turnover of 5,5 million euro and we acquired a new project volume of 11,7 million euro. This equates to a turnover of 4,7 million euro which is budgeted for the full financial year of 2018.

Looking ahead at an important year for project implementation, we will continue to develop ourselves and our organisation. For this we consider Quality@CILC a project in its own right and we will invest in it to ensure its success. Everything we build through this project will contribute to the quality and success of our projects.

The various projects and consortia we are a part of will provide ample opportunity to strengthen our partnerships with the legal community in the Netherlands whilst also sustaining our unique relationship with legal practitioners from other countries and regions in the world. The combination of these factors will ensure that we will continue providing tailor-made solutions to strengthen the rule of law across partner countries. We will strive to obtain the recognition and support from the Dutch justice community and the Ministry of Foreign Affairs, which is essential for the deployment of Dutch know-how and key for the position of the Netherlands in international legal cooperation.

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8. OVERVIEW OF ACQUISITION RELEVANT INFORMATION

Financial data for EU acquisitions

	2013	2014	2015	2016	2017	2018
	€	€	€	€	€	€
Annual turnover, excluding this contract	3.278.736	2.686.671	3.457.580	4.628.742	5.536.957	4.805.354
Current assets	1.695.424	2.093.707	2.648.706	3.539.353	1.781.990	2.000.000
Current liabilities	1.046.072	1.454.948	2.034.523	2.901.144	1.161.979	1.500.000
Current ratio (current assets/current liabilities)	1,6	1,4	1,3	1,2	1,5	N/A

Average manpower for EU acquisitions

	2014		2015		2016		2017		2018	
	Overall	Relevant fields	Overall	Relevant fields	Overall	Relevant fields	Overall	Relevant fields	Overall	Relevant fields
Permanent staff	12	9	10	8	10	8	15	12	15	12
Other staff	49	42	43	37	52	45	53	45	53	45

Signed, The Hague 21 June 2018

Willem van Nieuwkerk
Director



 Eric Vincken
Deputy Director

B. BUDGET

	2018	2017
	€	€
<u>Gross margin</u>		
Subsidy benefits	4.721.854	3.903.407
Subsidy expenditures	3.333.576	2.814.958
Total gross margin	1.388.278	1.088.449
<u>Rental benefits 4th floor</u>	79.500	74.250
<u>Operating costs</u>		
Wages and salaries	870.715	654.197
Social security costs	252.153	189.451
Depreciation costs	21.410	28.834
Other revaluations of tangible fixed assets	0	0
Other operating costs	293.601	270.350
Total operating costs	1.437.879	1.142.832
Net operating result	29.899	19.868
Other operating income	0	0
Financial receipts and expenditures	4.000	8.000
Result of ordinary business operations	33.899	27.868
Extraordinary profits and losses	0	0
Result before profit appropriation	33.899	27.868

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1. BALANCE

	31-12-2017	31-12-2016
	€	€
<u>Fixed assets</u>		
Tangible fixed assets	93.569	47.843
Intangible fixed assets	133	3.633
	<u>93.702</u>	<u>51.476</u>
 <u>Current assets</u>		
Stock	1.774	2.454
Account receivables	516.060	1.062.220
Other receivables	213.219	455.493
Cash	<u>1.050.937</u>	<u>2.019.186</u>
Total current assets	<u>1.781.990</u>	<u>3.539.353</u>
Total assets	<u><u>1.875.692</u></u>	<u><u>3.590.829</u></u>
 <u>Capital and reserves</u>		
<i>Disposable capital</i>		
Going concern reserve	<u>713.712</u>	<u>689.686</u>
 <u>Liabilities</u>		
Account payables	181.759	302.273
Still to spend subsidies/deferred income	818.255	2.462.391
Other liabilities	<u>161.966</u>	<u>136.479</u>
Total liabilities	<u><u>1.875.692</u></u>	<u><u>3.590.829</u></u>

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2. STATEMENT OF REVENUES AND EXPENDITURES

	realization	budget	Realization
	2017	2017	2016
	€	€	€
<u>Gross margin</u>			
Subsidy benefits	5.522.357	3.903.407	4.606.073
Subsidy expenditures	4.281.443	2.814.958	3.643.307
Total gross margin	1.240.914	1.088.449	962.766
<u>Rental benefits 4th floor</u>	47.688	74.250	0
<u>Operating costs</u>			
Wages and salaries	759.903	654.197	616.809
Social security costs	218.399	189.451	158.736
Depreciation costs	32.831	28.834	20.890
Other operating costs	268.042	270.350	174.041
Total operating costs	1.279.176	1.142.832	970.475
Net operating result	9.427	19.868	-7.709
Other operating income	12.639	0	11.391
Financial receipts and expenditures	1.960	8.000	11.278
Result of ordinary business operations	24.026	27.868	14.959
Extraordinary profits and losses	0	0	0
Result before profit appropriation	24.026	27.868	14.959
<u>Profit appropriation</u>			
Allocation/withdrawal going concern reserve	24.026	27.868	14.959
Allocation/withdrawal general reserve	0	0	0
	24.026	27.868	14.959

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3. CASH FLOW OVERVIEW

The cash flow overview is set up using the indirect method. Cash flows in foreign currencies are converted to euro on the basis of the currency exchange rates used on the balance date. The cash flow statement provides details about the funds that became available during the financial year and about the use of those funds in the same year. The cash balance is mutated during the year from 2.019.186 euro (31-12-2016) to 1.050.937 euro (31-12-2017).

	31-12-2017		31-12-2016	
	€	€	€	€
<u>Operating cash flow</u>				
Result	24.026		14.959	
Depreciations	<u>32.831</u>		<u>20.890</u>	
		56.858		35.849
Changes in working capital:				
- Receivables	789.114		-486.007	
- Provisions	-223.939		-137.313	
- Current liabilities	<u>-1.515.225</u>		<u>1.003.942</u>	
Total mutations		<u>-950.050</u>		<u>380.622</u>
Total operating cash flow		-893.192		416.463
<u>Investment cash flow</u>				
Capital expenditure in fixed assets		<u>-75.057</u>		<u>-11.822</u>
Net cash flow		<u><u>-968.249</u></u>		<u><u>404.640</u></u>
Status per 1 January		2.019.186		1.614.546
Status per 31 December		<u>1.050.937</u>		<u>2.019.186</u>
Mutation cash		<u><u>-968.249</u></u>		<u><u>404.640</u></u>

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4. GENERAL EXPLANATORY NOTES

Principles of the valuation of assets, liabilities and determination of results

General

The financial statements are prepared in accordance with Directive 640 for Annual Reporting for not-for-profit organisations. The accounting principles used for the valuation of assets and liabilities and the results are based on historical costs. Unless stated otherwise, assets and liabilities are presented at face value minus a provision for bad debts. Project benefits and costs are allocated to the period to which they relate.

Principles for conversion of foreign currency items

Receivables and payables resulting from transactions at the end of the year are converted using the closing rate. The foreign currency transactions settled during the reporting period are processed at the exchange rate prevailing at that time. Exchange differences are credited or charged to the income statement under financial income and expenses for the determined period on the balance sheet.

Valuation of tangible and intangible fixed assets

An intangible Fixed asset is recognized in the balance sheet if:

- It is probable that the future economic benefits that are attributable to the asset will accrue to the organisation;
- The cost of the asset can be reliably measured.

Costs relating to intangible fixed assets not meeting the criteria for capitalization are taken directly to the profit and loss account.

Valuation of tangible and intangible fixed assets is based on the purchase price minus straight-line depreciation. Depreciation is based on the estimated economic life and calculated on the purchase price. In the year of purchase amortising is done pro rata.

The depreciation rates include renovations 10%, inventory 20%, for computer equipment and other hardware 33,3% and for computer software 33,3%.

Stock

Valuation of stock is based on fair value.

Account receivables

Short term loans granted and other receivables are initially measured at fair value less a provision for doubtful debts when necessary.

Cash

Cash at bank and in hand includes cash in hand and bank balances.

Financial instruments

Financial instruments include trade and other receivables, cash, trade and other payables. Financial instruments are accounted at initial recognition at fair value. After initial recognition, the financial instruments are measured at amortized costs using the effective interest method. If there is no premium

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or discount or transaction costs the amortized cost price is equal to the nominal value. The fair value is determined as the present value of future cash flows.

Provisions

A provision is formed if the organisation has a legal or constructive obligation as at the balance sheet date if it is probable that an outflow of resources will be required to settle the obligation and the amount of the liability can be reliably estimated. The amount of the provision is determined based on a best estimate of the amounts required to settle the liabilities and losses concerned at the balance sheet date.

Provisions are carried at present value, unless stated otherwise.

Current liabilities

On initial recognition, current liabilities are carried at fair value.

Still to spend subsidies / deferred income

Valuation of projects

The subsidies that are still to be spent are valued to the extent that no compensation is received against the directly attributable costs plus a surcharge for indirect costs and net of a provision for expected losses. If a result can reliably be determined for an incomplete project before the balance date, the result is recorded in proportion to progress. If that is not possible, the results are taken at completion.

Reimbursements of projects

The fee for projects concerns the fair value of the costs spent on projects during the financial year. If more compensation for a project is received, then costs are paid, the surplus is justified under amounts received under amounts received in advance.

Gross margin of projects

The result on projects is proportionally determined in accordance with the percentage of completion method, taking into account the precautionary principle.

Operating costs

The costs of outsourced work and other external costs and also direct wages and social charges are allocated to the projects. In addition, the indirect costs to the project are allocated through an allocation formula based on the direct hours incurred.

Interest income and expenses

The interest income and expenses concern the interest received from or paid to third parties related to the reporting period.

Corporate taxes

Taxes are calculated on the result as disclosed in the statement of revenues and expenditures based on current tax rates, allowing for tax-exempt items and cost items which are non-deductible, either in whole or in part. Tax assets and liabilities are netted if the general conditions for netting are met.

The organisation is currently discussing with the tax authorities whether the organisation is liable to corporate taxes, also in view of the new CILC Meeting & Training.

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5. BALANCE EXPLANATORY NOTES

	31-12- 2017	31-12- 2016
€	€	€
<u>Fixed assets</u>		
<u>Tangible and Intangible fixed assets</u>		
Book value per 1 January	51.476	60.543
Mutations:		
Investments*	75.057	11.822
Disinvestments	0	0
Result	0	0
Depreciations	-32.831	-20.890
Book value per 31 December	<u>93.702</u>	<u>51.476</u>
Status per 31 December:		
Cumulative purchase prices	165.893	90.836
Cumulative depreciations	-72.191	-39.360
Book values per 31 December	<u>93.702</u>	<u>51.476</u>

* Investments relate to purchases for the training space (4th floor), ICT facilities, including a server, laptops, mobile devices and furniture

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Receivables

	31-12-2017	31-12-2016
	€	€
Stock	1.774	2.454
Accounts receivables (Provisions not applicable)	516.060	1.062.221
Other receivables		
Staff receivables	2.877	4.565
Third party receivables	210.168	367.259
Claimable VAT	-13.187	23.733
Transitory assets	13.361	59.936
	213.219	455.493
Total receivables	731.053	1.520.167

	31-12-2017	31-12-2016
	€	€
<u>Cash</u>		
Current account		
ABN AMRO Bank – current account	534.964	7.299
	534.964	7.299
Savings account		
ABN AMRO Bank – management savings account	7	0
ABN AMRO Bank – direct quarterly savings account	2	1.000.000
ABN AMRO Bank – equity savings account	507.000	1.000.000
ABN AMRO Bank – high yield deposit	0	0
	507.009	2.000.000
Accounts in foreign currency		
ABN AMRO Bank current account in USD	8.038	9.182
	8.038	9.182
Petty cash		
Petty cash Euro	331	1.883
Petty cash USD	16	19
Petty cash non-marketable currencies	579	803
	926	2.705
Total Cash	1.050.937	2.019.186

Liquid funds are repayable on demand. The interest rate on savings accounts is variable.

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Initials for identification purposes:

	31-12-2017	31-12-2016
	€	€
<u>Capital</u>		
Status per 1 January	689.686	674.727
Mutations book year	24.026	14.959
Status per 31 December	<u>713.712</u>	<u>689.686</u>
<u>Liabilities</u>		
<u>Current liabilities</u>		
Still to spend subsidies/deferred income	818.255	2.462.391
Accounts payable	181.759	302.273
Other liabilities	161.966	136.479
Total current liabilities	<u>1.161.979</u>	<u>2.901.144</u>
<u>Still to spend subsidies/advance payments</u>		
Total incurred costs on pending projects as per 31 December	12.498.919	9.242.829
Deduction: provision of work in progress as per 31 December	-167.717	-223.939
Total	<u>12.331.202</u>	<u>9.018.890</u>
Deduction: amounts received in advance	-13.149.457	-11.481.281
Total still to spend subsidies/advance payments	<u>-818.255</u>	<u>-2.462.391</u>
Opening balance provisions	-223.939	-137.313
Provision released	171.160	33.000
Addition to provision	-114.938	-119.626
Provision of work in progress	<u>-167.717</u>	<u>-223.939</u>

The still to-be-spent subsidies and amounts received in advance are a reflection of the cumulative costs c.q. allowances of the ongoing projects at the end of 2017. In 2017 amounts received in advance were proportionally considerably lower because subsidy providers generally advance later and a smaller share of the grants.

Other liabilities

Holidays	30.700	19.793
To pay holiday allowances	28.394	21.613
Taxes and social security contributions	59.977	47.984
Debts regarding pensions	13.735	8.286
Other debts	6.195	5.714
Accrued liabilities	<u>22.965</u>	<u>33.088</u>
 Total other liabilities	 <u>161.966</u>	 <u>136.479</u>

6. OFF-BALANCE SHEET LIABILITIESRental agreement

CILC rents the 2nd floor of the office building at Spui 1, 2511 BL, The Hague, the Netherlands as office space. For this purpose a rental agreement is signed for the period May 1, 2015 to April 30, 2025, with an option to extend the contract twice for a period of up to 5 years. The total rental obligation for the year is equal to 35.980 euro and is indexed annually on April, 1. The rental agreement may be terminated at the end of the rental period with a notice period of six months. For this rental agreement a bank guarantee was issued of 12.827 euro.

CILC rents the 4th floor of the office building at Spui 1, 2511 BL, The Hague, the Netherlands as meeting and training space. For this purpose a rental agreement is signed for the period May 1, 2017 to April 30, 2025, with an option to extend the contract twice for a period of up to 5 years. The total rental obligation for the year is equal to 27.500 euro and is indexed annually on April, 1. The rental agreement may be terminated per 1-5-2019, 1-5-2021 and per 1-5-2023 with a notice period of three months. For this rental agreement no bank guarantee was issued.

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7. REVENUES AND EXPENDITURES EXPLANATORY NOTES

	Realization 2017 €	Budget 2017 €	Realization 2016 €
<u>Revenues</u>			
<u>Subsidy benefits</u>			
Southeast Europe	2.173.228		1.787.385
East Europe	993.916		1.088.826
EU/Europe	248.341		0
North Africa and Middle East	708.296		379.433
West Africa	42.466		55.995
Central and East Africa	158.411		108.519
Asia	16.788		16.954
Southeast Asia	1.129.579		1.085.352
Multi	51.330		83.609
Total subsidy benefits	<u>5.522.357</u>	<u>3.903.407</u>	<u>4.606.073</u>
<u>Subsidy expenditures</u>			
Subcontracting costs	3.248.282	2.226.656	2.770.517
Material costs	98.181	54.979	68.596
Costs direct wages	1.118.406	1.069.074	838.212
Other direct costs	883.374	467.323	717.568
Subtotal direct costs	5.348.242	3.818.032	4.394.893
Coverage direct wages	-1.118.406	-1.069.074	-838.212
Provisions	39.207	60.000	86.626
Result completed projects	12.400	6.000	0
Subtotal other project costs	-1.066.799	-1.003.074	-751.586
Total subsidy expenditures	<u>4.281.443</u>	<u>2.814.958</u>	<u>3.643.307</u>

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Amsterdam, 29 JUN 2018

Initials for identification purposes:

	Realization 2017	Budget 2017	Realization 2016
	€	€	€
<u>Revenues</u>			
<u>4th floor benefits</u>			
Revenue rental 4 th floor	35.585	71.250	0
Revenue other costs 4 th floor	3.853	0	0
Revenue equipment	8.250	3.000	0
Total 4 th floor benefits	47.688	74.250	0

	Realization 2017	Budget 2017	Realization 2016
	€	€	€
<u>Expenditures</u>			
<u>Personnel costs</u>			
Salaries	647.582	559.315	519.770
Holiday allowance/year-end bonus/gratifications	112.321	94.882	97.039
Subtotal salaries	759.903	654.198	616.809
Social security and pensions	218.399	189.456	158.736
Total personnel costs	978.302	843.653	775.545

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There are no salaries, loans, advances or guarantees paid or given to supervisors of CILC. The board of directors of CILC received a remuneration of € 187.497 gross salary by virtue of their employment with CILC. Besides this remuneration there are no loans, advances or guarantees paid or given to them.

	Realization 2017	Budget 2017	Realization 2016
	€	€	€
<u>Other operating expenses</u>			
Temporary employees	251	0	0
Other personnel costs	62.671	70.162	31.719
Accommodation costs	73.760	79.413	44.787

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Travel and subsistence costs	7.353	8.000	6.757
Selling costs	36.973	37.350	30.787
Other operating expenses	<u>87.034</u>	<u>75.425</u>	<u>59.991</u>
Total other operating expenses	<u>268.042</u>	<u>270.350</u>	<u>174.041</u>

	Realization 2017 €	Budget 2017 €	Realization 2016 €
<u>Other operating expenses</u>			
Temporary employees	<u>251</u>	<u>0</u>	<u>0</u>
<i>Other personnel costs</i>			
Various fees	14.071	13.462	10.672
Study	16.426	35.000	3.461
Insurance	18.211	18.600	17.325
Reorganization costs	0	0	0
Changes in reservation leave	8.601	0	-1.839
Other personnel costs	<u>5.362</u>	<u>3.100</u>	<u>2.100</u>
Subtotal other personnel costs	62.671	70.162	31.719

The training budget for staff is extended to 2018.

<i>Accommodation costs</i>			
Fixed costs	71.546	76.913	43.480
Incidental costs	<u>2.214</u>	<u>2.500</u>	<u>1.307</u>
Subtotal accommodation costs	73.760	79.413	44.787
Incidental travel and subsistence costs	<u>7.353</u>	<u>8.000</u>	<u>6.757</u>
<i>Selling costs</i>			
Marketing costs	16.080	15.350	16.063
Selling costs	5.276	6.500	6.772
Acquisition costs	<u>15.617</u>	<u>15.500</u>	<u>7.952</u>
Subtotal selling costs	36.973	37.350	30.787

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Amsterdam, 29 JUN 2018

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	Realization 2017 €	Budget 2017 €	Realization 2016 €
<i>Other operating expenses</i>			
Office costs	30.887	26.000	22.611
Insurance costs	4.897	6.000	4.336
Consultancy costs	25.402	24.000	20.070
Financial costs	3.080	1.000	532
Communication costs	15.829	13.425	10.902
Other general operating expenses	6.939	5.000	1.540
Subtotal other operating expenses	87.034	75.425	59.991
Total other operating expenses	268.042	270.350	174.041

Appropriation of results

The statutes do not contain special provisions concerning the appropriation of the result. The CILC supervisory committee has adopted the appropriation of the result, as reported in the statement of income and expenses.

Events after the balance date

None.

8. OTHER INFORMATION

Auditor's report

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Amsterdam, 29 JUN 2018

initials for identification purposes:

INDEPENDENT AUDITOR'S REPORT

To: The Management Board and the Supervisory Board of
Stichting Center for International Legal Cooperation in The Hague.

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

Our opinion

We have audited the financial statements 2017 of Stichting Center for International Legal Cooperation based in The Hague, The Netherlands.

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Center for International Legal Cooperation as at 31 December 2017 and of its result for 2017 in accordance with the Guidelines for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2017;
2. the statement of revenues and expenditures for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. 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 Center for International Legal Cooperation 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 Management Board's report.

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

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

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

C. Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board 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 640 "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.

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

Our responsibilities for the audit of the financial statements

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

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

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

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

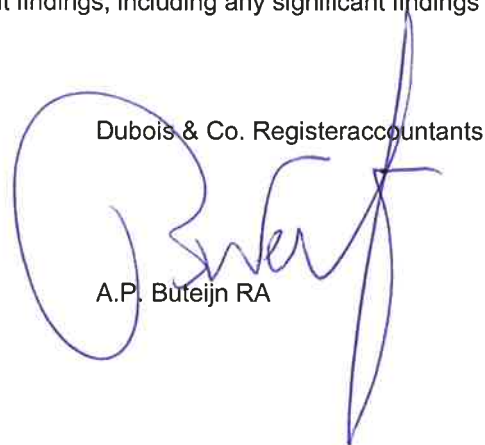
Our audit included e.g.:

- 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, 29 June 2018

Dubois & Co. Registeraccountants



A.P. Buteijn RA

INDEPENDENT AUDITOR'S REPORT

To: The Management Board and the Supervisory Board of
Stichting Center for International Legal Cooperation in The Hague.

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

Our opinion

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The financial statements comprise:

1. the balance sheet as at 31 December 2017;
2. the statement of revenues and expenditures for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. 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 Center for International Legal Cooperation 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 Management Board's report.

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KvK nummer 34374865



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

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

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

C. Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board 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 640 "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.

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

Our responsibilities for the audit of the financial statements

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

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, 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, 29 June 2018

Dubois & Co. Registeraccountants

Signed on original:
A.P. Buteijn RA