

De raad van toezicht en het bestuur van  
Stichting Center for International Legal Cooperation (CILC)  
T.a.v. de heer W. van Nieuwkerk  
Spui 1  
2511 BL DEN HAAG

Amsterdam, 7 oktober 2019

Behandeld door: S.J. den Hertog  
Referentie: 3755.C.18/29121

Geachte dames en heren,

Hierbij zenden wij u onze controleverklaring bij de jaarrekening 2018 van Stichting Center for International Legal Cooperation, alsmede een exemplaar waarin verwezen wordt naar het door ons origineel getekende exemplaar. Tevens zenden wij u een door ons geïdentificeerd exemplaar van de jaarrekening.

Het door ons ondertekende exemplaar van de controleverklaring en het geïdentificeerde exemplaar van de jaarrekening zijn bestemd voor uw archief. Het exemplaar van de controleverklaring waarin verwezen wordt naar het door ons origineel getekende exemplaar, is bestemd voor inbinding in de jaarrekening. Dit conform het advies van de beroepsorganisatie NBA ter vermijding van fraude met handtekeningen van accountants.

Wij geven u toestemming de controleverklaring met de tekst 'origineel getekend door' gedateerd op 7 oktober 2019 op te nemen in de jaarrekening 2018. De jaarrekening dient te worden uitgebracht overeenkomstig het door ons geïdentificeerde exemplaar.

Wij vertrouwen erop u hiermee van dienst te zijn geweest.

Met vriendelijke groet,  
Dubois & Co. Registeraccountants

A.P. Buteijn RA

Bijlagen

Dubois & Co. Registeraccountants is een maatschap van praktijkvennootschappen. Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website [www.dubois.nl](http://www.dubois.nl), bevatten een aansprakelijkheidsbeperking.

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KvK nummer 34374865



## 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 2018 included in the annual report

#### Our opinion

We have audited the financial statements 2018 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 2018 and of its result for 2018 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 2018;
2. the statement of revenues and expenditures for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

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

We are independent of Stichting 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.

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## **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. 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, 7 October 2019

Dubois & Co. Registeraccountants

A.P. Buteijn RA



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Amsterdam, 7 October 2019

Dubois & Co. Registeraccountants

Signed on original by:  
A.P. Buteijn RA

# CILC ANNUAL FINANCIAL REPORT 2018

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Amsterdam, 07 OCT 2019  
Initials for identification purposes:



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 developing and transition countries 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 strengthened 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 international legal cooperation.

CILC brought together (legal) expertise to develop solutions for challenges and needs formulated by beneficiaries and priorities set by the Dutch government and the European Commission. In 2018, most of our work was based on the transfer of (public sector) expertise and exchange of experiences among professionals. Herein, CILC was the engine and facilitator. We took pride in supporting project beneficiaries and stakeholders to own change. In our projects, CILC provided access to expertise that may be otherwise difficult for beneficiaries and donors to mobilise. Our work served as a basis for institutional exchange and public partnerships that the Netherlands would otherwise not have embarked on.

2018 was the first year of the new policy cycle 2018-2020. CILC implemented projects in cooperation with the Supreme Court in Indonesia, the Council for the Judiciary in Albania, Moldova and Indonesia, the Judicial Academy in Albania, Croatia, Kosovo and Indonesia, the Public Prosecution Office in the Western Balkans, Ukraine, Northern Africa and the Middle East, the Academy for Legislation in Northern Africa, the Middle East and Indonesia, the Penitentiary Service and the Probation Service in Montenegro, Serbia and Ukraine. 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, British, Spanish, Austrian and Italian 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 and countries in Northern Africa and the Middle East.

Today's challenges in Europe and then rest of the world make it imperative for countries to help each other in strengthening their ability to cope with the challenges of justice and security. The Netherlands has it as part of its foreign policy to promote international security and justice and this brings the obligation to propagate these policy values with conviction. Our country has made clear choices to focus on areas where Dutch expertise has added value and the rule is one of them. Experience has shown that many countries would like to take note of Dutch expertise in this policy field. Dutch practices and reforms continue to be a source of inspiration for others.

In 2018 we at CILC exceeded our implementation targets, we were awarded enough new contracts to sustain our portfolio in the next year and we achieved the highest gross turnover in almost thirty-five years.

Signed, The Hague 26 september 2019

Willem van Nieuwkerk  
Director

Eric Vincken  
Deputy Director

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## A. MANAGEMENT REPORT

### ACTION PLAN 2018

Democratic backsliding and a declining rule of law can be witnessed in and around Europe and in other geographical areas where CILC is active. Upholding the rule of law became high on the EU agenda. Improving the efficiency and effectiveness of justice systems is crucial for the respect of the rule of law. Without independent, good-quality and efficient justice systems there is no rule of law, no effective application of law, no access to justice, no legal certainty and above all no mutual trust between citizens and the state. In the past year and within the boundaries of our statutory provisions, CILC gave just to its status as a mandated body on behalf of the Netherlands Ministry of Justice and Security by responding to emerging issues related to the rule of law and legal order, national security, the fight against crime, cybercrime and migration.

The International Strategic Framework of the Ministry of Justice and Security considers capacity building projects an important instrument for promoting a rule of law and enhancing security in the unstable regions in and around Europe. The Netherlands cannot do this alone and must work together with other EU members states and partner countries. This year, CILC continued to be instrumental for consolidating and expanding a reliable (inter)international network of institutions and professionals for the Netherlands. By doing so, the Netherlands could despite the limited capacity offer valuable contributions to effectively promoting a rule of law.

Building the capacity in partner countries at the individual, organizational and institutional level was done through the transfer of knowledge, expertise or skills, but also by strengthening the building blocks of a rule of law, such as a government's commitment to the law, the equality of rights, the security and protection of citizens, an efficient and independent justice and protection of human rights. These activities were embedded in the scope and structure of the projects and programs implemented this year and also resulted in better (operational) cooperation with the involved EU member states and partner countries.

Implementing international legal cooperation projects that contribute to promoting a rule of law remained in the new policy cycle at the core of CILC's work. In the past year, CILC has above all consolidated its project portfolio in (South-) Eastern Europe, Northern-Africa and the Middle East, and Indonesia. The focus of CILC's policy plan was on getting better on closing, implementing and starting meaningful projects with an impact on the involved justice institutions and society. Whether CILC achieved the ambitions for 2018 can be measured along the five pillars of the policy plan.

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

Under the first policy pillar concerning human resources and organisational development useful progress has been made to ensure that both staff and the organisation have the necessary means and tools to ensure high-performance whilst being flexible. The introduction programme has been tested and highly valued by new staff. Based on individual training plans, colleagues have used the training budget for their professional and personal development. Learning by doing has become the practice and colleagues were not only involved as project managers, but also as researchers, monitors, evaluators or trainers. On-the-job coaching was key for ensuring exchange and assimilation of knowledge.

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The Quality@CILC project has turned out to be instrumental for organisational change and improving the administrative organisation. The practical mapping of the organisational processes and workflows has led to up-to-date job descriptions and newly defined work flows. Quality@CILC is an ongoing project and by the end 2018 the project had progressed in such a manner that leadership and staff are confident to go for an ISO certification in 2019.

In 2018, the CILC team followed the “words we live by” by treasuring the open and non-hierarchical office culture in which teamwork and professionalism were key. Team building events and the other team outings were fun and meaningful.

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## PILLAR 2: SOUND AND TRANSPARENT FINANCIAL MANAGEMENT

Under the second policy pillar concerning a sound and transparent financial management system considerable preparatory work has been done. The financial processes and workflows have been reviewed and mapped. Throughout the year formats were tested for generating financial overviews, serving project managers’ and donors’ requirements. This should all together lead to a new integrated management information system serving the financial, the project and the overall management purposes of the organisation. The new system will provide for a cutting-edge method for cost-benefit analyses of projects and for a button-push budget depletion status function. In Q1 2020 the new system will be introduced. Standard formats and instructions regulating the financial flows towards local offices and partners have been developed in 2018.

This year, CILC agreed with the Netherlands tax authorities on its obligations towards corporate taxes. It was agreed that from 2017 onwards CILC is subject to corporate taxes. This agreement allows that after having respected the fiscal duties there are no constraints anymore to further build the financial reserve of the organisation to the desired minimum. Like this it’s not so much our gross turnover that matters for the continuity of CILC, but a clever administrative and financial management approach. The new financial administration system will offer simplicity and clarity guiding principles in this.

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## PILLAR 3: EFFECTIVE AND RATIONAL PORTFOLIO DEVELOPMENT

Under the third policy pillar CILC has strengthened its position as the extension of the Netherlands executive and judiciary for international legal cooperation and promoting rule of law worldwide. CILC’s status as mandated body has been reviewed with success through the completed self-assessment supplemented with the required documentary evidence. More importantly, CILC is now explicitly mentioned in the new international cooperation policy framework of the Ministry of Justice and Security as an international projects agency. This has not yet resulted a decision on core funding from the Dutch Government, but it is considered an important step in the relationship with the ministry.

In 2019, CILC has kept a focus on projects within the sectors and countries where we have already a strong track record. CILC has secured our involvement in the new DG Europeaid framework contract relevant for our sector. The framework contracts for DG Home and DG Justice did not bring much assignments and we will have to reconsider our position on these when they will be tendered again next year.

The portfolio was again concentrated around Dutch bilateral and EU funding. At this stage, we do not see a reason to explore pursuing any other type of non-EU/Dutch funding. The amount of interesting cooperation opportunities seems far from exhausted and the only new type of funding we have been exploring are assignments for EU member states under the European Commission’s Structural Reform Support Service. Lastly, “CILC Meeting & Training” has suffered from some drawbacks in 2018 and we need more time to make this a wanted venue for trainings, meetings and debates on international legal cooperation and promoting rule of law worldwide.

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#### PILLAR 4: PUBLIC RELATIONS & COMMUNICATION

Under the fourth policy pillar of making our projects more transparent and accountable we continued to use cilc.nl as the main channel to provide information about CILC's policy, projects and other activities and events. The simplified logo was approved and in 2018 used for all materials. We published a new code of ethics and each month several news items about activities and events organised in The Hague or overseas. The work on a communication policy, website and new visual identity manual is shifted to next year.

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#### PILLAR 5: NETWORK ORGANISATION

As for the fifth policy pillar concerning CILC as a network organisation most of the focus in 2018 was on the relations with the Netherlands public institutions. CILC signed in July a new framework agreement with the Netherlands Public Prosecution Service and in December the board of the Ministry of Justice and Security adopted the new international strategic framework in which CILC was reconfirmed as their strategic partner for capacity building in rule of law. CILC has held periodical management review meetings with the Ministry of Justice and Security and we are now invited to join the periodical meetings to discuss promoting the rule of law worldwide and international legal cooperation amongst the ministry's operational bodies and the judiciary. CILC was in 2018 the chair of the Indonesia working group that brings together the (semi) public bodies, civil society and academia to discuss legal cooperation with Indonesia.

After the first year of the new policy cycle we can conclude that CILC is one of the leading mission-driven, public technical cooperation organisations in international legal cooperation and rule of law. In 2018, CILC has invested in the relations with the main Dutch institutional partners by sharing good practices on more effective mobilisation and exchange of Dutch knowledge and experience. CILC was 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 and facilitated cooperation among Dutch (semi) public institutions and agencies in international legal cooperation endeavours. In doing so, we strengthened our position as a key project organisation for the Netherlands (public) legal community.



## 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 is detailed in this chapter.

### 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 four times in 2018. In November, the meeting of the supervisory committee was a closed one without the board and was used for a self-evaluation.

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 2018, 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 relationship 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. Because of the mandated body status, the State Audit Service can carry out a review of the expenditure verification certified by our auditors.

**Bianca Lanza, Chief Audit Executive Central Bureau of Driving Certification** will from 10 January 2019 onwards replace Marianne van Kimmenade. The replacement of **Jan Terstegen** will be the to be appointed new director for European and International Affairs. Meanwhile, **Martin Kuijer** will temporarily take the seat on behalf of the Ministry of Justice and Security.



## SCHEME OF RESIGNATION

Member	End of first term	End of second term
Reinier van Zutphen	30 november 2017	30 November 2021
Winfried van den Muijsenbergh	30 november 2017	30 November 2021
Jan Terstegen	30 november 2017	10 January 2019 <sup>1</sup>
Marianne van Kimmenade	15 april 2018	10 January 2019
Koos Richelle	7 juni 2019	
Albert de Groot	28 september 2019	
Martin Kuijer	19 maart 2021	
Bianca Lanza	10 januari 2023	

## 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, oversees 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)

## ► Eric Vincken, deputy director

- Member of the Participation Council (medezeggenschapsraad) of Charlemagne College
- Member of the Board of Wind Orchestra (harmonie) St. Caecilia Nieuwenhagen

## 2. FISCAL POSITION

CILC is liable to pay value added taxes for projects. We consult the tax inspector on a case-by-case basis to determine whether VAT is owed for a project or not.

CILC is since 2017 liable to pay corporate taxes. We have paid corporate taxes 2017 retrospectively and a provision for 2018.

## 3. ACTIVITY REPORT

In 2018, CILC built further on the results achieved in the previous years and our position as a trusted agency by our partners and donors. CILC was granted extensions or successive contracts of some of our key projects allowing us to continue our work on supporting large-scale justice reform processes in Albania

<sup>1</sup> Jan Terstegen will end his term as director of European and International Affairs in February 2019. Once appointed, the new director will be nominated as member in the CILC supervisory committee. In the meantime, Martin Kuijer will represent the Ministry of Justice and Security in the supervisory committee.

(Euralius IV succeeded by Euralius V) and Indonesia (extension of JSSP), on building a probation system in Montenegro (Matra 2014 succeeded by Matra 2016, extended with Serbia), and on supporting the regional fight against organised crime the Western Balkans (IPA2014 succeeded by IPA2017).

**CILC's results in 2018 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:**

As a follow-up to the EU funded regional project on international cooperation in criminal justice: prosecutors' network of the Western Balkans' and its parallel project on police cooperation in fighting organized crime, the new EU project on countering serious Crime in the Western Balkans began on the first day of the calendar year. The project will run for two years and is based on the same idea of having resident prosecutors, police officers from EU member states through the so-called embedded country teams seconded to their peer institutions in Albania, Bosnia and Herzegovina, Kosovo\*, Montenegro, North Macedonia and Serbia. Being with their peers daily they can provide strategic advice and concrete operational support to ongoing investigations and prosecutions.

In its first implementation year, the new project has ensured facilitated a closer cooperation of the involved countries with Eurojust, the European Judicial Network in Criminal Matters (EJN) and Europol. At the end of 2018, the project had supported investigations and pre-investigations 79 cases (in 19% Europol and/or Eurojust were involved) and two so-called joint investigation teams (one between Serbia and North Macedonia and one between Albania and Italy). It had presented comprehensive assessment reports on asset recovery in all six countries and had major input on the draft laws on international judicial cooperation in Kosovo\*, Montenegro and North Macedonia. The Cooperation Agreement between Eurojust and Albania was signed on 5 October 2018 and as of November 2018 a Liaison Prosecutor for North Macedonia started at Eurojust in The Hague. Almost four hundred officials from prosecution offices, police agencies, ministries of justice and interior, customs and tax administration participated in training events on topics such as asset recovery and special investigative measures, but also English language courses. The project organised study visits to EU countries place, a ministerial conference, internships and participation in EJN meetings.

At the end of the first quarter of 2018 the fourth consecutive EU funded justice reform project in Albania (Euralius IV) was smoothly transferred into the new EU funded justice reform project (Euralius V). CILC and its German partner organisation IRZ were given the opportunity to continue the good collaboration started with their Albanian peers. Euralius IV ended on 31 March and the next day Euralius V started. Whereas the focus of Euralius IV was on assisting the Albanian institutions with developing the judicial reform strategy and preparing the legislative framework for the reform of the judicial sector, the main aim of the new project is to assist in the implementation of this judicial reform strategy. The focus is on establishing new institutions of judicial self-governance, mainly judicial and prosecutorial councils and a judicial inspectorate, as well as building up new structures within the prosecution and law enforcement for the fight against corruption and organized crime. Training the staff of these institutions is a core. In addition to supporting the creation of new institutions in the Albanian justice, the International Monitoring Operation with two through CILC seconded judges from the Netherlands continued to monitor the vetting process of Albanian judges and prosecutors.

The year 2018 was dense in activity implementation for the probation and alternative sanctions project in Ukraine. Numerous peer-to-peer contacts have been organised, ranging from topical discussions and working meetings to full-fledged seminars. Professionals from various institutions in the criminal justice chain in Ukraine and the Netherlands have provided their expertise in the framework of these activities. In the first year, the project organised skills trainings and coaching for probation staff; worked on creating awareness of the new opportunities of prosecutors and judges; assessed the nature and expediency of



current practices in probation; and added showing to telling by 'submerging' Ukrainian legal professionals in the Dutch practice of using alternative sanctions.

In Croatia, CILC completed one of the last EU funded Twinning projects in Croatia. Through the "Enhancing the quality of judicial training" project CILC helped the Croatian Judicial Academy to upgrade thirty new training courses in the field of EU law (principles of EU law, civil, criminal and administrative law), out of which five were also made available as on-line course. For this project, CILC engaged eighteen EU law experts from the Netherlands, Lithuania and Spain who cooperated with more than thirty Croatian EU law experts. Twenty Croatian trainers were trained and for most courses we also organised one- and two-days courses for a total of 425 participants (judges, prosecutors and legal advisors from courts and the prosecution offices). This was only possible due to a professional and dedicated project team in Zagreb, excellent EU member states' experts and highly motivated Croatian judges and prosecutors. The cooperation with the Croatian Judicial Academy was excellent throughout the implementation of the project.

The official opening of the new Matra funded project in North Macedonia took place in Skopje on 5 March 2018 in the presence of the Ambassador of the Netherlands to North Macedonia, Mr. Wouter Plomp, Special Prosecutor Ms. Katica Janeva and Mr. Albert van der Kerk, Chief Prosecutor from the Netherlands. The Special Public Prosecutor's Office was established following the largescale wrongdoings by Government officials revealed by the wiretaps scandal in 2017. The Netherlands supports the new prosecution office through the "Together for accountability" project implemented by CILC in partnership with the Netherlands Public Prosecution Service. The project is based on the idea that justice must be applied equally to everyone regardless the political party or government coalition they come from.

In May, a mixed delegation consisting of investigators, legal assistants, prosecutors and the chief of staff joined the Special Public Prosecutor on a work visit to the Hague to exchange knowledge and practice on how investigations and prosecution are conducted in the Netherlands and to make contacts with European peers. The delegation had meetings at the Netherlands Public Prosecution Service, the Financial Intelligence Unit, Europol and Eurojust. The experiences of iCOV (Criminal and Unaccountable Assets Infobox) with anti-money laundering cases and their approach to (international) legal assistance in criminal matters were particularly interesting for the delegation from North Macedonia. The delegation had a brainstorming with their Dutch peers on how to look at cases the SPPO is dealing with. In addition, CILC organised trainings on financial investigations and digital forensics, and facilitated coaching and operational support on mutual legal assistance.

The "Tunisia Integrity" project was launched in June 2018 and will run until December 2019. It is the result of a fact-finding mission conducted by CILC in 2017 to identify the options of supporting the Tunisian National Instance for the Fight against Corruption (INLUCC). The main objective of this project is to support INLUCC in defining its role in the Tunisian society and based on that assist in developing a communication strategy and public information campaign. CILC delivered training and coaching to the Communication Department of INLUCC. In September, INLUCC and the Netherlands Ministry of Foreign Affairs signed a Memorandum of Understanding to give a formal framework to the project and to confirm that CILC is the implementing partner.

The justice sector support programme (JSSP) with Indonesia has further progressed in 2018, especially the partnership between the Supreme Courts and the judicial academies of both countries. The two Supreme Courts signed a new memorandum of understanding reconfirming their commitment to collaborate for another five years. This year, the Supreme Courts enjoyed two exchange visits to consolidate the implementation of the chamber system in Indonesia and to ensure consistency in the decision-making process. The visit in December was used by CILC to experiment with more interactive work forms. This approach resulted in even more open and practice-oriented discussions. Participants moved beyond a



stage of discussing IF things should change to HOW things should change. This was considered a major step in the relationship and shows the commitment of the leadership of the Indonesian Supreme Court to adopt measures reducing the influx of cases and improving the consistency of court decisions.

The Council for the Judiciary also supported the Indonesian Supreme Court with the implementation of performance-based budgeting in courts. The Council supported their Indonesian peers with developing tools for monitoring the performance of courts and on reporting success in the organization. The collaboration between the two judicial academies also experienced useful progress. The academies jointly implemented a new candidate judges training program for almost 1.600 candidate Indonesian judges. This is quite a high number of trainees in comparison to the two hundred candidate judges that were trained in 2010. Together, the academies developed a vision and long-term strategy and were jointly able to transform ninety(!) courses for candidate judges into e-learning modules.

In Rwanda, CILC cooperated with the Kigali International Arbitration Centre (KIAC) to help the latter enhancing the institutional capacity. CILC experts conducted an organisational audit and assist in the drafting of a marketing strategy and a fundraising guide, so that KIAC is better equipped to attract external funding and have a financial system in place enabling the delivery of -at least- cost-neutral courses. The cooperation also resulted in an operational Moodle platform with online available arbitration courses on entry level. CILC delivered together with the Nigeria branch of the Chartered Institute for Arbitrators (CIArb) a series of arbitration courses. Due to the improved capacity, KIAC could successfully deliver advisory services for the reviewing of the ADR legal framework in Rwanda which resulted in new draft laws on mediation and conciliation. The new KIAC arbitration rules were submitted to the Rwanda Law Reform Commission as part of the reform package for the parliament. These activities contributed to enhancing KIAC's visibility in Rwanda and strengthened its position as facilitator and provider of ADR services in the country. A final positive outcome of the collaboration with CILC was the conference KIAC organised in May 2018 to establish the African Arbitration Association (Aafa).

### 3.1 PROJECTS PORTFOLIO

By the end of the 2018 financial year the project portfolio of CILC contained fifty-six contracts, of which forty were for ongoing projects and sixteen were expired projects which were not yet financially closed.

The forty ongoing projects targeted thirty countries, as well as collectively the EU28 Member States. Eighteen of these projects were financed through Dutch bilateral resources (47% of total CILC portfolio value)<sup>2</sup>, nineteen through European Union funds (52% of total portfolio value), and three through other instruments (1% 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 2018	% of turnover 2018
EU / EC GRA	5 24	€ 9.123.419	54%	€3.109.071	52%
EU / EC SER	10	€ 3.942.591			

<sup>2</sup> Portfolio value includes the full value of multi-annual projects, not only their value for the year 2018.

EU / EC TWG	5	€ 1.972.427			
EU / EU28	3	€ 260.620			
NL Aid / Embassies	4 26	€ 2.653.730	45%	€ 2.839.339	48%
NL Aid / MFA	8	€ 4.391.338			
NL Aid / Nuffic	9	€ 4.622.368			
NL Aid / RVO	5	€ 1.144.786			
Other	4 4	€ 255.398	1%	€ 6.056	0%
<b>Total</b>	<b>54</b>	<b>€ 19.907.829</b>		<b>€ 5.954.467</b>	<b>100%</b>



Figure 1 Distribution of CILC projects by donor instruments throughout 2018



In 2018 the focus shifted from Asia (six projects) to countries of the Western Balkans (ten projects). Thirteen of our projects targeted countries of the ENPI (East six, South seven)<sup>3</sup>. We maintained our presence in Africa and 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 2018
Indonesia	5
Albania	4
Kosovo	4
Tunisia	4
Lebanon	3
Moldova	3
North Macedonia	3
Palestinian Territories	3

Country	Targeted by how many CILC projects in 2018
Egypt	2
Jordan	2
Montenegro	2
Morocco	2
Rwanda	2
Serbia	2
Ukraine	2

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<sup>3</sup> <https://www.euneighbours.eu/en>: ENPI South neighbours are Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia. ENPI East countries are Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine.

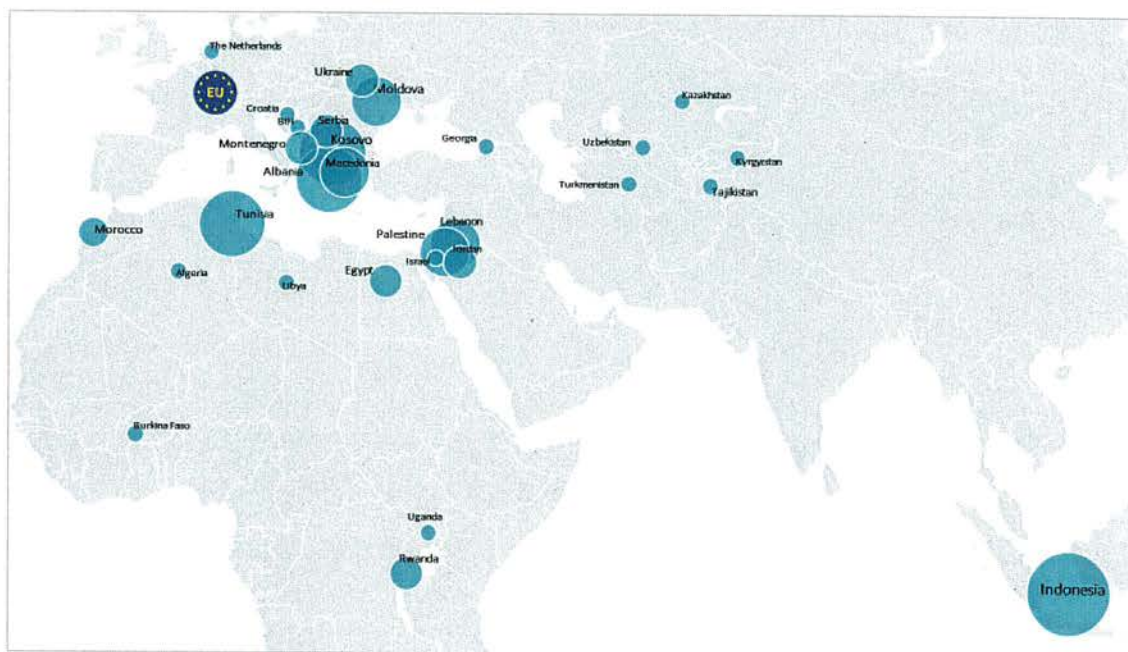


Figure 2 Geographic distribution of CILC interventions in 2018 (size reflects number of interventions in country)

Other countries we have worked with in 2018 through at least one project are Algeria, Bosnia and Herzegovina, Burkina Faso, Croatia, Georgia, Israel, Kazakhstan, Kyrgyz Republic, Libya, Tajikistan, Turkmenistan, Uganda (returning after three years with a new project), Uzbekistan and also the Netherlands.

Theme	# of projects
Judiciary	11
Justice system reform	10
Legal education	8
Criminal justice	7
Other	6
Alternative sanctions, detention and probation	4
International judicial cooperation	4
Integrity and fight against corruption	4
Alternative dispute resolution	3
Law enforcement	3
Access to justice	2



Theme	# of projects
Legislative drafting	2
Policy relevant research	2
Enforcement	2
Fundamental / human rights	2
Asylum and migration	1

The most frequent thematic areas of our projects in 2018 were judiciary and justice system reform, followed by legal education, criminal justice, alternative sanctions, detention and probation, international judicial cooperation and integrity and fight against corruption. It also included the fields of alternative dispute resolution, law enforcement, access to justice, legislative drafting, policy relevant research, enforcement, fundamental / human rights and asylum and migration.

Dutch public bodies	# of projects	Public technical cooperation partners in EU MS	# of projects
Public Prosecution Office	5	Ombudsman	1
Council for the Judiciary	5	Supreme Court	1
Utrecht University School of Law	5	Asser Institute	1
Training and Study Centre for the Judiciary	3	Court of Appeal The Hague	1
Law school of VU University Amsterdam	3	Custodial Institutions Agency	1
Leiden Law School	3	MoJ Repatriation and Departure Service	1
Netherlands Probation Service	2		
MoJ Directorate European and International Affairs	2		
VVI - Van Vollenhoven Institute	2		

In terms of partnerships, we continued to utilise our well-established relationship with the Netherlands judicial institutions and law enforcement bodies. Seventeen projects of 2018 involved partners such as the Public Prosecution Office (five projects), the Council for the Judiciary (five projects), the Dutch Training and Study Centre for the Judiciary (three projects), as well as the law schools of Utrecht University, Leiden

University and VU University Amsterdam (five, three and three projects, respectively). Additional projects involved the Netherlands Probation Service, the Ministry of Justice (Directorate European and International Affairs) and the Van Vollenhoven Institute (two projects each).

### 3.2 PROJECTS COMPLETED IN 2018

In 2018, CILC completed seventeen projects with a total budget value of 6.034.883 euro (based on cumulated values of budgets assigned to CILC where we were not the consortium leader/lead implementing organisation).

Countries	Title	Themes	Start date	End date
Albania	Euralius IV	Justice system reform	01-09-14	28-02-18
		Judiciary		
Egypt, Jordan, Morocco, Tunisia, Palestinian Territories, Lebanon	Shiraka	Legal education	01-01-15	31-12-18
	Training Programme Legislation	Legislative drafting		
Georgia	Legal drafting	Legislative drafting	14-04-15	13-08-18
Croatia	Judicial	Legal education	24-09-16	24-03-18
	training twinning	Judiciary		
Indonesia	Capacity building in combating transnational crime	Legal education	01-12-14	30-11-18
		Criminal justice		
		Law enforcement		
Indonesia	JCLEC management info	Other	01-11-16	31-03-18
Indonesia	KPK-StuNed training anti-corruption	Criminal justice	04-03-18	10-03-18
		Integrity and fight against corruption		
Jordan	Jordan Investment Settlement	Alternative dispute resolution	01-08-18	15-10-18
Moldova	Support to the enforcement, probation and rehabilitation systems	Enforcement	27-10-14	26-07-18
		Alternative sanctions detention and probation Justice system reform		
Moldova	ATRECO (Increased efficiency, accountability and transparency of courts)	Judiciary Justice system reform	01-10-14	30-06-18
Moldova	Support to strengthening judicial effectiveness and efficiency	Judiciary	01-09-16	28-02-18

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Countries	Title	Themes	Start date	End date
		Justice system reform		
Netherlands	Services NL	Other	01-01-17	31-12-18
Tunisia	CT- MENA	Criminal justice	18-09-18	30-09-18
		Other		
		Law enforcement		
Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan	EU Central Asia Rule of Law Platform Phase II	Justice system reform	02-02-15	02-02-18
EU28	Eurint	Asylum and migration	01-02-17	01-03-18
Kosovo	Kosovo Judicial Institute	Judiciary	01-02-16	31-07-18
		Legal education		
Kosovo	Promoting Integrity in the Kosovar Justice Sector	Judiciary	01-12-16	01-12-18
		Integrity and fight against corruption		

No major unplanned obstruction or termination of projects happened in 2018. No project had significant underspending in 2018.

### 3.3 PROJECTS ACQUIRED IN 2018

In 2018, CILC acquired fifteen new projects and became part of a new framework agreement. The newly acquired expected gross turnover totals just over three million euro. Ten out of fifteen projects were awarded to CILC as a consortium leader and five as a consortium partner. Eleven of these projects are funded by the Netherlands and four by the European Commission. Together with the two newly acquired projects in 2018 that were already referred to in the annual report of 2017 we have ensured continuity of our portfolio also in 2019. The Western Balkans Counter Organized Crime Initiative has a CILC budget of 3,7 million euro and Euralius V in Albania has a CILC budget of 1,75 million euro. Together these projects sum up to a total CILC volume of 8,5 million euro for the next few years.

Country/region	Donor	Project title	Budget in Euro	Type of contract	Lead	New / follow-up / extension
Arab region	RVO	Administration of Justice	€ 651.160	Service	CILC	Follow-up (and expansion to additional topic)

Country/region	Donor	Project title	Budget in Euro	Type of contract	Lead	New / follow-up / extension
Arab region	RVO	Legislative Drafting	€ 660.000	Service	CILC	Follow-up
Indonesia	USAID	Study visit	€ 41.832	Service	CILC	
Indonesia	Nuffic	Studies on handling corruption, money laundering and corporate crimes as transitional crime	€ 49.973	Grant	CILC	
Jordan	NL	Capacity building for judges – Central Economic Chamber	€ 25.000	Service	CILC	
Kosovo	EU	Support to Kosovo Police Reform	€ 750.000	Grant	Other	
Kosovo	EU	EU Support to the Ombudsperson Institution	€ 110.000	Service	Other	
Lebanon	NL	TMT - 1st round	€ 75.000	Grant	CILC	
Macedonia	EU	Strengthening of the penitentiary system and the probation service	€ 100.000	Twinning	Other	
Macedonia	NL	TMT - 2nd round	€ 67.793	Grant	CILC	
Multi	EU	Framework contract - Services for Implementation of External Aid Lot 3: Human rights / Governance / Civil society / Local Authorities & Decentralisation / Crisis management / Migration / Security		Framework	Other	
Netherlands	NL	Eurint (Inhuur analist/ onderzoeker ten behoeve van Dienst Terugkeer & Vertrek)	€ 115.000	Service	CILC	Follow-up
The Hague	NL	International arbitration to solve human rights disputes	€ 45.000	Service	CILC	Follow-up
Tunisia	RVO	Integrity	€ 110.000	Service	CILC	Follow-up
Uganda	NL	Refresher course for Staff of Community Service	€ 74.915	Grant	CILC	
Ukraine	MFA	Follow-up project	€ 132.620	Service	Other	Follow-up

### 3.4 CILC MEETING AND TRAINING

CILC Meeting and Training located on the fourth floor of CILC's office opened its doors in 2017. This year, the space proved its value again for the organisation. It was used for project trainings and meetings, for example the Shiraka Legislation training, several two-day international multi-stakeholder meetings of a project on business and human rights arbitration and, a public event organised by the Albanian Embassy

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with high level speakers including the Albanian Ministers of Justice and the Interior. In 2018, also the Mayor of The Hague, Paulien Krikke visited CILC Meeting and Training.

Meeting and Training is also used to host externally booked events. Whereas, in the first year, the revenue generated by all the hosted events was just enough to cover all running costs and investments, the second year proved to be more challenging. In 2018, the events and trainings were not enough to cover the renting costs of the fourth floor.

Given the added value of Meeting and Training for the organisation, it means that CILC needs to invest more in achieving at least a point of breakeven. To this end, CILC has developed a new approach for promoting Meeting and Training and this has resulted in a partnership with Juni Catering. This has led to new clients and we can now offer a more competitive and more tailored set of packages, services and rates for our clients. Also, business cards and email signatures were made with reference to booking Meeting and Training. In 2019, we will continue this more targeted approach to secure enough revenue to cover the rental costs.

### 3.5 PROJECT PROSPECTS FOR 2019

In 2019 our aim is to continue the sound and solid implementation of our projects, seek for extensions or renewals, starting projects in new countries and to consolidate our status as the public technical cooperation agency for international legal cooperation and rule of law in the Netherlands. We strongly believe in building partnerships as part of the Netherlands foreign policy and the constitutional provision of promoting a rule of law worldwide.

CILC will emphasise building strategic alliances for EU funded G2G grant projects with a focus on the Western Balkans, concretely Albania, Kosovo, North Macedonia. Alliances that should be first build within the Netherlands together with Ministry of Foreign Affairs, the Ministry of Justice and Security and project-by-project the relevant justice institutions and agencies and secondly with our partners from other EU member states. With the Netherlands institutions and agencies CILC will discuss ideas for initiatives that can be developed for the Matra call for proposals that is expected to be launched in September 2019.

CILC has traditionally a strong relationship with Indonesia and in 2019 we will seek for renewals of the cooperation between Dutch justice actors and their Indonesian peers that take place under the umbrella of the justice sector support programme. This programme will end in the second half of the year and because of the budget cuts for the development cooperation with Indonesia, we have proposed to use the restricted funds for cooperation on justice reform and supporting the rule of law in an integrated format with CILC as the management agency for high-level and operational peer-to-peer exchanges.

Upon their request, CILC is together with the Netherlands Council for the Judiciary negotiating a direct agreement with the European Commission on a judicial training project with Suriname. At the same time, the Netherlands Police and the national ombudsman have also expressed an interest for starting a cooperation with Suriname through EU funded. Together we are exploring the options and it is our ambition to also come to an integrated approach involving Dutch institutions having an interest in peer-to-peer exchange with Suriname.

We will continue our thematic focus on organised crime both regionally (Western Balkans) and nationally (Albania, Kosovo), prisons and probation (North Macedonia, Montenegro, Serbia and Ukraine), and justice reform, while staying in line with Dutch priorities of cooperation for fighting terrorism and illegal migration. The geographical focus will on the Western Balkans, Moldova, Ukraine and Northern Africa and the Middle East, Indonesia and Suriname, but we will also keep an eye on Sub-Saharan Africa, especially Rwanda, Uganda. In December 2018, CILC was, for example, granted the opportunity to train staff of the Directorate

of Community Service in Uganda aiming at strengthening the capacity of allowing offenders to do community service. This is a refresher course of a tailor-made training on “restorative justice and community service as a sanction” delivered in 2017.

As for the different donors we still expect to attract European and Dutch funding. As for the EU aid instruments, the focus will be on G2G type of implementation modalities (delegated cooperation, twinning, SRSS) and less on international service contracts and framework contracts. As for NL aid, the emphasis will be on the Matra and Shiraka programmes of the ministry of foreign affairs, Orange Knowledge Programme and tailor-made trainings of Nuffic and request for services from RVO.

In 2019, we will celebrate the landmark of fifty years international legal cooperation with Indonesia. CILC will organise in the Autumn a series of small events to look back at what has been achieved. More importantly, we would like to discuss how a new cooperation framework between the Netherlands and Indonesia can be shaped and how both countries can mutually benefit from it in a period where the status of Indonesia will change from a developing to a trade partner country.

### 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 quarterly 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 quarter we also have an overview of the financial status of each project. 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 prior to the periodical meetings of the committee. 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 regular access to clear and up-to-date financial data of each individual project 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; 5.954.466 euro (5.522.375 euro in 2017) instead of 4.721.854 euro (3.903.407 euro in 2017). This joint effort is an important reason why we have achieved half million euro above our annual turnover target, solely through reimbursement of project funds that incurred a small positive result.

CILC aims at having an integrated management of core business processes to get real-time and mediated (financial) information about projects and the overall organisation. Therefore, in 2018 and the beginning of 2019 we thoroughly explored the various options of enterprise resource planning (ERP) software and technology that will result in a comprehensive adjustment of the financial information that can be made available within the organisation and the means and frequency of producing it. The exploration phase took more time than we had initially anticipated, as we gave priority to diligence above speed. In 2019, CILC will invest in a new ERP system.



3.7 OPERATIONS

3.7.1 HUMAN RESOURCES

In December 2018 CILC employed fourteen people in The Hague, totalling 11,9 full-time equivalent (fte) compared to 12,3 fte in 2017. In 2018 we recruited two new staff members, one junior project manager and a project controller. Four people left CILC, the controller, one senior project manager, one junior project manager and one project officer. CILC used interim staff to temporary fill the functions of (project) controller and for the servicing CILC Meeting & Training. In several countries, we have seconded and self-employed experts who are contracted through our projects for a longer period. In addition to their project work, these experts can on demand represent CILC.

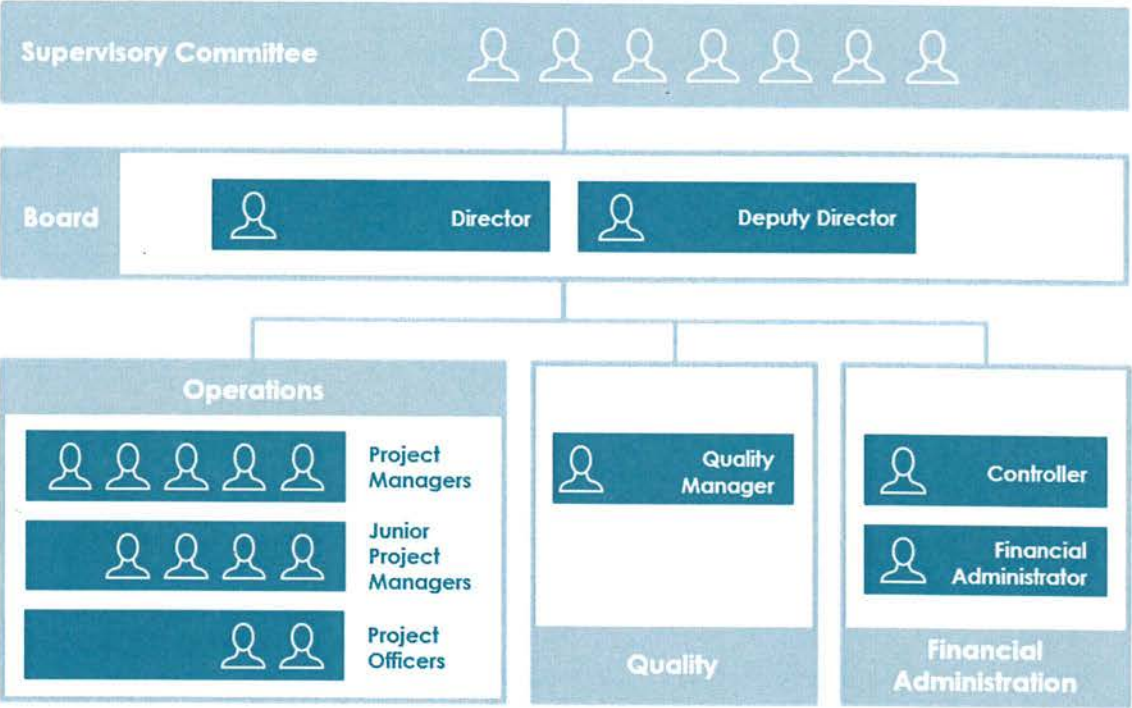


Figure 3 CILC organisation structure in December 2018

3.7.2 QUALITY MANAGEMENT

In 2018, 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. Based also on the recommendations of the earlier mentioned external advice report, we have strived to make better use of our existing systems, to produce more accurate information more efficiently, at project and organisation level. We have achieved this in 2018 with better, to the extent possible real time insight into project contacts, outstanding sales invoices and project progress reporting obligations and workloads. Understanding of the benefits of accurate and updated information at organisation level has increased among the team, as reflected by the more consistent use of the information tools available.

2018 was a year of focused work and investment into our quality management, in conjunction also with the start of a new policy cycle and lessons learned from significant shifts in our team in The Hague. 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. At the same time, the last two years have taught us that a growing team can benefit from more structure and guidance.

Quality@CILC project, launched in the autumn of 2017 and which was pursued throughout 2018 (and continues into 2019). We had set as quality goals to ensure that CILC had by mid-2018 a set of procedures in place, working and open for continued quality improvement. This would focus on i) review and (re)drafting of job descriptions; ii) development of procedures (workflows and checklists); iii) review and (re)design of templates for working documents. Of the twenty-two procedures/checklists/work instructions for which deadlines for definition or review were set in 2018, sixteen were finalised and adopted (including updated job profiles), and two were suspended pending implementation of a new ERP. Through teamwork we designed and adopted new procedures in the areas of project acquisition (project references and proofs of completion, regularly updating supporting documents for administrative checks and declarations of technical and financial capacity etc.), contracting of experts and project staff, data safety, financial management, human resources management (travel security, new staff induction, job descriptions, training etc.), project budgeting and financial reporting, information management (at project and organisation level).

In December 2018 a timeline was set for obtaining an ISO9001 quality certification by mid-2019.

### 3.7.3 COMMUNICATION

In 2018 we used our website to communicate continuously about our projects and achievements. The website continues to be our central communication tool to inform the public about our stories, our projects, our donors, our partners and our events.

## 4. RESULTS

CILC is a mission driven not-for-profit organisation. 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 to at least break even. CILC closed the books on 2018 with a positive net result of 98.694 euro (2017: 24.026 euro). The subsidy benefits from ongoing<sup>4</sup> projects amounted to 5.954.466 euro (2017: 5.522.357 euro), which is an increase of 8% compared to last year. The underlying project costs related to the subsidy benefits are 4.563.950 euro (2017: 4.281.443 euro).

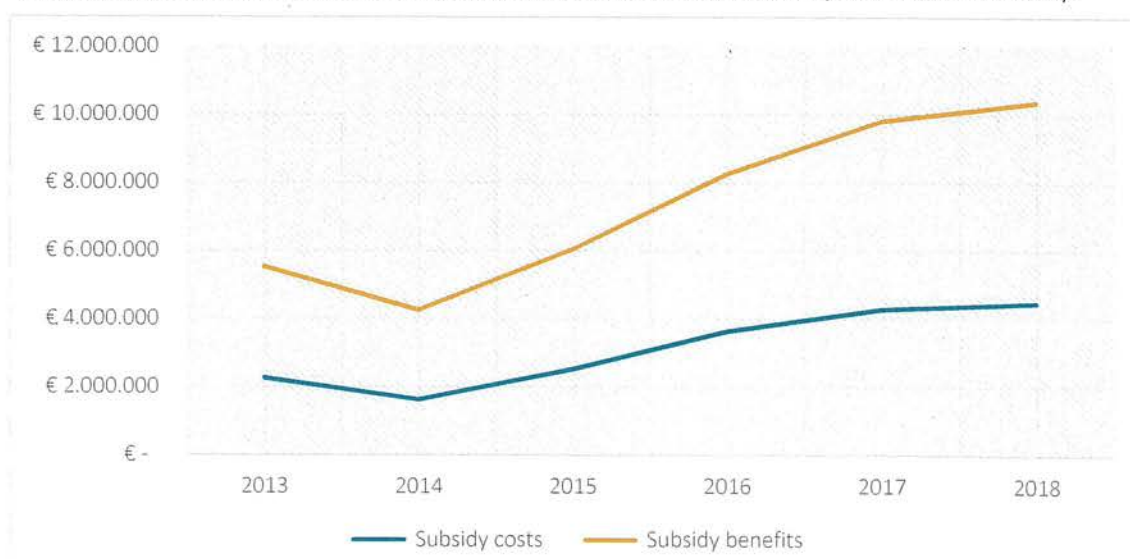


Figure 4 Development of subsidy benefits and expenditures

<sup>4</sup> Understood as including both ongoing (end date not passed) and financially open (end date passed, but not yet) projects



## 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 enough for meeting the financial obligations in view of unexpected events that could threaten the existence of CILC.

In December 2018 the continuity reserve of CILC was 812.406 euro (in 2017: 713.712 euro) and this represents 62% of the total fixed costs of 1.313.385 euro (in 2017: 56% of 1.279.176 euro). From 2019 onwards, we will use positive annual results to bring the reserve closer to the annual fixed costs.

## 6. RISK ANALYSES

Through regular analyses of our projects and our financial situation 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. Because of the bankruptcy of The Hague Institute of Global Justice one invoice of 2.102 euro was finally not paid. 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 have our 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 staff and overhead costs need to be covered from project revenues. The Ministries of Justice and Security and Foreign Affairs are aware of the situation that more and more EU and bilaterally funded projects do not compensate costs other than direct staff gross salaries. Together, we will continue seeking for shared funding of the operating costs allowing the Netherlands to continue its involvement in international legal cooperation and promoting a rule of law.

## 7. PROSPECTS FOR 2019 – 2020

### 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 institutions

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partners of CILC in 2018 will continue to be the Netherlands Ministry of Justice and Security, 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 Police, the Custodial Services, the Netherlands Probation Service and the Academy for Legislation.

To keep our competitive advantage and to maximise our control over the quality and impact of our projects, we continue investing in strategic partnerships with European technical cooperation organisations with a public service mission to implement European or bilateral cooperation projects. As not-for-profit organisations, such agencies can invest in sustainable relationships with partners in beneficiary countries.

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### 7.3 EXPECTED RESULTS 2019

The annual budget of CILC is based on the value of contracted projects and a projection of contract budgets to be acquired. In 2018, we had a turnover of six million euro and we acquired a new project volume of 4,75 million euro.

Looking ahead at an important year for project implementation, we will continue to develop ourselves and our organisation. We will continue the Quality@CILC project and besides the positive impact it has on the organisation and the quality and success of our projects, this trajectory should lead this year to an ISO 9000 certification.

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 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 ensure that the recognition and support we have gained from the Dutch justice community and the Ministry of Foreign Affairs in recent years, is used to the benefit of the Dutch foreign policy on promoting a rule of law worldwide and above all to the benefit of our partners around the world.



## 8. OVERVIEW OF ACQUISITION RELEVANT INFORMATION

### Financial data for EU acquisitions

	2014	2015	2016	2017	2018
	€	€	€	€	€
Annual turnover, excluding this contract	2.686.671	3.457.580	4.628.742	5.536.957	5.977.134
Current assets	2.093.707	2.648.706	3.539.353	1.781.990	3.134.465
Current liabilities	1.454.948	2.034.523	2.901.144	1.161.979	2.393.674
Current ratio (current assets/current liabilities)	1,4	1,3	1,2	1,5	1,3

### Average manpower for EU acquisitions

	2015		2016		2017		2018		2019	
	Overall	Relevant fields	Overall	Relevant fields	Overall	Relevant fields	Overall	Relevant fields	Overall	Relevant fields
Permanent staff	10	8	10	8	15	12	14	12	14	12
Other staff	43	37	52	45	53	45	50	45	50	45

Signed, The Hague, 26 September 2019

Willem van Nieuwkerk  
Director

Eric Vincken  
Deputy Director

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## B. BUDGET

	<u>Budget 2019</u>	<u>Realisation 2018</u>
	€	€
<u>Total personnel costs</u>	1.023.084	1.155.201
Salary costs	963.084	1.058.444
Outsourcing	25.000	60.757
Other personnel related costs and training	35.000	36.000
 Total overhead	 199.000	 158.184
Total project costs	4.340.207	4.563.950
 <u>Total costs</u>	 5.562.291	 5.877.335
 Total subsidy benefits projects	 5.708.109	 5.977.134
Total other benefits (rental 4 <sup>th</sup> floor)	79.500	26.556
Financial benefits	0	341
 <u>Total benefits</u>	 5.703.109	 6.004.031
 Result before corporate taxes	 140.818	 126.696
Corporate taxes	-28.164	-28.002
(including 2.663 EUR 2017)		
 <u>Result after corporate taxes</u>	 112.655	 98.694

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## 1. BALANCE

	31-12-2018	31-12-2017
	€	€
<u>Fixed assets</u>		
Tangible fixed assets	71.615	93.569
Intangible fixed assets	0	133
	<u>71.615</u>	<u>93.702</u>
 <u>Current assets</u>		
Stock	1.699	1.774
Account receivables	316.299	516.060
Other receivables*	469.331	213.219
Cash	2.347.136	1.050.937
Total current assets	<u>3.134.465</u>	<u>1.781.990</u>
Total assets	<u><u>3.206.080</u></u>	<u><u>1.875.692</u></u>
 <u>Capital and reserves</u>		
<i>Disposable capital</i>		
Going concern reserve	<u>812.406</u>	<u>713.712</u>
 <u>Liabilities</u>		
Account payables	164.582	181.759
Still to spend subsidies/deferred income	2.073.874	818.255
Other liabilities	<u>155.217</u>	<u>161.966</u>
Total liabilities	<u><u>3.206.080</u></u>	<u><u>1.875.692</u></u>

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## 2. STATEMENT OF REVENUES AND EXPENDITURES

	Realization 2018 €	budget 2018 €	Realization 2017 €
<u>Gross margin</u>			
Subsidy benefits	5.954.466	4.721.854	5.522.357
Subsidy expenditures	4.563.950	3.296.459	4.281.443
Total gross margin	1.390.516	1.425.395	1.240.914
<u>Rental benefits 4<sup>th</sup> floor</u>	26.556	79.500	47.688
<u>Operating costs</u>			
Wages and salaries	781.914	856.410	759.903
Social security costs	276.530	248.003	218.399
Depreciation costs	25.600	12.225	32.831
Other operating costs	229.341	251.635	268.042
Total operating costs	1.313.385	1.368.273	1.279.176
Net operating result	103.687	59.734	9.427
Other operating income	22.668	0	12.639
Financial receipts and expenditures	341	4.000	1.960
Result of ordinary business operations	126.696	63.734	24.026
Extraordinary profits and losses	0	0	0
Result before profit appropriation	126.696	63.734	24.026
Corporate Tax (including 2.663 EUR 2017)	-28.002		
Allocation/withdrawal going concern reserve	98.694		24.026
Allocation/withdrawal general reserve	0	0	0
	98.694		24.026



### 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 1.050.937 euro (31-12-2017) to 2.347.136 euro (31-12-2018).

	31-12-2018		31-12-2017	
	€	€	€	€
<u>Operating cash flow</u>				
Result	98.694		24.026	
Depreciations	<u>25.600</u>		<u>32.831</u>	
		124.294		56.858
Changes in working capital:				
- Receivables	-56.276		789.114	
- Provisions	-84.227		-223.939	
- Current liabilities	<u>1.318.450</u>		<u>-1.515.225</u>	
Total mutations		<u>1.177.947</u>		<u>-950.050</u>
Total operating cash flow		1.302.241		-893.192
<u>Investment cash flow</u>				
Capital expenditure in fixed assets		<u>-6.042</u>		<u>-75.057</u>
Net cash flow		<u>1.296.199</u>		<u>-968.249</u>
Status per 1 January		1.050.937		2.019.186
Status per 31 December		<u>2.347.136</u>		<u>1.050.937</u>
Mutation cash		<u>1.296.199</u>		<u>-968.249</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



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, considering 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.

## 5. BALANCE EXPLANATORY NOTES

	31-12-2018	31-12-2017
	€	€
<u>Fixed assets</u>		
<u>Tangible and Intangible fixed assets</u>		
Book value per 1 January	91.173	51.476
Mutations:		
Investments	6.042	75.057
Disinvestments	0	0
Result	0	0
Depreciations	-25.600	-32.831
Book value per 31 December	<u>71.615</u>	<u>93.702</u>
Status per 31 December:		
Cumulative purchase prices	169.406	165.893
Cumulative depreciations	<u>-97.791</u>	<u>-72.191</u>
Book values per 31 December	<u>71.615</u>	<u>93.702</u>



Receivables

	31-12-2018	31-12-2017
	€	€
Stock	1.699	1.774
Accounts receivables (Provisions not applicable)	316.372	516.060
Other receivables		
Staff receivables	0	2.877
Third party receivables	357.484	210.168
Claimable VAT	72.773	-13.187
Transitory assets	39.074	13.361
	469.331	213.219
Total receivables	787.402	731.053

	31-12-2018	31-12-2017
	€	€
<u>Cash</u>		
Current account		
ABN AMRO Bank – current account	190.333	534.964
	190.333	534.964
Savings account		
ABN AMRO Bank – management savings account	6	7
ABN AMRO Bank – direct quarterly savings account	997.490	2
ABN AMRO Bank – equity savings account	1.000.000	507.000
ABN AMRO Bank – high yield deposit	150.000	0
	2.147.496	507.009
Accounts in foreign currency		
ABN AMRO Bank current account in USD	8.426	8.038
	8.426	8.038
Petty cash		
Petty cash Euro	693	331
Petty cash USD	0	16
Petty cash non-marketable currencies	187	803
	880	926
Total Cash	2.347.136	1.050.937

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

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	31-12-2018	31-12-2017
	€	€
<u>Capital</u>		
Status per 1 January	713.712	689.686
Mutations book year	98.694	24.026
Status per 31 December	<u>812.406</u>	<u>713.712</u>
<u>Liabilities</u>		
<u>Current liabilities</u>		
Still to spend subsidies/deferred income	2.073.874	818.255
Accounts payable	164.582	181.759
Other liabilities	155.289	161.966
Total current liabilities	<u>2.393.745</u>	<u>1.161.979</u>
<u>Still to spend subsidies/advance payments</u>		
Total incurred costs on pending projects as per 31 December	11.504.644	12.498.919
Deduction: provision of work in progress as per 31 December	-83.490	-167.717
<b>Total</b>	<u>11.421.154</u>	<u>12.331.202</u>
Deduction: amounts received in advance	-13.495.028	-13.149.457
Total still to spend subsidies/advance payments	<u>-2.073.874</u>	<u>-818.255</u>
Opening balance provisions	-167.717	-223.939
Provision released	196.717	171.160
Addition to provision	-113.227	-114.938
Provision of work in progress	<u>-83.490</u>	<u>-167.717</u>

The still to-be-spent subsidies and amounts received in advance reflect the cumulative costs c.q. allowances of the ongoing projects at the end of 2018. In 2018 amounts received in advance were proportionally considerably lower because subsidy providers generally advance later and a smaller share of the grants.

Other liabilities

Holidays	15.845	28.394
To pay holiday allowances	28.299	30.700
Taxes and social security contributions	59.550	47.984
Debts regarding pensions	12.641	8.286
Other debts	-1.675	6.195
Accrued liabilities	40.557	22.965
	<hr/>	<hr/>
Total other liabilities	155.217	161.966

**6. OFF-BALANCE SHEET LIABILITIES**Rental agreement

CILC rents the 2<sup>nd</sup> 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 4<sup>th</sup> 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.



## 7. REVENUES AND EXPENDITURES EXPLANATORY NOTES

	Realization 2018 €	Budget 2018 €	Realization 2017 €
Total subsidy benefits (Including Other operating income)	<u>5.977.134</u>	<u>4.721.854</u>	<u>5.522.357</u>
<u>Subsidy expenditures</u>			
Subcontracting costs	3.500.816	2.558.758	3.248.282
Material costs	249.309	65.609	98.181
Costs direct wages	1.083.530	1.368.273	1.118.406
Other direct costs	<u>853.867</u>	<u>656.092</u>	<u>883.374</u>
Subtotal direct costs	5.687.522	4.648.731	5.348.242
Coverage direct wages	-1.083.530	-1.368.273	-1.118.406
Provisions	-84.227	10.000	39.207
Result completed projects	<u>44.186</u>	<u>6.000</u>	<u>12.400</u>
Subtotal other project costs	-1.123.571	-1.352.273	-1.066.799
Total subsidy expenditures	<u>4.563.950</u>	<u>3.296.459</u>	<u>4.281.443</u>
	Realization 2018 €	Budget 2018 €	Realization 2017 €
<u>Revenues</u>			
<u>4<sup>th</sup> floor benefits</u>			
Revenue rental 4 <sup>th</sup> floor	26.556	75.000	35.585
Revenue other costs 4 <sup>th</sup> floor	0	4.500	3.853
Revenue equipment	<u>0</u>	<u>0</u>	<u>8.250</u>
Total 4 <sup>th</sup> floor benefits	<u>26.556</u>	<u>79.500</u>	<u>47.688</u>

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	Realization 2018 €	Budget 2018 €	Realization 2017 €
<u>Expenditures</u>			
<u>Personnel costs</u>			
Salaries	661.951	856.410	647.582
Holiday allowance/year-end bonus/gratifications	119.963	127.953	112.321
Subtotal salaries	781.914	856.410	759.903
Social security and pensions	276.530	248.003	236.610
Total personnel costs	1.058.444	1.104.413	996.513
<i>fte's</i>	11,9	13,8	12,3

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 € 192.284 gross salary by their employment with CILC. Besides this remuneration there are no loans, advances or guarantees paid or given to them.

#### Personnel costs

The foreseen personnel costs turned out lower than estimated. Reasons for this are more staff left the organisation than was recruited. Senior staff was replaced by intermediate level staff or temporarily outsourced. Also, the other personnel costs turned out lower than expected and this was due to lower expenditures on costs external advise, WKR, travel- and removal costs, costs for provisions annual leave days and costs of the salary administration. Hindsight, the other personnel costs could have been estimated more modestly.

	Realization 2018 €	Budget 2018 €	Realization 2017 €
<u>Other operating expenses</u>			
Temporary employees	60.757	0	251
Other personnel costs	36.000	75.048	54.610
Accommodation costs	51.133	47.737	52.227
Travel and subsistence costs	957	8.000	7.353
Selling costs	23.329	32.250	33.691
Other operating expenses	82.766	85.600	81.049
Total other operating expenses (Including Depreciation costs)	254.942	251.635	229.182

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	Realization 2018 €	Budget 2018 €	Realization 2017 €
<u>Other operating expenses</u>			
Temporary employees	60.757	0	251
 <i>Other personnel costs</i>			
Various fees	15.887	50.298	14.071
Study	25.456		16.175
Reorganization costs	5.034	0	10.402
Reservation leave	-12.549	0	8.600
Other personnel costs	2.172	6.150	5.362
 Subtotal other personnel costs	36.000	75.048	54.610
 <i>Accommodation costs</i>			
Fixed costs	49.062	46.237	50.013
Incidental costs	2.070	1.500	2.214
 Subtotal accommodation costs	51.133	47.737	52.227
 Incidental travel and subsistence costs	957	8.000	7.353
 <i>Selling costs</i>			
Marketing costs	1.507	10.750	16.080
Selling costs	21.822	6.500	17.612
 Subtotal selling costs	23.329	35.250	33.691



	Realization 2018 €	Budget 2018 €	Realization 2017 €
<i>Other operating expenses</i>			
Office costs	30.364	32.250	29.104
Insurance costs	6.988	6.000	4.897
Consultancy costs	25.700	24.000	15.000
Financial costs	1.489	2.000	3.080
Other general operating expenses	18.224	1.500	28.968
Subtotal other operating expenses	82.766	85.600	81.049
Total other operating expenses	254.942	251.635	229.182

#### 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

dubois + co  
REGISTERACCOUNTANTS  
Amsterdam, 07 OCT 2019  
initials for identification purposes: