

Annual Report and Accounts 2019

A watershed year

It is nice that we can make vacuum-cleaners user-friendly, but we think justice is a little bit more urgent.

We are friendly rebels who are passionate about social impact. We aim to empower 150 million people to prevent or resolve their most pressing justice problems by 2030. Why?

Each year, 1 billion people have a new justice problem. Shockingly, over 70% of those people do not find a satisfactory resolution. 30% don't even feel empowered enough to take action. This has a high impact on their lives and society: from violence to seriously damaged relationships and business conflicts.

To make a long story short: justice does not deliver what people need in their most difficult moments.

The problem is that we are still using the same models developed in the past centuries. It makes the process of getting justice today slow, tough, difficult and very expensive.

We truly believe basic justice care for everyone is possible. With data and technology we co-create high quality justice based on what we need now.

We at HiiL call it: user-friendly justice.

Justice that is affordable, accessible and easy to understand. It is justice that works.

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2019 was a watershed year

As I write, the world is in the middle of an unprecedented crisis. Almost daily, our regional agents from Johannesburg, Abuja, Lagos, Nairobi, Kampala, Bamako, Beirut and Kyiv discuss share updates on more restrictions on movement that are announced. All HiiL'ers are working from home. We are busy assessing how we can continue to deliver our value, despite the crisis. Everyone is worried. Where will it go? How long? How are loved ones doing? We are all present in the now. So it feels odd to take you back to what we achieved and learned last year. But life also goes on in a funny kind of way, with its known rhythms and good habits. Being transparent about what you achieved and learned in the previous year is one of those good rhythms and habits. So here goes.

2019 was a watershed year for equal access to justice for all and for HiiL. A scale moment critical for our mission to enable 150 million people to prevent or resolve their most urgent justice problems by 2030.

As a field, we came together. Competition and rivalry was replaced with collaboration and learning. Guided by the [Task Force on Justice](#), we shared data and analytical capacity and concluded that 5,1 billion people don't have adequate access to justice. National and international gatherings were held in which ties were forged around our common goal. To achieve SDG 16 we need people centered justice. Justice delivery is too caught up in its own institutions and rules and has too little focus on the citizens it must serve. That must change - and fast. The justice gap is too big to wait. We need a more data-driven way of working. We need to open the sector up to innovation. We need to include prevention in what we do. This new paradigm is now enshrined in the [Hague Declaration on the Rule of Law](#) and the [final report of the Task Force](#), both products of this watershed year.

I am deeply grateful to the Task Force and its amazing secretariat for what they have helped us do. I am also proud of HiiL's contributions: data, knowledge, networks, chairing the working group on innovation, and including the 2019 Innovating Justice Forum to the calendar of gatherings to work out this new paradigm.

We also contributed through our engagements in the countries in which we support user friendly justice. Highlights include two new nation-wide Justice Needs and Satisfaction surveys in Mali and Uganda, collecting data for a new nation-wide survey Ethiopia, successfully concluding Justice Transformation Stakeholder Dialogues relating to Syria, helping an impressive cohort of justice entrepreneurs scale in HiiL's Justice Accelerator, and gathering the inputs for the SDG 16.3 Trend Report.

Partnerships remain a core element of our work. We continue to work closely with the Justice Leadership Group. Our partnership with Reos Partners on justice transformation was further developed. We are also very proud of two new ones: with Clifford Chance on justice innovation in Africa and with UNHCR on justice needs of refugees, stateless persons, and IDPs.

2019 was also a watershed year in terms of growth. HiiL grew by 44%, both in terms of people and budget. Growth is essential for our mission, so we subjected ourselves to reorganisation to strengthen our management and support systems to ensure we can do it sustainably and responsibly.

As we look back to a watershed year, I want to thank all those that stood by us in 2019. Our boards, advisers, funders, the critical voices, the encouragers, and the institutions and justice entrepreneurs we worked with. We will continue to work hard to deserve your trust and support.

Have a good read, and get in touch if you have questions!
Sam

A handwritten signature in black ink, appearing to be 'S' followed by a flourish and a small mark.

We aim to empower 150 million people to prevent and resolve their most pressing justice problems by 2030. To achieve that, in 2019 we:

Worked in Nigeria, Mali, Uganda, Kenya, Ethiopia, South Africa, Ukraine, The Netherlands and Fiji



Supported



45

promising justice innovations

Launched reports that made transparent the justice needs of the people of Morocco, Fiji and Mali



Gathered new justice needs data. We listened to the voices of over

14,000 people

through our Justice Needs and Satisfaction (JNS) surveys in Uganda and Ethiopia. In Ethiopia, we spoke to people from the general population as well as refugees and host communities from Shire and Jijia regions

Held three rounds of dialogue as part of the Syria Justice Innovation Process, bringing together 33 Syrians of different geographies, areas of expertise, ages and gender.

Together we:

- ▶ developed **6** Justice Innovation Goals with targets
- ▶ facilitated the creation of 4 scenarios which help stakeholders navigate the landscape in which the goals and targets can be met

Worked with:

- H.E. Marou Amadou, Minister of Justice of Niger
- H.E. Bessolé René Bagoro, Minister of Justice of Burkina Faso
- H.E. Hamidou Younoussa Maiga, then Minister of Justice of Mali
- Maître Malick Coulibaly, President of the National Commission on Human Rights, Mali
- H.E. Germán Garavano, Minister of justice and Human Rights, Argentina
- H.E. Mohamed Karim El Jamoussi, Minister of Justice, Tunisia
- H.E. Ms. Priscilla Schwartz, Attorney General of Sierra Leone
- H.E. Birhanu Tsegaye, Attorney General of Ethiopia
- H. E. Sergey Petukhov, Deputy Minister of justice of Ukraine

Co-authored the report *Innovating Justice - Needed & Possible*

Supported the adoption of the Hague Declaration on Access to Justice

Contributed to the Report of the Task Force on Justice *Justice for All* and supported its meetings





Gathered the creative minds from the justice sector from all over the world in the 2019 Innovating Justice Forum in the Peace Palace

Held the Justice Innovation and Leadership Conference in Kampala

Held 5 Innovating Justice Challenge Regional Finals in Nairobi, Kampala, Lagos, Johannesburg and Kyiv



Spoke at the annual meeting of the International Justice Forum: Managing Quality of Justice, Global Trends and Best Practices, in Nur-Sultan, Kazakhstan

Spoke at the 2019 Law, Justice and Development Week of the World Bank, on Rights, Technology and Development

Participated and organised workshops at the 2019 World Justice Forum

Participated in the 2019 General Assembly week



Grew our revenues by compared to previous year

44%

Grew our team from 36 to 49

Reorganised the organisation to strengthen our project management capacity

Had 5 meetings of our Supervisory Board

We had local offices or representations in:

Kampala, Nairobi, Johannesburg, Lagos, Abuja, Bamako, Kyiv, Beirut, The Hague

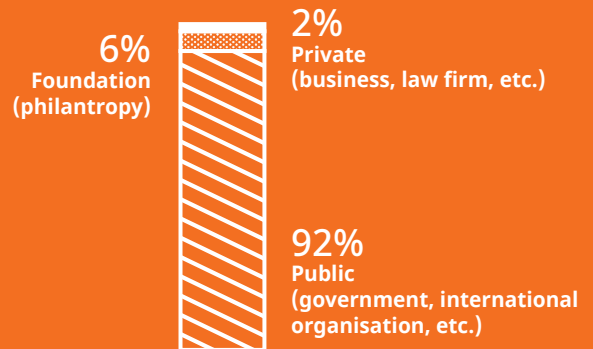
Our key strategic partners were:

The Dutch Ministry of Foreign Affairs, the Swedish International Development Agency (Sida), the European External Action Service (EEAS), the United Nations High Commissioner on Refugees (UNHCR), the Dutch Postcode Lottery (NPL) and the German International Development Agency (GIZ). We are grateful for their contribution in realising equal access to justice for all

Our justice focus areas in 2019 were:

Family, Employment, Crime, Land, Neighbours

Our funding came from the following sources:



Our budget and people were:

	2019	2018
Revenues (EUR)	6.4 mln	4.4 mln
Solvency ratio (total reserves divided by total liabilities)	19%	20%
Current ratio (current assets divided by total debts)	1.2	1.2
Average number of FTE	29.1	20.2

HIGHLIGHTS

Syria

The challenges involved with rebuilding and resuming usual justice system activities post-conflict is an area ripe for innovation.

HiiL and Reos Partners have developed such a new approach. The Syria Justice Innovation Process (SJIP) gathers knowledge on everyday legal problems facing the people of Syria and brings together people who are committed to addressing them. SJIP strives to assist in building foundations which will allow Syrians to rebuild their livelihoods.

The process is led by a Stakeholder Team of 33 Syrians of different perspectives, geographies, areas of expertise, ages and gender. Based on research and data collected over the past year, the group assessed the most urgent legal problems of Syrians in 4 rounds of talks. On that basis it developed 6 Justice Innovation Goals and targets. The Stakeholder team subsequently produced 4 scenarios which help stakeholders navigate the landscape in which the goals and targets can be met.

The Justice Innovation Goals address legal problems identified as both pressing and feasible to resolve. Specific targets and indicators are established to measure progress in their resolution. The scenarios served as stories of possible futures and help guide stakeholders' actions by alerting them to opportunities, challenges, and unforeseen risks on the way to reaching the Goals.

With these results achieved in 2019 as a foundation, the Stakeholder Team has started 2 Innovation Labs to develop innovative ideas, initiatives, or mechanisms that contribute to achieving the Justice Innovation Goals.



What motivates me to commit to the Syria Justice Innovation Process is that at this point, and after four Stakeholder's Dialogues I feel that we, Syrians, own this initiative.

- a Stakeholder's Dialogues participant



NATURE OF THE PROJECT

- Data & dialogue
- Fusing a data-driven methodology with a participatory stakeholder process



RESULTS IN 2019

- Brought together 33 Syrians in 4 rounds of dialogue
- Outlined 15 everyday legal problems categories
- Developed 6 Justice Innovation Goals with targets
- Facilitated the creation of 4 scenarios which help stakeholders navigate the landscape in which the goals and targets can be met



PARTNERS INVOLVED

- Implementing partner - Reos Partners
- Funding partners - Dutch Ministry of Foreign Affairs; German Federal Foreign Office through the Syria Peace Process Support Initiative (SPPSI)



Mali

HiiL has been active in supporting Malian justice leaders to collect and use data since 2014. Since those beginnings, we have been actively supporting leaders in delivering key justice outcomes that promote peace and inclusivity. The data helps prioritise efforts as well as monitor progress. It also forms the foundation for a focussed strategy to transform the justice sector of Mali to be more user friendly.

In 2014, HiiL conducted the first Justice Needs and Satisfaction Survey (JNS) in Mali to enhance the understanding of the justice needs and paths to justice. Four years later (2018) we conducted a second survey. We spoke to 8,307 people in all 10 regions and the Bamako district in Mali. Together with our partners Deme-So, the Ministry of Justice of Mali and the polling organisation GISSE we collected the data and our experts analysed the results. The data identifies priority areas for innovation in justice delivery..

In April 2019, we launched the second-wave Justice Needs and Satisfaction report in Mali, in cooperation with the Ministry of Justice of Mali. The launch in Bamako was attended by almost 50 justice stakeholders who discussed the data and agreed on what the top legal problems were in Mali. With these priorities collectively identified, corresponding indicators were developed that are being used in justice sector development plans. The data also forms the foundation for a Justice Transformation Lab that will start early 2020 and that will develop innovative solutions to people's most pressing justice needs. For that, a permanent office in Mali is being set up.



The data collected from 8,307 people interviewed in the 10 regions identifies areas of innovation and also provides the building blocks for an evidence-based program that enables stakeholders in the judiciary to make sound decisions.

We now know which issues are urgent. Most of the problems in Mopti, Sikasso and Ségou concern land issues; particularly agricultural land issues. In Bamako, Kidal and Ménaka, most of the problems are linked to crimes/offences. As for Timbuktu and Gao, their justice problems are characterised by family justice problems.

The results of this survey now constitute a baseline for monitoring indicators of the justice sector in Mali.

- Oumar Dembele, Demo So, Mali



NATURE OF THE PROJECT

- Second data survey, Justice Needs Survey
- Data collection in 2018, Report delivery April 2019



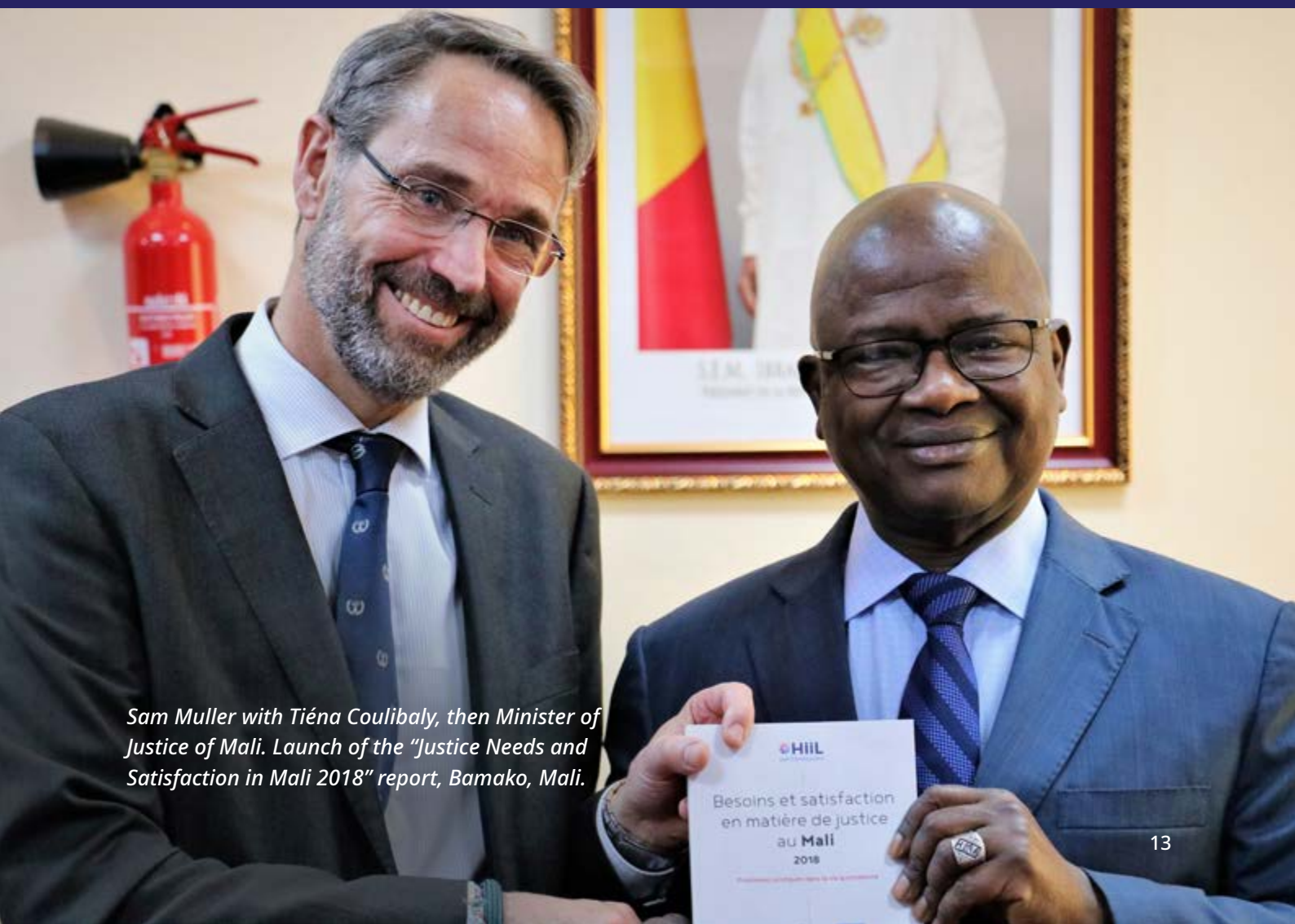
RESULTS IN 2019

- Captured voices of over 8,300 people in the second survey
- 45 minutes on Africable Television for Sam Muller and Oumar Dembele from Deme So, to elaborate on the report and the next steps that can be taken
- Gathered 6 stakeholders in a first dialogue which initiated the Justice Transformation Process in Mali



PARTNERS INVOLVED

- Fonds Conjoint, Dutch Ministry of Foreign Affairs (Embassy Bamako), Malian Ministry of Justice
- Deme So



Sam Muller with Tiéna Coulibaly, then Minister of Justice of Mali. Launch of the "Justice Needs and Satisfaction in Mali 2018" report, Bamako, Mali.

Uganda

In 2016, HiiL conducted a [JNS study](#) in Uganda. Since then, HiiL has engaged with the Justice Law and Order Secretariat (JLOS), office of the Chief Justice and other important Ugandan justice delivery institutions to support the design and implementation of innovative solutions for justice problems.

The data we collected and analysed together with JLOS and other stakeholders, showed three priority needs: family justice, land justice and crimes. In partnership with the Swedish International Development Cooperation Agency at the Swedish Embassy in Uganda, HiiL has a 3-year programme called '[Justice Innovation Uganda](#)'.

In 2019, the first results of the programme emerged. We launched a first version of a [best practice catalogue for family justice problems](#). A national conference on people-centred justice, innovation and leadership was held. The conference highlighted the impressive justice entrepreneurship that is developing in Uganda around the HiiL Justice Accelerator. It was also the occasion for the world premiere of a documentary we worked on for a year on the challenges of justice leadership was launched. *The Justice Leaders* film features the hard work and challenges faced by His Honour Chief Justice Bart Katurebe and a grassroots lawyer, Daphne Arinda to enhance access to justice in Uganda. In addition, a Justice Transformation Lab session was facilitated for the JLOS Leadership Committee to explore priorities and innovative strategies that could be deployed to make the justice system of Uganda more people centered. Lastly, a second JNS study was undertaken together with our partners, the JLOS Secretariat.

The Acceleration activities at the HiiL Uganda office continued to grow in the year 2019, with four more innovators being added to our portfolio of innovators in the region. They prevent or solve pressing problems such as gender-based violence, community mediation, SME empowerment and access to legal information. The year also saw sustained progress of our previously supported innovators, the success of programmes such as the 6-week long [Innovation Fast Track](#) (IFT), two-week Financial Management training for the cohort and Hackathon as well as creation of opportunities for them to scale and grow their enterprises.

In 2019, the themes for the Call for Innovation for Uganda were selected after aligning with the strategy of the JLOS institutions as well as the user needs as reflected in the Justice Needs Survey. The themes are: land justice, family justice, crime and law enforcement, employment and Small, Medium Enterprises (SMEs).



We need to look at the cost of delivering justice from beginning till the end; look at the whole path of getting justice. We need to look at the cases and their implications for the economy: are people getting the services they need? My ambition is that costs of justice are measured, alongside with the outcomes that come from those measures, and HiiL has been a part of this effort in Uganda.

- Pius Bigirimana, Secretary to the Judiciary in Uganda



NATURE OF THE PROJECT

- Data-to-action
- Innovation Challenges
- Justice Leadership



RESULTS IN 2019

- 10 innovations supported in Uganda
- Premiered the documentary of “The Justice Leaders” in Kampala
- Over 6100 voices of Ugandas captured in the second JNS survey (report to be published in 2020)
- 15 justice sector experts evenly representing JLOS organisations and civil society representatives discussed preliminary data
- around 100 justice domain stakeholders gathered at the Justice Innovation and Leadership Conference
- developed 3 prototypes of the Family Justice Catalogue (professional, user, and web-based versions)



PARTNERS INVOLVED

- Swedish International Development Cooperation Agency (Sida)
- JLOS, Justice Leadership Group, LASPNET, IDLO, BarefootLaw, West Nile Mediation Centre, Uganda Law Society

Panel at the Justice Innovation and Leadership Conference, Kampala, Uganda.



Nigeria

Nigeria in 2019 remained a significant country for HiiL. Since 2015, HiiL has been supporting justice innovations - particularly those that support the survival of the country's numerous small and medium enterprises.

The Justice Needs and Satisfaction Survey was released in late 2018 in Lagos. The survey found that the top 3 needs were money, neighbours, and crime. The data served our work in Nigeria in two important ways.

First, the report has the Accelerator Hub the "market knowledge" it needed to decide which areas to focus on that would bring the most relief to Nigerians. In 2019, the HiiL Justice Accelerator programme developed into a Hub that continues to support high-quality innovations in more categories. In 2019, the Hub specifically called for money-related innovations.

Second, in 2019 we reached out to key stakeholders at the state and federal level of the justice sector to explore pathways to people-centred justice based on data and "what works". In 2019 we held a preliminary dialogue on holding a Justice Transformation Lab. The response was positive and we will continue to engage key stakeholders in 2020.



The HiiL [Justice Accelerator] program shapes your thinking and approach in ways that other accelerator's do not. It is not about demo-days, it is about impact-made.

The program is unique as it helped us shift our North Star Metric from numbers that only matter in the boardroom to numbers that make a real impact in the lives of users.

- Kwame Yeboah, Chief Product Officer, Approve



NATURE OF THE PROJECT

- Finding and supporting West Africa's justice innovators who prevent and resolve the region's most pressing disputes. i.e. money, crime, land and SME's



RESULTS IN 2019

- 12 innovations from West Africa supported
- Stakeholder outreach for a JT Lab started at Federal level and institutional anchor secured at the highest political level



PARTNERS INVOLVED

- Dutch Ministry of Foreign Affairs

Justice Accelerator team with the participants of the Proven Innovation Summit, Lagos, Nigeria.



Local Justice Accelerators

When supporting justice innovation around the world, HiiL learned fast: a local presence works best. HiiL is exploring its expanding possibilities through a Franchise Model, in partnership with the Dutch Ministry of Foreign Affairs and the Dutch Postcode Lottery.

In 2019, HiiL prepared the structure and approach of the Franchise Model, including the manual for these operations to take place as well as the legal agreement that governs HiiL's relationship with its franchisees.

In 2020, we will take next steps for possible franchises in Ukraine, Southern Africa, East Africa, and West Africa. Since 2015, HiiL has been working with local agents around the world to help people prevent and resolve pressing justice needs, and the Franchise Model builds on that accumulated knowledge.

The Franchise Model will allow local entrepreneurs to incorporate locally owned legal entities to carry out HiiL's work. As locally incorporated entities, the goal is that they will be able to fundraise and, eventually, financially sustain themselves. More importantly, these local entities will be locally-owned and managed, meaning that their operations will be even more reflective of the people that they serve and work with.

”

Social franchising has been used reasonably extensively for scaling models in the Health and Education sectors but HiiL is the first in the field of Justice. We have worked closely with Connor Sattely and the rest of the internal HiiL team to ensure that the model has been developed using all of the learning available in both the business and social franchising sectors whilst meeting the specific needs of the HiiL Justice Accelerator programme. At each stage of the process HiiL has consulted with the existing in-country agents who are also the potential pilot franchisees and this has ensured that all perspectives, including the end user beneficiaries, have been taken into account. It's been a very exciting and challenging development project to work on as it really is breaking new ground.

- Julie Waites, Partner, The Franchising Company

West Africa

When HiiL introduced the first accelerator hub in 2015, it was in Nigeria. Four years on, this hub accomplished the largest, highest-quality, and fastest-growing innovation portfolio of any of the regions in which HiiL accelerates innovations.

In 2019, the West Africa hub supported 12 innovations across Nigeria, Benin, Senegal, Ghana, and Sierra Leone. Many of these addressed the top justice needs identified in the 2018 Justice Needs and Satisfaction Survey.

In particular, the West Africa hub specifically looked for innovations solving money-related justice problems, for example disputes around lending and borrowing. This led to HiiL supporting innovations like Bankly, the eventual global winner of the Innovating Justice Challenge. Bankly is a cash digitisation platform built on traditional lending methods in Nigeria.

HiiL continues its work in West Africa in the coming years with the support of the Netherlands Ministry of Foreign Affairs.

Southern Africa

Southern Africa has always been a strong source of justice innovation since the Hub began operating in 2016. South Africa, in particular, has consistently had an innovation in the top three finalists of the global challenge.

In 2019 the Hub supported seven justice innovations from South Africa and Zimbabwe. This year we were proud to showcase rAIInbow to the world as the winner of the Regional Finals in Johannesburg - rAIInbow is a free AI-driven chatbot support service for women at risk of facing domestic violence and abuse in relationships.

With the support of our partner the Dutch Postcode Lottery, we laid the foundations to establish a permanent Justice Accelerator Hub for Southern Africa, guided by a local team in Johannesburg. Over the course of the next three years, this Justice Accelerator Hub will develop into a sustainable Justice Accelerator, capable of supporting many more justice innovations and, as a result, make greater social impact.

Ukraine

Ukraine has been a hotspot of justice innovation since 2015. Some of the most high-tech and strong business cases in justice innovation worldwide come from Ukraine.

In 2019, Ukraine was also the first to incorporate its local presence as part of the Franchise Model - leading the way to showcase the model of a locally-run and locally-sustainable justice innovation hub.

In 2019, the Ukraine Hub supported 3 innovations including AirLaw, a platform to assist Ukrainians to get compensation from delayed or canceled flights. Since consumer protection is the top justice need in Ukraine according to the 2015 Justice Needs and Satisfaction Survey, innovations such as this can be gamechangers.

East Africa

Kenya has been a regional base of East African justice innovation support since 2016. This past year was no exception: the Hub supported seven high quality startups from Kenya, Tanzania, and Rwanda.

In particular, a promising Tanzanian startup called "ESS" won the Nairobi 2019 Regional Finals - an affordable legal assurance service that supports ordinary working class Tanzanians. The underserved teacher, nurse and market trader.

HiiL continues its work in East Africa in the coming years with the support of the Netherlands Ministry of Foreign Affairs, with a particular effort to establish a sustainable, locally-incorporated Justice Accelerator based in Nigeria.



NATURE OF THE PROJECT

- Finding and supporting the best justice innovators, who prevent and resolve disputes around the region(s) most pressing justice problem



RESULTS IN 2019

- 12 innovations supported by the West Africa hub
- 7 innovations supported by the Southern Africa hub
- 3 innovations supported by the Ukraine hub
- 7 innovations supported by the East Africa hub



PARTNERS INVOLVED

- Dutch Ministry of Foreign Affairs
- Dutch Postcode Lottery

Justice entrepreneurs during training before the Regional Finals in Johannesburg, South Africa.



HIIL ORGANISATION IN A NUTSHELL

Our transformation

Developing our organisations

2019 has been a year of transformation that should allow us to make big steps forward in achieving our mission by 2030.

Product group and transition

In 2019, HiIL shifted its organisational structure from a product-group driven organisation to a project-focussed organisation. Our projects run in various countries, and combine the efforts and expertise of three product groups to achieve impact on the ground. Data collection feeds into transformation efforts, which in turn is supported by our innovation team to ensure that potentially successful local innovations can grow. To ensure that these three products work in harmony and create lasting impact, we decided to manage most of our work on a project basis going forward.

Practically, this means that all our work is organised in projects. Project teams are managed by the members of our project management team. That team headed by a new position we created: the Director of Project Management. Project teams are multidisciplinary and always have a substance lead as well, from one of our product groups. Our project group structure remains extremely relevant for the methodology development and quality assurance of the projects itself.

The change in management structure also means we report differently. Our workplan and budget 2020 have been adjusted to show activities and results and on a project level. In the organisation, the key change has been the addition of a project management pillar. project managers ensure the synergy of our work in-country to ensure lasting impact in increasing access to justice.

Changes in Shared Services

We have learned that to be a strong social enterprise, we needed improved HR processes and procedures, improved communication processes and procedures, strict safety and security processes and procedures, new IT processes and a different Office facilitation set-up.

In respect to our growth, 2019 was the year to further professionalise our set up, align our supporting staff and bring under one roof. To oversee all of these responsibilities, HiIL created a new position: Director of Shared Services.

Mascha Matthews,
Senior Project Manager

Mascha is our senior programme manager. In 2019, she planned the Justice Innovation and Leadership Conference in Kampala. The conference showcased and discussed HiIL's work in Uganda and embedded them in the justice ecosystem. Mascha ensures that budgets, timelines and results are met in different projects.



Borja Gutierrez,
Customer Journey Expert

In 2019, Borja has been coordinating a global working group on financing for justice. The working group brings together a global network of professionals from the public and private sectors who contributed heavily to our latest SDG 16.3 Trend Report (to be published in 2020).

The values of HiiL

Operating in a multinational, multicultural environment demands clear values. What are we about, what do we cherish and what defines us as a team? Over the course of 2019, the people of HiiL had another look at our values and reworked what we had into four values that we identify with. We find our strength in the synergy of our people who share these four guiding principles.

We embrace diversity

🔗 *Insight is highly valued at HiiL. As individuals, what we bring to a meeting, to a conversation, to a planning session or a brainstorm is insight. Critical and creative thinking too, but insight moves and inspires. It comes from our diverse professional backgrounds, as well as the many places we call home around the world. We carry those gifts with us, and generously offer a word, an idea, a way of approaching a problem or finding a solution. This is why we uphold diversity, why we question its absence, why we look for it in a room. It is our richest source of inspiration.*

- Theresa Smout, Justice Transformation Lead, West Africa



We are real

🔗 *Recognising the value of being thoroughly grounded in reality is in my opinion key to achieving lasting impact. We want to increase access to justice for those most in need. These results can only be achieved when we work with the reality of the situation: the context in which people lack access, the justice system they operate in, and solutions that will work on the ground. Our projects reflect these values by working side-by-side our key stakeholders and adapting our strategy according to local needs and evolving political situations. Only then can we come up with realistic solutions that are truly improving people's justice needs.*

- Britt van der Donk, Director of Projects



We are entrepreneurial

Being entrepreneurial means that I treat my work for Hiil as if it would be my own business and my success depends on it every day. It means I find creative ways to solve problems, develop service delivery, protect the brand and develop it. Building your own business also means you always look for new partners to collaborate, ways to create value and stay on top of trends to be relevant to the end-user. That's what it is like to me, being entrepreneurial at Hiil. I see that my colleagues share this value and approach too.

- Dmitry Foremnyi, Innovating Justice Agent, Ukraine



We are people-centred

To be people-centered is to recognise that those whose rights are most often violated are those who are least trained in the art of speech. The ones who have the monopoly of language constitute a category of privileged people. Many vital truths go unspoken for this reason. Those who could formulate them cannot utter them, and those who could utter them cannot formulate them. A people-centered approach therefore starts with an attentive silence that can allow these faint grievances to be heard. The aim is to empower those who are capable of hearing and understanding these grievances.

- Klaudia Prodani, Justice Sector Advisor, based on the writings of French philosopher and mystic Simone Weil



Communications

The Communications Team grew in 2019, taking on two new staff members; a justice campaign strategist and a team manager. This enabled us to support projects increasingly in the initial stages, as opposed to only as the later stages of projects.

The Communications strategy uses data to guide us to optimise our reach with the resources that we have. We have invested in tools that support this and lessen the hours involved in executing essential communications tasks.

In 2019, we defined our target audiences for HiiL services and also for new projects. In designing our textual and visual communications, we took measures to gather feedback on how our messages were being received.

We made choices based on aligning our communications with our values and tagline (user friendly justice). For more engaging and diverse communications, we decided to orient communications more locally to align with the increased capacity we have in the regions in which we work. In addition, we invested in our capacity to engage with partners in non-anglophone countries. In 2019, we prepared to translate the website into French. The Communications Strategy 2020-21 aims to support Arabic content.

Social media is also a field where data, innovations, and transformation play a role. In 2019 purchased tools that help us monitor and optimise our online engagement. We re-launched a HiiL-wide Instagram account, and set up channels for three of the HiiL justice Accelerator Hubs; West Africa, East Africa and South Africa.





FACEBOOK

6.2K followers

Followers grew by 22%

Avg. 35 posts per month

Avg. 1300 engagements per month

Avg. 38 comments per month



INSTAGRAM

391 followers

Followers grew by 118%

129 posts in 2019

2300 engagements in 2019



TWITTER

6.6K followers

Followers grew by 19%

Avg. 78 tweets per month

169508 impressions in 2019



LINKEDIN

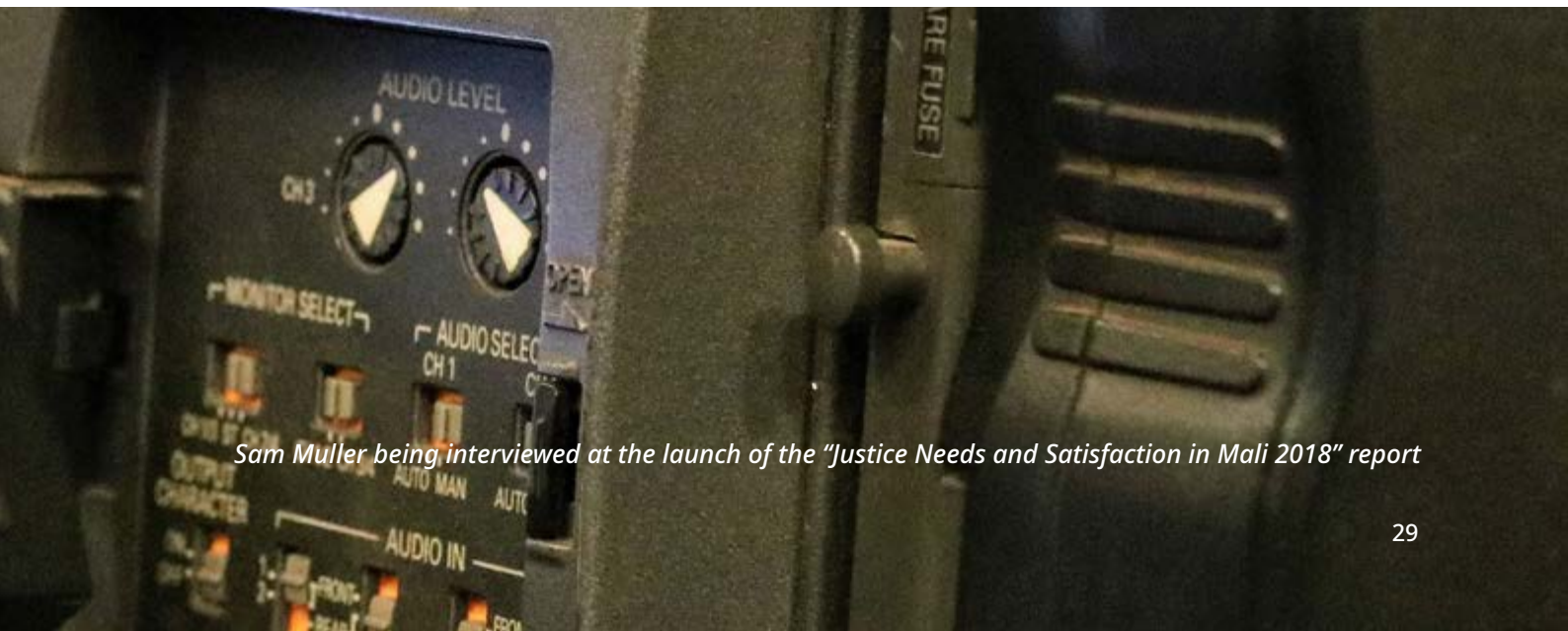
5K followers

Followers grew by 29%

Avg. 25 posts per month

Avg. 233 engagements per month

In 2020 we will operate under the new Communications strategy. It strives to align the Business Development priorities for 2020 and 2021. In 2019, we explored how to best integrate and optimise these two services teams. Ultimately, as an organisation we need to have a profound involvement with our project partners in order to realise our mission statement.



Sam Muller being interviewed at the launch of the "Justice Needs and Satisfaction in Mali 2018" report

Human Resources

An increased number of projects has led to further growth of our HiiL team, both nationally and internationally. By adding new employees and agents to the team, HiiL expanded its diverse workforce needed for its ambitious projects in 2020.

Even though HiiL experiences a company transformation period, the turnover number equals the numbers of 2018. HiiL recruited and appointed three Director positions to strengthen our growth. We also recruited specialised Senior positions and plan to continue to do so in the future. We concluded 2019 with a core team of 36 employees on the payroll and 12 regional agents in Ukraine, Uganda, Kenya, South Africa, Mali, Nigeria and the Middle East. In 2019, HiiL recruited one intern for a duration of three months who was subsequently hired as a Research Assistant.

The expansion led to changes in our HR structure and increased focus on interventions that strengthen our HiiL culture.

We set up a structure to monitor and efficiently manage our various recruitment processes digitally. We developed an onboarding process of several weeks for employees and regional agents for a solid start within the company. The organisation came together to establish 4 core values which are the starting point of all our actions, internally and externally.

We published the HiiL Code of Conduct and the policies that support our code. We concluded, based on experience and further expansion into countries with a more challenging and unpredictable environment that an enhanced Security approach is needed. We improved and professionalised our security policies, security country plans and practices for staff traveling to those countries.

We allocated a personal development budget to all HiiL employees. We enhanced our efforts for personal development initiatives by inviting employees and agents to the insights discovery assessment that provides a personal insights profile with focus on communication and management preferences.

In 2020 we will continue to facilitate and support Organisational Development in line with our strategic goals. We will also implement the software AFAS so that Human Resource Management processes get automatised and administrative work minimalised.

We will create a new and up-to-date Employee Handbook for new and existing employees to guide them. Finally, We will continue to strive to implement all of our friendly policies resulting in a healthy employee cycle.

DIVERSITY: 24 nationalities

In 2019 employees on the payroll and regional agents of various backgrounds have worked for and with HiIL

Albanian	1	Finnish	1	Malinese	1
American	2	German	2	Nigerian	2
Australian	1	Indian	2	Polish	1
British	2	Irish	1	Spanish	1
Bulgarian	2	Israeli	1	South African	2
Canadian	1	Italian	1	Syrian	1
Chilean	1	Kenyan	1	Ugandan	3
Dutch	15	Lebanese	2	Ukrainian	1



TOTAL 2019: 49 people

37 in The Hague
12 in Uganda, Mali, Lebanon, Ukraine, Kenya, Nigeria, South Africa



AGE

Most young: 24
Most senior: 63



GENDER TOTAL HIIL

Male: 20
Female: 28



TURNOVER CORE TEAM

6 employees left
18 employees hired

ACES OF HiIL

Kavita Heijstek Ziemann, *Senior Justice Sector Advisor*

Kavita takes charge of stakeholder engagement, conception, execution and follow up of Justice Needs and Satisfaction Surveys. In 2019, she wrapped up the second JNS in Mali and started preparations for the first JNS studies in Burkina Faso, Ethiopia and Niger.

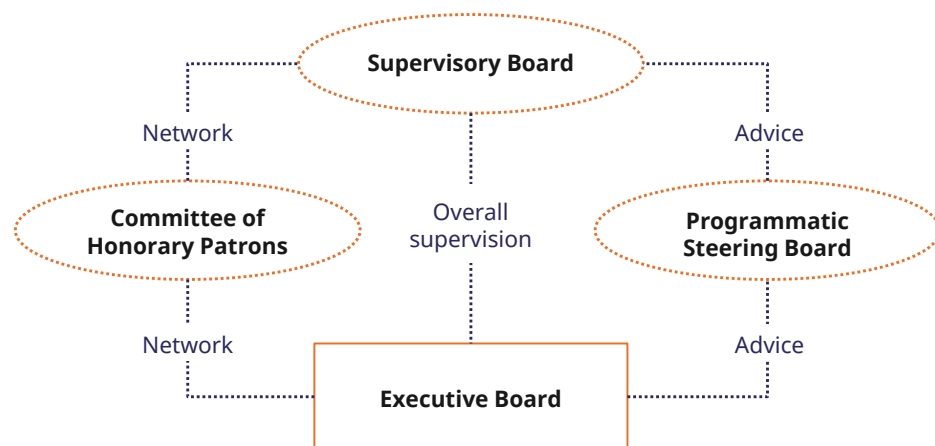


Governance and management

Structure

The institutional structure of HiiL continues to be set up as follows:

- The Supervisory Board, which provides overall strategic supervision and advice. It also approves the annual budget and the annual accounts of the past year.
- The Executive Board, which is responsible for the execution of the strategy and daily management.
- The Programmatic Steering Board, which advises the Supervisory Board and the Executive Board on issues of substance matters.
- The Committee of Honorary Patrons, which renders assistance to the organisation in more general terms.



The composition of each of these organs is based on a careful balance to ensure participation of the various stakeholders relevant for HiiL and to reflect its international ambitions: private - public sector, international - national level, academics - practitioners, various regions, and various relevant disciplines.

Supervisory Board

Jacques Schraven (Chair) 4-year term	19 July 2012 – 19 July 2016 (1 st term) 19 July 2016 – 19 July 2020 (2 nd term)
Peter Jurgens 4-year term	19 July 2012 – 19 July 2016 (1 st term) 19 July 2016 – 19 July 2020 (2 nd term)
Klaus Rackwitz 4-year term	15 March 2013 – 15 March 2017 (1 st term) 15 March 2017 – 15 March 2021 (2 nd term)
Michiel Scheltema 4-year term	15 March 2013 – 15 March 2017 (1 st term) 15 March 2017 – 15 March 2021 (2 nd term)
Haro Schultz van Haegen 4-year term	2 July 2015 – 2 July 2019 (1 st term) 2 July 2019 - 2 July 2023 (2 nd term)
Edmond Wellenstein 4-year term	2 July 2015 – 2 July 2019 (1 st term) 2 July 2019 - 2 July 2023 (2 nd term)

The Supervisory Board met 5 times in 2019 to discuss the progress of the organisational activities:

- On 19 March. Main topic: the scale-up reorganisation.
- On 17 April. Main topic: the accounts and financial report 2018.
- On 16 July. Main topics: new auditor, risk register, scale-up reorganisation.
- On 17 October. Main topic: strategy session.
- On 18 December. Main topic: Strategy 2020-2021, Work Plan and Budget 2020.

Detailed information about the Supervisory Board members can be found on the [HiiL website](#).

Executive Board and Senior Management Team

The Executive Board consists of Sam Muller (Chair) and Maurits Barendrecht (Research).

In 2019 the management team had the following members:



Sam Muller
Chief Executive Officer



Tobijn de Graauw
Director Justice
Transformation



Maurits Barendrecht
Director of Research,
Director Solutions Research



Britt van der Donk
Director of Project
Management since
1 September 2019



Ellen Tacoma
Director Justice Accelerator
until 31 December 2019



Claudia Heemskerk
Director of Shared Services
since 1 November 2019



Martin Gramatikov
Director Measuring Justice



Ronald Lenz
Director Justice Accelerator
since 1 December 2019

The Senior Management Team meets every two weeks. As part of the scale-up reorganisation it was decided in 2019 that the new Senior Management Team would consist of 4 members:

- the CEO,
- the Director of Project Management,
- the Director of Shared Services,
- one representative of the product groups (rotation).

This will be implemented in 2020.

Programmatic Steering Board

Gillian Hadfield (chair)	1 June 2018 – 31 May 2021 (1 st term as Chair)
Beth Simmons 3-year term	15 October 2013 – 15 October 2016 (1 st term) 15 October 2016 – 15 October 2019 (2 nd term)
Rebecca Sandefur 3-year term	26 March 2014 – 26 March 2017 (1 st term) 27 March 2017 – 26 March 2020 (2 nd term)
Juan Botero 3-year term	31 August 2016 – 31 August 2019 (1 st term) Dr Botero stepped down on 31 August 2019

Due to the effort of the scale-up reorganisation the PSB did not meet in 2019.

Committee of Honorary Patrons

The distinguished Committee of Honorary Patron consisted of: Justice S. Breyer • Prof. B. Bueno de Mesquita • Judge Guy Canivet • Ambassador Hans Corell • Prof. Maarten Willem Charles Feteris • Herta Däubler-Gmelin • Justice Michael Kirby • William Neukom • Ana Palacio

Partners and donors

In line with our strategy we managed to diversify and grow our funding base in 2019. We continue to work towards more multi-year, large scale partnerships in the public and private sectors. We highly value the role partnerships play in achieving SDG16.3 and our mission. We therefore thank all the partners we worked with and who placed their trust in us. Below you'll read who they are.

Dutch Ministry of Foreign Affairs



Ministry of Foreign Affairs

From 2019 onwards we successfully extended our multi-year strategic partnership with the Dutch Ministry of Foreign Affairs. In 2019 HiiL started a Justice Needs and Satisfaction survey in Ethiopia and completed data collection. We signed a Memorandum of Understanding with the Ethiopian Attorney General as well as with the Justice Ministry's research institute, the Justice and Legal System Research Institute (JLSRI). With the latter, we conducted several knowledge transfer sessions. Furthermore, inception activities took place for a Justice Needs and Satisfaction survey in Burkina Faso and we further developed the HiiL Justice Dashboard that makes the data accessible for all.

We also scouted and trained 15 justice entrepreneurs from West and East Africa (Nigeria, Benin, Ghana, Sierra Leone, Kenya, Rwanda and Tanzania) and the MENA region (Lebanon). Throughout the year we prepared the model for the establishment of permanent Justice Innovation Hubs in these African regions.

Finally, we laid the groundwork for justice innovation processes in Mali and Nigeria. Country representatives were recruited and onboarded to prepare for the development of a locally owned justice innovation strategy based on data and innovation. Justice leaders and stakeholders were widely consulted, the justice system in both countries was mapped out substantively and team-wide learning was deepened on both content and process.

Swedish International Development Cooperation Agency



Thanks to the partnership with the Swedish International Development Cooperation Agency in Uganda, HiiL is executing a three-year programme called 'Justice Innovation Uganda' during the period 2017 until 2020. Over the course of 2019, work on the interactive Justice Dashboard was reaching completion and was presented during a two-day Justice Innovation and Leadership Conference in Kampala, Uganda. That conference was also the stage for presenting the second Justice Needs and Satisfaction study we conducted. Equally, the Family Justice Catalogue was presented and we celebrated the first official viewing of 'The Justice Leaders', the documentary about access to justice in Uganda.

World Bank



Together with the World Bank, HiiL started a study on the relationship between poverty, inequality and justice needs. For this research project, HiiL Survey data from 14 countries will be used. The data has been gathered in 2013-2019 through the application of the Justice Needs and Satisfaction survey.

Gesellschaft für Internationale Zusammenarbeit (GIZ)



With support from GIZ, we were able to advance our work around a Syrian Justice Innovation Process. It brings together knowledge on the most pressing legal needs of Syrians and people who are committed to (re)building the capacity to address them. It builds an evidence-based rule of law agenda informed by Syrians' voices. Within a framework of Stakeholder Dialogues, a diverse group of Syrians agreed on six Justice Innovation Goals and subsequent targets.

Dutch Embassy in Kenya (justice innovation Somaliland)



With the support of the Dutch Embassy for Somalia based in Kenya, HiiL conducted a six month pilot project in Somaliland to identify suitable justice innovators for its annual call for innovation. The pilot was primarily deployed in the autonomous Somaliland region which was deemed safer. We received 19 applications, interviewed 3 and selected 1 justice innovator to join us at a 3 day entrepreneurship training in Nairobi which culminated in the Nairobi Regional Final event in November 2019. It was a fruitful learning experience. The pilot enabled us to identify the prevailing justice needs in the country, and to understand the justice and entrepreneurship ecosystem. HiiL now has a better understanding of what could potentially work in Somaliland, that is, designing a specific idea stage programme curriculum suited to the country and implemented by a qualified Somali trainer. However, at the moment, given the current programme priorities within the East Africa region, HiiL does not foresee further involvement in Somalia in the short-term. This decision might be revisited in the coming years, as the innovation ecosystem in Somalia strengthens.

Delegation of the European Union to the Syrian Arab Republic



With financial support of the EU, HiiL in collaboration with Reos partners assisted Syrians in developing user-friendly justice innovations that help Syrians deal with a selected number of their most urgent legal problems. A multi-stakeholder and locally owned innovation process launched around two prioritised acute objectives: "Syrians have safe and effective access to personal documents", as well as, "reducing violence and discrimination against women". HiiL strengthened its local project management presence in Beirut.

Nuremberg Academy



Last year we executed a feasibility study on monitoring the quality of international criminal justice as delivered by Hague courts and similar mechanisms (Nuremberg Benchmarks). Delivered on October 31 2019, the main conclusion of the study is that developing and maintaining such a monitoring system is feasible. The accumulated experience of benchmarks in other fields, such as public health and climate change, has shown that the mere existence of data and benchmarks often has a powerful transformative effect in a field. Many monitoring systems now exist in the field of justice, using a broad range of data-collection methods. The Nuremberg Benchmarks could become a system of indicators designed to measure the effectiveness of the response by multiple actors in addressing international crimes.

ACT 2019



HiiL worked together with leading brands & retailers to achieve living wages in textile and garment supply chains. ACT (“Action, Collaboration, Transformation”) is an initiative between international brands & retailers, manufacturers, and trade unions to address the issue of living wages in the textile and garment supply chain.

UNDP



HiiL launched the outcomes of the Justice Needs and Satisfaction project in Fiji in October 2019. HiiL collected evidence using a mixed-methods approach: desk research, qualitative interviews with justice leaders, qualitative focus groups with justice providers and users across the country, and a nationwide quantitative Justice Needs and Satisfaction survey. In this way, we obtain and analyze data from citizens, providers, and leaders, mapping out the supply and demands for justice in Fiji.

Dutch Postcode Lottery



In 2019, we became proud partners of the Dutch Postcode Lottery (Nationale Postcode Loterij), one of the largest charity lotteries in the world and one of the largest lotteries in the Netherlands. The Dutch Postcode Lottery now supports our work in Southern Africa with a grant of one million euros. Thanks to our partnership, we continue to scout and support the best justice innovations in the Southern African region and accelerate them so they can bring access to justice to millions of people. In the next two years we will establish a permanent Justice Innovation Hub for Southern Africa, manned by our local team in Johannesburg. This local Hub will support many more justice innovations and, as a result, make greater social impact.

UNHCR



In 2019 HiiL established a partnership with the United Nations High Commissioner for Refugees (UNHCR) to collect and analyse data on the justice needs of refugees, IDPs, stateless people and local hosting populations. HiiL applied the Justice Needs and Satisfaction methodology and started with a first study on the justice needs of refugees and host communities in Ethiopia. HiiL is excited to develop this new and important partnership in order to fill a critical gap in the knowledge base around the justice needs of forcibly displaced and stateless populations.

MoTT Foundation



The MoTT Foundation provided HiiL with a general purpose grant to support activities. These funds were split between HiiL's Justice Accelerator and Justice Research & Development Product Groups. The Justice Accelerator activities include support to an Innovation Hub in Ukraine, identifying and incubating promising justice innovations. Whilst the Justice Research & Development activities included funding local actors in Ukraine to conduct a study of the justice needs of small – medium enterprises. The study follows on from the findings of the Justice Needs and Satisfaction survey in Ukraine, that identified small – medium enterprises as both a critical gap in data and one of the most pressing needs.



Fonds Conjoint, Ministry of Justice of Mali and the Dutch Embassy Mali

After the first Justice Needs and Satisfaction study for Mali in 2014, HiiL presented the results of the second Justice Needs and Satisfaction in Mali in April 2019 in Bamako. HiiL built a strong cooperation with the high-rank officials of the Ministry of Justice. With the foundations laid, preparations started for HiiL's justice innovation dialogues. In these dialogues Malian justice leaders come together to familiarise themselves with data and evidence, set goals, design and pilot innovative strategies and build collaborative partnerships.



FACES OF HiiL

Roger El Khoury,

Senior Justice Sector Advisor, Representative Arab Countries

Roger is in charge of building new partnerships with relevant stakeholders in the MENA region and supporting the visibility and activity of HiiL with Arab Ministries of Justice, NGOs and CSOs. On the local level, he plays a role as Senior Justice Sector advisor for several projects in the region.



Deme So



HiiL has been in partnership with Deme So (Mali's leading paralegal network organisation) since conducting the first wave of Justice Needs and Satisfaction Survey back in 2014. Together with Deme So, HiiL is helping improve access to justice for Malians while strengthening Deme So's capacity through training and knowledge sharing.

Ministry of Justice of Niger



In follow up of HiiL's participation at the high level Ministerial Meeting on Access to Justice of the G7+ in April 2019, HiiL was invited by the Minister of Justice of Niger to explore avenues of improved rule of law building in fragile states, such as in the Sahel. As a result a Memorandum of Understanding on collaboration on data, innovation and transformation was signed.

Municipality of The Hague



Together with the City of the Hague, we developed a city Justice Justice Needs and Satisfaction tool to map the justice problems of citizens in the Hague. We prepared for conducting focus groups with women and people with a low income - to understand the problems of more vulnerable groups in the city. Parallel to these efforts we started a stakeholder analysis of other organisations in the Hague that are developing solutions for access to justice. Over the year, the cooperation intensified, leading to a serious partnership for HiiL's Innovating Justice Forum 2020.

Nederlandse Vereniging voor Rechtspraak (NVvR)



The NVvR and HiiL organised sessions where a group of various professionals discussed the challenges of adaptive change: a way to create legal care which connects instead of divides. The group focused on initiatives for solving neighbour disputes and on new procedures for every-day crime.

Center on International Cooperation New York University



HiiL actively contributed to the outcome reports of the Task Force on Justice, in particular its Justice Gap and Justice Innovation Working Groups. HiiL's CEO was senior adviser to the Task Force. The Task Force on Justice is an initiative of the Pathfinders for Peaceful, Just and Inclusive Societies, co-chaired by the Kingdom of the Netherlands, Sierra Leone, Argentina and the Elders.

IAALS (Institute for the Advancement of the American Legal System)



HiiL started preparations for a Justice Needs and Satisfaction Survey in the United States. The objective of the partnership is to develop an understanding of the overall trends in the United States, and identify in detail the legal needs of American citizens. This will provide a basis for a more empirically based approach to reform of the country's legal system.

Justice42



HiiL is a minority shareholder in Justice42. Justice42 BV was founded in 2017. It is founded on the evidence that supporting and stimulating people to solve conflicts by themselves in an early stage can prevent escalation. Technology plays an important role in building self-reliance and confidence.

Building on the lessons learned from HiiL's "Rechtwijzer", a new, sophisticated ODR platform was built named, 'Uitelkaar.nl'. It assists partners that are separating in having a structured dialogue on divorce and parenting agreements and subsequently having those agreements formalised in court.

Clifford Chance



At the UN General Assembly week in September, HiiL and Clifford Chance announced the establishment of a global, multi-year partnership to promote equal access to justice for all in line with Sustainable Development Goals 16.3, with a focus on Africa. The partnership is built on the new vision for realising SDG16.3 outlined by the Task Force on Justice in its report of July 2019 and in the Hague Declaration on Access to Justice.



Jeroen Ouwehand, Clifford Chance's Global Senior Partner, with Sam Muller, New York City, the United States.

TAKING
A WATERSHED YEAR
FURTHER

What we learned

We worked to make our collected data and evidence about what works more actionable. As a learning organisation, this year we upgraded HiiL's [Justice Needs and Satisfaction \(JNS\) survey tool](#), which is now even better for use in 2020. We also developed a first version of a method to share what works to prevent justice problems and to deliver justice: the [Justice Dashboard](#) brings together our data in comparable charts tailored to the choice of the audience.

We have learned how to convene a credible stakeholder team that can develop innovation strategies. We learned a lot about integrating data into that process while keeping local ownership. We learned how to build a container of trust in which difference is present and used. We know what the core elements of an innovation strategy should be. We are learning how to engage politically.

The development of the [Justice Accelerator](#) model remains ongoing to help accelerate promising justice innovations along their journey. The acceleration programme is increasingly targeted and specific. We have instituted mentors. We have stepped up our community building. Our understanding of the needs and the constraints in which justice innovators operate steadily improves, and we respond.

Based on that, we are developing a financing facility for the top-tier innovators. We also learned how we can have more impact and attract more local funding through local Justice Accelerators. To this end, we now have plans underway to set up four local programmes as social franchises in Lagos, Nairobi, Johannesburg, Kyiv and Tunis.

We learned that our organisation must be more solid, well-structured and organised for us to do the work that we have, and that is still coming our way. The requirements for the developing context we work in are clear: increase the ability to absorb and manage more funding; further, improve our attractiveness for talent to join HiiL and stay. We need to be more present in the field. While being fully aware of the risks involved with working in the countries we do, we are working to improve our capacity to manage and mitigate those risks.

In 2019, it became even clearer that many of our projects tie together the work of one or more product groups. So, we transitioned to a project-driven way of working. Project teams are led by a team of project managers who are responsible for delivery on time within budget. IT infrastructure and budget have both been adapted to that way of working.

We learned that the new branding that we developed in 2018 works because it reflects better what we deliver: user friendly justice. We also learned that our capacity for communicating is limited and that we must make choices to focus.

Lastly, we learned that we need a more structured method and anchor for learning as an organisation. In conversation with our partners, we have therefore set up an explicit measuring, evaluation and learning function within the organisation.

FACES OF HiiL

Themba Mahleka and Adam Oxford, *Innovating Justice Agents, Southern Africa*

Themba and Adam are responsible for running the HiiL Justice Accelerator in Southern Africa from their office in Johannesburg, South Africa. They identify and support start-ups in the region whose innovative solutions increase access to justice. These innovations receive support through a small grant as well as business development guidance, mentorship and access to our network.



The year ahead

If 2019 was a watershed year, 2020 is the year to start capitalising on it. Making the real change that is needed. 2020 is the start of the Decade of Action; ten years to achieve the Sustainable Development Goals as set by the United Nations.

Ten years sounds like a lot, but in terms of delivering user friendly justice a decade means we feel a profound sense of urgency.

In our 2020 - 2021 strategy we focus on 7 goals:

1

We support 4-6 governments and other stakeholders to increase the availability of user friendly justice.

2

Two game-changing justice innovations we support are able to operate on the basis of a sustainable funding model and 50 innovations are in the pipeline.

3

Our data about justice needs, research about what works and justice sector trends allow us to support effective innovation strategies and a pipeline of effective innovations in HiiL projects and beyond.

4

HiiL is a learning organisation that constantly evaluates and – where needed – improves its methods.

5

We are effectively engaged with our key stakeholders about the need for user friendly justice and how it can be realised.

6

Our funding base has grown and is more diverse.

7

Support for our people and operations is in order to promote maximum well-being and effectiveness.

These goals have our undivided attention in 2020. You can read more about them in our [Strategy 2020-2021](#).

FINANCE AND ADMINISTRATION

Finance and administration

Risk policy and management

HiiL has a number of instruments to safeguard the risks it is exposed to whilst, at the same time, enabling the internal organisation to be dynamic and innovative. An inevitable risk we face is operating in fragile states. Another is the numerous engagements we undertake in order to realise our results. We rely on strict controls to prevent conflicts of interests and remain transparent. These controls can be found in the Articles of Association, our employee handbook, the Code of Conduct and the governance of the organisation.

There is an ambitious strategic plan at HiiL and committed staff working to implement it. This could lead to excessive work pressure on staff. To avoid this, progress towards goals is reviewed regularly and plans are modified as needed if they prove to be unrealistic to achieve and for staff to execute.

We monitor the budget on a monthly basis, and forecast cash-flow every 18 months. We manage our sales funnel actively to ensure long term continuity in order to achieve our goal. The structured financial planning resulted in a healthy operating result.

The programme and project-related risks of HiiL can also be significant. We take all risks into account before committing to a program or project. However, the existence of risk does not deter us from pursuing our commitment to contribute to user friendly justice for 150 million people. Our approach is to establish awareness of risk and discuss it frequently with responsible officials and the staff involved. We maintain a Risk Register, which is updated periodically - and at least once a year. At the July meeting with the Supervisory Board the Risk Register is an explicit and recurring agenda item.

The currency risk largely concerns transactions in US dollars. Management decided that the cost of hedging these currency risks does not outweigh the benefits.

HiiL does not have a significant credit risk. Account receivables are mainly related to grants from solid public or private institutions.

Overall, risks are discussed within the Senior Management Team meetings that take place bi-weekly. Quick action to mitigate the risks is taken as and when a need arises. Once a year, the Supervisory Board and Senior Management Team assess the risk register and adjust wherever necessary.

Organisational and administrative support

In 2019, we continued working with both external administrative support (for our bookkeeping) and an in house financial controller (for day to day monitoring of the operations).

Early 2018 we concluded that an investment in the current IT infrastructure was needed for future growth. We defined our terms of reference and started working late summer with an external partner. We choose a model with different tools that enables us to work independent of time and place and to communicate properly with each other. A model that avoids a lock-in with one or two bigger systems and keeps the flexibility that is needed in a fast changing world and IT landscape. In 2019 we have executed the main part of the implementation of the investment. The implementation costs exceeded the budget by \pm € 50,000 as a consequence of investing in the increased capacity of the tools dispensable to all HiiL staff which was required to prepare for future growth.

Financial position and liquidity

The financial position of HiiL is healthy. The solvency ratio (total reserves divided by total liabilities) as per 31 December 2019 is 19%. The current ratio (current assets divided by total debts) is 1.2%. This is sufficient to meet the short and long term payment obligations.

The capital management is risk-averse and the cash and cash equivalents of HiiL are held only on current accounts and savings. Cash and cash equivalents increased (2018 € 7,917,135 – 2019 € 9,966,974). This is mainly caused by amounts received in advance in 2019 for projects that have to be partially executed in 2020. The current liquidity position is sustainable.

HiiL operates in a dynamic environment, but we have shown in the last two years that we are able to create a healthy financial position and a good liquidity position in the long run.

As of April 1st, 2020 we are being confronted with negative interest charges. Our bank will charge 0,5 % over the liquidity position above € 2,500,000. We are in consultation with our partners in order to streamline our funding with them.

Contingency reserve

The contingency reserve is designed to create a buffer. Its purpose is twofold. First, it ensures that HiiL could go without a few months of income, in the case of being forced to stop the activities of the organisation. The second purpose is to cover the costs involved in case the organisation is forced to be dissolved. In 2020, the Supervisory Board decided in their April meeting that the desired size of the reserve is set at € 1,800,000. At balance date, the reserve amounts to € 1,815,844.

Facing the worldwide developments of the COVID-19 virus we are preparing for the several scenarios this can bring, with the contingency reserve we have a solid base for this.

Designated reserve

In 2017, HiiL participated in the company J42 and a designated reserve of € 151,837 was the result as per December 31 2019. For more information see page 65.

Financial overview

Budget

The budgeted revenue for 2019 was € 7,626,252. We were unable to fully implement that budget and realized € 6,370,379. We managed our cost of sales, material costs and indirect costs consciously and were able to realise a positive net result of € 229,892.

There were two main reasons for the lower realisation. Firstly, the effort that was needed to fully implement the organisational development process took longer than anticipated. Secondly, coupled with that, bringing all the necessary new colleagues on board took longer than we had hoped.

Revenue

The revenue increased with 44% compared to 2018 (2019: € 6,370,379 – 2018: € 4,422,145). See below for a detailed income per funding partner. Revenues with partners below € 40,000 are totalized under Other partners:

	2019	%	2018	%
Dutch Embassy Mali	90.000	1%	400.000	9%
Dutch Postcode Lottery (Nationale Postcode Loterij)	312.266	5%	0	0%
European Union	360.053	6%	0	0%
Ford Foundation	0	0%	288.834	7%
Gesellschaft für Internationale Zusammenarbeit	248.466	4%	246.013	6%
Ministry of Foreign Affairs The Netherlands	3.946.209	62%	2.205.724	50%
Municipality of The Hague	44.600	1%	118.940	3%
Private Foundation	93.674	1%	113.486	3%
Swedish International Development Agency	952.313	15%	764.130	17%
United Nations Development Programme	70.297	1%	161.052	4%
University of New York (Center on International Cooperation)	43.776	1%	44.133	1%
Other partners	208.723	3%	81.833	2%
	6.370.379	100%	4.424.145	100%

Cost of sales, material costs, and indirect costs

As indicated, we closely monitored our cost of sales, material costs and indirect costs. Cost of sales had been budgeted for € 3,808,455; the actual was € 2,945,329. Our indirect costs (mainly personnel) had been budgeted for € 3,187,315; the actual was € 2,649,960. In respect, our material costs were € 439,942 and lower than the budgeted € 500,000.

Net revenues (revenues minus cost of sales)

The net revenues were 38 % higher (2019: € 3,817,797 - 2018: € 2,482,151) than in 2018. The realisation of the net revenues fully covered the personnel costs and material costs.

Operating result

The operating result we realized was € 335,148 positive. This is a decrease compared to 2018 when our operating result was € 402,994. However, the operating result is much higher than the budgeted amount of € 130,482.

Overview 2019-2020

Amounts x € 1,000	Budget 2019	Realisation 2019	Budget 2020
<u>Income</u>			
Revenues	7,626	6,370	8,836
Costs of sales	-3,808	-2,945	-3,961
Net revenues	3,818	3,425	4,875
<u>Costs</u>			
Personnel costs	3,188	2,650	3,757
Material costs	500	440	1,050
Various income and costs	0	0	0
Total costs	3,688	3,090	4,807
Operating result	130	335	68

The overview shows a significant growth in gross revenue in 2020, mainly due to 2 new large projects, as well as a positive operating result. Our foundation today is strong enough to manage future growth as we show in our 2020-2021 Strategy and 2020 budget. However, we closely monitor our cost level in order to keep our operational costs in line with the evaluation of our Gross Revenue in the coming years.

A. Balance sheet

Ref.	31-12-2019		31-12-2018	
	€	€	€	€
ASSETS				
1. Non-current assets				
- Housing	0		0	
- Automation	15.777		12.367	
		15.777		12.367
2. Financial fixed assets		152.087		194.217
Current assets				
3. - Receivables	420.389		292.066	
4. - Cash and cash equivalents	9.966.974		7.917.135	
		10.387.363		8.209.201
Total assets		10.555.227		8.415.785
LIABILITIES				
Reserves				
5a. - Designated reserve	151.837		193.967	
5b. - Contingency reserve	1.815.844		1.490.579	
		1.967.681		1.684.546
Debts				
6. - Short term debts		8.587.546		6.731.239
Total liabilities		10.555.227		8.415.785

B. Income statement

<u>Ref.</u>	<u>Realisation 2019</u>	<u>Budget 2019</u>	<u>Realisation 2018</u>
	€	€	€
<u>Income</u>			
Revenues	6.370.379	7.626.252	4.424.145
Costs of sales	<u>-2.945.329</u>	<u>-3.808.455</u>	<u>-1.941.994</u>
Net revenues	<u>3.425.050</u>	<u>3.817.797</u>	<u>2.482.151</u>
<u>Costs</u>			
7. Personnel costs	2.649.960	3.187.315	1.698.342
8. Material costs	<u>439.942</u>	<u>500.000</u>	<u>380.815</u>
Total costs	<u>3.089.902</u>	<u>3.687.315</u>	<u>2.079.157</u>
Operating result	335.148	130.482	402.994
9. Financial income and expenses	<u>-7.593</u>	<u>0</u>	<u>-9.612</u>
Net result for result of participation	327.555	130.482	393.382
Participation result	<u>-97.663</u>	<u>0</u>	<u>-102.638</u>
Net result	<u>229.892</u>	<u>130.482</u>	<u>290.744</u>
<u>Allocation</u>			
Designated reserve	-95.374	0	-110.498
Contingency reserve	<u>325.266</u>	<u>130.482</u>	<u>401.242</u>
Net result	<u>229.892</u>	<u>130.482</u>	<u>290.744</u>

C. Specification of the Revenues

	2019	%	2018	%
Dutch Embassy Mali	90.000	1%	400.000	9%
Dutch Postcode Lottery (Nationale Postcode Loterij)	312.266	5%	0	0%
European Union	360.053	6%	0	0%
Ford Foundation	0	0%	288.834	7%
Gesellschaft für Internationale Zusammenarbeit	248.466	4%	246.013	6%
Ministry of Foreign Affairs The Netherlands	3.946.209	62%	2.205.724	50%
Municipality of The Hague	44.600	1%	118.940	3%
Private Foundation	93.674	1%	113.486	3%
Swedish International Development Agency	952.313	15%	764.130	17%
United Nations Development Programme	70.297	1%	161.052	4%
University of New York (Center on International Cooperation)	43.776	1%	44.133	1%
Other partners	208.723	3%	81.833	2%
	6.370.379	100%	4.424.145	100%

In the amount of Other partners are partners which have contributed less than € 40.000 on an annual basis.

D. Explanatory notes for the annual accounts

HiiL

HiiL was established in 2005 as the Hague Institute for the Internationalisation of Law. A foundation with financial support from the Dutch Government and The Netherlands Organisation for Scientific Research. The goal: to better understand the profound changes that are occurring in the environment in which legal systems operate and, on that basis, to concretely contribute to adapting them to today's world. One of the key trends we focused on from the start was internationalization: the increased transnational connectedness between legal systems, either directly or through international organisations.

We transitioned as of 2012 into the social enterprise we now are. We recently decided to change one word in our name: the Hague Institute for Innovation of Law. This decision is effectuated formally. Using the knowledge base that had been built the focus is on impact, and helping clients design and implement justice journeys that work in the 21st century and that are user-centred, accessible, effective, and founded on sustainable funding models.

Our office is located at Fluwelen Burgwal 58 in The Hague. We are registered with the Chamber of Commerce in The Hague under number 27290536.

The Dutch Tax and Customs Administration has designated us as an 'Public Benefit Organisation' (Algemeen Nut Beogende Instelling, ANBI) which means that donations to us are exempt from gift tax and inheritance tax (within legal limits).

Participation

HiiL is participating in J42 via 250 ordinary shares against payment by HiiL of the nominal value of such shares, a share premium, the consideration in kind by HiiL of making available to J42 certain IP, know how and related IPR that is either necessary or otherwise useful for the platform of J42 in the broadest sense of the world. In addition to the shares, for divorces in the Netherlands, J42 will pay HiiL a 3% case fee on his margin (intake + review fee less related external costs), when J42 has a profitable year.

It has been agreed that HiiL grants J42 a perpetual worldwide, royalty free license - with the right to sublicense to J42 subsidiaries and/or affiliates to use, market, exploit, further develop, augment and otherwise amend the concepts and any and all other work results that have been developed related to the platform or will develop after the closing date thereto (collectively 'IP') and related IPR, which J42 has accepted. The license is exclusive for the Netherlands and divorce.

HiiL is not obliged to participate in future rounds raising capital or to fund losses of J42, if any, HiiL is aware that this may have consequences for the % of the shares HiiL holds.

HiiL obtains per 31 December 2019 250 shares from 1,093 shares placed, being 22.87% of the placed shares. In future this percentage could become lower as mentioned in the above paragraph.

Over 2019 J42 realised a loss of € 416,974. The shareholder's equity as per 31 December 2019 of J42 was € 663,831 and this amount multiplied by the 22,87% stake that HiiL obtains results in a value in the participation of J42 being € 151,837.

The € 151,837 is shown as part of the shareholder's equity being reflected as 'Designated reserve' (in Dutch: Bestemmingsreserve). The designated reserve is only related to the participation in J42.

Approval and adoption of the financial statements 2019

The Supervisory Board approved the annual report and the financial statements 2019 of the Institution in the 68th meeting of the Supervisory Board, held on 15 April 2020, including the allocation of the result, as presented on page 56 income statement. The Executive Board adopted the annual report and the financial statements 2019.

Post balance sheet events

There have been no significant events post balance date which would materially affect the financial statements.

Accounting Principles

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

General information

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands (Guideline 640 of the Dutch Accounting Standards Board, the guideline for non-profit organisations).

The balance sheet, income statement and cash flow statement include references to the notes.

Going concern

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

Comparative figures

The accounting policies are consistent with those used in the previous year.

Accounting policies for the balance sheet

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or at current value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred.

The non-current assets are valued against purchase price with a deduction for straight-line depreciation based on the estimated economic lifespan. Investments of less than € 500 are not capitalised. The estimated economic lifespan of housing, automation and other equipment and furniture is set at five years. The depreciation of the investments is pro rata.

Receivables are recognized at fair value. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a receivable is uncollectible, it is written off against the provision for bad debts.

Cash and cash equivalents include cash in hand and bank balances. Cash and cash equivalents are stated at face value.

The continuity reserve is to ensure that we can continue its activities and to meet its obligations. The continuity reserve per balance date is sufficient for these purposes.

The designated reserve is related to the participation in J42 only.

The short terms debts, accruals and deferred income concerns categories with a remaining term of less than one year.

We use the billable hours spent and the billable costs of sales to determine the appropriate amount to be recognised in a certain period. If the result recognised exceeds the invoiced received installments, projects are presented in the balance sheet as amounts to be invoiced received. If the result recognised is less than the invoiced received amounts or received amounts it is presented as short term debts (still to be spent on the objective).

Accounting policies for the income statement

Income and expenditures are recognized as they are earned or incurred and are accounted for in the financial statements in the year to which they relate. Profit or loss is determined as the difference between the realisable value of the services delivered and the costs and other charges for the year.

Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Any resulting exchange differences are recognised through income and expenditure.

Non-current assets are carried at cost less straight-line-depreciation over their estimated useful lives. The estimated economic life is set at five years. Gains and losses on the sale of non-current assets are included in the income statement.

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Interest paid and received is recognized on a time-weighted basis, taken account of the effective interest rate concerned.

E. Cash flow statement

The cash flow statement analyses the changes in cash and cash equivalents between 1 January 2019 and 31 December 2019 and is prepared according to the indirect method. Cash flows in foreign currency have been converted into Euro using the exchange rate valid on the transaction date. In 2019, the cash and cash equivalents increased by € 2,049,839. Main reason for the increase is through amounts received in advance in 2019 for projects that has to be partially also executed in 2020.

Ref.

Amounts x € 1,000	<u>Realisation 2019</u>	<u>Realisation 2018</u>
<u>Cash flows from operating activities</u>		
Net result	335,1	403,0
Depreciation	6,5	5,5
Financial Income and expenses	<u>-7,6</u>	<u>-9,6</u>
	334,0	398,9
Mutations in working capital:		
3. - Receivables	-128,3	412,0
6. - Debts	<u>1.856,3</u>	<u>4.130,1</u>
	<u>1.728,0</u>	<u>4.542,1</u>
Total cash flows from operating activities	2.062,0	4.941,0
<u>Cash flows from investing activities</u>		
Mutations:		
1. Investments non-current assets	-9,9	-6,1
2. Financial fixed assets	<u>-2,2</u>	<u>7,8</u>
Total cash flows from investing activities	<u>-12,1</u>	<u>1,7</u>
3. Net changes in cash and cash equivalents	<u>2.049,9</u>	<u>4.942,7</u>
Cash and cash equivalents 1 January	7.917,1	2.974,4
Cash and cash equivalents 31 December	<u>9.967,0</u>	<u>7.917,1</u>
Net changes in cash and cash equivalents	<u>2.049,9</u>	<u>4.942,7</u>

F. Notes to the balance sheet

1. Non-current assets

	<u>Housing</u>	<u>Automation</u>	<u>Total</u>
	€	€	€
Balance 1 January	0	12.367	12.367
Mutations 2019:			
- Investments	0	9.938	9.938
- Desinvestments	0	0	0
- Depreciation desinvestments	0	0	0
- Depreciation	0	-6.528	-6.528
	<u>0</u>	<u>-6.528</u>	<u>-6.528</u>
Balance 31 December	<u>0</u>	<u>15.777</u>	<u>15.777</u>
Purchase value		209.091	209.091
Cumulative desinvestments		0	0
Cumulative depreciation desinvestments		0	0
Cumulative depreciation		-193.314	-193.314
		<u>-193.314</u>	<u>-193.314</u>
Balance 31 December	<u>0</u>	<u>15.777</u>	<u>15.777</u>

	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
2. <u>Financial fixed assets</u>		
Participation Justice42	<u>152.087</u>	<u>194.217</u>
Total financial fixed assets	<u><u>152.087</u></u>	<u><u>194.217</u></u>
3. <u>Receivables</u>		
Rechtwijzer	0	2.290
Debtors	160.935	172.624
Other receivables	9.229	0
Amounts to be invoiced	199.587	73.516
Advanced payments	50.317	42.762
Interest receivable	<u>321</u>	<u>874</u>
Total receivables	<u><u>420.389</u></u>	<u><u>292.066</u></u>

At the end of 2019 all the other debtors are considered as collectible.

4. <u>Cash and cash equivalents</u>		
ABN AMRO Savings Accounts	9.500.000	7.600.000
ABN AMRO Bank Guarantee Account	167.000	167.000
ABN AMRO Cashmanagement Accounts	291.767	125.890
Deposit	7.874	23.623
Cash in hand	<u>333</u>	<u>622</u>
Total cash and cash equivalents	<u><u>9.966.974</u></u>	<u><u>7.917.135</u></u>

The guarantee account consists of two amounts being € 20,000 for the corporate credit cards and € 147,000 for our project in Mali, but the € 147,000 has become available because the guarantee given is meanwhile expired. The deposit, which is also not free at disposal, consists of € 7,874 for the housing contract. All other cash and cash equivalents can be withdrawn upon demand.

	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
5a. <u>Designated reserve</u>		
Balance 1 January	193.967	242.933
Participation J42	53.244	61.532
Allocation net result	<u>-95.374</u>	<u>-110.498</u>
Balance 31 December	<u>151.837</u>	<u>193.967</u>

The designated reserve was created in 2017 and serves the participation in J42. This reserve is solely meant for this participation. The balance as per 31 December reflects the Net Asset Value of J42 against the participation rate of 22.87%.

5b. Contingency reserve

Balance 1 January	1.490.579	1.089.337
Allocation net result	<u>325.265</u>	<u>401.242</u>
Balance 31 December	<u>1.815.844</u>	<u>1.490.579</u>

The Contingency Fund was set up to allow HiiL to overcome a period of 6 months of limited income or to close down in an orderly fashion if that is required. HiiL has grown in 2019 and therefore the Contingency Fund needs to grow.

6. Short term debts

Still to be spent on the objective *	7.922.469	6.166.599
Balance leave hours and holiday pay	143.527	117.324
Accounts payable	171.278	200.224
Taxes and premiums	156.214	103.420
Pension	35.698	18.693
Project liabilities	7.000	7.000
VAT payable	15.751	7.801
Payable personnel costs	16.430	0
Other liabilities and accruals	<u>119.179</u>	<u>110.178</u>
Total short term debts	<u>8.587.546</u>	<u>6.731.239</u>

* Still to be spent on the objective represents deferred income or invoiced amounts in 2019 for work that still has to be executed in 2020.

COMMITMENTS

Guarantee liabilities

The guarantee liability for the corporate credit cards undertaken by ABN AMRO Bank for our account is € 20,000.

Housing

The renting period of the office space at the Fluwelen Burgwal 58 is almost three years from January 1, 2018 till 31 December 2020. Yearly an indexation of the rent will take place on basis of the CPI. The estimation for 2020 is that approximately in total € 88,759 will be paid for the rent of the office space, desks, chairs and service costs. A deposit of € 7,874 is given to the landlord covering a one month rental period.

Leasing

Per 1 January 2019 a copier was leased. The duration of the contract is 60 months and after the expiry date the contract will be extended annually. The monthly fee is € 668 excluding VAT.

G. Notes to the income statement

	Realisation 2019	Budget 2019	Realisation 2018
	€	€	€
7. <u>Personnel costs</u>			
Gross wages, including holiday pay and year-end bonus HiiL personnel	1.936.319		1.262.946
Social costs	245.304		156.685
Pension costs	256.001		156.628
Travel expenses commuter traffic	28.820		19.979
Indirect personnel costs	<u>183.516</u>		<u>102.104</u>
Total personnel costs	<u>2.649.960</u>	<u>3.187.315</u>	<u>1.698.342</u>
<i>Total FTE (interns excluded)</i>	<u>29,1</u>	<u>34,3</u>	<u>20,2</u>

Report for 'Wet normering topinkomens' (WNT)

Due to the fact that more than 50% of the total gross revenue in 2019 is granted by the Dutch government the Dutch Act 'Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)' applies in 2019 for HiiL. The report below is prepared in line with the applicable regulation for HiiL. The reported maximum amount per person and function is calculated based on the full time equivalent in the labor agreement or the contract of the executive involved.

Supervisory Board

The Supervisory Board receives no remuneration.

Executive Board

	Executives		
	S. Muller	M. Barendrecht	E. Tacoma
Function	<i>Chief Executive Officer</i>	<i>Research Director</i>	<i>Director Justice Accelerator</i>
Period in function	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12
Full time equivalent during the year	1,00 FTE	0,80 FTE	1,00 FTE
Real (or fictive) employment	yes	yes	yes
Remuneration 2019	€ 145.861	€ 115.911	€ 118.558
Provisions remuneration due	€ 20.227	€ 16.865	€ 19.553
Total remuneration 2019 for WNT	€ 166.088	€ 132.776	€ 138.111
Applicable maximum in 2019	€ 194.000	€ 155.200	€ 194.000

The remuneration for Sam Muller, Maurits Barendrecht concerns twelve months.

Comparable figures

	Executives				
	S. Muller	M. Barendrecht	E. Tacoma	E. Tacoma	E. Tacoma
Function	<i>Chief Executive Officer</i>	<i>Research Director</i>	<i>Director of Operations</i>	<i>Director Justice Accelerator</i>	<i>Total</i>
Period in function	01/01 - 31/12	01/01 - 31/12	01/01 - 28/02	01/03 - 31/12	01/01 - 31/12
Full time equivalent during the year	1,00 FTE	0,80 FTE	0,60 FTE	1,00 FTE	0,93 FTE
Real (or fictive) employment	yes	yes	no	yes	
Remuneration 2018	€ 144,146	€ 104,747	€ 14,935	€ 95,520	€ 110,455
Provisions remuneration due	€ 18,583	€ 15,218	€ -	€ 14,586	€ 14,586
Total remuneration 2018 for WNT	€ 162,729	€ 119,965	€ 14,935	€ 110,106	€ 125,041
Applicable maximum in 2018	€ 189,000	€ 151,200	€ 18,900	€ 157,500	€ 176,400

	Realisation 2019	Budget 2019	Realisation 2018
	€	€	€
8. <u>Material costs</u>			
Travel costs	7.398	40.000	7.010
Housing costs	130.539	120.000	102.876
Costs Supervisory Board and PSB	3.047	10.000	11.428
Office costs	156.527	90.000	86.085
Depreciation costs	6.528	5.000	5.501
Sales & Marketing	46.861	80.000	76.535
General costs *	<u>89.042</u>	<u>155.000</u>	<u>91.380</u>
Total material costs	<u>439.942</u>	<u>500.000</u>	<u>380.815</u>

* The general costs consists mainly of costs for outsourcing administrative support, auditor costs, subscriptions and insurances.

9. Financial income and expenses

Financial income	3.601	0	1.056
Financial expenses	<u>11.194</u>	<u>0</u>	<u>10.808</u>
Total financial income and expenses	<u>-7.593</u>	<u>0</u>	<u>-9.752</u>

Post balance sheet events

There have been no significant events post balance date which would materially affect the financial statements.

At the time of preparation of the annual financial statement the Coronavirus (COVID-19) prevails in all over the world, and this affects the countries HiiL is working in. Several government measures are being taken in all countries to minimize the health impact of this virus. We cannot exclude that the aforementioned government measures will lead to a slow down of the foundation's business operations for some time, which will have an impact on the financial position of the foundation to a greater or lesser degree. Governments are also currently taking measures to limit the negative financial consequences for companies. The impact of these measures is still unclear at the time this financial statement is realised. Meanwhile, facing the worldwide developments of the Coronavirus (COVID-19) HiiL is preparing for the several scenarios this can bring.

H. Other information

Independent auditor's report

The independent auditor's report is included at the next page of the financial statements.

INDEPENDENT AUDITOR'S REPORT

To: The supervisory board of Stichting The Hague Institute for Innovation of Law

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

Our opinion

We have audited the financial statements 2019 of Stichting The Hague Institute for Innovation of Law based in The Hague, The Netherlands on page 55 up to and including page 69.

In our opinion, the financial statements give a true and fair view of the financial position of Stichting The Hague Institute for Innovation of Law as at 31 December 2019 and of its result for 2019 in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board and the Policy rules implementation of the Standards for Remuneration Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2019;
2. the income statement for 2019; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing as well as the Policy rules implementation WNT, including the Audit Protocol WNT. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting The Hague Institute for Innovation of Law 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.

Compliance with rule against overlapping pursuant to the WNT not audited

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

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

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the Executive 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 Executive 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 Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guidelines for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board and the Policy rules implementation of the Standards for Remuneration Act (WNT). Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the organisations ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting, unless management either intends to dissolve the foundation or to cease operations, or has no realistic alternative but to do so.

The Executive Board should disclose events and circumstances that may cast significant doubt on the organisations 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 engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing as well as the Policy rules implementation WNT, including the Audit Protocol WNT, ethical requirements and independence requirements. Our audit included among others:

- 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- 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 organisations 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 organisation 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 the supervisory board 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.

Rotterdam, April 29, 2020

HLB Den Hartog
Accountants & Consultants

Signed on original by:
F.A.M. van Dorp RA



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