

A woman with a pink headwrap and a green short-sleeved shirt is standing in a lush green forest. She is holding a large metal jug and pouring water from it. The background is filled with tall, thin trees and dense foliage. The lighting is bright, suggesting a sunny day.

niza
in association with
act:onaid

Annual Report & Accounts 2010

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1. Foreword from the Executive Director

Despite fears that the global economic crisis would continue to worsen in 2010 as projected, overall growth in Sub-Saharan Africa seemed to recover. However, figures can be misleading and may in fact conceal that actual numbers of people in poverty have risen. Without social and economic transformation underpinned by transparency and accountability, growth is unlikely to be sustainable. From this perspective, most countries in Sub-Saharan Africa continue to face persistent challenges: weak governance, human rights violations (particularly against women), and the negative effects of climate change on the livelihoods of the most vulnerable.

In 2010, Niza continued to work with partners and communities to tackle some of the root causes of poverty and inequality. We strongly feel that local communities have the right to benefit fairly from common natural resources, and that these rights should be protected. This report shows that amplifying Southern voices, both in Africa and Europe, will make it possible to hold corporations and governments to account for their practices and policy decisions. Although our funding fell short of our ambitions, we were grateful for the

continued support from our many private and institutional donors. At the end of the year, we learned that Niza and its partners were awarded longterm funding from the Ministry of Foreign Affairs' co-financing scheme, providing a solid base for our work through 2015.

We do not work in isolation. Niza will continue to form alliances with a number of organisations and networks to pursue its objectives. One of our key partnerships is our close cooperation with ActionAid, a global alliance of more than fifty member organisations, mostly from the southern hemisphere. A few months ago, I had the opportunity to attend ActionAid's International Strategy Meeting in Johannesburg. Throughout that week, we critically reflected on our achievements and inspired each other in finding new approaches to fight injustice. The former capital of apartheid was an appropriate venue to remind us that true change can happen.

Looking beyond 2010, the global economy is likely to remain volatile for some time. Cutbacks in development aid and a widespread trend of rethinking approaches to development will bring many changes. In the Netherlands,

the new government has cut the aid budget from 0.8% to 0.7% of GNP and has chosen to base its development policy on the 2010 report "Less Pretence, More Ambition" by the Scientific Council for Government Policy (WRR). This will lead to a dramatic cut in funding for the countries receiving development aid, to a focus on themes that reflect specific knowledge in the Netherlands (such as water and food security), and to closer integration of the interests of the Netherlands' corporate sector and Dutch foreign policy into development policy.

Against the backdrop of these changes in development aid in 2011, Niza will develop a new strategy for 2012 to 2017. This will build on our work to ensure that African communities are able to claim their rights to access, control and benefit from their natural resources as a way to reduce poverty and exclusion. This goal will be met by continuing to assist our African partners in holding governments and corporations accountable with regards to natural resources management. We will need to seek new insights and obtain feedback from our partners and other stakeholders in this endeavour.

In 2011, we will continue our integration into the ActionAid global network and work closely with our Fair, Green and Global Alliance partners. And finally, but perhaps most importantly, we will continue to rely on and be thankful to all those who support Niza's mission and work in one form or another. We simply cannot thank you enough!



Ruud van den Hurk
Executive Director

2. Profile

A brief history of Niza

The Netherlands Institute for Southern Africa (Niza) was founded in 1997 as a merger of three former solidarity movements, the Institute for Southern Africa (formerly Dutch Anti-Apartheid Movement), the Holland Committee on Southern Africa and the Eduardo Mondlane Foundation. The founding organisations had all been involved in providing support to liberation movements and democratisation processes in Southern Africa since 1960.

In the first decade of its existence, Niza's work was organised around programmes supporting open media and freedom of expression, human rights, peace-building and economic justice in Southern Africa. In addition, Niza was actively engaged in lobbying and advocacy initiatives in the Netherlands and in the European Union. A new strategy for 2008-2011 was adopted in 2007, emphasising Niza's commitment to greater socio-economic justice for people in Sub-Saharan Africa related to the use of the continent's considerable natural resources.

Our mission

To support initiatives of African people, particularly those of African women, to

increase their ability to benefit from their own natural resources and to claim their right to a life of dignity.

Our values

Niza lives by the following values:

- *Mutual respect*, compelling us to recognise the innate worth of all people and the value of diversity;
- *Equity and justice*, requiring us to work to ensure equal opportunities for everyone, irrespective of race, age, gender, sexual orientation, HIV status, colour, class, ethnicity, disability, location or religion;
- *Honesty and transparency*, holding us accountable at all levels for the effectiveness of our actions and causing us to be open in our judgements and communications with others;
- *Solidarity with the poor, the powerless and the excluded* will be our only bias in the commitment to the fight against poverty.
- *Courage of conviction*, driving us to be creative and radical, bold and

innovative – without fear of failure – in pursuit of making the greatest possible impact on the causes of poverty;

- *Independence* from any religious or political affiliation;
- *Humility* in our presentation and behaviour, recognising that we are part of a wider alliance against poverty.

Our strategy

Niza is principally engaged in campaigning and advocacy to improve the management and use of natural resources in Africa for the benefit of African people. Our strategy has four main objectives:

- To amplify the voices of African communities and their organisations in order to increase their right to access, control and benefit from natural resources;
- To help ensure that African people are protected by and benefit from effective regulatory frameworks for sustainable socio-economic development;
- To raise awareness in Dutch and EU governments and in international



Members of the Coalition of Women Farmers in Malawi launch a Women Land Right sensitization campaign.



Members of the Coalition of Women Farmers in Malawi launch a Women Land Right sensitization campaign.

companies, advocating that Africa's economic and natural resources must be used to create more prosperity for its poor and excluded;

- To engage and inform citizens in the Netherlands and in Europe, raising public awareness that Africa's economic and natural resources must be used to generate prosperity for its poor and excluded.

In fulfilling these objectives, Niza focuses on Sub-Saharan Africa. Natural resources are widely defined to include minerals, land, forests and water.

Our approach

Inequality and unjust power relations lie at the root of poverty. Niza's work focuses on supporting poor and excluded people in claiming their basic human rights, in particular their right to share in the benefits generated by local natural resources. We work with local partners to equip civil society organisations and to enable joint actions. In close cooperation with our partners, we aim to influence both policy and practice in favour of the poor and excluded in Africa, not just locally, but also nationally and internationally, addressing both decision-makers and the public at large.

Cooperation

Niza has always worked with a large network of partners in Africa and Europe. One partnership particularly worth mentioning is Niza's aspiration to join the ActionAid global federation of organisations. Initial discussions with ActionAid International (AAI) started in 2005. This led to an association agreement with ActionAid in October 2007. Both organisations see great benefit in closer collaboration based on shared values and approaches and in working together on advocacy and campaigning. Niza will formally be affiliated with ActionAid starting in July 2012.



Maureen Adson (25) from Chikojo Village in Malawi: “ I got married in 2007 and a year later, my husband abandoned me and left for South Africa. My parents gave me a small piece of land which did not produce enough yields for me and my child. Then I heard about the REFLECT Circles. After joining the sessions for a few months, I mobilised my fellow landless women and lobbied for the allocation of some farming land for us. Now I have my own plot of land and I have planted maize, groundnuts, pigeon peas, ground beans and tobacco. It is enough to start a new life and hopefully become economically independent.”

3. Activities in 2010

3.1 Our work in Africa: strengthening the voices of communities and their organisations so they benefit from their natural resources

Women and land rights

Description

In 2010, Niza and its partners continued the Women's Land Rights (WOLAR) programme on advancing women's land rights in Zimbabwe, Mozambique, Malawi, South Africa and Zambia. WOLAR started in 2009, working in concert with local ActionAid organisations, NGOCC in Zambia, and with other local partners, financed by the Dutch Ministry of Foreign Affairs' MDG3 Fund. This programme is unique in that it combines empowerment for rural women farmers through rights education, organisational capacity-building, and increased access to justice for land rights violations. This approach increases women's access to productive agricultural resources like credit, training and seeds.

Progress and results

The WOLAR programme generates further empowerment, solidarity and increased opportunities to improve the livelihoods of women farmers. As a consequence, local leadership and

the extended community have started to respond more positively to women's land-related concerns. More women are now able to claim their rights at the local, regional and national levels.

For example, in 2010, in various areas of Malawi, women farmers gathered weekly in small groups of 25 called “REFLECT Circles”. These women come together for literacy training (many are illiterate, presenting a particular challenge in addressing land issues) and to learn about women's land rights. In these groups, they also discuss the challenges faced that week and work together to address those problems. In all, over 90 such groups were established across the country. In the Dowa district, for instance, which is close to the capital of Lilongwe, increased solidarity between women led them to organise monthly community meetings of women farmers, their communities, traditional leaders and local government representatives. At these gatherings, they presented their challenges and requests through



Women participating in a WOLAR REFLECT Circle. In Malawi 2250 women farmers grouped in 91 REFLECT circles are trained to gain literacy skills and knowledge on their land rights.

song, dance, petitions and other creative means and demanded space in which to claim their rights to land.

Activities in Malawi alone have, to date, made it possible for roughly 2,250 women to gather for weekly literacy training and rights education. They are now organising monthly public events in local communities where they present their concerns and jointly seek to defend their land rights. Some of these groups are managing small revolving funds to support one another in improving their livelihoods. As a result of the WOLAR project, 300 women in Malawi gained independent access to land through traditional structures. As another indication of the value of these initiatives, the “REFLECT Circles” were awarded an Honourable Mention in the 2010 UNESCO Confucius Prize for Literacy.

Community monitoring in mining area's

Description

Formed in 2008, the International Alliance on Natural Resources in Africa (IANRA) is a network of 18 civil society organisations from 8 different African countries. While campaigning for sustainable natural resources management, IANRA additionally seeks to link and

thus strengthen African and European research, advocacy and campaigning. Niza is a member of IANRA.

The Community Monitoring and Action Research Project is a joint project of IANRA members in Zambia, Malawi and South Africa. The project aims to enable communities who are negatively affected by mining, to monitor and communicate the impact of mining on their daily lives. It also helps to promote the issues affecting specific communities, assists in mobilising communities in defence of their rights and builds solidarity and networks across these three Southern African countries.

Progress and results

As part of the project, community activists (known as ‘monitors’) receive training at Monitoring Schools where they learn to use internet-based technology both in classroom sessions and in field training. In the second stage of training, this education is complemented by community-based action research.

In 2010, Monitoring Schools in South Africa, Zambia and Malawi trained 19 monitors in skills such as rights awareness, community organisation, writing, community-based action research (which includes mapping and documenting the impact of mining

on communities), and computer skills including blogging and organising Facebook discussions. At the end of 2010, the project had produced 10 live blogs and reported on eleven community monitoring activities.

Not only the training in writing and computer skills, but also the actual publication of their words has led to a visible development of important competencies and a sense of achievement and self-confidence in the newly trained monitors. Exposure to community-based action research helped these activists draw attention to key community issues.

Mobilisation of mining communities

Description

In 2008, the French uranium mining company Areva announced its plan to open a uranium mine in the Central African Republic (CAR). As one of the poorest countries in Africa, this small, landlocked country has no previous experience in sustainable uranium mining, let alone in dealing with multinational companies like Areva. The country has weak mining laws, and communities around the planned mine site have no knowledge of the hazards

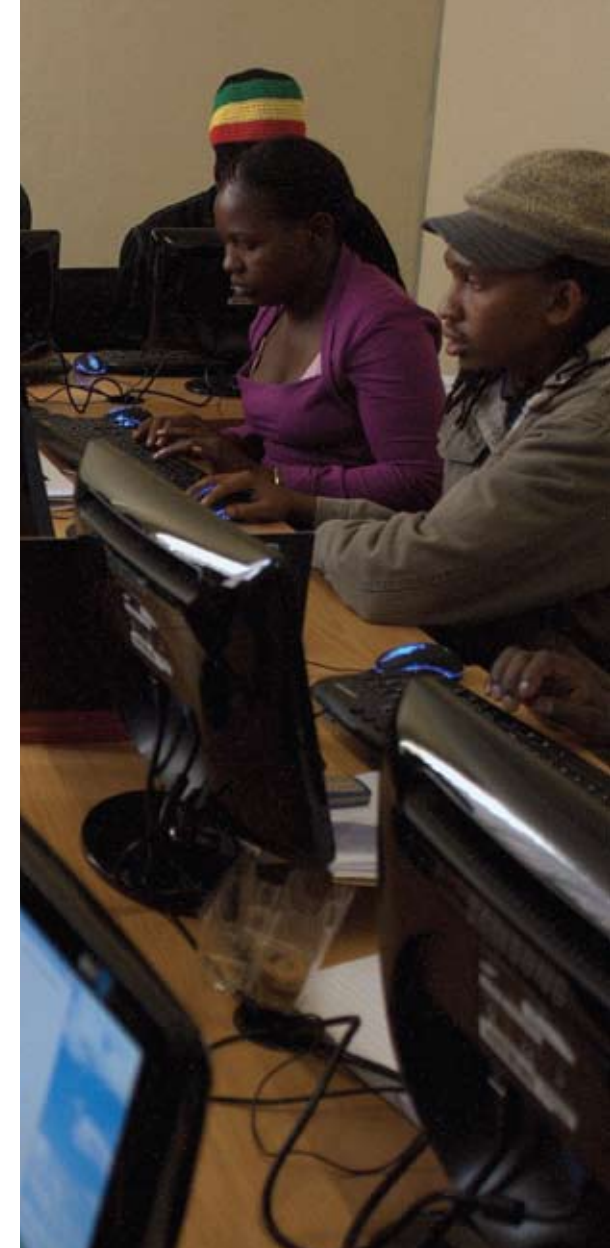
of radiation and of the environmental pollution related to uranium mining. Therefore, Niza developed a mobilisation plan aiming to encourage local communities to speak out by training local civil society organisations and by informing them of the environmental risks of uranium mining. These organisations now have the knowledge and the tools they need to support local communities in protecting their rights.

Progress and results

In 2010, Niza organised a workshop on Environmental and Social Impact Assessments (ESIA). By law, Areva must develop an ESIA and present it to the local civil society. However, civil society organisations in the CAR lack knowledge of what an ESIA entails. The workshop was attended by 10 organisations and was valued as highly important and a good learning experience.

An important outcome of Niza's mobilisation work in the CAR was a meeting between Areva, Niza and civil society organisations. The meeting led to a change in the company's attitude towards involving civil society. Areva's CEO in the CAR acknowledged the importance of community consultation and promised to communicate planned activities to local civil society organisations in open discourse.

Back in the Netherlands, Niza was recognised as an important repository of knowledge on uranium mining in Africa. This resulted in a closer collaboration with several international NGO's (particularly Dutch and Belgian) working in that field, i.e. SOMO, WISE, Niza, IPIS, and Greenpeace International. Now, significantly, policymakers at the European level who are responsible for coordinating uranium supply and trade within the EU are more aware of the implications that uranium mining has for local communities in African countries.



Monitors are trained in South Africa in computer skills including blogging and organising Facebook discussions.

3.2 Our work in Africa: developing effective regulation against unsustainable management of natural resources

Advocacy for women's land rights

Description

One of the strengths of Niza's Women's Land Rights in Southern Africa (WOLAR) programme is its regional character. As part of Niza's ongoing work to advance women's rights to land, Niza and its partners link local empowerment of women in their rights to access and control land with the mobilisation of national and regional political support.

Niza has facilitated several regional platforms for civil society in Southern Africa who fight for women's land rights by developing a united front in influencing regional and global policy decisions. Niza sees this as a basis for work in the next years, strengthening the voices of women who own and operate small farms and of the civil society groups who are working with them.

Progress and results

For example, national public campaigns are taking place in various forms in Malawi, Zambia and Zimbabwe. Provincial meetings and summits are also being organised in South Africa to raise the visibility of small-scale, women-owned farms and the important role they

play in food production. These activities enable women to publicly demand equal land rights from national and regional decision-makers.

Furthermore, in 2010 Niza saw an increase in policy concerning the worrisome "land grab" phenomenon. Land grabs are transactions in which foreign governments, international investors and national and international companies buy or lease large plots of agricultural land for prices significantly below market value. In Africa, this new trend has serious implications for rural women who depend on the land for their livelihoods because their land rights are often poorly secured. Through the WOLAR project, participating women farmers and their organisations were able to access international policy platforms (like the FAO forums on land grabbing and food security), giving them the opportunity to advocate the inclusion of women's land rights concerns in international policy decisions and responses to the increasing practice of land grabbing in Africa.



Members of the Coalition of Women Farmers (COWFA) in Malawi are advocating for women land rights. Two of the rights violations that women in Malawi face are challenges in land ownership and control of proceeds.

Solidarity for fair taxation

Description

Unfortunately, Zambia's tax concessions for copper mining companies have failed to lift the country out of poverty and have done little to bring about a more equitable distribution of mineral wealth. Zambian civil society is concerned with this unfair and unbalanced policy and is striving to change the financial and regulatory regimes. In 2010, the International Alliance of Natural Resources in Africa (IANRA), of which Niza is a member, organised its first regional solidarity meeting to mobilise joint regional advocacy and policy work. The Zambian case was a main point of discussion at this meeting.

Progress and results

The solidarity meeting, where civil society organisations and affected communities from 8 African countries met with international partners, resulted in increased attention for issues of mining taxation in Zambia. IANRA members now have a better understanding of the mining tax regime in Zambia and of issues concerning tax regimes in general. This in turn enables them to engage more effectively with approaches to taxation in their own countries.

Equally importantly, the meeting concluded with the issuing of a joint declaration on alternatives in mining taxation – better known as The Lusaka Declaration. It was presented to the

Zambian Permanent Secretary of the Ministry of Mines and generated a lot of local media attention. In reaction to the media coverage, the Ministry welcomed different points of view on the issue. The meeting and its resulting Declaration have opened dialogue between civil society and government institutions. The Declaration not only continues to be used as a key document in the Zambian context, but also serves as a model in other IANRA member countries. IANRA will continue to introduce new approaches to achieve more equitable benefits for all people in resource-rich countries.

Protection by regional policy framework

Description

One of the main goals of Niza and its partners in Africa is to develop a strong legislative framework in Africa which protects and respects the rights of local populations where these rights are violated by multinational mining companies. In 2008, the African Union took a major step in ensuring that Africa's mineral resources contribute meaningfully to the continent's development by launching the African Mining Vision. This pan-African policy framework identifies natural resources, especially in the mining

sector, as key to spurring industrialisation in Africa and sparking development in the African economy.

Progress and results

One underexposed component of the African Mining Vision is its specific focus on corporate accountability. Due to Niza's regional expertise on natural resources gained through the IANRA network, the Special Committee of the United Nations Economic Commission for Africa asked Niza for suggestions on how to integrate corporate accountability into the African Mining Vision. This request was based not only on Niza's understanding of natural resource policy, but also on its knowledge of global standards of business and human rights. These policies and global standards were recently put forth by Prof. John Ruggie (Special Representative to the UN) in his report "Protect, Respect and Remedy". His report is increasingly seen as the authoritative reference on corporate accountability.

Throughout 2010, Niza was increasingly recognised for its expertise on corporate accountability standards and guidelines. For example, the Dutch Labour Party (PvdA) approached Niza and requested more input on this topic.



Fuvya Nyirongo – IANRA member from Zambia: “The main issue we face in improving the natural resource industry is that mining companies hardly pay any taxes. They just extract minerals from the Zambian soil, but hardly pay our country anything in return.”

3.3 Our work in Europe: advocacy and awareness-raising among decision-makers to ensure the poor and excluded benefit

Impact of biofuels

Description

Only a few years ago, biofuels were seen by many as an innovative, environmentally friendly and relatively simple step towards cutting greenhouse gas emissions while reducing dependence on oil. It sounded like the perfect solution; not only would this new 'green' fuel replace the 'dirty' fossil fuels of the past, but it would also help solve the energy and the climate crises. However, the debate on biofuels has changed dramatically since then. They are no longer seen as a solution for climate change; in fact, they may actually be contributing to the release of greenhouse gases.

Biofuels have also contributed to another trend: all around the developing world, local communities are waking up to discover that their land – land on which they grow food, collect firewood or provide fodder for grazing livestock – is being grabbed by international companies to grow biofuel crops, often against the communities' will. This ultimately has severe consequences on food security for local communities in these countries.

Progress and results

In close collaboration with ActionAid, Niza launched the 'Meals per Gallon' report in February 2010 concerning the impact of biofuels on people and world hunger. Niza contributed to the report with a case study from Tanzania. The report called upon European governments to prioritise other sources of renewable energy to meet the European Union's Renewable Energy Directive. This Energy Directive sets a target of using 10% renewable energy in the transport sector by 2020, with this increase coming primarily from biofuels.

The launch of the 'Meals per Gallon' report led to articles in three major Dutch newspapers (*Metro*, *Financieel Dagblad* and *NRC Next*), some regional newspapers (*Brabants Dagblad*) and on a number of websites. About 30,000 people across Europe responded to the call for action.

Niza also spoke with Dutch MPs, advocating the recognition of the negative impact of biofuels produced from food stock on local land rights and local food security. In June 2010,



Community members in Tanzania meet to discuss the problems of a big biofuels company in their area.

the Dutch government decided to limit growth in biofuels used in the transport sector. The government also promotes the development of biofuels produced from waste material (second-generation biofuels) instead of from food stocks.

Tax avoidance

Description

Taxes pay for society's foundations, for schools, hospitals and roads. Developing countries need more tax revenues to provide basic public services necessary to alleviate poverty, raise living standards and become less dependent on aid. Many companies however, use loopholes to avoid paying taxes in developing countries. There are no laws that ban

companies from routing tax money through opaque tax havens; indeed, this practice is accepted as the normal way of doing business. However, as a result, Africa is losing out on tax revenues. The money Africa loses through this route is several times higher than what it receives in aid.

Progress and results

In November 2010, in collaboration with ActionAid, Niza published the report 'Calling Time: Why SABMiller should stop dodging taxes in Africa'. The report focuses on tax avoidance practices by SABMiller, the second-largest beer brewer in the world and parent company of Grolsch. Many of the African brands of SABMiller are not registered in the

country in which they are brewed and consumed. These local brands are registered in the Netherlands. By paying royalties to the Dutch office for using these brands, the company keeps its profits in Africa low - and thus minimises the taxes it pays in Africa. At the same time, SABMiller takes advantage of a set of Dutch tax rules that enables companies to pay almost no tax on the royalties they earn. This results in a kind of financial alchemy that makes SABMiller rich but keeps African countries poor. The publication of this report resulted in a significant article in a major Dutch newspaper, *De Volkskrant*, raising public awareness on the negative impact of the current Dutch tax system on developing countries. As a result of the article in *De Volkskrant*, political questions about the report were raised in Parliament, and a motion was passed requesting that the government look into possible measures on the issue at both national and international levels.

Mining and rights

Description

Zimbabwe continues to warrant attention because of ongoing repression and human rights violations. President Mugabe and a small clique of security officials have found a new avenue for financing paramilitary activities through

illegal profits from new diamond fields in the Marange district. Military control of the exploitation in the diamond fields has led both to gross human rights violations and to the eviction of entire communities from their lands. Niza considers the diamond issue an extreme example of mismanagement and plundering of Zimbabwe's natural resources at the expense of its people.

Progress and results

Throughout 2010, Niza worked to streamline NGO activities in Zimbabwe and share information about those activities around Europe, including in the Netherlands. Niza also supported Zimbabwean civil society organisations in their efforts towards increased reform, transparency and accountability in the diamond-mining sector, both at national and European levels. An urgent situation arose when, in May, a locally based NGO called the Centre for Research and Development (CRD) came under attack by the local government. Its offices were ransacked, computers were confiscated, and people were detained and tortured by government officials. The CRD director, fearing for his life, went into hiding. Niza coordinated the mobilisation of international pressure to ensure the director's safety, eventually resulting in his acquittal.



Ten green bottles marched across London to deliver a tax demand to the CEO of SABMiller. The campaigners claim that SAB Miller – the company that makes Grolsch – is dodging its taxes in Africa by siphoning millions of pounds into tax havens.

Also in 2010, Niza played a key role in keeping the issues of rights violations and the misuse of Zimbabwe's natural riches at the forefront of the political agenda at both national and European levels. Because of these efforts, Niza was consulted by the European Parliament's Delegation to the Pan African Parliament on the latest developments in Zimbabwe and on the brokered safety of the CRD

director. This collaboration resulted in a motion by the European Parliament and an official letter by the EC Commissioner for Foreign Relations.

3.4 Our work in Europe: engaging and informing the Dutch public to mobilise for change

Creating awareness

Description

Niza aims to inform the public in Europe, and in the Netherlands in particular, about the plight of people in Africa suffering from violations of their rights to benefit from their natural resources. Mobilising sufficient critical mass may lead to change in consumer behaviour and may also influence policymakers.

Progress and results

In 2010, Niza activities were covered 11 times in national media, newspapers, TV and radio. Several national dailies reported on the publication of the 'Meals per Gallon' report. Dutch newspaper *De Volkskrant* ran a lead article about Mazou Gwonde, the representative from REFLECT Circles in Malawi. A few months later, Niza's tax avoidance report on beer multinational SABMiller was discussed in an article, again in *De Volkskrant*. Niza was also interviewed on national TV about the role of conflict minerals in the civil war in eastern Congo.

In 2010, Niza continued to deepen relationships with its supporters by developing new ways to engage them and by creating greater solidarity

between the Dutch public and local communities in Africa. Several initiatives proved particularly successful, such as *Sisters*, aiming to facilitate solidarity between women, and *Support an activist*, connecting activists in Sub-Saharan Africa with supporters in the Netherlands.

New approaches: FairPhone

Description

These days Dutch consumers can choose to spend their money on things like green energy, fair coffee and fair trade chocolate. After years of NGO campaigning, more and more people are aware of the way their products can contribute to or undermine justice and human rights in source countries. However, people still know very little about the story behind their phones and other electronic devices. Important natural resources like coltan and copper are mined in the Democratic Republic of Congo, often at the expense of human rights and environmental sustainability. FairPhone is one of Niza's campaigns that aims to mobilize young people in

the Netherlands and challenge them to be part of the process of creating a fair alternative to existing mobile phones.

Progress and results

Anyone could join in the creation of a FairPhone by taking part in a competition involving three challenges: a travel challenge, a design challenge and a campaign challenge. This online-campaign generated a total of 19,000 visitors to the FairPhone website in the last quarter of 2010. Additionally, 333 people joined the FairPhone community, and 161 friends joined on Facebook. FairPhone has also been referenced repeatedly on the websites of 30 other organisations which also focus on sustainable development and corporate accountability.

The FairPhone campaign contributes to change by making consumers aware of the stories behind their products and by challenging electronic companies to make their production processes more sustainable. FairPhone is a new way of campaigning; it creates an alternative for consumers in the Netherlands. By creating an alternate product, FairPhone wants to be an example for mobile phone

companies and for other electronics companies. At the end of 2010, a first round of promising talks took place regarding future collaboration between FairPhone and some major Dutch companies like Rabo Mobiel and KPN.



Consumers have the choice of green energy, fair trade coffee and fair trade jeans. But for the mobile phone no fair alternative exists. FairPhone wants to change this situation.

4. Report from the Board of Trustees

4.1. Statement of accountability

Both the Board and Management of Niza subscribe to the Dutch code for good governance (Code Wijffels) of charities and operate accordingly. Compliance is monitored by the Central Bureau for Fundraising (CBF). In its statement of accountability, Niza explains how it adheres to the main components of good governance:

- Separating the functions of supervision and management;
- Ensuring optimal use of resources;
- Optimising stakeholders' interests.

Separation of the functions of supervision and management/implementation

The highest governing body in Niza, the Board of Trustees, is responsible for setting the overall strategic direction of the organisation, for approving longterm as well as annual operational and financial plans, and for supervising operations in the broadest sense. Day-to-day management and implementation of activities fall under the responsibility of the Executive Director, supported by the Management Team. The Executive Director reports to the Board of Trustees.

The different responsibilities of the Board and Executive Director are laid down in the Board and the Management respectively, guaranteeing that a clear division is maintained between supervision and management/implementation. In addition to this, Niza has developed a comprehensive and detailed Governance Manual. The Board also selects, appoints and annually appraises the Executive Director. Once a year, the Board reviews its own performance in order to pursue improving its governance and procedures. The results of this review are discussed in a board meeting, where an improvement plan is agreed upon and subsequently

implemented.

Ensuring optimal use of resources

Niza's internal organisation is geared towards optimisation of resource use. Internal processes and procedures are described and regularly updated in a comprehensive Quality Manual. Protocols are in place for planning, monitoring and organisational training. The Board approves long-term strategic and financial plans, as well as annual plans, budgets and risk analyses stemming from the strategic plan. Projected and actual expenditures, as well as milestone results, are monitored monthly by management and are reported quarterly

to the Board, including the comparison of key performance and financial indicators against target values.

External evaluations of internal processes, such as a yearly audit, an interim audit check and a CBF review performed every three years, provide important additional information to the Niza Board. Audits and peer reviews by partners are additional sources of suggestions for improvement. In 2010 Niza underwent a comprehensive organisational audit by ActionAid International as part of its application for affiliation with the ActionAid federation.

Board of Trustees

Name	Role	Member since	Profession
L. Hegger B. de Gaay Fortman	Chair ¹ Vice Chair ²	15 Apr 2009 29 Mar 2006	Director, Grayling Netherlands Professor of Political Economy of Human Rights, Utrecht University ³
N.J.J. van der Linden V.K. Sykora R.C.W. Miller H. McEachern N. Özütok	Secretary Treasurer Member Member ⁴ Member ⁵	14 Jan 2008 13 Nov 2008 20 Mar 2008 28 Jan 2009 15 Apr 2009	HR Director, Amarantis Education Director of International Projects, Port of Amsterdam Executive Director, ActionAid UK International Fundraising Director, ActionAid International Project Manager, Labour Market and Youth Unemployment, Amsterdam Municipality

¹ Chair since 15 March 2010

² Chair until 15 March 2010

³ Relevant other activity: Chairman of EqualinRights

⁴ Until 29 Nov 2010

⁵ Until 29 Nov 2010

Niza organogram 2010

Optimising stakeholder relations

Niza's main stakeholders are its partners, private supporters, institutional donors and the general public. Niza continuously pursues active interaction with each constituency. Supporters receive at least 6 emailed newsletters per year. Through mailings and the Niza website, supporters are encouraged to react to particular issues and to provide opinions. Information related to current issues is also channelled through press releases, TV and radio.

For Niza, its interaction with African partners is key to the quality of its work and to the added value of those relationships in fighting poverty and injustice. Core values that guide these partnerships include mutual accountability, learning, solidarity and transparency. Regular interaction occurs through partner visits, joint initiatives and project management structures, particularly in the case of joint multicountry projects.

Niza's Open Information Policy mandates maximum transparency by proactively informing stakeholders, in particular the general public, about its operational policies through its website. Niza's complaints protocol ensures a

management response within two weeks. The Marketing and Communications team maintains a complaints register.

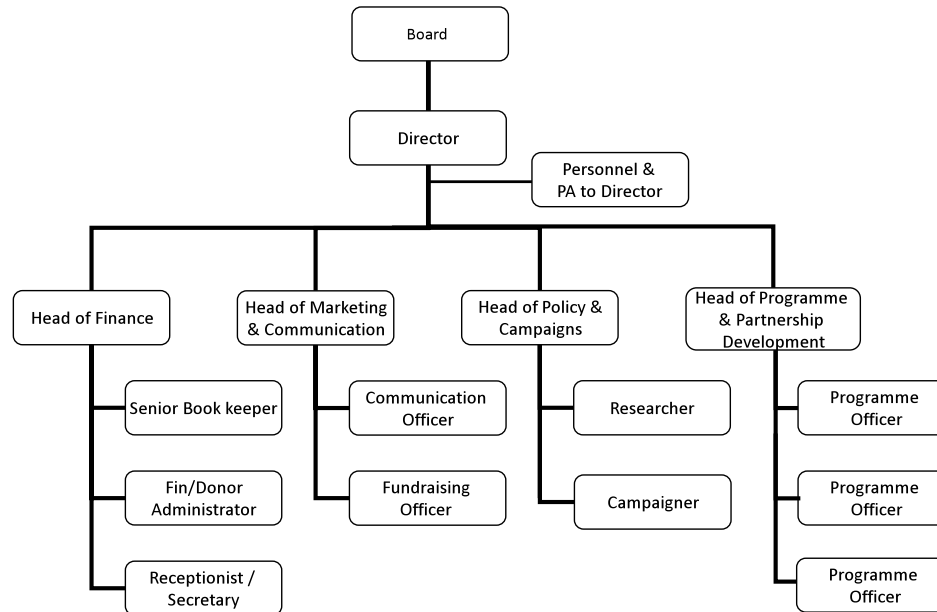
4.2 Governance and organisation

For most of 2010, the Board of Trustees consisted of seven members. The Board selects and appoints its own members based on established profiles to ensure members possess relevant and wide range of knowledge and experience.

An annual Board Review is conducted to evaluate the Board's effectiveness

and to agree on areas for improvement if and where necessary. A formally adopted Governance Manual describes the Board's workings in detail. The Board meets 4 times per year, more frequently if and when deemed necessary. Board members receive no remuneration but are reimbursed for expenses incurred in fulfilling their duties as Trustees. Each year the Trustees sign a conflict of interest statement. A record is kept of these statements. After a term of three years, a Trustee can be reappointed for one additional term. Reflecting intensive cooperation and future affiliation with the ActionAid

federation, Niza has a representative from ActionAid on its Board (for part of the year, it had even two). Conversely, the Niza Chair represents Niza in the ActionAid international assembly. By the end of 2010, Niza had a total of 16 staff members or 14 FTEs. The organisation has 4 main departments: Policy and Campaigns, Programme and Partnership Development, Marketing and Communication, and Finance. Niza has adopted a policy to promote diversity and a gender balance within its ranks. At the end of 2010, 65% of staff members were women and 40% of the management team were women.



4.3 Finance – summary

The annual accounts for 2010 were drafted in accordance with Guideline No. 650 for Fundraising Institutions (adapted 2011). The Board of Trustees approved the financial statements on 8 April 2011 after preliminary assessment by Dubois & Co Chartered Auditors. The Accountants subsequently issued an unqualified opinion, included in this report.

Income

- *From Niza fundraising*

In 2010 Niza's own fundraising generated €516,972. This is less than anticipated and was caused by lower-than-expected results from door-to-door fundraising. This was compounded by the fact that the door-to-door fundraising agency was unable to recruit sufficient staff to honour its contract with Niza. Also, approximately €83,000 of ActionAid support not utilised in 2010 was carried forward to 2011.

- *From third-party donations*

Almost €422,000 was received against a forecast of €720,000, as not all expected funding materialised and some of the promised ActionAid

support was received under 2009's budget.

- *From government*

Government-related subsidies amounted to €1,937,254. The Ministry of Foreign Affairs' MDG3 Fund contributed €1,110,779 towards Niza's Women and Land Rights programme. This was somewhat less than anticipated, as only part of the grant could be used in 2010; the remainder will be carried forward to 2011, based on the Ministry's approval for a brief extension of the programme. PSO continued its support to the International Alliance on Natural Resources in Africa (IANRA). PSO funds carried over from 2009 resulted in more income for the 2010 budget. Some EU funds were available for a joint programme on the International Food Security Network (IFSN programme). In fact, the EU Angola Elections programme ended late in 2009. NCDO agreed to fund a smaller programme than anticipated.

- *From investments*

Niza maintained its investments through 2010. The ASN Bank Equity Fund recovered somewhat in 2009

and again in 2010, resulting in an increased book value of €42,718 at the end of the fiscal year. An additional €5,995 was earned in exchange rate gains.

In 2010 Niza earned €7,409 in interest and €3,587 in dividends. Institutional donors often stipulate that interest on subsidies should be allocated to the projects for which the subsidy was intended.

- *Other income*

€13,484 resulted from adjustments made to pre-2010 reporting.

Expenditure

- *Cost allocation table*

The table on page 29 shows Niza's expenditure by category against main allocations like campaigning, communication, programmes, direct fundraising, and management and administration.

Please note the following:

- Subsidies and contributions are defined as grants made to third parties.
- Niza's own activities are activities initiated and carried out by Niza

itself, such as campaigning, communicating, informing and fundraising.

- Management and administration costs conform to the VFI 'Recommendation application of guideline No. 650 of January 2008'.
- Operational costs are distributed among the main allocation categories based on an agreed percentage distribution of the total number of FTEs.
- Expenditure for marketing and communication includes two categories: 'direct fundraising' (for activities related to supporter acquisition) and 'communication and information' (for informational and educational activities).

- *Related to Niza objectives*

In 2010, Niza spent €2,602,092, or 88.23% of its total income, on its principal objectives: campaigning, communication and programmes in Southern Africa. This figure is 86.13% of total expenditure. Figures are lower than budgeted because some planned activities were extended into 2011 and some activities did not take place.

- *Related to fundraising (direct, thirdparty, government)*

Fundraising costs totalled €128,490, which is almost €42,000 less than budgeted due to previously stated problems within the door-to-door fundraising agency. With 24.85% fundraising costs, Niza stayed within the 25% CBF guideline. Niza's average over three years is 23.01%. Niza spent more than anticipated on acquisition of government subsidies and third-party actions. Staff had to invest more time in these solicitations, and professional consultants were hired to provide input to the comprehensive application process for the five-year MFS subsidy from the Ministry of Foreign Affairs.

- *Related to management and administration*

The costs of management and administration were close to target and, at 6.57%, well below Niza's own standard of maximum 10% of total costs.

Result

Niza records a deficit of €71,932 which was debited to the continuity reserve. This was well below budget and can be explained to a large extent by the

fact that budgeted ActionAid support was already accounted for in 2009. As a result, the overall reserve decreased to a balance of €345,711 at the end of 2010. Niza's reserve policy follows the guidelines as established by the Dutch Association of Fundraising Organisations (VFI), of which Niza is a member. Niza also adheres to the Central Bureau on Fundraising (CBF) Guidelines for the Reserves of Charitable Organisations. Given Niza's dependence on institutional funding, it aims to maintain a buffer of at least 30% of annual operational costs, defined as salaries and social contributions, office rental and service costs plus other general costs.

Other information

In 2010, the remuneration of Niza's Executive Director totalled €96,595, inclusive of employer's social security and pension contributions. This is well within the limit of the €140,006 VFI 'remuneration guideline' published in February 2011 and built accordingly. No loans, advances or guarantees were given to the Executive Director nor to any Board member. All Board members are unpaid volunteers.

Future developments

There are two major developments expected to impact Niza in the coming years. Firstly, the increasing integration with ActionAid will positively impact its programmes in scope, operations and influence. Being part of a professional global organisation will bring knowledge and experience in the areas of development, organisation and governance, enabling Niza to further improve services to stakeholders. Secondly, from 2011 to 2015, Niza is committed to the Fair, Green and Global Alliance programme funded by the Ministry of Foreign Affairs. Cooperation with five other organisations in this venture will bring extra added value.

To mitigate dependence on institutional funding, Niza will need to push for private fundraising. Given the state of the Dutch economy and current competition for donor support, this will not be an easy task. With ActionAid's support, Niza will test new fundraising propositions and methods using both traditional methods and new avenues in social media. It is anticipated that, towards the end of 2011, Niza will change its name in order to reflect its link to the ActionAid federation. Niza will, nevertheless, remain

an autonomous body within the wider federation, governed by its own statutes and board.

In 2011 Niza will develop a new strategy for 2012 to 2017. This new strategy will build on the strengths of the past and be rooted in local and national work, in Dutch and international engagement. It will be a balance of introspection and innovation. The new strategy will be developed in consultation with partners and other stakeholders and make full use of connections established in the past.

4.4. Finance - annual accounts 2010

Balance sheet

	31 December 2010		31 December 2009	
ASSETS	€	€	€	€
Fixed assets		71,231		108,171
Investments	305,120		259,353	
Accounts receivable	376,475		368,209	
Cash and cash equivalents	805,285		1,306,116	
		<u>1,486,880</u>		<u>1,933,678</u>
Total		<u>1,558,111</u>		<u>2,041,849</u>
LIABILITIES				
Reserves				
Continuity reserve	<u>345,711</u>		<u>417,643</u>	
		345,711		417,643
Liabilities				
Long-term liabilities	23,431		48,532	
Current liabilities				
- Advances received from sponsors	639,607		719,508	
- Short-term project liabilities	330,889		650,422	
- Payables	<u>218,473</u>		<u>205,744</u>	
		<u>1,212,400</u>		<u>1,624,206</u>
Total		<u>1,558,111</u>		<u>2,041,849</u>

Statement of income and expenditure

	Actual 2010 €	Budget 2010 €	Actual 2009 €
INCOME			
- Income from Niza fundraising	516,972	656,135	621,919
- Income from third party actions	421,895	720,242	888,956
- Government subsidies	1,937,254	2,278,338	2,346,561
- Income from investments	59,710	36,800	65,410
- Other income	13,484	3,000	54,292
Total income	2,949,315	3,694,515	3,977,138
EXPENDITURE			
Related to Niza objectives			
- Campaigning, Advocacy & Research	457,699	597,568	956,880
- Communication & Public Information	232,612	348,613	298,571
- Programme Support to Partners in the South	1,911,781	2,281,763	2,054,118
	2,602,092	3,227,944	3,309,569
Acquisition of income			
- Cost of Niza fundraising	128,490	170,157	146,245
- Cost related to third party actions	30,228	25,239	24,185
- Cost related to government subsidies	62,020	55,592	46,457
	220,738	250,988	216,887
Management and administration			
- Cost of management and administration	198,417	196,626	194,734
Total expenditure	3,021,247	3,675,558	3,721,190
Surplus/deficit	-71,932	18,957	255,948
Added to/Withdrawn from:			
- Continuity reserve	-71,932	18,957	255,948
	-71,932	18,957	255,948

Cash flow statement

	2010		2009	
	€	€	€	€
Cash flow from operating activities				
Surplus/deficit	-71,932		255,948	
Adjustments for depreciation	5,005		-17,524	
and unrealised investments gain/loss	-42,180		-48,526	
		-109,107		189,898
Changes in working capital				
Decrease/increase in accounts receivable	-8,265		387,203	
Decrease in accounts payable	-407,654		-575,680	
		-415,919		-188,477
Other				
non cash dividends	-3,587		-5,998	
		-3,587		-5,998
		-528,614		-4,577
Cash flow from investing activities				
Acquisition of fixed assets	-963		-22,194	
Write off fixed assets	-		262,070	
Disinvestments fixed assets	32,898		-	
Cash flow from investing activities		31,935		239,876
Cash flow from financing activities				
Long term loan repayment	-4,152		-124,717	
		-4,152		-124,717
Net cash flow		-500,831		110,582

Accounting principles

General

- These accounts were drafted in accordance with Guideline No. 650 for Fundraising Institutions – (adapted 2011) (Richtlijn 650 Fondsenwervende instellingen, (aangepast 2011)).

Principles for the evaluation and presentation of assets and liabilities

Tangible fixed assets

- Tangible fixed assets are stated at acquisition price, less linear depreciation based on economic lifecycle. For inventory and equipment the cycle is 5 years.

Investments

- Investments are stated at market value.
- Claims are stated at nominal value.
- Claims for grants are claims based on agreements with third-parties and agreed values.

Other assets and liabilities

- Liabilities are stated at values at which they were incurred unless stated otherwise.

- Project liabilities are all liabilities that the foundation has under financing agreements concluded with partners.

- New project liabilities are accounted for in the year in which the liability becomes definite.

- All other assets and liabilities are valued at nominal value.

Principles for recognition and presenting income and expenses

- The result is determined as the difference between the revenue allocated to the year under review and the expenditure allocated to the year under review.

- Income and expenditure are accounted for during the year to which they pertain.

- Contributions from fundraising are accounted for in the year of receipt.

- Subsidy income is accounted for in the year in which the rights become final.

- Income from legacies and inheritances are included in the year in which the

size can be reliably estimated.

Preliminary payments in the form of advances are accounted for as income in the year in which they are received.

- Gifts in kind are accounted for at their estimated market value in the Netherlands.

Costs of management and administration

- Costs of management and administration represent expenditure incurred on internal management and administration that are not attributed to the organisation's objectives or the acquisition of income.

Notes to the balance sheet

ASSETS

Fixed assets

	<u>Refurbishment</u>	<u>Inventory</u>	<u>Hard- and software</u>	<u>Total</u> 2010	<u>Total</u> 2009
	€	€	€	€	€
Acquisition value as per 1-1	100,927	37,921	163,621	302,469	
Disinvestments	-	-	32,898	32,898	
Investments in 2010	-	-	963	963	
	100,927	37,921	131,686	270,534	
Depreciation previous years	56,845	20,613	116,840	194,298	
Depreciation disinvestments	-	-	-32,406	-32,406	
Depreciation 2010	21,850	758	14,803	37,411	
Book value per December 31	22,232	16,550	32,449	71,231	108,171

Depreciation of our current office space will be over the 5 years of the current lease.

Investments

	ASN Equity Fund	<u>Total</u> 2010	<u>Total</u> 2009
	€	€	€
Value per 1-1	259,353	259,353	204,829
Stock dividend	3,587	3,587	5,998
Result	42,718	42,718	49,425
Not reinvested	-538	-538	-899
Value per 31-12	305,120	305,120	259,353

The investments per year end 2010 consists of participations in 'ASN Equity Fund': 5,179,42531 units valued at market value of 58.91 per share. Reinvested dividend added 54.88929 units in 2010.

	31 December 2010 €	31 December 2009 €
Receivables		
Subsidies	234,286	305,244
Debtors ActionAid	20,699	-
Other debtors	853	20,868
Interest receivable	6,672	8,557
Other receivables	50,199	1,790
Depots	1,660	1,660
Prepayments	62,106	30,090
	376,475	368,209
Cash and cash equivalents		
Saving accounts	753,612	1,049,717
Cash and bank accounts	51,673	256,399
	805,285	1,306,116

Subsidies receivable concerns PSO for the IANRA program and the extended part of the Media Program and NCDO for the FairPhone project.

Savings accounts have no withdrawal conditions except for the bankgarantee of € 24,199.73 established for 'NSI kantoren b.v.' owner of the Y-Tech building. Interest rate per year end is 2.3%.

LIABILITIES

Reserves and funds

	Total 2010 €	Total 2009 €
Continuity reserve		
Value per January 1	417,643	161,695
Added/withdrawn from	-71,932	255,948
Value per December 31	<u>345,711</u>	<u>417,643</u>

Liabilities

In the long term

	31 December 2010 €	31 December 2009 €
Redundancy provision	-	20,949
Annuity loan	27,583	31,573
Redemption next year	-4,152	-3,990
Value per December 31	<u>23,431</u>	<u>48,532</u>

A redundancy provision was established for staff laid off in the restructuring of 2007 and 2008. This provision is capped and reduces as involved ex-staff draw upon it. It moved all to short term liability now.

The agreed annuity loan from our landlord Nieuwe Steen Investments represents a value of € 27,583 per 31 Dec 2010. The redemption plus interest of 4% is paid quarterly together with the rent. The term of the loan is 8 years until 31 Dec 2016.

	31 December 2010 €	31 December 2009 €
Current Liabilities		
Advances received		
Advances received from donors		
- Min. of Foreign Affairs MDG3	223,596	460,616
- PSO	9,692	148,909
- ActionAid International	179,887	96,595
- Cordaid	226,432	13,388
	<u>639,607</u>	<u>719,508</u>
Short-term project liabilities		
Contractual obligations project donors	330,889	650,422
Payables		
Creditors ActionAid	31,433	-
Other creditors	53,782	57,233
Tax payments	37,777	35,984
Redundancy provision	18,050	32,063
Holiday payment	27,147	26,201
Holiday days	23,397	22,664
Pension	-	1,716
Auditor	9,000	9,143
Annuity loan	4,152	3,990
Miscellaneous	13,735	16,750
	<u>218,473</u>	<u>205,744</u>
	<u>1,188,969</u>	<u>1,575,674</u>

The short term project liabilities mainly consist of the PSO IANRA project and the MDG3 Women's rights to land project.

Assets and liabilities not included in the balance

Niza entered into a contract of € 737 per month (inclusive of VAT, exclusive of yearly indexing) with Ricoh Netherlands for the lease of photocopiers for a period of 60 months, starting February 2008.

In December 2008 Niza revised its long range rental contract with 'NSI kantoren BV'. The current rent for the Van Diemenstraat 186 and 148 of 5 years, starting 1st of January 2009 with an option for another 5 years. From 2009 onwards the yearly rent is €102,965 (no indexation). A bank guarantee is held with ASN Bank.

Notes to the statement of income and expenditure

INCOME	Actual 2010 €	Budget 2010 €	Actual 2009 €
Income from Niza fundraising			
Appeals	99,030	100,880	120,494
Donations, gifts and notary givers	313,865	381,255	305,343
Income in kind	7,773	10,000	19,473
Legacies	-	4,000	28,576
Other income	96,304	160,000	148,033
	516,972	656,135	621,919
Income from third party actions			
ActionAid International	320,000	419,000	650,000
SanTrust	-	-	142,488
Cordaid	101,895	109,192	41,613
Donors Zimbabwe watch	-	-	18,320
Oxfam Novib	-	42,800	16,500
KPCS fund	-	-	8,819
St. Doen	-	80,250	
Other	-	-	11,216
St. Liberty	-	69,000	-
	421,895	720,242	888,956

Government subsidies	Actual 2010 €	Budget 2010 €	Actual 2009 €
Min.of Foreign Affairs MDG3 fund	1,110,779	1,387,096	1,309,064
Min.of Foreign Affairs FT	-	-	1,391
PSO	768,638	658,210	296,281
European Union Fatal Transactions	-	-	433,277
European Union Angola Elections project	-	100,000	228,230
European Union IFSN	2,274	10,632	
Dutch Embassy Angola	-	-	59,091
Swiss Gov, KPCS fund	-	-	19,227
NCDO	55,563	122,400	-
	1,937,254	2,278,338	2,346,561
Income from investments			
Dividend, interest	10,996	14,000	17,625
Unrealised result on investment	48,713	22,800	49,425
Costs of investments	-	-	- 1,640
	59,709	36,800	65,410

Expenditure

The table on the following page explains cost allocations per category of expenditure against major allocation headings such as campaigning, communication, Southern programmes, direct fundraising and management and administration.

Subsidies and contributions and own activities

In 2010 Niza spent € 1,993,996 on Subsidies and contributions and Own activities as follows:

	€
Women's Rights to Land	965,814
IANRA	703,995
Niza Fund	136,128
CAR project	80,945
FairPhone	53,357
Additional learning	28,000
Other	25,757
Total	1,993,996

This amount is less than budgeted due to phasing, for instance the MDG3 has gotten an extension into 2011. And for

some planned projects funding was not improved hence to no income was received and no expenditure was made.

Operational costs

Compared to budget Niza spent 4% less on operational costs in particular on office administration and general costs and other personnel. Salary costs were higher than anticipated because of some extra costs for projects. Compared to 2009 Niza economised on the salary costs.

The average staff volume in full time equivalents (fte) was 14.14 in 2010, against 16.73 in 2009. Budgeted was 13.60 fte.

Other information

Expenditure for the board (under office administration and general costs) consists of meeting and representation costs. All Board members are unpaid volunteers.

The remuneration for the Executive Director 2010 amounted to € 96,595 inclusive of employer's social security and pension contributions. No loans, advances or guarantees were given to the Executive Director nor to any Board

member. The following table shows the breakdown of the remuneration of the Executive Director for the Year. This is well within the limit of €140,006 of the VFI 'remuneration guideline' published in February 2011 and built accordingly.

Name	R. van den Hurk
Job title	CEO
Labour contract	
Nature (term)	indefinite
hours	36
part-time percentage	100
period	1/1-31/12
Remuneration (EUR)	
Annual income	
gross wages/salary	73,488
holiday allowance	5,879
year end payment	2,778
Total	82,145
Social security (employer part)	7,914
Taxable reimbursements	145
Pension contribution (employer part)	6,391
Total Remuneration 2010	96,595
<i>Total remuneration 2009</i>	<i>91,736</i>

Explanation of Cost Allocations

Allocation	Objective	Objective	Objective	Acquisition of income			Management and administration	Total 2010	Budget 2010	Total 2009
Cost	Campaigning, advocacy & research	Communication & public information	Programme support to partners in the South	Direct fundraising	Third-party actions	Government subsidies				
Subsidies and contributions	108,783	-	1,498,715	-	-	-	-	1,607,498	1,730,321	1,978,781
Own activities	86,271	63,197	169,375	56,459	-	11,196	-	386,498	872,180	386,960
Salaries, pensions and social security contrib.	199,847	127,498	170,134	53,714	24,663	41,072	137,320	754,248	736,261	867,772
Other personnel costs	6,307	4,472	9,336	1,483	356	624	4,220	26,798	64,107	52,349
Office rental and service costs	28,233	19,874	35,112	8,890	2,784	4,879	18,477	118,249	122,218	190,389
Office administration and general costs	18,622	10,788	19,581	4,910	1,475	2,584	32,093	90,053	120,471	121,121
Depreciation and interest	9,636	6,783	9,528	3,034	950	1,665	6,307	37,903	30,000	123,818
Total	457,699	232,612	1,911,781	128,490	30,228	62,020	198,417	3,021,247	3,675,558	3,721,190
	3.60	2.53	3.56	1.13	0.35	0.62	2.35	14.14	13.60	16.73
	25.42%	17.90%	25.13%	8.01%	2.51%	4.39%	16.64%	100%		

Allocations principles

An explanatory note about the allocation of the costs to the main allocation categories in the table can be found on page 17. The bottom two rows below the table provide a breakdown of full time equivalents over expenditure categories in absolute and relative terms.

	Actual 2010 €	Budget 2010 €	Actual 2009 €
Salaries, pensions and social security contributions			
Gross salary	632,294	613,551	726,052
Social security contributions	93,692	95,100	110,508
Pensions	28,262	27,610	31,212
	754,248	736,261	867,772
Other personnel costs			
Interim and consultancy costs	3,052	4,000	17,157
Redundancy payment	-	24,680	3,551
Temporary staff	-	2,000	1,285
Recruiting costs	-	2,000	-
Commuting	9,074	12,100	10,602
Other	14,672	19,327	19,754
	26,798	64,107	52,349
Office Rental and Service costs			
Rent incl, service	106,980	108,008	176,675
Removal costs	-	-	2,285
Cleaning	9,891	10,000	9,914
Other	1,378	4,210	1,515
	118,249	122,218	190,389
Office administration and general costs			
ICT support	14,296	19,000	16,928
Legal advice	171	3,500	4,649
Work and travel	6,656	12,000	9,956
Auditor	17,226	15,000	20,000
Insurances	5,129	7,000	6,247
Board	6,173	4,000	3,379
Other office costs	40,402	59,971	59,962
	90,053	120,471	121,121

	Actual 2010 €	Budget 2010 €	Actual 2009 €
Depreciation			
Depreciation	37,411	30,000	47,588
Book value loss on assets	492		76,230
	37,903	30,000	123,818
Subsidies and contributions			
	1,607,498	1,730,321	1,978,781
	1,607,498	1,730,321	1,978,781
Own activities			
	386,498	872,180	386,960
	386,498	872,180	386,960
Total Costs	3,021,247	3,675,558	3,721,190

Characteristic numbers	Actual 2010	Budget 2010	Actual 2009
Expenditure related to Niza objectives	2,602,092	3,227,944	3,309,569
Total Income	2,949,315	3,694,515	3,977,138
Expenditure related to the objectives as percentage of total income	88.23%	87.37%	83.21%
Expenditure related to Niza objectives	2,602,092	3,227,944	3,309,569
Total expenditure	3,021,247	3,675,558	3,721,190
Expenditure related to the objectives as percentage of total expenditure	86.13%	87.82%	88.94%
Costs of Niza fundraising	128,490	170,157	146,245
Income Niza fundraising	516,972	656,135	621,919
Costs as percentage of Niza fundraising income	24.85%	25.93%	23.52%
Costs of Management and Administration	198,417	196,626	194,734
Total expenditure	3,021,247	3,675,558	3,721,190
Costs of Management and Administration as percentage of total costs	6.57%	5.35%	5.23%

Niza's has set itself a standard that management and administration costs should not exceed 10% of total costs.

Budget Niza 2011

INCOME

	Budget 2011 €	Actual 2010 €	Budget 2010 €
- Income from Niza fundraising	950,162	516,972	656,135
- Income from third party actions	557,302	421,895	720,242
- Government subsidies	2,584,165	1,937,254	2,278,338
- Income from investments	15,000	59,710	36,800
- Other income	4,000	13,484	3,000
Total income	4,110,629	2,949,315	3,694,515

EXPENDITURE

Related to Niza objectives

- Campaigning, Advocacy & Research	913,747	457,699	597,568
- Communication & Public Information	442,360	232,612	348,613
- Programme Support to Partners in the South	2,300,237	1,911,781	2,281,763
	3,656,344	2,602,092	3,227,944

Acquisition of income

- Cost of Niza fundraising	208,296	128,490	170,157
- Costs related to third party actions	68,584	30,228	25,239
- Cost of acquiring government subsidies	36,490	62,020	55,592
	313,370	220,738	250,988

Management and administration

- Costs of management and administration	218,728	198,417	196,626
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Total expenditure

	4,188,442	3,021,247	3,675,558
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Surplus/deficit

	-77,813	-71,932	18,957
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Added to/ withdrawn from

-Continuity reserve	-77,813	-71,932	18,957
	-77,813	-71,932	18,957

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

To: the board of Stichting Nederlands Instituut voor Zuidelijk Afrika, Amsterdam.

Report on the financial statements

We have audited the accompanying financial statements of Stichting Nederlands Instituut voor Zuidelijk Afrika, Amsterdam, which comprise the balance sheet as at 31 December 2010, the statement of income and expenses for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Board's responsibility

Board is responsible for the preparation and fair presentation of these financial statements and for the preparation of the board report, both in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 650 "Fundraising Institutions". Furthermore board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by board, as well as evaluating the overall presentation of the financial statements.

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

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Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Nederlands Instituut voor Zuidelijk Afrika, Amsterdam as at December 31, 2010 and of its result for the year then ended in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 650 "Fundraising Institutions"

Amsterdam, 8 April 2011

Dubois & Co. Registeraccountants

Signed on original by:
M. Karman and J.P. Walter



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