

Annual Report and Accounts 2020

The Hague Academy for
local governance



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1. Introduction

The foundation The Hague Academy for Local Governance aims to strengthen local democracy worldwide by offering practice oriented training programmes. We develop and organise short open courses as well as tailor made programmes for practitioners of national and subnational governments, NGOs and development partners.

In 2020, the outbreak of Corona had a huge impact on our work and finances. Halfway March, with three trainings running in The Hague, participants had to suddenly go home, because international travel was hardly possible anymore and health risks were such that The Netherlands, as many other countries, went into a lockdown. Since then, we were not able to receive participants in The Hague, neither were we able to provide training abroad.



Study visit to the municipality of The Hague for the course Fiscal Decentralisation and Local Finance, February 2020.

With no possibility to travel, clients working from home and a lot of insecurity about how things would develop in the near future, the pandemic forced us to boost our online activities. We decided to invest in our online training capacity and offered our trainers a three week intensive course on how to develop and facilitate online training in an interactive and effective way. The trainers could immediately put the different tools and approaches into practice in the running projects. Despite initial hesitations about following training online, evaluations showed that participants appreciated the online modules a lot. Our staff experienced that training online can be interactive and inspiring, in line with our unique selling points.

Our activities in 2020 consisted of three open trainings in The Hague, one fully online course and (the first part of) seven blended courses. The second part of these blended courses is scheduled to take place in 2021, as soon as travel becomes possible again. In addition, we continued most of our tailor made programmes online. Most leads for new programmes, however, were put on hold. This all led to a decrease in income of € 1.44 mln. compared to the budget. On the other hand, project costs were also less (€ 1.06 mln) and we received a Corona related grant from the Dutch government, which compensates for an income loss of more than 20% by covering a large part of the salary costs. Therefore, we could close the year with a net income of € 30,000 and keep all our staff onboard.

2. Our mission and impact

2.1 Our Theory of Change

Our statutory mission is to strengthen democratic local governance worldwide. We do this by offering practice oriented short courses and multi-annual training programmes for people involved in local governance. Our programmes help government, civil society and development practitioners to develop awareness, knowledge and skills needed to act as change agents in their organisations and communities. A stronger local democracy will ultimately lead to governments and citizens jointly contributing to stability, sustainable socio-economic development and better public services, thereby improving the quality of life of citizens worldwide.

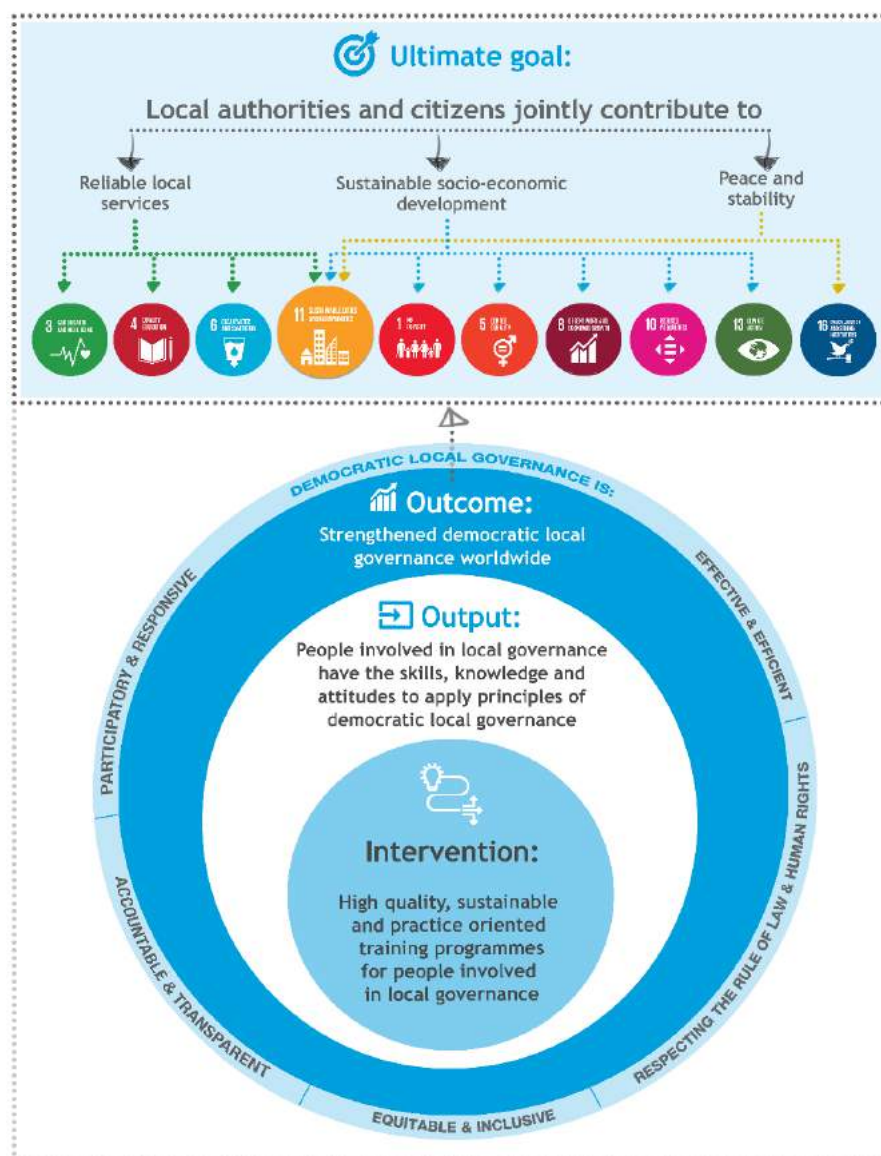


Figure 1 Theory of change

2.2 Our vision

Our Theory of Change is based on the assumption that a strong local democracy has a significant impact on stability, quality of services and sustainable, socio-economic development. The local level for most citizens is the first point of contact with the government to raise concerns and participate in decision making. Moreover, due to decentralisation and urbanisation, local governments play an increasing role in tackling global issues. It is our vision therefore, that real development starts at the local level, with local authorities and citizens working constructively together.



Good, democratic local governance, in our view, is characterised by the following principles:

- Participatory and responsive
- Accountable and transparent
- Equitable and inclusive
- Respecting the rule of law and human rights
- Effective and efficient

To develop and sustain good democratic local governance, well-functioning institutions at all government levels are needed, led by responsible and accountable leaders. Also, skilled professionals are needed to deliver public services, create a safe and sustainable living environment, and foster economic development. However, in many countries, governments lack the knowledge, experience and incentives to effectively and efficiently manage public services and promote practices of democratic governance. Moreover, citizens need more awareness and capacities to effectively engage with their governments and make their voices heard.

Our training programmes aim to increase awareness, offer new knowledge and insights, and develop skills to support change in institutions and societies. Our programmes enable training participants from government and civil society to act as change agents in their own organisations and communities, thereby strengthening democratic local governance processes worldwide.

2.3 Our programmes

The Hague Academy offers short courses for open subscription, short tailor made training programmes, multi-annual action-learning programmes, online and blended programmes, training-of-trainer programmes, curriculum and training development support for training centres, and our scholarship programme Talent for Governance. Programmes are offered in different languages (English, Arabic, Spanish and French), both in The Hague and abroad.



Figure 2 Overview of programme types

2.4 Our approach

Our approach to learning aims to impact not only the individual knowledge and skills of training participants but also their organisations and communities. The training programmes we design are therefore characterised by a focus on the local perspective - including all stakeholders at the local level -, an orientation on real life problems and a combination of expertise, exchange and experience.

A local perspective

Our programmes focus on the local level and take a local perspective to development. This, however, does not mean that we work with local government officials only. We apply a comprehensive, cross-sectoral approach, which includes all actors at the local level, including national and regional governments who have to coordinate and facilitate local governance, informal power holders, civil society organisations, businesses and development partners.

Practice oriented

Our programmes focus on the practice of local governance. The learning process is action oriented and designed around real life problems. We discuss case studies, work related dilemmas and do's and don'ts. We reflect with participants about the lessons learned and how they relate to their own local context. We help them develop action plans and provide coaching in the implementation, to support change processes in their organisations and communities.

Expertise, Exchange and Experience

We combine content and training *expertise* with an active *exchange* of knowledge between practitioners. Through dialogue, exercises, role play, study visits and innovative learning methods, we involve participants as much as possible, thereby offering an *experience* that will inspire and motivate them for their work back home.

2.5 Our impact

Due to Corona, we implemented less programmes in 2020 than in the year before. There was one open course less and half the number of short tailor made trainings. The number of multi-annual training programmes, for which several (online) activities were organised, increased with one. All together we trained only 749 people, compared to 1419 in 2019. The figure below shows where the participants come from and which organisations they work for.

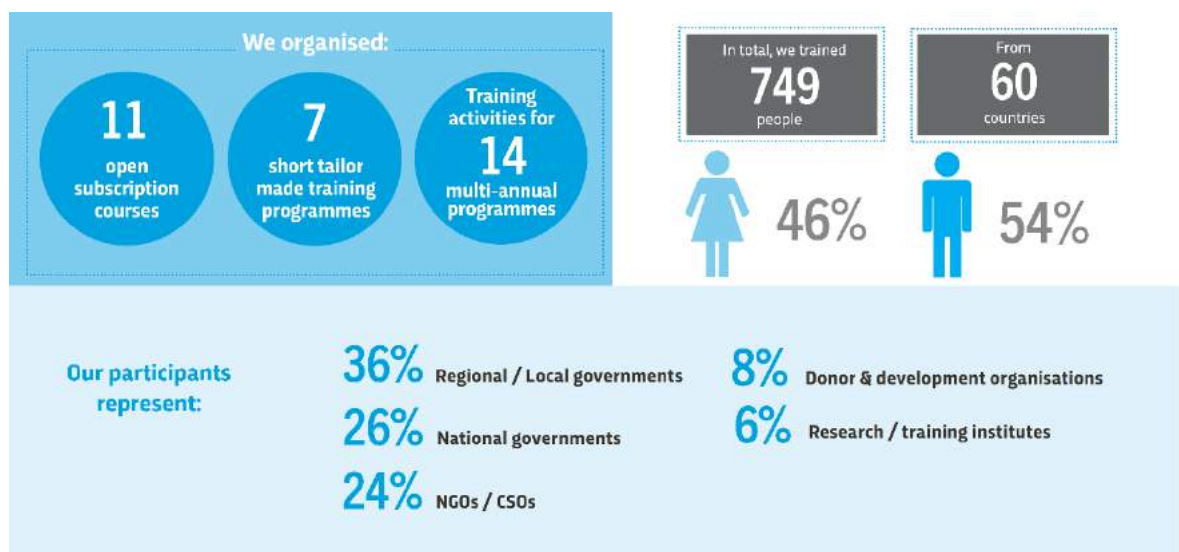


Figure 3 Overview training programmes and participants 2020

Participant satisfaction

Despite the fact that most of our courses were online, our M&E-report for 2020 shows an overall satisfaction score of 4.6 out of 5 for the open subscription courses (4.4 in 2019). Moreover, 100% of the participants say the course was applicable to their work (99% in 2019) and 100% would recommend the course to others (95% in 2019). Remarkable is that the *balance between theory and practice* scored on average 4.3, indicating that we were able to bring in practice of local governance in the online courses. The possibility to *interact and share experiences* scored a bit less:

4.1 (0.35 less than in 2019), due to the challenges of online facilitation and time differences, which limits the possibility for interaction compared with in-person training.



Figure 4 Participants' quotes about online learning

The average score for our tailor made training programmes in 2020 was 4.4 (last year 4.6). 97% of the participants thought the course was applicable to their work and 100% would recommend the course to others. Our staff, the experts and the study visits were evaluated very positively, with a score that was 0.1 higher than in 2019.

	Open Courses	Tailor Made Courses
Overall satisfaction	4.6	4.4
THA trainers and staff	4.8	4.8
Experts and study visits	4.6	4.5
Applicability	100%	97%
Recommend to others	100%	100%

Figure 5 Participants' satisfaction

Long term impact

To measure the change that our open course participants are able to create in their organisations and communities after the training, we conduct our annual Sprockler-survey. The method of Sprockler makes it possible to collect not only quantitative data but also valuable stories about what the participants learned as a result of the training in The Hague. 93% of the respondents mentioned that they initiated change after they returned home. Of them, 96% started a new project or changed an existing project, 51% initiated a new policy or changed an existing policy, 63% had involved new stakeholders, and 86% shared the knowledge with colleagues. The fact that the percentages for all

post-training actions were higher than in last year's survey, may be the result of our increased attention to back home action planning and change management.

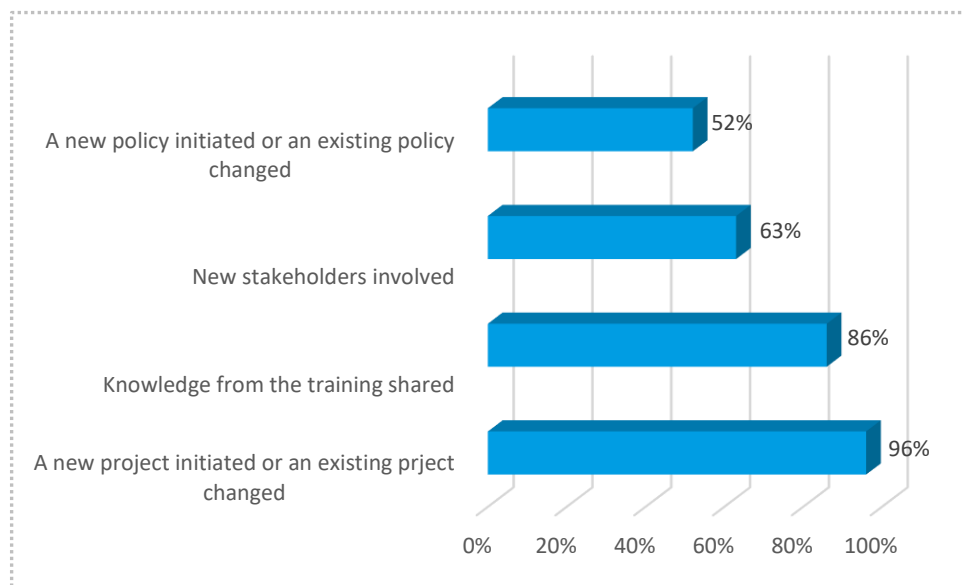


Figure 6 Follow up actions to the courses

A majority of the respondents indicated that the training contributed a lot to the change they initiated. When asked about the 'level' of change, they say mention a change in the organisation or community as often as personal change. This supports our assumption that our training does not only have an effect on the individuals taking part in our training but also on the organisations and communities they work for. Finally, the courses contribute to a sustainable, international network of practitioners: 100% of the participants were still in contact with each other after a year, 46% even more than ten times a year.

3. Open subscription courses

In 2020, we organised the first three open courses of the year as planned. The other seven open courses were rescheduled as blended courses, of which the first (online) part was planned in the second half of the year. The face-to-face part of these blended courses is planned to take place in June and July 2021, if possible combined with the participants of the courses scheduled for 2021. We offered our online Local Economic Development-course in March and April 2020 as a fully online course. Due to the Corona-outbreak, the number of participants was with 32 considerably higher than in previous years. The summer courses on Peacebuilding and Local Governance & the SDGs were cancelled since our staff capacity was insufficient to redevelop these courses as online courses.

In total, the open courses attracted 163 participants. Despite the numerous challenges with going online, the average number of participants was fifteen per training, one less than in 2019 but still above the target of fourteen. Crucial was that Nuffic approved rescheduling the open courses and redesigning them as blended courses so that scholars kept their scholarships and can finish their course in 2021.



Study visit 'Nieuw Thuis Rotterdam' for the open course Migration and Local Authorities. February 2020.

4. Multi-annual training programmes

Our multi-annual training programmes are usually part of broader capacity building programmes led by development partners. For these partners, we design training activities according to our problem driven, action oriented approach. The programmes often include Training-of-Trainers-programmes that capacitate local trainers to deliver training in their local language after the programme has ended. Furthermore, the activities usually involve the facilitation of dialogues between government and civil society actors, to increase mutual understanding, promote cooperation and support joint development.

We also lead multi-annual programmes ourselves, often in cooperation with partners, such as the Shiraka-programmes for the MENA-region and the MATRA-programme on integrity and anti-corruption in Ukraine.

In 2020, income from multi-annual programmes was € 1.34 mln. This was € 648,000 less than budgeted, mainly because of less manhours and lower project costs for travelling (tickets and accommodation) due to the Corona-pandemic.

4.1 Promoting inclusive governance in fragile states

The activities for our multi-annual programmes, aiming at inclusive governance and related topics like gender responsiveness and conflict sensitivity, could be continued online after travel became impossible in March 2020. Various creative solutions were found, such as training local trainers online to enable them to provide in-person training locally.

Every Voice Counts

2020 was the last year of The 'Every Voice Counts'-programme (EVC) that we implemented with CARE Netherlands in six countries as part of the strategic partnership with the Dutch Ministry of Foreign Affairs. For Somalia we facilitated an online dialogue to review the cooperation between local authorities and civil society and participated in an online learning event. For Sudan we organised an online training on integrity, anti-corruption and leadership. For Afghanistan we did an online training on transformational leadership and a refresher course on inclusive governance and for Pakistan an online Training-of-Trainers about leadership and action learning. For Burundi we offered two online trainings for local trainers, one on gender responsive budgeting and on female leadership, followed by two trainings for local authority representatives on the same topics.

The first evaluation results of the EVC-programme show that our efforts had a positive impact on local authorities' responsiveness, accountability and effectiveness. THA's co-training modality for local trainers receiving coaching over the course of four years, helped to move beyond one-off knowledge transfer, mitigated against the risk of messages being lost in translation, and helped to contextualise the training materials. In July 2020, a learning brief "Strengthening capacity of local leaders to improve inclusion and equality" was published by The Hague Academy and CARE Nederland based on a review of our approach. In December 2020, a final learning event with all stakeholders was organised.

Peace and Security Yemen

In this programme, that is part of the Dutch National Action Plan 1325 and led by CARE Netherlands, The Hague Academy was responsible for training activities on inclusive governance, gender and lobby and advocacy. In 2020, the last year of the programme, we conducted an online training needs analysis and training for 30 participants from civil society organisations and youth and women groups on gender sensitive conflict analysis and inclusive peacebuilding approaches. Together with seven master trainers we developed a local training manual on inclusive governance that they will use to continue with training activities after the programme has ended.



Training on gender-sensitive inclusive governance for IDEAL, Uganda. January 2020.

Inclusive Decisions At Local Level (IDEAL)

This programme, which will end in 2021, is managed by VNG International and funded by the Dutch Ministry of Foreign Affairs. In 2020, The Hague Academy implemented several activities in Burundi, Mali, Rwanda and Uganda. For the local government association in Burundi, we developed a trainers guide on gender sensitive inclusive governance, which was followed by an online Training-of-Trainers and distance coaching for the master trainers. In Mali, we evaluated the results of the action plans developed by local authorities, participated in the progress evaluation of the programme and provided advice on mainstreaming inclusion and gender sensitivity in the remaining activities. In Rwanda, we organised an online workshop on gender analysis and mainstreaming as part of the programme 'Transformative Agents of Change' for senior officials working in the different district departments. Practical sessions on the same topics took place at district level, and district action plans were formulated. In Uganda, we did a face-to-face training in January, followed by an online refresher course for local trainers on gender sensitive governance. The local trainers themselves delivered two trainings to local authorities and civil society organisations, for which they received online coaching from THA. We also did a virtual, interactive

mid-term evaluation of the action plan progress and started developing a training on transformative leadership for women, together with the Centre for Women in Governance.

Addressing Root Causes of conflict in Sudan

As part of the 'Stability Through Resilience'-project in Sudan, managed by ZOA and funded by the Ministry of Foreign Affairs, we did a four week online Training-of-Trainers on conflict transformation for the local teams of ZOA and World Relief in South and West Darfur. The training increased their capacity to support the local authorities and peace committees in applying approaches for community based human security and non-violent communication.

Upcoming programmes

We acquired three new multi-annual programmes in conflict affected countries in 2020, for which implementation will start in 2021.

- **We Are Able**

This programme, submitted with ZOA (lead), Light for the World, Lepira Mission and VNG International, received the highest score of the new 'Power of Voices'-partnerships 2021 – 2025 with the Dutch Ministry of Foreign Affairs. The programme aims to increase the inclusion of disabled people in (local) policies and will be implemented in Burundi, DR Congo, Ethiopia, South Sudan, Sudan and Uganda. The Hague Academy is responsible for training local trainers in the six countries and coaching them in the roll-out of inclusive governance training in the countries. We are also in the lead of the knowledge management-activities of the consortium.

- **Dan Wadaag Somalia**

In 2021, VNG International will start a new four-year project in Puntland and Somaliland on inclusive and transparent disaster risk management. As part of this programme, The Hague Academy will lead an action learning trajectory in which municipalities are guided by local trainer-coaches in designing inclusive disaster risk reduction policies and programmes. We will assist in the selection and training needs analysis of four local trainer-coaches, who will receive a basic 'action learning coach'-training and receive coaching during kick-off and action plan review workshops. We will also give them training on leadership, gender and inclusive governance.

- **ESPER Congo**

For the new programme 'Ensemble pour la Sécurité et la Paix à l'Est de la République Démocratique du Congo', implemented by VNG International and Cordaid and funded by the embassy of The Netherlands, we will set up a Training-of-Trainers-programme for the capacity building teams of VNG International and Cordaid in South and North Kivu and Ituri. The three-year programme aims to promote security, justice and governance structures, to promote social cohesion in eastern DRC. In the first year, we will do the selection of trainers and coaches, carry out a training needs assessment and conduct training on adult learning methods, coaching, gender and conflict sensitivity and human security governance.

4.2 Strengthening government capacity

In 2020, several multi-annual training programmes aimed at building the capacity of government practitioners and establishing international networks between government professionals.

MATRA Rule of Law Training

This programme, funded by the Dutch Ministry of Foreign Affairs, aims to support the rule of law and democracy in (potential) future EU-countries and countries of the Eastern Partnership of the EU by training civil servants and strengthening bilateral relations. The four year programme is implemented together with the Netherlands Helsinki Committee (NHC) and Leiden University. In 2020, we delivered the training 'Integrity of Civil Servants', which had to end halfway due to the Corona outbreak in March. The 'Decentralisation and Citizen Participation'-course was redeveloped as a five-week online course and delivered in October and November.



Recordings for the online MATRA-training 'Decentralisation and Citizen Participation'

Promoting Integrity in the Civil Service of Ukraine

This MATRA-programme aims to strengthen the capacity of the National Agency of Ukraine on the Civil Service (NAUCS) and other Ukrainian government institutions working on the promotion of integrity. In the past three years, we conducted a Training-of-Trainers-programme and organised training and coaching on different aspects of integrity policies in public authorities. In 2020, the trained participants piloted their action plans. We organised an online training on designing and facilitating online trainings and an online refresher training on integrity and good governance practices and ethical leadership. Together with participants we developed an online, self-paced course on integrity and good governance and published integrity training guidelines and a manual with best practices.

Local Safety and Security in Albania

The MATRA-programme on local security in Albania, led by VNG International, ended in 2020. The Hague Academy had the lead in the final publication 'Building Safe Communities' about citizen participation in security policies.

Shiraka training programmes

In 2020, we delivered our annual Shiraka-training programmes for civil servants in the MENA-region on the following topics:

- Local Governance
- Social Affairs & Employment (together with CNV International)
- Water Management (together with Wageningen University).

The programmes are part of the four-year framework contracts funded by the Dutch Ministry of Foreign Affairs and implemented by RVO (Netherlands Enterprise Agency). On the request of the Dutch embassies in Iran and Iraq, under the same framework-contracts, we also started two tailor made trainings on Water Management for Iran and Iraq. Both were implemented online and will be finalised in 2021. In addition, we were asked by RVO to organise a Shiraka-alumni event. Several leads as follow up of the Local Governance and Social Affairs trainings did not materialise, mainly due to the Corona-outbreak.

For our pilot Shiraka-training 'Ecosystems for Entrepreneurs' in Jordan, Morocco and Tunisia we organised a study visit in The Netherlands in January and offered most of the other activities online. The local training in Tunisia, however, could be organised face-to-face thanks to the involvement of a local trainer. Following the programme, we submitted a proposal for a five-year programme on the same topic, which was awarded by RVO. This means that we will continue offering the programme in different MENA-countries from 2021 – 2025.



Study visit to YES! Delft for Shiraka training Ecosystem for Entrepreneurs, January 2020.

Inclusion, participation and peacebuilding in urban governance in Ethiopia

This Nuffic-sponsored programme, implemented together with the Ethiopian Cities Association (ECA), aims to support the ECA with setting up a trainers pool that will be capacitated to deliver training to Ethiopian cities on peacebuilding, participation and inclusion in urban planning. The activities started halfway 2020 with an online training needs assessment followed by a Training-of-Trainers.

4.3 Strengthening the capacity of training institutes

The Hague Academy is asked increasingly to support training institutes with developing their training skills and curricula. In 2020, we finalised one programme in Jordan and started up a new programme in Jordan as well.

University of Jordan

In 2002, we developed the last part of the modules on local development for the University of Jordan, together with experts from the Universities of Groningen and Florence. The programme was implemented for UNDP Jordan with funding from the European Union.

Luminus Technical University

In September 2020 we started a Nuffic-sponsored programme 'Participatory, inclusive education for refugee students and vulnerable youth'. The programme aims to strengthen the capacities of teachers at the Luminus Technical University College, a vocational training institute in Jordan. We help the teachers with the development of curricula, assess the admission procedures and train them in inclusive, participatory training methods and trauma-sensitive teaching.



Participants of a training for Luminus Technical University in Jordan..

5. Short tailor made courses

Short training programmes, with a duration varying from one week up to one year, are normally designed on the request of a variety of clients such as governments, development partners like UNDP and GIZ, or training institutes. Together with local partner organisations, we also proactively develop and submit proposals for funding agencies like Nuffic.

In 2020, we implemented seven short tailor made programmes (fifteen in 2019). Due to Corona, many requests were put on hold, a.o. from VNG International, GIZ, King Saud University and the Indonesian government. However, we acquired some new Nuffic-programmes as a result of calls for proposals. These programmes started online end of 2020 and will be further developed and delivered in 2021. The income from short tailor programmes was € 186,000, which is € 350,000 less than budgeted and € 263,000 less than realised in 2019.

The programmes below were designed and (partly) delivered.

- **Land administration Zambia**

In 2020, we finished the last part of the Nuffic-sponsored programme together with TU Twente and the Dutch 'Kadaster' to support the national titling programme for land administration reforms. A joint training for staff of the Ministry of Lands and Natural Resources and subnational government officials could take place in February/March as planned. The training modules by The Hague Academy dealt with inclusive governance and gender responsiveness in local land administration. The project was closed with an online evaluation meeting with all stakeholders at the end of the year.

- **Unplanned settlements, Land Ownership and Water Management in Zambia**

In Zambia we started a Training-of-Trainers programme for staff of Solwezi municipal council, the Ministry of Land, the Ministry of Energy, Zambia Electricity Supply and the Ministry of Agriculture. Training activities were postponed to 2021 and will focus on land ownership, water management, participatory policy making and inclusive service delivery.

- **Inclusive Governance and Sustaining Peace in Mindanao, Philippines**

This is a Nuffic-sponsored Training-of-Trainers programme for staff at Mindanao State University. They will be trained to enhance the capacity of the Mindanao administrators and staff to implement programmes on peace and security. The activities focus on adult learning methods, gender and conflict sensitive governance and the role of local governments in sustaining peace.

- **Improving local water governance and water cycle management, Palestine**

In the Palestinian territories, we will conduct a Nuffic-funded training programme on local water governance and water cycle management to staff members from the Palestinian Water Authority and water service companies. The programme focuses on the Salfit and Hebron governorates.

- **Restructuring water governance and management in Bhutan**

In this Nuffic-sponsored project, we train staff of the Policy & Planning and Water & Sanitation Divisions of The Ministry of Works and Human Settlement (MoWHS) in Bhutan on good water

governance. Topics include water governance frameworks and models, drinking water provision, water for irrigation and public-private partnerships, and public policy making. The workshops will result in a review of the main challenges that are hindering effective water governance as well as recommendations on changes in the current water mandates in Bhutan and policy guidelines for a new water agency for drinking water and irrigation.



Live session the project 'Restructuring water governance and management in Bhutan'.

- **Disaster Risk Reduction in Benin**

We did an online training and coaching assignment for the VNGI project team in Benin about inclusion in Disaster Risk Reduction. We also developed an inclusivity checklist together with the project team, online training sessions and hosted various live learning sessions on inclusion.

- **Strengthening local government in Algeria**

For VNG international we developed a Training-of-Trainers-programme as part of their Government-to-Government cooperation project with the Algerian Ministry of Interior. The training will be delivered in 2021.

Newly acquired

We submitted several Nuffic-proposals for short training programmes together with local beneficiary partners, to be implemented in 2021 and 2022. Two proposals were granted: one on strengthening the leadership role of civil society in Yemen's peacebuilding process and one on community empowerment for local water governance in Mon state, Myanmar.

6. Talent for Governance

Since 2009, we have implemented our Talent for Governance-scholarship programme. The programme offers a training at The Hague Academy and an internship in a Dutch municipality to young, talented and motivated municipal officers from developing countries.

After the evaluation of the Talent for Governance-programme in 2019, we decided to continue in 2020 in a modest way by selecting four young municipal officers from the Nuffic-application list, for whom we would try to find a Dutch internship municipality. Due to the Corona-outbreak, however, we could only receive one talent in the beginning of the year at our Fiscal Decentralisation & Local Finance course. Unfortunately, there was no municipality available to organise an internship. The expenses were € 4,695 and € 215 was received from donations.

7. Organisation

The year 2020 asked a lot of flexibility from our staff members. Not only because the type of work changed quite substantially from developing and organising in-person trainings in The Hague or abroad to delivering training programmes online, but also because of working from home during a large part of the year and not being able to travel. Despite these challenges, we managed to keep a positive attitude and team spirit throughout the year, a.o. by online borrels, team challenges, regular calls by management to check in with staff and weekly staff meetings to update each other. Despite the distance teamwork, we also started brainstorming and workshops to gather input for the new multi-annual strategy plan for 2021-2025. The plan will be further developed and presented in 2021.

7.1 Human resources

In January 2020, two new programme managers and one new programme officer joined the team. Our finance officer left in September and a new finance officer started in September. Furthermore, one of our programme managers became senior programme manager, a position for staff with special expertise and acquisition tasks and a coaching role for colleagues. Despite the corona-challenges, we were happy to close the year with the complete staff. At the end of the year there were 21 employees.

The fact that people had to work from home for a longer period of time, led to many requests for home office furniture. Funding was provided for this according to the home office regulation, and some people made use of the office chairs that VNG rented for free.

In 2020, we made further improvements to our recruitment and introduction procedure for new staff. Furthermore, there were some sessions organised to improve cooperation between programme managers and programme officers. We also started developing a personal development trajectory for our programme officers to move towards a programme management role.

In 2020, our staff attended numerous (online) events to stay informed about new developments in our field of work. They also participated in several trainings and took part in our internal lunch and learn meetings:

- A training on project budgeting and Excel
- A training on how to design and deliver online training
- An internal TOT on gender and conflict sensitivity in programmes
- A training about the role of an integrity officer at Nyenrode (integrity officer)
- An advanced training on writing skills (communication officer)
- Online lunch and learn meetings on:
 - online training development and delivery (two times)
 - our data privacy policy
 - lessons of the Every Voice Counts-programme
 - our integrity policy and culture



The Hague Academy staff in action preparing online training.

Integrity policy

To keep the Code of Conduct alive, two lunch meetings were organised in 2020. Our integrity officer followed a training at Nyenrode Business University. The integrity officer prepared a factsheet about reporting violations for our staff, so they know what to do in case they observe a violation, and made a first inventory of integrity vulnerabilities and possible violations in the different organisational processes. This inventory will be further elaborated in 2021, a.o. by a survey amongst key persons in the different processes. There were no reports of integrity violations. As of January 2020, Janny Vlietstra is the responsible board member *for integrity*.

7.2 Finance and administration

The Activity Plan for 2020 included several actions to improve the financial management of the organisation. The following activities were realised:

- *new digital workflow processes* were created and existing processes adjusted based on user feedback;
- a start was made with revising the *AO/IC-document* (Administrative Organisation and Internal Control);
- *monitoring project expenses* was simplified by adjusting the 'project transaction reports' in Synergy.

Furthermore, a lot of extra financial administrative work was needed to prepare realistic estimates of our expected income, needed for requesting the NOW-grant from the Dutch government.

GDPR/Data privacy

In 2020, we completed our privacy statement, now published on our website. Our administrative officer acts as data privacy officer and on behalf of The Hague Academy participates in regular VNG-data privacy officer meetings. In 2020, she organised a staff meeting to create awareness and highlight the most important aspects of the data privacy law and the consequences for our work.

7.3 Quality management

In March 2020, we received our Partos-ISO 9001:2015 (version 2018) certificate, as proof of a well-functioning quality management system at The Hague Academy. This certificate is a reward for the continuous effort that we have put into developing this system in the past five years, as part of our multi-annual strategy plan 2016 - 2020.

Following the certification audit, a corporate responsibility policy document was developed and discussed in the team, as well as a complaints procedure, and an our integrity policy was further elaborated. We also developed a multi-annual (internal) audit plan. Furthermore, we added a paragraph on integrity, a risk analysis, an in-control statement, and a paragraph on corporate responsibility to the annual report 2019.

Another result of the certification audit is that an annual assessment (management review) is done of the quality system, based on the internal audits (project audits and document audit), participant satisfaction surveys, training impact surveys, supplier assessments and stakeholder assessments. The management review is prepared in October and forms part of the annual plan that is drafted annually in November.

7.4 Communication and fundraising

In 2020, we realised the following results with respect to acquisition and fundraising and course promotion:

- Evaluation of the proposal writing process for a Nuffic-proposals, which led to new guidelines and supporting documents.
- New website designed and pages built.
- A first set-up of a style guide for the corporate style of The Hague Academy.
- Contacts in CRM reviewed and marketing properties added.
- Proposal ready for setting up our alumni network.
- Contributions to different (online) events, targeting different audiences:
 - Nuffic Partner Day: during this event, our alumna Dahiana from Colombia received the second prize at the 2020 Nuffic Impact Awards ceremony;
 - Netherlands Water Partnership-event for Mexico: THA provided a presentation about citizen participation in water management;
 - “Week van de Integriteit”: THA organised a public panel debate on integrity in the civil service in Ukraine, with several experts and stakeholders from the project;
 - ICLD Local Democracy Academy-event: THA presented a joint paper with the Fletcher school of law and diplomacy (Tuts University) and CARE Nederland about social norms in relation to transparency and accountability in local authorities, following the research findings from the EVC-project.
 - Event “Connect for Women: uncovering gender norms in practice”: THA was co-organisier of this joint event with CARE Nederland, Cordaid, RNW Media, the institute for Social Studies and the African Studies Centre Leiden.



Alumna Dahiana Manjarrés received the Nuffic Impact Award for her work to promote youth employment in public institutions.

With input from the working group discussions for the multi-annual strategy plan 2021 - 2025, we identified several priorities for acquisition, fundraising and communication. Based on these priorities we formulated several action points for 2021.

7.5 Social responsibility

Our social responsibility policy was elaborated in 2020 and laid down in a policy a document which describes how we are looking after our employees and stakeholders, what we do to protect the environment and how we engage the community. The policy refers to our Code of Conduct, Equality and Diversity Policy and Travel Security Policy as well as the remuneration policy, health provisions, personal development plans, information channels for stakeholders, satisfaction surveys, data privacy regulations, procurement rules, circular waste management, carbon reduction measures and the involvement special groups in training programmes.

One example of our social responsibility policy is our cooperation with Hotel Court Garden as preferred hotel supplier, a hotel qualified with the GAIA Green Award and European ECO-label, and catering provider Vitam, which applies a 'zero-waste'-policy aimed at recycling food where possible. Furthermore, we include CO₂-compensation on all our flights, and we participate in the 'sustainable Willemshof'-group of VNG, which develops new measures for sustainable use of the building.

8. Finances

The total turnover realised by The Hague Academy in 2020 is € 1.88 mln., which is € 1.44 mln. less than budgeted and € 1.04 mln. less than realised in 2019. This considerable decrease in revenue was caused by the worldwide Corona-pandemic, which led to less participants for our open subscription courses and less assignments for tailor made training. Expenditures for material costs are also much less than in previous years, since international travel was not possible for most part of the year: a difference of € 1.06 mln. compared with the budget for 2020 and € 827,000 compared with the realised costs in 2019.

The loss of income was partly compensated by the NOW-grant from the Dutch government, which covers a large part of the salary costs. This provision was made available by the government after the Corona-outbreak for organisations confronted with an income loss of more than 20% compared to the year before. Its aim is to maintain as much jobs as possible during the crisis period. Thanks to the grant we could keep all our staff members onboard and close the year with a positive result of € 30,857.

8.1 Sources of income

The figure below shows the sources of income in 2020. Due to Corona, the main revenue for 2020 comes from donor funded programmes that were already contracted and Nuffic-scholarships funded by the Dutch Ministry of Foreign Affairs (79%). Other donors are the EU and UNDP (8%). Other organisations contribute for 13%, mainly with short assignments and funding participants for our open subscription courses. Most smaller assignments from partners such as UNCDF and GIZ, however, were put on hold this year due to Corona.



8.2 Financial health

As of 31 December 2020, the financial position of The Hague Academy was as follows:

- the quick ratio for our liquidity position was 1,5
- the solvency ratio was 29%

- the amount to be received from debtors was € 54,677, the amount creditors to be paid was € 96,129;
- there is no need to make a provision for doubtful debts.

These figures show that the organisation is able to meet both our short and long-term financial obligations. This reflects the ability of THA to carry the present current liabilities and supports the continuity of the foundation. Considering the healthy financial position in 2020 and the positive expectations for 2021, the financial statements have been prepared by the auditor on a going concern basis.

8.3 Risk management and in control statement

In 2020, we developed a risk management framework in which we identify and analyse risks, their likelihood and impact, and prevention and mitigation measures. The PARTOS-ISO control audit, received in March 2021, reconfirmed that the organisational risks and mitigation measures of The Hague Academy are mapped in a structural way, that extensive thought has been given to the risks related to integrity and security, and that management has adequately taken care of the implementation of policies.

Main risks

The main organisational risks for The Hague Academy relate to security issues, which may threaten the security of our staff and can lead to postponement or cancellation of activities. The security situation in our countries of work is often hard to predict. Although our activities in Afghanistan ended in 2020, the situation in Myanmar, for which we just acquired a new programme, has suddenly become volatile. Other countries where we work with security risks are Burundi, DR Congo, South Sudan and Yemen. On top of the security risks, there are the current health risks related to the Corona-pandemic.

To mitigate the security risks, we take preventive measures for staff travelling abroad. We follow the travel advice of the Ministry of Foreign Affairs and before travelling prepare a detailed security analysis based on several reliable sources. Staff receive security trainings and our travel and security policies are updated annually. To mitigate risks in the planning of our activities, we continuously monitor and adjust the planning of productive days and keep track of opportunities for new assignments in other countries that can be pursued should planned activities be cancelled. Moreover, in the past year, we developed different distance learning methods that can be applied when travel is impossible for security reasons. In Yemen, for example, we work completely online with a network of local trainers who deliver follow-up training in-country.

Another risk mentioned earlier relates to staff capacity for financial management and acquisition and fundraising. To mitigate this risk, we invested both in a stricter recruitment procedure and in more intensive training and coaching of programme managers in the field of financial management and acquisition and fundraising. Several team members practiced with writing and submitting programme proposals in 2020. We believe that this risk has been reduced from high to medium.

The risk of fraud or mismanagement is considered low, since THA has a solid financial control system in place with sufficient checks and balances. This is confirmed by the financial auditor in their audit report for 2020. To mitigate any integrity risks, we are currently further identifying and elaborating our vulnerable work areas and procedures for dealing with violations. Furthermore, as a preventive measure, we continue organising regular lunch meetings with the staff about dilemmas that they face in their work.

In control statement

The Hague Academy has mapped out its risks, the likelihood of these risks occurring and the possible impact. Management has taken mitigation measures by management linked to the identified risks, which minimises the occurrence of these risks. The administrative organisation and internal control system, as confirmed in the auditor's report, functions at a professional level. The Board has taken note of the risks and control measures and expresses its confidence that the foundation has sufficient control over the identified risks.

8.4 Future development

The budget for 2021, shows a turnover of € 3.61 mln., which is an increase in income of around € 300,000 compared to the budget of 2020. The difference is mainly caused by the extra income from open subscription courses starting in 2020 for which the second part was postponed to 2021 (€ 145,000). For the same reason, material costs for open courses are budgeted € 204,000 higher than in 2020. These figures are based on the opportunity to travel to The Netherlands in June/July 2021.

The revenue from tailor made training is estimated slightly below the budgeted amount for 2020, because of the continued Corona-crisis in the first half of 2021. However, some large new tailor made programmes (We Are Able, Shiraka Ecosystems for Entrepreneurs) will start up in 2021, if necessary with online activities.

To implement both the extra open course modules for the participants of 2020 as well as the new tailor made programmes, and the fact that two staff members will have their pregnancy leave in 2021, we plan to hire three extra staff members. This leads to an increase in personnel expenses of € 125,000 compared to the budget of 2020. The other organisational costs will increase with € 15,000. This leads to the following financial forecast for 2021:

Budget	2021	2020
Income open courses	€ 1,096,468	785,650
Income TMT projects	€ 2,508,512	2,522,919
Donations	€ 9,000	10,000
Total income	€ 3,613,980	3,318,569
Material costs open courses	€ 526,700	323,000
Material costs TMT projects	€ 1,247,275	1,284,936
Material costs Talent for Governance	€ 10,000	22,000
Personnel costs	€ 1,536,608	1,411,498
Other operating costs	€ 281,776	266,794
Total expenses	€ 3,601,776	3,308,229
Result	€ 12,204	10,340

At the time of writing this report, we are still in the midst of the Corona-crisis. International travel is only allowed if 'essential' and restricted by many conditions such as testing and quarantine. This means that it is very difficult for participants to come over to The Netherlands for training. Likewise, trainers travelling abroad to provide training is only possible if the activities cannot be provided online.

It is expected that large scale vaccination programmes will lead to a relieve of the restrictions in The Netherlands and the EU, but what this means for incoming travellers from outside the EU is still to be seen. However, if necessary, most of our programmes can be continued online, thanks to the investments made in the past year. If we have to stick to online training, this will certainly lead to less turnover than forecasted, but due to the lower travel and accommodation costs involved, and the fact that we only budgeted for tailor made training already contracted (either online or face-to-face), this will not substantially affect the general result.

Governance

The Hague Academy for Local Governance is a foundation under Dutch law. The Board of the Academy per 31 December 2020 consists of Mr. Peter Knip (chair), Mr. Pieter Jeroense (treasurer) and Janny Vlietstra. Membership of the Board is voluntary and does not involve any form of financial compensation other than the reimbursement of expenses.

The Board appoints and supervises the director of the foundation. Mrs. Cecile Meijs was appointed as director as of 1 October 2011. The director takes financial and operational decisions within the policies set by the Board. The salary of the director is in accordance with the remuneration policy of The Hague Academy, as established by the Board in 2008 and revised in 2011. The remuneration policy describes the job positions at The Hague Academy and the accompanying salary scales.

9. Accounts

9.1 Balance sheet per 31 December 2020

(after appropriation of result)

Assets	2020	2019
(in euros)		
Current assets		
Receivables		
Debtors	54,677	266,904
Taxes and social securities	1,719	
Other receivables	<u>109,489</u>	<u>8,783</u>
	165,885	275,687
Cash at bank and in hand	1,372,158	722,249
Total current assets	1,538,043	997,936
Total assets	1,538,043	997,936

Equity and liabilities	2020	2019
(in euros)		
Equity		
General reserve	445,064	414,207
	445,064	414,207
Current liabilities		
Creditors	96,129	164,646
Taxes and social securities	36,125	90,074
Pensions	18,821	14,680
Accruals and other liabilities	<u>941,904</u>	<u>314,329</u>
	1,092,979	583,729
Total equity and liabilities	1,538,043	997,936

9.2 Profit and loss account 2020

	Actual	Budget	Actual
	2020	2020	2019
Income			
Open courses	352,387	785,650	831,917
Tailor made projects	1,526,265	2,522,919	2,083,991
Donations	215	10,000	50
Total income	1,878,867	3,318,569	2,915,958
Material costs			
Open courses	79,135	323,000	348,405
Tailor made projects	485,904	1,284,936	1,045,850
Talent for Governance	4,695	22,000	2,254
Personnel expenses	1,015,864	1,411,498	1,197,714
Other expenses	261,874	266,795	203,377
Total expenses	1,847,472	3,308,229	2,797,600
Operating result	31,396	10,340	118,358
Financial result			
Finance income	-	-	-
Finance expenses	539	-	553
	539-	-	553
Total result	30,857	10,340	117,806

9.3 Cash flow statement 2020

in euros	2020	2019
Cashflow from regular activities		
Operating result	31,396	118,358
Changes in working capital:		
Taxes	55,668 -	93,514
Changes in receivables	108,084	143,482-
Changes in liabilities	566,637	424,343-
	<u>619,053</u>	<u>474,311-</u>
	650,448	355,953-
Received interest	-	-
Paid interest	539	553
	<u>539-</u>	<u>553-</u>
Cash flow from regular activities	<u>649,909</u>	<u>356,505-</u>
Changes in cash at bank and in hand	<u>649,909</u>	<u>356,505-</u>
Amount cash at bank and in hand per January 1 st	722,249	1,078,754
Amount cash at bank and in hand per December 31 st	<u>1,372,158</u>	<u>722,249</u>
Changes in cash at bank and in hand	<u>649,909</u>	<u>356,505-</u>

9.4 Notes to the accounts

The financial statements are prepared in accordance with the Guideline for annual reporting for small organisations not-for-profit (RjkC1) of the Dutch Accounting Standards Board.

Activities

The Hague Academy for Local Governance aims to strengthen local democracy worldwide. The foundation aims to achieve its goal by increasing knowledge and skills of people working in the field of local governance in developing and transition countries, by raising funds and offering practice oriented training and other projects that contribute to the goal of the foundation.

Principles of valuation

Receivables are included at nominal value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

The pension plan can be defined as a defined contribution plan. Contributions are included in the financial year in which the contributions are paid. Outstanding contributions are included in current liabilities.

All other accounts are valued at nominal value.

Principles of revenue recognition

Income consists of:

- Subsidies, these are allocated to the financial year in proportion to the actual spent costs;
- Donations, these are included in the financial year in which the donations are received;
- Revenues for services rendered, these are included in the financial year in which these revenues are rendered.

Expenses are recognised in the year in which the expenses are incurred. Provisions for estimated losses, if any, are made in the period that such losses are determined.

Principles of the cash flow statement

The cash flow statement is drafted using the indirect method. Cash at bank and in hand consists of the amounts held at the bank accounts of the foundation. Received and paid interest is included in the cash flow from regular activities.

Related parties

The Hague Academy for Local Governance is an independent, non-governmental organisation, housed in the building of the Association of Dutch Municipalities (VNG) at Nassaulaan 12. The foundation is, however, financially nor administratively related to the VNG.

	2020	2019
Costs paid to VNGI (in euros)	214,165	169,569

Principles off-balance sheet

The off-balance sheet commitments regarding workplace, laptops, accounts, ICT support are included in a service agreement with VNG International. The renewal of the contract takes after three years with the possibility to end the commitments one month before end of the contract period with no further commitments.

Principles after balance date

In the financial year 2020 and 2021, The Hague Academy, as many other organisations, has been seriously affected by the Corona-crisis. We expect a considerable loss of income in the period from April 2020 until at least July 2021. Several measures have been taken by the management to mitigate the loss of income. We have applied for the NOW-subsidy from the Dutch government, which covers almost 90% of the salary costs in this period. Also, staff has been asked to take their leave as much as possible. Furthermore, we converted the open courses to blended courses, so that we could already start online in 2020. The Face-to-Face part of seven open courses was postponed to the year 2021. Since international travel was still not possible in the first part of 2021, the open courses planned for spring 2021 were also offered as blended courses. Tailor made trainings were also converted from offline to online activities, in consultation with donors and clients. These measures justify that the financial report is drawn up on a going concern basis.

9.5 Notes to the balance sheet per 31 December 2020

	2020	2019
1. Receivables		
Debtors	54,677	266,904
Taxes and social securities	1,719	
Receivables short term projects and others	77,531	8,783
Receivables scholarships		
Advances employees	1,000	
Receivables long term projects	30,959	
	<u>165,885</u>	<u>275,687</u>

No provision for doubtful debts is deemed necessary.

The statement by an independent auditor for the NOW2 and NOW3 compensation was not yet available at the moment the annual accounts 2020 were finalised. The final amounts will only be settled in 2021. We have, however, calculated the grants according to the indicated NOW-requirements for payroll and revenue, including significant valuation and periodic boundary aspects.

	2020	2019
2. Cash at bank and in hand		
Cash in hand	3,338	3,053
Banks	1,368,820	719,196
	<u>1,372,158</u>	<u>722,249</u>

Cash at bank and in hand consists of amounts at the foundation's bank accounts. All amounts are free at disposal of the foundation.

	2020	2019
3. Equity		
General reserve		
As at January, 1 st	414,207	296,401
Current year result	30,857	117,806
As at December, 31 st	445,064	414,207

	2020	2019
4. Current liabilities		
Creditors	96,129	164,646
Taxes and social securities	36,125	90,074
Pensions	18,821	14,680
Other current liabilities	74,702	91,589
Accruals	867,202	222,740
	1,092,979	583,729

Accruals

Work in progress	761,433	125,498
Other amounts received in advance	19,160	9,710
Accrued Holiday allowance and end of year payment	48,971	50,009
Accrued Holidays	37,349	37,472
Net salaries	289	51
	867,202	222,740

The amount mentioned under work in progress consists of € 292,500 payments to be received and € 1,053,993 payments received in advance. An amount of € 1,110 to related parties is included in the current liabilities. This amount relates to parking and storage costs for 2020.

9.6 Notes to the profit and loss account for 2020

	Actual	Budget	Actual
(in euros)	2020	2020	2019
5. Income			
Income open courses	352,387	785,650	831,917
Income tailor made projects	1,526,265	2,522,919	2,083,991
Donations Talent for Governance	215	10,000	50
Total	1,878,867	3,318,569	2,915,958

	Actual	Budget	Actual
	2020	2020	2019
6. Material costs			
Material costs open courses	79,135	323,000	348,405
Material costs tailor made projects	485,904	1,284,936	1,045,850
Talent for Governance	4,695	22,000	2,254
Total	<u>569,734</u>	<u>1,629,936</u>	<u>1,396,509</u>

Income and expenditures open courses

The total income from open courses was € 353,000, which is € 433,000 less than budgeted. Material costs were only € 79,100, which is € 244,000 less than budgeted. This has to do with the fact that most courses were delivered online so less material costs were involved. However, the fact that most open courses had to be redeveloped as blended courses, the costs for manhours of The Hague Academy staff were higher than budgeted. If we include manhours for developing and delivering the courses in 2020, the expenses add up to € 327,000.

The blended courses that we developed consisted of an online part offered in the course of 2020 and a Face-to-Face part that was initially planned to take place in The Hague in the final quarter of 2020. In the end, the Face-to-Face modules had to be postponed to 2021. Despite Corona, 163 people joined our subscription courses, of which 94 with a Nuffic-scholarship. Although this was only 25 participants less than the budgeted, the income from participant fees is less than might be expected, since part of the income has to be accounted for in 2021, when the second part of the courses will be delivered.

Income and expenditures tailor made projects

The turnover from TMT-programmes was € 1,53 mln, which was € 997,000 less than budgeted. This is caused by less manhours realised and lower costs for tickets, hotels etc., due to corona. For most multi-annual-programmes, online learning alternatives were suggested and accepted by our donors and clients. Therefore, many of the budgeted manhours could still be realised. The income from short tailor made training projects, was with € 186,000, about one third of the budgeted amount, since many project leads were put on hold until travel would become possible again.

The fact that, due to Corona, less programmes could be realised than planned, is reflected by the productivity of the staff in 2020. The productivity rate for programme managers was 10% below the targeted 60% and for programme officers 13% below the target of 63%.

Donations Talent for Governance

We welcomed one talent in the Hague, who participated in our open course Fiscal Decentralisation in the first quarter of 2020. Since we only received € 215 of private donations and no other funds, the loss for the Talent for Governance-programme in 2020 was € 4,480.

	Actual	Budget	Actual
	2020	2020	2019
7. Personnel expenses			
Wages and salaries	1,010,855	1,004,473	853,750
Social security premiums	176,837	162,523	145,213
Pension premiums	171,339	159,502	139,482
Travel and accommodation	12,600	17,000	16,670
Other employee costs	42,368	68,000	42,599
NOW-grant	398,135-		
	<u>1,015,864</u>	<u>1,411,498</u>	<u>1,197,714</u>

In 2020 there were some personnel changes at The Hague Academy which resulted in higher costs for salaries, social security and pension premiums. The total expenses related to staff, however, were € 395,500 less than budgeted. The main reason for the lower personnel expenses is the NOW-grant received from the Dutch government to cover part of the salary costs as a compensation for loss of income. In total we received € 398,000 NOW-compensation for 2020. Furthermore, travel costs for home-work traffic were € 4,500 less, due to the fact that during a large part of the year people were working from home. Also, employees used their vacation days, leading to a negative impact on the holiday provision instead of the budgeted increase.

	Actual	Budget	Actual
	2020	2020	2019
8. Other expenses			
Housing	65,504	68,659	52,816
Office costs	112,143	125,636	70,704
Auditing	23,191	11,500	8,450
Communication and fundraising	38,482	38,500	38,956
Other costs	<u>22,553</u>	<u>21,500</u>	<u>32,451</u>
	<u>261,874</u>	<u>266,795</u>	<u>203,377</u>

The other expenses in 2020 were in total € 4,500 less than budgeted. Housing costs were € 3,000 below budget due to lower prices charged for the workspaces. Office costs were € 13,500 less because the budgeted IT-support was partly postponed to 2021 and less office supplies were purchased as result of the lockdown. Finally, auditing costs were € 12,000 higher than budgeted, mainly because of the audits of the NOW-grant and the PARTOS-ISO-certification, which were not taken into account in the budget.

Staff members

Per 31 December 2020, twenty one staff members were working for the foundation (2019: eighteen).

Remuneration of executives

The remuneration of the current members of the executive Board which are included in the current year financial statements, amounts to € 0.

Appropriation of result

The result for 2020 amounts to € 30,857 and will be added to the general reserve.

Subsequent events

Between the time of preparing the financial statements and the balance sheet date there have been no events that give a different view on the annual result for 2020.

9.7 Auditor's report

See next pages.