



**HOW FAIR IS JUSTICE  
IF YOU DON'T HAVE  
ACCESS TO IT?**

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

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

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

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

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

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

We at HiiL call it: user-friendly justice.

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

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# From the CEO

Justice was the word of 2018, reported the [Washington Post](#). What does this continuous interest by the general public in the word mean for justice?

Will 2018 go down in history as the year in which the badly needed shift took place in how we look at justice delivery? The equivalent of the 2° Celsius moment of climate change? The crystallizing number we worked out in 2018 is 'two-thirds'. Two in three is the amount of people who do not get a solution to their legal problem. Almost everywhere in the world. At best, 9% report a partial solution. The others do not even try, drop out of the resolution process or are still trying. We need a two-thirds improvement in justice delivery.

The world learned to also look at the 2° Celsius challenge as a social and economic opportunity. The green economy is now attracting massive investment and is the foundation for social innovation. The two-thirds number is most certainly a problem of grand proportions. But it can also be seen as an opportunity: the foundation for a justice economy and justice-driven social innovation.

Our mantra is and remains: we need to make justice systems more people-centred; we need to work more evidence based; and we need to open-up justice systems to more justice providers.

As you will read below, that's what we worked for in 2018. We will share how much additional data we collected about the justice needs and experiences of people around the world, and the innovation we launched to record that data; the Justice Dashboard. We also share what our experts learned about which processes work for delivering user-friendly justice and how we shared that. You'll discover how the justice innovations we helped increase impact. And the work we did with justice leaders to support transformation. We also for the first time share a first version of the way we are learning to measure our own impact.

We were a proud partner of the Task Force on Justice this year. We contributed a knowledge-base that supported quantifying the size and shape of the justice gap, and on innovation in the justice sector. With the Task Force we have an unprecedented amplifier and global engagement vehicle.

We thank all the partners we worked with and who placed their trust in us. Below you'll read who they are. I also thank the HiiL team for their unrelenting commitment to the goal of closing the justice gap. Lastly: I invite anyone to contact me or the HiiL team if you have any questions about what we do.





Why

**Each year,  
1 billion people  
have a new  
justice problem.**

Our mission

**By 2030, 150  
million people  
will be able  
to prevent or  
resolve their  
most pressing  
justice problems.**

## Why

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

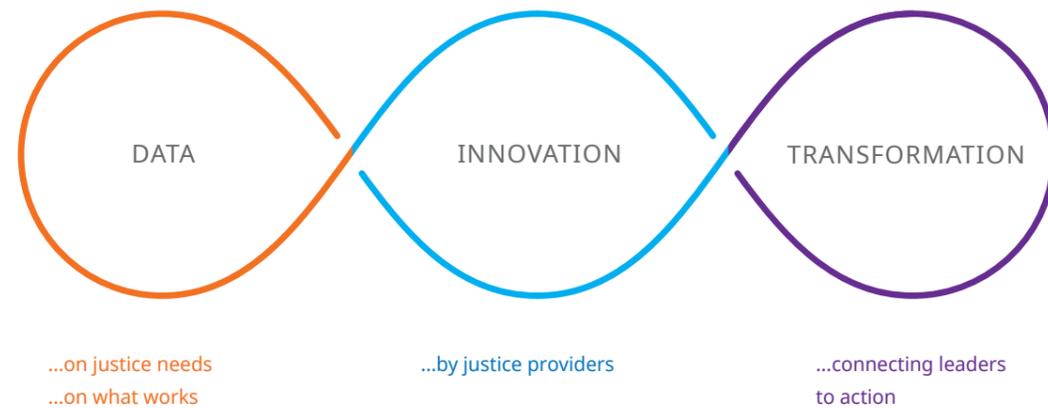
## Our mission

By 2030, 150 million people will be able to prevent or resolve their most pressing justice problems.

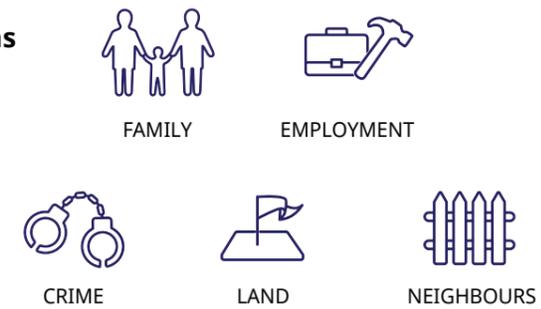
## Key Indicators

- In 2018 we worked in 10 countries: Fiji, Nigeria, Morocco, Mali, Kenya, Bangladesh, Ukraine, Uganda, South Africa, The Netherlands.
- Our team in The Hague was comprised of 26 core team members and 2 interns. We had 10 regional agents in Kenya, Lebanon, Nigeria, South Africa, Uganda, India and Ukraine.
- Our key clients and strategic partners were: The Dutch Ministry of Foreign Affairs, the Swedish International Development Agency, The Hague Municipality and Ford Foundation

**Our approach:** data + innovation + transformation = user-friendly justice



## Focus areas in 2018



## Qualification

ANBI – Qualification from Dutch tax authorities.

Fiscal number: 816106551

## Funding

The foundation was in 2018 mainly funded by public money.



## Social impact

We improved data collection regarding the impact of our activities. Which reform processes resulted from our 2014-2018 activities? What is the reach of the services delivered by the innovators we support?

On the basis of these impact data, experts helped us to review our theory of change. Bottlenecks for reform and scaling up innovations have been identified. We adjusted our activities and are setting up a process for continuous evaluation and learning.

## Finance

	2018	2017
Revenues (EUR)	4.4 mln	3.5 mln
Solvency ratio (total reserves divided by total liabilities)	20%	34%
Current ratio (current assets divided by total debts)	1.2	1.4
Average number of FTE	20.2	17.4

# Strategy

HiiL is a social enterprise. Being a social enterprise means that for HiiL, profit making and generating positive results are means to an end: reaching the social goal we stand for.

## HiiL's social goal

- By 2030, 150 million people will be able to prevent or resolve their most pressing justice problems.
- We focus on the 'mass market': billions of vulnerable people who don't have access to justice. If we were a car maker we would produce affordable Hyundai's, not Jaguars
- We focus on most pressing justice needs
- We are not focused on the rulemaking part of rule of law such as democracy, adopting laws, etc.
- We link our work on to the Sustainable Development Agenda. In particular, Sustainable Development Goal (SDG) article 16.3 (equal access to justice for all). It entails promoting the rule of law at the national and international levels and ensuring access to justice. Achieving this goal demands a radical change towards user-friendly justice: justice that is affordable, accessible and easy to understand.

## Business model

Based on the data about user experiences and needs, we have two groups we engage:

1. Private organisations and/or individuals that have promising and scalable solutions that prevent or resolve the most pressing justice problems. In this case a justice entrepreneur wants to grow. For this group we offer acceleration
2. Governmental justice organisations that require scalable solutions that prevent or resolve the most pressing justice problems. In this case a justice ecosystem needs a solution. For this group we engage in coalition building, designing and developing

The target groups therefore are: ministries, NGOs and social impact investors. We always work in partnerships that involve justice providers, users and funders.

We need to perform these activities at high quality and scale if we want to reach the impact level we aim for.

## Our activities



### Measuring justice

Collecting data about the needs and experiences of users of the justice system and making that data accessible.



### Supporting justice innovations

Incubation and acceleration of promising justice entrepreneurs that provide solutions which help prevent or resolve the most pressing justice problems that emerge from the data.



### Transforming justice

Building system-changing coalitions that design and develop solutions for preventing or resolving the most pressing justice problems that emerge from the data.

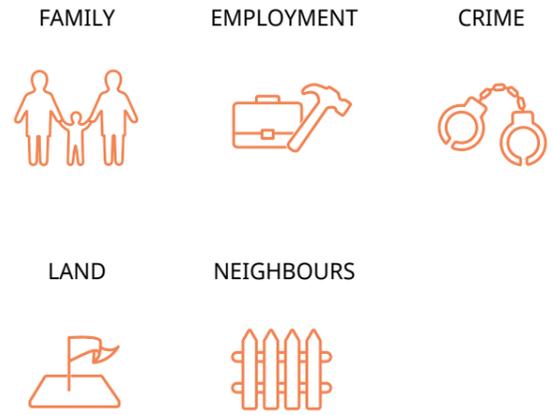


### Researching solutions

Keeping track of what works, what the barriers in solving the most prevalent legal problems are and what the 'dead-ends' in the justice sector are.

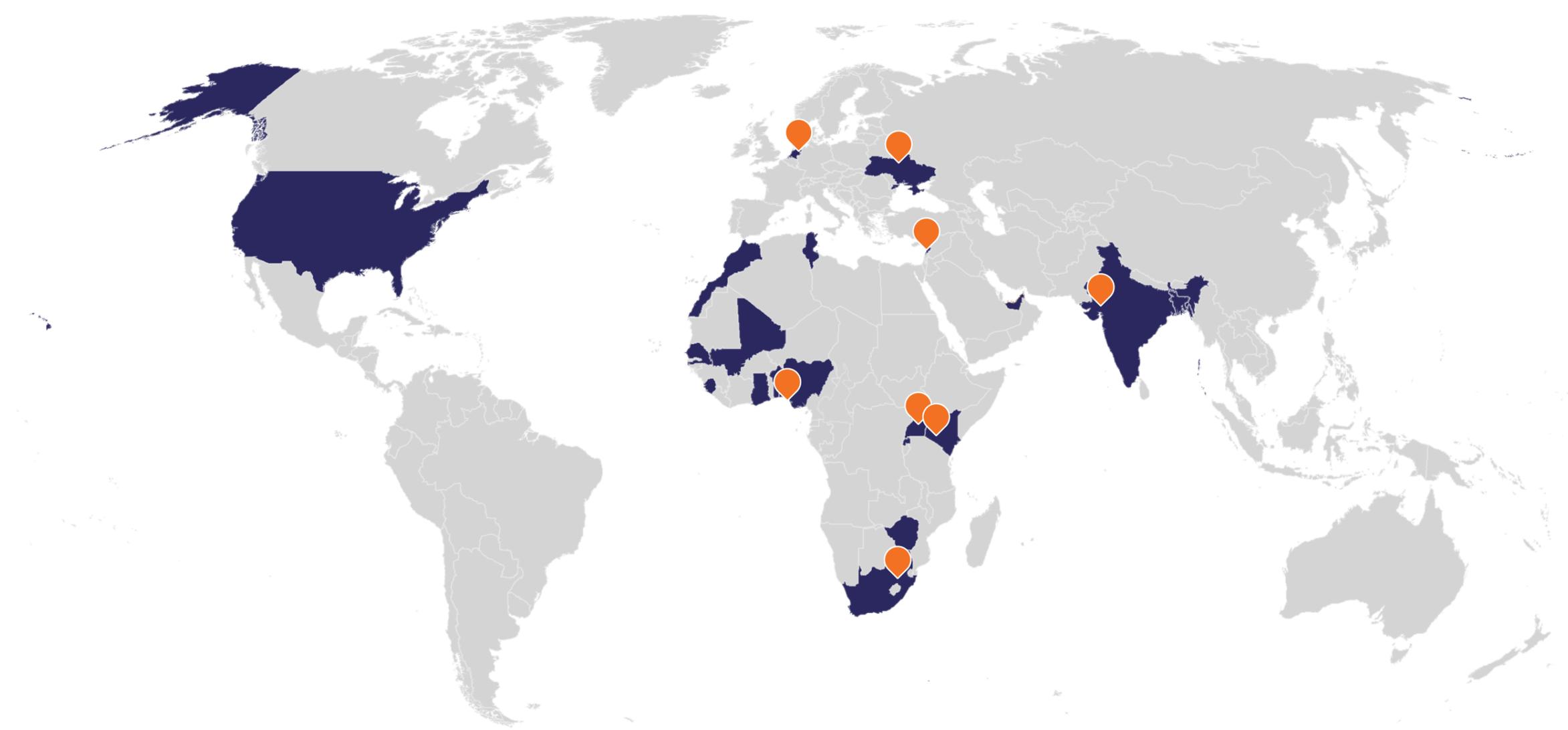
**Most pressing justice problems we work on**

The top 5 categories of justice problems in the countries we have surveyed:



**Where we work**

- We currently focus on Africa, the Middle East and North Africa (MENA) region and some European countries. Now we also have comparable data from Oceania having done a Justice Needs and Satisfaction (JNS) study in Fiji in 2018.
- Even though we do not only work in low-income countries, they have become our main focus. In terms of numbers, more people have difficulties to prevent or resolve their most pressing justice problems in those countries.
- We focus on countries with large populations.



■ Where we were active in 2018      ● Regional Agents

# Impact

This section summarizes what we currently know about the impact of our activities on achieving our mission. We look at our activities from 2014 to 2018, and investigate what impacts materialized during 2018. We also report what we learned about increasing our impact during 2018.

## How we measured our impact

HiiL's high level theory of change was in 2018:

- collecting and reporting data on justice needs and evidence on what works;
- and – based on that – (national) Action Plans how to resolve or prevent the most pressing justice problems;
- will lead to strategies to solve and prevent problems evidence based, supported by the justice sector stakeholders and with financial resources;
- and building an innovation eco-system, accelerating selected innovations in the target countries;
- will lead to pressing problems being prevented and resolved.

This theory of change rests on many assumptions. We have begun to test these assumptions systematically in 2018:

- We collected data regarding the impact of our activities;
- The Programmatic Steering Board advised us on our transformation efforts in August 2018;
- One of our major programs (MFA1) received an extensive interim-evaluation by an external team (MDF agency) in September 2018;
- We gathered and analysed data on justice problems, what works to resolve justice problems, innovation trends and barriers to scaling up innovation (report *Understanding Justice Needs: the Elephant in the Courtroom*, December 2018).

## Results

### Data mobilizing stakeholders

Since 2014, we have collected justice needs data from the population of 15 countries. The estimated total number of justice problems that adults in these countries (with a total population of 884 million) experience every year is **103 million**. Between 25% and 40% of these problems are completely resolved, so at least 60 million problems are not resolved.

Working with local partners, we then shared the results of the Justice Needs and Satisfaction (JNS) Surveys and explored the implications with stakeholders. This happened in all 15 countries where we collected data. During 2018, we involved **300 stakeholders** in such a dialogue. Country reports pages on our website were viewed 170 times on average, reports downloaded **97** times and **290** printed versions are distributed. Per country, **10** or more news-outlets reported about it, including 4 printed national media. We also conducted triangulation workshops, launch events and publish the data on our justice dashboard.

The interim-evaluation found that the results are relevant to *“government officials, judges and lawyers, legal aid providers, and advocates for justice sector reforms.”*

**9 Action Plans have been developed in 6 countries.** This happened with stakeholders in Bangladesh (land justice 2018), Netherlands (family justice, criminal justice 2018), Tunisia (employment justice), UAE (employment justice, personal injury) Ukraine (employment justice, justice for IDPs, 2018) and Uganda (family justice).

The interim evaluation confirms that JNS reports and Action Plans are effective in motivating and catalysing dialogue on justice sector reforms and evidence-base programming. In 5 countries (Kenya, Mali, Netherlands, Uganda and Ukraine), key national policy makers (chief justices, ministries) used our data to review, prioritize and frame policies.

“ *HiiL enjoys high legitimacy and credibility with country partners and at the international level by using a bottom-up, inclusive and participative approach, responding to citizen's justice needs* ”

- external evaluators

“ *HiiL is unique in collecting quantitative data on users’ needs and discussing justice needs and solutions from users’ experience*

- external evaluators

### Data to action and transformation

Whether these efforts already lead to pressing problems being resolved or prevented, is uncertain. We expect that media reports about data, action plans, dialogue and policymaking have a trickle down effect on how justice workers actually prevent or resolve justice problems. Policy makers see the most urgent needs, the priorities and what works. During 2019, we will collect more data about the mechanisms of impact, in particular in countries where we do a second JNS survey (Mali, Uganda).

We found that reforms and implementation based on Action Plans are in early stages. The core activities under **3 Action Plans have been funded and are in the process of implementation** by stakeholders (Netherlands and Uganda family justice, UAE employment justice). In 2018, we were involved in 1 implementation program (Uganda, focus on evidence based family justice).

Our theory of change assumes that justice policy making on the basis of justice needs and what works is attractive for stakeholders in the justice sector and for those financing the justice sector. However, this process is gradual and has bottlenecks. The interim-evaluation states that *“the formulation of justice delivery goals and designs for improved justice journeys do not yet match with how national justice sector plans are developed and monitored, as well as political, legal and social realities.”* Another bottleneck identified by the evaluators is “ownership” of the agenda of serving justice needs of the population. Change towards user-friendly justice requires changes in attitudes, roles, ways of cooperation between stakeholders, improved legal procedures and regulation, better financial planning and alignment of incentives.



These findings have led to an improved theory of change, where we state that a transformation process is needed. Leaders from the justice sector and other stakeholders are engaged, working towards concrete goals and strategies, based on data. This transformation activity will be scaled up during 2019 and funds for this have been secured during 2018. **A step by step transformation process is being implemented and continuously improved.** It will be systematically monitored based on learnings during 2019 by a unit specializing in Monitoring, Evaluation and Learning.

### Accelerating innovations

HiiL now supports local Justice Accelerator teams in 7 countries (Bangladesh, Kenya, Netherlands, Nigeria, South Africa, Ukraine and Uganda). The teams supported innovations from 17 countries, most of them also countries where we did JNS surveys or where other sources of justice needs data are available. The impact of these activities on problems resolved or prevented is likely to be positive but the size of the effects is uncertain.

“ *The Accelerator programme generally brought vital support to the innovators*

“ *The innovations supported by HiiL have a reasonable rate of survival a few years after support*

- external evaluators

Innovators supported by our accelerator team answered questions on what would have happened if our team would not have assisted them:

- 38% reported that the innovation would not have become active until another partner or funder would have joined;
- 19% reported that then they would have had hardly any users;
- 38% estimated they would have around half the number of users.

For the **portfolio of 51 innovations** supported by HiiL in the past years, we started to estimate the number of problems they actually help resolve or prevent. Each innovator supplied information on the number of users and we started to assess how likely their intervention is to solve or prevent a pressing justice problem.

Based on this, and on other information gathered from innovators, we can present the following estimates of the direct and indirect impact of the Accelerator portfolio of 51 innovations during 2018:



*Haqdarshak team – innovators supported by HiiL – in the field*

### Innovation trends and bottlenecks

During 2018, we obtained a better understanding why scaling justice innovations for the most pressing justice problems is so complicated.

- Talented entrepreneurs look for opportunities for a sustainable business. Many tend to shift their attention towards justice problems of small and medium companies, because they see more opportunities there than in the market for individual consumers.
- Justice sector innovation often requires interaction and coordination with government services, such as courts and police. Other innovators work with heavily regulated services such as the ones of lawyers. Managing these relationships, and coming to mutually beneficial and stable relationships is difficult.
- There is no structured and transparent process for giving effective innovations access to the market and integrating them in the legal system. Compared to, for instance, the healthcare sector and the building industry, the justice sector lacks a level playing field. Regulations may prohibit non-lawyers to assist people with solving problems or asking money for this. Lawyers, generally, do not have access to business models for scaling up their services. A level playing field is needed.
- This also affects the ability to attract capital for investments. Few innovations can invest more than a couple of €10,000s.

During 2019, we will gradually finetune the Accelerator strategy to these findings.

### Combined impact of our activities

The combination of our activities also has impact. Reporting data, involving stakeholders, implementing evidence based working methods and accelerating innovations are part of the same theory of change. Policy makers at national and international level (SDG16+, The Taskforce on Justice) are observing what we do. Our integrated expertise is now valued and used by organizations such as the OECD, UNHCR and the Elders.

Sharing knowledge, building partnerships and co-creating a movement is now also part of our work. In 2019 we will investigate how we can monitor and improve this type of impact as well.

“ *HiiL has a strong role to play as an enabler of advocacy and dialogue for evidence-based policy-making and programming* ”

- external evaluators

# Measuring Justice

## What we've done

- In 2018 the Measuring Justice team continued to map out the justice gap in the world. We collected Justice Needs and Satisfaction (JNS) data in 4 new countries where we spoke to thousands of randomly selected individuals.
- The justice data is the most valuable when used smartly to produce real and sustainable access to justice improvements for ordinary people. To do this we engaged stakeholders through co-design and triangulation workshops. In 2018, we did this in 3 countries.
- We launched 4 Justice Needs and Satisfaction reports in 2018.

In 2018, we...	Fiji	Nigeria	Morocco	Mali	Kenya	Bangladesh	Syrian refugees*	Ukraine
...collected data	●	●	●	●				
...organised stakeholder workshops		●	●	●				
...launched the Justice Needs and Satisfaction report		●			●	●	●	
...organised 'Data to Action' sessions						●		●

\* Focus report on Syrian refugees from Lebanon and Jordan

- In 2018 we continued supporting the measurement and attainment of the Sustainable Development Goals. HiiL's measuring experts supported important work of the Task Force on Justice and the OECD on defining and measuring access to justice.
- In 2018 the Justice Dashboard was designed and launched. It is publicly accessible at [www.justice-dashboard.com](http://www.justice-dashboard.com). As of the end of 2018, data from 13 countries can be interactively explored to reveal sought-after conclusions. We will continuously add data from more countries. In order to link the Justice Dashboard to users and stakeholders in Uganda we conducted the following sessions:
  - Co-creation and user testing session in Kampala, Uganda
  - Co-design scrum session with leaders from the Uganda Justice Law and Order Sector
- 'Data to Action' sessions were carried out to outline the way forward for more accessible, affordable, fair and faster justice processes. The design processes started from the data about people's needs for justice. The sessions were conducted in:
  - Dhaka, Bangladesh, and
  - Kramatorsk, Ukraine
- Under the framework of a project with HumanityX we built an online prototype which uses machine learning to identify and classify legal problems.
- We worked with experts from judicial and executive authorities, providers of legal and justice services as well as civil society organizations and innovators to build stronger capacity for collecting, analysing and using data for access to justice.



## Outcomes and impact

### Expanding our understanding about people's justice needs

- In 2018 we gathered data about the justice needs of the people in 4 countries; this allows us to generalize about a population of 245 million people in these countries
- HiiL's contribution to bottom-up justice data was recognized in key publications such as OECD's Riga statement *Investing in Access to Justice for All* from July 2018 as well as in the work of the Task Force on Justice on measuring the justice gap
- In 2018 Measuring Justice continued to form and participate in partnerships with like minded leaders in measuring justice such as the World Justice Project, Namati, the World Bank and the Pathfinders Initiative. The main goal of these partnerships is to gather and use citizens-focused data in the pursuit of Sustainable Development Goal 16.

### Streaming data to action

- Two 'Action Plans' engaged stakeholders from Bangladesh (on land justice) and Ukraine (on employment justice) to improve justice using the data collected from the people as a starting point.
- JNS data in 2018 was increasingly used by justice leaders and innovators for improving access to justice:
  - Key national policy makers, such as the Chief justices of Kenya and Uganda, the Ministries of justices of Mali and Ukraine used our data to review, prioritize and frame policies.
  - Justice innovators from the countries and regions where we worked are continuously supplied with data and knowledge about people's needs for and experiences with justice

### Innovating the field of justice data

- An interactive Justice Dashboard visualizes citizens-based data from 13 countries. It increases the accessibility of justice data. Virtually everyone can access the data, formulate and answer policy relevant questions.
- In 2018 we started to explore new data sources to better understand the justice needs of the people. In Uganda for example, we are collecting public data to construct the paths that people travel to reach just solutions.

## Learnings and next steps

- Survey research, and particularly large scale household surveys, are a robust and reliable approach to measure the justice needs of people. But surveys have their limitations. Particularly as it comes to price, repeatability and velocity. We are developing new data sources to enhance the knowledge about how people experience justice.
- Justice leaders need quick and user-friendly data interfaces. Web and mobile platforms for sharing data can empower leaders and justice providers. We will continue to develop the Justice Dashboard with data from new countries.
- To understand the complexity of the justice journeys we need a '360 degree' approach. Talking to the users of justice in these workshops is the key starting point. In triangulation workshops we hear the opinions of service providers and stakeholders. They reflect on the data and tell us how this data can be used to improve access to justice. Mixing and triangulating data sources and perspectives helps to better understand the justice needs in their complexity and see more clearly what works in justice.
- The institutions of the justice systems collect significant amounts of data. But often they are not willing to share with others. This holds back evidence based working in the justice sector and limits the creative potential of justice innovators.
- In 2018, we wanted to measure the justice needs of micro, medium and small enterprises. Due to other priorities we did not manage to find clients for such an endeavour. Certainly, in 2019 the justice needs of mSMEs will be a priority for HiiL.

**245 million**

- number of **people** whose justice needs we mapped in 4 countries

**13**

**countries** have their citizens data included in the Justice Dashboard

**2**

**Data to Action sessions** outlining the way forward for better justice processes

# Supporting Justice Innovations

## What we've done

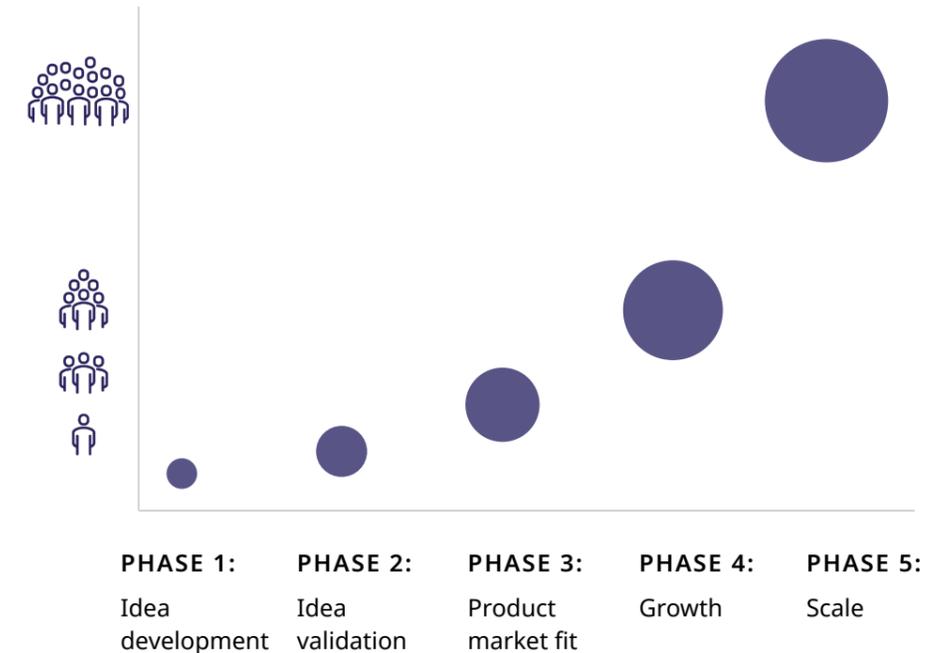
The Justice Accelerator team continued supporting 31 justice innovation enterprises of the 2018 cohort by providing them:

- ✓ Business development, advise at distance from The Hague and seed funding
- ✓ Regular support from a locally-based agent in Kenya, Nigeria, South Africa, India, Uganda, and Ukraine
- ✓ Access to a global network of mentors including some local mentors
- ✓ Showcasing the innovations at regional pitch events in Nairobi, Lagos, Kampala, Johannesburg, Kyiv, Dhaka, and The Hague



- The Accelerator continued its global search for the next generation of justice innovators. 430 justice innovations completed applications, 49 were shortlisted as finalists, and 17 new innovators were selected to join the innovator cohort in quarter four of 2018 and throughout 2019.
- We continued to build a strong coalition of partners to support acceleration.
- We increased our local presence in Asia, focusing on Bangladesh and India.
- We continued to strengthen our local presence in Kenya, Nigeria, Uganda, Kyiv, and South Africa.
- We developed the 5 phases model to improve tailor-made support to the innovators. The new scouted and selected innovations in 2018 are classified along these phases.

## IMPACT



## Outcomes and impact

### Sustainable and scalable justice innovations

- Between the 2018 and 2019 cohorts, we have identified 28 innovators that have moved beyond the ideation stage and show impact (2018 and 2019 cohort)
- We have identified 2 sustainable and scalable innovations with a potential direct impact on improved access to justice for millions of citizens (BarefootLaw and LawPadi have the potential to provide 10 million people access to justice in just 5 years)
- 4 innovations have doubled their sales or have received / are receiving significant third party financing (LawPadi, Patentbot, Opendatabot, Barefootlaw and Comic Contracts)

### Supportive coalition for justice innovation

- By identifying and working with new and existing partners, we have unlocked additional funding for justice innovation in 5 countries (Ukraine, South Africa, Uganda, Kenya and Nigeria)
- Our team in 7 locations (Kyiv, Nairobi, Lagos, Kampala, Johannesburg, The Hague, and Dhaka) created a large support network of hundreds of individuals, each of whom supported justice innovations i.e. by mentoring, partnerships, or client relationships.
- Over 1700 stakeholders were involved in 9 events where justice innovations are presented (Regional Challenges, Proven Innovation Summit, Hub-HiiL collaboration session) which includes high level attendees.

### Community of justice innovators

- The Accelerator has 7 teams in 7 countries, each of which organised regular events, supported justice innovations, engaged partners and government, and promoted justice innovation in their countries.
- The 2018 and current cohorts of justice innovations are active in 17 countries (USA, South Africa, Lebanon, Kenya, Ukraine, Nigeria, Uganda, UAE, Zimbabwe, Netherlands, Ghana, Senegal, Benin, Sierra Leone, India, Bangladesh, and Rwanda).

## Learnings and next steps

- The addition of a professional online platform for accepting and evaluating applications was a vast improvement in the Accelerator's scouting and evaluation process. We were able to involve and manage over 40 judges to assist us to evaluate justice innovations, many of whom had deep local knowledge and context. The threshold was higher and therefore the overall quality of applications increased.
- We continue to realize the significance of involving the public sector to scale justice innovation and we're starting the conversations with the relevant stakeholders about what we could do to incorporate more justice innovation in their work. We are starting to include our innovators in the justice transformation processes.
- The role our agents play is crucial as we move towards hubs that are not only effective but also self-sustainable.
- So far, it is easier to find platforms around legal information than innovations which directly address key justice needs identified in our Justice Needs and Satisfaction (JNS) Surveys.
- To address challenges in finding innovations tackling the most pressing justice needs, we tested a process in Uganda. The call to applications was made more successful preceded by a hackathon and pre-accelerator program.
- The timing of the Call for Innovations in 2018 was not ideal and will be improved on in 2019.
- In Nigeria during the Lagos Innovating Justice Conference (LJIC), HiiL presented both data and innovation by releasing the JNS report and conducting a regional pitch event at the same time. This type of event is very valuable because it draws in partners, and introduces both data and innovation simultaneously to broaden horizons.

28

entrepreneurs moved beyond the ideation stage and show impact

7

local teams which created a network of mentors, partners and clients

1700

stakeholders involved in events where justice innovations are presented

*Training day before the Innovating Justice Challenge Regional Finals in the Hague*



# Transforming Justice

## What we've done

- The Justice Leadership team ran two Justice Transformation Labs, one connected with Syria and another in Uganda.
- We gathered knowledge on the most pressing legal problems of Syrians inside and outside the country through desk research, surveys, focus groups, expert interviews.
- We published "Justice Needs of Syrian refugees: Legal problems in daily life" report, presenting data on the legal problems of 1800 Syrian refugees, in both English and Arabic.
- We convened the SJIP Stakeholder Team, a diverse and gender-balanced group, around the data.
- We codified a first version of the Justice Transformation Lab methodology and learning history with a view to providing a blueprint for future similar processes in other post-conflict contexts.
- We worked to tell and share the stories of justice leaders.

### Syria Justice Innovation Process (SJIP)

SJIP gathers knowledge on the most pressing legal problems facing the people of Syria and brings together people who are committed to addressing them. SJIP strives to assist in building foundations which will allow Syrians to rebuild their livelihoods.

The process is led by a Stakeholder Team of 33 Syrians of different perspectives, geographies, areas of expertise, ages and gender. Based on research and data collected over the past year, the group assesses the most urgent legal problems of Syrians. On that basis, the group defines a set of 'Justice Delivery Goals and Scenarios' that forms the basis for justice innovation.

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

SJIP aims to produce practical, innovative tools, partnerships, knowledge platforms, financing models, and empowered and networked actors who can use these innovations to address Syrians' most pressing legal problems in Syria.

## Outcomes and impact

### Empowering Justice Leadership in Uganda

- Ugandan justice leaders and experts exchanged data, stories, experiences, and best practices around people-centered research and justice innovation.
- Completed filming *The Justice Leaders*: a documentary enquiring into the state of access to justice in Uganda and the people fighting to enhance it.

### Impact of the Justice Transformation Labs

- Much of the impact from the Justice Transformation Labs is measured in terms of relationships that were developed and skills that were shared. A diverse group of stakeholders has engaged across divides of age, gender, geographies, expertise, and perspectives and has developed the trust and commitment needed to form a transformative team. In addition, much of the impact is longer terms (2-5 years).

## Learnings and next steps

- Collecting data about the needs and experiences of people during an ongoing conflict is challenging. But, using different methods, it is possible to develop and evidence based methodology that is useable.
- It is critical to take enough time in conflict settings to convene a diverse and credible group of stakeholders that can develop evidence-based innovation strategies and lead the process of designing and implementing viable justice innovations.
- A documentary is a fantastic way to communicate and widely share the challenges of making justice more user-friendly.
- In 2019 we will run two more Justice Transformation Processes in 2019, in Mali and Nigeria. Both aim to produce practical justice innovation strategies.



# Researching Solutions

## What we've done

- The Innovating Procedures team designed a method for developing an evidence-based guideline for the process of resolving a particular dispute. This was applied to family justice in Uganda, where we collected 600 best practices from more than 100 justice workers and experts. We initiated talks with potential partners to extend the evidence-based approach, a process actually based on the medical guideline tradition.
- We finalised a design for a justice innovation centre for a client ministry of justice who wishes to remain unnamed.
- In a report *Ruimte voor menselijk strafrecht*, we argued how citizens requiring criminal justice in the Netherlands would benefit from evidence-based working methods.
- In December, we published the report *Understanding Justice Needs: the Elephant in the Courtroom*. The report quantifies the justice gap (the number of unresolved justice problems) and the impact of this on ordinary people and justice workers. It identifies global trends in successfully resolving problems and scaling up these efforts.
- We held monthly sessions which brought together key decision makers in the justice sector in the Netherlands to review innovations and policies.
- We created flow charts for basic steps of evidence-based processes for employment conflicts, family justice (separation) and crime (non-intentional accidents with deadly or severe consequences).

## Outcomes and impact

- We successfully developed a method for identifying and testing best practices and linking them to international research. This is most likely the first evidence-based guideline for resolving a particular justice problem (separation).
- We found a format for presenting recommendations, best practices and references to research in a way that works well for professional users in Uganda. This process is actually also consistent with international practice for evidence-based medical guidelines.
- 14 evidence-based recommendations supported by best practices have been brought together in a Family Justice Catalogue.
- An Ugandan core group of 10 experts has been engaged and leads the process in Uganda. They are reviewing the proposed outputs.
- The options for dissemination of the Family Justice Catalogue) were researched and presented to communication experts, justice workers and representatives of justice sector institutions. Following formats were chosen to be implemented in the future: a website, guidelines adapted for ordinary people, guidelines adapted for professionals and other media strategies.
- These formats have been reviewed and agreed. After prioritization, partners in the dissemination efforts have been identified. Terms of reference for visualisation of the recommendations have been identified. Designers have submitted prototypes and, based on that, designers have been engaged to submit proposals for the visualization. In 2018, 20 unique designs have been submitted and reviewed and the final selection will be completed by beginning Q2.
- The report *Ruimte voor menselijk strafrecht* identifies eight points of improvement for criminal justice. The key message is that criminal justice should be more evidence-based and involve many more partners to achieve the goals of the criminal justice system. The prototype procedure for criminal justice shows what is possible when removing (institutional) barriers. The prototype also served as guidance for other justice leaders/innovators to tackle these points of improvement. The NRC and Tijdschrift Conflicthantering published about the report and prototype.



- The report *Understanding Justice Needs: the Elephant in the Courtroom*, was sent out to over 1000 key contacts and also published through social media: 35% of the addressees clicked on the link to the report and 7% responded in a positive way. By January 9, 2019, the report was downloaded 274 times, the Summary - 147 times. The report is based on original data collected by HiiL and on literature research, as well as HiiL's experience with supporting justice innovation. It identifies three trends in resolving problems and three strategies for scaling up. For each trend and strategies, barriers to growth and ways to overcome them are identified. So the report can be read as an outline for developing a justice sector strategy.
- The monthly sessions with key decision makers in the justice sector in the Netherlands contributed to a draft law for experiments in civil and administrative procedure. HiiL's report, *Menselijk en Rechtvaardig* from 2017 and the sessions also contributed to government proposals for reform of legal aid into a system for subsidizing legal assistance packages that will be designed on the basis of what works.
- The flow charts for basic steps of evidence based processes for key procedures will be building blocks for a website with best practices for resolution of five urgent justice problems that will be set up in cooperation with partners in 2019.

## Learnings and next steps

- We found that the method we developed for an evidence based guideline for resolving a particular type of dispute can be applied to family justice in Uganda. We expect that this method can also be applied to other frequent and urgent justice problems and in other countries. During individual focus group discussions and review sessions we engaged with over 100 experts, justice workers, users, institutional representatives and communication consultants. The feedback we received is that such an evidence-based approach is much needed in the justice sector.
- There are many different perspectives that need to be taken into account when presenting evidence to users of the legal system and professionals. Various types of users and professionals have different information needs. Research by lawyers, by psychologists or from other disciplines uses different concepts and approaches.
- Treatment of a justice problem has different phases. There is no common understanding of what is a standard treatment and what is a complication. We found a format for a guideline and formats for representing a procedure that can bring these perspectives together.
- We observe that 'front line' justice workers in Uganda and the Netherlands, those working directly and intimately with clients, are looking for evidence to support their work. They want to be more effective. Leaders at ministries and in justice sector institutions also feel that current working methods are unsatisfactory. The current procedures in and between institutions (the legal procedures) are hard wired systems, however, that are not easy to reconcile with evidence based approaches. So bridging this gap is an essential step in transformation.
- The product of an evidence based guideline or an evidence based procedure is not easy to sell as a stand alone process to a ministry or a court organization. The impact of evidence based working on professionals and on the organization of justice sector institutions is major. For courts or ministries, an evidence based process is not the logical first step. A more substantial transformation process may be needed. For other organizations, such as NGOs or major foundations, collecting evidence and redesigning processes may be a more attractive option. This could also be true for innovative suppliers who want to distinguish themselves by offering an evidence based process. NGOs and foundations, as well as the investors in innovations, also strive for impact on the ground, so a place for testing and implementation is also necessary. Making evidence-based practice part of a broader transformation project may be the way forward.

600

best practices for family justice problems collected from Ugandan justice workers and experts

100+

experts, justice workers and users involved in focus group discussions and review sessions for family justice guidelines in Uganda

3

improved processes outlined for employment conflicts, family justice and crime

# Human Resources

In 2018 we increased the diversity in the team in terms of age, country and gender. We maintained a stable workforce and has managed well with acceptable rates of employee turnover. We appointed a new Head of Human Resources.

As part of our growth we embarked on a strategy to strengthen HR processes.

## What we've done

- We started a process of enhancing our performance assessment tools to create more room for personal development.
- We started with the development of an more effective IT support structure for recruitment and staff administration.
- We reintroduced regular lunch talks and periodic all-team meetings.
- We improved our security policies and practices for staff that travel to challenging environments.
- Some key facts & figures:
  - In 2018 employees, consultants and interns of 23 nationalities worked for HiiL. See table below.
  - The majority of the employees were between the ages of 19 and 30 years old. We recruited more senior positions and continue to do so in the future.
  - We concluded 2018 with a core team of 26 employees on the payroll and 10 agents in Ukraine, South Asia, Oeganda, Kenya, South Africa, Nigeria and Middle East.
  - The average duration of a recruitment process is approximately 3 months.
  - In 2018, HiiL recruited less interns than the year before. HiiL continues to have an active and successful internship program for students. Approximately every 6 months, 2-3 internship positions within various teams are filled. The average internship duration is 6 months.

## Workforce diversity

In 2018 employees on the payroll, consultants and interns of various backgrounds have worked for HiiL.

### Nationalities

Albania	1	Italian	1
American	2	Kenyan	2
Belgian	1	Lebanese	1
Bulgarian	1	Nigerian	1
Canadian	1	Norwegian	1
Chilean	1	Polish	1
Dutch	16	Spain	1
Finnish	1	South African	3
French	1	Syrian	1
German	2	Ugandan	3
Indian	1	Ukrainian	1
Israeli	1		

### Turnover

10 people hired  
 6 people left  


### Gender of core team

 12 Men  
 14 Women

## Next steps

- Recruitment of more than 10 core roles.
- Recruitment of various consultancy and agent positions.
- Facilitate and support Organizational Development.
- Implement HR software.
- Implement Talent Scouting mechanism.
- implement policy for employee development.

# Communications

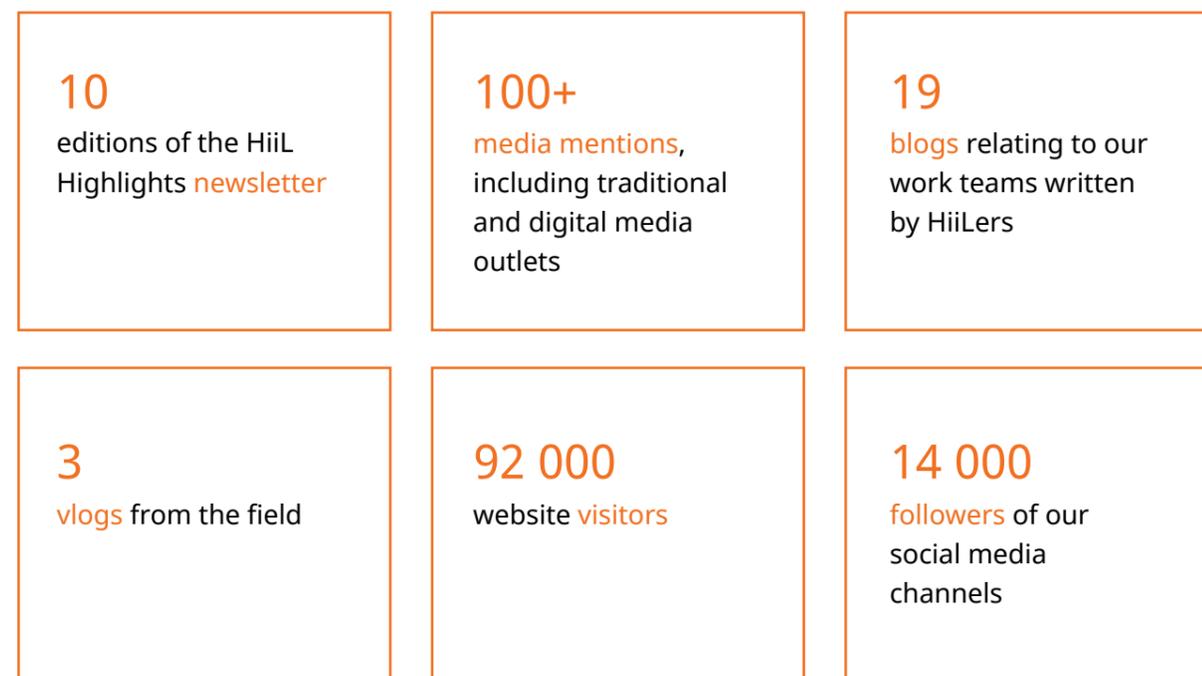
## What we've done

We transformed our brand to highlight what we want to deliver to people: user-friendly justice. Part of it was changing the way we are communicating to the outside world: with friendlier language, less jargon, and easy-to-understand visualisations. We launched a campaign that translates Hiil's mission in an innovative way; through everyday objects (see an example below). We also produced a [video](#) about our mission.

We realised an action point from last year in finalising the new website for Hiil.

Reflecting current trends for keeping community members informed, we made [vlogs](#) showing our field work. These videos unveil the "behind the scenes", how we test our assumptions and co-create with our partners. Finally, for the first time we prepared a short [End of the Year video](#) showing Hiil's best asset: all the people working at Hiil.

In 2018, we launched online campaigns for the variety of Hiil's work products: [data reports](#), the [Regional Finals](#) of the Innovating Justice Challenge and [the Innovating Justice Forum 2019](#).



User-friendly justice campaign image



## Publications

- [Justice Needs in Kenya: Legal Problems in Daily Life](#)
- [Justice Needs of Syrian refugees: Legal problems in daily life](#)
- [Legal Futures of the International Criminal Court](#)
- [Justice Needs in Bangladesh: Legal Problems in Daily Life](#)
- [Het ergste hanteerbaar: Ruimte voor menselijk strafrecht](#)
- [Justice Needs in Nigeria: Legal Problems in Daily Life](#)
- [Understanding Justice Needs, The Elephant In The Courtroom](#)

## Publicity

- The launch of the Justice Innovation Uganda programme was covered by the [Urban TV Uganda](#) and the [NTV Uganda](#)
- Hiil's CEO, Sam Muller, spoke about underperforming justice system and the need for user-friendly justice at the [The Hague Talks](#) in London and the [PINC conference](#)
- [BNR Nieuwsradio](#) interviewed Hiil's Research Director, Maurits Barendrecht, on Dutch government reforms for legal aid
- Kenyan [Daily Nation](#) summarised findings from the 2017 report [Justice Needs in Kenya](#)
- Hiil featured in the [The Daily Star's interview](#) with Sajeda Farisa Kabir on the [Justice Needs in Bangladesh](#) study
- One of the innovators supported by Hiil quoted our data in [Forbes](#) and mentioned Justice Accelerator's grant
- Australian [Lawyers Weekly](#) mentioned Hiil's design thinking approach to solving justice problems

# Partners and donors

## Learnings and next steps

- With the expansion of HiiL, communications at the organisation required further professionalisation. A new Communications and Public Relations manager has joined the team in January 2019.
- The team delivers key support to HiiL, both on external and internal communications. It works with a more detailed communications planning to better dedicate resources and time. Through this approach the team will be able to the organisation to structure its communications needs and shape the output to a level that befits our branding and brand promise.
- With the new set-up of the team, Communications can make the next step in developing our output through traditional media, social media, visuals, public affairs and clever graphic design. In addition, the team will develop a toolkit for all at HiiL, both in the Hague and outside the Netherlands, to be used for presentations, banners, print, reports and social media.
- We are re-launching our Instagram account and will start producing updates in real time for HiiL's ever expanding online community. As HiiL promises innovation, the Communications team will do likewise in finding innovating ways to increase outreach and impact.



Sam Muller speaking at the PINC conference



## Dutch Ministry of Foreign Affairs

With the support of the Dutch MFA in the form of a multi year partnership, HiiL completed Justice Needs and Satisfaction studies in Bangladesh and Nigeria and started another survey in Morocco. Additionally, we engaged stakeholders from Bangladesh in the 'Action Plan' workshop.

We also scouted and trained selected justice entrepreneurs from Ukraine, Nigeria, Kenya, Uganda, South Africa and other regions.



## Swedish Embassy in Kampala

Thanks to the partnership with the Swedish Embassy, HiiL launched programme called 'Justice Innovation Uganda'. We started developing the interactive Justice Dashboard. Moreover, we prepared the first draft of the Family Justice Catalogue.

Additionally, we organised a 6-week training for justice entrepreneurs called Innovation Fast Track, as well as Legal Hackathon in Kampala.

HiiL also prepared a documentary about access to justice in Uganda.

Invaluable local partners of HiiL in this programme are the Justice, Law and Order Sector (JLOS) and the Chief Justice of Uganda, the Honourable Judge Bart Magunda Katureebe.



## Ford Foundation

HiiL accelerated selected young justice entrepreneurs in East, West and Southern Africa around topics like SME empowerment, family justice and criminal justice. We built innovating justice communities in Kenya, Nigeria and South Africa and initiated the Innovating Justice Challenge.



## Judiciary of Kenya and The World Bank

HiiL conducted a Justice Needs and Satisfaction survey in Kenya.





### ACT (Action, Collaboration, Transformation)

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



### UNDP

HiiL started working on the Justice Needs and Satisfaction project in Fiji and Data2Action project in Ukraine. In 2018, we conducted a workshop in the city of Kramatorsk. The aim of the workshop was to build innovative prototypes for justice journeys in the areas of employment justice and the obtainment of ID documents.



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

HiiL conducted a second Justice Needs and Satisfaction survey in Mali, as a follow-up to the 2014 study.



HiiL built a strong cooperation with high-rank officials of the Ministry of Justice and laid the foundation in personal meetings with the Minister of Justice for a longer term partnership.

### Deme So

HiiL has been in partnership with Deme So since conducting the first Justice Needs and Satisfaction Survey in 2014. Together with Deme So, HiiL is helping improve access to justice for Malians while strengthening Deme So’s capacity through training and knowledge sharing.



### Municipality of The Hague

Together with the City of the Hague, HiiL develops and supports Dutch justice entrepreneurs through issuing an innovation challenge. In addition, HiiL connected the global justice entrepreneur ecosystem to The Hague through a series of networking and training events like Impact Startup Fest participation and the Justice Entrepreneurship School.



### ARAG

ARAG contributed to the organisation of a legal hackers event for Dutch and Ukrainian legal hackers in Amsterdam, called Legal Startup Crash Test and contributed to the regional pitch event in The Hague. ARAG supports some of the previously selected innovators from HiiL.



### Nederlandse Vereniging voor Rechtspraak (NVvR)

The NVvR and HiiL organized sessions where a group of various professionals discussed the challenges of adaptive change: a way to create legal care which connects instead of divides. The group created a draft of a new procedure for avoidable accidents with fatal consequences.

### Humanity X



In 2018 HiiL completed a project “Artificial Intelligence for Access to Justice” (AI4A2J) funded by HumanityX. The goal of the project was to implement a machine learning tool which learns how to extract knowledge about people’s justice needs. HiiL teamed up with Landscape, a data science startup from Leiden, to gather structured and unstructured data and build a prototype. The plans are to develop the tool further so it can be used by end users and providers of justice services.

### Ministry of Justice Tunisia



After completion of the Justice Needs and Satisfaction study in 2017 conversations were held with justice professionals from many sectors and at many levels. In subsequent meetings with the Minister of Justice, the Minister of Social Affairs and the State Secretary at the Ministry of Labour, HiiL received endorsements to embark on a multi-stakeholder process to explore where justice innovations can contribute to meeting the challenge of employment justice.

### Ministry of Justice Argentina



In February 2018, HiiL’s CEO visited Buenos Aires, Argentina together with the Dutch delegation of the Task Force on Justice. Personal meetings were conducted with high-rank officers of the Ministry of Justice of Argentina. They resulted in a mutual understanding regarding potential collaboration: supporting the active role that the Ministry has played on justice innovation in Argentina and exploring the potential of open data for justice.

### Justice42



HiiL participates as a minority shareholder in Justice42, which operates the Uitelkaar.nl platform. This successor of Rechtwijzer 2.0 Uitelkaar, is a one stop shop platform for couples having to cope with separation. It is based on a step by step dispute resolution system developed by HiiL.

# Highlights



## February 2018

Roger El Khoury, HiiL Representative in the Arab Countries, rewarded for delivering a presentation on innovation in the justice sector at the United Arab Emirates University



## March 2018

Opening of The Hague Humanity Hub and our new offices, the Netherlands



## January 2018

Launch of the Justice Innovation Program in Uganda.



## February 2018

Legal Experts and Practitioner Workshop on Innovation for Improved Justice Journeys in Kramatorsk, Ukraine



## April 2018

Supporting Justice Innovators in Uganda: Visiting West Nile Mediation Centre



## May 2018

Launch of the Justice Needs and Satisfaction in Bangladesh report, Bangladesh



## September 2018

The Innovating Justice Challenge – Southern Africa Regional Finals in Johannesburg, South Africa



## November 2018

Stakeholder workshop in Bamako for the second Justice Needs and Satisfaction survey in Mali



## August 2018

Testing the Justice Dashboard Interface with Users in Kampala, Uganda



## September 2018

Launch of the Justice Needs and Satisfaction in Nigeria report, Nigeria

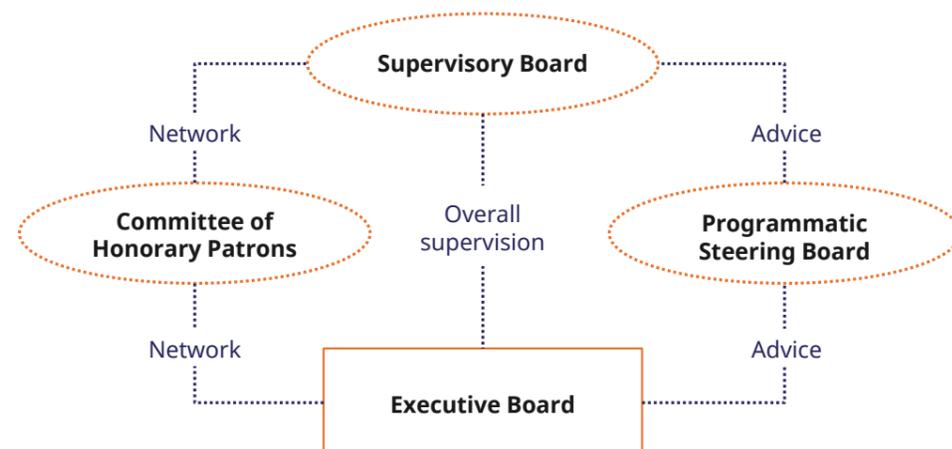
# Governance and management

## Governance and management

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

- The Supervisory Board, which provides overall strategic supervision and advice.
- The Executive Board, which is responsible for the running and management of HiiL.
- The Programmatic Steering Board (PSB) consisting of recognised experts in the substantive areas that are relevant for the work of HiiL, which also advises the Supervisory and the Executive Board on issues of substance.
- The Committee of Honorary Patrons, composed of eminent international experts, which renders assistance to the organisation in more general terms.

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



## Supervisory Board

Jacques Schraven (Chair) 4-year term	19 July 2012 – 19 July 2016 (1 <sup>st</sup> term) 19 July 2016 – 19 July 2020 (2 <sup>nd</sup> term)
Peter Jurgens 4-year term	19 July 2012 – 19 July 2016 (1 <sup>st</sup> term) 19 July 2016 – 19 July 2020 (2 <sup>nd</sup> term)
Klaus Rackwitz 4-year term	15 March 2013 – 15 March 2017 (1 <sup>st</sup> term) 15 March 2017 – 15 March 2021 (2 <sup>nd</sup> term)
Michiel Scheltema 4-year term	15 March 2013 – 15 March 2017 (1 <sup>st</sup> term) 15 March 2017 – 15 March 2021 (2 <sup>nd</sup> term)
Haro Schultz van Haegen 4-year term	2 July 2015 – 2 July 2019 (1 <sup>st</sup> term)
Philip Hennemann 4-year term	2 July 2015 – 2 July 2019 (1 <sup>st</sup> term) Mr. Hennemann stepped down per 11 July 2018
Edmond Wellenstein 4-year term	2 July 2015 – 2 July 2019 (1 <sup>st</sup> term)

The Supervisory Board meets at least three times per year to discuss the progress of the organisational activities. Detailed information about the Supervisory Board members can be found on the HiiL website.

In 2018 the Supervisory Board held a regular meeting on 18 April, on 10 July and on 11 December. On 17 October, the Supervisory Board held the annual strategic session together with the Executive Board, including a short regular meeting.

## Executive Board

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

## Management Team

In 2018 the management team had the following members:

Sam Muller	Chief Executive Officer
Maurits Barendrecht	Director of Research Director Solutions Research
Ellen Tacoma	Director of Operations till 28 February 2018 Director Justice Accelerator from 1 March 2018
Martin Gramatikov	Director Measuring Justice
Tobijn de Graauw	Director Justice Transformation
Wilfried de Wever	Director Justice Accelerator till 28 February 2018



*Sam Muller*



*Maurits Barendrecht*



*Ellen Tacoma*



*Martin Gramatikov*



*Tobijn de Graauw*



*Wilfried de Wever*

The management team meets every two weeks.

## Programmatic Steering Board

Gillian Hadfield 3-year term	1 January 2013 – 1 January 2016 (1 <sup>st</sup> term) 1 January 2016 – 1 January 2019 (2 <sup>nd</sup> term) Ms. Hadfield stepped down per 31 May 2018 as a regular member. Her appointment for a first term as Chairman of the PSB of HiiL entered into force on 1 June 2018 (till 31 May 2021).
Beth Simmons 3-year term	15 October 2013 – 15 October 2016 (1 <sup>st</sup> term) 15 October 2016 – 15 October 2019 (2 <sup>nd</sup> term)
Rebecca Sandefur 3-year term	26 March 2014 – 26 March 2017 (1 <sup>st</sup> term) 27 March 2017 – 26 March 2020 (2 <sup>nd</sup> term)
Juan Botero 3-year term	31 august 2016 – 31 August 2019 (1 <sup>st</sup> term)

Detailed information about the Programmatic Steering Board members can be found on the HiiL website.

The PSB had its annual meeting on 27 and on 28 August 2018. It was devoted to assessing and learning from the work done as part of the 2016-2018 programme funded by the Dutch Ministry of Foreign Affairs. The meeting particularly looked at the question how to inject more innovation to justice systems.

Besides the PSB members the following experts participated in the process:

- Duncan Okello (Kenya judiciary) • Tom Gordon (Responsive Law) • Rebecca Kourlis (IAALS) • Mark Madden (RMIT, Melbourne) • David Stevens (Pathfinders Initiative and head of the secretariat of the Task Force on Justice, Centre for International Cooperation, New York University) • Principle Judge Yorokamu Bamwine (Uganda) • Luis Franceschi (Law School of Strathmore University, Nairobi, Kenya).

## Committee of Honorary Patrons

We have a distinguished list of the Honorary Patrons: Justice S. Breyer • Prof. B. Bueno de Mesquita • Judge Guy Canivet (Guy) • Ambassador Hans Corell • Prof. Maarten Willem Charles Feteris • Herta Däubler-Gmelin • Justice Michael Kirby • William Neukom • Ana Palacio

# Finance and administration

## Risk policy and management

HiiL is, like all organisations, exposed to risk. Our internal organisation is dynamic in an innovative environment and we operate often in fragile states. HiiL has a number of instruments to safeguard the risks. The organisation's transparency depends heavily in the prevention of all potential conflicts of interest and therefore strict controls are necessary. The description of these controlling guidelines and controlling moments are integrated in the Code of Conduct, PSB rules of procedure and the description of the internal organisation.

HiiL has an ambitious strategic plan and committed staff working to implement the plan. This could lead to excessive work pressure on staff. To avoid overburden we strive for a work environment in which staff members can excel, where progress towards goals is reviewed regularly and where plans are modified if needed if they prove to be unrealistic in practice.

We monitor on a monthly bases our budget, forecast and cash flow forecast for 18 months. We manage our sales funnel actively to assure longterm continuity in order to achieve our goal. The structured financial planning resulted in a healthy operating result.

The program and project related risks of HiiL can also be significant. We take all risks into account before committing to a program or project. However, the threat does not deter us from pursuing our commitment to contribute to user friendly justice solutions. We although are very aware of the risks and discuss it frequently with the responsible officials and employees involved.

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

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

Overall risks are frequently discussed within the management team meetings that take place bi-weekly. Quick action to mitigate the risks is taken if needed. Once a year at the July meeting of the Supervisory Board and management assess the risk register and adjust when necessary.

## Organisational and administrative support

In 2018 we continued working with external administrative support for our bookkeeping and an in house financial controller for day to day monitoring of the operations.

Early 2018 we concluded that an investment in the current IT infrastructure is needed for future growth. We defined our terms of reference and started working late summer with an external partner. We choose for a model with different tools that are able to communicate properly with each other. A model that avoids a lock-in with one or two bigger systems and keeps the flexibility needed in a fast changing world and IT landscape. In 2019 we will finalize the implementation the investment is included in the budget.

## Financial position and liquidity

The financial position of HiiL is healthy. The solvency ratio (total reserves divided by total liabilities) per 31 December 2018 is 20%. The current ratio (current assets divided by total debts) is 1.2%. This is sufficient to meet the short and long term payment obligations.

The capital management is risk adverse and the cash and cash equivalents of HiiL are and will only be held on current accounts and savings. Cash and cash equivalents increased (2017 € 2,974,447 – 2018 € 7,917,134). This is mainly caused by amounts received in advance in 2018 for projects that has to be partially executed in 2019. The current liquidity position is sustainable.

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

**Contingency reserve and revolving fund**

The contingency reserve is designed to create a buffer to ensure that HiiL can go without a few months of income, without being forced to stop the activities of the organisation. A second purpose of this reserve is to cover the costs in case the organisation would have to be dissolved. In 2018 the Supervisory Board decided in the July meeting that the desired size of the reserve is set at € 1,600,000. At balance date the reserve amounts to € 1,490,577. This is 93% of the desired size. The reserve consists enough buffer to ensure that HiiL will continue as a going concern in 2019 and onwards.

**Designated reserve**

In 2017 HiiL participated in the company J42 and a designated reserve of € 193,967 was the result as per December, 31 2018. For more information see page 53.

**Financial overview**

*Budget*

The 2018 budget was realistic. During the year we saw a trend that the revenues were behind budget, but since we managed our cost of sales, material costs and indirect costs very consciously we were able to realize a good net result of € 291,000 positive.

The revenues increased with 26 % from (2018: € 4,422,145 – 2017: € 3,498,648). See for a detailed overview per product group below:

	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<u>Revenues</u>			
Measuring Justice	1.222.194	1.317.000	1.324.930
Innovating Procedures	336.754	436.000	495.351
Justice Accelerator	1.346.568	1.519.000	1.609.513
Justice Leadership	1.518.629	1.388.000	0
Online Justice	-/-2.000	0	68.854
<b>Total revenues</b>	<b>4.422.145</b>	<b>4.660.000</b>	<b>3.498.648</b>

*Main differences related to the budget*

Although we historically report per product group, we see a trend that our activities become more and more integrated. Main difference related to the budget, a number of leads that did not materialize as expected.

*Net revenues (revenues minus cost of sales)*

The realization of the net revenues in 2018, covers the personnel cost and material costs. The net revenues were 17% higher than 2017. The increase of net revenues is due to carefully managing our overall cost level.

	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<u>Net Revenues</u>			
Measuring Justice	735,366	707,000	854,520
Innovating Procedures	266,924	340,000	378,056
Justice Accelerator	728,269	598,000	915,211
Justice Leadership	751,592	503,000	0
Online Justice	8,000	0	-/-25,378
<b>Total Net revenues</b>	<b>2,490,151</b>	<b>2,148,000</b>	<b>2,122,410</b>
	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<u>Other costs</u>			
Measuring Justice	596,000	613,000	661,000
Innovating Procedures	281,000	294,000	207,000
Justice Accelerator	603,000	607,000	878,000
Justice Leadership	608,000	536,000	0
Online Justice	0	0	86,000
<b>Total Other costs</b>	<b>2,088,000</b>	<b>2,050,000</b>	<b>1,832,000</b>

The other costs increased in 2018 with 14% compared to 2017.

### Operating result

The operating result we realized in 2018 is in total € 411,000 positive. An improvement compared to 2017 when our operating result was € 294,000. The result enables us to strengthen our contingency reserve.

The long range overview shows a significant growth in gross revenue in 2019, mainly due to 2 new large projects as well as a positive operating result. Our fundament today is strong enough to manage future growth like we show in our 2019 budget in order to achieve our goals. However we closely monitor our cost level in order to keep our operational costs lean and mean in line with the evaluation of our gross revenue in the coming years.

### Long range overview 2017-2019

Amounts x € 1,000	Realisation 2017	Budget 2018	Realisation 2018	Budget 2019
<u>Income</u>				
Revenues	3,499	4,660	4,422	7,626
Costs of sales	<u>-1,376</u>	<u>-2,513</u>	<u>-1,932</u>	<u>-3,808</u>
Net revenues	2,122	2,148	2,490	3,818
<u>Costs</u>				
Personnel costs	1,356	1,682	1,698	3,188
Material costs	476	367	381	500
Various income and costs	<u>-3</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total costs	<u>1,829</u>	<u>2,049</u>	<u>2,079</u>	<u>3,688</u>
Operating result	294	99	411	130
Participation result	-88	0	-110	0
Financial income and expenses	<u>-3</u>	<u>0</u>	<u>-10</u>	<u>0</u>
Net result	<u>203</u>	<u>99</u>	<u>291</u>	<u>130</u>
<u>Allocation</u>				
Designated reserve	-88	0	-110	0
Contingency reserve	<u>291</u>	<u>4</u>	<u>401</u>	<u>130</u>
Net result	<u>203</u>	<u>4</u>	<u>291</u>	<u>130</u>

## A. Balance sheet

Ref.	31-12-2018		31-12-2017	
	€	€	€	€
<b>ASSETS</b>				
1. Non-current assets				
- Automation	12,367		11,752	
		12,367		11,752
2. Financial fixed assets		194,217		243,183
Current assets				
3. - Receivables	289,776		704,077	
4. - Cash and cash equivalents	7,917,134		2,974,447	
		8,206,910		3,678,524
<b>Total assets</b>		<b>8,413,494</b>		<b>3,933,459</b>
<b>LIABILITIES</b>				
Reserves				
5a. - Designated reserve	193,967		242,933	
5b. - Contingency reserve	1,490,577		1,089,335	
		1,684,544		1,332,268
Debts				
6. - Short term debts		6,728,950		2,601,191
<b>Total liabilities</b>		<b>8,413,494</b>		<b>3,933,459</b>

## B. Income statement

Ref.	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<b>Income</b>			
7. Revenues	4,422,145	4,660,000	3,498,648
8. Costs of sales	-1,931,994	-2,512,000	-1,376,238
9. Net revenues	2,490,151	2,148,000	2,122,410
<b>Costs</b>			
10. Personnel costs	1,698,342	1,682,000	1,355,584
11. Material costs	380,815	367,000	475,544
12. Various income and costs	0	0	-2,588
Total costs	2,079,157	2,049,000	1,828,540
Operating result	410,994	99,000	293,870
13. Financial income and expenses	-9,752	0	-3,214
Net result for result of participation	401,242	99,000	290,656
Participation result	-110,498	0	-88,035
<b>Net result</b>	<b>290,744</b>	<b>99,000</b>	<b>202,621</b>
<b>Allocation</b>			
Designated reserve	-110,498	0	-88,035
Contingency reserve	401,242	99,000	290,656
Net result	290,744	99,000	202,621

# C. Total overview income and costs per product group

The following results have been obtained.

Amounts x € 1,000	Measuring Justice		Innovating Procedures		Justice Accelerator		Justice Leadership		Online Justice		Total							
	Realisation	Budget	Realisation	Budget	Realisation	Budget	Realisation	Budget	Realisation	Budget	Realisation	Budget						
Revenues	1,222		337		1,346		1,519		-2		4,422							
Costs of sales	487		70		618		767		-10		1,932							
<b>Net revenues</b>	<b>735</b>	<b>707</b>	<b>104%</b>	<b>267</b>	<b>340</b>	<b>79%</b>	<b>728</b>	<b>598</b>	<b>122%</b>	<b>752</b>	<b>503</b>	<b>150%</b>	<b>8</b>	<b>0</b>	<b>-</b>	<b>2,490</b>	<b>2,148</b>	<b>116%</b>
Personnel costs	351		214		334		304		0		1,203							
Gross margin	384		53		394		448		8		1,287							
Overhead	242		67		266		301		0		876							
Operating result	142		-14		128		147		8		411							

The overhead is allocated to the different product groups based on a percentage of the revenues that are realised in 2018 per product group in comparison with the total revenue of 2018. The overhead of € 876,000 consists of indirect personnel costs of HiiL of € 495,000 (personnel costs that are not directly allocated to the product groups such as personnel costs for Human Resources, Communications, Finance and Administration) and the material costs of € 381,000 (travel, housing, depreciation, sales & marketing, office and general costs). The negative Costs of Sales with Online Justice is that a provision for expected costs in 2018 was not necessary, and this results in a € 10.000 result under the Cost of Sales.

# D. Explanatory notes for the annual accounts

## HiiL

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

We transitioned as of 2012 into the social enterprise we now are. We recently decided to change one word in our name: the Hague Institute for Innovation of Law. This decision is effectuated formally. Using the knowledge base that had been built we developed our current mission and way of working.

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

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

## Reporting entity

The consolidated financial statements 2018 of the entity comprise HiiL and its subsidiaries (together referred to as 'Rechtwijzer entities'). The Rechtwijzer entities consists of:

- HiiL Rechtwijzer Holding
- HiiL Rechtwijzer Intellectual Property and Knowledge
- HiiL Rechtwijzer Technology

All activities take place under HiiL Rechtwijzer Technology. In 2018 the activities in Rechtwijzer Technology were finalised. The intellectual knowledge is transferred to Justice42. This company runs an online dispute platform for divorce and HiiL is in-kind shareholder in the company. See further under 'Participation'.

## Affiliated foundation

The Justice Leadership Group is an independent non-profit organisation that was founded in The Hague (the Netherlands) in 2015, with support of the Dutch Ministry of Foreign Affairs and the Municipality of The Hague. We were part of setting up this important body. It does not seek to make profit and has organised its work in a networked, agile way. The objective of the foundation is to promote and support justice leadership, to bring about positive, tangible change in legal systems and strengthen the rule of law, by engaging with governments and justice leaders, by developing knowledge and organising workshops and conferences. In 2017 we experienced that a number of programs are executed best in close collaboration. Therefore we decided to integrate the operational activities within HiiL. This creates clarity towards our partners and efficiency in our way of working.

## Participation

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

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

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

HiiL has as per 31 December 2018 250 shares from 876 shares placed (26 more compared to the 850 of last year), being 28.54% of the placed shares. In future this percentage could become lower due to 124 shares are still not been placed, or as mentioned in the above paragraph.

Over 2018 J42 realised a loss of € 396,341. The shareholder's equity as per 31 December 2018 was € 679,660 and this amount multiplied by the 28,54% stake that HiiL obtains results in a value in the participation of J42 being € 193,967.

The € 193,967 is shown as part of the shareholder's equity being reflected as 'Designated reserve' (in Dutch: Bestemmingsreserve). The designated reserve is only related to the participation in J42.

**Approval and adoption of the financial statements 2018**

The Supervisory Board approved the annual report and the financial statements 2018 of HiiL in the 64<sup>th</sup> meeting of the Supervisory Board, held on 17 april 2019, including the allocation of the result, as presented on page 55 of the income statement. The Executive Board adopted the annual report and the financial statements 2018 on 1 April 2019.

**Accounting Principles**

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

*General information*

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

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

*Going concern*

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

*Comparative figures*

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

*Accounting policies for the balance sheet*

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

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

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

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



*Innovating Justice Challenge - Regional Finals in Dhaka*

## E. Cash flow statement

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

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

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

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

### *Accounting policies for the income statement*

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

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

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

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

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

The cash flow statement analyses the changes in cash and cash equivalents between 1 January 2018 and 31 December 2018 and is prepared according to the indirect method. Cash flows in foreign currency have been converted into Euro using the exchange rate valid on the transaction date. In 2018, the cash and cash equivalents increased by € 4,942,687. Main reason for the increase is through amounts received in advance in 2018 for projects that has to be partially also executed in 2019.

<u>Ref.</u>	Amounts x € 1,000	<u>Realisation 2018</u>	<u>Realisation 2017</u>
<u>Cash flows from operating activities</u>			
	Net result	290.7	202.6
	Depreciation	5.5	43.7
		<u>296.2</u>	<u>246.3</u>
	Mutations in working capital:		
3.	- Receivables	414.3	-45.1
6.	- Debts	4,127.8	1,268.4
		<u>4,542.1</u>	<u>1,223.3</u>
	Total cash flows from operating activities	4,838.3	1,469.6
<u>Cash flows from investing activities</u>			
	Mutations:		
1.	Investments non-current assets	-6.1	-4.5
2.	Financial fixed assets	49.0	-243.2
	Total cash flows from investing activities	42.9	-247.7
<u>Cash flows from financing activities</u>			
5a.	Participation J42	61.5	331.0
3.	Net changes in cash and cash equivalents	<u>4,942.7</u>	<u>1,552.9</u>
	Cash and cash equivalents 1 January	2,974.4	1,421.5
	Cash and cash equivalents 31 December	<u>7,917.1</u>	<u>2,974.4</u>
	Net changes in cash and cash equivalents	<u>4,942.7</u>	<u>1,552.9</u>

# F. Notes to the balance sheet

	<u>Automation</u>	<u>Total</u>
	€	€
1. <u>Non-current assets</u>		
Balance 1 January	11,752	11,752
Mutations 2018:		
- Investments	6,116	6,116
- Desinvestments	0	0
- Depreciation desinvestments	0	0
- Depreciation	<u>-5,501</u>	<u>-5,501</u>
Balance 31 December	<u>12,367</u>	<u>12,367</u>
Purchase value	199,153	199,153
Cumulative desinvestments	0	0
Cumulative depreciation desinvestments	0	0
Cumulative depreciation	<u>-186,786</u>	<u>-186,786</u>
Balance 31 December	<u>12,367</u>	<u>12,367</u>

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
2. <u>Financial fixed assets</u>		
Participation Justice42	<u>194,217</u>	<u>243,183</u>
3. <u>Receivables</u>		
Debtors	172,624	453,345
Amounts to be invoiced	73,516	233,204
Advanced payments	42,762	14,251
Interest receivable	<u>874</u>	<u>3,277</u>
Total receivables	<u>289,776</u>	<u>704,077</u>

At the end of 2018 all the other debtors are considered as collectible.

	<u>31-12-2018</u>	<u>31-12-2017</u>
4. <u>Cash and cash equivalents</u>		
ABN AMRO Savings Accounts	7,600,000	1,561,082
ABN AMRO Bank Guarantee Account	167,000	59,709
ABN AMRO Cashmanagement Accounts	125,890	1,345,029
Deposit	23,623	0
Cash in hand	621	439
Triodos Bank Cashmanagement Account	<u>0</u>	<u>8,188</u>
Total cash and cash equivalents	<u>7,917,134</u>	<u>2,974,447</u>

The guarantee account consists of two amounts being € 20,000 for the corporate credit cards and € 147,000 for our project in Mali. The guarantee for Mali was given that in case HiiL would not fulfil its obligations that the beneficiary could draw on the guarantee. The deposit, which is also not free at disposal, consists of € 23,623 for the housing contract. All other cash and cash equivalents can be withdrawn upon demand.

RIGHTS AND COMMITMENTS NOT APPEARING IN THE BALANCE SHEET

	31-12-2018	31-12-2017
	€	€
<b>5a. Designated reserve</b>		
Balance 1 January	242,933	0
Participation J42	61,532	330,968
Allocation net result	-110,498	-88,035
Balance 31 December	<u>193,967</u>	<u>242,933</u>

The designated reserve was created in 2017 and serves the participation in J42. This reserve is solely meant for this participation. The balance as per 31 December reflects the Net Asset Value of J42 against the participation rate of 28.54%.

<b>5b. Contingency reserve</b>		
Balance 1 January	1,089,335	798,679
Allocation net result	401,242	290,656
Balance 31 December	<u>1,490,577</u>	<u>1,089,335</u>

During the Supervisory Board meeting of July 2018 the decision was taken to increase the contingency reserve from € 1.400.000,- to € 1.600.000. The reason for the increase is the following. In previous years the contingency reserve was build on the next 2 scenario's. We have to close down and can cover office costs for 6 months, keep 3FTE to close the office in 6 months and pay rent. The second scenario is if expected funding comes in within 6 months then we can bridge the gap of 6 months. Last year our overhead costs decreased but we like to add to the contingency reserve the possibility to cover 6 months of salary costs for employees with a permanent contract in scenario 1 if we have to close the business.

<b>6. Short term debts</b>		
Still to be spent on the objective *	6,166,599	2,001,385
Balance leave hours and holiday pay	117,324	91,646
Accounts payable	200,249	161,169
Taxes and premiums	103,420	67,481
Pension	18,693	14,300
Project liabilities	7,000	35,000
VAT payable	5,487	15,351
Payable personnel costs	0	45,000
Other liabilities and accruals	110,178	169,859
Total short term debts	<u>6,728,950</u>	<u>2,601,191</u>

\* Still to be spent on the objective represents deferred income or invoiced amounts in 2018 for work that still has to be executed in 2019.

**Rights**

In 2018 we were awarded a grant for € 11,568,700 from the Ministry of Foreign Affairs for the period 1 January 2019 until 31 December 2021 for the "Strategic Partnership between HiiL and the MFA 2019-2021". Also awarded in 2018 was a grant for € 2,500,000 from the EU for the period 1 January 2019 until 31 december 2020 for the "Justice Innovation Process".

**Commitments**

*Guarantee liabilities*

The guarantee liability for the corporate credit cards undertaken by ABN AMRO Bank for our account is € 20,000. The guarantee liability for our project with the Ministry of Justice in Mali amounts to € 147,000. The guarantee ended latest 28 February 2019.

*Housing*

The renting period of the office space at the Fluwelen Burgwal 58 is almost three years from January 1, 2018 till 30 November 2021. Yearly an indexation of the rent will take place on basis of the CPI. The estimation for 2019 is that approximately in total € 88,759 will be paid for the rent of the office space, desks, chairs and service costs. A deposit of € 23,623 is given to the landlord covering a three months rent period.

*Leasing*

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

*Loan Rechtwijzer Technology*

We decided to provide a Loan to Rechtwijzer Technology to support the latter with cash flow and bridging the initial period where no additional financial provision has been secured. The amount of the loan per balance date is € 351,000. The loan is not presented in the balance sheet due to the fact that HiiL and the Rechtwijzer entities are consolidated. It is intended to terminate the loan in 2019.

# G. Notes to the income statement

	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<b>7. Revenues</b>			
Measuring Justice	1,222,194	1,317,000	1,324,930
Innovating Procedures	336,754	436,000	495,351
Innovating Justice Accelerator	1,346,568	1,519,000	1,609,513
Justice Leadership	1,518,629	1,388,000	0
Online Justice	-2,000	0	68,854
<b>Total revenues</b>	<b>4,422,145</b>	<b>4,660,000</b>	<b>3,498,648</b>
<b>8. Costs of sales</b>			
Measuring Justice	486,828	611,000	470,410
Innovating Procedures	69,830	96,000	117,295
Innovating Justice Accelerator	618,299	920,000	694,301
Justice Leadership	767,037	885,000	0
Online Justice	-10,000	0	94,232
<b>Total costs of sales</b>	<b>1,931,994</b>	<b>2,512,000</b>	<b>1,376,238</b>
<b>9. Net revenues</b>			
Measuring Justice	735,366	706,000	854,520
Innovating Procedures	266,924	340,000	378,056
Innovating Justice Accelerator	728,269	599,000	915,212
Justice Leadership	751,592	503,000	0
Online Justice	8,000	0	-25,378
<b>Total net revenues</b>	<b>2,490,151</b>	<b>2,148,000</b>	<b>2,122,410</b>

## 10. Personnel costs

	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
Gross wages, including holiday pay and year-end bonus HiiL personnel	1,262,946		924,929
Social costs	156,685		114,722
Pension costs	156,628		112,863
Travel expenses commuter traffic	19,979		14,179
Indirect personnel costs	102,104		188,891
<b>Total personnel costs</b>	<b>1,698,342</b>	<b>1,682,000</b>	<b>1,355,584</b>
FTE HiiL	20.2	18.6	15.4
FTE Rechtwijzer Technology	0.0	0.0	2.0
<b>Total FTE (interns excluded)</b>	<b>20.2</b>	<b>18.6</b>	<b>17.4</b>

### Report for 'Wet normering topinkomens' (WNT)

Due to the fact that more than 50% of the total gross revenue in 2018 is granted by the Dutch government the Dutch Act 'Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)' applies in 2018 for HiiL. The report below is prepared in line with the applicable regulation for HiiL. The reported maximum amount per person and function is calculated based on the full time equivalent in the labor agreement or the contract of the executive involved.

## Executive Board

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

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

Function	Executives		
	S. Muller	M. Barendrecht	E. Tacoma
	<i>Chief Executive Officer</i>	<i>Research Director</i>	<i>Director of Operations</i>
Period in function	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12
Full time equivalent during the year	1,00 FTE	0,80 FTE	0,60 FTE
Real (or fictive) employment	yes	yes	no
Remuneration 2017	€ 133,609	€ 101,208	€ 75,793
Provisions remuneration due	€ 17,136	€ 14,265	€ -
<b>Total remuneration 2017 for WNT</b>	<b>€ 150,745</b>	<b>€ 115,473</b>	<b>€ 75,793</b>
<b>Applicable maximum in 2017</b>	<b>€ 181,000</b>	<b>€ 144,800</b>	<b>€ 165,300</b>

Since Hiil's operating results in the period 2014-2016 was under pressure we decided to freeze the salaries the last 4 years of our personnel. 2017 showed a solid operating result as well the outlook for 2018. Therefore the management team decided to follow the CAO salary indications again (we follow, but are not a member). That resulted in an increase for all our personnel of approximately 8% and in some cases an extra scale.

In the annual report and accounts of 2017 the remuneration of the Research Director was accidentally presented too high by an amount of € 8,072. This is corrected in the annual report and accounts over 2018 where the correct amount for 2017 is shown for the remuneration of the Research Director.

## Supervisory Board

The Supervisory Board receives no remuneration.

	Realisation 2018	Budget 2018	Realisation 2017
	€	€	€
<b>11. Material costs</b>			
Travel costs	7,010	10,000	3,736
Housing costs	102,876	125,000	202,004
Costs Supervisory Board and PSB	11,428	2,000	7,020
Office costs	86,085	70,000	67,350
Depreciation costs	5,501	10,000	43,662
Sales & Marketing	76,535	50,000	32,696
General costs *	91,380	100,000	119,076
<b>Total material costs</b>	<b>380,815</b>	<b>367,000</b>	<b>475,544</b>

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

<b>12. Various income and costs</b>			
Mutation provision bad debts	0	0	-2,588
<b>13. Financial income and expenses</b>			
Financial income	1,056	0	3,357
Financial expenses *	10,808	0	6,571
<b>Total financial income and expenses</b>	<b>-9,752</b>	<b>0</b>	<b>-3,214</b>

\* Due to more international activities more payments were transferred abroad, This led to extra financial expenses.

## H. Other information

<b>Post balance sheet events</b>	There have been no significant events post balance date which would materially affect the financial statements.
<b>Independent auditor's report</b>	The independent auditor's report is included at the next page of the financial statements.

### INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Stichting The Hague Institute for Innovation of Law in The Hague, The Netherlands.

#### A. Report on the audit of the financial statements 2018 included in the annual report

##### Our opinion

We have audited the financial statements 2018 of Stichting The Hague Institute for Innovation of Law based in The Hague, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting The Hague Institute for Innovation of Law as at 31 December 2018 and of its result for 2018 in accordance with the Guidelines for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board and the Policy rules implementation of the Standards for Remuneration Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the Income statement for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

##### Basis for our opinion

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

We are independent of Stichting The Hague Institute for Innovation of Law in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Oranje Nassaulaan 1  
1075 AH Amsterdam  
Postbus 53028  
1007 RA Amsterdam

Telefoon 020 571 23 45  
E-mail [info@dubois.nl](mailto:info@dubois.nl)  
[www.dubois.nl](http://www.dubois.nl)  
KvK nummer 34374865

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#### **Compliance with rule against overlapping pursuant to the WNT not audited**

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

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

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

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

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

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

#### **C. Description of responsibilities regarding the financial statements**

##### **Responsibilities of the executive board and the Supervisory Board for the financial statements**

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

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

The Executive Board should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the financial statements.

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

#### **Our responsibilities for the audit of the financial statements**

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

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

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

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

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organisation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 23 April 2019

Dubois & Co. Registeraccountants

Signed on original by:  
A.P. Buteijn RA

# Glossary of terms

Some of the terms used in our annual report maybe a little but, um, “less than user-friendly”? So here is our apologetic guide to support your navigation of this documents jargon.

**Acceleration:** the broad term for the scaling up support that the [Hiil Justice Accelerator](#) team provide in order to support locally-based individuals or teams who have a project that solves a big problem in justice in their country (business development, tech support, financial investment...).

**Access to Justice:** refers to the point of justice service delivery; who gets it and who doesn't.

**Action Plan:** the really good bit of justice innovation: putting all the data and other research into a concrete plan with a team of motivated national stakeholders.

**Agents:** the ‘real rock and rollers’ of Hiil’s work in various countries: they represent Hiil in their country and do all the things us friendly-rebels are doing for justice.

**BHAG:** this business jargon refers to a ‘big hairy audacious goal’. Ours is actually to contribute to resolving 150 million justice problems by 2030, and happens to be the reason for our existence (the same as ‘[mission statement](#)’).

**Coalition building:** “to go fast go alone, to go furthest go together”; we always work with partners to implement justice innovation. The best way to have maximum success is to bring people together for a common purpose.

**Cohort:** the bunch of amazing ‘justice innovations’ we support each year end up being supported by the [Hiil Justice Accelerator](#), we group them by the year they are accelerated (scouted in 2018 = part of the 2019 cohort). The size of the group varies, but the last one was 17 justice innovators from 12 countries.

**Data:** numbers that help us gauge the magnitude of what is going on in the real world. Accurate, representative (age, gender, geography) is essential to making user-friendly justice a reality.

**Evidence-based:** to get to the actually problems that need fixing you need evidence first, and the solution to follow that. Otherwise, the intervention is as good as “throwing money down the drain”. So, if family justice is the biggest problem in Uganda we work on that because the numbers tell us to, instead of working on flying cars. (Would be super cool but it isn't what people tell us they need).

**Guidelines:** these are gold for practitioners as they represent the worlds best wisdom on the topic and presents it in a digestible way (people in the field would probably love to read 500 volumes on family law but probably lack the time and resources so we share stories of ‘what works’).

**Hackathon:** these are really fun events that focus on methods to design solutions for a social problem with a group of people with diverse backgrounds.

**Ideation stage:** a solution to a justice issue has started to have impact: it exists in the real world rather than just existing in someone's head or on paper.

**Innovation:** is a change, adaption, something totally new, an application of existing technology to a problem no one's thought to use if for before, or some other update

**Justice ecosystem:** just like animals and flora, justice innovations need the right habitat to survive and thrive. With the right support, connection to knowledge, experts, financing, technology and community, a justice innovation can grow up strong.

**Justice Innovators:** these men and women are the coolest people in the world because they dedicate their time (actually their whole existence) to finding a solution to a social problem; how to stop crime, how to protect women from exploitation, how to help people understand their rights and what to do in a bad situation. They come from all kinds of backgrounds, not just law, and apply all kinds of knowledge and skills to building solutions to problems in teams or as individuals.

**Justice Leaders:** anybody who takes leadership to prevent or resolve a pressing justice problem.

**Justice Need:** a need that connects to your legal rights or the law and your situation. The needs are diverse but they all tend to affect people's lives greatly. Perhaps you just started a business and you need to incorporate (justice need), or perhaps you need protection from an abusive partner (justice need).

**Justice Problems:** like a justice need, but we can categorise them. We see the same kinds of problems coming up again and again (land, family, employment, crime and neighbour).

**Justice Sector:** this is an umbrella term that refers to the institutions and people who “do justice”. We approach this from a people's-perspective, so that means the justice sector is a bit of a shape shifter: If in one country people go to courts, and another they go to a local leader then that is what the justice sector is in that context.



**Justice Transformation Labs:** the safe space in which justice leaders can come together to develop a strategy to prevent or resolve justice problems. It's called a 'lab' because there is method into how it works.

**Pitch events:** these are super fun events where justice innovators share their ideas to an audience who get to judge them and decide if they like what the justice innovator is offering. Sometimes the judging is reserved to an expert panel, as in the HiiL Local Pitch events.

**Priority Area:** this is the type of problem they most people tell us they struggle with in their country and therefore it is the obvious place to start innovation.

**Procedures:** these are the steps that link to one another to get from the beginning of your problem to the end (hopefully a fair and sustainable solution). They can be formal and informal but what is important to us is that they are user-friendly.

**Randomised Controlled Trials:** these are activities whose point is to prove that something you have changed has caused what you think it did, you do this by not changing the thing in one group and changing it in another group and then comparing.

**Rule of Law:** this is the top-down version of law, the constitutions, laws and regulations, the institutions that enforce them, it is also values and it is behaviour.

**Social Impact:** when we do all our crazy activities they're done for one reason only; to change failing justice systems into super amazing ones, this has a positive effect on society.

**Stakeholders:** all the people and institutions that have a say (decision) or interest in what happens. Getting all stakeholders involved is really important, it also links to our values of co-creating because that is what works best.

**Survey:** a way of finding out what people think by um, well talking to them! We randomly choose a sample of people that reflects the total population make-up (in terms of men/women, age, geographical location) and then get them to tell us their experiences relating to justice problems.

**Terms of Reference:** concrete description of the goals and specifics of the new product or service (justice innovation). It differs to "Guidelines" in terms of focusing on the 'what', rather than the 'how'.

**The Justice Gap:** the total number of people who need a solution to a justice problem minus the number of people who actually get a solution or chance at a solution, the leftover number of people represent the gap; and they are who we focus on.

**Triangulation Workshop:** these can be tricky but are so important and always very revealing. They are the opportunity to hear the opinions of real providers and stakeholders relating to a particular issue that needs attention. The mash-up of inputs yields a better understanding of the need and what is likely to work to fix it.

**Transformation:** we need change, big change because 2/3 of all problems don't get solutions. That requires more than change. It requires transformation of thinking, of ways of working, of people. In some cases, the new methods that corrects that dismal fact won't look like anything that came before, or maybe it's just a tweak that's required, all should result in lots and lots of positive results.

**User-friendly justice:** affordable, accessible, and easy to understand for everyone is what we think justice should be and what we always drive towards.



Hiil

The Hague Institute for Innovation of Law

P.O. Box 93033, 2509 AA The Hague

The Netherlands

Tel: +31 70 762 0700

[www.hiil.org](http://www.hiil.org)

E-mail: [info@hiil.org](mailto:info@hiil.org)