



*"Makes Legal services accessible, affordable
and reliable"*

ANNUAL REPORT & FINANCIAL STATEMENTS 2017

June, 2018

www.microjusticia4all.org



Publication of the Microjustice4all
ANNUAL REPORT & FINANCIAL STATEMENTS 2017

Den Haag
2018

Copyright © Microjustice4All

TABLE OF CONTENTS

1.	ANNUAL REPORT	1
1.1.	GENERAL.....	1
1.2.	THE BOARD OF MJ4ALL	2
1.3.	REPORT ON ACTIVITIES BY THE DIRECTOR	3
2.	FINANCIAL STATEMENTS.....	6
2.1.	BALANCE SHEET	6
2.2.	STATEMENT OF INCOME AND EXPENDITURE.....	7
2.3.	EXPLANATORY NOTES	8
2.4.	NOTES TO THE BALANCE SHEET.....	10
2.4.1.	<i>Receivables and accrued income</i>	10
2.4.2.	<i>Cash</i>	10
2.4.3.	<i>Continuity reserve</i>	10
2.4.4.	<i>Short term liabilities</i>	11
2.4.5.	<i>Assets and liabilities not recognized in balance sheet</i>	11
2.5.	NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE	12
2.5.1.	<i>Income</i>	12
2.5.2.	<i>Other income</i>	13
2.5.3.	<i>Expenditure on the objective</i>	14
2.5.4.	<i>Other costs</i>	15
2.5.5.	<i>Explanation cost allocation</i>	15
2.6.	SIGNING OF THE ANNUAL REPORT	15
3.	OTHER INFORMATION	16
3.1.	APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2016.....	16
3.2.	SUBSEQUENT EVENTS	16
	APPENDIX – FUNDING AND COST PER PROJECT.....	17

1. Annual Report

1.1. General

Incorporation

Stichting Microjustice4All (MJ4All) was incorporated on December 3th, 1996 by notarial deed. The foundation has its official seat in (2517 AN) The Hague, at the Laan van Meerdervoort 70.

MJ4All is registered with the Chamber of Commerce, number 41160018 (RSIN: 805877447) and is a charitable foundation under Dutch Law (“ANBI”).

Objectives MJ4All

MJ4All is an organization dedicated to legally empower the poor excluded groups and victims of humanitarian disaster. By providing people with legal documentation and enabling them to live under the shelter of the law and enjoy the protection and opportunities it affords, MJ4All helps them to get out of the poverty cycle and facilitates the legal rehabilitation of the victims of disaster.

With the provision of legal documentation, awareness-raising activities, local capacity building and evidence-based lobbying, MJ4All aims to enable all people to participate in society and encourage them to be self-reliant.

The objective is to globally promote the legal empowerment method as a way to implement Global for Sustainable Development 16 through the country-specific action-oriented legal inclusion mappings.

The legal empowerment & Legal Inclusion mapping

Over the past twenty years MJ4All has developed its method for legal empowerment in practice, implementing field programs in three continents. This method consists of standardized legal service provision in identified basic legal needs to legally include the marginalized groups and victims of humanitarian disaster, while undertaking bottom-up legal reform and advocacy activities. In this way MJ4All aims to establish sustainable legal service provision infrastructures for the legal empowerment of the poor and marginalized. As of 2016 MJ4All has started to develop the action-oriented legal inclusion mapping as a way to implement Global Goal 16 and to promote the legal empowerment work globally.

Focus

MJ4All helps to set up local infrastructures that provide legal services to develop practical legal solutions and to obtain legal documents with a focus on:

1. Birth certificates and various civil documents to enable access to e.g. education, health care, social benefits, microfinance and voting;
2. Housing and land registration for property protection, access to collateral and investment opportunities;
3. Setting up businesses, cooperatives and other legal entities, and drafting contracts to increase income-generating activities and civil society participation;
4. Legal issues related to the above, mostly related to family law and inheritance matters.
5. Legal issues that are specific to a context, especially in post-humanitarian crisis rehabilitation processes.

1.2. The Board of MJ4All

On 31 December, 2017, Mrs. Patricia van Nispen tot Sevenaer is the only Director of the foundation.

The Supervisory Board is formed by:

J.J. de Domingo Angulo, Chairman
M.J. Verweij, Secretary
C.F. Wittebrood
G.J.W Pulles

The Supervisory Board members do not receive any compensation other than compensation for expenses incurred in the performance of their duties.

Report on activities by the Supervisory Board

The Supervisory Board started in its current composition as of 6 October 2017 when J.W. van Drunen Littel left and C.F. Wittebrood and G.J.L. Pulles joined the Supervisory Board.

In 2017 the Supervisory Board met every two months together with the Director. During these meetings the Supervisory Board discussed a wide range of issues, among others:

- Annual Accounts and the Annual Report for 2016;
- Current projects and programs and new activities in preparation;
- Team: capacity, composition, recruitment;
- Fundraising, both at central level and decentralized on 'project basis';
- Development of new strategies to expand MJ4All globally by the development of a consortium of partners for a Global Legal Inclusion Program, including a Global Legal Inclusion Mapping and Legal Empowerment Program for the implementation of Global Goal for Sustainable Development 16
- A wide range of administrative and financial matters;
- Director: periodic performance review;
- Annual Plan and Budget 2017.

The Supervisory Board wants to thank the Director, the consultants, and all volunteers for their dedication and commitment to MJ4All during 2017.

In July 2018 the Supervisory Board approved the Annual Report 2017.

J.J. de Domingo Angulo, Chairman
M.J. Verweij, Secretary
C.F. Wittebrood
G.J.W Pulles

1.3. Report on activities by the Director

In 2017, MJ4All has undertaken the following activities:

- 1) Implementing Global Goal for Sustainable Development 16 In Kenya
- 2) Developing the Country-specific, Action-oriented Legal Inclusion Mapping Method, preparing legal inclusion Mappings in Kenya and Bolivia
- 3) Symposium to celebrate 20 years MJ4All Legal Empowerment work and to launch the Legal Inclusion Program.

1) Implementing Global Goal 16 In Kenya

This Project in Kenya had started in 2016 to help set up a sustainable legal aid infrastructure with the Kenya Microjustice4All organization, Haki Mashinani. It appeared to be difficult to find a sustainable business model, in large part due to the fact that MJ4All's sustainability model of cost-recovery legal aid does not fit within the current Kenyan legal services provision framework:

- NGO's normally provide free legal aid/advise, not providing the legal services of MJ4All's model. An NGO such as Haki Mashinani is not allowed to charge a fee for their legal services
- If we decide to offer legal services as a conventional law firm, the minimum fees that the Law Society of Kenya (LSK) prescribes per type of legal services are not affordable for our target group. Explanation: The advocates are organized in the LSK, where one has to be registered to practice law, not exclusively concerning court representation, but also the solicitors' type of work. The LSK obliges its member advocates to use minimum fees per type of legal service, which is too high for our client groups.

At this point, there is a lack of delivery of legal services to the poorer groups of the population in non-court related/non-conflict related legal empowerment issues (contract, registrations, civil documentation, the business issues, land registration/transfer, inheritance etc). Only the advocates in the LSK provide this kind of services.

In this deadlock, Haki Mashinani had focused on civil documents that are not covered by the minimum fees of the RSK. However as of early 2017, it was no longer feasible to offer these services for two reasons:

- 1) One-stop shop public service centers have been set up in all counties of Kenya, called Huduma Centres, including in Kibera slum in Nairobi, where most state services are provided close to the people. This is one of the more structural trends to render the system more accessible. Similarly, an E-Citizen portal where all kind of registrations can be done online (e.g. business) became publicly available.
- 2) The Civil Register does no longer allow anyone to provide a legal service in birth certificates; it is a personal procedure.

In this context, MJ4All decided to discontinue operations until a viable business model had been developed for Kenya. For this reason, finding a viable business model for legal service provision has become the focus of MJ4ALL. The Legal Inclusion Mapping Method has been developed for this reason in particular: to countrywide map who the legally excluded groups are, why, and what specific legal empowerment activities are needed to include them.

2) Developing the Country-specific, Action-oriented Legal Inclusion Mapping Method, preparing Legal Inclusion Mappings in Kenya and Bolivia

Global Goal for Sustainable Development 16 (Global Goal 16) provides an international policy framework to work globally towards the legal inclusion of marginalized groups within their countries. The country-specific, action-oriented Legal Inclusion Mapping Method serves as an operational framework to implement legal inclusion activities for the achievement of Global Goal 16. While the first pilot mappings are now being prepared for Bolivia and Kenya, gradually more and more country-specific mappings will be carried out globally within the Global Goals for Sustainable Development Agenda 2030.

The action-oriented legal inclusion mapping method consists of two parts:

- I) A country-specific legal inclusion mapping and measurement framework to provide clear estimates of the extent of legal exclusion/inclusion within a country. It provides transparent data on different marginalized groups in the country and includes recommendations on what legal inclusion work is needed to make progress on SDG 16. Thus, the objective of the Legal Inclusion Mapping exercise is:
 - a) To produce an assessment of the scale of the “justice gap,” i.e. the number of people who live without legal inclusion and the social and economic consequences.
 - b) To make legal inclusion tangible and actionable, outlining specific legal issues that need to be addressed for the legal inclusion of marginalized and excluded groups.
- II) A country-specific Legal Inclusion Action Plan that translates the recommendations of the mappings into an activity plan with a series of legal inclusion and empowerment activities – both bottom up (legal service provision programs) and top down (institutional reform and capacity building). Legal empowerment tools include the simplification, standardization and digitalization of legal service provision. The implementation of Legal Inclusion Action Plans will a) facilitate the inclusion of the excluded groups; b) improve access to justice for all, and c) contribute to effective, accountable and inclusive institutions.

Microjustice4All (MJ4All) is developing the Legal Inclusion Mapping Method with its legal empowerment professionals, research experts and local networks on the ground. In the process, MJ4All is setting up partnerships with relevant organizations and institutions in the Mapping countries, as well as internationally. Coordinated centrally from The Hague, the Mappings are conducted locally. This approach of mapping simultaneously in various countries allows for cost-efficient operations, improved consistency, mutual learning and innovation.

3) Symposium to celebrate 20 years MJ4All Legal Empowerment work and to launch the Legal Inclusion Program 7 November 2017

On November 7, 2017, MJ4ALL marked the occasion of having worked on Legal empowerment for 20 years.

However, making the issue of legal inclusion of the excluded worldwide an international priority is still a challenge. Hence, more important than celebrating, was the way forward: to work globally, in a structural manner on the legal inclusion of excluded people within their country. As mentioned, SDG 16 provides an important opportunity for enhancing legal inclusion globally.

The goal of the symposium that was held in The Hague on November 7, 2017, was to develop a common plan to implement the Legal Inclusion aspect of SDG 16, based on the experience of 20 years of legal empowerment work undertaken by MJ4All.

The first part of the symposium presented legal inclusion work globally from different perspectives: from legal empowerment work on the ground by MJ4All fields teams, to the international policy context and the many levels in between. In the second part, the Legal Inclusion Program was presented as the way forward, providing the partners in this program with an opportunity to give their input.

As a follow-up to the symposium, the Legal Inclusion Program has started with country-specific legal inclusion mappings in Kenya and Bolivia. Further fundraising will determine to which other parts of the world the mapping of excluded groups and their legal needs will be extended.

4) The MJ4All Country organizations

MJ4All's strategy is to help the network of legal empowerment organizations in the countries of operation to function autonomously while focusing on building up sustainable legal empowerment capacity through the legal inclusion mappings. Thus, the MJ4All Legal Empowerment organizations will build up their own organizational capacity and generate their own funding. Currently the following legal empowerment organizations that MJ4All helped to start are:

MJ4All in Kenya (Haki Mashinani)

Microjustice Rwanda

Microjusticia Bolivia

Microjusticia Perú

Microjustice Western Balkans (Mikropravda)

Microjusticia Argentina, which operates completely independently

The income of MJ4All in 2017 was € 80.689. The budget for 2018 is € 189.969. The difference is due to the fact that we had to change the strategy of implementing the program in Kenya, and therefore much less project-related funding was spent in 2017 than foreseen; which will serve as income to be spent on the Kenya project in 2018.

The Hague, 30 June 2018

Patricia van Nispen tot Sevenaer, Founding Director Microjustice4All

2. Financial Statements

2.1. Balance sheet

Assets		<u>31 December 2017</u>	<u>31 December 2016</u>
		€	€
Receivables and accrued income	2.4.1	362	4.356
Cash and cash equivalents	2.4.2	228.666	110.921
		<u>229.029</u>	<u>115.277</u>

Liabilities		<u>31 December 2017</u>	<u>31 December 2016</u>
		€	€
Reserves and funds continuity reserve	2.4.3	47.312	44.684
Short term liabilities	2.4.4	181.715	70.593
		<u>229.027</u>	<u>115.277</u>

2.2. Statement of income and expenditure

		2017 Actual	2017 Budget	2016 Actual
		€	€	€
Income:				
Income own fundraising	2.5.1	75.426	194.969	264.372
Interest income		342		653
Other income	2.5.2	4.918		163
Sum of income		80.686		265.188
Expenditure:				
Expenditure on the objective				
Legal Empowerment of the poor	2.5.3	75.426	189.969	279.950
Expenditure on fundraising	2.5.4			
Other costs	2.5.5	2.632		
Sum of expenditures		78.058		279.950
Deficit/Surplus		2.628		-14.762
Appropriation of result				
Allocation or withdrawal from continuity reserve		2.628		-14.762

2.3. Explanatory notes

General

a. Activities

The Activities of Stichting MicroJustice4All (MJ4All), having its legal seat at The Hague in the Netherlands, primarily consists of attracting donations for the international delivery of legal services to poor people in developing regions.

b. Related parties

MJ4All functions as the umbrella organization, the expert organization providing among others the following services to the Microjustice4All Country Organizations. The Country Organizations are:

- Microjusticia Bolivia
- Microjusticia Peru
- Microjusticia Argentina
- Microjustice Kenya
- Microjustice Rwanda
- Microjustice Western Balkans (Mikropravda)

In The Netherlands the foundation has the following related parties: Stichting Friends of Microjustice and Stichting Microjustice International Platform.

Stichting Friends of Microjustice aims to promote the interests of MJ4All and to support her activities financially.

Microjustice International Platform is the platform organization for the independent MJ4All Country Organizations. The Microjustice International Platform is currently in development, and its tasks are executed by MJ4All. There have been no (other) transactions with this organization.

c. General accounting principles for the preparation of the financial statements

The financial statements have been prepared in accordance with Guideline RJ650, which applies to Dutch fundraising organizations.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value. Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

For the purpose of understanding, the classification of certain items in the financial statements has changed. The comparative figures have been adjusted accordingly. These adjustments have no effect on the equity and result of the previous financial year.

d. Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date.

The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

e. Estimates

In applying the principles and policies for drawing up the financial statements, the directors of the entity make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Principles of valuation of assets and liabilities

a. Receivables

Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables. Payments on projects that have been executed without having any contribution but for which contribution is likely are reported on an accrual basis.

b. Current liabilities

Current liabilities are included at face value. Project related contributions for which the granting period does not match the annual reporting period are reported on an accrual basis.

c. Principles for determination of the result

Revenues arising from the project related contributions are reported as long as the granting period matches the annual reporting period. Project related contributions received for which the activities have not yet been performed are reported on an accrual basis.

Operating costs arising from project activities are reported at face value and where as the project activities have been performed.

Services rendered in kind consist of contributions received for the execution of services for internal purposes (overhead costs). The contribution for these internal services are identical to the expenditures for these internal purposes.

2.4. Notes to the balance sheet

2.4.1. Receivables and accrued income

	31-12-2017	31-12-2016
	€	€
Prepayments on projects		
Liberty Kenya		
Other receivables and prepayments		
Interest	33	43
Other prepayments	329	405
Other receivables		3.908
Book value at December, 31	<u>362</u>	<u>4.356</u>

2.4.2. Cash

The cash consists of bank deposits in different currencies (Euro, USD and Pounds).

2.4.3. Continuity reserve

The continuity reserve is specified as follows:

	31-12-2017	31-12-2016
	€	€
Balance at January, 1	44.684	59.446
Result for the financial year	2.628	-14.762
Balance at December, 31	<u>47.312</u>	<u>44.684</u>

2.4.4. Short term liabilities

The short term liabilities and accruals can be specified as follows:

	31-12-2017	31-12-2016
	€	€
Grants received in advance		
Advance POBB Kenya project	167.392	47.839
Accounts payable		
Creditors	1,434	13.132
Other costs to pay	12.889	9.622
Book value at December, 31	<u>181.715</u>	<u>70.593</u>

2.4.5. Assets and liabilities not recognized in balance sheet

Stichting Friends of Microjustice has a rotating fund of EUR 250.000 which it may use to finance the development and operating costs of MJ4All.

2.5. Notes to the Statement of income and expenditure

2.5.1. Income

The income out of own fundraising can be specified as follows:

	2017	2016
	€	€
Implementing SDG16 in Kenya: Setting up a sustainable MJ4ALL Legal infrastructure to help communities access their basic legal rights	64.926	100.902
Symposium	10.500	
Income projects closed in 2016		163.470
	75.426	264.372

2.5.2. Other income

	2017	2016
	€	€
Realized exchange differences	3.599	
Non project related donations	1.319	
Other Income		163
	<u>4.918</u>	<u>163</u>

2.5.3. Expenditure on the objective

	2017	2016
	€	€
Implementing SDG16 in Kenya: Setting up a sustainable MJ4ALL Legal infrastructure to help communities access their basic legal rights	64.926	100.902
Symposium Legal Inclusion towards Global Goal for Sustainable Development 16 (funding by Municipality of The Hague)	10.500	
Projects closed in 2016		179.048
	<u>75.426</u>	<u>279.950</u>

2.5.4. Other costs

	2017	2016
	€	€
Non project related costs	2.632	
Overhead & Financial Administration		
	2.632	

2.5.5. Explanation cost allocation

Destination	Objective	Expenditures on fundraising	Other costs	Total sum 2017	Budget 2017	Total sum 2016
Expenses	Legal Empowerment of the poor	Own fundraising				
MJ4ALL Legal Service provision	15.551			15.551	93000	141.988
Consultancy fees	51.622			51.622	71200	112.994
Travel costs	2.407			2.407	13700	8.196
Overhead & Financial Administration	5.847			5.847	12069	16.772
Total sum	75.426				189.969	279.950

2.6. Signing of the Annual Report

The Director approves the annual accounts, resulting in total assets of € 229.029, the foundation's capital of € 47.312, and a positive result on the balance sheet of € 2.628.

The Hague, 30 June 2018

Director - Patricia van Nispen tot Sevenaer

3. Other information

3.1. Appropriation of result for the financial year 2016

The positive result of € 2.628 will be added to the continuity reserve of the foundation.

3.2. Subsequent events

There are no subsequent events known, which may affect the information included in these financial statements, or in the presented balance sheet items and their valuations or in the explanatory notes.

Appendix – Funding and cost per project

Implementing SDG16 in Kenya: Setting up a sustainable MJ4ALL legal infrastructure to help communities access their basic legal rights	2017		2016		2015	
	€	€	€	€	€	€
	Project related funding 31 Dec. 2016		47.839			
Project related funding 2017		184.479		148.741		
		232.318		148.741		
Costs						
MJ4ALL Legal Service Provision	13.750		48.786			
Consultancy fees	45.322		41.972			
Travel costs			2.666			
Overhead & Financial Administration	5855		7.478			
Total costs	64.926		100.902			
		167.392		47.839		

This project is funded by the **Dutch Ministry of Foreign Affairs POBB**

Symposium Legal Inclusion towards SDG 16	2017		2016		2015	
	€	€	€	€	€	€
	Project related funding 2017		10.500			
Costs						
Symposium facilities and materials	1.801					
Consultancy fees	6.300					
Travel costs	2.407					
To POBB overhead	-8					
Total costs	10.500					

This project is funded by the **Municipality of The Hague**