

Board Report and Accountability Statement 2018

Vereniging Artsen zonder Grenzen



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▲ Two Médecins Sans Frontières staff overlook a camp for Rohingya refugees near the city of Cox's Bazar, the largest refugee camp in the world. Bangladesh, November 2018

This Board Report and Accountability Statement considers the most important matters which occurred in 2018 in relation to:

- the efficiency with which MSF's objectives were achieved, and with which progress was made towards achieving MSF's objectives, and with which risk management and internal monitoring were conducted;
- governance (i.e. the supervision, management, and implementation of policy);
- communication with stakeholders;

and the extent to which these matters affect the realization of the MSF-Holland Association's¹ objectives, namely: *"to organize the provision of actual medical help to people in disaster areas and crisis anywhere in the world, in accordance with the principles expressed in the Charter. On the basis of its medical work, the association endeavours to be an effective advocate for the population group it is assisting."*

This accountability statement should be read as an integral part of the entire Annual Report of the Board and Management Team as published on www.artsenzondergrenzen.nl and together with the Financial Statements of the MSF-Holland Association.

¹ All the project activities referred to in this Annual Report are coordinated by the Operational Centre Amsterdam (MSF OCA) group, under the aegis of the Board of the MSF-Holland Association. The MSF OCA group is the operational partnership in which MSF-Holland, MSF-Germany and MSF-UK cooperate to realize MSF's medical-humanitarian mission. In addition, MSF-Canada, MSF-Sweden and MSF-South Asia Regional Association contribute to the governance of the partnership. See also chapter 6 of the Financial Statements.

Main operational developments in 2018

Overall during 2018 we ran a total of 104 projects in 32 countries across the globe. Our portfolio of field operations remained diverse, encompassing a variety of medical-humanitarian activities including primary, secondary and tertiary health care, emergency humanitarian support and specialized medical care. Care was delivered through a combination of focused programmes and various sizes of integrated programmes (programmes delivering multiple health interventions across the range of community, primary and secondary care). Roughly 60% of our projects provided general outpatient services and just under 50% provided varying levels of inpatient care. Volumes of care were largely concentrated in a few countries. Over 50% of total patient admissions came from three large high-volume missions in the Democratic Republic of Congo (DR Congo – North and South Kivu provinces), Ethiopia and South Sudan.

In 2018, protracted conflict in countries such as South Sudan, Yemen and Syria, with direct attacks against health care providers and facilities, continued to affect our ability to deliver emergency medical care to people in distress. We continued our large-scale response to the Rohingya refugee crisis in Bangladesh and persisted with search and rescue activities in the Mediterranean, while expressing our solidarity with seaborne migrants and our indignation with governments who refuse to assist them.

South Sudan

Five years of protracted conflict have left dire humanitarian needs throughout South Sudan. In 2018 we responded to the health care needs of the South Sudanese population via four projects across the country and additionally deployed emergency responses to support critical needs. In remote locations around the city of Mundri (Amadi State) our teams provided basic health care through seven community-based health posts, in addition to continued support to local health centres, focusing on management of key morbidities such as malaria, acute watery diarrhoea and pneumonia. In Mayendit and Leer counties (Southern Liech State), throughout April and May, thousands of civilians were caught between the frontlines of fighting. Many people fled their villages to swamp and bush areas, leaving them unable to access basic services and limiting our ability to provide medical assistance.

In the so-called Protection of Civilians (PoC) Site in Bentiu (Northern Liech State), poor living conditions, violence and the long-term consequences of the war have severely affected the population. In our 160-bed hospital at the PoC Site, our teams continued to provide the only advanced secondary health care available to the population in this area, including surgery. In Bentiu town and at the PoC Site, MSF OCA treated 211 victims of sexual and gender-based violence (SGBV) between October and December alone. We addressed our concerns in a press release that provoked a strongly negative reaction from the government of South Sudan but had some impact on its internal discussions. In Lankien (Bieh State), we responded to a malaria outbreak in the area, treating over 6,000 patients during the first two months of 2018, while continuing to provide treatment for HIV, TB and kala-azar (visceral leishmaniasis), as well as obstetric, nutritional, paediatric and SGBV care, in our 80-bed hospital.

Yemen

Four years of war have left Yemen's health system in a state of collapse. The conflict escalated throughout 2018, with fast-changing frontlines and new outbreaks of violence across the country. MSF worked in 13 hospitals and health centres and provided support to more than 20 health facilities across 12 governorates. Our teams provided medical-humanitarian assistance in Taiz, its Houban district, and Ad Dhale, focusing in particular on maternal and paediatric health care in response to the vast gap in services for women and children. In late November we were forced to close our projects in Ad Dhale Governorate, after our staff house was after two explosive devices were planted at our staff house in less than a week (of which one exploded). Our teams had been working in Ad Dhale Governorate since 2012, helping the health facilities in Ad Dhale, Qataba, Al Azariq and Damt districts to treat more than 400,000 patients.

Syria

In 2018, the conflict in Syria plumbed new depths of violence, leaving millions of people in desperate need of assistance. Medical facilities continued to be hit in targeted or indiscriminate attacks. We remained one of the few organizations providing medical assistance inside the city of Raqqa, through a primary health care unit and a stabilization point. As residents continued returning home after the defeat of Islamic State, many were wounded or killed by the improvised explosive

devices, mines and other explosive ordnance that littered the city. During the most severe period from 20 November 2017 to 17 March 2018, our emergency and surgical teams treated 422 survivors of explosions. 20% of victims died at the point of injury or en route to our emergency room.

In Tal Abyad National Hospital, we continued to support all the hospital's main departments, including its paediatric, maternity, surgical, vaccination and mental health work, and renovated the maternity unit in the hospital. It remains the only referral hospital in the region that treats severe surgical cases free of charge. In Kobanê/Ain al-Arab Maternity Hospital, the team built an outpatient department and supported the emergency room, intensive care unit, maternity ward, operating theatre and nursing activities with supervision, training and drug supplies.

Working in Syria remained a daunting challenge. Our activities were severely limited by lack of security and access constraints. Despite numerous attempts to engage with the government, MSF continued to be denied accreditation in the country.

Rohingya refugee crisis

More than a year since the mass exodus of over 670,000 Rohingya from Myanmar into crowded camps in Bangladesh, the future of this population looks more uncertain than ever. In 2018 MSF continued to support the Rohingya population in Bangladesh and remained one of the leading health care providers in this crisis.

Our teams continued to run two hospitals and eight primary health centres in the Kutupalong-Balukhali mega-camp, which has become one of the largest refugee camps in the world, hosting about 600,000 people. Our teams also organized water trucking and constructed water networks, latrines and an innovative waste water treatment plant in order to improve living conditions in the camp. Moreover, together with the Bangladeshi Ministry of Health our teams implemented disease prevention activities and responded to outbreaks of diphtheria and measles, highlighting the lack of routine immunization and basic health care for the Rohingya in Myanmar.

Meanwhile, very little is known about the health and humanitarian status of the estimated 600,000 Rohingya who remain in Rakhine State, Myanmar. We do not have meaningful access to them, and during 2018 our repeated requests to regain access continued to be ignored or

denied by the Burmese authorities. Our lack of meaningful access has hampered our ability to bear witness to the plight of the Rohingya and other communities in Rakhine.

Search and rescue activities in the Mediterranean

In 2018 we sustained our commitment to our "People in Flight" strategic priority by continuing our involvement in the search and rescue operation in the central Mediterranean, despite the numerous challenges. The search and rescue vessel MV Aquarius, operated by MSF OCA and SOS MEDITERRANEE, rescued 3,184 people in 2018. In June, however, the newly elected Italian government took the extraordinary step of closing its ports to all rescued refugees and migrants, leaving the Aquarius and the 630 vulnerable men, women and children on board stranded at sea. The move sent shockwaves through Europe and set a dangerous precedent that paralyzed search and rescue activity in the central Mediterranean for the rest of the year. By the end of 2018, MSF OCA and SOS MEDITERRANEE were left with no choice but to end rescue operations on the Aquarius. Throughout 2018, the Italian government intensified their campaign to obstruct and criminalize the MSF search and rescue operation, as well as the activities of other NGOs who support refugees and migrants. We continue to explore ways in which we might resume search and rescue activities.

The shift in European public sentiment towards search and rescue activities aimed at seaborne migrants has exemplified the significant increase in the external challenges we face in our advocacy and communication work. The pendulum of governmental and public opinion has continued to swing towards ideologies that are strongly at odds with MSF's core values. Notions such as shared humanity, responsibility for refugees, respect for civilians and health care providers in conflict, and human rights in general may never have been universally accepted – but now they are being openly challenged by mainstream policymakers and commentators. This is forcing us to rethink the way in which we seek to highlight the plight of our patients in order to promote the core values of humanitarianism, even in places where we previously enjoyed significant support.

Somalia

Under the overall control of MSF OCA, other OC's and MSF OCA jointly resumed medical-humanitarian activities in Somalia in May 2017 and since then has further expanded its activities, in an extremely

precarious context. In 2018 MSF supported the Bay Regional Hospital in Baidoa and Mudug Regional Hospital in Galcayo. MSF teams have also given humanitarian assistance in the displaced person camps of Galcayo, have provided nutritional support at Dollow in Dhismareeb and have carried out short visits to Jubaland to support child health care and undertake disease prevention activities in Dhobley, Bardhere and Garbaharey. Moreover, MSF teams have conducted cataract surgery camps in collaboration with local agencies in Ergavo, Las Anod, Buhodle, Galcayo, Baidoa and Bardhere.

Nigeria

The MSF OCA lead poisoning project in Nigeria demonstrated good practice in a successful collaboration with external partners and government: MSF providing lifesaving treatment for the poisoned children while other actors cleaned up the contaminated area, made communities aware of the danger and took responsibility for changing mining practices. The collaboration culminated in a very productive joint conference in July 2018 at which the Ministry of Health promised to change national treatment protocols. Also in Nigeria, since 2014 we have been supporting the Sokoto noma hospital with reconstructive surgery, active case finding and a mental health support programme. In November a documentary on noma co-produced by MSF was released and MSF held a conference on the disease. As a result noma, known as “the face of poverty”, is now recognized by the Ministry of Health as a neglected disease with main risk factors including malnutrition, poor immunization coverage and lack of access to health care, all of which they have committed to address: see <https://noma.msf.org>.

Venezuela

Since early 2018, as the economic and medical situation in Venezuela has deteriorated, the country has been on MSF OCA’s watch list. In the second half of 2018, this resulted in several exploratory missions to Venezuela and neighbouring Colombia. At the end of 2018 we started a medical-humanitarian response which focused on provision of care for malaria patients. As a result of the government’s denial of the crisis as well as the contested leadership of the country, MSF and other humanitarian organizations face challenging access constraints in Venezuela and will accordingly have to develop creative strategies in order to meet the population’s extensive humanitarian needs.

Haiti

In order to sustain a balanced and viable programme portfolio and in line with the strategic orientations in our *Strategic Plan 2015–2019*, during 2017 and 2018 we gradually reduced our activities in a number of project countries. In 2018, we ended our programme in the Centre de Référence des Urgences Obstétricales in Port-au-Prince, Haiti, where we have been providing care since 2011 to women with obstetric complicated pregnancies as well as new-borns with neonatal complications. In that time nearly 120,000 women have received consultations and 37,000 babies have been born in the centre.

Programme finance

On the financial front, during 2018 we further consolidated our programme expenditure and realized savings in the head office budget. Following tremendous growth in programme expenditure and associated head office support in recent years, we are adjusting to new realities. The Board has assessed that the financial environment of MSF as a whole is changing. Due to the organization’s growth, there is a need to invest in its structure, which will have an effect on our mid-term cost base. In addition, although our policies have a built-in delay, we need to follow the upward trend of salaries in governmental and not-for-profit organizations in the Netherlands in order to attract the skilled personnel we need. In 2018, our income did not grow as planned, and we expect this trend to continue in 2019. At the same time, while we consolidated our programme expenditure in 2018, the MSF network as a whole, of which MSF OCA is a part, has had difficulty reducing programme expenses. As a result MSF International requested the Board to make €11 million available from reserves to support programme funding deficits occurring in other MSF sections. For 2019, MSF OCA has approved an operations budget of €268 million in order gradually to expand our programmes portfolio and to have sufficient emergency response capacity. (See also the 2018 Financial Statements.)

Safeguarding systems

Early in 2018, the media exposed significant flaws in the development aid sector’s safeguarding systems. These events overtook the discussion and initiatives that had been started within MSF in 2017. They heightened the urgency of reflecting on our values and ethical commitments, and increased the need to take additional steps to ensure a respectful and safe working environment for all, free of abuse of power, sexual harassment and other inappropriate behaviour. In

addition to management and Board becoming substantially involved in addressing staff concerns, measures were taken to set up a Responsible Behaviour Unit, consisting of four dedicated staff members, and structurally to increase investment in our integrity systems.

Organizational developments in 2018

Investment in our support capacity and our systems in order to increase the effectiveness and efficiency of our operations as envisaged in the MSF OCA *Strategic Plan 2015–2019* continued in 2018. The overarching change projects required remain a challenge requiring resolute steering. During the year we have been successful in stabilizing the performance and delivery of our main projects. In total, we expect to have made capital investments of between € 20 million and € 25 million in support systems and improvement projects during the period of the Strategic Plan.

Investing in our staff and our personnel administration

The Leadership and People Management Programme that was developed together with Oxford Leadership and launched in June 2017 progressed well in 2018. The aim is that the vast majority of senior leadership staff within the MSF OCA partner sections, both at head office level and in field missions, will participate within the coming three years. In 2018, 154 leaders attended Leadership and People Management training, of whom 89 (58%) were senior field staff. In 2018, we invested around € 2.5 million in the development of programme and head office staff. About 76% of the total cost of field-related course development, course revision and course organization was attributable to medical, logistical, field management and pre-departure induction training. In 2018, 1,735 staff attended courses in various locations.

The first phase implementation of the new Enterprise Resource Planning (ERP) system was delivered to the Human Resources Department in June. The systems conversion revealed shortcomings in the performance of HR processes that were not sufficiently addressed by the system. As a result basic personnel administration procedures dwindled and corrective action became a priority for 2018 and into early 2019, in order to stabilize HR processes and back office performance. Due to the constraints that this imposed, other projects such as the planned investment in performance management were postponed, to be taken up later in 2019.

Improving systems and support

As noted above, work on the investment in a new ERP system to support our core business processes at the Amsterdam head office, most notably in our financial, supply chain and personnel management domains, moved forward in 2018. The programme benefited from a strengthening of project management as planned at the end of 2017. In 2018, a thorough resizing of the scope and adjustment of the project implementation methodology as well as a substantial budget revision were carried out by management in consultation with the Board. With these significant adjustments, including a budget at twice its original level, we are confident that the project will be delivered by mid-2019.

Significant progress was made towards bringing the ICT infrastructure in our programme countries up to headquarters standard. ICT field officers from all MSF OCA's programmes attended a collaborative training session in Kampala in February 2018 – the first time all MSF operational centres had worked together on the delivery of ICT field officer training. This essential training, together with the completion of the Global VSAT project to provide MSF OCA with digital connectivity via satellite, and the full upgrade to Windows 10, will pave the way for us to start deploying and supporting a much more robust and secure ICT infrastructure across all our programmes in 2019. This will be a major accomplishment, providing digital unity and connectivity, and indirectly supporting the quality of our assistance to people in need worldwide.

Addressing supply challenges

An effective supply chain and logistics system is of strategic importance to our programmes. Our distinctive supply and logistics capacity and capability make us essentially different from other humanitarian organizations. On the basis of an operational audit performed by Deloitte at the end of 2017, in 2018 we defined our Supply Vision and started shaping an improved supply strategy intended to optimize our supply network, enable end-to-end supply chain management and develop data analysis capacity to facilitate better decision-making. Targets will be set according to three types of supply chain that we have recognized: the regular stable supply chain focused on efficiency, a complex supply chain focused on agility and an urgent (emergency response) supply chain focused on effectiveness. The realization of the new strategy requires

further development of a number of key building blocks, including a review of current performance in assessment and setting of stock levels in terms of cost, service and quality, performance management and improving our medical supply forecasting in 2019 and onwards.

Office renovation

The renovation of the office building at Plantage Middenlaan 14, 1018 DD Amsterdam started in April 2018 once the tendering and engineering phases of the work were completed. During the engineering phase, adjustments to the schedule and design had to be made in order to stay within the agreed investment budget. With the tendering of the works, market conditions forced us to increase the investment budget with approximately 20%. The upgrading works have since been proceeding according to schedule and budget. After some consideration, we moved out of the office temporarily to ensure business continuity. We rented a temporary office at Naritaweg 10, Amsterdam and moved back into the main office in mid-April 2019.

Energy efficiency and sustainable materials

Both the carbon footprint study and the mandatory energy efficiency audit carried out in 2011 and 2017 respectively, established that 95% of our carbon footprint is inherently associated with our worldwide work, as it is attributable to air transport. Only 5% can be associated with the headquarters and the associated commuting.

During the renovation of the office building we made an effort to reuse materials or source second-hand materials where possible. When new materials were used, the principal consideration was to choose the most environmentally friendly or durable solution within the available budget. Examples include the use of linseed oil paint, "Cradle to Cradle" carpet and FSC-certified wood. Energy efficiency was addressed mainly through the use of HR++ glass in new window frames, LED lighting, improved insulation of walls and roof and optimization of climate control. In addition we use fully green electricity sources.

Achieving our strategic objectives: the Strategic Plan 2015–2019

Main Strategic Plan objectives

The main objectives contained in the MSF OCA *Strategic Plan 2015–2019* are as follows:

- Improved access to populations in need and increased acceptance of our presence by authorities and populations in our operational contexts.
- An ongoing improvement in the delivery of our medical programmes; in particular we aim to achieve medical programmes that are more effective and more accessible to patients and communities, as well as more responsive to their needs.
- Improvement in the acute emergency response, and assistance to refugee populations, provided by both MSF OCA and the wider humanitarian system.
- Recruitment and retention of sufficient numbers of qualified, appropriately supported and well-equipped staff.
- An improved support model that offers appropriate, timely services and enables our staff to be field- and needs-driven.
- A decisive contribution to a financially sound and accountable MSF movement, which remains operationally strong and diverse.

Strategic Plan progress

In 2019, the current *Strategic Plan 2015–2019* will come to an end and we aim to finalize the development of our new *Strategic Plan 2020–2023*.

Access to populations in need

Securing access to people in need remains a challenge. There are still a number of countries and contexts where MSF OCA's operational presence is needed, but where we cannot reach and support people in need due to the lack of humanitarian access. The list of such access-constrained countries and areas, whether as a result of security, administrative or political constraints, is very similar to last year: North Korea, Sudan, Eritrea and more and more areas in Syria and in the Mediterranean Sea. In addition in 2018, our programmes in Syria and Yemen were severely constrained by security incidents. For example, we had to close the Ad Dhale project in Yemen as a result of recurrent serious security incidents.

Given that the political situation in Sudan is changing, in the course of 2019 we will make another effort to explore the opportunities for negotiation with the aim of restarting activities in the country. Another country that poses challenges in terms of access is Venezuela. MSF OCA established a presence in the country at the end of 2018, and during 2019 we will focus attention on invest the resources necessary to explore programme possibilities, with possible options including alternative operational models and working with and through other organizations.

Delivery of our medical programmes

Overall, we continue to make good progress in the delivery of our medical programmes, in particular through the use of improved systems, tools and technologies. In 2018, we continued to increase the use in many of our programmes of advanced assessments, surveys, e-health, mapping based on a Geographic Information System (GIS), and disease surveillance systems. With improved monitoring and evaluation of our programmes we can improve the quality of care to our patients. Currently, our newly developed Health Information System is in the process of being fully deployed. We have successfully implemented the system in Nigeria, Sierra Leone and Somalia, and are working on its implementation in Ethiopia and South Sudan.

In recent years, we have strengthened our operational medical research governance through the introduction of a research management system. Our ground breaking work to change the MDR-TB treatment protocol from two years of painful and debilitating treatment to a six-month regimen is gaining some traction. The MDR-TB clinical trial continues to make progress, with four trial sites now established in Uzbekistan (two sites), Belarus and South Africa. By the end of 2018 we had recruited 136 patients to participate in the trial; however, the recruitment of patients has been slower than expected.

We have now established hospital management structures in all our large hospital programmes. However, staffing gaps at hospital management level are still occurring as recruitment requires development. Progress continues to be made on the development and introduction of quality monitoring tools. For example, in 2018, we implemented the Infection Prevention and Control assessment tool in all hospital programmes. We also developed a hand hygiene mobile phone application and piloted it in a number of projects, as part of a hand hygiene promotion campaign for our staff. As part of the new MSF malaria policy, over the next years all our field

missions will start using a new-generation long-lasting insecticide-treated bed net to combat rising levels of insecticide resistance in mosquitos. This is especially important in countries such as South Sudan and the Central African Republic (CAR) with a high malaria burden. Finally, in 2018 we again engaged in large-scale sustainable water and sanitation programmes in the Rohingya refugee camps in Bangladesh.

Acute emergency response

In line with the indicators set out in the Strategic Plan, a proportion of the planned operational volume of financial resources and staff is currently reserved to cater for unplanned activities and safeguard the capacity to respond to new emergencies. Out of the planned volume of 815 full-time equivalent (FTE) international staff, some 75 FTE are not assigned to positions in the regular operational portfolio and thus available for unplanned emergency response. Similarly, around 15% of the planned operational budget was not yet allocated at the beginning of 2019. It should be noted that a significant proportion of our regular programmes could also be regarded as (ongoing) emergency response. In 2018, the reserved budget for emergency response remained largely unspent. The restructuring of our programming, unforeseen programme reductions in Yemen, Syria and the Mediterranean, and significant exchange rate effects were all factors that contributed to this.

Staff recruitment and retention

Being fully aware that our staff policy development will demand our utmost attention in the coming years, we added a staff director to the Management Team, to assume responsibility for both Human Resources and Learning & Development, and reduced the management scope of the Director Resources accordingly. Mid-year, the directors of all MSF operational centres agreed that our labels "international staff/expats" and "national/local staff" are no longer serving our organizational mission, and that henceforth the organization would have "one workforce". From the perspective of "one workforce" MSF will review the consistency of its reward system. From the same perspective, we have made coordinating positions open to staff of all origins while ensuring our principles of impartiality and neutrality in the contexts where we operate. With this measure we aim to further our staffing objectives on mobility and diversity.

In the sections organizational development 2018 and programme finance above, the main developments concerning improving our support model and financial viability are highlighted.

Planning, risk, safety and security

In accordance with our regulations, the Board approved the 2018 Annual Plan and budget drawn up by the Management Team. The Board considered the Annual Plan to be in line with the *Strategic Plan 2015–2019* that was approved in December 2014. It furthermore judged the 2018 Annual Plan to be consistent with the Mid-Term Review of the Strategic Plan that was mostly completed in 2017 and fully approved in June 2018. Although much of the planning and control cycle is covered by the responsibility shared with the MSF OCA Council, the Board is regularly informed of progress against the objectives, programmes and activities included in the Annual Plan. MSF OCA has a planning and control cycle consisting of three main moments, namely the adoption of the Annual Plan (which takes place in the autumn); the adjustment of the Annual Plan (in the following spring); and the completion of the Annual Plan after 12 months, which includes an accountability and learning exercise. The three moments will be reviewed as part of the planning and control cycle review in 2019.

The growth of our operations in the last few years, and our investment in priority projects to strengthen our organizational structure, have led to a need for investment in quality management information. As well as aiming to provide better quality management information, we are working to improve the effectiveness and efficiency of our reporting on progress. The departments have developed dashboards for their key performance indicators, ensuring that they are able to monitor progress against their plans throughout the year. Improving the quality and timeliness of steering information, and aligning reporting internally (between departments, management and the Board) as well as within the MSF International networks, are areas that continue to require attention in 2019. The new *Strategic Plan 2020–2023* will offer a great opportunity to ensure that we begin a new cycle with alignment between strategic direction, functional strategies, country policies, annual plans and projects.

Managing risk and opportunity

Our risk profile is very much determined by our worldwide operations. These expose us to a wide variety of risks, originating both in the varying operational contexts in which we work, ranging from chronic shortfalls in health provision to full-blown conflict situations, as well as the varying levels of regulatory complexity and socio-economic development that we encounter. Characteristic of both these is that their future evolution and their impact on our activities are extremely difficult

to predict as the operational environment may therefore change frequently. Our organization and support infrastructure are designed so as to be able to respond quickly to changing circumstances, emerging risks and opportunities.

We manage risk with an emphasis on taking all reasonably possible steps to reduce significant risks to our employees and the populations we assist, as well as to safeguard our reputation and to ensure our solvency. We recognize that risks are inherent to our work and we continue to work towards creating an open culture in which all kinds of risks and errors can be discussed, so as to enable us to learn and improve. Both management at head office level and field teams running our programmes play an important role in our approach to risk. In our work, security, health and safety and behavioural risk management require and receive specific attention.

A risk inventory is maintained throughout the organization, and is contributed to by middle management and other staff. During 2018, the risk inventory was fully updated. This assessment involved the identification of risks with potential consequences for the achievement of our goals, including the quantification of the financial impact and the likelihood of the risks actually occurring. The Board also pays particularly close attention to risks that could undermine MSF's reputation, and therefore the trust of our donors. On the basis of a risk analysis, we calculated the financial buffer required to absorb the risks identified and incorporated this into our reserves policy. This has enabled us to redesign our risk management policy to make it more efficient, so that we can respond to these risks more adequately.

Risk appetite

The extent to which MSF-Holland is prepared to take risks to achieve its objectives differs for each of our main activities, as shown in the diagram below.

Risk category	Risk acceptance level					Description
	Averse	Minimal	Cautious	Open	Hungry	
Strategic						MSF-Holland is cautious with regard to risks to the achievement of its objectives and its ability to fulfil its ambition to play a leading role in delivering medical-humanitarian aid and to invest in the capacities to support that ambition.
Operations						First and foremost, our purpose is to start up and/or continue emergency aid operations. Although we accept the need to work in contexts of acute crisis or conflict, we will nevertheless do everything reasonably practicable to reduce significant risks to our employees, our patients and the populations we assist.
Medical care						We aim to minimize risk (especially clinical risk) and maintain high standards of medical care. We emphasize the importance of creating a culture of learning from error and disclosing incidents.
Reputation						We maintain a solid reputation for living up to our core principles (neutrality, independence and impartiality), for transparency and for accountability towards our donors and beneficiaries. This translates in an open model of associative governance and an insistence on modest levels of compensation for all employees. Our communications are accurate and based on our own observations and experience.
Fundraising						In the choice and application of fundraising methods, we want to be able to take new initiatives while building on a solid reputational basis. We are cautious about taking risks that may lead to funding compromising our independence.
Financial						We maintain a solid financial position in order to guarantee our emergency response capacity and ensure independent access to populations in distress and the achievement of our objectives. We are risk-averse in our financial and investment policies.
Foreign exchange						Working worldwide in unstable environments and having a diverse but predictable flow of income, we incur minimal foreign exchange risk, in spite of the unstable environments in which we work, as we have an inbuilt hedge resulting from the diversity of currencies in which we receive income and make expenditures.
Legal and compliance						We strive to comply with applicable laws and regulations, with particular emphasis on our internal staff safety and security regulations as well as information privacy. In our programmes, we accept a cautious level of risk towards local laws (especially tax laws) and regulations.
Organization and work culture						We strive for a diverse and inclusive organization and work culture, in part by ensuring an international workforce, while realizing that difference can be challenging. Diversity means openness to people with different perspectives and differing expectations. Becoming a truly global organization is key to our development and growth.

With specific reference to the legal and compliance risk category, risk exposure may arise from tax and regulatory legislation that in the unstable environments in which we work may be subject to varying interpretations and frequent changes. In our programmes, we have a minimal up to cautious level of acceptance of risk relating to local law and regulations. Where management has assessed it as probable that our position on the interpretation of relevant legislation cannot be sustained, an appropriate provision has been included in the Financial Statements. During 2018, we made significant progress in our internal control and continuous assessment of compliance with laws and regulations in our programmes and the mitigation of associated risks. This will be an important area for our legal counsel to focus on during 2019. In view of the uncertainty of the environments in which we work, and following the apparent changes in the requirements of

our external auditors and in the external regulatory environment, we are prioritizing the development of our compliance control framework. In 2019 we will further strengthen our compliance and risk management capacity.

Safety and security

In 2018, 233 security incidents and 51 safety incidents were reported (2017: 158 and 37 respectively). With a fairly stable level of exposure to risk (a total of 10,248 staff worked in our field programmes in 2018 compared with 10,659 in 2017) this represents a substantial increase in recorded incidents of 46% compared with 2017. However, the main explanation for the increase in recorded incidents is assumed to be the new data entry system introduced in 2018, under which our missions became directly responsible for logging incidents. Nevertheless, the trend will be carefully monitored. As a result of this

change to the data entry protocol, all MSF operations are applying the same methodology, allowing for improved monitoring and comparison of trends between operational centres.

The number of *serious* incidents in 2018 was at a level comparable with previous years. Armed robberies remained the lead cause of serious incidents. Prevention of such events via improved compound security as well as strict use of rigid standard operational procedures has been designated as a priority in all missions. Tailor-made training sessions are conducted for crisis teams at all levels of the organization, as well as for partners, and remain essential.

A prolonged security incident in Syria, lasting from July through to December, required a substantial amount of management attention. The incident concluded with the safe return of the team. This prolonged crisis illustrated that the ample attention given to preparedness for *critical incidents* via the MSF intersectional security agreement is much needed. Attention remains focused on improved exchange of relevant security information and practices between MSF operational centres at mission level. In a number of high-risk contexts such as Syria, the CAR, Nigeria, Yemen and South Sudan this involves formalized contacts between the heads of mission. Increases in such exchange and shared analysis will continue to be encouraged in 2019.

Advancing patient safety

As an integral component of a wider clinical governance system and in order to provide better support for trend analysis and system-level response to medical incidents, we will launch a medical professional interdisciplinary patient safety group in 2019. This group, led by the medical quality advisor, will oversee our medical incident reporting system, conduct periodic trend analyses, steer system response, and feedback results to staff in projects and at headquarters, to the Medical Committee of the Board and to the MSF OCA Council.

In 2018, 61 adverse medical events were identified, reported, and addressed through our medical incident reporting system. Nineteen projects in 15 countries reported adverse events, and one incident was identified and reported by headquarters staff. This number does not reflect the actual burden of medical adverse events that occur in our field sites, including both near-miss adverse events and those that actually affect our

patients. It does not even reflect the number of incidents that are identified, reported and addressed at field level but not entered into the formal tracking system. Nonetheless, the adverse events that were reported through the medical incident reporting system do make possible a degree of collective analysis and reflection. Of these adverse events 25 (41%) resulted in the death of a patient and a further 17 (28%) resulted in patient harm; this high proportion of adverse events resulting in harm or death likely reflects a disproportionate level of reporting and investigation of more severe cases compared with those that have less severe consequences, which remains an important point of attention. Adverse events that are reported are generally shared with the relevant authorities.

Analysis of the causes of reported incidents reveals several themes. The root causes most commonly identified are as follows: delay in diagnosis or treatment (34%), defective monitoring of escalation of symptoms while in care (31%), errors in diagnosis (20%) and communication errors (15%). These figures are very similar to those observed in Western hospitals. Incomplete documentation makes it difficult to track follow-up of incidents. In 2018, the Medical Committee conducted more in-depth evaluations of the professional performance of staff members involved in two incidents.

Staff health

In 2018 our head office staff health unit was further strengthened and now consists of two medical doctors and three psychologists. The unit extended its Arabic-speaking support in Amman, with six consultants covering the Middle East, a local psychologist in Yemen and a collaboration in Afghanistan to increase access for locally recruited staff. In 2018 the staff health unit visited 22 programme countries (seeing 3,090 staff members in group sessions and 571 in one-to-one sessions), while at head office 842 people were seen for briefing, 1,109 for debriefing and 472 for counselling support.

As of 2019, pre-mission health checks will be further increased, as well as staff health screening and checks on the vaccination status of programme staff and advisory staff. With this revision of the structure and guidelines we are adapting to the increasing internationalization of our workforce. Furthermore, in 2018 a decision was taken to vaccinate all staff working in the Ebola treatment centres in DR Congo. In 2019 staff health indicators will also be developed.

As part of MSF OCA's work on staff health, 2018 saw the start of a three-year research project looking at the coping mechanisms of our staff who are exposed to extreme stress factors at individual, team, organizational and context level, and how we can further strengthen these. The research has made very good progress, with a very high percentage (84%) of international staff participating. At the end of 2018 the project completed its first measurements.

Integrity, safeguarding and inclusion

The Board and Management Team continue to prioritize integrity and safeguarding throughout the entire organization. As reported in the 2017 accountability statement, the Board made a commitment to act on complaints of misconduct, stating that they would be taken seriously and inviting all staff with complaints to come forward, using a variety of channels. In view of the developments elsewhere in the aid sector in early 2018, the Board reiterated its commitment and emphasized the urgency of getting as many reports as possible and the importance of encouraging trust in the complaints system, while at the same time predicting that there would be a fall in the level of incidents due to the strengthening of the integrity system.

In line with the commitments we articulated in 2017, we made significant investments in our integrity system in 2018, as a concrete step towards implementing our integrity policy, which we have summarized as follows:

"As staff and volunteers of MSF OCA, our behaviour and actions are defined by the beliefs, values and principles of the organization. We demonstrate this in our respect for all individuals and communities with whom we work. We hold each other accountable for our behaviour accordingly, and when we identify unacceptable behaviour or malpractice in the organization, we address it."

Responsible Behaviour Unit

In 2018, MSF OCA commissioned an extensive independent review of the existing integrity system with a view to ensuring adequate staffing, effective policy, case management, reporting and prevention measures, *mores prudence* and *moral learning*. At the same time, the Responsible Behaviour Unit was set up, overseen directly by the head of the Director's Office (a newly created position), and two staff members were recruited to join the new unit. The Responsible Behaviour Unit benefitted from a total of 2.3 FTE staff, providing increased capacity for case management (including investigation, reporting and record-keeping), training and communications.

Several channels have been made available to staff to report alleged or suspected misconduct, including directly via email, on WhatsApp or in person; via an external 'Respect' email (respect@oca.msf.org); or via the management line. Modules have been developed for core staff training, aimed at increasing awareness and understanding of the MSF OCA Framework for Responsible Behaviour. Digital communications, meetings, training sessions and workshops have increased staff awareness of behavioural commitments and the available reporting channels (both internal and independent) for complaints of misconduct.

In 2018, against a total MSF OCA staff level of 10,602 FTE (766 international field staff, 9,524 national staff and 312 headquarters staff) the Responsible Behaviour Unit received a total of 69 complaints, of which 55 were closed in the same year. A number of the complaints pre-dated 2018. Of the 55 cases closed, two resulted in dismissal, one in restorative justice, two in verbal disciplinary action and three in a warning letter. The remaining cases either involved insufficient evidence to prove the allegation, were withdrawn or else related to performance rather than misconduct and so were referred to line management and the Human Resources Department to be taken up in the individual's performance management. The Management Team and Board appreciate the increase in the number of reported cases, recognizing it as indicative of increased awareness of and trust in the reporting channels for staff. The Management Team and Board are committed to investing in prevention and in further stimulating the awareness and use of the complaint system among all staff and the people we assist.

The Board is committed to ensuring a robust integrity system. The Responsible Behaviour Unit will strengthen its cooperation with the medical and financial pillars of the organization to ensure that the procedures for addressing misconduct are standardized as far as possible in order to ensure an effective culture of accountability. In terms of lessons learned for the future, we will focus on creating a culture of safety to report across the organization and continuing to prioritize ensuring widespread and comprehensive understanding of complaint mechanisms and independent entry points across the organization. Transparency, accountability and integrity remain the cornerstones of our approach to communication with stakeholders.

People, Respect & Values

In 2018 the MSF OCA Management Team, in collaboration with MSF Operational Centre Geneva and the MSF sections in Canada, South Africa, Sweden, Switzerland, the United Kingdom and the United States, launched a joint transformational incubator project entitled "People, Respect & Values". The initiative specifically aims to understand perceptions and root causes of behaviours that MSF considers undesirable or unacceptable. Its outcomes will form the basis for the development of a multi-year programme on diversity, equality and inclusion, working beyond borders and joining forces to ensure a fairer, more inclusive and more united workforce.

MSF Rainbow Network

We aim to create a work environment where all staff feel safe, respected and valued. The Rainbow Network of LGBTQ+ staff was established by MSF staff in 2016 to ensure that the definition of diversity in the organization includes sexual orientation, gender identity and gender expression; to stimulate initiatives that enhance inclusiveness of LGBTQ+ staff, and to enable visibility of LGBTQ+ staff for those who want to be out. In 2018, the MSF Rainbow Network organized a number of activities in the Netherlands, such as meetings and debates, in order to engage actively with and provide support to its members from different offices, countries, and cultural and professional backgrounds. In addition to its regular meetings, in 2018 the Network made recommendations on key projects to MSF OCA decision-makers, participated in important organizational initiatives and took part in a range of local activities (including Coming Out Days, AIDS 2018, Workplace Pride and Remembrance Day). These efforts have contributed to improving the recognition of the MSF Rainbow Network across the organization and have enhanced the visibility of LGBTQ+ staff and increased the inclusion of staff regardless of their sexual orientation, gender identity and gender expression. In the past two years, the MSF Rainbow Network has been acknowledged MSF-wide and has provided support to staff all over the globe.

Reviews, evaluations and audits

Every year, a number of programmes and activities are selected for review, evaluation and audit. These help us to learn, improve and to assure achieving our objectives. In addition reviews and reflection studies are published in both internal reports and public articles.

Case studies: partnership with local actors (in Bangladesh, Turkey, southern Syria and Nigeria)

Local actors, including local and national NGOs, first responder networks, self-managed hospitals and other similar actors, have taken on a more prominent role in medical-humanitarian service provision and within the international humanitarian community in recent years. In some humanitarian crises, such as in Syria, these actors have taken on many of the most critical medical roles. Today, MSF has very few local partners, and tends to work without them. This is mostly attributed by staff to the long-established role of the organization as well as to issues relating to the capacity and experience of local actors and their ability to deliver quality care. In most programme countries we work together with national ministries of health but we place a strong emphasis on the value of our own presence and active participation in the provision of care through our own teams and staff. Partnerships with other actors are developed in such situations when this furthers our objectives. Attention is paid to key questions concerning how MSF relates to local actors, including experiences to date and approaches to collaboration. A good example is the way in which we worked together with different actors in the lead poisoning programme in Nigeria. The four case studies seek to inform the Board and Management Team about possible future approaches to incorporating such partnerships into programme development and strategic planning.

Working in the Libyan detention system

A critical review of the engagement with the Libyan detention system was commissioned by the Management Team. The purpose of the review is to understand better the causes of, and identify lessons from, the interruption in the programme that occurred in late 2017. The interruption was followed by a temporary suspension of the programme, resignation of staff and an almost complete turnover of the international staff team. The review concludes that the interruption was not caused by a single event or a set of clearly identifiable factors, but resulted from multiple limitations that came across in this very specific and complex context. It also remarks upon both MSF's determination and its lack of experience in detention settings. The programme demanded an extraordinary level of attention and support from management, requiring impromptu discussion and decision-making. The situation was aggravated by MSF's strong stance on the issue of EU migration policy, the

need for an appropriate response to major political developments affecting the search and rescue operation, and the constantly shifting contexts in the both the Mediterranean and Libya. The programme has taken account of the lessons to be learned and has now stabilized, although the Libya context remains unpredictable.

Internal audit

MSF-Holland employs two full-time auditors who report to the Controller. The Controller in turn reports directly to the Audit Committee of the Board, the MSF OCA Council and the General Director. The Board has monitored the progress of the 2018 Audit Plan and the resulting management actions and has approved the Audit Plan for 2019. Audits are planned and conducted on the basis of a systematic risk assessment. In 2018, six internal audits and reviews were carried out, covering the closure of one of our main projects in Haiti, our activities in Kenya and the compliance challenges in Libya. Next to these, the 2017 fraud investigation in Uzbekistan was followed-up on. In addition, an audit of the project management and governance of the ERP implementation project and two reviews, of project financial statement drafting and basic registration of laptops, were carried out at head office. The planned 2018 audit volume was not fully achieved due to staff constraints.

The Management Team periodically assesses the follow-up actions based on the recommendations from internal audits. In general, it finds that the recommendations are followed up properly in all project countries. The findings of the internal audit reports and of the management follow-up of the recommendations made by those internal audits are reported to the General Director and the Audit Committee and discussed in the committee's meetings.

The main findings and recommendations of the 2018 internal audits were consistent with the overall findings of the external auditors (see below) and the priorities that the Management Team has set for improving internal control and regulatory compliance procedures. In Haiti, internal auditors noted that the closure of the project and the handing over of its activities were well under control. The Libya audit focused specifically on (financial) compliance risks. Both within Libya and with regard to international regulatory compliance there are significant operational challenges. As the risks associated with these

challenges are known, the overall recommendation of the audit was to increase support for compliance work and ensure that decisions are taken at the right levels. In the Uzbekistan audit carried out in 2017, the internal auditors assessed the follow-up on a fraud case reported in 2016 to be insufficient in terms of integral management accountability. In 2018 an extensive follow-up investigation was carried out, with the report reemphasizing the continuous vigilance that is needed in some of our key procurement processes. At head office, concerns over the internal control assurance of the ERP implementation project triggered a project management and governance audit. The audit led to substantive adjustment in project management, budget monitoring and the set-up of the project. Together with other measures, this helped management to stabilize this large, cross-departmental project. In addition to their country-specific findings, the 2018 audits focused on issues that affect several project countries. Examples included the continued need to ensure adherence to local taxation and procurement procedures, and the need to improve stock management.

The most common findings of audits are systematically identified and incorporated in the planning and control cycle discussions within the different management platforms. The Board and the Audit Committee are regularly informed of progress made with regard to these common findings. The internal audit reports are shared with the external auditor.

External audit

In its 2018 reports our independent external auditor, PricewaterhouseCoopers Accountants N.V. (PwC), reiterated its previous years' observations related to the significant growth in the organization's operations and the fact that the development of internal control has been lagging behind in some aspects. PwC states that explicit attention to this subject by the Management Team is warranted. PwC underlined that the administrative procedures around personnel management need particular attention. In its 2018 audit specific attention was paid to the conversion from Oracle to Microsoft Dynamics, compliance with local laws and regulations mostly related to the personnel costs in our programmes, and extensive sampling of project expenditure.

The Management Team acknowledges the observations and recommendation made by PwC and has established priorities accordingly, setting them out in concrete plans and actions. Completion of the IT investments that are under way, such as replacing the ERP system, is essential but requires an effort to transform ways of working. PwC notes that the continuing transformation is causing challenges in maintaining continuity in standard processes. Despite that, management expects to make significant progress in addressing the main PwC observations in 2019.

Protecting our brand

In recent years, we have observed an increase in other organizations using the extension “zonder Grenzen” in their names. The purpose of ensuring the integrity of the Artsen zonder Grenzen name and brand is principally to reduce the risks of dilution of the trademarks (name and logo) and of confusion arising in both fundraising and operational activities, with the associated possibility of reputational risk to the organization. In 2018, agreement on name change or cancellation of registration was reached in all eight cases (2017: four cases) that were pursued. The Board has engaged Simmons & Simmons LLP on a pro bono basis systematically to pursue new trademark infringement cases and follow up on existing ones.

Tax control

The fiscal relationship between MSF-Holland and the Dutch Tax Administration is regulated in a well-functioning covenant that includes agreements on supervision, specific procedures and the open exchange of relevant information. The covenant principally refers to the Dutch tax regulations concerning our Public Benefit Organization (ANBI) status, payroll tax, VAT and inheritance tax. Our global tax exposure is much broader as we also have to comply with tax regulations that apply in the countries in which we operate. In 2018, we further strengthened our tax control framework to ensure the complete and correct application of tax rules, taking account of the fact that in the unstable environments in which we work tax legislation and regulations are subject to varying interpretations and sometimes to frequent changes.

Data protection

We consider it important to treat the personal data entrusted to our organization responsibly and to be transparent about it towards the individuals involved. On

25 May 2018 the EU General Data Protection Regulation (GDPR) came into force. Our policy is to achieve compliance with GDPR, taking into account the Management Team’s interpretation and regarding the preferred risk appetite (see above) concerning decisions to be made on areas such as fundraising policies. The resultant policy decisions will be made transparent at all times.

To monitor and ensure compliance with GDPR a Data Protection Officer was appointed in 2018. Relevant privacy policies (including privacy statements), cookie statements, personal data breach notification policies and other relevant procedures were reviewed and implemented in line with GDPR. In parallel with the setting up of our new ERP system, personnel files were assessed and cleaned up, and the associated retention policy reviewed. A number of mandatory general and specific training sessions were conducted for managers, the fundraising, personnel and IT departments. The so-called article 30 register, systematically mapping our data processing flows, is continuously updated.

In 2018, two data subject rights requests and one complaint on the use of personal data (address) were received. All requests were handled with maximum care and in due time.

For our IT environment, a roadmap has been drafted. Ensuring the technical feasibility of some of the GDPR requirements this will take time and their adoption will be aligned with planned investments and future software replacements. In 2018, we commissioned an evaluation of our general IT security control procedures. In 2019 enhancing IT security will be a priority.

Exchanges of personal data within the MSF International network are standard practice, as we take on personnel hired by other MSF operational centres to work in our emergency aid programmes. In order to regulate this practice in light of GDPR, a coordinated effort to draft Binding Corporate Rules was started in 2018; however, this has not progressed as well as we had anticipated. This work will be completed in collaboration with the French data protection authority and with the assistance of Allen & Overy in the Netherlands.

Our support to MSF-India

MSF-India was initially set up as a branch of MSF-Holland in January 2013 at the request of MSF International. The aim of establishing a branch in India was to strengthen MSF's presence in India and the wider South Asian region. MSF-India has much to offer to MSF's international network, with the recruitment of highly skilled field employees clearly standing out. India is also of great importance for medical research, medical innovation and the production of the so-called generic drugs that are often used by MSF.

In October 2018 the remaining MSF-Holland participation of 8% of the issued share capital was fully transferred to MSF-India. On behalf of MSF International, MSF-Holland remains committed to further developing and supporting MSF-India in the future. In 2018, a net contribution of € 1.8 million was invested in MSF-India. This investment is being monitored using internal control procedures alongside a package of measures that guarantee effective monitoring by the Board. In 2018, a review of the viability and direction of each of MSF-India's activities was undertaken as part of a mid-term strategy review. This review process resulted in a scaling down of MSF's fundraising ambition in India as of 2019, in view of the fact that both the regulatory environment and a low level of name recognition have prevented MSF-India reaching its income targets. The mid-term review reconfirmed the value of India and the South Asian region for the recruitment of highly skilled international staff and the region's great importance and potential for medical research and medical innovation. In 2019, MSF-India will develop a new strategic plan, to the same timeline as MSF International's overall strategy development planning.

Our communications and advocacy in the Netherlands

Overall, during 2018 we were able to keep up the same high pace and volume of communications work as during previous years, though it was a challenge to find a good balance between global advocacy topics, emergencies, daily news and our other contexts and themes.

Migration issues

As in 2017, communications work in the Netherlands was for a large part determined by our work and advocacy around the consequences of European migration policy: the poor humanitarian situation for refugees and migrants on the Greek islands, in particularly Lesbos, our search and rescue operation in the Mediterranean and the detention centres in Libya. Our search and rescue

activities in the Mediterranean, as well as migration and asylum in general, stayed in the news throughout the year. Attention reached its peak in June, when the newly elected Italian government took the extraordinary step of closing its ports to all rescued refugees and migrants, leaving MSF staff on the MV Aquarius stranded at sea with 630 vulnerable men, women and children on board. However, the media focus on migration-related topics resulted in a reduction in opportunities to seek attention for the populations whom we assist in other countries. Getting comparable media attention for ongoing major humanitarian crises, such as the Rohingya refugee crisis in Bangladesh or the ongoing war in Yemen, proved arduous.

Public campaigns and media outreach

Our public campaigns are primarily intended to raise awareness of the challenges faced by our patients and our field teams. In order to reach the widest possible audience in the Netherlands, in 2018 we continued to use a variety of channels to spread the stories of the people we assist as well as our own experiences. These channels ranged from traditional media such as television, magazines and newspapers, via our email newsletter, to social media and external websites, where we published our brand content in blog format, aiming to reach people who we would not expect to see our stories elsewhere. Our focus on social media (including our Facebook and Twitter accounts) and other online channels (including our website) is not only important to reach a broader and younger audience; these channels also offer us the opportunity to steer our communication about our social mission. An important example of this is the December campaign we launched on Instagram, aimed at new groups of potential supporters. The campaign has exceeded our expectations in targeting new audiences and in promoting engagement and awareness. However, within the organization a discussion has arisen concerning the images used, which some people felt to be offensive and at tension with our values and identity. We will evaluate this internal discussion carefully, aiming to learn lessons while recognizing the need to remain innovative and at the cutting edge in building specific campaigns to reach different audiences.

With the support of the Netherlands' National Postcode Lottery, our field staff talked on an episode of the TV show *Koffietijd* about their experiences dealing with the Ebola outbreak in DR Congo. We also reached a large audience with a short clip of our activities shown on the shows

Miljoenenjacht and 1 tegen 100. The longstanding relationship with the National Postcode Lottery is very valuable to us in drawing attention to the dedication of the staff working in our programmes.

Overall, our relationship with media outlets remains strong and they are supportive of our organization, resulting in extra exposure. Similarly, the steadily growing number of followers on our social media channels demonstrates great support, as well as a high degree of engagement in the content we post. Among the wider public, our spontaneous name recognition reached 24% in 2018 (as researched by market research organization GfK) – even higher than in 2017 (21%). This increase can be attributed to the media attention paid to the topic of responsible behaviour in February and June, which had a considerable impact on our communications and fundraising, as well as to the publicity caused by the Italian government's obstruction of Mediterranean search and rescue activities in June. Unfortunately, as the media reporting on these topics was generally received negatively it resulted in higher donor attrition rates in these months, in turn causing a drop in our fundraising income from donors in the Netherlands.

Advocacy and awareness-raising

In addition to seeking to draw media attention to the plight of the populations we assist, we continued our advocacy and awareness-raising work through our participation in and organizing of briefings at the Dutch Ministry of Foreign Affairs as well as public debates. In 2019 we aim to achieve higher visibility on a wide range of operational topics and focus on the important work of our programmes.

Supporters

We are grateful to have a very solid and loyal base of support in the Netherlands. Our over 400,000 active supporters are essential to our remaining independent and so being able to provide fast and effective medical-humanitarian assistance to those in need in the most precarious situations.

Association and governance

The Association Artsen zonder Grenzen - Médecins Sans Frontières Nederland² had 974 members as of 31 December 2018 (2017: 871 members). The Ad-Hoc Association Committee has been delegated the tasks and responsibilities pertaining to the promotion of an active and vital Association. The committee consists of Board members, the Association Coordinator and a delegation of members.

General Assembly of Members

On 1 June 2018, the Board gave an account to the General Assembly of the performance of its duties during the year 2017. The meeting was attended by 108 participants, of whom 69 were members, while 153 unique viewers also followed the meeting online via a livestream. Altogether, 206 members voted on adoption of the 2017 Financial Statements and on the election of new Board members, an increase of 34 compared with 2016.

A recommendation was presented on "Inclusive architecture for the office building", and was approved by the members. This recommendation was supported by the Board and taken forward by the Executive, and has been implemented by providing accessible and all-gender toilets in the renovated office at Plantage Middenlaan.

The afternoon of the GA was dedicated to the topic of responsible behaviour. Throughout 2018, MSF-Holland and MSF OCA reflected on their values and ethical commitments and on the steps that need to be taken to provide a safe, respectful and supportive working environment. The GA provided an opportunity for members to make their contribution to this process of reflection.

The evening prior to the GA was dedicated to the MSF OCA Partnership and to governance, and provided an opportunity to inform the membership of the process of drafting a new partnership agreement which will start in 2019. Key points included measures proposed to make the partnership more diverse, inclusive, equitable, open and flexible, while maintaining the one-legal-entity model.

Association meetings

The 2018 OCA Café was held on 8 September. 281 staff and members from all over the world participated in various discussions in person, while 802 unique viewers, with 22 satellite groups, took part online with live translations into French and Arabic. The MSF OCA Council gave an informal account of its monitoring activities and policies to the members of MSF OCA, including members from the Netherlands, Germany, the United Kingdom, Canada, South Asia and Sweden. Debates were held on the topics of "Restoring dignity" and "The limits of the medical act", as well as on whether MSF is a movement that aims to catalyse change.

² Referred to as 'MSF-Holland'

In addition, during the year the MSF-Holland Association organized three debate and information evenings for the members on (among other issues) diversity and inclusion, hospital bombings, the associative nature of MSF, the role of headquarters in supporting operations and the MSF OCA Partnership.

Other Association activities

An important activity of the Association is the coordination of MSF-Holland's pool of speakers (235 members). Returning field employees are invited to give presentations to schools, governmental institutions, NGOs, military gatherings, service clubs etc., sharing their experiences in the field and talking about MSF's mission. Over 190 presentations were given in 2018 (2015: 220; 2016: 168; 2017: 180). Feedback is generally very positive and funds have been raised at some of the events. Organizations often contact us in subsequent years for repeat visits.

The Association is also closely involved with the organization of the Peer Social Network, which provides volunteers to support field staff on their return home, offering them peer support or other means of support should they require them in addition to the professional debriefing and supervision that MSF provides.

Executive governance

The Board has delegated the day-to-day management of operations and the supporting office to the titular General Director, Nelke Manders, who appoints the members of the Management Team. The General Directors of MSF-Germany and MSF-United Kingdom take joint responsibility in the Management Team for the daily and operational management of the emergency aid projects, together with the Director of Operations, the Medical Director, the Director Resources and the Staff Director. The Board retains full accountability for this work. Details of the composition of the Management Team and the remuneration of the General Director are published in the Financial Statements.

The Board of the MSF-Holland Association

On 31 December 2018, the Board of the MSF-Holland Association consisted of the statutory minimum of seven members (2017: 11). The members of the MSF-Holland Association elect Board members from among their members. The 2018 Board elections were held during the statutory GA of 1 June. Additionally, the Board has the option of appointing three members who have specific expertise or experience in order to enable it to perform its duties effectively. The composition of the Board on 31 December 2018 is shown in the table below. In addition, those individuals who were Board members for only part of the year or who attended the 2018 GA but did not join the Board until 2019 are listed at the bottom of the table.

Appointed or reappointed in	Name (term of membership) Positions/other memberships	Term runs until	Activities
2018	Unni Karunakara (second term) President until 31.12.2018; member of the MSF OCA Council	2021	Member, Transformational Investment Capacity Selection Committee; Member, Access Campaign Steering Committee; Director, Drugs for Neglected Diseases Initiative (DNDi) India; Assistant Clinical Professor of Public Health, Yale University; Shinhan Distinguished Visiting Professor, Yonsei University
2016	Joost van der Meer (second term) Vice-President; member of the MSF OCA Council	2019	Public Health and Humanitarian Aid Consultant at PHESTA Public Health Consultancy; Chairman of the Board, AIDS Foundation East-West (AFEW), Ukraine; Member, Technical Review Panel, Global Fund to Fight AIDS, Tuberculosis and Malaria; Treasurer NWW Broodfonds (until 03.07.2018)
2018	Michel Farkas (first term) Treasurer; Chair of the MSF OCA and MSF-Holland Audit and Risk Committee, non-voting member of the MSF OCA Council, Chair of the Remuneration Committee	2021	Chief Operations Officer, Hivos (from 01.01.2019); Managing Director, Global Support Services/ Chief Financial Officer, SNV Netherlands Development Organisation (until 31.12.2018); Supervisory Board Member/Audit Committee, RNW Media

Appointed or reappointed in	Name (term of membership) Positions/other memberships	Term runs until	Activities
2018	Annamarie Duijnste (first term) Secretary; member of the Remuneration Committee	2021	Head of HR Department, Universiteit van Leiden
2017	Josine Blanksma (second term) Member of the Association Committee Resigned with effect from 01.01.2019	2020	General practitioner; Specialist in tropical medicine and international health
2017	Tessa Thiadens (first term) MSF International General Assembly Representative, Chair of the Association Committee	2020	Resident in Family Medicine, VUmc, working at Drijber & Sol general practice (since 01.09.2018); Medical doctor, GGD Amsterdam (until 01.09.2018); ALSO Instructor, MSF-Holland (2–3 weeks/year)
2017	Peter Draaisma (first term, co-opted member) Member of the MSF-Holland Audit Committee	2020	External member, Audit Committee, Ministry of Economic Affairs and Climate Policy of the Netherlands; Chairman of the Board, Foundation for the Preservation of Holy Family Church (since 01.12.2018); Chairman of the Supervisory Board, Rotterdam-Rijnmond Child Protection Agency (since 24.09.2018); Honorary Ambassador, Mind Management System Organization; Member, Sourcing Committee, Audit Institution Rotterdam (until 27.11.2018); Board member, Stichting Pathan (soon to step down); Member, Stichting Pallieter (Sourcing Group, until mid-2018)
2019 (1 Jan)	Marit van Lenthe (first term) Elected on 01.06.2018, joined the Board as President from 01.01.2019	2021	Deputy Director, International Health Care and Tropical Medicine Training Institute (OIGT); Senior Advisor, Pharos; Chair, Amsterdams Barok Gezelschap

Wouter van Empelen resigned from the Board with effect from 1 March 2018 and Tom Stones and Andre Griekspoor stepped down at the GA on 1 June 2018. Jacques de Milliano did not stand for re-election after completing his full three-year term as Board member.

Annamarie Duijnste, Michel Farkas and Marit van Lenthe were elected by the GA for a term of three years. Michel Farkas, who was co-opted with effect from 1 January 2018, therefore became an elected Board member with effect from 1 June 2018. Marit van Lenthe joined the Board as President with effect from 1 January 2019, taking over the presidency from Unni Karunakara.

The Board would like to express its gratitude to Andre Griekspoor, who continues as Chair of the MSF OCA Medical Committee, to Tom Stones for his legal advice, to Wouter van Empelen for his critical reflections and to Jacques de Milliano for his many years of advice and commitment to MSF.

All Board members provided full disclosure of their professional activities, their ancillary activities and other interests in accordance with Article 5 of the By-laws. The Board has determined that no direct or indirect conflict of interest exists.

Board self-evaluation

Every year the Board evaluates its performance in relation to processes, content, meeting style, and its relationship with the Management Team. At the September 2018 Board Retreat, the Board focused on the following elements:

- **Relationship with the Management Team:** The Board, together with members of the MSF OCA/MSF-Holland Management Team, reflected on the roles of the MSF OCA General Director, the MSF-Holland Delegate Director and the Director's office.
- **The role of MSF-Holland in the MSF OCA Partnership:** The Board reflected on its delegation of responsibilities down to the MSF OCA Council, accountability, the issue of having independent chairs of the MSF OCA Council and the relationship of the MSF OCA Council with the Management Team.
- **The role of MSF-Holland and the MSF-Holland Board "at home":** The Board reflected on the role of the MSF-Holland Association and committed to drafting a vision for the Association by the end of the year. This led to Board members completing a survey on their vision for the Association, the conclusions from which will be taken forward in 2019.
- **Teambuilding and team roles:** By means of a Belbin team-roles exercise, the Board reflected on the different roles present within it, its strengths, and where additional capacity could be sought. The Board recognized that it could benefit from more structure, but that discussions are honest and direct and that there is space to voice a dissenting opinion. The Board is confident that it has established a well-functioning team, and decided to look into additional capacities to strengthen itself further in the run-up to the 2019 GA.

Board remuneration and expenses

With the exception of the President, no Board members are remunerated for the work they do for the Board. The Board members are however reimbursed for the costs they incur for travel, printing, telephone calls etc. Board members may receive a volunteer payment of no more than € 1,000 per year. During 2018, all 10 Board members exercised this option.

The MSF-Holland By-laws, in conjunction with the Remuneration Policy, specify the framework for remuneration of the President. The President may receive partial remuneration exclusively for the time he/she spends on Board responsibilities for the international

MSF network. The President's remuneration is detailed in the "Policy on the Remuneration of the MSF-Holland Board" and is in accordance with the principles approved by the GA. The policy was updated in 2018 with regard to application of the salary grid applicable to the Management Team, and makes specific reference to ensuring compliance with the relevant governance and regulatory standards. Its key stipulations are as follows:

- The President may be compensated for lost income if Board tasks take up substantial amounts of time that he/she could otherwise have used to earn income.
- The President can claim remuneration for a maximum of 20 hours per week.
- The President's hourly fee is based on the salary grid that applies to the Management Team.

In 2018, MSF-Holland compensated the President, Unni Karunakara, to the sum of € 30,000. This amount was in accordance with the approved policy and was approved by decision of the Board in its meeting of September 2018. In 2018, volunteer payments to Board members amounted to € 7,100 (2017: € 6,600). This amount was paid to ten Board members, of whom two ended their term in June and one in March. No volunteer allowances were made following end of term. No loans or guarantees and no advance payments were provided to any Board member.

Board meetings

The Board met six times in 2018 and held two telephone and video conferences:

Meeting date	Attendance record
26–27 January	10/10
17 February (partner section joint board)	9/10
6–7 April	9/9
9 May (TC)	8/9
30 May (TC)	6/9
15–16 June	5/7
21–22 September	7/7
7–8 December	6/7

In addition, the Board ensured approval of urgent decisions via email on 25 October.

The MSF OCA Council met five times, on 16–17 February, 20–21 April, 12–13 July, 26–27 October and 14–15 December.

It is estimated that in 2018 Board members spent an average of one day a week on their Board responsibilities. However, there are large differences in the time spent by the various members on their Board responsibilities, depending on their membership of Board committees and the MSF OCA Council.

Recurring agenda items at Board meetings during 2018 included the following:

- Updates from the Board committees, to facilitate well-informed decision-making on issues related to finance and risk, remuneration and the Association.
- Updates on the MSF South Asia Regional Association (SARA). MSF-Holland signed a letter of comfort with MSF SARA in 2016. It includes a commitment to financial support, coaching and co-optation of two MSF-Holland Association members to the MSF SARA Board (currently Pim de Graaf and Gert van Essen). The updates helped to ensure that MSF-Holland continued to fulfil this commitment.
- Discussion of forthcoming MSF OCA Council meetings and the MSF International General Assembly (IGA), to prepare the MSF OCA Council representatives and IGA representatives for the meetings and mandate them to discuss, decide and vote on behalf of the MSF-Holland Board.
- Sessions to prepare for well-informed decisions on, among other things, the approval of annual plans, the mid-term review, reports, risk and finance.

In addition, in 2018 the Board focused in particular on the following issues:

- Responsible behaviour and duty of care, to ensure that it was well informed on the steps taken to ensure a safe, respectful and supportive working environment. A process was set in motion to establish an MSF OCA Duty of Care Committee of the Board, and this was duly formed in January 2019.
- Preparation of the new Memorandum of Understanding to guide the MSF OCA Partnership with effect from 2019.
- The MSF Connected project, encompassing the renovation and amenities of the Amsterdam office building, to ensure appropriate supervision. The ad-hoc Supervisory Association Committee of the Board contributed to this supervisory role.

- Myanmar motion follow-up. Following the 2014 and 2015 GAs, the Board continued to follow up on this motion of the members. In 2018, a plan was prepared to follow up on and ensure appropriate closure of the motion, leading to the production of a paper and to a decision to organize debates in 2019.
- The search for a new President as from the 2018 GA, coming to a successful closure at the 2018 Board Retreat where Marit van Lenthe was elected president with effect from 1 January 2019.

Consultation with the Management Team

With effect from 1 January 2018 the monthly Board delegation meeting with the Management Team and Controller was abolished to increase transparency within the full Board; nevertheless, regular bilateral meetings took place between the President and either the Delegate Director or the General Director. These meetings concerned ongoing organizational matters that did not fully require the involvement of the Board, the progress with regards to matters previously discussed, and the preparations for plenary Board meetings.

Meeting with heads of departments, Controller and operational managers

The MSF regulations provide for an annual consultation meeting of a Board delegation with the heads of departments, with the Controller, and with the operational managers. This consultation meeting did not take place in 2018. However, there was regular bilateral contact between the President and the Controller, between the Chair of the Audit and Risk Committee and the Controller, and between the President and a number of departmental heads.

Consultations with the Works Council

The Board and the Works Council (WoC) met on 13 November 2018 to discuss staff well-being, office culture and employee satisfaction, collaboration with the Executive and the WoC's advisory role.

Supervision

Sound governance is key to the values and culture of MSF-Holland. The principles of governance that apply to the MSF-Holland Association are detailed in three main documents: the Articles of Association, the By-laws, and the Management Statute. The Association plays a governance role in the wider movement by means of its direct participation in the IGA in accordance with the MSF International Statutes. In addition, the cooperation agreement with MSF OCA describes the operational

management functions and oversight responsibilities that MSF-Holland effectively shares with its partners within MSF OCA and with the MSF OCA Council. The principles agreed upon and set out in these documents reflect the principles of good governance to which the organization subscribes. The Board is responsible for ensuring that these principles are relevant and that they are applied in practice. The Board has monitored these questions throughout the year with the help of the committees that it has established and in regular consultations with the General Director, the Delegate Director and the Controller appointed by the Board. Via the MSF OCA Council Chair, MSF-Holland and the other MSF OCA partners are represented on the International Board of MSF in accordance with the MSF International Statutes.

MSF-Holland has three statutory committees: the Medical Committee (which is an MSF OCA Council Committee), the Audit and Risk Committee and the Remuneration Committee. In addition, at the end of 2018, the Duty of Care and Responsible Behaviour committee was formed.

Medical Committee

The Medical Committee consists of seven members. The partner organizations in the Netherlands, Germany, the UK, Canada and Sweden, in addition to MSF SARA, each have one representative. The committee is chaired by an independent Chair, Andre Griekspoor, who is a non-voting member of the MSF OCA Council. The Chair of the MSF OCA Council and the Medical Director have a standing invitation to the meetings. At the end of 2018, the seat for MSF-Holland was vacant, but in 2019 Unni Karunakara will act as the MSF-Holland Board's representative on the Medical Committee until the GA.

The Medical Committee advises (in the first instance) the MSF OCA Council and (indirectly) the Board on medical policy and approves the accountability framework for the implementation of the scheduled medical programmes. The Medical Committee met four times in 2018 (in person or by teleconference): on 10 July, 27 August, 24 September and 10 December. Topics discussed included an in-depth review of medical aspects of the Annual Plan and its mid-year revision, quality of care and the move towards a patient-centred approach.

MSF OCA and MSF-Holland Audit and Risk Committees

On 31 December 2018, the MSF OCA Audit and Risk Committee consisted of four members: the Treasurers of MSF-Holland, MSF-Germany, MSF-UK and MSF-Canada. The MSF-Holland Treasurer, Michel Farkas, is the chair of the MSF OCA Audit and Risk Committee and in this capacity has a non-voting seat on the MSF OCA Council. The General Director, the Controller and the Chair of the MSF OCA Council have a standing invite to the meetings of the MSF OCA Audit and Risk Committee.

On 31 December 2018 the MSF-Holland Audit and Risk Committee consisted of three members: Michel Farkas (MSF-Holland Treasurer), Peter Draaisma and Unni Karunakara (ex-officio as President). The MSF-Holland Audit and Risk Committee generally meets on the same day as the MSF OCA Audit and Risk Committee, when relevant. In 2018, the Audit Committees met nine times (including teleconferences) on 1 February, 27 February, 8 March, 28 March, 5 April, 7 May, 5 July, 4 October and 11 December.

The MSF-Holland Audit Committee, and the MSF-Holland Treasurer on the basis of his/her participation in MSF OCA Audit and Risk Committee meetings, advise the Board on matters of finance, risk management, governance and internal control. In 2018, the committee and Treasurer advised the Board primarily on the 2017 Financial Statements and the Auditors' Report, the 2018 and 2019 budgets, the interim financial reports, the MSF Connected project, risk management and the findings of internal audits carried out by the Control Unit both in the field and at head office.

Remuneration Committee

On 31 December 2018 the Remuneration Committee consisted of three Board members: Michel Farkas, Annemarie Duijnste and Joost van der Meer. The Director Staff and the Controller have a standing invitation. The Remuneration Committee advises the Board on the remuneration and grading framework for MSF-Holland and the specific remuneration policy for the members of the Management Team and the Board. The Remuneration Committee met three times in 2018, on 8 March, 25 July and 13 November. The committee advised the Board on an update to the policy on remuneration of the General Director and the President.

Duty of Care and Responsible Behaviour Committee

In 2018 the Board and the MSF OCA Council decided to form a Duty of Care and Responsible Behaviour Committee, which was formally established in January 2019. It will strengthen the oversight and monitoring by the Board and the MSF OCA partner boards of MSF OCA's integrity framework and safety and security framework. The committee will monitor and investigate whether effective systems and methods of control, including risk analysis, risk management and reporting, are in place covering behaviour, staff health, and safety and security. The committee will stimulate the organization to comply with the relevant legal provisions and regulations as well as good practice.

Conclusions and account

In the opinion of the Board, the 2018 Annual Report provides a fair reflection of the programmes, the activities, and of the results thereof achieved in 2018 in relation to the agreed 2018 Annual Plan, to the long-term strategic objectives, and to what was approved by the Board during the course of the year.

The Board is confident that the results achieved in 2018 have contributed to achieving the social mission goals of the Association as laid down in the statutes: *"to organize the provision of actual medical help to people in disaster areas and crisis anywhere in the world, in accordance with the principles expressed in the MSF Charter. Based on its medical work, the association endeavours to be an effective advocate for the population it assists."*

All members of the Board accept responsibility for the Financial Statements and the Annual Report. The Board accepts responsibility for the internal control and risk management systems established and maintained by the Management Team, which are designed to provide reasonable assurance of the integrity and reliability of the organization's financial reporting and to assist in the achievement of the organization's objectives. MSF-Holland maintains an internal audit function that supports the review of the internal control and risk management systems. Internal audit reports are issued to the Audit Committee of the Board and contribute to the Board's opinion on the design and operational effectiveness of the internal control and risk management systems. The Board is of the opinion that the internal control and risk management systems operated effectively during the year 2018 and provide reasonable assurance that the Financial Statements for year ending 31 December 2018 do not contain errors of material significance. Accordingly, the Board considers, to the best of its knowledge, that the Financial Statements drawn up by the Management Team for the year ending 31 December 2018 fairly reflect the financial position and transactions of the MSF-Holland Association.

The Board and the MSF OCA Council are indebted to all employees and volunteers for their tireless activities in 2018. Their efforts, despite harsh conditions and difficult – and at times dangerous – circumstances, have made it possible for MSF OCA to deliver medical-humanitarian aid all over the world.

Amsterdam, 22 May 2019

On behalf of the Board,

Marit van Lenthe, President

Colophon

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Doctor Ernest Nshimiyimana examines a kala-azar patient in our
health center in Abdurafi. Ethiopia, November 2018.

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