

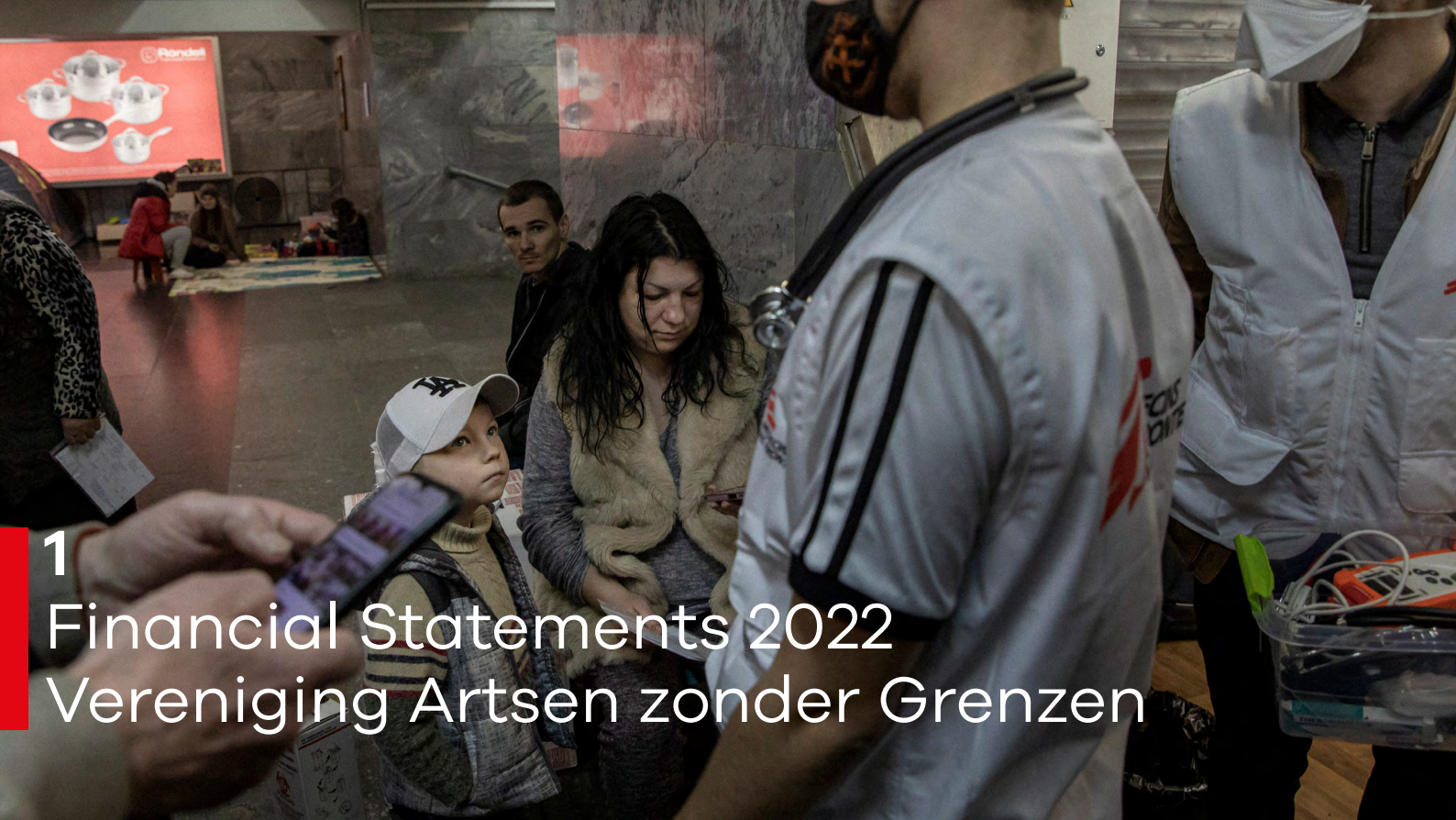


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This information has not been audited



1 Financial Statements 2022 Vereniging Artsen zonder Grenzen

▲ An MSF mobile clinic in one of the metro stations in Kharkiv, Ukraine. In April 2022, hundreds of people sheltered here. Our teams stayed with the people day and night and provided mental and medical care. Photo: Adrienne Surprenant/MYOP, April 2022

The Financial Statements 2022 include the financial information of the Association Artsen zonder Grenzen and the activities carried out under its direct responsibility. The Vereniging Artsen zonder Grenzen (Médecins Sans Frontières - Nederland) was founded September 7, 1984 and has its registered office and actual address at Plantage Middenlaan 14-16, 1018 DD Amsterdam, The Netherlands.

Our mission

Our mission is the organising of practical medical aid to people in disaster areas and crises worldwide, in accordance with the principles expressed in the MSF Charter. Providing medical humanitarian aid to people in emergency situations, whether caused by conflicts, epidemics, disasters or exclusion from healthcare is the core of what we do. Based on our medical work, we will also make every effort towards effective advocacy on behalf of the population that we assist.

More comprehensive information about the organisation is published on our website artsenzondergrenzen.nl. The Financial report and the Board Report are published on the website (artsenzondergrenzen.nl/jaarverslag).

Artsen zonder Grenzen

Artsen zonder Grenzen is registered with the Amsterdam Chamber of Commerce under number 41215974 and is a Public Benefit Organisation (ANBI) with Legal Entities and Partnerships Identification Number (RSIN) or Tax Number 006790264. Artsen zonder Grenzen is a member of Goede Doelen Nederland and is a CBF recognised charity in the Netherlands (CBF-erkend goed doel).

Artsen zonder Grenzen (Médecins Sans Frontières Nederland) uses the trade names "Artsen zonder

Grenzen"; "Médecins Sans Frontières - The Netherlands (MSF-NL)"; "MSF Holland" and "Operational Centre Amsterdam (MSF-OCA)". In addition, "Baby zonder Grenzen" and "Actie zonder Grenzen" are registered trademarks held by the organisation.

In these Financial Statements Artsen zonder Grenzen is further referred to as "MSF-The Netherlands."

MSF-The Netherlands in the international movement Médecins Sans Frontières

MSF-The Netherlands is part of the international network of Médecins Sans Frontières, which in 2022 counted 25 institutional members (MSF-Associations) worldwide. Each of them is an independent legal entity registered in the country where they operate. All MSF-Associations are united in the Swiss-based association Médecins Sans Frontières International.

MSF-The Netherlands works in a partnership with the MSF-Associations in Germany, the United Kingdom, South Asia, Canada and Sweden. Together we take responsibility for the Operational Centre Amsterdam (MSF-OCA). MSF-The Netherlands is the legal entity which carries the MSF Operational Centre Amsterdam partnership. MSF-OCA directly manages the humanitarian action in the emergency aid projects and decide when, where, and what medical care is needed. In addition to MSF-OCA, five other MSF operational centres carry out projects independently and under the responsibility of their respective Boards.

For more detailed information about Operational Centre Amsterdam and the MSF International cooperation, see chapter 7, Partnerships. This chapter further describes the international financial cooperation, the mutual agreements made, the governance between the MSF-associations and the risks resulting from their interdependencies..

Reporting guidelines

The Financial Statements have been prepared in accordance with Dutch Accounting Standard 650 for the Reporting of Fundraising Institutions as published by the Dutch Accounting Standards Board (RJ 650, Raad voor de Jaarverslaggeving). The specific aim of the Guideline 650 is to provide insight into the acquisition of income, the realised expenditure, and the reserves and funds held by the organisation. The Guideline 650 emphasises that the Financial Statements should provide a transparent insight into the organisation's activities and the outcomes of its activities.

MSF-The Netherlands further complies with established guidelines for fundraising organisations in the Netherlands including the governance code for fundraising organisations, the guideline on the holding of

financial reserves, and the guideline on remuneration for the director and the management. Furthermore, the MSF-sections apply commonly agreed principles of interpretation and cost allocation that are consistent with the accounting policies applied in this Financial Report.

Presentation of the Financial Statements

Because we consider our activities and the related expenditures on the Association's goals to be our principal objective, we deviate from the prescribed model for the presentation of income and expenditure. These Financial Statements show our expenditures before our income. In addition, the Statement of Expenditure and Income is shown before the Balance Sheet.

The Accounting Policies and the basis used for the valuation of the expenditure and the assets are explained in chapter 5 of these Financial Statements. We recommend that this be read before viewing the Statement of Expenditure and Income and the Balance Sheet.

In applying the principles and policies for drawing up these Financial Statements, management makes various estimates and judgments that may be essential to the amounts disclosed in the Financial Statements. The main areas for consideration and judgement are:

- provisions: estimates for the likelihood as well as timing of (possible) cash outflows (note 3.10 and chapter 5.1);
- income recognition: judgement in the determination of the value of inheritances (note 3.6 and chapter 5.2);
- Inventory: estimate of the total value of goods on transport under the Incoterm FCA for which the risk has been transferred from the supplier to the organisation (note 3.3).

The nature of these estimates and judgements, including related assumptions, is disclosed in the notes to the relevant financial statement item to provide the transparency required under the Dutch Civil Code, article 362:1, Book 2.

Financial Risks and Forward Statement

Our medical emergency aid operations and financial health could be adversely affected by certain risks. The Board Report elaborates our approach to risk management, internal controls and the extent of the exposure to certain risks. Financial risks are included in chapter 6 of this Financial Report.

In Annex 1 Forward Statement on expenditure and income, the development of main reporting indicators is included. The forward-looking statements are linked to our strategic medical operational ambitions. By their nature, forward-looking statements relate to future events and circumstances and therefore contain uncertainty. Whereas for a part this is anticipated, actual results may differ materially from those presented in the forward-looking statements.

MAIN FINANCIAL TRENDS 2022

Increased expenditure on operations

In 2022, total expenditure increased by 18.8% compared to the previous year. This increase was primarily caused by the increase of expenditure on our medical emergency aid operations by € 51.1 million to € 327.3 million, € 45.6 million over the initial budget. The increase in the emergency aid expenses was largely driven by emergencies that unfolded and continued throughout the year, which necessitated an increase in the use of our budget reserved for unplanned emergency aid beyond the level initially planned. Furthermore the higher than expected inflation and the impact of a strong US dollar contributed to the increase in emergency aid expenditure. The impact of global inflationary pressures also impacted our programme support and general and administrative costs. These inflationary impacts are expected to continue in 2023.

In 2022, the amount spent on Association goals was 94.9% of the total expenditure (2021: 94.5%) and 96.7% of total income (2021: 83.6%).

Expenditure in 2022 in support of our emergency aid projects also increased as the organisational activities returned to normal levels after the operational restrictions imposed by the impact of COVID-19 in 2020 and 2021. The increases were mainly in programme support to our emergency aid projects reflecting also the higher than planned emergency aid activities themselves.

Our management and general administration costs increased compared to 2021 mainly as a result of the one-off legal costs related to convoluted personnel dossiers, increased costs of the Board and Association and costs for external support to review and redesign the function-remuneration framework for the head office. However, these costs were lower than budgeted.

Average number of employees

In 2022, we employed 12,183 full time staff (2021: 11,423 full time staff) working in 125 emergency aid projects in 32 countries (2021: 115 projects in 33 countries), coordination offices and the head office.

Impact of exchange rate developments

In 2022, overall exchange rate developments had a considerable impact on our expenditure on emergency aid of 3.3%. This equated to an estimated increase of € 10.8 million. The US dollar, which is the currency with the highest impact on our expenditure, appreciated to the euro during 2022. Realised income from the MSF-sections and from institutional donors ended approximately € 4.2

million (or 1.5%) higher due to the exchange rate effects. The share of the US dollar accounted for an estimated € 3.5 million of the higher income, the Canadian dollar for € 2.0 million and the Hong Kong dollar for € 0.9 million. The British Pound depreciated against the euro impacting the income negatively (minus € 2.1 million) and the remaining amount (minus € 0.1 million) can be accounted for by a number of currencies (CHF, SEK, NOK) with a smaller contribution to the total income.

Positive development in income

In 2022, our total income increased by € 11.3 million to € 374.4 million. This enabled us to deliver critical emergency aid in some of the world's major humanitarian crises, including in Chad, Ethiopia, Haiti, Myanmar, Pakistan, Sudan, South Sudan and Ukraine/Russia. After the increase in 2021 of 15.7% of income from private donors in the Netherlands and worldwide, 2022 saw a further continuation of positive income development at 4.9% (€ 16.7 million) compared to an anticipated decrease of 12.3% (€ 42.0 million), driven by our fund-raising efforts and the generosity of our donors worldwide in particular in response to the conflict in Ukraine which started in the early part of the year. At the end of 2022 the **National Postcode Lottery** awarded MSF-The Netherlands a new five-year agreement that will run until 31 December 2027.

In 2022, the Board decision taken in 2016 to suspend acceptance of institutional funding from the EU and EU-member states was maintained. Our institutional income decreased to € 3.1 million (2021: € 4.4 million) reducing the relative share of income to 0.8% in 2022 (1.2% in 2021). Maintaining the decision is a principled consequence of our analysis of the humanitarian impact of the agreements made between the EU and countries around the Mediterranean Sea (Turkey, Libya) about refugees and migrant people on the move.

Financial position at year-end

As in 2021, fundraising across the MSF-movement continued to be higher than anticipated. At the same time, a significant increase in unforeseen emergencies on top of our planned activities, necessitated a significant increase in our emergency aid expenditure. As a consequence, the financial result was a small deficit of € 5.6 million (2021: € 40.9 million surplus); however, the result was still € 14.3 million better than budgeted due to the higher than planned income across the MSF-movement more than offsetting the higher expenditure in emergency aid. After the addition of the result from 2022, MSF-The Netherlands' overall reserves remained robust at the level of 6.5 months (2021: 8.0 months) in relation to

the average total expenditure over the past two years (2021 and 2022) and the budget for the current year (2023).

In 2019, a new financial agreement for the period 2020-2023 was negotiated between the MSF-sections. In line with this agreement MSF-The Netherlands receives a share of the net total income which is total funds raised minus costs for fundraising, offices and the contributions to MSF-International. After a planned mid-term review of the agreement, the shares for the coming years have been set at 22.10% for 2023 and 2024 (22.25% in 2022). The impact of these reduced percentages has been taken into account in our forward projections. The current financial agreement has been extended by 2 years to the end of 2025.

After the surplus in 2021 and the small deficit in 2022 on the back of the very strong fundraising performance, deficit spending is projected for 2023. Over a period of 4 years (2021-2024) a balanced expenditure and income position is intended. The Board and management will continue to manage expenditure in line with future MSF-movement-wide income while ensuring overall reserves for the entity do not fall below 4.5 months of total (increased) expenditure.

Reserves and current balance sheet positions

The overall reserves position measured in months of total expenditure decreased as planned, and ended at 6.5 months (see note 3.9). The decrease was the result of the deficit of € 5.6 million and the increased levels of emergency aid expenditure.

A transfer of € 26 million from the other reserves to the continuity reserves was required to maintain the continuity reserves at the desired level of 4.5 months of operational expenditure, given the structural growth in our emergency aid programmes. The continuity reserves include a buffer capital of € 46.0 million to cover for the potential adverse financial impact of certain risks in our medical and operational activities or financial conditions. With an overall reserves position of 6.5 months of total expenditure we maintained a robust financial position. This robust financial position is necessary to be able to preserve our emergency aid activities at their current levels and safeguard against the impact of high global inflation levels on budgets.

Intangible assets and Operating assets decreased by a total net amount of € 1.7 million with major investments of recent years now completed, and inventory decreased by € 0.6 million compared to 2021 to € 17.5 million.

Receivables remained at a similar level as in 2021 while provisions and liabilities increased by € 10.1 million. The combination of various movements in balance sheet positions resulted in an inflow of cash of € 7.0 million. For

the coming year, the forward cash flow planning indicates that we will continue to ensure sufficient liquidity for the organisation.

Main financial indicators

The financial indicators presented below give an overview of the main expenditure and income figures for the year 2022 and the perspective of the trends over the last 5 years. Our main financial reporting indicators concern the development of our operational expenditure and reserves:

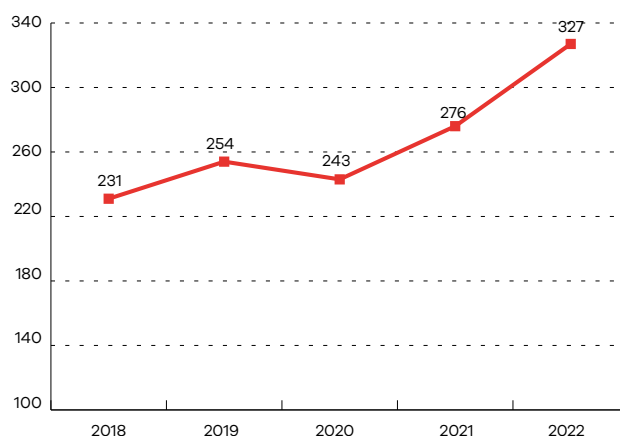
Expenditure and Income indicators:

- the development of our Emergency aid expenditure in euro;
- the total expenditure as a percentage of the total income;
- the delivery of emergency aid plus the direct support needed to realise it (total spent on Association goals) as a percentage of total expenditure;
- The cost of acquiring income as a percentage of the total income realised. *With 76% of the total income from 'Other MSF-sections' the (mandatory) indicator is effectively of limited value. The cost of acquiring the income as presented in these financial statements is principally related to the income from individuals, companies and not-for-profit organisations in the Netherlands as presented in note 2.5 and note 2.8 respectively);*
- the cost of management and administration as a percentage of the total expenditure; and
- the composition of income for the year 2022.

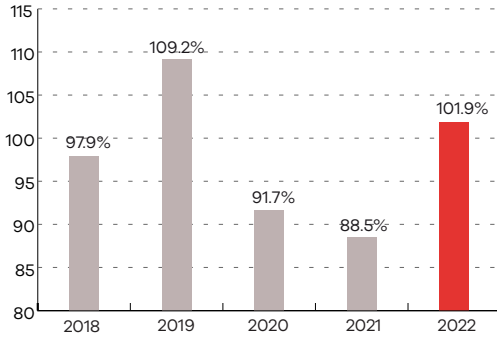
Balance sheet indicator:

- the development of our reserves measured in months' worth of total expenditure (see note 3.9).

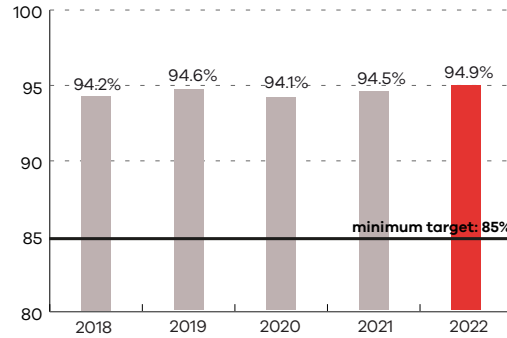
EMERGENCY AID EXPENDITURE in euro millions



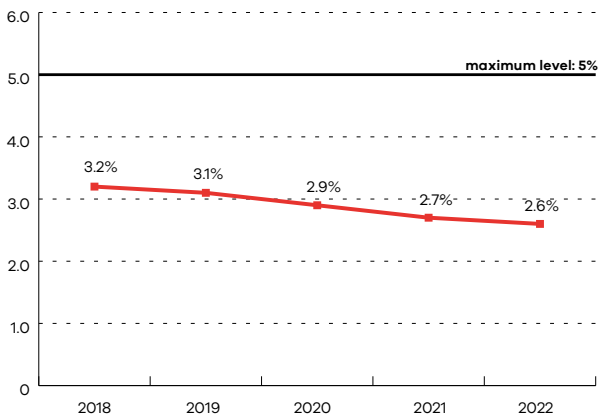
TOTAL EXPENDITURE as percentage of total income



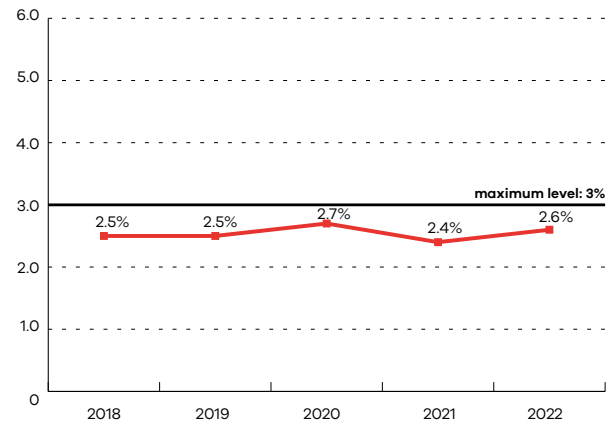
EXPENDITURE ON ASSOCIATION GOALS as percentage of total expenditure



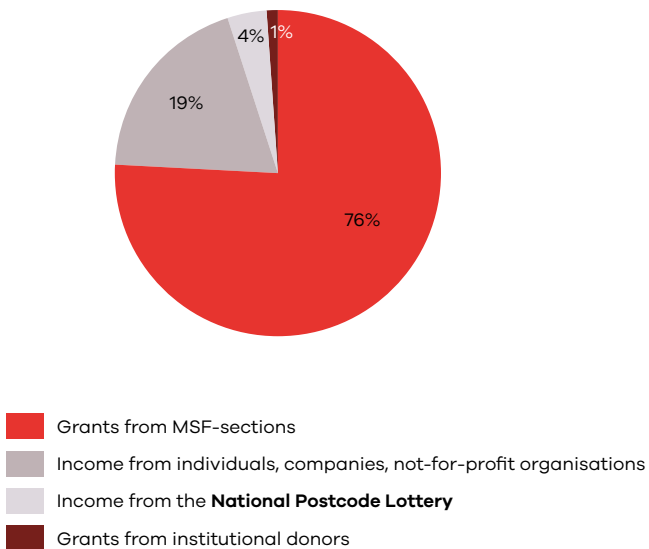
COST OF ACQUIRING INCOME as percentage of total income



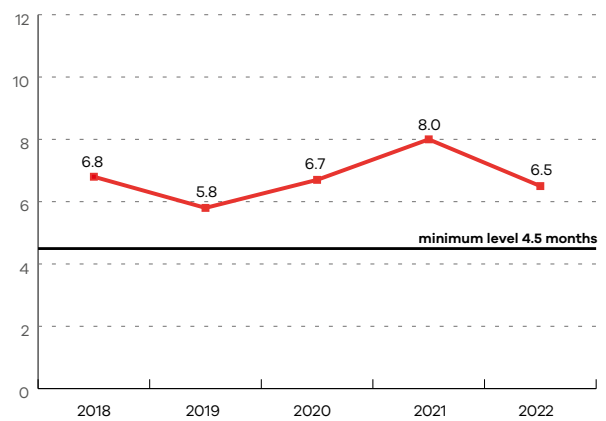
COST OF MANAGEMENT AND ADMINISTRATION as percentage of total expenditure



ORIGIN OF INCOME 2022



MONTHS OF RESERVES related to total expenditure



Statement of Expenditure and Income for 2022 in euro thousands

EXPENDITURE	<i>Explanatory notes</i>	2022	Budget 2022	2021
<i>Spent on Association goals</i>				
Emergency aid	2.1	327,278	281,664	276,202
Grants provided to third parties	2.2	2,815	2,411	2,900
Programme support	2.3	28,447	26,652	21,796
Information and awareness raising	2.4	3,379	3,207	2,679
Total spent on Association goals		361,919	313,934	303,577
Cost of acquiring income	2.5	9,662	9,992	9,769
Management and administration	2.6	9,879	10,705	7,834
Total expenditure	2.7	381,460	334,631	321,180
INCOME				
Income from individuals	2.8	63,312	55,569	58,537
Income from companies	2.8	2,294	2,000	2,085
Income from not-for-profit organisations	2.8	4,873	2,490	2,082
Income from the National Postcode Lottery	2.9	13,500	13,500	17,500
Grants from MSF-sections	2.10	286,773	238,539	277,883
Grants from institutional donors	2.11	3,062	2,541	4,350
Other income	2.12	557	0	639
Total income		374,371	314,639	363,076
Result operational activities		-7,089	-19,992	41,896
Net financial income and expenses	2.13	1,446	0	-1,024
RESULT EXPENDITURE AND INCOME		-5,643	-19,992	40,872
ALLOCATION OF THE RESULT				
<i>Additions to and withdrawals from the reserves</i>	3.9			
Continuity reserves		26,000	0	0
Other reserves		-31,549	-19,992	41,292
Restricted funds		-94	0	-420
Total		-5,643	-19,992	40,872

Balance Sheet as at 31 December 2022 in euro thousands

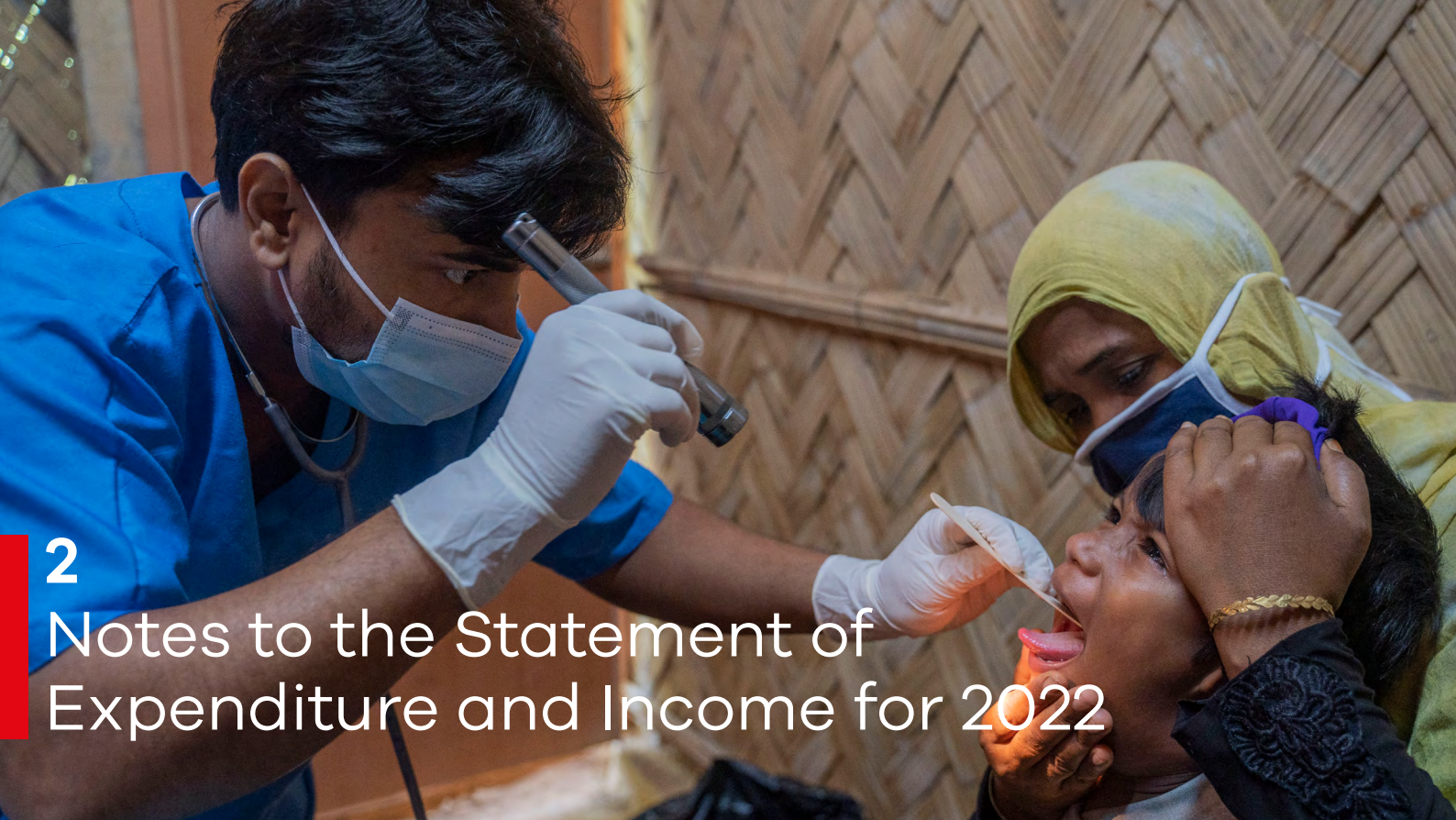
ASSETS	<i>Explanatory notes</i>	31 December 2022	31 December 2021
Intangible assets	3.1	2,069	3,061
Tangible fixed assets			
Operating assets	3.2	21,777	22,498
		23,846	25,559
Inventory			
Stocks for emergency aid	3.3	17,505	18,078
Receivables and accrued income			
Grants receivable from MSF-sections	3.4	30,756	41,968
Grants receivable from institutional donors	3.5	1,570	1,187
Receivables from inheritances	3.6	13,019	9,542
Other receivables and accrued income	3.7	15,740	7,852
		61,085	60,549
Cash at bank and in hand	3.8	140,428	133,470
Total assets		242,864	237,656
LIABILITIES			
Reserves and funds			
Reserves			
Continuity reserves	3.9 a	136,000	110,000
Other reserves	3.9 b	62,018	93,567
		198,018	203,567
Funds			
Restricted funds	3.9 c	582	676
		198,600	204,243
Provisions	3.10	3,102	2,499
Long-term liabilities	3.11	0	56
Short-term liabilities	3.12	41,162	30,858
Total liabilities		242,864	237,656

Cash Flow Statement for 2022 in euro thousands

CASH FLOW RECEIPTS FROM OPERATING ACTIVITIES	2022	2021
<i>Receipts from individuals, companies and not-for-profit organisations</i>		
Donations	47,661	44,583
Inheritances	12,199	14,002
Not-for-profit organisations	4,873	2,082
Companies	2,294	2,085
Total receipts from individuals, companies and not-for-profit organisations	67,027	62,752
Receipts from the National Postcode Lottery	13,500	17,500
<i>Receipts from MSF-sections (concerning project grants)</i>		
MSF-Germany	154,587	126,300
MSF-USA	61,049	51,511
MSF-United Kingdom	39,478	39,493
MSF-Canada	16,496	10,517
MSF-Hong Kong	10,438	10,208
MSF-Sweden	7,923	8,067
Grants received in advance	729	0
Other MSF-sections	9,629	11,473
Total received from MSF-sections	300,329	257,569
Receipts from institutional donors	3,056	4,402
<i>Other receipts</i>		
Received from MSF-sections for monies advanced	12,573	12,405
Received tax net and VAT	305	134
Interest received	207	2
Other receipts	92	259
Total other receipts	13,177	12,800
Total receipts	397,089	355,023

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CASH FLOW PAYMENTS FROM OPERATING ACTIVITIES	2022	2021
Payments made in project countries	165,510	136,552
Grants provided to third parties	171	164
Grants to MSF-sections	2,619	2,700
Payments to MSF-sections		
MSF-Belgium	18,011	14,770
MSF-Spain	2,989	6,283
MSF-United Kingdom	2,650	2,206
MSF-France	2,348	2,455
MSF-International (including contributions)	2,301	2,148
MSF-Canada	2,205	2,855
MSF-Germany	2,165	2,216
MSF-USA	2,036	1,958
other MSF-sections	7,202	6,143
MSF-Supply and MSF-Logistique	11,605	17,461
Total payments to MSF-sections	53,512	58,495
Payments at head office		
Suppliers of goods and services	116,239	89,566
International and head office personnel	50,978	45,492
Total payments at head office	167,217	135,058
Total payments	389,029	332,969
Total cash flow from operating activities	8,060	22,054
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments in intangible assets and tangible fixed assets	791	206
Receipts from disinvestments	-12	0
Total cash flow from investment activities (deduct)	779	206
Total cash flow from financing activities	0	0
Total cash flow	7,281	21,848
Adjustment to exchange rates at end of the financial year	-323	497
MOVEMENT IN LIQUIDITY POSITION	6,958	22,345
MOVEMENT IN LIQUIDITY POSITION		
Liquidity position at the end of the financial year	140,428	133,470
Liquidity position at the beginning of the financial year	133,470	111,125
Movement in liquidity position	6,958	22,345



2

Notes to the Statement of Expenditure and Income for 2022

▲ Tayeba is Rohingya and mother of twins. She is receiving treatment for her daughter in an MSF hospital in one of the refugee camps in Cox's Bazar, Bangladesh. Tabeya and her two daughters fled Myanmar when the twins were only 6 months old. ©Saikat Mojumder/MSF, June 2022

In 2022, our total expenditure increased by € 60.3 million or 18.8% compared to the previous year. This was primarily caused by the expenditure on our medical emergency aid which increased by € 51.1 million to € 327.3 million. The conflict in Russia and Ukraine had major consequences on the global economy, resulting in cost increases in fuel, transport and item purchases. Of the increase of € 51.1 million in our medical emergency aid in 2022, we estimate two-thirds of cost increases came from additional activities. the remaining part of the increase is due to economic factors which include the effects of a stronger US dollar (13% increase), salary adjustments (11% increase), and inflation related pricing (10% increase). The overall expenditure concerning programme support, information and awareness raising, fundraising and management and administration increased by 22.1% to € 51.4 million. This expenditure was also impacted by global inflationary pressures. The increase in programme support reflects a return to pre-Covid activity levels in support of our emergency aid programmes. The share of expenditure spent on management and administration in 2022 was 2.6% of the total expenditure (2021: 2.4%).

Income increased by 3.1% to € 374.4 million, while compared to 2021, a decrease of 13.3% was budgeted. Income in euro from private donors in MSF-The Netherlands and the MSF-sections increased by 4.9% to € 357.3 million (2021: € 340.6 million). Income from institutional donors decreased from € 4.4 million in 2021 to € 3.1 million, ending above the planned € 2.5 million. The total cost of acquiring income remained stable at € 9.7 million, but decreased as a percentage of the total income, ending at 2.6% (2021: 2.7%) and remained steadily under the maximum level of 5% as set by the Board. In 2022, the amount spent on Association goals was 94.9% of the total expenditure (2021: 94.5%) and 96.7% of the total income (2021: 83.6%). The total expenditure was 101.9% of the total income (2021: 88.5%).

EXPENDITURE

2.1 Emergency aid in euro thousands

Programmatic and economic outlook

With the closure of nearly all our remaining specific COVID-19 interventions in the previous year, we began 2022 reflecting on how we were transformed by the pandemic. When COVID-19 first led to global shutdowns in March of 2020, the Management Team identified central priorities for operations that included keeping staff safe, adapting our medical activities, and addressing our challenges moving staff and supply. Today, we have fully embedded COVID-19 prevention and care into our regular medical programming and carry forward our lessons learned regarding remote working, reducing our carbon footprint, and positioning critical supply closer to our programmes. Since 2020, we spent more than € 23 million on COVID-19-specific interventions.

In late February 2022, the growing Russian presence along the Ukrainian border developed into a full-scale armed conflict that recently passed the one-year mark. Following the hostilities, many nations banded together to impose economic sanctions on Russia, which at times have challenged our relief efforts. By mid-2022, we struggled to fund our programmes in Russia via the SWIFT financial network and risked interrupting our activities – we found correspondent banking solutions just as we exhausted local cash balances. Similarly, sanctions on the Islamic Emirate of Afghanistan (also known as the Taliban) led to widespread illiquidity in Afghanistan and threatened our ability to operate. We continue to struggle to pay the salaries of our internationally mobile staff with domicile in Russia, Afghanistan and Iran. However, sanctions did not majorly disrupt our supply chains as our food and medical cargos generally qualify for humanitarian exemption; our teams successfully sourced large volumes to the front lines of many new emergencies in 2022.

Each year, we maintain a proportion of the annual budget designated for unforeseen emergencies, emphasizing the importance of non-earmarked fundraising for our operational activity. This unplanned emergency aid was € 19.3 million at the start of 2022, revised upwards to € 28.8 million during mid-year review, and later revised again to € 36.5 million and fully committed – 69% of which was spent on emergencies and 31% on increases in our regular programmes. These increases in unplanned

operational activity were possible due to better than forecasted income growth in 2022. The largest allocations went to Ukraine and the surrounding region including Russia, Belarus, Moldova, Poland, and Lithuania (€ 9.5 million) and for restarting activities in Ethiopia after suspension (€ 8.2 million).

The conflict in Russia and Ukraine has had major consequences on the global economy. Fuel, transport, running costs, and item purchases were all higher with severe spikes early in the year. Of the growth in emergency aid costs of € 51.1 million, we estimate that two-thirds came from additional activities in our emergency aid programmes and one-third was due to economic factors which include the effects of a stronger US dollar (13% increase), salary adjustments (11% increase), and inflation related pricing (10% increase).

In 2023 and beyond, based on our stated strategic objectives and our vision for the development of our workforce, we plan to make considerable structural increases to our cost base. Among the most substantial investments are the MSF-movement-wide rewards review for our international mobile staff and the head office function grid and remuneration review, which will ensure that we continue to attract talented and committed people and establish a fair and transparent basis for grading positions across our programmes and head office. We have also reserved 1% of future annual programme expense for reducing our global environmental impact with half that amount initially allocated in 2023 (€ 1.7 million). The budget for unplanned emergency aid in 2023 including this amount is € 17.3 million.

Emergency response to conflict, natural disaster and epidemics

Our attention turned towards the escalating tensions along the Ukraine and Russia border in February 2022. In advance of the conflict, our teams made a January visit to Kyiv to assess the military build-up and started emergency preparedness support to neighbouring Belarus and Russia, but we could have hardly prepared for the scale and impact the conflict would have on the people of Ukraine and around the world. The context required that we be agile and open minded about where our support would be most useful and reach the most

vulnerable. We quickly established registrations to operate in Ukraine, Moldova, Poland, and Lithuania and expanded our programmes in Russia and Belarus as we focused our early care on refugees, the elderly and the disabled. Logistics and supply teams worked tirelessly to move large amounts of medical supplies to Ukraine and donations to displaced people in all neighbouring countries.

In **Ukraine**, teams in Kharkiv worked in the underground metro network to set up mobile clinics offering primary healthcare and mental health support to thousands of patients, as well as in the basements of large apartment blocks, where many people sought shelter from shelling in the early days. Water and sanitization specialists installed hot water boilers to allow people to wash themselves, along with filters to improve water and air quality inside the stations. Some people residing underground, especially those with chronic health conditions or without the means to flee the city, had been there for months with little time spent outside in daylight. Highly motivated teams also provided care in Zaporizhzhia, Vinnytsia, and Kyiv throughout the year with total expenditure totalling € 7.4 million.

In **Russia** and **Belarus**, where we first began working with vulnerable groups in 1996, we continue to reach those impacted by HIV and Tuberculosis while expanding emergency operations to Russia's border with Ukraine in partnership with local NGOs. In Belgorod, we rent an industrial warehouse which acts as a distribution centre, supplying one of these partner organizations with hygiene and household items, food, and winter clothing for around 5,000 families. Some of the new arrivals to the accommodation centres are Russian communities displaced by the shelling of their villages along the Ukrainian border. Despite ongoing challenges, we seek to increase our presence in contested areas, stressing the importance of assisting people in medical need regardless of their political views. Expenditure in Russia and Belarus grew by 63% to € 5.5 million.

Back in July 2021, the **Ethiopian** authorities suspended all our programmes at a time of major armed conflict between the Tigray People's Liberation Front and government forces in the country's North. Our suspension was lifted in October 2021, but we were unable to immediately restart activities due to bureaucratic impositions and ongoing security concerns. We ultimately reopened most of our medical programmes with reduced capacity in March 2022. Our priority was the health centre, maternity ward, and emergency room in the Gambella region where the South Sudanese refugee community welcomed our teams back as they had been without medical services throughout the suspension.

Shortly after, we restarted donations to health facilities, vaccination campaigns, and drought preparedness in the Somali region.

After two years of war and blockade in Ethiopia's Northern Tigray region, the World Food Program estimated that 5.2 million people needed humanitarian assistance (90% of households). During the active conflict of 2021, the health system had effectively collapsed as health facilities were looted and destroyed across the region. In early November, the government of Ethiopia and the Tigray People's Liberation Front signed a cessation of hostilities and our teams quickly moved to re-establish presence in Tigray, seeing hundreds of patients per day across many clinics. Expenditure totalled € 12.2 million in 2022. While we scale up activities, we are also cognizant that Tigray is an extremely complicated and sensitive region to work in where the safety and security of our staff and patients remains of the utmost importance.

Since the end of August, heavier than usual monsoon rainfalls, coupled with melting glaciers and an intense heatwave in the preceding months, resulted in extensive flooding affected around 33 million people in **Pakistan**. Our teams immediately began scaling up activities, focusing on Eastern Balochistan and the North of Sindh province to deploy mobile medical clinics, water and sanitation assistance, and distributing non-food items such as hygiene kits, soap, and jerrycans for drinking water. The secondary consequences of the floods are concerning, impacting access to maternity healthcare, growing malnutrition rates, and a sizeable malaria outbreak.

Once flood waters had largely receded in these hard-hit areas, our eight mobile clinic teams were visiting over 40 communities each week with enormous reach: conducting more than 63,000 medical consultations, treating over 16,000 malaria patients and 6,200 severely malnourished children. Malaria prevalence remains extremely high, with every second patient testing positive. Malnutrition rates are similarly high, with every second child presented to the clinic malnourished and every fourth severely malnourished. New spending on the emergency totalled € 5.3 million bringing total expenditure in Pakistan to € 11.0 million (2021: € 6.6 million).

The impact of [human-induced climate change](#) on health is evident in many places where we provide medical care around the world. In very dry areas like **Chad**, flooding may not be the first image that comes to mind. But these Sahel landscapes are prime candidates because the sand and arid land cannot absorb water during heavy

rains. In October, the Chadian government declared a state of emergency in response to flooding across 18 of its 23 provinces, with more than one million people affected. The floods have submerged vital infrastructure including healthcare facilities, with over 465,000 hectares of land and crops destroyed and cattle killed, contributing to food insecurity. In coordination with local health authorities and aid actors, we launched an emergency response in the capital, N'djamena. Our teams ran mobile clinics, water and sanitation services, and vaccinations against preventable diseases like measles.

In the eastern Sila region, teams are leveraging the existing [community co-designed programme](#) to also respond to the flooding. Following medical and anthropological research in 2021, we established a programme that brings care for the most common morbidities closer to people's homes. The Sila project places community members as equal partners who are put at the heart of all strategic decision making. When the Bahr Azoum river flooded, the combined team launched a rapid needs assessment and response, delivering 8,000 litres of drinking water per day for the first 10 days and supporting the construction of twenty blocks of latrines. The expansion of this project, along with our emergency malnutrition programme in Massakory, led to a doubling of Chad's 2021 expenditure totalling €12.3 million (2021: €6.0 million).

We have a large presence in the **Central African Republic** (CAR) where, together with our MSF colleagues, we spend more on health care each year than the government itself. The country has enormous needs in maternal health care, sexual violence cases, and reoccurring malaria peaks. Violence against civilians and other human rights violations have only become worse in the past years due to continued conflict and political instability. We support the Ministry of Health in running the Regional University Hospital in Bossangoa with a focus on child health up to 15 years of age (comprising emergency, paediatric, new-born, and malnutrition care), mental and reproductive health, and a community-based model for people living with HIV. We also provide water and sanitation services, infection prevention and control, health promotion, laboratory and infrastructure support for the hospital.

In Bambari, we continue to provide free access to community, primary, and secondary care which includes emergency surgery, sexual and reproductive health, sexual gender-based violence (SGBV) care, paediatric, neonatology, nutritional and mental health care. Across CAR, sexual violence has become a public health crisis. We observe high levels of sexual gender-based violence, and specifically in Bambari, we have seen significant

numbers of survivors reaching our services. This is linked to our teams' efforts to communicate and raise awareness that these services are provided across all projects in CAR through [MSF's Tongolo programme](#). Overall, spending reduced by 8% in 2022 to €15.7 million and came in 4% under budget due to difficulties in filling internationally mobile staff positions, leading to delays in rehabilitation projects.

Since the Islamic Emirate of Afghanistan (also known as the Taliban) came to power in **Afghanistan**, the suspension of donor funding from many organizations and economic sanctions against the regime have had a severe impact on the already fragile healthcare system. Diseases like cholera and measles are prevalent, access to healthcare is low, and malnutrition rates are still going up. The rural areas have been hit the hardest by this lack of funding, forcing people to make longer journeys to facilities like Boost Hospital, where our teams remained working throughout prolonged periods of fighting in Lashkar Gah. The hospital, where we have been working since 2010, has a 400-bed capacity but often has many more in-patients, with the children's wards in April running at 198% bed occupancy rate.

In Kandahar, the team is running both Inpatient and Ambulatory feeding centres which admitted 650 children and more than 4,000 children respectively this year. We are anticipating more severe malnutrition and we are in the process of doubling the number of beds. In addition to malnutrition, we admitted more than a hundred patients in 2022 with multidrug-resistant tuberculosis into our long running TB programme, which has a treatment success rate above 90% – remarkable under the circumstances in Afghanistan. Total expenditure rose to €21.7 million (2021: €17.3 million).

Tensions mounted throughout 2022 in the Eastern **Democratic Republic of Congo** (DRC) along the Rwandan border as many different armed actors vied for territory. While many international actors left the area, our teams prepared with contingency supplies for a possible influx of war wounded patients in North Kivu. We manage the heightened security risk by reducing teams to essential staff and maintaining frequent communication with the different parties to the conflict, continually seeking permissions and assurances that we are welcome to remain and work safely. In addition to our security concerns, the increasingly litigious environment in the DRC complicates our work and led to increased legal costs and judgements related to employment and tax cases totalling €0.8 million in 2022 (2021: €0.2 million).

In South Kivu, due to the lack of safe access for our staff, we have moved to an operational model centred on

training and supplying implementing partners with supervisory support from civil society and the Ministry of Health. Malaria is the cause of 55% of morbidities and 25% of deaths in the DRC, all ages included, and it is the most significant cause of death for children under five. We are focusing on prevention before the peak season and then on case management during the peaks in several critical health zones. We expect to have more than 60,000 patients tested and more than 50,000 patients treated by the completion of the campaign in early 2023. This expanded malaria support and cholera treatment drove programme growth in 2022, with total expenses in the DRC totalling € 20.1 million (2021: € 17.3 million).

Since the assassination of **Haiti's** president in July 2021, no new president has been officially elected nor is there sufficient legislative power to organize an election process. This political vacuum has led to unrest and a rising tide of violence with frequent kidnappings, robberies, and drugs and weapons trafficking activity through gang-controlled areas. The security in these areas is deteriorating quickly and many basic functions that cities like Port-au-Prince and Gonaives used to have, especially related to water and sanitation, have collapsed. This has led to multiple outbreaks that our project teams have worked diligently to fight, including scabies and cholera. Since the beginning of the outbreaks, we have treated around 11,000 patients for cholera across these facilities. We operate mobile clinics in Port-au-Prince near the frontlines of the conflict when we can negotiate access.

Another main reason for our presence in Haiti is the high level of Sexual and Gender-Based Violence (SGBV) and Intimate Partner Violence (IPV). We have set up SGBV clinics in Port-au-Prince and Gonaives and provide a comprehensive package of healthcare for survivors and, for those in need, we can offer a safe place to stay. We also operate a 'green phone line', a number that is free to call for information on sexual health and operated 24/7. Annual expenditure in Haiti grew to € 10.0 million (2021: € 6.9 million).

In **Yemen**, more than eight years of civil war have taken their deep toll on the Yemeni people and the country's health infrastructure. There are chronic shortages of essential supplies and equipment which led to many public facilities becoming non-functional. Our teams offer secondary healthcare in Taiz Houban and Taiz City and a primary healthcare facility in Marib Governate. In Marib, we witnessed increasing levels of malnutrition and no sufficient local capacity available to treat complicated cases, so we launched a six-month intervention to extend bed capacity at the inpatient food

centre, added an ambulatory programme to the hospital, and increased community screening.

We hired an additional 180 locally recruited staff in 2022, mainly in Taiz City and Marib, while our costs of working in Yemen also grew significantly following a series of adjustments which included an upward salary revision for locally recruited staff, dollarization of salaries and social security, and a change in how tax is imposed by the government. Total expenditure rose 45% to € 26.9 million in 2022 (2021: € 18.5 million) primarily due to increases in programme activity and these cost elements, but also due to a year-end cost correction for tax and social security in 2022 and a provision on social security dating back to 2017 which contributed € 2.0 million to the increase.

Heavy rains lead to persistent flooding in **South Sudan**, where the impacts are compounding with each progressive year. The situation in Bentiu is truly concerning, as our in-patient department reached its 180-bed capacity as well as our feeding centre, a clear indication of the food insecurity in the country. The camp in Bentiu is protected by a series of berms surrounded by a dyke system, but the dykes have failed in several locations and the berms, which have not been designed as water barriers, are the last line of defence. The camp has already become an island, with no road access to neighbouring towns. Adding to the situation, we have seen an increasing number of measles cases in Bentiu, so we began a campaign within the camp in November to vaccinate an estimated 47,000 children between six and fifteen years old.

Our annual expenditure of € 32.8 million in South Sudan was the largest of any country in 2022 (2021: € 31.1 million). Despite handing over our medical activities in Western Equatoria to the Ministry of Health by midyear, our annual locally recruited staffing costs rose by 18% overall and most considerably in our secondary healthcare facilities in Bentiu and Jonglei following upward salary adjustments, increased overtime, and additional short-term staff needed to cover the higher number of patients.

Crisis for Rohingya refugees

To mark five years of continued displacement with no solution, [we gathered testimonies](#) from several Rohingya refugees who shared their hopes and fears for the past, present and future. Five years ago, around 700,000 Rohingya refugees fled violence in Myanmar to neighbouring **Bangladesh**. Together with our MSF colleagues, we are the largest health care provider in these refugee camps, where we see the needs increasing daily along with the number of people. Early in 2022, we saw an upsurge of scabies cases coming from the camps.

Scabies is a very contagious health condition caused by a tiny burrowing mite that spreads quickly through close physical contact and shared clothing or bedding. Nearly 600 patients with skin diseases are seen per week in Balukhali and Kutapalong and about 90% are diagnosed with scabies; 50% of patients treated are under the age of fifteen. This harsh surge is directly linked to the living conditions, where people share small, cramped spaces and have limited access to water for washing clothes, bedding, and themselves.

Our programmes in Penang, **Malaysia** are focused on reaching urban Rohingya refugees who have been forced out of Myanmar and often arrived by boat, by way of Bangladesh, over the last decade. In December, increased traffic on the Andaman Sea show signs of growing desperation in the camps of Bangladesh and the deteriorating conditions in Myanmar itself. [MSF issued a public statement](#) calling on the Malaysian Government to allow safe disembarkation and to recognize the right to seek protection from persecution. There are over 100,000 Rohingya refugees currently living in Malaysia, and they are denied access to basic services, often finding themselves marginalised in society with very limited access to the modern healthcare system in the country.

Since the coup in **Myanmar** in February 2021, armed resistance against the military government has increased considerably. This opposition has led to greater fragmentation of the country and an increase in health care needs, coinciding with the decreasing capacity of the government to meet those needs. We have seen healthcare facilities and staff come under attack – most often from the military, as doctors and health workers were among the earliest and most vocal opponents to the military takeover last year. MSF and many other NGOs have had great difficulty getting visas to allow staff with international experience to enter the country and support an increased response.

Overall expenditure across the three countries remained quite comparable to last year, combining for € 33.9 million in 2022 (2021: € 32.3 million).

People on the move

The 30th of June 2022 marked the one-year anniversary of **Search and Rescue** operations in the Mediterranean aboard our new vessel, the *Geo Barents*. In past years, we operated several other boats with partner NGOs, but we have since decided to charter independently to allow us more freedom in operational decision-making and communication at sea. In one year of operation, the *Geo Barents* sailed 11 times and conducted 47 rescue operations at all hours of the day. We managed to rescue over 3,000 people and conducted over 6,000 medical

consultations including basic healthcare, mental health, and sexual and reproductive care. Some people dare to tell us about the terrible experiences they have gone through in **Libyan** detention centres. Through our own work in three of these detention centres, we can confirm the unacceptable conditions, sometimes with hundreds of people held in the same cell.

On the 27th of June, the *Geo Barents* was alerted to a rescue of a small boat that was essentially just plastic bags with wooden planks. By the time we arrived, the planks had shifted and disappeared. People were holding onto pieces of plastic and the partially deflated tubes. We managed to rescue 71 people but more than 30 are thought to have lost their lives at sea. A baby was successfully resuscitated and medically evacuated to Malta with the mother a few hours later. Spending rose significantly at sea to € 8.9 million following a full year's activities on the *Geo Barents* (2021: € 6.6 million) and by 28% in Libya to € 5.6 million.

All asylum seekers in **the Netherlands** must report to Ter Apel, a small town in the province of Groningen, when they arrive. But for more than six weeks, the situation had collapsed – asylum seekers could not enter the reception centre due to overcapacity. Even those with approved asylum could not find a place to stay. Our team conducted an assessment and found that 400 people had been sleeping outside the centre and another 150 were arriving each day. Minimum humanitarian standards were not in place: the few latrines available were dirty and without privacy, food and water supplies were insufficient, and physical/verbal harassment were reported. A local organization distributed tents, but they were confiscated for security reasons, so most were without shelter.

Although the scale of this situation is relatively small compared to our interventions in other parts of the world, the plight of these people could not be ignored. We supported asylum seekers with a medical team in a mobile container for over two weeks and conducted nearly 450 outpatient consultations and over 200 mental health consultations, with patients originating from Syria, Iraq, Iran, Turkey, Somalia, Eritrea, and West Africa. Our values of proximity, dignity, and solidarity were brought front and centre through this intervention – people seeking asylum must have access to adequate care provision and should be treated in a humane way. The intervention cost € 0.1 million.

We also support asylum seekers and migrants in **Lithuania** in two Foreigner Registration Centres where, as of May, around 2,700 people had been detained with some already held for more than nine months. Our

activities focus on mental health support and triage to refer patients to the psychologist or mobile medical unit under the Ministry of Health. Some people who recently got their asylum status granted are allowed to move out of the centres, but the majority were still detained and not allowed to leave the centre. Our total programme expenditure was € 1.1 million (2021: € 0.2 million).

Improving multidrug-resistant tuberculosis treatment

In 2021, we finalised a 10-year clinical trial (TB-PRACTECAL) of a six-month all-oral treatment regimen for Rifampicin-resistant TB that was found to be safer and more effective than the previously accepted standard of care, which could take up to 20 months and included painful injections and side effects.

Following these successful results, the World Health Organization has announced that it would update the 2022 guidelines for the global treatment of MDR-TB to include the TB-PRACTECAL six-month all-oral regimen along with another shorter regimen. After many years of hard work, we are proud to have changed global TB clinical practice through this research and that patients everywhere will see the benefits. Our three remaining TB-PRACTECAL programmes in Belarus and Russia closed at the beginning of 2022 with combined final expenses of € 1.0 million (2021: € 2.0 million).

Procurement Unit and costs of inventory

The costs of the Procurement Unit, the department that receives and fulfils purchase requests from our operational programmes and organises cargoes and transport, are charged to Emergency Aid and mostly concern the costs of procurement staff, warehousing, freight handling and regulatory quality control in the Netherlands. Expenditure for the Procurement Unit was € 5.9 million in 2022 compared to € 5.3 million in 2021.

In addition to these direct costs, there are additional indirect costs such as unallocated stock handling charges, transport and administration fees, and gains and losses on stock totalling € 4.7 million in 2022 (2021: € 4.4 million), that are charged out periodically to emergency aid projects and additionally contribute to the total cost of the procurement unit.

Operational projects opening and closing

We define our operational projects as those directly impacting beneficiaries of emergency aid, exploratory interventions and assessments, or emergency preparedness. The total number of these projects grew in 2022 from 115 to 125 with a high degree of rotation throughout the year. We began the year with 103 active projects and throughout the year we opened 26 more. Of those 26 new projects, half of them were short-term in

nature which were closed again before year-end. An additional 14 longer-term projects that were opened in prior years were closed in 2022, concluding the year with 102 active projects.

Looking to the 26 newly opened projects, eight were related to the ongoing conflict in Ukraine. Directly after the fighting broke out, our teams set up new projects quickly to assess how useful and effective our medical intervention efforts may be. This agility led us to also close projects quickly as the operational context changed, leading to six of those eight projects closing in the same year. The total expenditure of these eight operational projects totalled € 7.4 million.

From the same category of newly opened projects, two opened in Pakistan and two in Chad for responses related to severe flooding with a total combined expenditure of € 2.0 million. Two additional projects opened in Haiti for a large cholera response which also cost € 2.0 million.

Among the longer-term projects which closed in 2022, three were projects supporting the clinical trial of TB-PRACTECAL which concluded successfully in January 2022. We also closed our final COVID-19 interventions in Venezuela and India which totalled € 0.7 million in combined spending in 2022. COVID-19 prevention and care has now been fully integrated into our standard medical programming.

More information on our emergency aid is published on our website artsenzondergrenzen.nl and on msf.org.

Emergency aid per country in euro thousands	Explanatory notes	Costs emergency aid 2022	Budget 2022	Costs emergency aid 2021
Afghanistan		21,714	18,073	17,336
Bangladesh		16,488	16,880	15,804
Belarus		1,473	1,168	1,599
Central African Republic		15,661	16,294	17,048
Chad		12,251	6,452	5,964
DRC		20,149	15,529	17,251
Ethiopia		12,167	1,592	15,713
Guatemala		0	0	47
Haiti		10,037	5,796	6,895
India		8,339	8,634	7,129
Iraq		4,723	4,012	3,922
Jordan		108	226	2,945
Kenya		1,230	1,113	1,027
Libya		5,586	5,027	4,351
Lithuania		1,088	0	237
Malaysia		3,646	2,830	2,382
Mediterranean Sea		8,869	8,024	6,640
Myanmar		13,756	12,245	14,079
Netherlands		79	0	0
Nigeria		15,801	11,127	11,281
Pakistan		10,978	7,410	6,586
Russia		3,980	2,113	1,789
Sierra Leone		8,233	7,346	8,039
Somalia		9,798	8,930	9,561
South Africa		881	1,164	1,604
South Sudan		32,808	28,279	31,094
Sudan		13,621	13,112	12,207
Syria		14,133	12,260	12,373
Tajikistan		3,587	3,056	2,511
Ukraine		7,381	0	0
United Kingdom		0	0	133
Uzbekistan		8,852	7,579	7,723
Venezuela		4,945	4,107	6,078
Yemen		26,854	23,258	18,508
Various exploratory projects		0	0	31
Reserved in the budget for unplanned emergency aid			19,264	
		319,216	272,900	269,887
Other costs and movements in provisions for emergency aid		2,161	2,700	988
Procurement Unit costs		5,901	6,064	5,327
Total emergency aid expenditure	note 2.7	327,278	281,664	276,202

The composition of the expenditure for emergency aid in main categories is as follows:

Emergency aid per category in euro thousands	Explanatory notes	Costs emergency aid 2022	Budget 2022	Costs emergency aid 2021
Purchase of medical items		41,062	34,307	39,865
Purchase of non-medical items		28,115	19,284	24,032
Subcontracted services		24,500	24,131	21,686
Transport		37,846	23,517	32,018
General and running costs		21,752	20,470	16,491
Miscellaneous and other costs		5,215	3,478	5,232
Personnel costs				
Costs international mobile staff posted in projects		41,685	44,581	39,001
Costs locally recruited staff		110,425	97,712	84,759
Accommodation and transport		13,666	11,598	10,676
Costs staff Procurement Unit		3,012	2,586	2,442
Total emergency aid expenditure	<i>note 2.7</i>	327,278	281,664	276,202

Actual emergency aid expenditure grew by 18.5% in 2022 due to a combination of external economic factors and growth in operational volume. With most of our COVID-19 specific interventions ending in 2021, we anticipated less spending on related medical and non-medical consumable items and their associated transport which is reflected in the 2022 budget. However, the macroeconomic consequences following the conflict in Ukraine translated into higher global cost for many of our expense categories, accounting for approximately one-third of the year-on-year growth in expenditure. The remaining increase came from greater needs for medical aid and the corresponding growth in our activities.

Acute nutritional crises in Chad, Nigeria, Somalia, and Pakistan increased therapeutic food costs in the medical item category by € 3.1 million in 2022. Meanwhile, interventions related to flooding and cholera led to higher non-medical costs including food, water & sanitation, and household items for distribution across many of our programmes.

Transport and fuel costs for these additional items and general running costs like building rentals and satellite internet all grew substantially due to greater programme activity and high global prices. The most notable increases from 2021 were ship rental costs and fuel for a full year of search and rescue on the Mediterranean aboard the Geo Barents (+€ 2.0 million) and emergency air freight for the Pakistan flood response (+€ 1.0 million).

Subcontracted services include payments of incentives to staff working in emergency aid programmes but employed by the Ministry of Health of the project country. Somalia and the Democratic Republic of Congo saw the

largest growth in incentives, in part due to their denomination in US dollars (+13%) but mostly because we partnered with their Ministries to a greater extent in 2022, overall costing a combined € 5.7 million (2021: € 4.5 million). Total incentive payment expenditure for all programs was € 10.9 million (2021: € 8.8 million) and payments for referral of patients and external laboratory testing was € 4.3 million (2021: € 3.8 million).

The effects of a stronger US dollar and salary revisions had their largest impacts on our locally recruited staff costs which grew by € 25.7 million or more than 30% in 2022, of which € 21.2 million is related to staff salaries. We increased activities in our programmes and added an additional 798 locally recruited staff to our workforce in 2022. Compared to average staff costs from 2021, these additions account for an estimated € 5.8 million or 27% of the growth. High rates of inflation and a rising cost of living led to exceptional allowances or salary adjustments in many of our country programmes, estimated at € 5.4 million (25% of the growth). And eight of our largest country programmes have dollarized salaries, which appreciated 13% on average in euro terms and increased costs when compared to 2021 rates by an estimated € 5.5 million (26% of the growth). The remaining increase is attributable to annual seniority increases and overtime payments to staff.

Meanwhile, our international mobile staff category showed lower costs than forecasted as some budgeted positions were left temporarily unfilled. However, total costs grew by € 2.7 million when compared with 2021 due to new emergencies in Ukraine, Russia, Pakistan, and Haiti. Personnel costs are further detailed in note 2.1a.

2.1a Personnel costs and personnel emergency aid

in euro and full time equivalents

In 2022 we employed 12,183 staff in full time equivalents (2021: 11,423) working in 125 emergency aid programmes in 32 countries (2021: 115 emergency aid programmes in 33 countries) and at the head office. This note 2.1a details personnel costs and personnel in emergency aid projects. See notes 2.7a and 2.7b for explanation of the costs for personnel at head office.

Costs of personnel posted in emergency aid programmes are charged directly to the emergency aid expenditure. Included in the Personnel costs international mobile staff

posted to projects are costs related to salaries, per diem allowances, training and preparation for departure and posting. Costs of personnel to whom the provisions of Dutch labour law apply and costs of personnel posted from other MSF-sections are both included.

For the staff employed under Dutch contract terms, the components of salaries, social security and pension costs included in the Costs international mobile staff posted in projects are as follows:

International mobile staff on Dutch contract terms	2022	Budget 2022	2021
Salaries	17,045,672	17,584,073	15,667,833
Social security contribution	536,002	635,552	529,203
Pension contributions	1,653,427	1,920,111	1,572,701
International mobile staff hired from other MSF-sections	2022	Budget 2022	2021
Payroll costs international mobile staff hired from MSF-sections	13,738,226	14,015,641	13,843,729

In 2022 the number of international mobile staff positions increased by 2.5% compared to 2021 and ended at 768 staff in full time equivalents. This is 30 FTE lower than the originally planned budget of 798 FTE. The number of departures increased from 1088 in 2021 to 1145 in 2022 but was lower than budgeted.

On average, international mobile staff stayed 7.9 months in the emergency aid projects which is a decrease compared 2021 (8.2 months) but still higher than the 7.1 months in 2019 which was the last pre COVID-19 year.

The category international mobile staff on Dutch contract terms increased to 463 FTE (2021: 436 FTE), while the category international mobile staff hired from MSF-sections reduced to 274 FTE (2021: 285 FTE). The total average personnel costs per FTE for international mobile staff on Dutch contracts and international mobile staff hired from MSF-sections increased by 3.4%.

International mobile staff (in FTE)	2022	Budget 2022	2021
Emergency aid - international mobile staff on Dutch contract terms	463	444	436
Emergency aid - international mobile staff hired from MSF-sections	274	308	285
Emergency aid - (Amsterdam) office staff seconded to emergency aid programmes	20	37	18
Total international mobile staff	757	789	739
Emergency aid - Non allocated FTE (paid in-between-assignment leave, sick leave, etc.)	11	9	10
Total international mobile staff	768	798	749
International mobile staff departures	2022	Budget 2022	2021
Medical	169	191	145
Paramedical	372	451	397
Logistics, advocacy, administrative & other support	604	658	546
Total international staff departures	1,145	1,300	1,088
Gender * (women - men)	42% - 58%	n/a	42% - 58%
Gender heads of mission * (women - men)	23% - 77%	n/a	31% - 68%
Nationality (Dutch - other)	7% - 93%	n/a	8% - 92%
Average age	43	n/a	43

*The mandatory binary gender disclosure does not reflect the full scope of the diversity approach of the organisation.

Remuneration policy international mobile staff

The remuneration policies for international mobile staff are fully aligned between the MSF-sections. The remuneration for international mobile staff is based on three layers: a principled indemnity for the first 12 months of volunteer employment and a modest salary after 12 months of employment that can be complemented with a loyalty increase. There are two components that determine the salary. The salary is benchmarked to the cost of living of the resident country of the international mobile staff member and takes into account local labour market conditions. In addition, the remuneration grid for international mobile staff is composed of six main categories of responsibility. During their posting international mobile staff receive a basic per diem

allowance that is based on the indexed cost of living of the country to which they are posted.

Pension contributions international mobile staff

All staff on a Dutch contract are enrolled in a pension scheme with the Premium Pension Institution ASR Doenpensioen (previously called Brand New Day). The pension premium is fully paid by MSF-The Netherlands to the statutory maximum of 1.875% savings. For more information on the pension scheme for staff see note 2.7b and chapter 5, Accounting Policies.

Locally recruited staff employed in the project countries	2022	Budget 2022	2021
Medical	495	490	466
Paramedical	4,480	4,555	4,136
Non-medical project staff	353	399	334
Logistics, administrative & other support	5,688	5,820	5,382
Total locally recruited staff employed in the project countries	11,016	11,264	10,318

Locally recruited staff salaries

Salary costs locally recruited staff (including payroll taxes and social security costs)	96,425,553	81,577,183	75,154,471
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Remuneration policy locally recruited staff

Locally recruited staff employed in the project countries are remunerated in accordance with MSF's international reference function grid and according to benchmark evaluations performed to ensure a fair and competitive pay in the country in which they are employed. In addition, MSF-The Netherlands' standardised terms and conditions of employment adjusted to the local laws and customs apply. MSF-The Netherlands does not have any

obligations from foreign pension plans for locally recruited staff other than applicable mandatory social security contributions. The average salary costs per locally recruited staff increased by 19%. This increase is explained in chapter 2.1.

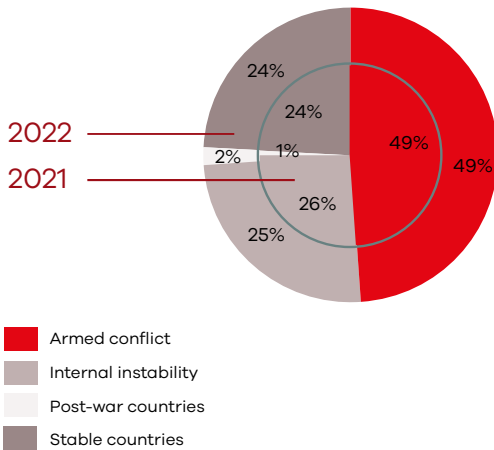
2.1b Typology of expenditure and funding of projects

In our Strategic plan 2020-2023 we stated that we seek to address the most significant medical humanitarian needs, prioritising those most closely connected to the consequences of violence, in particular the people that are systematically targeted and persecuted that are directly or indirectly affected by violence and/or that are deliberately excluded and socially marginalised. We aim to respond to a diverse range of crises and needs, build our capacities and ensure that our interventions include a productive balance of innovative and established activities. For the majority of our operations, we prioritise contexts with severe or significant medical humanitarian needs, where our medical interventions will have clear value. Our principal focus is on improving the health of affected groups in the short-to-medium term. We strive to fairly distribute our resources across our operations. The level of support we give to different groups is determined

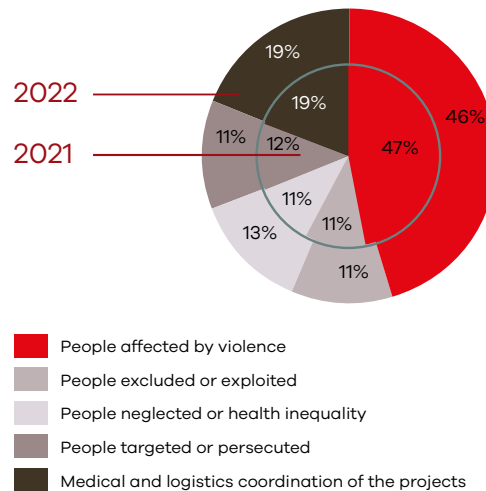
by weighing medical impact, proximity, strategic presence, innovation, research opportunities, potential for change, geographic spread and context. In 2022 we updated and harmonised the definitions used for the typology. As a result some projects have been classified differently than in prior years. To be able to compare with the previous year we have also updated the 2021 figures.

In 2022 75.3% (2021: 74.5%) of our projects were situated in contexts of armed conflict or internal instability. In addition, the graphics indicate which groups were impacted by our programmes. Within the expenditure on emergency aid we aim at a share of about 15% to be spent on the costs for medical, logistical and administrative coordination. In 2022 coordination costs amounted to 19.3% of the total spent on emergency aid (2021: 19.1%).

WHERE DID WE WORK?
as percentage of emergency aid



WHO DID WE REACH?
as percentage of emergency aid



2.2 Grants provided to third parties in euro thousands

	2022	Budget 2022	2021
Contribution to MSF-India	2,474	2,247	2,023
Contribution to Drugs for Neglected Diseases initiative (DNDi) paid through MSF-International	171	164	164
Grant to MSF-India for an ARV donation programme to fight HIV	81	0	0
Grant to MSF-India for the COVID-19 Response in India	40	0	480
Grant to MSF-Belgium for emergency aid programmes in Greece (Lesbos) and Sierra Leone (MSF Academy for Healthcare)	30	0	210
Grant to MSF-India for the development of support model for new MSF entities	13	0	0
Grant to MSF-Switzerland for emergency aid programmes in Mozambique	6	0	6
Grant to MSF-France for emergency aid programmes in Madagascar	0	0	17
Total grants provided to third parties	2,815	2,411	2,900

Grants and contributions to third parties concern general funding of initiatives supporting the Association's goals. The contribution to MSF-India is based on their annual budget and in line with their long term strategic planning. In 2022 we awarded grants to MSF-India, MSF-Belgium and MSF-Switzerland for specific emergency aid programmes as mentioned above to respond to the instructions of our donors.

2.3 Programme support in euro thousands

	<i>Explanatory notes</i>	2022	Budget 2022	2021
Direct costs	<i>note 2.7</i>	2,875	2,002	1,289
Costs foreign offices	<i>note 2.7</i>	711	751	480
Contribution to the MSF Transformational Investment Fund	<i>note 2.7</i>	456	0	157
Costs joint projects with MSF-sections	<i>note 2.7</i>	371	413	359
Costs personnel head office	<i>note 2.7</i>	18,448	17,110	14,677
Attributed overhead costs	<i>note 2.7</i>	5,586	6,376	4,834
Total Programme support		28,447	26,652	21,796

The expenditure for Programme support ended well above the level of 2021 and € 1.6 million above the budget. After 2 years in which our plans were heavily impacted by the COVID-19 pandemic, travel and in-person support to our emergency aid programmes was again possible. In addition, the significant increase in our emergency aid activities necessitated additional programme support resource with the number of FTE's in this area increasing by 53 over 3 years, which accounted for approximately 75% of the increase since 2019, with the remainder of the increase due to inflation.

In the category Direct costs, the growth in expenditure is mainly caused by:

- restarting support visits by head office staff to emergency aid projects, that were paused during the pandemic, resulting in increased Travel and accommodation costs;
- higher costs for head office projects related to a new Logistics Reporting System and an evaluation of our COVID-19 response;
- increased support costs for the maintenance of our Health Information System.
- increased costs of external advice and support related to the set-up of a new office in Nairobi, Kenya, a review of our work in Ukraine and critical incident management training for our staff.
- increased costs for in-person meetings for tactical and strategic coordination and policy setting involving both programme and office staff. During the pandemic these meetings were largely held online.

Costs foreign offices concern our programme support office and positions in Amman, Jordan supporting our programmes' communication in the region, and in Arabic in general, and the recruitment of staff from Tunis, Tunisia.

In the budget for 2022 the contribution to the MSF Transformational Investment Fund was fully included in the category Management and administration (see 2.6). Based on the actual projects funded, most of the actual expenditure in 2022 was allocated to the category Program Support.

Included in the category Costs joint projects with MSF-sections the costs of support to the programmes' administration software (€ 209,390) and the costs of the shared Geographic Information System (€ 162,040), both managed by MSF-Switzerland.

Personnel head office - Programme support	<i>Explanatory notes</i>	2022	Budget 2022	2021
Programme support		242	248	214
Emergency aid - (Amsterdam) office staff seconded to emergency aid programmes		-20	-37	-18
Net FTE's Programme support	<i>note 2.7a</i>	222	211	196

The category Costs personnel head office increased by € 3.8 million and ended € 1.3 million higher than budgeted. The increase in costs is a combination of a higher number of FTE's attributed to this category and higher costs per FTE (see also 2.7a and 2.7b).

- Compared to 2021 the total number of FTE's increased by 26 from 196 to 222.
- Compared to the budget the number of net FTE's was overspent by 11 FTE's, mainly caused by a lower

number of FTE's being hired at head office and allocated to Emergency aid.

Compared to the budget, Attributed overhead costs ended lower. This was mainly a result of the underspending in the ICT department (see also note 2.7).

2.4 Information and awareness raising in euro thousands

	<i>Explanatory notes</i>	2022	Budget 2022	2021
Direct costs				
Donor periodical <i>Artsen zonder Grenzen Magazine</i> (50%; see also chapter 5, Accounting Policies)		169	138	277
Contributions to the MSF-International campaign Access to Essential Medicines		235	222	197
General communications and information activities		1,078	1,177	833
Total direct costs		1,482	1,537	1,307
Attributable costs				
Costs personnel head office	<i>note 2.7</i>	1,456	1,217	1,032
Attributed overhead costs	<i>note 2.7</i>	441	453	340
Total information and awareness raising		3,379	3,207	2,679

The Total direct costs of Information and awareness raising increased as planned compared to 2021, but ended slightly below the 2022 budget. The increase in the costs of personnel in this category is the result of additionally hiring 3.8 FTE's.

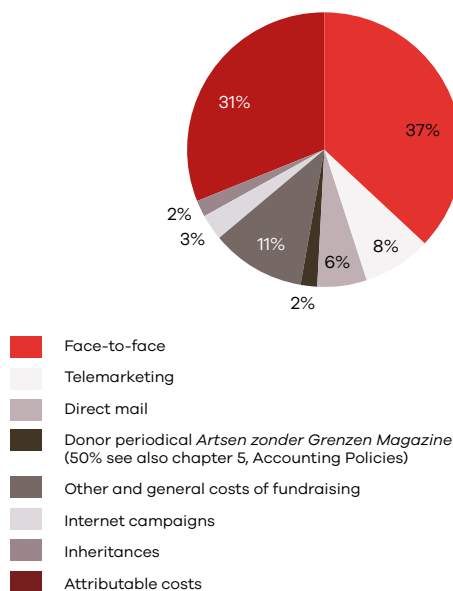
2.5 Cost of acquiring income in euro thousands

	<i>Explanatory notes</i>	2022	Budget 2022	2021
Direct costs				
Face-to-face		3,612	4,439	4,028
Telemarketing		798	810	1,199
Direct mail		608	572	412
Donor periodical <i>Artsen zonder Grenzen Magazine</i> (50%; see also chapter 5, Accounting Policies)		169	138	277
Internet campaigns		318	129	101
Inheritances		181	211	172
Other and general costs of fundraising		1,024	875	829
Total direct costs		6,710	7,174	7,018
Attributable costs				
Costs personnel head office	<i>note 2.7</i>	2,266	2,053	2,070
Attributed overhead costs	<i>note 2.7</i>	686	765	681
Total cost of acquiring income		9,662	9,992	9,769

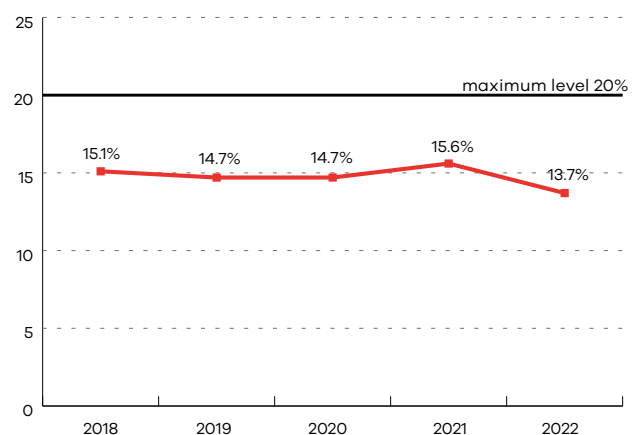
In 2022, 27.3 staff members (in FTE) worked on activities related to acquiring income (2021: 27.6 FTE). Overall the cost of acquiring income ended at a similar level as in 2021, but lower than budgeted. Due to staff shortages in the Face-to-Face agencies, they were not able to deliver the level of activities we aimed for, resulting in lower costs than budgeted. Part of the available budget was used to increase the Internet campaigns. During 2022 we invested more in Direct mail and sent out an extra mailing about

our activities in Ukraine. The total cost of acquiring income from individuals, companies and not-for-profit organisations ended at 13.7% of the income raised. MSF-The Netherlands strives to keep this percentage below 20%. The weight of the various components of the cost of acquiring income and the overall cost effectiveness of the cost of acquiring income are shown below.

COST OF ACQUIRING INCOME
as percentage of total cost of acquiring income



COST OF ACQUIRING INCOME
as a percentage of total income from individuals, companies and not-for-profit organisations



2.6 Management and administration in euro thousands

	<i>Explanatory notes</i>	2022	Budget 2022	2021
Direct costs	<i>note 2.7</i>	2,063	1,606	1,307
Contributions to MSF-International	<i>chapter 7</i>	1,023	1,079	815
Contribution to the MSF Transformational Investment Fund	<i>note 2.7</i>	16	818	6
Costs personnel head office	<i>note 2.7</i>	5,202	5,247	4,292
Attributed overhead costs	<i>note 2.7</i>	1,575	1,955	1,414
Total management and administration		9,879	10,705	7,834

The costs of management and administration amounted to 2.6% of the total expenditures in 2022 (2021: 2.4%) and are explained in more detail in note 2.7. The direct costs exceeded the budgeted costs of Advice mainly, as a result of one-off legal costs concerning convoluted personnel dossiers and related increased Board and Association costs and the costs for external support to review and redesign the function-remuneration framework for the head office. In the budget for 2022 the contribution to the MSF Transformational Investment Fund was fully included in this category. Based on the actual projects

funded, the majority of the expenditure in 2022 was allocated to the category Program support (see 2.3).

The Costs personnel head office developed in line with the budget. Compared to the budget, Attributed overhead costs ended lower. This was mainly the result of an underspending in the ICT department. A table showing the composition of the direct costs and personnel costs of management and administration can be found in chapter 5, Accounting Policies.

2.7 Total expenditure: specification of cost allocation and personnel costs in euro thousands

The total of all costs and the cost allocations over the six principal expenditure destinations reported upon plus the category Overhead are explained on the following pages. In the table on the next page the overhead costs are also specified as a separate expenditure destination: To be attributed overhead. The total costs of the expenditure destinations include the direct costs of the destination, the allocated personnel costs and the attributed overhead costs. First the costs of head office

employees are allocated to the six expenditure destinations and to the category Overhead in proportion of the number of full time equivalents (FTE) employed at head office in those destinations and in the activities included in the category Overhead. Thereafter the total overhead costs are attributed, again according to the proportion of FTE. The principles and policies applied to the allocation of costs per destination are explained further in chapter 5, Accounting Policies.

The total of all costs and the breakdown of the costs is as follows:

Expenditure destination	Spent on Association goals							Total 2022	Budget 2022	Total 2021
	Emergency aid	Grants provided to third parties	Programme support	Information and awareness-raising	Cost of acquiring income	Management and administration	To be attributed Overhead			
Direct costs										
Emergency aid	320,904							320,904	275,100	270,422
Costs joint projects with MSF-sections			371					371	413	359
Costs foreign offices			711					711	752	480
Grants and contributions		2,815	456	235		1,039		4,545	4,366	4,075
Publicity and communications			3	497	5,372			5,872	6,908	6,380
Housing							876	876	635	678
Office and general costs			645	597	1,065	214	166	2,687	2,471	2,035
ICT			653	99	97	6	3,367	4,222	4,700	3,943
Cost of inventory	1,621							1,621	2,100	1,837
Travel and accommodation	111		683	54	84	192	98	1,222	960	278
Advice			463			1,268	69	1,800	909	1,096
Evaluations, assessments and research			264					264	311	154
Head office projects	244		164			210	10	628	1,147	322
Board and Association						173		173	96	95
Depreciation	474				92		1,962	2,528	2,916	2,409
Subtotal direct costs	323,354	2,815	4,413	1,482	6,710	3,102	6,548	348,424	303,784	294,563
Allocated costs for head office personnel										
Salaries and social security	2,464	0	15,091	1,191	1,853	4,255	2,169	27,023	26,406	22,058
Pension contributions	232	0	1,421	112	175	401	205	2,546	2,849	2,266
Other personnel costs	316	0	1,936	153	238	546	278	3,467	1,543	2,293
Subtotal all costs	326,366	2,815	22,861	2,938	8,976	8,304	9,200	381,460	334,582	321,180
Allocation of overhead	912	0	5,586	441	686	1,575	-9,200			
Total all costs head office and emergency aid	327,278	2,815	28,447	3,379	9,662	9,879	0	381,460	334,582	321,180

Overhead

The costs of overhead amounted to 2.4% of the total expenditure in 2022 (2021: 2.5%). The costs of overhead increased from € 8,072,672 in 2021 to € 9,199,911 in 2022, but ended well below the budget of € 10,512,755.

The costs of overhead increased in 2022 due to a

combination of higher costs of staff (+4 FTE), ICT, housing, and depreciation. Compared to the budget the costs of the ICT department, head office projects and depreciation ended lower.

2.7a Personnel head office in full time equivalents

In 2022 we employed 12,183 staff in full time equivalents (2021: 11,423) working in emergency aid programmes and at the head office. Personnel posted in emergency aid programmes are charged directly to the emergency aid expenditures. The total number of designated FTE employed in the head office increased in 2022 by 12.0% to 399 with the main increase in the category Programme support.

The associated personnel costs and other personnel information are explained in note 2.1. In this note 2.7a costs of Personnel at head office are explained. In 2022 the average sick leave percentage over the full year ended at 4.5%, 0.1% higher compared to 2021. The percentage remained high compared to the internal standard of 3% as a result of COVID-19 related absences and a number of long sick leaves. Our sick leave percentage remains below the average of the Netherlands.

Personnel head office	2022	Budget 2022	2021
Programme support	242	248	214
Procurement Unit (costs allocated to Emergency aid, see chapter 5)	36	39	32
Information and awareness raising	17	18	14
Fundraising	27	26	28
Management and administration	63	63	57
Overhead	32	31	28
Locally recruited staff seconded to head office positions	2	0	1
Emergency aid - (Amsterdam) office staff seconded to emergency aid programmes	-20	-37	-18
Total personnel at head office	399	388	356
Volunteers working at the head office in Amsterdam (# persons)	48	n/a	31
Volunteers working at the head office in Amsterdam (FTE)	9	n/a	9
Gender * (women - men - other)	60% - 39% - 1%	n/a	60% - 40%
Gender senior management * (women - men)	52% - 48%	n/a	54% - 46%
Nationality (Dutch - other)	40% - 60%	n/a	45% - 55%
Average age	43	n/a	43
Employment (full time - part time)	70%-30%	n/a	66% - 34%
Sickness rates	4.5%	< 3.0%	4.4%

*The mandatory binary gender disclosure does not reflect the full scope of the diversity approach of the organisation.

2.7b Remuneration, social security and personnel costs head office

Remuneration policy

Our remuneration policy for the Amsterdam head office personnel is benchmarked with the remuneration of the public sector and the not-for-profit sector in the Netherlands combined. The remuneration reference is the 1st quartile, implying that 75% of staff with a comparable position in the reference sector earn more than staff employed by MSF-The Netherlands. Scaling of employees is based on a function grid. The function-remuneration grid applied by MSF-The Netherlands has 12 scales and features a decreasing growth for management positions, including the Management Team.

Personnel cost head office staff

Under the header Allocated costs for head office personnel, the item Salaries and social security of head office personnel consists exclusively of the gross salaries, taxed reimbursement of expenses and associated social security costs. In 2022 the social security costs amounted to € 3,439,019 (2021: € 2,840,318). The personnel costs measured per full time equivalent increased by 11.0% from € 74,925 in 2021 to € 83,135 in 2022. The cost of recruitment and training and development of head office personnel, canteen costs and the costs of temporary staff are included in the item Other personnel costs.

The total increase of the average costs Personnel head office staff is a combination of the following main factors:

- A general salary increase of 2.3% implemented per 1 January 2022;
- A one-off payment in December 2022 for Personnel at head office as compensation for the high level of inflation, with a one time impact on costs of 2.2%;
- Corrective increases on the lower half of our salary grid (scales 3-6) in line with the Remuneration policy implemented per 1 July 2021. The full year structural impact in 2022 explains an additional estimated 2.5% of the overall increase;
- The number of self employed staff and temporary staff via agencies for positions that could not be filled through our regular recruitment process increased slightly and remained high. The average costs of self employed staff and staff hired through agencies increased and explain another 2.0% of the overall increase;

- Compared to the previous year, more staff worked physically in our Amsterdam office, which resulted in an increase in Other personnel costs estimated at 1.5%.

Pension contributions

As of 1 January 2013, all staff on a Dutch contract are enrolled in a pension scheme with the Premium Pension Institution ASR Doenpensioen (previously called Brand New Day), to which the provisions of the Dutch Pension Act apply. The pension scheme is based on the 3% (staffel) model. The pension premium is fully paid by MSF-The Netherlands to the statutory maximum of 1.875% savings provision and is calculated over 12x the monthly salary plus the holiday allowance. The pension premium is calculated using the minimum allowable deductible for both the retirement and the survivors' pension scheme. MSF-The Netherlands does not pay any pension premium above the fiscal maximum. Included in the pension scheme is a survivors' pension insurance that is indexed at 2%. Pension premiums are recognised in personnel costs when they are due. No future liabilities are expected to arise from these pension schemes.

Personnel contracted on behalf of MSF-sections

During 2022, 67.3 staff in full time equivalents (FTE) (2021: 60.9) were employed on Dutch contract terms but fully expensed to other MSF-sections, of which 39.3 staff in FTE were working abroad. The other 28.0 staff in FTE were mainly working from the Amsterdam office in MSF-International positions. While our remuneration policies apply, costs and FTE are fully reported in the financial statements of each staff member's respective hiring MSF-section. The costs of these staff members are reimbursed by the other MSF-sections based on actual salary costs. In 2022 the total reimbursed costs amounted to € 4,322,416 (2021: € 3,753,719). For a small number of staff we receive a contribution for Overhead costs. These are reported in note 2.12: Other income.

2.7c Employment and remuneration of the Directors in euro

General Director

MSF-The Netherlands has a titular General Director that carries end responsibility as delegated by the Board in accordance with the By-laws of the Association. The General Director leads a management team of functional directors. At the end of 2022 the Management Team is comprised of a Director Operations, Medical Director, Director Resources, Staff Director and a Director for the Netherlands.

Directors' remuneration

MSF-The Netherlands applies the Guideline for the Remuneration of Directors of the Dutch charity branch organisation Goede Doelen Nederland as published 11 November 2020 (the Guideline). The Guideline sets criteria for determining the level of responsibility required for executive positions and sets the maximum annual income standards, as well as standards for severance payments to directors.

The remuneration of the General Director and the Management Team is based on the criteria described in the Guideline, resulting in a total score of 610 points out of

the total possible of 645. In the management model of MSF-The Netherlands the General Director is rated at 92% (561 points) while each member of the Management Team is rated 80% (488 points), with € 173,960 (group J) and € 144,600 (group I) maximum salaries respectively and as applicable from 1 July 2022. Pension contributions and employer's costs are not included in these salary figures. The function-remuneration grid of MSF-The Netherlands results in all of its directors' salaries under the maximum allowable in the Guideline. MSF-The Netherlands does not pay any pension premium on the salary above the fiscal maximum of € 114,866 (2022).

In 2022, 1.2 FTE was used for the position of General Director (2021: 1.2 FTE). In 2022 an estimated total of € 165,762 (2021: € 182,322) was spent on the general director's remuneration. The annual, full year, gross salary including holiday allowance agreed with the General Director a.i., Vickie Hawkins is £ 103,927 (per 1-10-2022). In the table below the employment contract and the remuneration of the General Director and the members of the management team are specified:

Employment		Employment period in 2022	Type of contract	End of current assignment
General Director				
Florine Clomegah-Freitas	General Director	01/01 - 30/11	fixed term	30/11/2022
Vickie Hawkins	General Director	10/10 - 31/12	MSF-UK	09-04-24
Management team				
Oliver Behn	Director Operations	01/01 - 31/12	indefinite	31-05-25
Akke Boere	Director Operations a.i.	01/01 - 31/12	indefinite	31-03-23
Bern-Thomas Nyang'Wa	Medical Director	01/01 - 31/12	MSF-UK	07-02-24
Mihaela Ionasc	Staff Director	01/01 - 31/12	indefinite	15-04-24
Liz Root	Director Resources	03/01 - 31/12	fixed term	02-01-25
Judith Sargentini	Director for the Netherlands	01/01 - 31/12	fixed term	30-11-23

	Remuneration			Other employment costs			
	Gross per year excluding holiday allowance	Holiday allowance	Salary according to the advisory scheme definition	Pension contributions	Social security costs	Transition allowance	Total salary costs directors 2022
General Director							
Florine Clomegah-Freitas	107,580	6,174	113,754	13,914	12,369	0	140,037
Vickie Hawkins	na	na	na	na	na	0	25,725
Management team							
Oliver Behn	116,646	9,230	125,876	21,023	13,494	0	160,393
Akke Boere	109,328	8,645	117,973	14,941	10,508	0	143,422
Bern-Thomas Nyang'Wa	na	na	na	na	na	0	136,438
Mihaela Ionasc	102,942	8,134	111,076	23,071	10,508	0	144,655
Liz Root	102,942	8,134	111,076	22,894	13,494	0	147,464
Judith Sargentini	90,858	7,167	98,025	14,775	13,494	0	126,294

The General Director and members of the Management Team are all on full time employment contracts (100% labour percentage), which is 40 hours a week. There are no payments made for any other remuneration or other taxable disbursements other than mentioned in the table above. No loans or guarantees and no advance payments were provided to the General Director or any of the Management Team members.

Management team appointments

At the end of the year, the Board of MSF-The Netherlands and Florine Clomegah-Freitas resolved to separate their ways. The employment contract of Florine Clomegah-Freitas ended 30 November 2022. Florine Clomegah-Freitas was released from her formal duties as General Director from 27 February 2022 onward. In the period 27 February 2002 to 15 October 2022, in the absence of the General Director, the Board amplified their direct involvement in the management of the Association.

On 15 October 2022 Vickie Hawkins was appointed as General Director.

As of 1 January 2022, Liz Root has been appointed as Director of Resources, responsible for the management of the departments of Logistics, ICT, Finance and the Program Management Office.

For the larger part of the year 2022, Akke Boere replaced Oliver Behn as Director Operations.

Expatriate tax regulations (Netherlands' 30% ruling) were in 2022 applied to the salary of the General Director Florine Clomegah-Freitas until 31 October 2022. Vickie Hawkins and Bern-Thomas Nyang'wa are employed by MSF-United Kingdom (MSF-UK). Salary costs, contributions to the UK National Insurance and pension contributions are expensed to MSF-The Netherlands. The total amount charged by MSF-UK amounted to € 162,163.

Other information directors

The MSF-The Netherlands policy applying to all directors' positions is that the director is appointed to her or his position for an initial period of three years, with the option of a three years extension.

The following Directors have secondary occupations: Judith Sargentini:

- Board member of ASKV-stichting Vluchteling, Amsterdam
- Board member of Stichting NIODfonds.

Bern-Thomas Nyang'Wa:

- Honorary Clinical Lecturer at the Institute for Global Health, University College London
- Visiting lecturer, School of Medicine, University of Leeds
- Trustee of SECCA-UK.

None of these occupations were remunerated in 2022. The other directors did not have secondary occupations in 2022.

2.7d Board and Association costs and expenses paid to board members

in euro thousands

The Board of the Association MSF-The Netherlands supervises the organisational policies as carried out by the General Director who has been appointed by the Board. With the exception of the president, the board members receive no remuneration for their supervisory

function. The General Assembly is the highest supervisory body of the Association and is held once per year at a minimum. In 2022 the General Assembly convened twice, in April and in June.

The Board and Association costs shown here concern the following:

	2022	Budget 2022	2021
Costs of the Association and General Assembly	69	68	33
Costs of carrying out supervisory responsibilities	65	16	36
Costs MSF-OCA Council (see note 7.2)	34	29	32
Remuneration president Marit van Lenthe (1/1 - 31/03)	68	92	91
Remuneration president Unni Karunakara (1/4 - 10/6)	10	0	0
Remuneration president Tammam Aloudat (11/6 - 31/12)	73	0	0
Remuneration Chair OCA Council Amy Neumann-Volmer	24	0	0
Extraordinary compensation board members	6	0	0
Volunteer allowances board members	6	10	8
Total Board and Association costs and expenses paid to board members	355	215	200

For the time spent in fulfilling the duties concerned with international governance and as chair of the OCA-Council, the MSF-The Netherlands president, Marit van Lenthe, received a salary (including holiday allowance, pension contributions and social security) of € 68,169 for 0.54 FTE (2021: € 91,139 for 0.75 FTE) in compensation. On 1 April 2022, Marit van Lenthe resigned from the Board and her contract was concluded by mutual agreement. In the total remuneration a statutory transition allowance of € 17,299 is included.

In the interim period between 1 April and the annual General Assembly, convened on 11 June 2022, Dr. Unni Karunakara was appointed president from within the Board. He received a gross compensation of € 9,967. In the same period Board member Astrid Madsen stepped up to work on critical Board governance dossiers. An extraordinary payment of € 5,808 was agreed to compensate for the loss of income she incurred during the period.

At the annual General Assembly, Dr. Tammam Aloudat was elected into the Board and appointed president. Tammam Aloudat is engaged on an administrator

contract by MSF-International as he is resident in Switzerland. The total amount of compensation charged by MSF-International amounted to € 72,503 (including employer costs).

With the resignation of Marit van Lenthe, Amy Neumann-Volmer took over the position of chair of the OCA-Council. She received € 23,637 in compensation for the period 1 April 2022 up to 31 December 2022.

The remuneration of Board members is in line with the MSF-The Netherlands statutes and the applicable Standards Accreditation regulation (Normen Erkenningsregeling) and has been last evaluated by the Board remuneration committee in 2020.

In 2022, 13 board members (2021: 10 board members) made use of the expense policy allowing board members to apply for a volunteer allowance of € 100 per month with a maximum of € 1,000 a year to cover small expenses. In 2022 an amount of € 6,500 (2021: € 8,300) was paid as volunteer allowance to these board members. No loans or guarantees and no advance payments were provided to any of the board members.

As at December 31, 2022 the Board of the Association MSF-The Netherlands had 8 board members (2021: 10). The minimum number of board members required according to the statutes of the Association is 7. Information on the composition of the Board, activities of the Board and Association is published in the Board Report for the year at artsenzondergrenzen.nl. In 2022 the Costs of the Association and General Assemblies together with the Cost for carrying out

supervisory duties nearly doubled compared to 2021. On request of the members, on 9 April 2022 an extraordinary general assembly was convened and additional costs for external advice were incurred.

2.7e Auditors' costs in euro thousands

In 2022 Deloitte Accountants BV were our independent auditors. In accordance with our policy no non-audit services were acquired from our independent auditors or associated business units. The audit of institutional donor contracts (2022: 1 contract) and the audit of MSF-The Netherlands' entries for the MSF-International Combined

Accounts are also included in the total fee of Deloitte Accountants BV. Deloitte Accountants BV first engaged as our independent auditors in 2021. Additional costs for starting up for their first year audit were incurred.

The following fees were paid to auditors:

		Allocated to:	2022	Budget 2022	2021
Deloitte audit of the financial statements	Advice - head office		359	360	262
Deloitte additional work prior year	Advice - head office		91	0	0
Deloitte audit contracts institutional donors	Advice - head office		15	15	15
Deloitte confirmation report for grant MSF-section	Advice - head office		10	10	10
Total auditors' costs			475	385	287

INCOME

Overall income for the year increased by € 11.3 million from € 363.1 million in 2021 to € 374.4 million in 2022, while a decrease of € 48.4 million was expected. The fundraising income in most MSF-sections was higher than last year and higher than budgeted, resulting in an increase of grants from MSF-sections of € 8.9 million (see note 2.10). Income from the **National Postcode Lottery** was as expected € 13.5 million (see note 2.9). Income from Institutional donors decreased in line with the expectation

and ended €1.3 million lower than in 2021 (see note 2.11). The income in the Netherlands from individuals, companies and not-for-profit organisations increased by € 7.8 million as shown below. Based on the composition of total income and agreements and contracts made, 74% of total income is considered structural income.

2.8 Income from individuals, companies and not-for-profit organisations in euro thousands

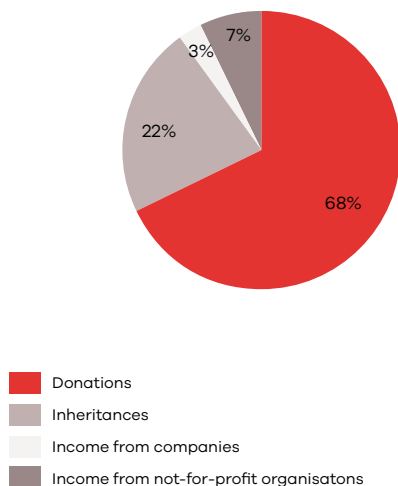
	2022	Budget 2022	2021
Donations	47,659	41,567	44,581
Inheritances	15,651	14,000	13,954
Membership fees from Association members	2	2	2
Income from individuals	63,312	55,569	58,537
Income from companies	2,294	2,000	2,085
Income from not-for-profit organisations	4,873	2,490	2,082
Total income from individuals, companies and not-for-profit organisations	70,479	60,059	62,704

The income from individuals, companies and not-for-profit organisations increased by € 7.8 million from € 62.7 million in 2021 to € 70.5 million in 2022. During the budgeting process we expected that the COVID-19 pandemic would impact our income negatively, but in 2022 our donors remained very loyal and generously supported our work. For our work in Ukraine we received a total of € 2.4 million in earmarked donations which we fully spent in 2022. The income from Inheritances increased by €1.7 million and exceeded the budget by the same amount. Income from companies was fairly stable

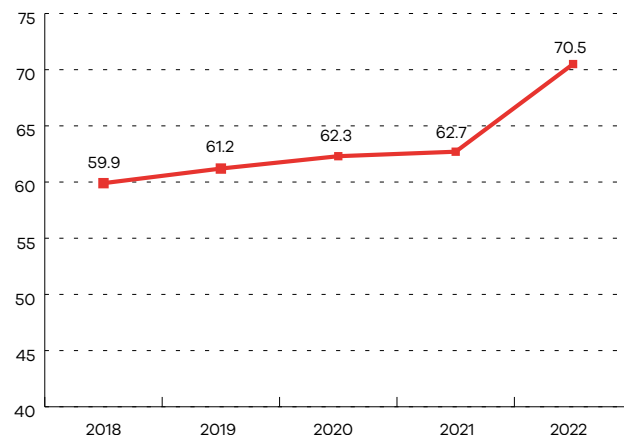
and income from not-for-profit organisations exceeded our expectations with an increase of €2.8 million. This includes a single donation by a foundation of €1.0 million.

The cost of acquiring income in the Netherlands decreased by € 0.1 million and ended at € 9.7 million.

INCOME AS A PERCENTAGE OF TOTAL INCOME FROM INDIVIDUALS, COMPANIES AND NOT-FOR-PROFIT ORGANISATIONS



INCOME FROM INDIVIDUALS, COMPANIES AND NOT-FOR-PROFIT ORGANISATIONS IN EURO MILLIONS



Private donors

In 2022 the number of private donors increased slightly compared to 2021, this was due to recruiting more new donors. The number of private donors with a direct debit mandate decreased, as a result of a higher number of

active cancellations at the end of the year. Compared to the previous year the number of one-time donations increased, due to continued emergency response visibility around the conflict in Ukraine and our intervention in Ter Apel (The Netherlands).

	2022	2021	2020	2019	2018
Number of different private donors giving in the year	452,818	449,816	461,435	442,675	447,195
Private donors recruited in the year	44,532	40,435	49,514	33,750	36,337
Active cancellations	4,371	2,730	3,237	2,864	2,427
Donors with a direct debit mandate	306,535	311,958	312,631	310,118	316,762

Structural income from individuals, companies and not-for-profit organisations

The income from donors with direct debits, donations with a notarial deed and a large part of the income acquired from legacies and inheritances can be considered structural income. Measured over a 5-year period, 2018-2022, an estimate of 74% of income from individuals is considered structural income.

2.8a Earmarked income from individuals, companies and not-for-profit organisations

in euro thousands

(see also note 3.9c: restricted funds)

The earmarked income is specified as follows:

	Receipts in 2022	Expenditures in 2022	Not spent in 2022
Ukraine	2,394	-2,394	0
Congo, Democratic Republic	284	-284	0
Afghanistan	202	-202	0
Yemen	150	-150	0
Ethiopia	139	-139	0
Uzbekistan	100	-100	0
Pakistan	75	-75	0
Nigeria	59	-59	0
Sierra Leone	58	-58	0
Netherlands	49	-49	0
South Sudan	23	-23	0
Mediterranean Sea	17	-17	0
Somalia	9	-9	0
Venezuela	6	-6	0
Mozambique	6	-6	0
Greece	5	-5	0
Others	3	-3	0
Total as at 31 December moved to restricted funds	3,579	-3,579	0

All the earmarked donations received in 2022 were spent in line with the wishes of the donors. Donations for our Emergency Fund have been allocated to Ethiopia.

Donations earmarked for COVID-19 have been allocated to a COVID-19 project in Venezuela.

2.9 Income from the National Postcode Lottery

in euro thousands

	2022	Budget 2022	2021
National Postcode Lottery , regular draw	13,500	13,500	13,500
National Postcode Lottery , extra contribution	0	0	4,000
Total income from the National Postcode Lottery	13,500	13,500	17,500

In 2022 MSF-The Netherlands received a contribution of €13,500,000 from the regular draw of the **National Postcode Lottery**. This is the maximum possible annual contribution to MSF-The Netherlands according to the

five-year agreement that ended at 31 December 2022.

At the end of 2022 the **National Postcode Lottery** awarded MSF-The Netherlands a new five-year agreement that will run until 31 December 2027.

2.10 Grants from MSF-sections in euro thousands

	2022	Budget 2022	2021
MSF-Germany	148,483	119,700	139,281
MSF-USA	52,814	46,200	56,989
MSF-United Kingdom	37,788	32,400	39,185
MSF-Canada	17,128	16,100	14,361
MSF-Hong Kong	10,360	9,400	10,138
MSF-Sweden	9,526	7,700	7,495
MSF-Ireland	4,760	3,700	4,060
MSF-Japan	3,537	2,400	3,188
MSF-Switzerland	734	0	2,698
MSF-Spain	600	0	0
MSF-Belgium	555	0	0
MSF-Poland	365	100	0
MSF-France	45	0	124
MSF-International	40	0	116
MSF-Italy	26	0	10
MSF-Australia	6	0	20
MSF-Norway	3	0	100
MSF-Denmark	3	0	0
MSF-Taiwan	0	0	83
MSF-Austria	0	0	35
MSF-Non allocated	0	839	0
Total grants from MSF-sections	286,773	238,539	277,883

During the 2022 budgeting process a decrease in the grants from MSF-sections was anticipated as it was expected that the ongoing COVID-19 pandemic would negatively impact income. On a monthly basis income projections of all MSF-sections are updated and during the first half of the year we noticed better than expected

income. In the second half of the year the income growth slowed down. The total grants from MSF-sections ended 3.2% higher than last year.

The grants from MSF-sections can be largely considered as structural income (see also note 7.4)

2.11 Grants from institutional donors in euro thousands

	2022	Budget 2022	2021
Canadian government (DFATD, IHA)	2,393	1,941	3,514
Global Fund (GFATM)	669	600	836
Total grants from institutional donors	3,062	2,541	4,350

The project grants from institutional donors refer to the realised portion of the grants awarded that concern activities carried out in the financial year. The decrease in grants from the Canadian government is in line with expectations. The grants from institutional donors are all used to cover operating expenses and are not considered as structural income.

2.12 Other income in euro thousands

	2022	Budget 2022	2021
Other income	557	0	639
Total other income	557	0	639

Other income mainly consists of reimbursements of shared costs for hosting staff from MSF-sections, mainly MSF-International, in the office.

2.13 Net financial income and expenses in euro thousands

	2022	Budget 2022	2021
Realised exchange results from transactions in non-euro currencies	1,563	0	-1,421
Unrealised exchange results from transactions in non-euro currencies	12	0	759
Interest income	234	0	2
Interest costs	-363	0	-364
Total net financial income and expenses (-)	1,446	0	-1,024

In 2022 the realised exchange results were mainly attributed to the difference between exchange rates applied when actual monetary transfers were received by the bank and the rate used to book the grant income from MSF-sections. The unrealised exchange results concern the value dating of the foreign currency bank balances, contract obligations, still to be received monies from institutional donors and MSF-sections, and accounts payable and receivable balances in non-euro currencies. All exchange rate differences recognised are included in the financial income and expenses. It is MSF-The

Netherlands' policy not to make use of financial instruments to control currency risk on various foreign currencies. Towards the end of 2022, interest rates became positive, but overall the balance of the interest income and interest costs was still negative. The amount of interest charged by the banks was kept as low as possible by using the most favourable spread of savings over different accounts at different banks. The development of the amount of interest received over the past five years is shown in note 6.2. MSF-The Netherlands has no contractual obligations on which interest is due.

2.14 Donations in kind in euro

In addition to receiving financial support, MSF-The Netherlands also receives donations in kind and enters into contracts which do not involve payment but goods and services in kind. In particular, these donations in kind concern the delivery of medicines and food and are accepted in project countries to support MSF-The Netherlands' nutrition and health programmes. These donations in kind are not registered in the bookkeeping and are also not recognised in the result as the reliability of the current registration systems is too limited.

Donations in kind for emergency aid

MSF-The Netherlands accepts and registers the use of goods made available by third parties when these would have been purchased in case they had not been made available to the organisation. The best estimate of the total value of these goods received was € 996,616 in 2022 (2021: € 934,889).

DONATIONS IN KIND PER DONOR AND PER CATEGORY	Medical	Non Medical	Total 2022
Danish Refugee Council		4,360	4,360
International Committee of the Red Cross (ICRC)	5,837		5,837
Médecins du Monde	5,542		5,542
Ministries of Health	432,196		432,196
Others	4,121		4,121
Partners in Health (PIH)	3,201		3,201
United Nations (UNDP)	441,293		441,293
United Nations (UNICEF)	34,882	46,831	81,713
United Nations (WHO)	18,353		18,353
Total donations in kind per category	945,425	51,191	996,616

DONATIONS IN KIND PER PROJECT COUNTRY	Total 2022
Bangladesh	17,939
Ethiopia	61,962
India	1,153
Myanmar	424,849
Sierra Leone	4,901
Somalia	1,436
South Sudan	454,627
Tajikistan	11,993
Yemen	17,756
Total donations in kind per country	996,616

In addition the Procurement Unit received one donation in kind for goods related to our response in Ukraine with a purchase value of € 2,861.

Donations in kind head office

In 2022, donations in kind received for the head office mainly concerned pro bono legal and consultancy services.



3 Notes to the Balance Sheet

▲ Five years after the battle of Mosul, Iraq, the healthcare system in the city remains fragile. As a result, thousands of families are still struggling to access quality affordable health care. In Nablus Hospital, MSF provides free maternal and neonatal care to women and their babies. Photo: Elisa Fourt/MSF, January 2022

In line with the planning for 2022, expenditure exceeded income, with the resulting deficit leading to a reduction in reserves to a still robust level of 6.5 months. Further deficit spending is planned in 2023 to maintain our critical emergency aid programmes while anticipating some reductions in income growth following the strong fundraising impetus experienced from the COVID-19 pandemic and the Ukraine conflict.

The total cash position at balance sheet date increased by € 7.0 million. The total receivables position increased slightly and ended at € 61.1 million. Within the receivables position, the receivables from grants from MSF-sections decreased by € 11.2 million while the other receivables components increased by € 11.7 million. The overall stable receivables resulted in a decrease of the relative distribution of receivables compared to payables. As a result of the higher short-term liability position partly offset by the deficit, the overall balance sheet total increased by € 5.2 million. As a result of the planned depreciation the net book value of fixed assets decreased by € 1.7 million. Inventories held for emergency aid decreased by € 0.6 million.

Overall reserves and funds decreased due to the withdrawal of the deficit of € 5.6 million. A transfer of € 26 million from the other reserves to the continuity reserves was required to maintain the continuity reserves at the desired level of 4.5 months of operational expenditure, given the structural growth in our emergency aid programmes. Restricted funds decreased by € 0.1 million as earmarked funds were spent in 2022. Provisions increased to € 3.1 million due to higher obligations from Tax and Social Security review procedures in emergency aid projects. Short-term liabilities increased by 33.4% to € 41.2 million. This was mainly the result of higher payables to MSF-sections.

3.1 Intangible assets in euro thousands

	Software
Purchase value	
Balance as at 1 January 2022	8,772
Purchases	449
Disinvestments	-68
Balance as at 31 December 2022	9,153
Depreciation	
Balance as at 1 January 2022	5,711
Depreciation	1,441
Disinvestments	-68
Balance as at 31 December 2022	7,084
Balance sheet value as at 31 December	2,069

In 2022, a logistics reporting tool and a rostering software to be used in medical facilities in our emergency aid projects were delivered and depreciation commenced accordingly. As at 31 December 2022 no impairment was applied to the intangible assets. The entire intangible assets are used for the realisation of the Association goals.

3.2 Operating assets in euro thousands

	Land	Buildings	Furniture and fixtures	Hardware	Total
Purchase value					
Balance as at 1 January 2022	5,730	17,529	2,289	1,042	26,590
Purchases	0	0	0	365	365
Disinvestments	0	0	0	-484	-484
Balance as at 31 December 2022	5,730	17,529	2,289	923	26,471
Depreciation					
Balance as at 1 January 2022	0	2,415	868	809	4,092
Depreciation	n/a	604	321	161	1,086
Disinvestments	0	0	0	-484	-484
Balance as at 31 December 2022	0	3,019	1,189	486	4,694
Balance sheet value as at 31 December	5,730	14,510	1,100	437	21,777

Land and Buildings are located at Plantage Middenlaan 14-16, Amsterdam, and in use for the offices. The value of the land is recognised according to market value with value reference date 31 December 2017 and as established by an independent valuer. Land is not depreciated. In 2022 no costs for structural maintenance were made. In 2022 €115,500 was added to the provision for maintenance to the building (see chapter 3.10). The purchase of hardware concerns the purchase of laptops to replace items that were disposed of in 2022.

The value of land and the building have been evaluated with value date 31 December 2022. The value for the land has been estimated at € 23,690,000. The value of the building has been estimated at € 16,410,000. Based on this value evaluation no impairment is considered.

To date no value impairment has been recognised for any of the operating assets. The entire operating assets are used for the realisation of the Association goals.

3.3 Stocks for emergency aid in euro thousands

	2022	2021
Medical materials	13,193	14,840
Other materials	3,688	3,025
Transport equipment	732	727
Goods on transport	562	276
Inventory as at 31 December	18,175	18,868
Value adjustment for obsolescence	-670	-790
Net realisable value as at 31 December	17,505	18,078

The majority of the Stocks for emergency aid are held in the Netherlands by the main warehouse at VCK Logistics at Schiphol. The item Goods on transport concerns goods shipped by suppliers under Incoterms, where the risk associated with the shipment is transferred to MSF-The Netherlands, but not received in the warehouse.

Inventory held in pre-clearance in the Netherlands

Included in the inventory on the Balance Sheet are stocks for emergency aid that are ready to ship and are kept in the Netherlands (see also chapter 5, Accounting Policies). The value of the inventory in transit at the warehouse in the Netherlands as at 31 December 2022 amounts to € 4,844,447 (2021: € 5,148,194). The other stocks at the warehouse have not yet been allocated to aid programmes and concern free stocks and emergency supply stocks. The item Other materials consists mainly of emergency housing materials (tents, tools, etc.) and water and sanitation equipment for the emergency aid programmes.

The entire inventory is held for the realisation of the Association goals.

Inventory held in Nairobi, Kenya

During the COVID-19 pandemic part of our orders were directly delivered to our warehouse in Nairobi and from there further distributed to project locations. At 31 December 2022 the value of inventory in Nairobi amounted to € 453,846 (2021: € 431,959). None of the stocks in Nairobi were allocated to aid programmes at balance sheet date.

Adjustment for obsolescence

In 2022, as in previous years, a value adjustment has been made for obsolescence. The estimate for the value adjustment of € 670,187 is based on expiry dates and expected turnover of items held in stock as at 31 December. In 2022 the total write-off was € 1,504,187 of which € 789,641 was provided for in the 2021 accounts. The write off is attributed to the Costs of emergency aid (see 2.1).

Inventory held in emergency projects

In accordance with our accounting policies inventory held in our emergency projects is fully expensed at the time it is shipped to the programme countries. For internal supply management purposes the estimated value of those inventories is recorded. At the end of 2022 the following supplies were held available for immediate use in our emergency aid projects or were on international transport from the warehouse to the project locations.

	2022	2021
Medical supplies available for use	32,060,083	28,479,173
Non - Medical supplies available for use	11,579,041	8,258,891
Goods on International transport	3,559,080	3,057,879

3.4 Grants receivable from MSF-sections in euro thousands

The receivables from MSF-sections throughout the year developed as follows:

	2022	2021
Balance as at 1 January	41,968	22,324
Project grants awarded	287,001	278,038
Project grants received in advance	724	0
Project grants received	-300,329	-257,569
Exchange results on grants received	2,104	-1,116
End of year revaluation of outstanding contract amounts	-712	291
Balance as at 31 December	30,756	41,968

The overall balance of Grants receivable from MSF-sections decreased, as a larger part of the total grants could be transferred before the 31st of December. MSF-USA transferred a small part (<1%) of their 2023 grant in advance. This amount is shown in the item Project grants received in advance. All receivables from

MSF-sections are short-term. The outstanding balance primarily concerns project grants that ended in 2022, 79% of which were received in January and February 2023. Two project grants awarded in 2022 totalling € 405,236 will be spent in 2023.

3.5 Grants receivable from institutional donors in euro thousands

Receivables from institutional grants comprise receivables from both awarded project grants still running and those that have already ended.

Developments of these in the financial year were as follows:

	2022	2021
Balance as at 1 January	1,187	858
Project grants awarded	3,210	4,633
Project grants received	-3,056	-4,402
Exchange results on grants received	157	38
End of year revaluation of outstanding contract amounts	72	60
Balance as at 31 December	1,570	1,187

The receivables are as follows:

Receivables from project grant contracts accounted for in the reporting year	1,084	887
Receivables from project grant contracts running into the next reporting year	486	269
Receivables from project grant contracts running after the next reporting year	0	31
Balance as at 31 December	1,570	1,187

The receivables from institutional donors increased slightly compared to 2022. The balance as at 31 December

2022 includes one multi-year grant from The Global Fund (GFATM).

3.6 Receivables from inheritances in euro thousands

	2022	2021
Receivables from inheritances	13,019	9,542
Balance as at 31 December	13,019	9,542

Receivables from inheritances represent the estimated valuation of the accepted inheritances for which settlement is in progress. As at 31 December 2022 receivables from inheritances include 49 properties (2021:

26 properties) that are held for sale. Included in the receivables is one property, valued at € 531,060 that is rented out and can be classified as long-term.

3.7 Other receivables and accrued income in euro thousands

	2022	2021
Other receivables from MSF-sections	10,962	3,989
Prepayments and accrued income	4,509	3,714
Taxes and social security contributions to be received	255	149
Debtors	14	0
Balance as at 31 December	15,740	7,852

All Other receivables and accrued income are short-term. All amounts receivable concern the normal course of operations. The increase in other receivables from MSF-sections is due to invoices issued at year end totalling € 7.3 million for quarter three and four of 2022 with regard to our shared emergency aid programmes in Somalia. These invoices were settled in February 2023.

Prepayment and accrued income increased primarily due to higher balances held on payment cards used intensively in emergency settings such as Ukraine in 2022, to credit notes received at year end and to accruals booked at year end. As in 2021, in 2022 no allowance for uncollectable receivables was needed.

3.8 Cash at bank and in hand in euro thousands

	2022	2021
Balance of cash at bank and in hand at head office	31,198	27,564
Balance of cash at bank and in hand at projects	16,037	13,075
Balance of savings accounts at head office	93,193	92,831
Balance as at 31 December	140,428	133,470

MSF-The Netherlands holds its main operating cash management accounts at ABN AMRO and one at ING (NL13 INGB 0000 0040 54) which is used for public fundraising. The main savings accounts held at head office are held in euro at ABN AMRO (84%), Rabobank (7%), ING (6%) and ASN Bank (3%) and are composed of immediately available funds (36%) and short-term

deposits (64%). Despite the negative result of expenditure and income the balance increased. This was mainly caused by the increasing level of short-term liabilities (see 3.12). At 31 December the following short-term euro deposits are included in the balance of savings accounts at head office.

Start date	Amount	Interest rate	Interest at maturity	Maturity date
07-12-22	15,000,000	0.64%	8,679	09-01-23
07-12-22	15,000,000	0.75%	19,110	07-02-23
20-12-22	15,000,000	0.77%	10,759	23-01-23
20-12-22	15,000,000	0.87%	22,167	20-02-23

3.9 Reserves and funds in euro thousands

	Continuity reserves	Other reserves	Restricted funds	Total 2022	Total 2021
Balance as at 1 January	110,000	93,567	676	204,243	163,371
Allocation of the result	26,000	-31,549	-94	-5,643	40,872
Balance as at 31 December	136,000	62,018	582	198,600	204,243

Reserves and funds held by MSF-The Netherlands have been built up over the years by retaining surpluses of income over expenditure. Our reserves aim to maintain a capital structure that enables us to achieve our strategic objectives and daily operational needs, to safeguard our ability to continue as a going concern and to meet our current obligations. Our reserves are quantified to cover working capital needs, provide for a risk based buffer capital, finance operating assets investment, fund sudden emergencies and allow for short-term fluctuations in expenditure or income. For the total of the reserves and funds a maximum of 12 months of total expenditure has been set. At balance sheet date the level of reserves was equivalent to 6.5 months of total

expenditure (2021: 8.0 months) and 70.7% of the reserves were retained in cash at bank and in hand (2021: 65.3%). In line with our reserves policy we aim to keep a flexible liquidity position of current assets (inventory, receivables and cash at bank and in hand).

In accordance with Dutch GAAP Guideline 650 a continuity reserve is maintained next to the other reserves. In line with the intended levels of the continuity reserves at 4.5 months the Board allocated € 26,000,000 from the Other reserves to the Continuity reserves. Within the total of reserves an amount of € 97,125 is considered for unrealised benefits related to legacies encumbered with usufruct.

3.9a Continuity reserves in euro thousands

In accordance with reserves policies that have been agreed between the MSF-sections, the Board set our continuity reserves target at 4.5 months of total operational activities. Our costs of operational activities are the direct emergency aid expenditure including the related supporting activities and the cost of fundraising. Depreciation costs, contributions and one-off items are not included. Payable grants to third parties are short-term liabilities and are also not included. The target amount of the continuity reserves held by MSF-The Netherlands has been set at the average amount of expenditure needed to ensure the unimpeded progress of medical care in our projects and the related supporting activities for a 4.5 month period. We calculate the average amount as the total expenditure over the past

two years (2021 and 2022) plus the budget for the coming year (2023).

A risk based buffer capital provision is included in the continuity reserves calculated at € 46,000,000 corresponding to 12.1% of the total expenditure. The buffer capital is based on our risk management and a quantification and statistical analysis of the possible financial impact if adverse events would occur. The buffer capital included in the continuity reserves determines the lower boundary of the total of reserves.

In line with the intended level of the continuity reserves at 4.5 months the Board allocated € 26,000,000 from the Other reserves to the Continuity reserves.

The Continuity reserve is calculated as follows:

	Expenditure 2021	Expenditure 2022	Budget 2023	4.5-month average
Total expenditure	321,180	381,460	411,528	139,271
Deduct:				
Depreciation costs	2,409	2,528	2,210	893
Contributions	4,075	4,545	5,154	1,722
Target continuity reserves (4.5 months) as at 31 December				136,656
Actual continuity reserves as at 31 December 2022				136,000

3.9b Other reserves

In total an amount of € 31,548,825 was deducted from the Other reserves. Through the allocation of the result an amount of € 5,642,295 was withdrawn from the Other reserves. In addition an amount of € 26,000,000 was transferred directly from the Other reserves to the Continuity reserves (see note 3.9a). Lastly an amount of € 94,100 was removed from the Restricted funds and added to the Other reserves (see note 3.9c).

3.9c Restricted funds in euro thousands

The Restricted funds contain donations that have been earmarked by donors for a specific purpose and which have not yet been spent. Note 2.8a gives an indication of the volume of earmarked monies that were received and spent during the year.

	Unused at year end 2021	Receipts in 2022	Withdrawals in 2022	Unused at year end 2022
Earmarked income from individuals, companies and not-for-profit organisations:				
Earmarked endowment funds	565	0	-94	471
Donation for reserves	111	0	0	111
Balance as at 31 December (see also note 2.8a)	676	0	-94	582

In 2017 an endowment restricted inheritance was received with a value of € 942,000. Starting 2018, 10% of the value of the endowment plus the total interest realised may be spent per calendar year. In the period 2018-2022, an amount of € 471,000 was spent from this endowment.

3.10 Provisions in euro thousands

	2021	Used	Reversals	Additions	Revaluation	2022
Payroll taxes locally recruited staff South Sudan due to currency conversion	838		-11		31	858
Payroll tax assessment Yemen	0			812	-11	801
Litigation procedures Search & Rescue operations	410					410
Severance pay due to employees in view of planned project closures	635	-555		229	4	313
Litigation procedures Myanmar	0			80	-6	74
Litigation procedures Democratic Republic of the Congo	0			40	-1	39
Payroll tax assessment Iraq	41				-3	38
Employment dispute Ethiopia	93	-24	-32			37
Taxation procedures Democratic Republic of the Congo	87	-87		38	-1	37
Employment dispute Democratic Republic of the Congo	23	-23				0
Maintenance building Plantage Middenlaan 14, Amsterdam	260			115		375
Illness and disability of personnel	112	-112		120		120
Balance as at 31 December	2,499	-801	-43	1,434	13	3,102

In the annual plan for 2023 decisions have been made to scale down or close projects in Central African Republic, Democratic Republic of the Congo, Myanmar and Yemen for which provisions have been made. In South Sudan payroll currency conversion from South Sudanese pounds to US dollar is likely leading to additional retrospective statutory obligations for which provisions have been made. This provision can be classified as non-current (longer than one year). During 2022 management has assessed the potential tax obligations for personnel employed in Democratic Republic of the Congo, Iraq and Yemen to have become likely to be realised. The other provisions included here are based on

formal (tax) assessments or litigation notifications received and for which procedures are ongoing and that have been assessed by management.

The provision for illness and disability of personnel is made in view of obligations to continue payment of remuneration (including transition allowances) to personnel who are expected to remain permanently, wholly or partially unable to perform work due to illness or disability on the balance sheet date. The provision for future maintenance of the office building is based on a 20-year maintenance plan.

3.11 Long-term liabilities in euro thousands

	2022	2021
Long-term payable to MSF-sections	0	25
Long-term budgetary commitments institutional donor grants	0	31
Balance as at 31 December	0	56

3.12 Short-term liabilities in euro thousands

	2022	2021
Payables to MSF-sections	15,976	10,995
Taxes to be paid	6,520	3,683
Payables to head office staff and international mobile staff	5,042	4,164
Accounts payable	4,789	4,307
Payables to suppliers in project countries	3,656	2,954
Other liabilities	1,986	2,637
Payables to locally recruited staff employed in the project countries	1,578	1,672
Budgetary commitments (see specification in note 3.12a)	891	446
Grants MSF-sections received in advance	724	0
Balance as at 31 December	41,162	30,858

The increase in payables to other MSF-sections is primarily due to invoices received at year end from MSF-Belgium with regard to our shared costs for emergency aid programmes in Afghanistan. The Payables to MSF-sections are expected to be settled within the first quarter of 2022. No interest or securities are applied. The increase in the item Taxes to be paid is the result of a higher balance of Taxes and Social security premiums payable at year end in the project countries.

The item Payables to head office staff and international mobile staff primarily concerns accruals for unused leave days, the accrual for leave pay and pension premiums payable. Included in this item are transition and severance payments due to personnel for which agreements were entered into at balance sheet date. Complexity of banking regulations led to an increase in Payables to head office staff and internationally mobile staff which led to an accumulated higher balance of salaries payable at year end.

The item Payables to locally recruited staff employed in the project countries includes payable net salary and accrual of unused leave days. The item Other Liabilities decreased as a result of a lower number of year-end accruals in project countries.

MSF-USA transferred a small part (<1%) of their 2023 grant in advance. This amount is shown in the item Grants MSF-sections received in advance.

Budgetary commitments are commitments arising from awarded project grants for which the total eligible costs in or up to 2022 are lower than the total grant awarded. The balance concerns the portion of the project grants that have yet to be implemented by MSF-The Netherlands. The increase is mainly caused by a multi-year grant from The Global Fund (GFATM).

All Short-term liabilities are expected to be paid within one year.

3.12a Movement in budgetary commitments in euro thousands

The item Budgetary commitments developed in the year as follows:

	2022	2021
Balance as at 1 January	446	22
Listed under long-term liabilities as at 1 January	31	0
Project grants awarded by MSF-sections in this financial year (see also note 3.4)	287,001	278,038
Project grants awarded by institutional donors in this financial year (see also note 3.5)	3,210	4,633
End of year revaluation of outstanding contracts	37	17
Subtotal project grants awarded	290,725	282,710
Project grants realized from MSF-sections (see also note 2.10)	-286,773	-277,883
Project grants realized from institutional donors (see also note 2.11)	-3,062	-4,350
Subtotal project grants realised	-289,835	-282,233
Non-allocated project grants	0	0
Listed under long-term liabilities as at 31 December	0	-31
Balance as at 31 December	890	446

The budgetary commitments at the end of the 2022 financial year refer entirely to the implementation of projects in 2023 and are thus short-term commitments. There are no long term budgetary commitments at the end of 2022, as specified under note 3.11, long-term liabilities.

3.13 Commitments and contingencies not included in the Balance Sheet

Office rent agreements

At the end of 2020, MSF-The Netherlands signed a new, nine-year contract for the rental of the MSF-India office, beginning 1 January 2021. The total commitment remaining from this rental agreement is € 1,784,895 for the period 2023-2029. Of this amount € 218,419 refers to 2023, € 1,013,602 to the years 2024-2027 and the remaining amount of € 552,874 to the years 2028-2029.

Lease agreements in project countries

The value of the 125 lease contract contracts held in project countries for a period of greater than 12 months as of 1 January 2023 is € 8,708,569 at balance sheet date. This amount does not include indexation of rent in future years. These lease contracts concern the rental of offices, warehouses, clinics and staff housing. Of this amount, € 3,671,251 refers to 2023, € 4,724,497 to the years 2024-2027 and € 312,821 for 2028-2029.

Litigation

In a number of countries in which MSF-The Netherlands implements projects, litigation procedures are pending. MSF-The Netherlands maintains a litigation register. In these Financial Statements, provisions are made for a total of € 559,747 (2021: € 525,926). Based on legal advice obtained and the provisions made, we do not expect that any further significant financial liabilities will arise out of these procedures. Based on a ruling of the court of appeal for Labour and Social Security in Chad, MSF-The Netherlands has the obligation to pay 632,242,901 Central African Francs (about € 964,000 euro) to a group of former employees. Based on legal advice obtained our assessment is that the ruling is likely to be overturned in an appeal. As a result we have classified this as a contingent liability.

Taxation

In the unstable environments in which we work tax and regulatory legislation is subject to varying interpretations, and changes, that can occur frequently. The relevant local governments or authorities may challenge our interpretation of such legislation as applied to programme activities and the associated transactions. As a result additional taxes, penalties and interest may be assessed. Under these volatile circumstances, fiscal periods for review may remain open for longer periods.

As at 31 December 2022 management believes that its interpretation of the relevant legislation is appropriate. Where management believes it is probable that a position cannot be sustained, an appropriate amount has been accrued for in these financial statements. In these financial statements, provisions are made for a total of € 1,733,792 (2021: € 966,349). Based on legal and fiscal advice obtained, the provisions made and the disclosures in this note 3.13, we do not expect that any further significant financial liabilities will arise out of our positions taken.



▲ People are waiting to receive healthcare from MSF medical mobile teams. We are providing primary health services to communities living in remote villages in conflict-affected areas between Amhara and Tigray in northern Ethiopia. ©Gabriella Bianchi/MSF, December 2022

The Cash Flow Statement has been prepared according to the direct method in order to provide a clear view of the different flows of funds in the organisation and in particular the cash flows between MSF-The Netherlands and the other MSF-sections.

Cash flow from operating activities

In 2022, MSF-The Netherlands' operating activities resulted in a positive net cash flows of € 8.1 million. The cash flow remained positive despite the shortfall of income compared to expenditure, amounting to a deficit of € 5.6 million. This result is further detailed in the Statement of Expenditure and Income.

The positive cash flow resulted primarily from the increase of € 10.3 million in Short-term liabilities (payables) between 2021 and 2022 balance sheet dates. At the same time, the total receivables position remained stable and ended at € 60.9 million. Within the receivables position, the receivables from grants from MSF-sections decreased by € 11.2 million while the other receivables components increased by € 11.6 million.

Receipts

Receipts from the MSF-sections mainly concern project grants. Receipts from project grants (from MSF-sections and institutional donors) are explained in more detail in note 3.4 and 3.5 of these Financial Statements.

The item Receipts from MSF-sections for monies advanced consists of receipts referring to employees of MSF-The Netherlands who are seconded to another MSF-section, shared costs for any emergency aid projects and advances to other MSF-sections for emergency aid projects.

Payments

Payments made in the project countries hosting emergency aid programs (excluding the Netherlands) totalled € 165.5 million in 2022 (2021: € 136.6 million). While the total expenditure grew, the proportion of payments made in project countries compared to the overall programme expenditure remained nearly identical (2022: 51%; 2021: 50%).

In order of volume, payments to local personnel, subcontracted services and locally purchased medical items are the sources of greatest local expenditure. The payments to MSF-International concern contributions to the MSF-International office and internationally coordinated activities and projects such as the campaign Access to Medicines.

The payments to the MSF-sections mainly concern remuneration for hired-in employees posted to and working in the programme countries and payments for joint projects. Furthermore, the cash flow to our emergency aid project in Afghanistan and Venezuela of € 17.2 million in 2022 (2021: € 13.7 million) is handled entirely through MSF-Belgium and the cash flows to Yemen (only in

2021), Venezuela and South Sudan are partially handled through MSF-Spain (2022: € 1.8 million; 2021: € 5.0 million).

The payments to the purchasing organisations MSF-Supply (Belgium) and MSF-Logistique (France) are included as payments to MSF-sections. Mainly medicines, specialised medical supplies and vehicles are purchased through these organisations which are the procurement centres and storage depots of MSF-Belgium and MSF-France respectively.

As a result of stable payable balances to MSF Supply and MSF-Logistique at year-end, the amount stated in the cash flow is similar to the actual purchase value of € 11.0 million in 2022.

Cash flow from investment and financing activities

In 2022, there were minor cash outflows related to tangible fixed asset investments and no cash flows from financing activities.



▲ Edalat sits by his son's bed in the male inpatient department at our Trauma Centre in Kunduz, Afghanistan. His son, Shafiullah, was injured in a traffic accident and had to undergo a surgical procedure known as internal fixation. On average, our teams in Kunduz perform 40 such procedures every month. ©Nava Jamshidi, November 2022

These Financial Statements have been prepared in accordance with Dutch Accounting Standard 650 for the Reporting of Fundraising Institutions as published by the Dutch Accounting Standards Board (RJ650, Raad voor de Jaarverslaggeving). These Financial Statements are prepared in accordance with the accounting policies as further explained below. The valuation principles and method of determining the result are the same as those used in the previous year.

Assets and liabilities are accounted for at historical costs and unless stated otherwise are shown at the value at which they were acquired or incurred. Expenditure and income are allocated to the period to which they relate and in accordance with the principles below.

Foreign currency and currency translation differences

These Financial Statements are presented in euro, which is the functional and reporting currency of MSF-The Netherlands. Monetary assets and liabilities denominated in foreign currencies are converted to the functional currency based on the closing exchange rates at balance sheet date. Non-monetary assets (inventory) valued at cost in a foreign currency are translated at the exchange rate at the transaction date. Translation differences resulting from settlement and conversion are processed through the Statement of Expenditure and Income in the period that they are realized. Transactions denominated in foreign currencies are translated at the exchange rates prevailing at the transaction date.

Going Concern

The Financial Statements are drawn up on the assumption that the entity is a going concern.

Operational leasing

MSF-The Netherlands has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of, nor incurred by MSF-The Netherlands. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the Statement of Expenditure and Income for the duration of the contract.

Cash flow statement

The Cash Flow Statement has been prepared according to the direct method to provide transparent insight into the flows of funds of MSF-The Netherlands and the MSF-sections. Cash flows denominated in foreign currencies have been translated into euro at the exchange rate prevailing at the transaction date. Exchange differences affecting cash items are shown separately in the cash flow

statement. Interest paid and received are included in cash from operating activities.

Events after the balance sheet date

Events after the balance sheet date that provide further information about the actual situation as at the balance sheet date and appear up to the date of the preparation of the Financial Statements will be adjusted in the financial statements for the current year. Events that do not provide further information about the actual situation as at the balance sheet date will not be adjusted in the financial statements for the current year. In these Financial Statements no events that occurred after the reporting period are included.

5.1 Accounting policies on the valuation of assets and liabilities

Intangible assets

Acquired intangible assets are recognised if they yield measurable economic benefits for the organisation over several years. In these Financial Statements software is recognised as intangible assets. Intangible assets are recognised at historical cost less depreciation. Intangible assets are valued at acquisition cost or at production cost, at most, less depreciation. Operating systems are capitalized as part of the hardware they belong to. Intangible assets are depreciated considering their estimated useful life but not exceeding a five-year period and with a residual value of NIL.

Software is depreciated applying the straight-line method at a rate of 20%.

On the balance sheet date, management assesses and establishes whether intangible assets may be subject to impairment. Impairment losses may lead to additional write-offs that will subsequently be charged to the result of the period. At balance sheet date no impairment of intangible assets was applied.

Tangible fixed assets**Land**

The plot of land forming part of Plantage Middenlaan 14, Amsterdam is valued at actual acquisition price. In these Financial Statements, the actual acquisition price of the plot of land is initially recognised according to market value with value reference date 31 December 2017 and as established by an independent valuator. The value includes non-refundable transaction taxes. The plot of land is in own use and held as an operating asset. Land is not depreciated. Land will be tested for value impairment or value appreciation every three years. The next value evaluation will be as at 31 December 2025.

Building

The building forming part of Plantage Middenlaan 14, Amsterdam, is valued at actual acquisition price, added non-refundable transaction costs and less depreciation. Future investments in the building may be added to the actual cost price. Depreciation is calculated according to the straight-line method based on expected economic life and considering an expected residual value at the end of the useful life.

- The useful life of the building is set at 30 years and with a residual value of NIL.
- The building is depreciated applying the straight-line method at a rate of 3.33% per year.
- The investments made as part of making the building fit for purpose have been added to the actual cost price of the building.
- The depreciation of the useful life of these investments has been aligned with the useful life of the building itself resulting in a depreciation of 3.6% per year applying the straight-line method.
- At balance sheet date, a value impairment evaluation was exercised by management. Considering general developments in the local (Amsterdam) real estate market there were no indications for impairment of the office building.
- The next formal value impairment evaluation will be as at 31 December 2025.

Operating assets

Operating assets comprise of furniture, fixtures and ICT-hardware. Subsequent to initial recognition, operating assets in use are valued at acquisition or production cost less accumulated depreciation and impairment. Depreciation is calculated according to the straight-line method based on expected economic life and considering the expected residual value at the end of the useful life.

- ICT hardware is depreciated applying the straight-line method at a rate of 20%.
- Furniture and fixtures are depreciated applying the straight-line method at a rate of 20%
- At balance sheet date based on market conditions there were no indications for impairment of operating assets.

Impairment

On the balance sheet date, for each (sub) category of assets, management assesses and establishes whether there is objective evidence that a tangible fixed asset or a group of tangible fixed assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the statement of expenditure and income. Impairment losses may lead to additional write-offs that will subsequently be charged to the result of the period.

Fixed assets in use in the project countries

Purchase costs of tangible fixed assets used in the project countries are expensed to project costs. After completion of the projects these assets are generally transferred to the beneficiaries. MSF-The Netherlands does not own any real estate in the countries in which emergency aid projects are carried out.

Assets held for sale

Real estate held for sale is valued at fair value in the current real estate market. The annual property tax value assessment is used as the basis for this valuation. No assets for sale were held at balance sheet date.

Financial Assets

Financial Assets on the balance sheet concern loans and other receivables that are held to maturity. When there is no open market, these financial assets are recognised at the redemption value and, if lower at fair value and subsequently at amortised cost. If the fair value as at balance sheet date is lower than the redemption value, the difference is recognised in the Statement of Expenditure and Income.

No financial assets were held at balance sheet date.

Inventory

Stocks centrally held in the Netherlands are stated at the lower of average historical cost or realisable value. In determining the realisable value, the obsolescence of the inventory is taken into account. The costs of the stocks are expensed to the emergency aid at the time they are shipped to the project countries. The cost price of the stocks is calculated based on average costing while the movement of physical stock is according to the first-in-first-out principle and first-expiry-first-out principle for medicines. The costs incurred to bring the inventories to their current location are included in so far as these can be attributed directly.

An estimated value of the medical stocks held in the project countries is explained in text in the notes to these financial statements under the header Inventory.

Accounts receivable

Receivables are recognised initially at fair value and subsequently measured at amortised cost. When a receivable is uncollectable it is written off against the allowance account for receivables.

Cash at bank and in hand, cash equivalents

Cash at bank and in hand is carried at nominal value. Cash at bank and in hand represents the balances of all accounts held for head office and projects, both in the Netherlands and abroad, and deposits with terms of less than twelve months. Cash and bank balances denominated in foreign currencies are valued at the exchange rates prevailing at year end date. No contracts concerning derivative financial instruments were held at balance sheet date.

Pensions and pension provision

MSF-The Netherlands has several pension schemes to which the provisions of the Dutch Pension Act are applicable. Premiums are paid on a contractual basis. Premiums are recognised as personnel cost when they are due. Contributions due but not yet paid are presented as liabilities. Such pension schemes apply to employees for which the provisions of Dutch labor law apply.

(A) As of 1 January 2013 a pension scheme for employees was entered into with a Premium Pension Institution (PPI). In this pension scheme employees accrue a pension capital by investing the monthly available premium that is fully paid by MSF-The Netherlands. The premium is based on the career average system (*middellood pensioen staffel*) with a maximum build-up of 1.875%. All contributions have been paid in full. The accrued invested pension capital is designated for the purchase of a retirement pension and partner pension at retirement age. Under this pension plan employees by default invest in SRI-funds. Within statutory limitations employees have full freedom to alter their investment profile. The investment risk is fully with the employees. A 2% indexed survivors' pension is part of the pension scheme.

(B) The pension schemes set up for the employees and valid until 31 December 2012 have been based on a career-average plan with conditional indexation. All schemes have been placed with a life insurance company and, in view of the nature of the contracts with the insurer, future obligations are unlikely to arise from these pension schemes. This means that MSF-The Netherlands commitment towards its employees, under the former insurance contract concluded with the life insurance company, are limited to the contributions paid to the insurance company. All contributions and agreed settlements have been recognised in full.

MSF-The Netherlands does not have any pension plan for locally recruited staff in programme countries. At balance sheet date there were no pension provisions.

Reserves

Reserves are divided into continuity reserves held to ensure the unimpeded implementation of emergency aid projects and other reserves. Reserves are held to provide working capital, to finance assets and future investments and to fund (sudden) emergency aid projects. In accordance with policies agreed within the network Médecins Sans Frontières continuity reserves are held at a minimum of 4.5 months of operational expenditures while the total of reserves should not exceed the level of 12 months of operational expenditures. Within the continuity reserves a risk-based buffer capital is provided for.

Restricted funds

Restricted funds are held for donations for which the donor designated the use and which could not be spent in the reporting period or were intended to be spent over a longer period. Donor restricted funds are assessed regularly.

Provisions

Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is likely that an outflow of resources will be required and a reliable estimate can be made. Provisions are measured at the most likely amount that is necessary to settle the obligation as per the balance sheet date. Provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

Provisions have been formed for the liabilities existing on the balance sheet date in respect of the following:

- (A) The planned closure or reorganization of emergency aid projects and the associated severance payments due to personnel.
- (B) Claims resulting from pending disputes and litigations.
- (C) Potential liability of income and payroll taxes in project countries.
- (D) Obligations existing on the balance sheet date to continue payment of remuneration (including transition allowances) to personnel who are expected to remain permanently wholly or partly unable to perform work due to illness or disability on the balance sheet date.
- (E) Maintenance of the office building at Plantage Middenlaan 14-16, 1018 DD Amsterdam. The addition to the provision for future maintenance of the building is formed based on the expected amounts of maintenance as captured in a multi-year maintenance plan.

Management has assessed the time-value of these provisions as not material. As a result, at balance sheet date no discount rate has been applied.

Liabilities

Current and long-term liabilities are recognised initially at fair value subsequently measured at amortised cost price. Unless otherwise stated this usually is the nominal value. Accruals (such as for unused leave days and leave pay) are included and further disclosed in the current and long-term liabilities.

Financial assets and liabilities

Unless explicitly disclosed otherwise, the fair value of the financial assets, receivables, cash and liabilities approximates to the carrying amounts given the mid to short term nature of the claims and that, where necessary, provisions for bad debts are formed.

Commitments and contingencies not included in the Balance Sheet

Commitments and contingencies not included in the Balance Sheet are understood to include:

- Multi-year financial commitments, such as long-term agreements, of which the consideration is exercised in future years;
- Contingent liabilities arising from events up to and including the balance sheet date for which it is not likely that settlement will result in an outflow of funds or of which an amount cannot be reliably established; or,
- Contingent liabilities arising from events up to and including the balance sheet and whose existence depends on uncertain events that may or may not occur in the future.

Eventual risks associated with ongoing procedures are disclosed in the Commitments and contingencies not included in the Balance Sheet.

5.2 Accounting policies on the expenditure and income

In 2022, cost allocation keys and accounting policies have been maintained. The cost allocation keys are consistently applied within the network Médecins Sans Frontières.

Emergency aid costs

Costs of emergency aid relate to the costs of the aid projects undertaken by MSF-The Netherlands. This concerns any on-site costs incurred by the projects, as well as the costs of medical and logistic personnel posted and the costs of relief supplies bought via head office and transported to the projects. The costs of handling the purchase, storage and shipping of relief supplies and costs of the Procurement Unit are attributed to this category. Costs of handling and shipping that cannot be charged directly to the emergency aid projects have been attributed to those based on volume of goods purchased.

Relief supplies purchased through head office are expensed to the projects at the time they are sent to the project country. Supplies delivered to the warehouse and being readied for transport are accounted for as project-related stocks and are included in the Balance Sheet. Outstanding orders for purchases are not included in the accounts. Outstanding orders are internally reported as budget commitments.

Grants provided to third parties

Grants issued to third parties are stated as costs on the awarding date.

Programme support costs

Costs of programme support relate to the costs incurred by head office for the direct support of aid projects managed by MSF-The Netherlands. Relevant costs include costs of departments handling the provision of medical advice, programme administration and the recruitment and posting of staff. The costs of the Operations Director and the Medical Director are included in this category.

For aid projects in a number of countries, programme support activities have been (partly) outsourced to the sections with which MSF-The Netherlands works collaboratively. The costs of the activities outsourced to support the projects directly in MSF-Germany and MSF-UK are reported in chapter 7, Partnerships. These costs are not included in the Statement of Expenses and Income.

Information and awareness raising costs

Costs of information and awareness raising relate to the costs of advocacy within the framework Association goals. The primary purpose of advocacy is to increase the

public's awareness and to bring about a change of attitude and behavior.

The allocation of costs for information and awareness raising and the categories stated below are amongst others based on the following:

- 50% of the costs of the donor periodical *Artsen zonder Grenzen Magazine* goes to information and awareness raising and 50% to the costs of acquiring income (fundraising).

Cost of acquiring income

The cost of acquiring income relates to all costs of activities with the direct or indirect purpose to encourage people and institutions to donate money or time and attention to one or more goals of the Association. Apart from costs that can be attributed directly, the following cost allocations are applied:

- 50% of the costs of the donor periodical *Artsen zonder Grenzen Magazine* have been allocated to fundraising costs and 50% goes to information and awareness raising;
- The bank costs which correspond to specific fundraising activities are included in this category;
- The automation costs related to the registration and communications with (potential) donors are included here as well;
- The costs of acquiring government grants are included in so far as these costs were incurred at head office. This particularly concerns part of the personnel costs incurred in the project administration department.

Management and administration costs

Management and administration costs relate to the costs incurred for directing and managing the organisation. The costs of recruiting personnel to work at the head office and also the costs of performing general financial administration, planning and control, the general legal expenses, as well as the costs of the Board and the Association are included in this category.

Overhead costs relate to the costs of facility support for housing, ICT, general insurances and other office facilities and include depreciation costs, with the exception of the depreciation costs of the donor database which are included in the costs of acquiring income.

The table on the next page describes how the main Management and administration costs are allocated by MSF-The Netherlands.

EXPENDITURES	Management & administration	Overhead	Explanations
Board and Association	100%	-	
General Director, Director Resources, Staff Director, Deputy Director for The Netherlands	100%	-	The Medical Director and Director Operations are attributed to programme support
Heads of department Finance, HRM Services and Director's Office and Finance, Deputy director HRM-Office	100%	-	The Deputy Director HRM-Field is attributed to programme support
Administrative support to all directors and all heads of department	100%	-	
ICT at head office	-	100%	Including integrated services that are delivered to and for emergency aid projects
Housing, facilities and office materials and supplies	-	100%	
Head of department Program Management Office, PMO officer, general costs	100%		Expenses of improvement projects are directly attributed to the relevant category
Head of department Learning & Development	50%	-	Other 50% to programme support
Reporting & Analytics, information management, data privacy and ICT security functions at head office	-	100%	
Project manager Diversity Inclusion and Equity (DEI) at head office		100%	
Control, compliance and internal audit	100%		
Website development and maintenance	-	100%	
Annual report, corporate communication	100%	-	
Bank costs	100%	-	Bank costs directly related to fundraising activities are allocated to cost of acquiring income
Financial administration	100%	-	
Emergency aid projects administration at head office	-	-	To programme support
Head office staff salary and personnel contract administration	100%	-	
Salaries and personnel costs	Pro rata	Pro rata	As much as possible attributed to actual deployment
Depreciation	-	100%	Depreciation for assets deployed in emergency aid projects is indirectly attributed to Emergency aid
General insurances	-	100%	
Audit costs	100%	-	
Costs of settlement and administration of acquired inheritances	-	-	All to costs of acquiring income including their direct legal expenses
Legal Counsel, Legal Officer	50%	-	Other 50% to programme support
Legal (external advice) expenses head office	100%	-	Costs of documents legalisations are directly attributed to Emergency aid
Contribution to general costs MSF-International	100%	-	

Personnel costs, overhead costs and allocation

Personnel costs (salaries, social security contributions, pension premiums, transition allowances etc.) for staff employed in emergency aid programmes and staff employed in the headquarters are presented separately in the notes to the Statement of Expenditure and Income (see 2.1a and 2.7).

Personnel costs at head office are divided over the main expenditure destinations and the Overhead to be attributed in proportion to the number of allotted full-time equivalents (FTE) of personnel at head office. After the allocation of personnel costs, the overhead costs are attributed in the same way to the different destinations. Note 2.7 in these Financial Statements explains the divisions of these costs after the allocation of the personnel costs.

All salaries, wages and social security contributions are charged to the Statement of Expenditure and Income based on the terms of employment when they are due to employees and the tax authorities respectively. For pensions the premium payable during the financial year is charged to the result. See under Pensions above.

Donations

Direct donations from the public, from companies and from not-for-profit organisations are recognised as income upon receipt. Donations and gifts for which the use is designated by the donor (or, in the case of a legacy or bequest, by the donor's will) to specific purposes, or is restricted in time, or is required to be invested and retained rather than expended, are designated "earmarked income". Other income earned from restricted revenues such as interests earned from the investment of restricted funds is also considered as earmarked with the same designation as the original funds, unless otherwise specified by the donor.

Inheritances

Inheritances are recognised at fair value on an accrual basis in the financial year in which the size can be determined with sufficient reliability based on the available documentation relating to an inheritance. Any right of usufruct is taken into account and disclosed. Adjustments to valuations are made on developments and finally at the time of receipt of settlement of the inheritance.

Membership fees from Association members

Membership fees are not obligatory. Any membership fees from members of the Association are accounted for on a cash basis.

Grants from individuals, companies and not-for-profit organisations

Grants from individuals, companies and not-for-profit organisations are recognised as income in the respective sub-categories in the same year as the related project expenditure can be declared to the donor.

Income from lottery organisations

Income from lottery organisations concerns income from the **National Postcode Lottery**. Income from the **National Postcode Lottery** is recognized at the time of the allocation. The proceeds from the **National Postcode Lottery** are based on contracts and on contractually valid financial regulations. Income from the **National Postcode Lottery** that is earmarked for a specific emergency aid programme is accounted for as income for the maximum eligible costs as incurred in the book year.

Grants and income from MSF-sections

Project grants allocated to MSF-The Netherlands and the subsequent budgetary obligations arising from grants from within the network Médecins Sans Frontières are shown in the Balance Sheet from the contract date. These grants are accounted for as income in the Statement of Expenditure and Income for the maximum eligible costs according to the contract and as incurred in the book year.

Grants and income from institutional donors

Project grants from governmental institutions awarded to MSF-The Netherlands and the related budgetary obligations are shown in the Balance Sheet from the contract date. These grants are accounted for as income in the Statement of Expenditure and Income in the same year as the related project costs can be declared to the donor.

Interest income

Interest income is recognised on a pro rata basis.

Donations in kind

Donations in kind received are not recognised as income and/or expenditure. Donations in kind are disclosed for information purposes in the explanatory notes in the Statement of Expenditure and Income as far as they concern goods that are essential to MSF-The Netherlands to be able to execute our aid projects and, had they not been made available to us, would have been purchased. An explanation is given regarding received donations in kind for which a reporting obligation is required. An estimated total of the current purchase price of the received goods is shown in these financial statements. Donations from other MSF-sections are not included in the explanatory notes.

6 Financial Risks



▲ A Rohingya girl, accompanied by her father, is being assessed by an MSF doctor. She travelled from Bangladesh with her mother, an older sister and two young brothers to reunite with her father in Malaysia after being apart for nine years. ©Kit Chan, May 2022

Our operational and fundraising activities result in exposure to a variety of financial risks. MSF-The Netherlands has identified the following financial risks: credit risk, concentration risk, interest rate risk and foreign currency risk. Management policies have been established to identify and monitor these risks, and to set appropriate risk mitigation measures.

MSF-The Netherlands assesses its overall risk appetite to financial risk as risk-averse, avoiding risk and uncertainty. For the foreign currency risk exposure, the risk appetite is cautious to open. We accept that, with working globally, a fair degree of uncertainty may be expected.

Furthermore, financial risk exposure may arise from tax and regulatory legislation, which in the unstable environments in which we work is subject to varying interpretations, and changes, that can occur frequently. In our programmes we accept a minimal, up to cautious, level of risk towards local (tax) laws and regulations. Where management has assessed that it is probable that a position on the interpretation of relevant legislation cannot be sustained, an appropriate amount has been included in the provisions in these Financial Statements.

Financial risk management is carried out in accordance with our treasury policy. The written principles and policies are reviewed annually by the Audit Committee. In our risk management activities non-financial risks are also reviewed; more information on those can be found in our Annual Report and the Board Report.

6.1 Credit and concentration risks in euro thousands

Credit risks are primarily associated with the cash and cash equivalents we hold at financial institutions and to some extent from receivables.

Cash balances held in The Netherlands are held at a minimum of 80% with banks that have a credit risk rating of at least 'A-', as rated by an acknowledged rating agency. In accordance with our treasury policy smaller maximised cash balances are held with banks that have a credit risk rating of BB+ and BBB+. In our projects cash balances are held to an operating minimum. Risk is mitigated by assessment of the available financial institutions and by planning the frequency of cash transfers to our projects in line with payment patterns.

Cash and cash equivalents held in The Netherlands are spread over four banks: ABN AMRO, ASN Bank, ING and Rabobank. Although we aim to avoid significant concentration of our exposure to a single financial institution, currently about 70% (2021: 75%) of our funds

are held at ABN AMRO. As at 31 December 2022 approximately 56% of the shares of ABN AMRO were state owned. The 3-year cash management agreement with ABN AMRO was extended in 2022 and is valid till 31 December 2025.

The development of the savings deposits over a period of five years is shown below. The realised interest per year is also shown. MSF-The Netherlands has no investments and its main savings deposits are held in euro. Consequently there are no investments or exchange results included in this overview. In 2017 the investment policy for MSF-The Netherlands was adopted by the Board. In view of the market conditions it has been decided not to invest at this time.

Savings deposits	2022	2021	2020	2019	2018
Balance as at 1 January	92,831	76,593	58,797	93,532	83,459
Balance as at 31 December	93,193	92,831	76,593	58,797	93,532
Movement during the year	362	16,238	17,796	-34,735	10,073
Costs and income from interest	-129	-362	-26	192	237

Our exposure to institutional donor grants credit risk has remained immaterial as the amount of institutional income was kept at approximately 1% of total income. At the end of 2022 no provisions related to institutional donor grants credit risk were required.

6.2 Interest risks

Interest income is received on the cash balances based on market rates for the corporate sector. In the current market, our intention to safeguard capital preservation and to earn a reasonable interest income using plain instruments that guarantee the principal amount, such as bank deposits and money market fund

investments, cannot be realised. In 2022 bank savings deposits and short term currency deposits were used. The estimated realised interest over a period of five years on the average of the savings deposits as shown in note 6.1 was as follows:

	2022	2021	2020	2019	2018
Percentage of interest received on the average of savings deposits	-0.1%	-0.4%	0.0%	0.3%	0.3%

Towards the end of 2022, interest rates became positive, but overall the balance of the interest income and interest costs was still negative. We expect that interest income for the coming year will develop positively.

6.3 Foreign currency risk in euro thousands

As we operate internationally we work with multiple currencies on a daily basis. Income from MSF-sections is realised in euro, pound sterling, the US dollar, the Canadian dollar, Swedish krona and other currencies and does not necessarily match our expenditure which is largely in euro and the US dollar. These are in turn converted into other currencies as applicable in our project countries. Our foreign currency exposures relate mainly to project funding grants, purchasing of medical goods, and payments that are denominated in currencies other than our functional currency: the euro. The foreign currency risk on our income is furthermore mitigated through the financial agreement within the network Médecins sans Frontières (see note 7.4).

We manage our foreign currency transaction risk from the point of view that the foreign currency incomes largely represent a natural hedge in comparison to our expenditure. Throughout the entirety of 2022, we participated in a cash netting process managed by MSF-International. All payables and receivables between

MSF-sections are reconciled and settled on a monthly basis. MSF-sections receive the currency they require for their activities. Currency transactions via the cash netting system are executed against more favourable rates and better FX-spreads than MSF-sections could achieve individually.

The majority of our income is in euro and in US dollar or US dollar pegged currencies. In 2022, 49.5% (2021: 70.6%) of the expenditure in US dollar was covered by income in the same currency which lessens the impact of foreign currency risk exposure. Foreign currency needed in our project countries is as much as possible purchased centrally while balances are kept to a minimum. In 2022, 40.3% (2021: 43.5%) of the total expenditures were in euro and 28.3% (2021: 25.5%) of the total expenditure was in US dollars. Various other foreign currencies make up the remainder of 31.4% (2021: 31.0%) of the total expenditures. In 2022 MSF-The Netherlands did not use financial instruments to control currency risk on various foreign currencies.

The exchange results over a period of five years compare as follows:

	2022	2021	2020	2019	2018
Realised exchange results from transactions in non-euro currencies	1,563	-1,421	2,413	215	-1,569
Unrealised exchange results from transactions in non-euro currencies	12	759	-2,434	-65	43
Total exchange result from transactions during the year	1,575	-662	-21	150	-1,526

negative amounts represent exchange losses

Foreign currency risk on the balance positions

A sensitivity of 2.5% strengthening or weakening of the euro as at 31 December 2022 against our main contract currencies would have increased (decreased) our end of year result by the amount shown below. The sensitivity of the currency valuation in this overview affects the unrealised exchange results as stated in the table above and takes into account the cash and bank position and the receivable and payable positions. Compared to 2021 the total exposure decreased from € 36.0 million to € 28.0 million. The high receivable in CAD, GBP and SEK and the

inherent currency exchange risk is short-term as it is related to the transfer of the remaining part of the 2022 grants that for 79% were transferred within the first two months of 2023.

The relatively high receivable of the US dollar and the inherent currency exchange risk is short-term. The total cash and bank balance in US dollar remains high as this is a principle currency used in our projects.

Currency	FX balance sheet exposure in currency at 31-12	Exchange rate at 31-12	FX balance sheet exposure in euro at 31-12	Strengthening	Weakening
AUD	-187,224	0.6372	-119,299	-2,982	2,982
CAD	7,144,371	0.6925	4,947,477	123,687	-123,687
CHF	-683,254	1.0155	-693,844	-17,346	17,346
DKK	-369,675	0.1345	-49,721	-1,243	1,243
GBP	9,169,990	1.1275	10,339,164	258,479	-258,479
HKD	-36,403	0.1202	-4,376	-109	109
JPY	69,115,527	0.0071	490,720	12,268	-12,268
NOK	-1,176,648	0.0951	-111,899	-2,797	2,797
PLN	1,708,979	0.2136	365,038	9,126	-9,126
SEK	16,198,984	0.0899	1,456,289	36,407	-36,407
USD	12,134,832	0.9376	11,377,618	284,440	-284,440
ZAR	-100,553	0.0553	-5,561	-139	139
			27,991,606	699,791	-699,791

Foreign currency risk on operational expenses and result

In 2022, exchange rate developments had a considerable impact of about 3.3% on our expenditure on emergency aid. The US dollar, which is the currency with the highest impact on our expenditure, appreciated to the euro resulting in an increase of our expenditure of about € 10.8 million. In 2022, realised income from the MSF-sections and from institutional donors ended approximately € 4.2 million (or 1.5%) higher due to the exchange rate effects. The share of the US dollar accounted for an estimated € 3.5 million of the higher income, the Canadian dollar for € 2.0 million and the Hong Kong dollar for € 0.9 million. The British Pound depreciated against the euro impacting the income negatively (minus € 2.1 million) and the remaining amount (minus € 0.1 million) can be accounted for by a number of currencies (CHF, SEK, NOK) with a smaller contribution to the total income. For the

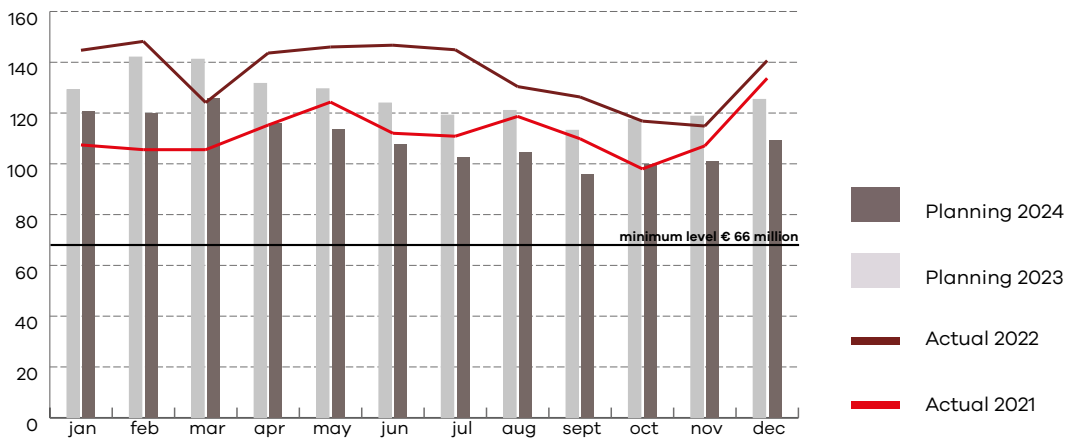
short-term we assume that the main exchange rates will continue to develop in the same directions as they have developed towards the end of 2022. We have taken this as starting point for our budgeting scenarios taking year-end 2022 rates as the basis for our forward financial planning (see Annex 1, Forward statement).

6.4 Income and result sensitivity

Cash Flow and Income sensitivity analysis

We maintain a 2 year rolling forward cash flow to monitor the in and out flow of cash, to prevent liquidity shortages and to assess the sensitivity of our organisation to reductions in income.

CASH FLOW REALISATION AND PLANNING 2021-2024 in euro millions



Early in 2023, we performed a stress test on the sensitivity of our organisation to reductions in income to assess the degree of uncertainty on the financial strength of the organisation. For the stress testing we considered different scenarios including 'as is' with income and expenses levels developing according to the 2022 reference budget, and scenarios with a reduction of income of up to 50%. In applying a reduction of expenses, we count with a conservative estimate of 5 months delay between income reduction and expenses reduction measures taking effect. Based on the stress test and conserving the minimum agreed reserves levels, a

reduction of income by 10% can be absorbed without necessitating adjustments to the expenditure in the first 12 months. Any further reduction in income up to 50%, followed by an equally large reduction in expenses within 5 months, will not lead to a liquidity shortage within 12 months.

In the opinion of the management, developments taking into account more than 10% reduction in income are unlikely scenarios. Evaluating the current development of our income we expect that the 'as is' scenario is the most likely scenario.

Result Sensitivity

The sensitivity analysis illustrates the estimated impact of the various changes and trends on our income, emergency aid expenses and the result, as well as the possible impact of exchange rate and interest development. In the forward financial planning and the budgeting for 2023 this sensitivity analysis is taken into account in the decision making.

Sensitivity analysis	Change	Estimated impact in euro	On	Assumption
Income, total	+/- 5%	+/- 19,7 million	result	Increase in income with no change in planned expenditure
Income, from MSF-sections	- 5%	- 15,6 million	result	Consolidation with some level of uncertainty
Emergency aid expenditure	+/- 5%	+/- 17,5 million	result	No change in income and continuation of trend
USD	+/- 10%	+/- 1,4 million	result	Stable income from MSF-USA, no change in cost base emergency aid
GBP	+/- 10%	+/- 2,8 million	result	Stable income from MSF-UK no change in cost base.
Other operating currencies	+/- 5%	+/- 4,2 million	result	No change in cost base emergency aid
Interest rate	500bp	0,4 million	result	Average interest percentage received increases to 0.4%



7 Partnerships

▲ The medical team on board the MSF medical train discuss the condition of an elderly war-wounded patient during the journey from Pokrovsk in eastern Ukraine, to Lviv in western Ukraine. The journey takes approximately 20 hours. ©Andrii Ovod, May 2022

MSF-The Netherlands is a member of the international network of Médecins Sans Frontières, which is composed of 25 associations. Each of them is an independent legal entity registered in the country where they operate. All MSF-associations are united in the Swiss-based association Médecins Sans Frontières International. The association Médecins Sans Frontières International can make decisions that, in practice, are binding to the individual organisations. The association Médecins Sans Frontières International oversees the organisation's objectives and identity, promotes mutual cooperation, and coordinates the growth of the associated organisations and the sharing and allocation of available resources.

The MSF-associations are linked to six Operational Centres (OC) who directly manage the humanitarian action in the emergency aid projects and decide when, where, and what medical care is needed. MSF-sections are offices that support this work. They mainly recruit staff, organise fundraising, and raise awareness on the humanitarian crises our teams are witnessing. Each MSF-section is linked to an association which defines the strategic direction of the section, and holds the section accountable for its work. Some MSF-sections have opened branch offices to extend this support work further. Currently there are 24 sections and 17 branch offices around the world. Additional satellite offices exist to support logistics, supply and epidemiology. The Association Artsen Zonder Grenzen-The Netherlands is one of the 24 sections.

7.1 Médecins Sans Frontières international network

The association Médecins Sans Frontières International is governed by the International Board, which in turn is supervised by the International General Assembly. MSF-The Netherlands is an institutional member. The association Médecins Sans Frontières International also has private members. More information can be found on www.msf.org/how-are-we-run.

- MSF-The Netherlands appoints two of the 50 institutional delegates of the General Assembly of the Association Médecins Sans Frontières International.

- The annual contribution to the expenditures of the MSF-International office is based on the private income from the previous year. In 2022, MSF-The Netherlands' share was 4.28% (2021: 4.09%) of the total expenditures of the association Médecins Sans Frontières International. In 2022 the contribution totalled € 977,562 (2021: € 746,794).

in euro thousands	2022	2021
Total Expenditure MSF-The Netherlands	381,460	321,180
Total Expenditure MSF-Network	* 2,178,415	1,782,763
MSF-The Netherlands as % of MSF-Network	17.5%	18.0%

(*) The International Combined Accounts are published after the Financial Statements of MSF-The Netherlands. The 2022 total expenditure of the MSF-Network is a best estimate.

7.2 Operational Centre Amsterdam partnership

MSF-The Netherlands works together with the MSF-associations in Canada, Germany, South Asia, Sweden and the United Kingdom in a collaborative partnership. These MSF-sections contribute, each in their own way, actively to the supervisory function, policy setting and to the executive level of the Association MSF-The Netherlands. The collaboration in the Operational Centre Amsterdam (OCA) only concerns the execution and the programme support of emergency aid. There is no formal private organisation constituted.

The OCA is governed by a Memorandum of Understanding that is signed by the Board of MSF-The Netherlands, together with the Boards of the MSF-associations in Germany, Canada, South Asia, Sweden and the United Kingdom. Together they have established a supervisory umbrella organ: the OCA-Council. At 31 December 2022 the OCA-Council had twelve members.

- The president of MSF-The Netherlands is the Chair of the OCA-Council. From 1 April 2022, the president of

MSF-Germany assumed the duties of the Chair temporarily;

- The Board of MSF-The Netherlands delegates two of its members to the OCA-Council. The president of MSF-The Netherlands is one of the delegates. Both are mandated voting members;
- The treasurers of MSF-Germany and MSF-UK plus the treasurer of MSF-Canada and one Board member of MSF-The Netherlands, are members of the Audit Committee that is chaired by the MSF-The Netherlands treasurer;
- The chair of the Audit Committee is a member of the OCA-Council;
- The OCA Council approves the medical and operational strategic plan for the OCA and approves the operational annual plan, including the annual plan of the programme support departments;
- At the executive level, the General Directors of MSF-Germany, MSF-India and MSF-United Kingdom actively participate in the day-to-day management

of the project execution. Together with five members of the MSF-The Netherlands Management Team they form the OCA Management Team. The General Director of MSF-The Netherlands is the chair of the OCA Management Team;

- The management of the MSF-section's office organisations and private fundraising activities are run by the individual MSF-sections.

In the total of MSF-The Netherlands' costs for programme support that are disclosed in note 2.3 of these financial statements, the costs of activities that are carried out by MSF-Germany and MSF-United Kingdom are not included. These costs will be shown in their financial statements. The costs and FTE usage including outsourced activities are as follows:

in euro thousands	2022	2021	FTE 2022	FTE 2021
MSF-The Netherlands programme support costs	28,447	21,796	278	246
Costs outsourced activities MSF-Germany	1,999	2,065	22	25
Costs outsourced activities MSF-United Kingdom	6,686	4,408	42	32
Total programme support costs	37,132	28,269	342	303
<i>(as a % of the total spent on Association goals - policy standard is < 10%)</i>	<i>10.3%</i>	<i>9.3%</i>		

7.3 Contributions

In 2022 MSF-The Netherlands contributed to a number of activities and initiatives of MSF-International. All the contributions are based on the share that is equal to the Income of MSF-The Netherlands as a percentage of the

total income of the network Médecins Sans Frontières. For 2022 the share of MSF-The Netherlands was set at 4.28% (2021: 4.09%).

Contributions in euro	2022	2021
MSF Campaign Access to Essential Medicines	234,769	195,837
MSF Shared IT-Services centre	90,247	68,404
MSF Transformational Investment Fund	426,595	163,404
Drugs for Neglected Diseases initiative (DNDi)	171,200	163,600

In addition MSF-The Netherlands contributed € 2,474,374 (2021: € 2,022,840) to MSF-India. MSF-The Netherlands established MSF-India in 2013 on behalf of MSF-International. MSF-The Netherlands has committed to provide financial support to MSF-India on behalf of MSF-International for the coming years. For 2023 a contribution to MSF-India of € 2,583,000 is included in the budget of MSF-The Netherlands.

7.4 International financial cooperation

Within the network Médecins Sans Frontières a financial agreement has been established for the period 2020-2025. Of the total funds raised and after the deduction of costs for fundraising, offices and the contributions to MSF-International the share of the net-total for MSF-The Netherlands was set at 22.25% for 2022 (2021: 22.75%). In

2023 the share will decrease to 22.10%. The distribution of income flows will be according to the table below. According to the agreement the MSF-USA contribution may vary from year to year in order to balance the allocated income share.

Distribution of net income to MSF-The Netherlands	2020-2025	Contract Currency
MSF-Germany	70%	EUR
MSF-United Kingdom	70%	GBP
MSF-Canada	33%	CAD
MSF-Hong Kong	30%	HKD
MSF-Sweden	20%	SEK
MSF-Japan	5%	JPY
MSF-United States	balancing	USD

Other agreements

- The terms of employment and the remuneration structure for international mobile staff have been aligned to both the ratio of the country of permanent residence cost of living as well as the social security standards.
- All international mobile staff are insured and covered by a worldwide health and disability insurance policy.
- A worldwide Directors and Officers liability insurance has been taken out covering all MSF-entities, including the Ethical Review Board.
- A worldwide medical malpractice liability insurance has been arranged that covers a number of MSF-sections. Based on its operational volume MSF-The Netherlands contributes 33.3% towards the premium of that cover.

7.5 Combined Financial Statements

The cooperation within the international network Médecins Sans Frontières is a continuous and structural partnership, although none of the participating entities can be viewed as a formal principal. Consequently there is no formal obligation to draw up consolidated accounts.

The MSF-network has published Combined Financial Statements since 2003. The Combined Financial Statements 2022 will be published after the publication of

the MSF-The Netherlands Financial Statements. The anticipated publication date is 29 May 2023. The Combined Financial Statements are audited against Swiss GAAP-FER. The Combined Financial Statements for 2021 are accompanied by an unqualified opinion issued by *Ernst & Young Ltd, Geneva*, Switzerland. The Combined Financial Statements can be found on MSFs international website *msf.org*.



8 Other Information

▲ The “Urban Violence” project ensures the provision of primary health care to a population caught in the relentless fighting between armed groups in Haiti’s capital, Port-au-Prince. MSF calls on all parties of the conflict to ensure civilians are spared from the violence and are allowed access to healthcare. ©Johnson Sabin, June 2022

8.1 Signing

The financial statements are prepared by the management of MSF-The Netherlands and have been audited by Deloitte Accountants B.V. (see the independent auditor’s report below). The financial statements were extensively discussed with the auditors by the Audit Committee in the presence of the management in May 2023. On the condition of obtaining an unqualified opinion of the independent auditor the Financial Statements were unanimously adopted by the full Board of the Association MSF-The Netherlands in its meeting of 13 May 2023 . As such, the Board recommends that the General Assembly of Members, in its annual meeting to be held on June 10, 2023, adopt the financial statements.

Amsterdam, 13 May 2023

The Association Board and the General Director



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INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Vereniging Artsen zonder Grenzen

Report on the audit of the financial statements 2022 included in the annual accounts

Our opinion

We have audited the financial statements 2022 of Vereniging Artsen zonder Grenzen, based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Vereniging Artsen zonder Grenzen as at 31 December 2022, and of its result for 2022 in accordance with the Guideline for annual reporting "650 Charity organisations".

The financial statements comprise:

1. The balance sheet as at 31 December 2022.
2. The statement of expenditure and income for 2022.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

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

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud.

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce and Industry in Rotterdam number 24362853. Deloitte Accountants B.V. is a Netherlands affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited.



During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and how the board exercises oversight, as well as the outcomes. We refer to chapter 10 Compliance and Risk of the Board Report 2022 for management's disclosed fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the Code of Conduct and whistle blower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the following fraud risks and performed the following specific procedures:

• **Risk of management override of controls**

Procedures performed relating to management override

Our audit procedures to respond to this fraud risk include, amongst others, an evaluation of relevant internal controls and supplementary substantive audit procedures, including detailed testing of journal entries and post-closing adjustments based on supporting documentation. Data analytics, including selection of journal entries based on risk-based characteristics, form part of our audit approach to address the identified fraud risks.

Furthermore, with regards to manual journal entries relating to field expenses specific substantive audit procedures, including detailed testing of (manual) journal entries based on supporting documentation is performed. Our audit procedures included inspection of the source documentation to assess the validity of the business rationale and substantiation of corroborating evidence testing the occurrence of the related field expenses.

Additionally, we performed further procedures including, among others, the following:

We incorporated elements of unpredictability in our audit, such as attending random selected stock count and an unannounced cash count at the main office in Amsterdam. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives and the board.

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud.



Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in chapter 1 'Presentation of the Financial Statements' of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements.

For significant transactions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

• **Risk that field costs will be incurred for which no performance has been provided**

Procedures performed relating to the occurrence of field costs

Our audit procedures to respond to this fraud risk include, amongst others, an evaluation of the design and implementation of relevant internal controls within the process.

For our substantive procedures, we created homogeneous categories of expenditures. For each of these categories, we defined the work to be performed. Our substantive procedures were aimed to test the occurrence of the expenditures.

• **Risk that payments will be made to the incorrect creditor/bank account**

Procedures performed relating to the accurate payments of field costs

Our audit procedures to respond to this fraud risk include, amongst others, an evaluation of the design and implementation of relevant internal controls within the process.

Similar to the foregoing risk, we created homogeneous categories of expenditures. There is a large variety in type of payments. For each type of payment, we evaluated, based on inspecting supporting documentation, if the payment has been made to the accurate supplier and for the correct amount.

• **Risk of bribery and corruption regarding the use of agents for cash transfers**

Procedures performed regards to the use of agents for cash transfers

Our audit procedures to respond to this fraud risk include, amongst others, an evaluation of the design and implementation of relevant internal controls within the process.

Furthermore, we performed substantive procedures. We categorized the agents in mobile money agents, registered agents and 'other agents'. For all categories we validated that transactions identified are included in the expenses subledgers used elsewhere in the audit. Besides, we obtained an in-depth understanding of the use of agents and pinpointed our risk to the 'other agents' category. Our substantive procedures were aimed to test the accuracy and occurrence of the transactions with the agents.

The performed audit procedures did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to Vereniging Artsen zonder Grenzen through discussion with the Board, reading minutes and reports of internal audit.



We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations:

- Guideline for annual reporting "650 Charity organisations".
- Adherence to (wage) tax and social security laws.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, Vereniging Artsen zonder Grenzen is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the Vereniging Artsen zonder Grenzen business and the complexity of data protection, and environmental laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Vereniging Artsen zonder Grenzen ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Board and others within Vereniging Artsen zonder Grenzen as to whether Vereniging Artsen zonder Grenzen is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

The Board has assessed the going concern assumption, as part of the preparation of the financial statements, and as disclosed in the financial statements (chapter 5 Accounting Policies). The Board believes that no events or conditions give rise to doubt about the ability to continue in operation of at least twelve months after adoption of the financial statements.

We have obtained management's assessment of the entity's ability to continue as going concern and have assessed the going concern assumption applied. In evaluating management's assessment, we considered whether management's assessment includes all relevant information of which we were aware as a result of the audit. We challenged management's considerations and the primary assumptions. We have assessed the budget as part of management's assessment and we have considered the impact of financial, and other conditions.



Furthermore, we inquired management about its knowledge of events or conditions beyond the period of management's assessment that may cast significant doubt on the entity's ability to continue as a going concern.

Based on these procedures, we did not identify any reportable findings related to Vereniging Artsen zonder Grenzen ability to continue as going concern.

Report on the other information included in the annual accounts

The annual accounts contain other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Board Report
- Main Financial Trends 2022
- Financial risks
- Partnerships
- Other information

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information as required by the Guideline for annual reporting "650 Charity organisations".

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

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the other information, including the Board Report, Main financial trends 2022, Financial risks and Other information.

Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting "650 Charity organisations". Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Our responsibilities for the audit of the financial statements

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

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

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

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

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



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

The Hague, May 22, 2023

Deloitte Accountants B.V.

Signed on the original: M.A. van Dreumel



Annex 1 Forward Statement

▲ A pregnant woman arrives by ambulance at the Community Hospital Centre in Bangui, Central African Republic (CAR). Maternal and neonatal health is a major health emergency in CAR. MSF fully rehabilitated the maternity and neonatal wards of the hospital. The brand-new services opened in July 2022.

Photo: Barbara Debout, October 2022

Our Forward Statement of Expenditure and Income is based on the medical and operational ambitions laid out in the OCA Strategic Plan 2020–2023 and the multiyear financial agreement between the section. This agreement has been extended for two years and will now end at 31 December 2025. The forward planning is a rolling forecast that is evaluated and agreed twice every year. As a result projections are adjusted regularly allowing better steering of expenditure, income and reserves and cash flow positions.

By their nature, forward-looking statements relate to future events and circumstances and therefore contain uncertainty. Whereas for a part this is built in, actual results may differ materially from those presented here. Overall, and considering our financial position at the end of 2022, to date, we do not anticipate major changes to the total budget available for emergency aid in 2023. For the future years, the projections reflect our view that income forecasts, based on historical trends, may be conservative. We believe that we will be able to grow our emergency aid activities in line with our strategic ambitions as well as investing in environmental impact improvements and structural adjustments to our global remuneration framework. Nevertheless, the Board and management are closely monitoring the projected development of income and evaluating several measures to maintain the future emergency aid capacity of the association, while ensuring that the reserves for the entity do not fall below 4.5 months of operational expenditure.

The budget for expenditure for Emergency Aid amounts in 2023 to 84.9% of the total budget. In A1.2 the budget for costs on emergency aid per country is shown. As Staff costs represent the biggest category within our total costs we have included the multiyear development of staff numbers in Chapter A1.3.

A1.1 Forward Statement of Expenditure of Income in euro thousands

	Actual 2021	Actual 2022	Reference Budget 2023	Projections 2024	Projections 2025
EXPENDITURE					
<i>Spent on Association goals</i>					
Emergency aid	276,202	327,278	349,579	376,328	402,457
Grants provided to third parties	2,900	2,815	2,755	2,865	2,980
Programme support	21,796	28,447	31,049	33,818	35,171
Information and awareness raising	2,679	3,379	4,435	4,820	5,013
Total spent on Association goals	303,577	361,919	387,818	417,832	445,621
<i>(in % of total income - target is > 85%)</i>	83.6%	96.7%	98.2%	106.2%	107.7%
<i>(in % of total expenditure - target is > 90%)</i>	94.5%	94.9%	94.2%	94.2%	94.3%
Cost of acquiring income	9,769	9,662	11,182	12,196	12,684
<i>(as a % of the total income - target is < 5%)</i>	2.7%	2.6%	2.8%	3.1%	3.1%
Management and administration	7,834	9,879	12,528	13,546	14,088
<i>(in % of total expenditure - target is max 3%)</i>	2.4%	2.6%	3.0%	3.1%	3.0%
Total expenditure	321,180	381,460	411,528	443,574	472,393
<i>(as a % of the total of income)</i>	88.5%	101.9%	104.2%	112.7%	114.1%
INCOME					
Income from individuals, companies and not-for-profit organisations	62,704	70,479	66,500	71,534	74,680
Income from National Postcode Lottery	17,500	13,500	13,500	13,500	13,500
Grants from MSF-sections	277,883	286,773	312,028	305,728	322,986
Grants from institutional donors	4,350	3,062	2,782	2,782	2,782
<i>(as a % of the emergency aid expenses)</i>	1.6%	0.9%	0.8%	0.7%	0.7%
Other income	639	557	0	0	0
Total income	363,076	374,371	394,810	393,544	413,948
Result from operational activities	41,896	-7,089	-16,718	-50,030	-58,445
Net financial income and expenses	-1,024	1,446	0	0	0
RESULT EXPENDITURE AND INCOME	40,872	-5,643	-16,718	-50,030	-58,445

A1.2 Budget emergency aid 2023 in euro thousands

Costs emergency aid per country	Total 2022	Budget 2023
Afghanistan	21,714	21,257
Bangladesh	16,488	18,140
Belarus	1,473	2,234
Central African Republic	15,661	16,582
Chad	12,251	12,539
DRC	20,149	20,123
Ethiopia	12,167	17,374
Haiti	10,037	9,173
India	8,339	9,749
Iraq	4,723	5,120
Jordan	108	0
Kenya	1,230	1,392
Libya	5,586	5,722
Lithuania	1,088	27
Malaysia	3,646	3,553
Mediterranean Sea	8,869	9,353
Myanmar	13,756	12,921
Netherlands	79	0
Nigeria	15,801	15,289
Pakistan	10,978	11,666
Russia	3,980	6,147
Sierra Leone	8,233	8,757
Somalia	9,798	10,949
South Africa	881	10
Sudan	13,621	14,601
Sudan-South	32,808	33,179
Syria	14,133	13,123
Tajikistan	3,587	4,385
Ukraine	7,381	2,041
Uzbekistan	8,852	7,763
Venezuela	4,945	5,316
Yemen	26,854	25,363
Reserved in the budget for unplanned emergency aid projects	0	17,289
	319,216	341,135
Other costs and movements in provisions for emergency aid	2,161	1,570
Procurement unit costs	5,901	6,874
Total emergency aid expenditure	327,278	349,579

The composition of the expenditure for emergency aid in main categories is as follows:

Emergency aid per category	Total 2022	Budget 2023
Purchase of medical items	41,062	36,679
Purchase of non-medical items	28,115	26,816
Subcontracted services	24,500	28,357
Transport	37,846	36,535
General and running costs	21,752	20,360
Miscellaneous and other costs	5,215	3,246
Personnel costs		
Costs international mobile staff posted in projects	41,685	52,343
Costs locally recruited staff	110,425	127,867
Accommodation and transport	13,666	13,748
Costs staff Procurement unit	3,012	3,628
Total emergency aid expenditure	327,278	349,579

A1.3 Development of staffing in full time equivalents

	Actual 2021	Actual 2022	Reference Budget 2023	Projections 2024	Projections 2025
International Mobile mobile staff	749	768	830	863	896
Office staff Amsterdam	356	399	417	434	451
Locally recruited staff in projects	10,318	11,016	12,177	12,664	13,151
Total staff	11,423	12,183	13,424	13,961	14,498

Colophon

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Cover photo: Dr Guadalupe monitors a patient on the “medical train” that evacuates patients from Pokrovsk, eastern Ukraine to Lviv, in western Ukraine. Photo: Andrii Ovod, May 2022