

Financial report 2017
issued to
GPPAC Foundation
at
THE HAGUE

Voor identificatiedoeleinden behorend bij controleverklaring
afgegeven door accon avm controlepraktijk B.V. d.d.

31 JUL 2018


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adviseurs en accountants

GPPAC Foundation,
The Hague (Legal seat in Amsterdam)

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1 Board Report

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1.1 Introduction

In 2017, GPPAC together with our members from all over the world worked hard to prevent violent conflict and to foster peace in our communities as our members face the severe and slow onset of climate change and associated humanitarian crises. GPPAC's work focused on strengthening the capacities of civil society actors to play their part in addressing violent conflicts. We believe a whole of society approach by which all citizens in a society feel they can and should contribute to the establishment of more peaceful societies is necessary. For us, it is vital to keep on working on demystifying prevention as well as explaining how it can be applied in practice. This is why we continued to bring local voices and the expertise of our members to key international arenas. The highlights includes the Mali civil society organisations visit and exchange with the European Union, as well as our gender experts gathering at the United Nations in New York for the 17th anniversary of UNSCR 1325. In Colombia, we worked on a dialogue for peace and in Northeast Asia, we facilitated a civil society dialogue for peace and stability. 2017 also marked the successful completion of our two and a half year project focusing on EU peacebuilding capacities funded by the EU.

1.2 Governance

The GPPAC Board held three meetings throughout the year 2017. Two face-to-face meeting, one held in The Hague and one held in Stockholm. The third meeting was a teleconference meeting.

2017 was the first year under the new management of GPPAC. Priorities were identified at the beginning of the year and for each one them efforts were made. The GPPAC Foundation will continue working to ensure we provide a greater added value to our members and to the larger peacebuilding community. One of our main goals is to connect actors and contribute to articulate collective actions.

The GPPAC International Steering Group (ISG) did not came together in 2017, but convened in June 2018. The GPPAC regional secretariat in South Asia, the Regional Centre for Strategic Studies, in Colombo, Sri Lanka, hosted this event.

1.3 Finances and donor relations

GPPAC closed the financial year 2017 with a positive result of EUR 8,601. GPPAC received financial support from the European Commission, Netherlands Ministry of Foreign Affairs, Institut für Auslandsbeziehungen/Zivik, Swedish International Development Agency (Sida) and Knowledge Platform Security and Rule of Law. The grant from the Austrian Development Agency booked in 2017 is a correction to the amount booked in 2016. This grant was officially closed in the beginning of 2018.

The expenses GPPAC made for the three goals Enabling collaboration, Improving practice and Influencing policy were less than in the previous year. Main reason for this is that the Great Lakes project came to an end in 2016 leading to less available funds for GPPAC.

1.4 Human resources

In 2017, some key staff who had been with the organisation for several years announced that they were moving on into new professional opportunities. At the same time, the funds received by Sida provided us with financial room to strengthen the capacities of the Global Secretariat. In addition to that, the approval of a new project by the UN Peacebuilding Fund to be implemented in Kyrgyzstan posed the challenge to recruit a project manager with a very specific profile. These developments meant that we had to start the recruitment of a number of

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people in a relatively short period of time. Some of the positions were filled by internal candidates while others were recruited externally.

At the end of 2017, GPPAC Global Secretariat had 13 staff employed. Some staff had to undergo medical treatments which led them to be absent for several weeks in 2017 (and extended for some months into 2018). This caused an increase in our sick-leave rate which went from 1.19% to 2.65%, below the average in The Netherlands, which was at 4,2% in 2017 (Source: Central Bureau Statistics).

1.5 Communications

As part of our communication strategy we share and give visibility to our work through participating in online campaigns and amplifying the voices of our members on the ground. Following the trends and developments, the focus of the past year was on the development of more visual content, ranging from infographics to videos and animations.

1.6 Planning, monitoring, evaluation and learning

In 2017 the Prevention up Front Alliance implemented the operational plans of the three civil society Networks of the PuF Alliance. At the local, national and regional levels, the PuF Alliance supported its network members in translating supportive narratives for conflict prevention into realistic practices on the ground. The PME system to capture results achieved by the PuF Alliance, within these complex circumstances was further developed and used to report to the respective donors and internally to the two organisations of the PuF Alliance, GPPAC and WFM-IGP.

1.7 Organisation

In this year of transition and learning, GPPAC got a better grip on the different processes and assessing what changes could be undertaken to improve the overall functioning of the organisation. Regarding network development, efforts were made to strengthen some regional networks and to further develop our network development strategy. It is worth highlighting the transition in the East and Central African network where the regional secretariat moved from the Nairobi Peace Initiative (NPI) to the Centre for Conflict Resolution (CECORE) in Kampala. This is a good example of how regional network structures allow room for new leaderships to emerge while at the same time keeping the wealth and expertise of organisations who contributed to GPPAC's foundation.

During 2017 GPPAC also advanced in terms of its visibility. There was a great number of requests for GPPAC to participate in different events and speak at different forums. Also, there were different requests by the media including some TV interviews in important media outlets. This trend suggests a growing interest in the contribution of GPPAC. However, the way in which we translate this growing visibility into greater ability to influence relevant actors in a strategic way is one of the areas that needs to be further developed in 2018.

Many of the management efforts in 2017 focused on the fundraising front. In this regard, the results were very positive, particularly thanks to the partnership agreement signed with the Swedish International Development Agency (Sida) which will provide core funding to GPPAC for three years (2017, 2018 and 2019). This grant will allow us to strengthen our convening power; enhance our communication capacities to be better able to make the political case for conflict prevention and peacebuilding; empower our working groups and channel local voices to global policy arenas.

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GPPAC's business processes are certified under the International Standard of Organisations 9001:2008 (ISO 9001:2008). The annual audit took place in January 2018 and was concluded successfully. The annual Management Review continues to be a useful instrument to guide the development of the management of the foundation and keep it up-to-date. GPPAC will use the year 2018 for transition towards the new ISO 9001:2015 standard. At the end of 2017, all computers and screens were replaced by new ones. The old equipment was fully written off.

1.8 Activities

The different activities developed by GPPAC throughout the year focused on thematic priorities that includes gender mainstreaming, human security, peace education, and dialogue and mediation and we strive to integrate these thematic perspectives in all our work. This report provides snapshots of what GPPAC does and is not a full account of the work we embarked upon and accomplished in 2017. More detailed information about GPPAC's activities and results can be found in our annual report and on our website www.gppac.org.

Since 2015, GPPAC Northeast Asia has been facilitating a civil society dialogue in the Korean Peninsula, named the "Ulaanbaatar Process". With changes of the administrations in both the U.S. and the Republic of Korea, 2017 was a year of both challenges and opportunities for the region. Amidst this context, our members in Northeast Asia met for the third time on August 29th and 30th, 2017. At this meeting a publication was launched, Reflections on Peace and Security in Northeast Asia - Perspectives from the Ulaanbaatar Process.

In December 2017, the GPPAC Peace Education Working Group met in Armenia with local teachers, principals, educators, students, ministry officials and civil society. This exchange resulted in initiatives for partnerships around curriculum sharing and possible exchanges between institutions and establishments in Armenia and Ghana, Colombia and Iraq.

The lack of sustained security and inclusion of people and communities has contributed to the proliferation of armed non-state groups in several West African states. To complement more immediate government-led responses, GPPAC is, through its West Africa network, developing and implementing longer-term human security based strategies to prevent violent extremism. One such strategy, that was developed through the GPPAC member network West Africa Network of Peacebuilders (WANEP), is the promotion of peace education geared towards preventing violent extremism in partnership with the key regional intergovernmental body ECOWAS. In 2017, WANEP undertook a regional analysis, and developed a regional approach for a peace education curriculum on preventing violent extremism based on it.

In 2017, La Paz Querida and GPPAC launched a project to promote intergenerational dialogues on the building of a culture of peace in Colombia and to empower Colombian youth to participate in influencing policy on a national level. It aims to reconstruct the social fabric in the most conflict-affected regions of Colombia. In March 2017, the 'First International Seminar on Human Security and Transitional Justice' took place in Bogotá. The event was organised by the General Command of the Armed Forces of Colombia and addressed the challenges for the Armed Forces to consolidate a stable and lasting peace in the country. GPPAC brought experience from its global network of hundreds of civil society organisations working on conflict prevention and peacebuilding.

Syria's current civil war and tensions with its neighbours threaten to spark further conflict within and between communities in the region. In April 2017, the Syrian Partnership for the Prevention of Armed Conflict (SyriaPPAC) was created during the workshop 'Peacebuilding in Syria: Early Warning Early Response' in Beirut, Lebanon.

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Together with our gender experts, we continued to support women in peacebuilding, and ensuring that local women's voices were heard by key international actors. In October 2017, our gender experts gathered in New York for the 17th anniversary of UNSCR 1325. We co-hosted an event at the Prevention Platform: "Reflections on the Role of Women in the Prevention of Violent Conflict" to increase meaningful participation of women in conflict prevention and resolution in their local realities.

GPPAC in the South Caucasus held a series of discussions with civil society and media representatives from Georgia and Armenia on how economic integration might help resolve the region's frozen and active conflicts and prevent re-escalation. ICCN launched the project "New re-division and diversification of economic ties in the Region of South Caucasus." As one of the main activities, ICCN has brought together Georgian and Armenian civil society organisations and media representatives to answer questions of confidence building and conflict prevention in the region. The civil society dialogue and resulting policy recommendations contribute to the process of finding a solution for better economic integration and coexistence of the different trade agreements in the South Caucasus.

Through continued engagement and the mobilisation of civil society from the Southeast Asia region some significant steps were achieved in 2017 with the Government of the Philippines and ASEAN. GPPAC was present as an observer during the peace talks meetings held in the Netherlands. GPPAC also met with representatives from NDF, the Philippine government and the Norwegian mediation team, and developed several statements to encourage all parties to resume the currently stalled peace talks. GPPAC in Southeast Asia developed their capacities for regional analysis on the prevention of violent extremism. GPPAC partnered with the Philippine Center for Islam and Democracy and the Office of the Presidential Adviser on the Peace Process of the Philippines among others to organise a regional ASEAN conference on peace and the prevention of violent extremism during the Philippines chairmanship of ASEAN.

As a result of the successful Mali advocacy visit to New York in 2017, the national coordinator of WANEP-Mali, Thera Boubacar, was invited to speak at the High Level Event on Human Security and its Contribution to the 2030 Agenda. In addition to this formal engagement, GPPAC organised a series of meetings with UN organisations, including UN Women. GPPAC also organised an advocacy engagement by researchers and civil society actors from Mali in Brussels and the Netherlands. The EU engagements were linked to the final WOSCAP conference, where EU's conflict prevention and peacebuilding capabilities were assessed.

As part of the GPPAC Strategic Plan, one of our priorities is to ensure to use, disseminate and evaluate the impact of the Handbook on Human Security - a Civil- Military-Police Curriculum. To this end, the Improving Practice working group was set up in 2017, aiming to develop GPPAC training capacities and partnerships within and beyond the network. The working group met in The Hague in October, bringing together civil society trainers that have tried and tested the Handbook on Human Security with those looking to familiarise themselves with its content for future use.

The implementation of the SDGs provides an opportunity to strengthen conflict prevention as an important part of inclusive and sustainable development. GPPAC in 2017 has supported its members in creating a stronger political commitment for inclusive, people centred implementation at local, national, regional and international level. Also, in 2017 we facilitated the presence at and input from members in SDG related events such as the Annual Forum on SDG 16+ in Georgia, which featured government, UN, Rigo representatives as well as civil society from across the world.

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1.9 Budget 2018

The current three grants from the Dutch MFA, Sida and UNPBSO provide a secured income of EUR 3,380,000 for 2018. This is sufficient to cover parts of our regional and global plans as well as the total Global Secretariat office costs. GPPAC remains putting efforts in developing new projects and finding sufficient funding. The budget for 2018 looks as follows:

Income	3,380,000
Expenditures on behalf of the objectives	3,230,000
Costs Management and administration	150,000
Total expenses	3,380,000
Projected result	0

1.10 Future perspectives

GPPAC is half way with the implementation of their strategic plan 2016-2020. The progress of the implementation is being monitored within the network and discussed with our main donors. GPPAC will carry out a mid-term review of its work from 2016 to now using the Outcome Harvesting methodology. The results of this review, available at the end of 2018, will be used to check whether we are at the right track and/or to adjust our programmatic activities where necessary. GPPAC also starts the process to develop the next strategic plan for the period 2021-2025. In June 2018, the International Steering Group approved the planning to come to a new strategic plan. The network members will be closely involved in both processes.

From the financial perspective, the main risk for GPPAC is the changing funding environment and the large dependence on one large donor: the Dutch Ministry of Foreign Affairs. During this year that risk was mitigated by the incorporation of one large partner (Sida) which will provide core support for the organisation until 2019 with good prospects for renewal. While we will work on diversifying our donors portfolio, the main priority for the next two years will be to work towards client satisfaction, ensuring the retention of our two main donors. Also, in order to assess the effectiveness of our efforts, in 2018 we completed an evaluation on our fundraising activities for the period 2012-2017. The conclusions and recommendations of this process were included in our fundraising process. One of the observations was that there is a gradual move away from broad, global grants towards more decentralized, in-region and in-country funding. In that regard, we are articulating consortiums with GPPAC member organisations in different countries and regions in order to bid for specific project calls. This approach has enabled us to tap into a number of project opportunities to bring the expertise of GPPAC into specific national contexts, benefiting both the GPPAC Secretariat and our member organisations.

Finally, GPPAC is dedicated to taking the necessary steps to protect any provided personal data and to comply with the 'General Data Protection Regulation (GDPR)'. By May 2018, new policies were developed and put in place in order to meet the new standards and regulations regarding data protection.

GPPAC Board composition, 31 July 2018,

Sharon Bhagwan Rolls (Chair), Miguel Alvarez (Vice-Chair), Robert Zeldenrust (Vice-Chair); Liesbeth Reekers, Treasurer; Ivana Gajovic, Mariska van Beijnum, Yoshioka Tatsuya.

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2 Financial Report

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2.1 Balance sheet as at December 31, 2017 (after appropriation of the result)

(all amounts in euro)

	December 31, 2017	December 31, 2016
Assets		
Tangible fixed assets		
Equipment	18,474	4,684
	18,474	4,684
Current assets		
Receivables	452,415	485,490
Cash and cash equivalents	1,248,606	544,759
	1,701,021	1,030,249
	1,719,495	1,034,933
Liabilities		
Reserves		
Continuity reserve	114,773	106,278
Short-term reserve	652	546
	115,425	106,824
Short-term liabilities		
Accounts payable	13,214	13,342
Taxes and social security payments	60,967	57,866
Received pre-payments donors	1,260,172	610,465
Accruals, provisions and other liabilities	269,717	246,436
	1,604,070	928,109
	1,719,495	1,034,933

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2.2 Statement of income and expenditure for the year 2017

(all amounts in euro)

	Realisation 2017	Budget 2017	Realisation 2016
Income			
Grants from governments and others	2,942,756	2,970,000	3,373,072
Income other than grants	9,118	0	14,550
Sum of income	2,951,874	2,970,000	3,387,622
Expenses			
Expenditure on behalf of the objective			
Enabling collaboration	1,280,180	1,300,000	1,350,433
Improving practice	1,016,925	1,000,000	1,158,451
Influencing policy	469,887	535,000	685,873
Online partnerships	52	0	503
	2,767,044	2,835,000	3,195,260
Expenditure fundraising			
Costs obtaining government grants and others	41,833	45,000	48,104
Management & administration			
Costs management & administration	134,396	140,000	135,386
Sum of expenses	2,943,273	3,020,000	3,378,750
Surplus/deficit	8,601	- 50,000	8,872
Appropriation of result			
Continuity reserve	8,495		13,055
Short-term reserve	106		-4,183
	8,601		8,872

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2.3 Notes to the accounts

2.3.1 Foundation

- The foundation was formed on September 1, 1997 and is statutory domiciled in Amsterdam. As of January 1st, 2011, the Foundation hosting the Global Secretariat of GPPAC has changed its name from European Centre for Conflict Prevention (ECCP) to GPPAC Foundation.
- The objectives of the Foundation are to contribute to the prevention and management of violent conflicts by providing initiatives that seek to provide early warning signals and early actions.
- The main task of GPPAC Foundation is to act as the Global Secretariat of the Global partnership for the Prevention of Armed Conflict (GPPAC), the world-wide civil society-led network to build a new international consensus on peace building and the prevention of violent conflict. The GPPAC program works to strengthen civil society networks for peace and security by linking local, national, regional and global levels of action and effective engagement with governments, the UN system and regional organisations.

2.3.2 Financing of the foundation

- The income of the foundation exists of grants from various donors that support the purpose of the foundation. Most grants are requested on a yearly basis, some of the grants are received for more than one year. At the date of signing of this financial report, various grants have been pledged by donors, others are being discussed and negotiated.
- The foundation has been exploring opportunities for income other than grants by providing trainings and portal-services ("online partnerships"). This resulted in revenues in 2017.
- Based on the before-mentioned reasons the principles of valuation have been based on the continuity of the foundation.

2.3.3 Comparison with prior year

The principles used for valuation and determination of result have remained unchanged compared to the prior year. As of 2017, the costs have been allocated to the objectives of the Strategic plan 2016-2020. The 2016 figures have been re-calculated to these new objectives.

2.3.4 General accounting principles for the preparation of the financial statements

- The financial statements have been prepared in accordance with RJ 640.
- Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.
- Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.
- Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

2.3.5 Principles of determination of result

- Income is accounted for in the year to which it relates. Expenditure is accounted for in the year in which the relevant income is accounted for. Losses are already accounted for as soon as they are foreseeable.
- Operating government grants are included in the profit and loss account in the year to which the subsidized expenses are charged / in which the loss of income is incurred / in which the operating loss has occurred.

2.3.6 Foreign currencies

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date are recorded in the profit and loss account.

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2.4 Notes to the balance sheet as at December 31, 2017

(all amounts in euro)

Tangible fixed assets

ICT and other office equipment

	ICT equipment	Other equipment	Total equipment
Cost price 31 December 2016	28,002	9,038	37,040
Accumulated depreciation 31 December 2016	- 25,455	-6,901	-32,356
Book value 31 December 2016	2,547	2,137	4,684
Investments 2017	17,576	0	17,576
Depreciation 2017	-3,134	- 652	- 3,786
Book value 31 December 2017	16,989	1,485	18,474

Expenses for hardware, software, furniture, fixtures and fittings with a cost prize more than EUR 450 are presented as investments. The yearly depreciation rate is 20 %.

Receivables

Receivables can be divided in grant receivables and other receivables.

Grants receivable can be specified as follows:

	2017	2016
WANEP-ADA project	65,114	12,799
EU Woscap project	172,492	181,938
Dutch Ministry of Foreign Affairs Great lakes project	0	21,158
Knowledge Platform	3,825	0
	<u>241,431</u>	<u>215,895</u>
	=====	=====

Other receivables can be specified as follows:

Accounts receivables	182	56,288
Prepayments	725	-155
Receivables project partners: Strategic Partnership DMFA	189,086	185,582
Receivables projects	0	778
Other receivables	20,991	27,102
	<u>210,984</u>	<u>269,595</u>
	=====	=====
Total receivables	<u>452,415</u>	<u>485,490</u>
	=====	=====

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2.4 Notes to the balance sheet as at December 31, 2017

(all amounts in euro)

Cash and cash equivalents

Cash at banks and in hand are available on demand.

Equity

	2017	2016
	<u> </u>	<u> </u>
Balance as at January 1	106,824	97,952
Result for the financial year	8,601	8,872
Balance at December 31	<u>115,425</u>	<u>106,824</u>
	=====	=====

The positive result for the financial year has been added to the continuity reserve after deducting the earmarked accrued interest (EUR 106) for the Strategic Partnership project. The interest has been added to the short-term reserve with the condition to spend this amount on behalf of the objective before the end of the grant period. All accrued interest concerning the Great Lakes project has been used in 2016 for project related activities.

	2017	2016
	<u> </u>	<u> </u>
<i>Continuity reserve</i>		
Balance as at January 1	106.278	93.223
Appropriation of result	8.495	13.055
Balance at December 31	114.773	106.278

Within the framework of the risk management policy, the Board established a goal of gradually generating a continuity reserve of Euro 250.000.

Short-term reserve

Balance as at January 1	546	4.729
Appropriation of result	106	- 4.183
Balance at December 31	652	546
Balance at December 31	<u>115,425</u>	<u>106.824</u>
	=====	=====

Taxes and social security payments

	2017	2016
	<u> </u>	<u> </u>
Dutch Tax Authority: social security premiums	22,077	20,770
Dutch Tax Authority: VAT	29,757	28,847
ABP: pension premiums	9,133	8,249
	<u>60,967</u>	<u>57,866</u>
	=====	=====

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Received pre-payments donors

Received pre-payments donors relates to the unspent balance at the end of the year of received instalments from our donors.

	2017	2016
MFA The Netherlands (Strategic partnership)	655,644	610,465
Sida	604,528	0
	<u>1,260,172</u>	<u>610,465</u>
	=====	=====

Accrued liabilities

The items yet to be paid can be broken down as follows:

	2017	2016
Audit fee	11,495	6,000
Holiday allowance	26,973	27,417
Holiday leave days	16,793	18,024
Project invoices to be received	205,097	175,934
Various other liabilities	9,359	19,061
	<u>269,717</u>	<u>246,436</u>
	=====	=====

Commitments and receivables not included in the balance sheet

The foundation has an obligation amounting to EUR 57,731 a year under a rental contract for the office in The Hague. The rental contract can be prolonged for a period of one year.

Contracts signed with the service providers Worth-IT and BMP partners are leading to a total annual obligation of EUR 46,690 including 21% VAT.

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2.5 Notes to the statement of income and expenditure for the year 2017

(all amounts in euro)

	2017	2016
	<u> </u>	<u> </u>
Grants from governments and others (appropriated income)		
Austrian Development Agency-WANEP	52,316	38,414
Dutch Ministry of Foreign Affairs MFS 2	0	77,530
Dutch Ministry of Foreign Affairs Great Lakes of Africa	0	691,845
Dutch Ministry of Foreign Affairs Strategic Partnership*	1,892,821	1,789,535
EPLO	0	14,409
European Union WOSCAP*	786,599	732,345
Hague Institute for Global Justice	0	20,795
Knowledge Platform*	9,825	0
OXFAM-WPP	0	8,199
Sida*	133,837	0
Zivik*	67,358	0
	<u> </u>	<u> </u>
*: Grant not officially closed yet by donor	2,942,756	3,373,072
	=====	=====
Income other than grants		
Interest	161	795
Online Partnerships	4,986	6,756
Other revenues	3,971	6,999
	<u> </u>	<u> </u>
	9,118	14,550
	=====	=====

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2.5 Notes to the statement of income and expenditure for the year 2017

(all amounts in euro)

Expenditures on behalf of the objectives

Objectives	Total costs	Project costs	Progr man	Operational progr costs
Enabling collaboration	1,280,180	1,033,441	108,186	138,553
Improving practice	1,016,925	627,159	251,213	138,553
Influencing policy	469,887	232,466	98,868	138,553
Subtotal	2,766,992	1,893,066	458,267	415,659
Online partnerships	52			
Total expenditure on behalf of objectives	2,767,044			
Costs obtaining gov grants and others	41,833			
Costs management and administration	134,396			
Total expenses	2,943,273			

Operational programme costs are costs for communication, PM&E, donor relations and indirect costs, like staff time and other expenses.

The total costs reported by WFM-IGP for 2017 (EUR 713,792) concerning the Strategic Partnership project Prevention Up Front, are for 100% allocated to our objective Enabling collaboration.

The management costs are costs related with the staff at the Global Secretariat including the office costs in The Hague. The total value amounted EUR 1,050,153 in 2017 (2016: EUR 1,125,660). These costs are allocated to the various programmes based on time registration system and the actual personnel and office costs. In the next table an overview of these management costs.

	2017	2016
Expenditure		
Personnel costs	856,271	914,278
Office costs	193,882	211,382
Direct program costs	1,893,120	2,253,090
	<u>2,943,273</u>	<u>3,378,750</u>
	=====	=====

Voor identificatiedoeleinden behorend bij controleverklaring
afgegeven door accountantscontrolepraktijk B.V. d.d.

31 JUL 2018

GPPAC Foundation,
The Hague (Legal seat in Amsterdam)

2.5 Notes to the statement of income and expenditure for the year 2017

(all amounts in euro)

Management costs/ costs Global Secretariat	Realisation 2017	Budget 2017	Realisation 2016
Personnel costs			
Gross salaries	635,734	633,000	687,383
Taxes and social premiums	108,077	100,000	113,439
Pension costs	86,311	85,000	85,160
<i>Subtotal Salary costs</i>	<i>830,122</i>	<i>818,000</i>	<i>885,982</i>
Commuting	19,949	24,000	19,178
Training	5,041	10,000	3,895
Other personnel costs	1,159	3,000	5,223
	856,271	855,000	914,278
Office costs			
Depreciation	3,786	7,000	5,960
Rent office	57,409	58,000	56,916
Office expenses	20,243	30,000	22,647
ICT	45,584	55,000	46,739
Accountancy & consultancy	26,773	26,000	23,391
Other office costs	40,087	55,000	55,729
	193,882	231,000	211,382
	1,050,153	1,086,000	1,125,660

During 2017, the foundation employed an average of 13 fte's (2016:15).

Mr Darynell Rodriguez Torres is the director of the GPPAC Foundation and was appointed on a 100% position by the board as per 1st of November 2016. His gross salary of 2017 amounted EUR 72,675 (in 2016: EUR 11,753). This is including holiday allowance but excluding the employer pension contribution of EUR 10,823 (in 2016: EUR 1,097). No other allowances were paid to him. His total remuneration for 2017 remains below the maximum amount for 2017 of EUR 181,000 according to the Dutch Standards for Remuneration Act.

Voor identificatiedoeleinden behorend bij controleverklaring
afgegeven door accon avm controlepraktijk B.V. d.d.

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31 JUL 2018

 **ACCONAVM**
bedrijfs- en accountants


GPPAC Foundation,
The Hague (Legal seat in Amsterdam)

Apart from reimbursement of expenses, GPPAC Board members do not receive any financial compensation for their assignment.

Name	Function	Period 2017	Financial compensation 2017	Period 2016	Financial compensation 2016
Sharon Bhagwan Rolls	Chair	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Miguel Alvarez	Vice-chair	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Robert Zeldenrust	Vice-chair	1/4-31/12	Not applicable	-	Not applicable
Joris Voorhoeve	Vice-chair	1/1-1/4	Not applicable	1/1-31/12	Not applicable
Liesbeth Reekers	Treasurer	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Ivana Gajovic	Member	1/1-31/12	Not applicable	1/11-31/12	Not applicable
Mariska van Beijnum	Member	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Walter Odhiambo	Member	1/1-30/09	Not applicable	1/1-31/12	Not applicable
Raya Kadyrova	Member	-	Not applicable	1/1-31/10	Not applicable

Voor identificatiedoeleinden behorend bij controleverklaring
afgegeven door accountantsvereniging B.V. d.d.

KA
31 JUL 2018

 accountantsvereniging B.V. d.d.
adviseurs en accountants

2.5 Notes to the statement of income and expenditure for the year 2017

(all amounts in euro)

Depreciation

	2017	2016
	<u> </u>	<u> </u>
Automation	3,134	5,538
Office equipment	652	422
	<u>3,786</u>	<u>5,960</u>
	=====	=====

Housing costs

Housing costs consist of rental costs for the office at Laan van Meerdervoort 70, The Hague.

	2017	2016
	<u> </u>	<u> </u>
Office expenses		
Telephone	4,626	5,419
Office equipment/material	1,101	1,621
Postal charges	603	375
Contributions	4,741	4,313
Other	9,172	10,919
	<u>20,243</u>	<u>22,647</u>
	=====	=====

ICT

45,585	46,739
=====	=====

Accountancy and consultancy costs

Consultancy costs	3,656	4,646
Auditor costs	13,082	11,637
Project audit costs	6,849	4,758
Salary administration costs	3,186	2,350
	<u>26,773</u>	<u>23,391</u>
	=====	=====

Other office costs

Communication/marketing	10,174	18,877
Insurances general	16,787	19,816
Other expenses	13,126	17,036

40,087 55,729

Voor identificatiedoeleinden behorend bij controleverklaring
afgegeven door accountantscontrolepraktijk B.V. d.d.

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31 JUL 2018

GPPAC Foundation,
The Hague (Legal seat in Amsterdam)

The Hague, 31 July 2018

The Board,

Sharon Bhagwan Rolls, Chair
Miguel Alvarez, Vice-Chair
Robert Zeldenrust, Vice-Chair
Liesbeth Reekers, Treasurer
Yoshioka Tatsuya
Ivana Gajovic
Mariska van Beijnum

Voor identificatiedoeleinden behorend bij controleverklaring
afgegeven door accon avm controlepraktijk B.V. d.d.

21 KA
31 JUL 2018

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GPPAC Foundation,
The Hague (Legal seat in Amsterdam)

3 Auditor's report

Voor identificatiedoelinden behorend bij controleverklaring
afgegeven door acco bv controlerakijk B.V. d.d.

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31 JUL 2018

 **acco bv**
adviseurs en accountants



INDEPENDENT AUDITOR'S REPORT

To: the Board of Stichting Global Partnership for the Prevention of Armed Conflict

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2017 INCLUDED IN THE FINANCIAL REPORT

OUR OPINION

We have audited the financial statements 2017 of Stichting Global Partnership for the Prevention of Armed Conflict, based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Global Partnership for the Prevention of Armed Conflict, as at 31 December 2017 and of its result for 2017 in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board and the Dutch WNT (Wet normering bezoldiging toefunctionarissen publieke en semipublieke sector).

The financial statements comprise:

- 1 the balance sheet as at 31 December 2017;
- 2 the statement of income and expenditure for 2017; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

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

We are independent of Stichting Global Partnership for the Prevention of Armed Conflict in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE FINANCIAL REPORT

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

- The board report; and
- Appendix Donor overview 2017.

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

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

Ref.: J.MI.18345

Accon avm controlepraktijk B.V., Plesmanstraat 64, 3905 KZ Veenendaal, PO Box 888, 3900 AW Veenendaal
T: 0318 559 559, F: 0318 559 569, www.acconavm.nl

Accon avm controlepraktijk B.V. (Chamber of Commerce 09114597) forms a part of Stichting acconavm controlepraktijk (Chamber of Commerce 09173535). Our services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. These General Terms and Conditions have been filed at the Arnhem Chamber of Commerce. Our General Terms and Conditions are free of charge and also at www.acconavm.nl available. Visit our website for more information about our services, our people and our ambitions.



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 in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

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 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board and the WNT. 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 company'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 company 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 company'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.

A more detailed description of our responsibilities is set out in the appendix to our report.

Zaltbommel, 31 July 2017
accon avm controlepraktijk B.V.

W.J. Warmerdam MSc RA
Responsible Auditor

Initials for authorizing:



APPENDIX TO OUR AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 2017 OF STICHTING GLOBAL PARTNERSHIP FOR THE PREVENTION OF ARMED CONFLICT

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements, independence requirements and the WNT. Our audit included e.g.:

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


We communicate with those charged with governance ('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 identify during our audit.

GPPAC Foundation,
The Hague (Legal seat in Amsterdam)

4 Appendix

Voor identificatiedoeleinden behorend bij controleverklaring
afgegeven door accountantspraktijk B.V. d.d.

31 JUL 2018²⁶ KA

 **accountantspraktijk B.V. d.d.**
adviseurs en accountants

GPPAC Foundation,
The Hague (Legal seat in Amsterdam)
(all amounts in euro)

Appendix: Donor overview 2017

Name of donor:	Dutch Ministry of Foreign Affairs	Funds allocated 2017:	1,892,821	Installments received 2017:	1,938,000
Donor reference:	Strategic Partnership: act. 27553	Totally allocated:	3,682,356	Installments received in total:	4,338,000
Contract period:	01012016-31122020	Total contract funding:	10,000,000	Installments to receive:	5,662,000
Name of donor:	European Union	Funds allocated 2017:	786,599	Installments received 2017:	796,046
Donor reference:	WOSCAP (Horizon 2020)	Totally allocated:	1,864,089	Installments received in total:	1,691,597
Contract period:	0102015-30112017	Total contract funding:	1,990,116	Installments to receive:	298,519
Name of donor:	Knowledge Platform	Funds allocated 2017:	9,825	Installments received 2017:	6,000
Donor reference:	7702_1.1	Totally allocated:	9,825	Installments received in total:	6,000
Contract period:	01010017-01042018	Total contract funding:	15,000	Installments to receive:	9,000
Name of donor:	Sida	Funds allocated 2017:	133,837	Installments received 2017:	738,365
Donor reference:	11088	Totally allocated:	133,837	Installments received in total:	738,365
Contract period:	01012017-31122019	Total contract funding:	SEK 23,000,000	Installments to receive:	SEK 16,000,000
Name of donor:	Zivik	Funds allocated 2017:	67,358	Installments received 2017:	67,534
Donor reference:	Zivik.P-016A/17	Totally allocated:	67,358	Installments received in total:	67,534
Contract period:	01032017-31122017	Total contract funding:	67,534	Installments to receive:	-176
Name of donor:	WANEP/ADA Mali	Funds allocated 2017:	52,316	Installments received 2017:	0
Donor reference:	Human Security Strategy in Mali	Totally allocated:	327,693	Installments received in total:	262,579
Contract period:	01112013-31122016	Total contract funding:	327,693	Installments to receive:	65,114

Voor identificatiedoeleinden
afgegeven aan de controleverklaring
afgegeven aan de praktijk B.V. d.d.

31 JUL 2018 KA