

**Financial report 2018**

**issued to**

**GPPAC Foundation**

**at**

**THE HAGUE**

*GPPAC Foundation,  
The Hague (Legal seat in Amsterdam)*

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## **1 Board Report**

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## 1.1 Introduction

In 2018, together with our members, we worked hard to prevent violent conflict and to foster peace in our communities. We did so through our work on human security, gender, youth inclusivity and dialogue. We continued to bring local expertise on conflict prevention to the UN through our work with the Civil Society - UN Prevention Platform. Through our work with the Platform, GPPAC is recognised as a go-to resource for connecting with civil society in New York and at country-level.

One particular highlight of 2018 is how GPPAC supported our member from Cameroon to prevent further violence following the Cameroonian presidential election. We also launched our project empowering Kyrgyzstani youth to become agents of change, and bridge social, gender, and ethnic divides. We continued to demystify conflict prevention: It is crucial that conflict prevention becomes more widely known and understood as an effective set of tools and approaches to prevent violence and save lives.

## 1.2 Governance

The GPPAC Board held four meetings throughout the year 2018. Face-to-face meetings were held in June in Colombo, Sri Lanka and in December in The Hague, the Netherlands. Two telephone conferences were held in March and September.

The GPPAC International Steering Group (ISG) 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 2018 with a positive result of EUR 31,567. The main reason for this is that the Dutch Tax authority confirmed that our liabilities concerning some old VAT claims are time-barred. This means that a liability of EUR 27,500 could be written off and added to our continuity reserve.

GPPAC received financial support from the Dutch Ministry of Foreign Affairs, the Swedish International Development Agency (Sida), the United Nations Peacebuilding Fund, ifa (Institut für Auslandsbeziehungen) / zivik, the Knowledge Platform Security & Rule of Law and the European Commission.

## 1.4 Human resources

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 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 2018, GPPAC Global Secretariat had 14 staff employed. Some staff had to undergo medical treatments which led them to be absent for several weeks in 2018. This caused an increase in our sick-leave rate that went from 2.65 % to 4%. This percentage is still below the average in The Netherlands, which was at 4,3% in 2018 (Source: Central Bureau Statistics).

## 1.5 Communications

During 2018, the communications strategy focused on increasing GPPAC's visibility and outreach. Special attention was given to the development of engaging content that facilitates the dissemination of GPPAC's work.

Personal stories of practitioners and conflict-affected persons were highlighted, which allowed us to communicate more clearly the human aspect of our work and increase the impact of our communication.

One highlight is our first-ever podcast series, The Peace Corner, which we launched in 2018. The premise of our podcast is a personal one. With each episode, we talk to a different peacebuilder, working in a different region, telling a different story. By offering unique perspectives on a spectrum of issues, The Peace Corner engages, challenges, and opens your ears to the many courageous voices making peace possible.

Another new project we launched in 2018, was engaging freelance press officers to increase the visibility of peacebuilding locally through news outlets. We piloted the project in the Middle East and North Africa (MENA) and the Caucasus. We will continue with this in 2019, focusing on other regions.

In 2018, we also increased our online presence. This is both the case for our website as well as GPPAC social media platforms. In all the communications channels there was an increase in engagement and visits, which was most significant on our website. From 2017 to 2018, there was an increase in website visitors of 190%. Our Twitter followers increased by 18% and in 2018 we had 15,084 followers on Facebook (an increase of 7%).

## 1.6 Planning, monitoring, evaluation and learning

In 2018, halfway through our current strategic planning period, GPPAC assigned the execution of a mid-term review to an external evaluator. This Outcome Harvesting Mid-Term Evaluation of GPPAC's 2016-2020 Strategic Plan aims to look at how the results of GPPAC's different projects contributed to its strategic objectives. This includes the 'Prevention Up Front' strategic partnership with WFM-IGP and the Dutch Ministry of Foreign Affairs, as this is one of the main pillars of the implementation of GPPAC's Strategic Plan. It looks at other projects, regions, and results as well. A first report of the findings and conclusions was presented by the evaluator to the Dutch Ministry in March 2019. The final report is expected to be ready in May 2019.

## 1.7 Organisation

On the organisational front, 2018 marked the start of clarifying a number of issues related to our network governance and rethinking the role of the global secretariat. During its meeting in June 2018, the Board of the GPPAC Foundation agreed to start a process to rethink the structures of the Global Secretariat. The process focuses on management structures in order to address challenges that have occurred in terms of operational management and the overall workload of the Global Secretariat. This process will continue throughout 2019.

GPPAC received the new Quality Accreditation ISO 9001:20015. This accreditation stands as proof that our processes are in order and work is delivered with high-quality standards. 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.

## 1.8 Activities

The different activities developed by GPPAC throughout the year focused on thematic priorities that include gender mainstreaming, human security, peace education, and dialogue and mediation. We strive to integrate these thematic perspectives into 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 2018. For more information about our work, please visit our website.

At the beginning of 2018, we launched our project 'Cameras in Hands' in Kyrgyzstan, empowering Kyrgyzstani youth to become agents of change, and bridge social, gender, and ethnic divides. Together with our member, Foundation for Tolerance International (FTI), we were awarded a grant from the UN Peacebuilding Fund for youth empowerment.

The project started in four regions of Kyrgyzstan. This project is unique due to the innovative use of the participatory video methodology in peacebuilding. It is an empowering tool which contributes to conflict prevention by creating spaces for dialogue and reconciliation, and increasing understanding and acceptance of "the other." Since the beginning of the project, FTI has introduced the participatory video methodology in a series of training sessions for 128 children and 32 teachers in 16 schools. School children were trained to produce videos portraying the social problems in their communities - such as gender inequality, divisions in the society and fights, security concerns or border tensions. The FTI staff was trained in the methodology by one of its creators, Clive Robertson from the Real Time Video (UK) and GPPAC member Middle East Nonviolence and Democracy (MEND) from Palestine, who are experienced in using it in Palestinian communities.

In Sierra Leone GPPAC with its member, West Africa Network for Peacebuilding (WANEP) followed the call of president Julius Maada Bio to set up a national infrastructure for peace. The goal is to help address ethnic and regional divides along political lines across the country as well as to strengthen peace and national inclusion.

GPPAC and WANEP organised a roundtable on Infrastructures for Peace. The roundtable allowed for discussions and strategising among 25 CSO's from Sierra Leone together with GPPAC members from across the globe. A representative from the Ghana National Peace Council shared their experience in setting up their nationwide infrastructure that helped facilitate relatively peaceful political transitions in Ghana. Limitations the council faced and that should inform strategies in Sierra Leone include the need to reach out to the local levels and build on the existing capacities and systems that support peace. This also needs to be adequately resourced, primarily by the Government, and only secondarily by potential outside actors.

Taking into account the various inputs and experiences, Sierra Leonean CSOs developed a joint framework for engaging in the process of setting up such a commission. They came up with a series of recommendations and follow-up steps. These steps will guide the continued involvement of civil society actors in the formalisation of a commission as a social mechanism to sustain peace in Sierra Leone.

The presidential elections in Cameroon in October 2018 added to the already existing tensions in the country. Tensions were intensified prior during and after the elections. To address these tensions and to prevent violent conflict, our member, Women in Alternative Action called for "Peace in Cameroon," through various activities. They included a national inclusive dialogue on peaceful resolution of conflict with many different groups (youth, women, religious and political leaders), and press conference with diverse media channels to raise awareness on the need for nonviolence nationwide. GPPAC also brought expert members from GPPAC Foundation, The Hague (Legal seat in Amsterdam) dialogue, where lessons were shared from the Kenyan post-election violence. These activities were important as the political air was laden with hate speech and there was an urgent need to

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sensitise the Cameroonian population on the importance of nonviolence and peaceful resolution of conflict. The costs of these activities were covered by the emergency fund within the Prevention Upfront alliance.

In 2018, our members Ecumenical Church Leaders Forum, the Council of Churches of Lesotho and the Network of African Peacebuilders organised two workshops in Lesotho and Zambia. Both workshops focused on human security using GPPAC's Human Security handbook on conflict prevention. The workshops were attended by civil society organisations, the military as well as churches, and government. The participants of the two workshops accepted and acknowledged the importance of incorporating the Human Security approach in the work they do for sustainable peace. In fact, many of the participants requested to have more workshops on human security from our members.

In Southeast Asia, GPPAC helped bring together local and multi-ethnic civil society organisations as well as regional actors in a learning exchange and joint advocacy. Together with local and regional partners, GPPAC developed a joint analysis of the crisis situation in Rakhine and prepared advocacy messages and strategies.

To help shape regional policy and political responses from South East Asia GPPAC linked our local and regional members with regional intergovernmental organisation, the Association of Southeast Asian Nations (ASEAN). They advocated for an ASEAN response on Burma/Myanmar. This led to a very significant change in position by some ASEAN members. For the first time ever, two officials representing Indonesia and Malaysia in the ASEAN-Institute for Peace and Reconciliation, broke the silence and highlighted the need for a regional response towards the Rohingya crisis. GPPAC then took key advocacy messages to the UN Security Council, linking the Rohingya issue to the Women Peace and Security agenda. We developed a joint briefing paper for Security Council members and shared it with them ahead of a country situation discussion.

In 2018, we continued to make women's participation in peace processes an absolute priority. Gender mainstreaming is a crosscutting priority for GPPAC. As in previous years, our gender experts participated in the annual anniversary week of Resolution 1325 held at the UN. In April 2018, we organised an event in The Hague with our gender experts from around the world, reflecting on women's participation in conflict prevention. They came up with three concrete recommendations to enable greater participation of women in peacebuilding and conflict. GPPAC also became a member of the NGO Working Group on Women, Peace and Security. The NGO Working Group is a coalition of currently 18 civil society organisations working on women, peace and security issues at UN Headquarters in New York.

## 1.9 Budget

2019 The current three grants from the Dutch MFA, Sida and UNPBSO provide a secured income of EUR 2,570,000 for 2019. This is sufficient to cover parts of our regional and global plans (EUR 1,309,000) and to cover 100% of the Global Secretariat costs (EUR 1,261,000). There is no deficit foreseen in 2019. These budgets were approved by the Board in their December 2018 meeting. GPPAC Board monitors the development of new projects, the progress of the implementation of the plans and the spending of the budgets every four months.

## 1.10 Looking forward

GPPAC continues to put efforts into developing new projects and finding sufficient funding. In 2020, the five year grant period with the Dutch MFA is coming to an end. GPPAC started the preparations for a new application from. The guidelines by the MFA will be published in September 2019. Sida has confirmed that they will extend their current support at least until 2020. IFA/Zivik supports a new GPPAC activity in Uganda as of April 2019.



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In 2019, GPPAC will undertake two major tasks to inform our fundraising efforts: 1) publishing of a mid-term review evaluation of our 2016-2020 strategic plan aimed at assessing how the results of our various projects contributed to our strategic objectives and 2) developing the new strategic plan for GPPAC, for the 2021-2025 period, in a participatory process involving as many of our members as possible. While already identifying new trends and opportunities for our network to work on in 2019 and beyond, we will continue to focus on diversifying our sources of revenue, securing long-term and multi-year grants, and collaborating with like-minded and complementary partners.

#### 1.10 Risks and mitigation

The context in which civil society organisations operate remains challenging. Organisations are experiencing increased hardship in carrying out their mission in safe and secure conditions. This ranges from limitations on their freedom of assembly to pressure from rising right-wing nationalism. These challenges are compounded by difficulties in generating funding to support their activities.

GPPAC is not immune to this challenging environment and has been struggling to secure core funding for its global network as well as for cross-regional activities. Indeed, the funding landscape for peacebuilding and conflict prevention is one that is more and more competitive. It still favours funding geared towards developing countries or fragile states, despite conflict not being limited to these places. Or it is driven by donor countries' foreign policy interests as opposed to local needs and priorities.

In 2019, we will continue to work with our members, governments, international institutions to forge ahead so commitments are implemented in practical ways within national government frameworks – development plans, national budgets, peace and human security and humanitarian frameworks.

GPPAC recognizes the challenge to bring the needs of the network members in line with services provided by the Global Secretariat, bearing in mind the current workload situation at the Secretariat. To address this, a restructuring process started in 2018. The process aims to provide insights and recommendations that will allow the Global Secretariat to respond to its current needs from an organisational and network perspective. It furthermore looks into the necessities for GPPAC to be a healthy workplace and to provide the organisation with a solid basis to respond to future developments. We aim for finalizing the process by the end of 2019.

Though the financial situation for GPPAC is relatively good, the long-term outlook remains uncertain because of the temporary support from our donors. GPPAC continues to invest in fundraising and project development and build on close and transparent relationships with potential and current donors. The continuity reserve at the end of 2018 of EUR 146,340 is aimed to cover staff and office costs in periods without funding.

GPPAC Board composition, 29 May 2019,  
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, 2018 (after appropriation of the result)**

(all amounts in euro)

	December 31, 2018	December 31, 2017
<b>Assets</b>		
<b>Fixed assets</b>		
Tangible assets	18,594	18,474
Intangible assets	41,382	0
	<b>59,976</b>	<b>18,474</b>
<b>Current assets</b>		
Receivables	97,458	452,415
Cash and cash equivalents	1,444,097	1,248,606
	<b>1,541,555</b>	<b>1,701,021</b>
	<b>1,601,531</b>	<b>1,719,495</b>
<b>Liabilities</b>		
<b>Reserves</b>		
Continuity reserve	146,340	114,773
Short-term reserve	652	652
	<b>146,992</b>	<b>115,425</b>
<b>Short-term liabilities</b>		
Accounts payable	31,878	13,214
Taxes and social security payments	38,107	60,967
Received pre-payments donors	1,137,555	1,260,172
Accruals, provisions and other liabilities	246,999	269,717
	<b>1,454,539</b>	<b>1,604,070</b>
	<b>1,601,531</b>	<b>1,719,495</b>

## 2.2 Statement of income and expenditure for the year 2018

(all amounts in euro)

	Realisation 2018	Realisation 2017
<b>Income</b>		
Grants from governments and others	3,258,068	2,942,756
Income other than grants	31,665	9,118
<b>Sum of income</b>	<b>3,289,733</b>	<b>2,951,874</b>
<b>Expenses</b>		
<b>Expenditure on behalf of the objective</b>		
Enabling collaboration	1,503,448	1,280,180
Improving practice	876,918	1,016,925
Influencing policy	684,435	469,887
Online partnerships	98	52
	<b>3,064,899</b>	<b>2,767,044</b>
<b>Expenditure fundraising</b>		
Costs obtaining government grants and others	45,911	41,8334
<b>Management &amp; administration</b>		
Costs management & administration	147,356	134,396
<b>Sum of expenses</b>	<b>3,258,166</b>	<b>2,943,273</b>
<b>Surplus/deficit</b>	<b>31,567</b>	<b>8,601</b>
<b>Appropriation of result</b>		
Continuity reserve	31,567	8,495
Short-term reserve	0	106

## 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 2018.
- 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.

### 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

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from the translation as at balance sheet date are recorded in the profit and loss account.

## 2.4 Notes to the balance sheet as at December 31, 2018

(all amounts in euro)

### Fixed assets

#### Tangible and intangible assets

	ICT equipment	Other equipment	Total tangible assets	Total intangible assets	Total fixed assets
Cost price 31 December 2017	22,586	9,038	31,624	0	31,624
Accumulated depreciation 31 December 2017	5,596	7,553	13,149	0	13,149
Book value 31 December 2017	16,989	1,485	18,474	0	18,474
Investments 2018	2,383	2,688	5,071	41,382	46,453
Depreciation 2018	-4,011	-940	- 4,951	0	-4,951
Book value 31 December 2018	15,361	3,233	18,594	41,382	59,976

Expenses for hardware, software, furniture, fixtures and fittings and website development with a cost price 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:

	2018	2017
	_____	_____
WANEP-ADA project	0	65,114
EU Woscap project	0	172,492
Knowledge Platform	0	3,825
	_____	_____
	0	241,431
	=====	=====

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Other receivables can be specified as follows:

Accounts receivables	3,963	182
Prepayments	844	725
Receivables project partners	66,597	189,086
Receivables projects	5,924	0
Other receivables	20,130	20,991
	<hr/>	<hr/>
	97,458	210,984
	=====	=====
 Total receivables	 97,458	 452,415
	=====	=====

#### **Cash and cash equivalents**

Cash at banks and in hand are available on demand.

#### **Equity**

	2018	2017
	<hr/>	<hr/>
Balance as at January 1	115,425	106,824
Result for the financial year	31,567	8,601
	<hr/>	<hr/>
Balance at December 31	146,992	115,425
	=====	=====

The positive result for the financial year has been added to the continuity reserve. No interest was earned on the bank deposits in 2018.

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	2018	2017
	-----	-----
Continuity reserve	146,340	114,773
Short-term reserve	652	652
	-----	-----
Balance at December 31	146,992	115,425
	=====	=====

**Taxes and social security payments**

	2018	2017
	-----	-----
Dutch Tax Authority: social security premiums	20,881	22,077
Dutch Tax Authority: VAT	6,275	29,757
ABP: pension premiums	10,951	9,133
	-----	-----
	38,107	60,967
	=====	=====

**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.

	2018	2017
	-----	-----
MFA The Netherlands (Strategic partnership)	670,614	655,644
Sida	382,818	604,528
UN PBSO	84,123	0
	-----	-----
	1,137,555	1,260,172
	=====	=====



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**Accrued liabilities**

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

	2018	2017
	_____	_____
Audit fee	11,949	11,495
Holiday allowance	30,703	26,973
Holiday leave days	22,741	16,793
Project invoices to be received	164,324	205,097
Various other liabilities	17,282	9,359
	_____	_____
	246,999	269,717
	=====	=====

**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 Two Kings and BMP partners are leading to a total annual obligation of EUR 30,102 including 21% VAT.

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**2.5 Notes to the statement of income and expenditure for the year 2018**  
(all amounts in euro)

	2018	2017
	-----	-----
<b>Grants from governments and others (appropriated income)*</b>		
Austrian Development Agency-WANEP	0	52,316
Dutch Ministry of Foreign Affairs Strategic Partnership	1,985,030	1,892,821
European Union WOSCAP	22,086	786,599
Knowledge Platform	5,175	9,825
UN PBSO	260,389	0
Sida	898,511	133,837
Zivik	86,877	67,358
	-----	-----
*: more information in the appendix	3,258,068	2,942,756
	=====	=====
<b>Income other than grants</b>		
Interest	0	161
Online Partnerships	2,410	4,986
Other revenues	29,255	3,971
	-----	-----
	31,665	9,118
	=====	=====

### Expenditures on behalf of the objectives

Objectives	Total costs	Project costs	Progr man	Operational progr costs
Enabling collaboration	1,503,448	1,225,212	129,041	149,195
Improving practice	876,918	497,112	230,611	149,195
Influencing policy	684,435	426,994	108,246	149,195
Subtotal	3,064,801	2,149,318	467,898	447,585
Online partnerships	98			
Total expenditure on behalf of objectives	3,064,899			
Costs obtaining gov grants and others	45,911			
Costs management and administration	147,356			
Total expenses	3,258,166			

In line with the Strategic plan 2016-2020, GPPAC allocates all their expenditure to the three main objectives: Enabling collaboration, Improving practice and Influencing policies. Detailed budgets of the annual plans managed by the Global Secretariat (Network development, Knowledge, Practice and Advocacy activities, Working groups) and each of the regional annual plans are allocated to the three objectives based on their main focus. No budget targets were set for the current strategic plan.

GPPAC allocates separate projects to the objectives as well. The costs of the UNPBSO project in Kyrgyzstan 'Camera's in hand' in 2018 (EUR 260,389) falls under the objective Improving practice. The total costs reported by WFM-IGP for 2018 (EUR 841,696) concerning the Strategic Partnership project Prevention Up Front, are for 100% allocated to our objective Enabling collaboration.

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

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 1,108,749 in 2018 (2017: EUR 1,050,153). 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 with their budgets.

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	2018	2017
<b>Expenditure</b>		
Personnel costs	890,110	856,271
Office costs	218,640	193,882
Direct program costs	2,149,416	1,893,120
	<u>3,258,166</u>	<u>2,943,273</u>

<b>Management costs/ costs Global Secretariat</b>	Realisation 2018	Budget 2018	Realisation 2017
<b>Personnel costs</b>			
Gross salaries	647,292	690,000	635,734
Taxes and social premiums	111,413	120,000	108,077
Pension costs	97,080	94,000	86,311
<i>Subtotal Salary costs</i>	<i>855,785</i>	<i>904,000</i>	<i>830,122</i>
Commuting	22,298	24,000	19,949
Training	8,350	30,000	5,041
Other personnel costs	3,677	3,000	1,159
	<b>890,110</b>	<b>961,000</b>	<b>856,271</b>
<b>Office costs</b>			
Depreciation	4,951	3,500	3,786
Rent office	57,731	58,000	57,409
Office expenses	19,995	28,000	20,243
ICT	51,418	50,000	45,584
Accountancy & consultancy	35,842	28,500	26,773
Other office costs	48,703	64,000	40,087
	<b>218,640</b>	<b>232,000</b>	<b>193,882</b>
	<u><b>1,108,750</b></u>	<u><b>1,193,000</b></u>	<u><b>1,050,153</b></u>

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*Personnel costs*

The foundation employed an average of 12.53 fte's in 2018 (2017:12.35). Changes in staff in 2018 related to changes in project management (WOSCAP stopped, UNPBSO started) and extra support functions. GPPAC received compensation from the insurance company for sick-leave of two staff. ABP pension fund increased the pension premium in 2018. The actual personnel costs are lower than budgeted mainly because a leaving staff member was not replaced by another staff.

Mr Darynell Rodriguez Torres is the director of the GPPAC Foundation and was appointed on a 100% position by the board as per 1<sup>st</sup> of November 2016. His gross salary of 2018 amounted EUR 75,850 (in 2017: EUR 72,675). This is including holiday allowance but excluding the employer pension contribution of EUR 12,560 (in 2017: EUR 10,823). No other allowances were paid to him. His total remuneration for 2018 remains below the maximum amount for 2018 of EUR 174,000 according to the Dutch Standards for Remuneration Act, section development cooperation.

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

Name	Function	Period 2018	Financial compensation 2018	Period 2017	Financial compensation 2017
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	1/1-31/12	Not applicable	1/4-31/12	Not applicable
Liesbeth Reekers	Treasurer	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Yoshioka Tatsuya	Member	1/3-31/12	Not applicable	-	-
Ivana Gajovic	Member	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Mariska van Beijnum	Member	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Joris Voorhoeve	Vice-chair	-	Not applicable	1/1-1/4	Not applicable
Walter Odhiambo	Member	-	Not applicable	1/1-30/09	Not applicable

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The Hague (Legal seat in Amsterdam)

#### Office costs

The office expenses were less than budgeted because of lower telephone, representation and general web costs.

ICT costs in 2018 were higher than in 2017. Main reason for the increase is that in 2017 a part of the existing ICT costs could be allocated to the WOSCAP project. This possibility stopped in 2018 as the WOSCAP project ended.

Unforeseen consultancy costs to facilitate the transition period towards the new ISO 9001:2015 certification caused the increase of the Consultancy and accountancy costs. Auditor costs also increased because of more work related to extra regional reports in 2018.

Compared to 2017, more Communication/marketing costs (other office costs) were made because of a) hiring of an external supplier assisting us in the application of a Google grants, b) the establishment of press officers in two regions and c) the outsource of the production of photography and video to some of our members. Overall the total actual Other office costs were lower than budgeted mainly because of the fact that the foreseen website/ Peace Portal improvement budgets were booked as investments.

#### Depreciation

	2018	2017
	_____	_____
Automation	4,011	3,134
Office equipment	940	652
	_____	_____
	4,951	3,786
	=====	=====

#### Housing costs

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

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	2018	2017
	-----	-----
<b>Office expenses</b>		
Telephone	4,136	4,626
Office equipment/material	2,929	1,101
Postal charges	341	603
Contributions	5,783	4,741
Other	6,806	9,172
	-----	-----
	19,995	20,243
	=====	=====
<b>ICT</b>	51,418	45,585
	=====	=====
<b>Accountancy and consultancy costs</b>		
Consultancy costs	19,258	3,656
Auditor costs	18,799	13,082
Project audit costs	-5,000	6,849
Salary administration costs	2,785	3,186
	-----	-----
	35,842	26,773
	=====	=====

GPPAC Foundation,  
The Hague (Legal seat in Amsterdam)

	2018	2017
<b>Other office costs</b>		
Communication/marketing	24,112	10,174
Insurances general	14,754	16,787
Other expenses	9,837	13,126
	<hr/>	<hr/>
	48,703	40,087
	<hr/>	<hr/>

The Hague, 29 May 2019

The Board,

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



*GPPAC Foundation,  
The Hague (Legal seat in Amsterdam)*

### **3 Auditor's report**



## INDEPENDENT AUDITOR'S REPORT

To: the members of the board and director of Stichting Global Partnership for the Prevention of Armed Conflict

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2018 INCLUDED IN THE FINANCIAL REPORT

#### OUR OPINION

We have audited the financial statements 2018 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 2018 and of its result for 2018 in accordance with the Guideline for annual reporting 640 'Not-for-profit organizations' of the Dutch Accounting Standards Board and the Dutch WNT (Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector).

The financial statements comprise:

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

#### BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing 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 2018.

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

Ref.: J.MI.19214

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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 in accordance with the Guideline for annual reporting 640 'Not-for-profit organizations' 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 organizations' 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.

For a more detailed description of our responsibilities, we refer to the appendix of this auditor's report.

Zaltbommel, 29 May 2019  
accon avm controlepraktijk B.V.

Original has been signed by W.J. Warmerdam MSc RA



## **APPENDIX TO OUR AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 2018 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 the 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**

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

## Appendix: Donor overview 2018

Name of donor:	Dutch Ministry of Foreign Affairs	Funds allocated 2018:	1,976,134	Installments received 2018:	2,000,000
Donor reference:	Strategic Partnership: act. 27553	Totally allocated:	5,658,490	Installments received in total:	6,338,000
Contract period:	01012016-31122020	Total contract funding:	10,000,000	Installments to receive:	3,662,000
Status:	In progress (long term)				
Specifics:	Limited to focus regions: East Africa, West Africa, the Middle East & North Africa, Europe, Southeast Asia				
Name of donor:	European Union	Funds allocated 2018:	22,086	Installments received 2018:	194,578
Donor reference:	WOSCAP (Horizon 2020)	Totally allocated:	1,886,175	Installments received in total:	1,886,175
Contract period:	0102015-30112017	Total contract funding:	1,990,116	Installments to receive:	0
Status:	Done and closed by donor				
Specifics:	None				
Name of donor:	Knowledge Platform	Funds allocated 2018:	5,175	Installments received 2018:	9,000
Donor reference:	7702 1.1	Totally allocated:	15,000	Installments received in total:	15,000
Contract period:	01010017-01042018	Total contract funding:	15,000	Installments to receive:	0
Status:	Done and closed by donor				
Specifics:	None				
Name of donor:	Sida	Funds allocated 2018:	898,511	Installments received 2018:	676,801
Donor reference:	11088	Totally allocated:	1,032,348	Installments received in total:	1,415,166
Contract period:	01012017-31122019	Total contract funding:	SEK 23,000,000	Installments to receive:	SEK 9,000,000
Status:	In progress (long term)				
Specifics:	Restrictions on flow of funds to organisations registered in non-ODA countries				
Name of donor:	Zivik	Funds allocated 2018:	86,877	Installments received 2018:	86,946
Donor reference:	Zivik.P-065/18	Totally allocated:	86,877	Installments received in total:	86,946
Contract period:	15092018-31122018	Total contract funding:	86,877	Installments to receive:	-69
Status:	Done, pending approval by donor				
Specifics:	None				
Name of donor:	WANEP/ADA Mali	Funds allocated 2018:	0	Installments received 2018:	65,114
Donor reference:	Human Security Strategy in Mali	Totally allocated:	327,693	Installments received in total:	327,693
Contract period:	01112013-31122016	Total contract funding:	327,693	Installments to receive:	0
Status:	Done and closed by donor				
Specifics:	None				
Name of donor:	UN PBSO	Funds allocated 2018:	260,389	Installments received 2018:	344,512
Donor reference:	Kyrgyzstan	Totally allocated:	260,389	Installments received in total:	344,512
Contract period:	01022018-31072019	Total contract funding:	USD 599,005	Installments to receive:	0
Status:	In progress (short term)				
Specifics:	None				