

Financial report 2022
issued to
GPPAC Foundation
at
THE HAGUE

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

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1 Board Report

2022 proved eventful and challenging for peacebuilding with the breakout of the war in Ukraine, rising geopolitical tensions across the globe, the lingering impact of the COVID-19 pandemic and the worsening of the climate crisis. Yet, GPPAC continued to leverage the network approach to drive change. In 2022, from the meaningful inclusion of youth and women peacebuilders to tackling climate insecurity and advocating for locally-led peacebuilding, GPPAC's network approach demonstrated its added-value and efficiency. Indeed, it successfully created an empowering space for peer-to-peer knowledge sharing and learning; contributed to ensuring quality financing for peacebuilding; and strengthened authentic multi-stakeholder partnerships to jointly create peacebuilding opportunities.

1. Governance

From supporting fundraising efforts to providing management oversight, the GPPAC Board increased its engagement in 2022. In addition to their regular quarterly meetings, selected Board members met regularly to focus on leadership and governance. As part of Board Chair Yoshioka Tatsuya's commitment to making our fundraising efforts a success, he joined the Management Team to take part in the annual review meeting with the Swedish International Development Agency (Sida), our main donor, on 9 November.

GPPAC Board composition, September 2023

- Yoshioka Tatsuya, Chair
- Frank van den Akker, Vice-Chair
- Herman Kreulen, Treasurer
- Charlotte Divin
- Nqobile Moyo

One additional candidate international board member is still subject to final registration.

2. Finances, donor relations, and fundraising

In 2022, GPPAC received financial support from the Swedish International Development Agency (Sida), UN Women, the European Union, the Permanent Mission of the United Kingdom to the United Nations (UK-DFID), the United Nations Development Programme (UNDP), and the KMF Innovation Grant.

While our long-term partnership with Sida has been successful and fruitful for the past 5+ years, the reliance on Sida for providing core financial support to GPPAC operations remains a serious concern. That is why diversifying GPPAC funding sources combined with maintaining good relationships with existing donors and partners formed the base of our resource mobilization efforts in 2022. Indeed, guided by our internal 2022-2023 Fundraising Strategy, we continued making a clearer case and stronger case for GPPAC's network approach with the support of the Board. In 2022, GPPAC Board Fundraising Committee that was established in 2020 was disbanded so as to empower the entire Board to take a leading role in fundraising. Key Board members, including the Board Chair and the Board fundraising liaison, have been proactively engaging in our fundraising efforts by, for instance, visiting the GPPAC office more regularly and meeting with potential donors as well as contributing to the development of proposals.

At the advocacy level, with the United Nations convening a [High-Level Meeting on Peacebuilding Financing in April 2022](#), we took advantage of this opportunity to cement further our position in advocating for more flexible, adequate, predictable and sustained financing for peacebuilding. Indeed, GPPAC successfully advocated for the United Nations resolution on financing for peacebuilding to include language on local peacebuilders. Moreover, building on our paper on [Effective Options for Financing Local Peacebuilding](#) published in April 2022, we have been developing a pilot mechanism for donors to test a prototype that promotes and invests in the leadership of local peacebuilders. Promising talks with key donors to financially support this prototype are underway, such as the European Union and the Dutch Ministry of Foreign Affairs.

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GPPAC closed the 2022 year with a deficit of EUR 24,184. The main reason for this is the severance payments agreed upon with two employees from which the contract of employment was terminated within the framework of the restructuring of the Global Secretariat. The severance payments are covered by the earmarked reserve of the foundation.

3. Organisational support

GPPAC network governance

In 2022, as part of GPPAC network governance improvements, it was agreed to review the Charter, roles, composition, and responsibilities of GPPAC's main governance bodies (the Board, International Steering Group (ISG), Regional Secretariats and Global Strategy Group) to make GPPAC governance and decision-making structures less complex and more effective, inclusive and member-owned. The consultative and participatory process was successfully led by the network coordinator, based in Tunisia, as well as the Executive Director. During the online International Steering Group meeting held in November 2022, all Charter changes were approved.

GPPAC Global Secretariat

In 2022, the team composition of the Global Secretariat was adapted based on the need to increase our capacity to implement the learning focus adopted by the network in 2021 as well as a limited budget. This new and leaner composition meant less regional coordination support (eg: stopping the current regional officer function) and a lighter management layer (eg: two managers instead of three). As a result, it was mutually agreed to terminate the contract of three staff members.

With a greater focus on learning and knowledge exchange, one additional staff was dedicated to the PMEL team, and some budget was made available to hire external support on an as-needed basis to assist with the planning and reporting processes.

At the same time, managing potential risks of staff overburdening remained a major priority throughout 2022. To support our efforts, the decision was taken to secure the support of an external consultant to accompany us through a five-month process aimed at strengthening the organizational well-being of the Global Secretariat. This process is a proactive measure to make work more peaceful and help the Global Secretariat become stronger at working with the many changes inherent to our field of work and the network approach. This process started in November 2022 and will end in March 2023.

Finally, while a new Executive Director started in April 2022 to implement the transition, including lead on the Charter changes and fundraising, he resigned at the end of 2022 for family reasons. The Board got actively engaged in the hiring process and got more involved in supporting fundraising efforts by attending meetings and contributing to the development of proposals.

On 31 December 2022, the GPPAC Global Secretariat had eight employees. The sick-leave rate for 2022 was at 2.3% (2021: 4.0%). The 2.3% is below the average sick leave percentage in The Netherlands, which was at 5.6% for 2022 (Source: Central Bureau Statistics, first three quarters only).

GPPAC Quality Management

The annual external audit of our Quality Management system took place in January 2022. The auditor's visit was a combination of the focus visit for ISO 9001:2015 and the initial assessment of the ISO 9001:2015 Partos V2018 standard. Both assessments were successfully completed..

4. Integrity

Integrity and accountability remain at the heart of GPPAC's work, both at the network and the Global Secretariat

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level, as we strive to conduct all our operations with honesty and transparency. Two policies are at the core of the integrity system:

- **The Global Secretariat Code of Conduct** applies to our employees, interns, contractors, as well as to GPPAC Board members. It outlines the need to protect the organisation's legality and thus behave ethically and responsibly concerning the organisation's finances, partnerships and public image.
- **The GPPAC Network Integrity policy**, approved by the International Steering Group in 2019, sets out how member organisations, their employees, interns, volunteers and others associated with them should put into practice the same principles of the Code of Conduct in their involvement in GPPAC activities, and when representing GPPAC in any way.

Due to changes in the composition of the Network Integrity Committee members, revising the Network Integrity Policy did not take place in 2022. However, conversations on integrity are ongoing, including during the online International Steering Group meeting held in November 2022, where a specific session on integrity was held, encouraging GPPAC members to review the GPPAC Network Integrity policy and develop their policy. In addition, a staff member participated in a three-day training in 2022 to increase their knowledge of and help implement the integrity system.

Finally, in 2022, no breaches of integrity were reported.

5. Communications

In 2022, GPPAC continued positioning the network as a leading actor in peacebuilding and conflict prevention. As a result of our efforts, we have improved our direct traffic to the **website** and overall engagement with our content on **social media** by being much more strategic about how and towards whom we communicate. For instance, in May 2022, we reached the milestone of 10,000 followers on Twitter. As to the **GPPAC Newsletter**, based on the non-profit sector's open rate, which averages 20%, our four newsletters published in 2022 saw successful opening rates between 28% and 44%. The newsletter that received an exceptional opening rate of 44% highlighted our climate work and was sent out to key actors ahead of COP 27 in November.

Moving forward, we will continue improving our website content to drive more organic traffic to it, post targeted content on our social media, and publish thematic newsletters during key moments. In addition, we will also strive to understand better what communication channels our members use and what sparks their action to engage with and contribute to GPPAC content creation.

6. Planning, monitoring, evaluation and learning

As a result of the transition process, the GPPAC ISG unanimously identified learning and exchange as the network's core purpose: 1.) Rooted in member's expertise; 2.) Geared towards increasing the impact of the peacebuilding practice and 3.) Informing policy by local peacebuilding expertise. 2022 was the first year of piloting our new Results-oriented Learning Framework. Together, we started to explore as a network what learning means to us, how learning happens and what we need in order to strengthen our learning. A few highlights from our 2022 learning journey:

- We **piloted four initiatives** to facilitate the sharing and exchange of local expertise: 1) GPPAC Learning Month, 2) the Memberspace, 3) Mapping of Learning Resources and, 4) Interactive Annual Plan for 2023.
- In September 2022, the network organized the first **GPPAC Learning Month** during which GPPAC members were dedicated to learning from and with each other. Twelve online sessions took place, bringing together more than 258 unique participants from 207 unique organizations from 64 countries. As a result, GPPAC received 20 new membership applications.
- At the end of 2022, the **GPPAC Memberspace** was relaunched, which is a member-only space on the GPPAC Website where users could share and access each other's plans and other relevant documents to facilitate collaboration.

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In 2023 and beyond, we will progress on revising GPPAC planning, monitoring, evaluation and learning processes to embed learning and adaptation further and to adjust the processes to the current capacities of the Global Secretariat, where we see a need for lighter, more flexible PMEL processes.

7. Global and regional activities

Global activities

In 2022, GPPAC prioritized building on existing positions of strength as well as engaged in collaborative projects aimed at bolstering the three themes of the GPPAC 2021-2025 Strategic Plan. Some noteworthy examples include:

- **Locally-led peacebuilding action:** As part of GPPAC's efforts to keep informing and influencing global norms and frameworks based on the local expertise and knowledge of GPPAC peacebuilders, we developed resources aimed at the United Nations, Member States, and the donor community to guide policy engagement and deepen global support for the [impactful implementation of the Peacebuilding and Sustaining Peace Agenda at the country level](#).
- **Inclusion of women and youth:** Building on our work on financing for peacebuilding, we co-organized an event on "[Financing the YPS Agenda - Towards More Equitable and Sustainable Peace](#)" during the 2022 High-Level Doha Global Conference on Youth-Inclusive Peace Processes.

As part of our 12-month INGO partnership with the Women Peace & Humanitarian Fund for the implementation of its Rapid Response Window, we have been supporting a [six-month project in Palestine aimed at empowering young women](#) to meaningfully participate in peace negotiations and reconciliation talks.

- **Climate change and emerging threats:** As GPPAC continues to develop its Climate Strategy, we are partnering with UNDP to [develop a Guidance Note](#) for the localisation of the framework and toolkit developed by the UN Climate and Security Mechanism and piloting the Guidance Note in Uganda, Zimbabwe and Mozambique.

Regional activities

At the regional level, GPPAC members remain in the lead in setting their priorities and developing activities to fulfill their annual plans. Some achievements include:

- In **Southern Africa**, a GPPAC member in Zimbabwe was selected as a civil society lead in the development of the National Action Plan on Youth, Peace and Security.
- In **Central Asia**, where cross-border conflicts prevail, especially between Kyrgyzstan and Tajikistan, GPPAC members strengthen cross-border dialogue and mitigate conflicts through joint monitoring of the conflicts and campaigning towards civil society on peaceful resolution of conflicts.
- The GPPAC three-year EU-funded project in **Northeast Asia** continues its successful implementation despite the absence of GPPAC members from the Democratic People's Republic of Korea who have not been able to travel since the beginning of the COVID-19 pandemic. Sida remains a key partner on this project by contributing match-funding.
- Finally, in regards to our members' efforts in **Eastern Europe** to tackle the impact of Russia's war in **Ukraine**, it remains in a constant state of flux with three main areas of action: 1) the coordination of a dialogue platform for women peacebuilders from the different post-Soviet countries to foster the sharing of information and experience; 2) the development of advocacy initiatives based on non-violent resistance, social attitudes and conflict dynamics in Ukraine, Russia and Belarus, and 3) the adaptation of the peace education course to better support schoolchildren in Moldova, temporarily displaced from Ukraine, in their integration into local communities.

8. Risks and mitigation

Following the approval of the Risk Management process by the Board in 2021, we started implementing it in 2022 to discuss risks at all governance bodies. As a result, the Risk Management Grid was first reviewed by the

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Management team of the Global Secretariat. The revised Risk Management Grid was then shared for feedback with the Finance Committee, which consists of the Executive Director, Finance Officer, and two members of the Board, including the Board Treasurer and an international Board member. After that, the Executive Director processed the feedback and shared it with the Board to be discussed during their quarterly meeting in June 2022. In addition, Sida, during our annual review meeting in November, suggested updating the risk grid by including elements related to core functions not being supported and risks inherent to the lack of donors' flexibility to adapt to changing environments, especially in terms of project design. Finally, the International Steering Committee discussed the grid during the online meeting held in November 2022. In addition, feedback and further updates to the grid will be processed in 2023 by the Management team.

In 2022, GPPAC had to suspend a GPPAC member from its membership to the network and its role as regional secretariat following the perceived mismanagement of a local project. While mismanagement was never confirmed nor denied, the lack of responsiveness and some internal institutional issues within the said GPPAC member led to their membership suspension to mitigate potential risks of further mismanagement.

9. Budget 2023

In 2022, we adapted the budget format to align it with the new strategic plan and provide a better insight into the allocation and usage of the budget. The budget is organised around three sections: network, governance, and global operations. We have also added the budget for earmarked regional projects when the Global Secretariat is the lead partner, even though most of the budget is used at the regional level.

At the beginning of February 2023, Sida informed us about a reduction of the 2023 disbursement by SEK 2,000,000. This represents a 20% budget cut equivalent to approximately EUR 176,000. The budget for 2023 was revised in such a way that the secured income still covers 100% of the budget. In 2023, income is secured by grants from Sida, UN Women, UNDP, and the European Union, totaling EUR 1,862,838.

10. Looking forward

The focus for 2023 will continue to be on increasing funds and diversifying our donor base to ensure the network's long-term sustainability. Sida is our main donor, and our current agreement will end by December 2023.

We use the following three strategies to increase our income:

- Secure core funding for the network approach: finalize and promote our Unique Selling Point proposal aimed at supporting the GPPAC network specifically.
- Continue leveraging the Financing for Peace Building Project and pilot mechanism: advocate a shift in the power balance between local partners, donors, and intermediaries so that local partners are in the lead of program design and implementation.
- Support regions in their fundraising efforts: allocate global budget specifically to hire external expert support to develop regional project concept notes or proposals on an as-needed basis.

2022 proved eventful and challenging for peacebuilding with the breakout of the war in Ukraine, rising geopolitical tensions across the globe, the lingering impact of the COVID-19 pandemic, and the worsening of the climate crisis. Yet, GPPAC continued to leverage the network approach to drive change. In 2022, from the meaningful inclusion of youth and women peacebuilders to tackling climate insecurity and advocating for locally-led peacebuilding, GPPAC's network approach demonstrated its added value and efficiency. Indeed, it successfully created an empowering space for peer-to-peer knowledge sharing and learning; contributed to ensuring quality financing for peacebuilding; and strengthened authentic multi-stakeholder partnerships to create peacebuilding opportunities jointly.

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2 Financial Report

2.1 Balance sheet as at December 31, 2022 (after appropriation of the result)

(all amounts in euro)

	December 31, 2022	December 31, 2021
Assets		
Fixed assets		
Tangible assets	531	2,777
Intangible assets	8,277	16,553
	8,808	19,330
Current assets		
Receivables	168,988	182,112
Cash and cash equivalents	728,380	896,425
	897,368	1,078,537
	906,176	1,097,867
Liabilities		
Reserves		
Continuity reserve	82,143	87,407
Earmarked reserve	0	18,920
	82,143	106,327
Short-term liabilities		
Accounts payable	9,410	5,868
Taxes and social security payments	20,915	24,086
Received pre-payments donors	661,044	864,369
Accruals, provisions and other liabilities	132,664	97,217
	824,033	991,540
	906,176	1,097,867

2.2 Statement of income and expenditure for the year 2022

(all amounts in euro)

	Realisation 2022	Realisation 2021
Income		
Grants from governments and others	1,598,286	1,698,785
Income other than grants	2,809	4,931
Sum of income	1,601,095	1,703,716
Expenses		
Expenditure on behalf of the objective		
Result area 1: Network and Learning	956,194	970,021
Result area 2: Policy change	368,112	454,764
	1,324,306	1,424,785
Expenditure fundraising		
Costs obtaining government grants and others	69,443	104,260
Management & administration		
Costs management & administration	231,530	185,771
Sum of expenses	1,625,279	1,714,816
Surplus/deficit	- 24,184	- 11,100

Appropriation of result

Continuity reserve	-5,264	4,930
Short-term reserve	0	-652
Earmarked reserve	-18,920	-15,378
	<hr/>	<hr/>
	-24,184	- -11,100

2.3 Notes to the accounts

2.3.1 Foundation

● The foundation was formed on September 1, 1997 and is statutorily 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 the GPPAC Foundation is to act as the Global Secretariat of the Global Partnership for the Prevention of Armed Conflict (GPPAC), the worldwide civil society-led network to build a new international consensus on peacebuilding and the prevention of violent conflict. The GPPAC program strengthens civil society networks for peace and security by linking local, national, regional, and global action levels and effective engagement with governments, the UN system, and regional organisations.

2.3.2 Financing of the foundation

● The foundation's income exists from grants from various donors that support the foundation's purpose. Most grants are requested on a yearly basis, and 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, and others are being discussed and negotiated.

● The foundation has been exploring opportunities for income other than grants by providing training and portal services ("online partnerships"). This resulted in revenues in 2022.

● Based on the aforementioned reasons, the principles of valuation have been based on the continuity of the foundation.

2.3.3 Comparison with the prior year

The principles used for valuation and determination of results have remained unchanged compared to the prior year. As of 2021, the costs have been allocated to the two objectives (result areas) of the Strategic plan 2021-2025, Network and Learning, and Policy change.

2.3.4 General accounting principles for the preparation of the financial statements

● The financial statements have been prepared in accordance with RJ 640.

● In applying the accounting policies and rules for the preparation of the financial statements, the board of the organization makes various judgments and estimates that may be essential for the amounts recognized in the financial statements. If applicable, the nature of these judgments and estimates, including the assumptions used, is included in the notes to the relevant financial statement items. Actual results may differ from these estimates and assumptions. The estimates and underlying assumptions are continuously assessed. Revisions and estimates are recognized in the period in which the estimate and or revisions occur and in future financial years for which the revision has consequences.

● All legal entities that can be controlled, jointly controlled, or significantly influenced are considered to be related parties. Also, entities that can control the organization are considered to be related parties. In addition,

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the board, statutory directors, other key management of GPPAC, and close relatives are regarded as related parties.

- Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent, and other information are disclosed if this is necessary to provide the required insight.
- Valuation of assets and liabilities and determination of the result is 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.
- Financial instruments include both primary financial instruments, such as receivables and payables, and derivative financial instruments (derivatives). For the principles of primary financial instruments, reference is made to the paragraph principles of valuation of assets and liabilities. GPPAC does not use derivative financial instruments.
- Income and expenses are accounted for on an accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are considered if they have become known before preparing the financial statements.
- Intangible fixed assets are stated at historical cost less amortization and, if applicable, fewer impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of the cost. Depreciation is provided from the date an asset comes into use.
- Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, fewer 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.
- Upon initial recognition, the receivables are valued at fair value and then valued at amortized cost, which equals the face value, after deducting any provisions. The fair value and amortized cost equal the face value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessments of the receivables.
- The cash is valued at face value. If cash equivalents are not freely disposable, this has been considered in the valuation.
- The foundation has formed a continuity reserve to finance any negative operating risks of the organization. The continuity reserve is adjusted with movements in the above items. The earmarked reserve concerns the equity capital of the foundation, to which the association's board has set conditions for its use. Uses of these appropriated reserves, as well as additions to appropriated reserves, are processed through the appropriation of the result.
- On initial recognition, current liabilities are recognized at fair value. After initial recognition, current liabilities are recognized at the amortized cost price, the amount received, taking into account premiums or discounts, and fewer transaction costs. This usually is the nominal value.

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 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.
- The foundation has a pension scheme for its employees to which the provisions of the Dutch Pension Act apply and in which contributions are paid on a contractual basis to ABP, the pension fund for employees in the government and education sectors. At year-end 2022, the pension fund has a (current) funding ratio of 110.9% (2021: 110.2%). The premiums are recognized as personnel costs as soon as they are due. Premiums paid in advance are recognized as accrued income if they lead to a refund or a reduction in future payments. Premiums not yet paid are included in the balance sheet as a liability.

The main features of the pension scheme are:

- There is a defined contribution scheme;
- The scheme includes a retirement, partner, and orphan's pension;
- The retirement age is 68 years;
- The pensionable basis is the salary minus the AOW-franchise (2022: EUR 14,802) with a maximum of EUR 114,866 in 2022 (2021: EUR 112,189) and taking into account the part-time factor;

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- The defined contribution payable for 2022 is 25.90 % of the pensionable basis (in 2021: 25.90 %);
- The foundation is only obliged to pay the premiums. Under no circumstances is there an obligation to make additional payments.

2.3.6 Foreign currencies

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

2.4 Notes to the balance sheet as of December 31, 2022

(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 2021	20,787	1,377	22,164	41,382	63,546
Accumulated depreciation 31 December 2021	-18,010	-1,377	-19,387	-24,829	-44,216
Book value 31 December 2021	2,777	0	2,777	16,553	19,330
Investments 2022	0	0	0	0	0
Depreciation 2022	-2,246	0	-2,246	-8,276	-10,522
Book value 31 December 2022	531	0	531	8,277	8,808

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 %. As of 1 January 2020, GPPAC has moved to a new office.

Receivables

Receivables can be divided into grant receivables and other receivables.

Grant receivables can be specified as follows:

	2022	2021
KMF Innovation grant	1,607	6,026
UK-DFID	0	51,961
UNDP	0	29,689
	1,607	87,676
	=====	=====

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Other receivables can be specified as follows:

	2022	2021
	_____	_____
Receivables project partners	156,657	76,187
Other receivables	12,333	18,248
	_____	_____
	168,989	94,436
	=====	=====
Total receivables	170,569	182,112
	=====	=====

Cash and cash equivalents

Cash at banks and in hand are available on demand.

Equity

	2022	2021
	_____	_____
Balance as of January 1	106,327	117,427
Result for the financial year	-24,184	-11,100
	_____	_____
Balance at December 31	82,143	106,327
	=====	=====

The Board decided in May 2019 to save a minimum of EUR 75,000 as a continuity reserve and to have the possibility to earmark the additional resources for building the capacity of the Global Secretariat, including fundraising. No interest was earned on the bank deposits in 2022. The board proposes to recognize the negative balance of income and expenses for 2022 of EUR 24,184 in accordance with the appropriation of the result as included in the statement of income and expenses for 2022. This proposal has been incorporated as such in the annual accounts.

	2022	Changes 2022	2021
Continuity reserve	82,143	-5,264	87,407
Earmarked reserve	0	-18,920	18,920
Balance at December 31	82,143	-24,184	106,327
	=====	=====	=====

The continuity reserve is meant to cover short term risks and to ensure that the organisation has a buffer to respond to its obligations in the long term. The earmarked reserve has been allocated for restructuring the capacity of the Global Secretariat, including fundraising.

Taxes and social security payments

	2022	2021
Dutch Tax Authority: social security premiums	12,200	13,318
Dutch Tax Authority: VAT	1,907	2,649
ABP: pension premiums	6,808	8,119
	20,915	24,086
	=====	=====

Received pre-payments donors

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

	2022	2021
Sida	402,322	596,306
IFA/Zivik	0	830
UN-Women	113,183	204,507
EU - NEA	113,721	62,726
UNDP	31,818	0
	661,044	864,369
	=====	=====

Accrued liabilities

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

	2022	2021
Audit fee	27,500	12,000
Holiday allowance	12,634	20,211
Holiday leave days	13,037	13,310
Project invoices to be received	64,453	15,498
Various other liabilities	6.389	12,903
Downsizing costs	9,680	23,295
	133,693	97,217
	=====	=====

Commitments and receivables not included in the balance sheet

The foundation has an obligation amounting to EUR 23,043 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, Account Software Groep, and BMP partners lead to a total annual obligation of EUR 19,829, including 21% VAT.

2.5 Notes to the statement of income and expenditure for the year 2022

(all amounts in euro)

	2022	2021
	_____	_____
Grants from governments and others (appropriated income)*		
Dutch Ministry of Foreign Affairs Strategic Partnership	0	70,000
UNDP	74,142	25,789
EU NEA	245,089	153,956
Sida 2017-2021	0	681,941
Sida 2021-2023	1,135,452	379,778
IFA-Zivik Cameroon project	0	187,921
IFA-Zivik Mali project	0	132,218
UN Women	91,324	1,205
KMF Innovation grant	5,985	14,015
UK DFID	46,294	51,961
	_____	_____
*: more information in the appendix	1,598,286	1,698,785
	=====	=====
Income other than grants		
Online Partnerships	2,042	2,933
Other revenues	766	1,998
	_____	_____
	2,808	4,931
	=====	=====

Expenditures on behalf of the objectives

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Objectives	Total costs	Project costs	Progr. man	Operational progr. costs
Result area 1: Network and Learning	956,194	596,725	119,466	240,003
Result area 2: Policy change	368,110	261,985	16,757	89,368
Subtotals	1,324,305	858,711	136,223	329,371
Total expenditure on behalf of objectives	1,324,305			
Costs obtaining gov grants and others	69,443			
Costs management and administration	231,530			
Total expenses	1,625,278			

As of 2021 and in line with the Strategic Plan 2021-2025, GPPAC allocates their expenditure to the two main objectives, being result area 1: GPPAC Members increase local, regional, and global impact as a result of the GPPAC platform and result area 2: Policymakers ensure regional and global policies and practices are rooted in the learnings of locally grounded peacebuilding. No budget targets were set for these result areas in the strategic plan.

GPPAC continues to distribute the project costs over the different objectives, including the part of the donor grants that our regional members managed. They accounted for their expenditure with narrative, financial reports, and documents supporting the expenses.

The management costs are related to the staff at the Global Secretariat, including the office costs in The Hague. The total value amounted to EUR 763,983 (2021: EUR 809,308). The finalization of the restructuring of the Global Secretariat causes this cost decrease. The management and office costs are allocated to the two result areas under Programme management and Operational program costs (like PMEL and Communications), as well as the budget items Fundraising and Management & administration. The next table is an overview of these management costs with their budgets.

	2022	2021
Expenditure		
Personnel costs	572,379	609,458
Office costs	191,604	199,850
Direct program costs	861,296	905,508
	1,625,278	1,714,816

Management costs/ costs Global Secretariat	Realisation 2022	Budget 2022	Realisation 2021
Personnel costs			
Gross salaries	408,712	438,000	440,677
Taxes and social premiums	63,279	73,000	73,218
Pension costs	72,806	73,000	73,099
<i>Subtotal Salary costs</i>	<i>544,796</i>	<i>584,000</i>	<i>586,994</i>
Commuting	5,761	4,000	4,351
Training	12,221	10,000	11,630
Other personnel costs	9,601	10,000	6,483
	572,379	608,000	609,458
Office costs			
Depreciation	10,522	11,000	12,529
Rent office	23,866	25,000	23,092
Office expenses	11,325	10,000	16,323
ICT	28,059	25,000	23,865
Accountancy & consultancy	46,224	28,000	73,702
Other office costs	71,608	30,000	50,339
	191,604	129,000	199,850
	763,983	737,000	809,308

The foundation employed an average of 8.0 fte in 2022 (2021: 8.54). Changes in staff in 2022 are mainly related to the downsizing of the Global Secretariat due to less secured income for 2022. ABP pension fund increased the pension premium in 2022.

From January to the end of April 2022, Mrs. Carreras Lloveras was the interim director of the GPPAC Foundation. She was appointed to this function by the Board on 1 November 2020. Her gross salary costs 2022 amounted to EUR 29,735 (in 2021: EUR 74,034). This gross salary amount does not include the employer pension contribution of EUR 4,653 (In 2021: EUR 13,334). In 2022, she received a gross severance payment of EUR 18,082.

Between April and December, Mr. Alvito de Souza was the director of the GPPAC Foundation. He was appointed through a contract of employment on a 100% position by the board as of the 1st of April 2022. His gross salary in 2022 amounted to EUR 58,903. This included paid holiday allowance. The gross salary amount does not include the employer pension contribution of EUR 10,616. He resigned on the 31st of December, 2022. No severance payment was made to him.

The total remuneration for 2022 of the above-mentioned management remains below the maximum amount for 2022 of EUR 199,000 (2021: EUR 191,000) according to the Dutch Standards for Remuneration Act (Wet Normering Topinkomen), section development cooperation.

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

Name of the employee	V. Carreras Lloveras	A. de Souza
Role	Executive Director	Executive Director
Start and end of job performance in 2022	01/01-30/04	01/04-31/12
Scope of employment (as a part-time factor in FTE)	0.9474	1.00
Employment?	yes	yes
Remuneration		
Remuneration plus taxable expense allowances	29,735	58,903
Rewards payable in due course	4,653	10,616
<i>Subtotal</i>	<i>34,388</i>	<i>69,519</i>
Remuneration cap	199,000	199,000
-/- Unduly paid and not yet refunded amount	N.v.t.	n/a
Remuneration	34,388	69,519
The amount of the overrun and the reason why the overrun is allowed or not	n/a	n/a
Explanation of the claim for undue payment	n/a	n/a
Payment due to termination of employment		
Agreed benefits due to termination of employment	18,082	n/a
Individually applicable maximum	75,000	n/a

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Total benefits due to termination of employment	18,082	n/a
Of which paid in 2022	18,082	n/a
Undue paid and not yet refunded amount	n/a	n/a
The amount of the overrun and the reason why the overrun is allowed or not	n/a	n/a
Explanation of the claim for undue payment	n/a	n/a
Data 2021		
Role	Executive Director	n/a
Start and end of job performance in 2021	01/01-31/12	n/a
Scope of employment (as part-time factor in FTE)	0.9474	n/a
Employment?	yes	n/a
Remuneration		
Remuneration plus taxable expense allowances	74,034	n/a
Rewards payable in due course	13,334	n/a
<i>Subtotal</i>	<i>87,368</i>	<i>n/a</i>
Remuneration cap	191,000	n/a
Remuneration	87,368	n/a

Name Board members	Function	Period 2022	Financial compensation 2022	Period 2021	Financial compensation 2021
Frank van den Akker	Member/ Vice Chair	1/1-31/12	Not applicable	15/1-31/12	Not applicable
Herman Kreulen	Treasurer	1/1-31/12	Not applicable	1/3-31/12	Not applicable
Yoshioka Tatsuya	Chair	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Charlotte Divin	Member	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Nqobile Moyo	Member	1/1-31/12	Not applicable	1/1-31/12	Not applicable

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Office costs

Depreciation

	2022	2021
	_____	_____
Automation	2,246	4,024
Office equipment	0	229
Intangible assets	8,276	8,276
	_____	_____
	10,522	12,529
	=====	=====

Housing costs

Housing costs consist of rental costs for the office at Laan van Meerdervoort 70, The Hague. As of the 1st of January 2021, we moved to a new office, Alexanderveld 5 in The Hague.

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	2022	2021
	_____	_____
Office expenses		
Telephone	2,258	1,942
Office equipment/material	1,539	1,808
Postal charges	-12	271
Contributions	5,024	6,866
Other	2,516	5,436
	_____	_____
	11,325	16,323
	=====	=====
 ICT	 28,059	 23,865
	=====	=====
 Accountancy and consultancy costs		
Consultancy costs	5,341	37,803
Auditor costs	33,952	29,906
Project audit costs	0	0
Salary administration costs	6,931	5,993
	_____	_____
	46,224	73,702
	=====	=====

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	2022	2021
Other office costs		
Communication/marketing	10,438	10,442
Insurances general	21,096	18,970
Other expenses	40,074	20,927
	<hr/>	<hr/>
	71,608	50,339
	=====	=====

The Hague, 27 September 2023

The Board,

Yoshioka Tatsuya, Chair
Frank van den Akker, Vice-Chair,
Herman Kreulen, Treasurer
Charlotte Divin,
Nqobile Moyo,

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The Hague (Legal seat in Amsterdam)*

3 Auditor's report



INDEPENDENT AUDITOR'S REPORT

To: The board and supervisory board of GPPAC Foundation

A. Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of GPPAC Foundation based in s' Gravenhage.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of GPPAC Foundation as at 31 December 2022 and of its result for 2022 in accordance with Dutch Accounting Standards 640 "Organisaties zonder winststreven".

The financial statements comprise:

4. the balance sheet as at 31 December 2022;
5. the profit and loss account for 2022; and
6. the notes comprising of 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 of Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

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

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

B. Report on the other information included in the annual report

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

- a substantive report.

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.



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.

Management is responsible for the preparation of the other information, including mission, vision, board report etcetera in accordance with 'RJ-Richtlijn 640 Organisaties zonder winststreven'.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven'. Furthermore, management is responsible for such internal control as management 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, management is responsible for assessing the foundations ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the foundations ability to continue as a going concern in the financial statements.

As explained in the going concern section on page 48 of the financial statements, management has performed its going concern assessment for the period of 12 months from the date of preparation of the financial statements and has not identified any events or conditions that may cast significant doubt on the entity's ability to maintain its continuity (hereinafter: continuity risks). Our work to review the board's continuity assessment includes, among others:

- consider whether the board's continuity assessment contains all relevant information of which we have become aware as a result of our audit by reviewing the measures taken to ensure continuity and questioning the board on key assumptions and assumptions. The board has paid attention to, among other things;
- evaluate the projected operating results and related cash flows for the period of 12 months from the date of preparation of the financial statements, taking into account developments in the industry and our knowledge from the audit;
- inquire of the board about its knowledge of going concern risks after the period of the going concern assessment performed by the board.

Our responsibilities for the audit of the financial statements

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

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

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



extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundations internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- 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 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.

Capelle aan den IJssel, 11 oktober 2023

Vigilate Accountants B.V.

Ruud Kuiper RA

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The Hague (Legal seat in Amsterdam)*

4 Appendix

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

Appendix: Donor overview 2022

Name of donor:	Sida	Funds allocated 2022:	1,135,452	Installments received 2022:	941,468
Donor reference:	13917	Totally allocated:	1,515,230	Installments received in total:	1,917,552
Contract period:	01072021-31122023	Total contract funding:	SEK 28,000,000	Installments to receive:	SEK 8,000,000
Status:	In progress (short term)				
Specifics:	Restrictions on flow of funds to organisations registered in non-ODA countries; 20% cut by Sida on the 2023 installments				
Name of donor:	EU	Funds allocated 2022:	245,089	Installments received 2022:	296,083
Donor reference:	IcSP 2020/419-694	Totally allocated:	399,045	Installments received in total:	512,765
Contract period:	01022021-31012024	Total contract funding:	999,561	Installments to receive:	486,796
Status:	In progress (short term)				
Specifics:	None				
Name of donor:	The Knowledge Platform Security & Rule of Law	Funds allocated 2022:	5,985	Installments received 2022:	10,404
Donor reference:	CR3036_1.1	Totally allocated:	20,000	Installments received in total:	18,393
Contract period:	20052021-20022022	Total contract funding:	19,972	Installments to receive:	1,607
Status:	Done, pending approval by donor				
Specifics:	None				
Name of donor:	UK DFID	Funds allocated 2022:	46,294	Installments received 2022:	98,255
Donor reference:	-	Totally allocated:	98,255	Installments received in total:	98,255
Contract period:	01092021-31032022	Total contract funding:	USD 108,130	Installments to receive:	0
Status:	Done, approved by donor				
Specifics:	None				
Name of donor:	UN Women	Funds allocated 2022:	91,324	Installments received 2022:	0
Donor reference:	-	Totally allocated:	92,529	Installments received in total:	205,712
Contract period:	15112021-31032024	Total contract funding:	745,277	Installments to receive:	539,565
Status:	In progress (short term)				
Specifics:	Project period extended to 31 March 2024				
Name of donor:	United Nations Development Programme	Funds allocated 2022:	74,142	Installments received 2022:	105,960
Donor reference:	CPPRI Global Programme	Totally allocated:	74,142	Installments received in total:	105,960
Contract period:	01122021-31032023	Total contract funding:	USD 150,000	Installments to receive:	USD 30,000
Status:	In progress (short term)				
Specifics:	Project period extended to 31 March 2023				