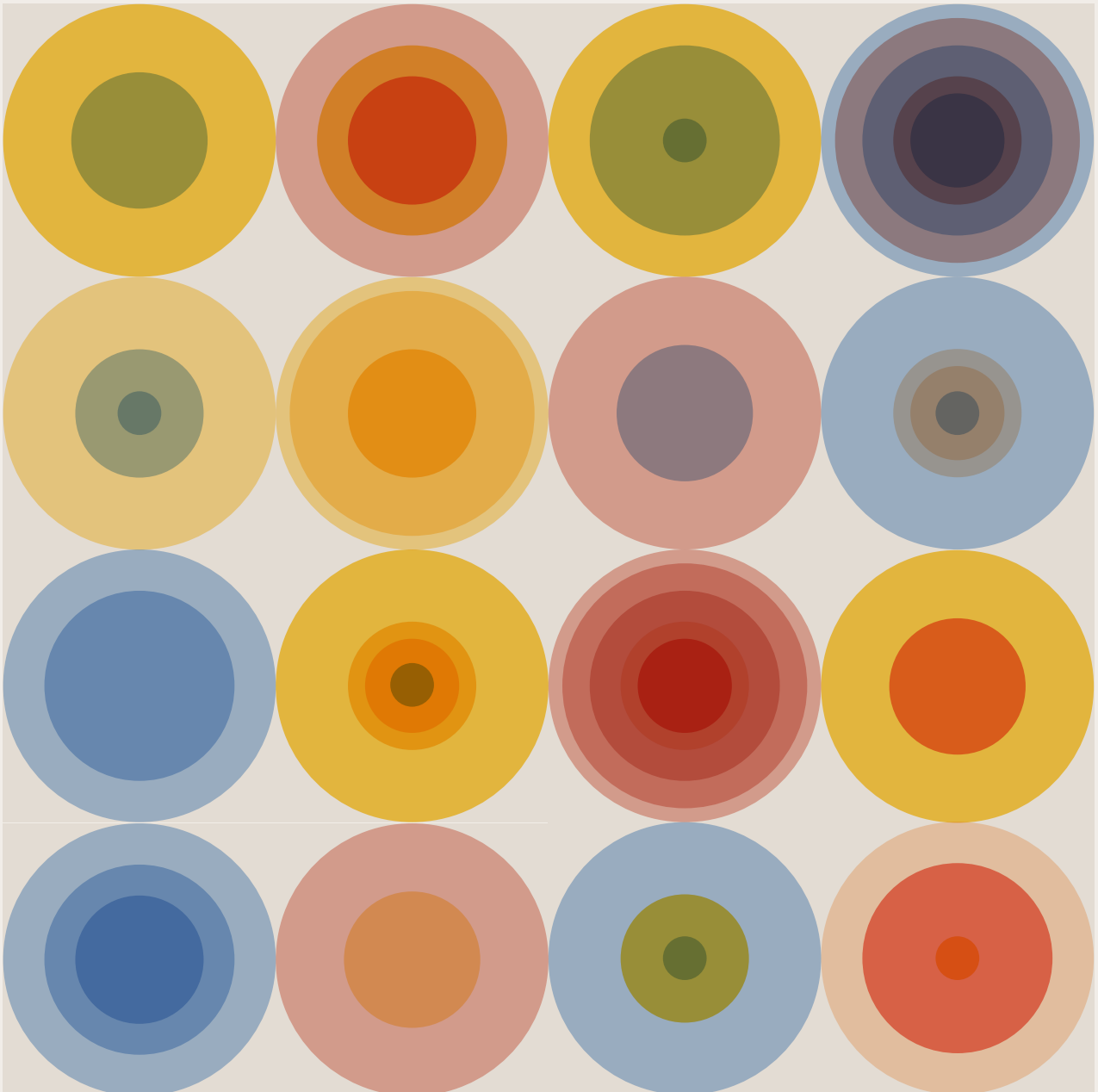




FINANCIAL STATEMENTS 2016



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Secretary-General's Report

Statement of Activities

The Secretary-General submits his report together with the audited financial statements for the year ended 31 December 2016.

Principal Activity

Created in 1995, the International Institute for Democracy and Electoral Assistance (International IDEA) is an intergovernmental organization (IGO) with a mandate to: *support sustainable democratic change through providing comparative knowledge, and assisting in democratic reform, and influencing policies and politics.*

International IDEA brings together those who analyse and monitor trends in democracy with those who engage directly in political reform or act in support of democracy. IDEA works with new and with long-established democracies, helping to develop and strengthen the institutions and culture of democracy. It operates at international, regional and national levels, working in partnership with a range of institutions.

A full report on the Activities of International IDEA is published annually as a separate document incorporating schedules drawn from the annual financial statements.

Legal status

The International Institute for Democracy and Electoral Assistance was established as an international inter-governmental organization by fourteen founding Members at a conference held in Stockholm on the

27 February 1995. International IDEA was registered in accordance with Article 102 of the United Nations Charter and has observer status in the UN General Assembly since 2003.

Member States of International IDEA

| | | | |
|--|--|---|--|
|  Australia, since 1995 |  Chile, since 1995 |  Mauritius, since 1999 |  Portugal, since 1995 |
|  Barbados, since 1995 |  Costa Rica, since 1995 |  Mexico, since 2003 |  South Africa, since 1995 |
|  Belgium, since 1995 |  Dominican Republic, since 2011 |  Mongolia, since 2011 |  Spain, since 1995 |
|  Benin, since December 2016 |  Finland, since 1995 |  Namibia, since 1997 |  Sweden, since 1995 |
|  Botswana, since 1997 |  Germany, since 2002 |  The Netherlands, since 1995 |  Switzerland, since 2006 |
|  Brazil, since April 2016 |  Ghana, since 2008 |  Norway, since 1995 |  Uruguay, since 2003 |
|  Canada, since 1997 |  India, since 1995 |  Peru, since 2004 | Observer State |
|  Cape Verde, since 2003 |  Indonesia, since 2013 |  The Philippines, since 2013 |  Japan |

During the year, the Council of Member States, welcomed the accession to membership of International IDEA of the Republic of Brazil (April 2016) and the Republic of Benin (December 2016).

Offices

International IDEA has a Headquarters' Agreement with Sweden and Host Country Agreements with the Governments of Australia, Belgium, Bolivia, Costa Rica, Ethiopia, Haiti, Nepal, The Netherlands, South Africa and South Sudan. Host Country Agreements with Chile and Tunisia were ratified by their respective Parliaments during the year. Negotiations for Host

Country agreements continue in Kenya and Myanmar. International IDEA also has permanent observer status at the United Nations in New York. At its Headquarters and in those states with which International IDEA has a Host Country Agreement, the organization has been granted privileges and immunities notably that of being exempt from most forms of taxation.

International IDEA is headquartered in Stockholm, Sweden and has offices in Australia, Belgium, Bolivia, Chile (since September 2016), Ethiopia, Haiti, Kenya, Myanmar, Nepal, The Netherlands, Peru and Tunisia

and a UN liaison office in New York. During 2016 International IDEA closed its offices in Costa Rica (September 2016) and Egypt (December 2016).

Governance matters

Overall governance of International IDEA is provided by a Council of Member States. The Council meets at least twice a year and has delegated the management of the organization to the Secretary-General. The Secretary-General is assisted by a Management Committee composed of Directors. The Council

monitors the operations and performance of the organization via a Steering Committee and a Finance and Audit Committee. International IDEA also has a Board of Advisors the members of which provide expert and technical advice on programmes.

Secretary-General

The Honourable Mr Yves Leterme

Directors

During 2016 there were eight (2015: nine) Director level positions. Incumbents during the year are detailed below: *(At the end of 2015, the West Asia North Africa Region was merged into the Africa Programme to form a new Region now called "Africa and Western Asia")*

| Name and Position | Gender |
|---|--------|
| Mr Adam M B Boys, Director for Corporate Services | M |
| Mr Andrew Bradley, Director of the office of International IDEA to the European Union | M |
| Ms Karin Gardes, Director for External Relations and Governance Support | F |
| Ms Keboitse Machangana, Director for Global Programmes | F |
| Professor Adebayo Olukoshi, Director – Africa and Western Asia | M |
| Ms Leena Rikkila Tamang, Director for Asia and the Pacific | F |
| Dr Massimo Tommasoli, Director – Permanent Observer to the United Nations | M |
| Dr Daniel Zovatto, Director for Latin America and the Caribbean | M |

There were no changes in director level positions during the year.

Steering Committee

Member States held the following offices on the Council in 2016:

- Mongolia Chair
- Switzerland First Vice Chair
- Peru Second Vice Chair
- Sweden Host Country
- Finland Additional Council members

Finance and Audit Committee (FAC)

Members of the FAC serve in their individual capacities.

| Name | Gender | Meetings attended (out of three, including one virtual meeting) |
|---|--------|---|
| Mr Johannes Heller (Chair) | M | 3 |
| Ms Helle Bank Jørgensen (until 2 December 2016) | F | 3 |
| Mr Alejandro Garofali | M | 2 |
| Mr Jørgen Kosmo (Left 6 December 2016) | M | nil |
| Mr Anders Nyström | M | 3 |
| Mr Leo van der Tang | M | 3 |

During the year, Ms Helle Bank Jørgensen completed her term of appointment to the Finance and Audit Committee. With regret, Mr Jørgen Kosmo resigned from the Finance and Audit Committee for personal reasons.

Board of Advisors

| Name | Gender | Meetings attended (out of two) |
|---|--------|--------------------------------|
| H.E. Dr Surin Pitsuwan (Chair) | M | 2 |
| Mr Rafael Roncagliolo Orbegoso (until 21 March 2016) | M | - |
| Ms Burmaa Radnaa (Vice Chair) | F | 1 |
| Dr Shahabuddin Yaqoob Quraishi | M | 2 |
| Ambassador Antonio Núñez García-Sauco | M | 2 |
| Dr Bassma Kodmani | F | 1 |
| Mr Nicholas Haysom | M | 1 |
| Professor Christine Bell | F | 1 |
| Ms Emine Bozkhurt | F | 2 |
| Professor Hoda Elsadda | F | 1 |
| Dr Cheik Modibo Diarra | M | 1 |
| Professor Pippa Norris | F | 1 |
| Mr Pierre Schori | M | 1 |
| Ms Njeri Kabeberi | F | 2 |
| Mr Sergio Bitar | M | 1 |
| Daw Aung San Suu Kyi (<i>Honorary Board Member</i>) | F | nil - not required to attend |

Results

The results of International IDEA are set out in the statement of financial performance on page 6 of the financial statements.


Yves Leterme
Secretary-General

26 April 2017
Strömsborg 1
103 34 Stockholm
Sweden

Statement of Responsibilities

The Secretary-General is required to prepare financial statements for each financial year which give a true and fair view of the financial position of International IDEA and of the results of its operations and cash flows, in accordance with applicable accounting policies, and is responsible for maintaining proper accounting records to enable the preparation of such financial statements at any time. He/she has a general responsibility for taking such steps as are reasonably available to him/her to safeguard the assets of International IDEA and to prevent and detect fraud and other irregularities.

The Secretary-General is responsible for selecting suitable accounting policies to conform to applicable accounting standards and then apply them consistently; make judgments and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to presume that International IDEA will continue in operations.

The Secretary-General is responsible for the submission to the Council of an annual report on activities together with the annual financial statements for their adoption.

The financial statements set out on pages 6 to 25 were authorised by the Secretary-General on 26 April 2017 for issue to the Council and are signed below to signify this.



Yves Leterme
Secretary-General

Audit Opinion



Auditor's Report

To the Council of Member States of International Institute for Democracy and Electoral Assistance, corp. id 902000-0098.

Report on the financial statements

Opinions

We have audited the International Institute for Democracy and Electoral Assistance's (International IDEA) financial statements for the year ending 31 December 2016.

In our opinion, the financial statements have been prepared in accordance with the International Public Sector Accounting Standards, and present fairly, in all material respects, the financial position of International IDEA as of 31 December 2016 and its financial performance and cash flow for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of International IDEA in accordance with International Standards on Auditing (ISA) and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Secretary General and Management

The Secretary General and Management are responsible for the preparation of the financial statements and that they give a fair presentation in accordance with the International Public Sector Accounting Standards (IPSAS). The Secretary General and Management are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Secretary General and Management are responsible for the assessment of the Institute's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting.

The Audit Committee shall, without prejudice to the Secretary General and the Management's responsibilities and tasks in general, among other things oversee International IDEA's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. 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.
- Obtain an understanding of the Institute's internal control relevant to our 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 Institute's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary General and Management.
 - Conclude on the appropriateness of the Secretary General and Management's use of the going concern basis of accounting in preparing the financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Institute'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 about the financial statements. 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 International IDEA to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We must inform the Secretary General and Management of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm 26 April 2017

KPMG AB

Birgitta Johansson Vogensen

Authorized Public Accountant

Statement of Financial Performance for the year ended

For the year ended 31 December 2016

(Thousands of Euros)

| Income & Operating Costs | Note | 2016 | 2015 |
|---------------------------------------|-------------|----------------------|----------------------|
| Income | | | |
| Donor Contributions | 9(a) | 22,128 | 25,623 |
| Other Income | 9(b) | 11 | 20 |
| <i>Total Income</i> | | <i>22,139</i> | <i>25,643</i> |
| Operating Costs | | | |
| Contractors | 10 | 6,181 | 6,716 |
| Operating Costs | 10 | 4,226 | 4,968 |
| Personnel costs | 10&11&12 | 10,937 | 10,274 |
| Travel | 10 | 2,806 | 3,626 |
| <i>Total Operating Costs</i> | | <i>24,150</i> | <i>25,584</i> |
| (Deficit)/Surplus for the Year | | (2,011) | 59 |

Statement of Financial Position as at

As of 31 December, 2016 and 2015

(Thousands of Euros)

| Assets | Note | 2016 | 2015 |
|---|-------------|---------------|---------------|
| Current Assets | | | |
| Cash and cash equivalents | 3 | 11,871 | 14,041 |
| Receivable Contributions | 4(a) | 482 | 421 |
| Prepayments | 4(b) | 687 | 5 |
| Recoverable staff income tax and social security payments | | 1,111 | 972 |
| Recoverable value added tax | | 136 | 94 |
| Other receivables | | 21 | 27 |
| Total current assets | | 14,308 | 15,560 |
| Non-current assets | | | |
| Fixed Assets | 5 | 74 | 42 |
| Total non-current assets | | 74 | 42 |
| Total Assets | | 14,382 | 15,602 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade Payables and Accruals | 6 | 1,380 | 1,506 |
| Deferred Income | 6 | 3,406 | 2,526 |
| Personnel Accruals | 7 | 1,530 | 1,493 |
| Total current liabilities | | 6,316 | 5,525 |
| Total Liabilities | | 6,316 | 5,525 |
| Net Assets | | | |
| General Reserve | | 9,077 | 9,018 |
| Currency Reserve | 8 | 1,000 | 1,000 |
| (Deficit)/Surplus for the period | | (2,011) | 59 |
| Net Assets | | 8,066 | 10,077 |
| Total Liabilities & Reserves | | 14,382 | 15,602 |



Yves Leterme
Secretary-General



Adam M B Boys, FCA
Director of Corporate Services

The accounting policies and other notes form an integral part of these financial statements

Statement of Cash flows for the year ended

As of 31 December, 2016 and 2015

(Thousands of Euros)

| | Note | 2016 | 2015 |
|---|------|-----------------------|-----------------------|
| Cashflow from operating activities | | | |
| (Deficit)/Surplus from ordinary activities | | (2,011) | 59 |
| Depreciation | 5 | 70 | - |
| (Increase)/decrease in receivables and prepayments | | (918) | 356 |
| Increase/(decrease) in payables | | 791 | (1,702) |
| <i>Net cashflow from operating activities</i> | | <i>(2,068)</i> | <i>(1,287)</i> |
| Cashflow from investing activities | | | |
| Capitalization of fixed assets | 5 | - | (42) |
| Purchase of fixed Assets | 5 | (102) | - |
| Net cashflow from investing activities | | (102) | (42) |
| Net (decrease) increase in cash and cash equivalents | | (2,170) | (1,329) |
| Cash and cash equivalents at beginning of period | | 14,041 | 15,370 |
| <i>Cash and cash equivalents at end of period</i> | 3 | <i>11,871</i> | <i>14,041</i> |

Statement of Changes in Net Assets

(Thousands of Euros)

| | General Reserve | Currency Reserve | Total |
|---|-----------------|------------------|----------------|
| Balance at 1 January 2015 | 9,018 | 1,000 | 10,018 |
| Transfer (to)/from Currency | - | (219) | (219) |
| Transfer from Currency to Operating Reserve | - | 219 | 219 |
| <i>Net surplus for the period</i> | <i>59</i> | <i>-</i> | <i>59</i> |
| Balance, 31 December 2015 | 9,077 | 1,000 | 10,077 |
| Transfer (to)/from Currency | - | (217) | (217) |
| Transfer from Currency to Operating Reserve | - | 217 | 217 |
| <i>Net deficit for the period</i> | <i>(2,011)</i> | <i>-</i> | <i>(2,011)</i> |
| Balance, 31 December 2016 | 7,066 | 1,000 | 8,066 |

The accounting policies and other notes form an integral part of these financial statements

Notes

(forming part of the financial statements)

1. Reporting Entity

Created in 1995, the International Institute for Democracy and Electoral Assistance (International IDEA) is an Intergovernmental Organization.

International IDEA has a mandate to support sustainable democracy worldwide. IDEA brings together those who analyse and monitor trends in democracy with those who engage directly in political reform or act in support of democracy at home and abroad. IDEA works with new and long-established democracies, helping to develop and strengthen the institutions and culture of democracy. It operates at international, regional and national levels, working in partnership with a range of institutions.

International IDEA is funded through voluntary contributions within the framework of an Annual Programme and Budget. Approval of the Programme

and Budget by the Council of Member States accords the Secretary-General with the necessary commitment authorizations for the functioning of the organization and the carrying out of its activities. Income received subsequent to the approval of the Programme and Budget, by way of grants and donations (restricted income) made for purposes that accord with the organization's mandate are included within the Programme and Budget as they are received and such changes are subject to formal approval by the Council during the financial year.

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the financial statements of the organization.

2A. Basis of preparation

A summary of the significant policies adopted in the preparation of the accompanying combined financial statements are as follows:

a. Basis of accounting – The financial statements have been prepared in accordance International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB), based on International Accounting Standards (IASs) and International Financial Reporting (IFRSs) issued by the International Accounting Standards Board (IASB).

In the event that IPSASB does not prescribe any specific standard, IFRSs and IASs shall be applied.

The accounting policies have been applied consistently throughout the period.

b. Basis of measurement – The financial statements have been prepared in accordance with the historical cost convention.

c. Use of estimates – The preparation of the financial statements requires management to make estimates and assumptions that affect the reported

amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes the estimates and assumptions used in the preparation of these combined financial statements were appropriate in the circumstances, actual results could differ from those estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

d. Accruals Accounting – The financial statements have been prepared using the accruals basis of accounting.

e. Going concern – The financial statements have been prepared under the assumption that International IDEA will continue to operate as a going concern.

f. Revenue recognition – Restricted contributions are recognized as revenues when the grant conditions have been substantially met or the donor has explicitly waived such conditions. Unrestricted contributions for the year are recognized following formal approval of the Programme and Budget for the year by the Council of Member State Representatives. The rate of exchange used for the conversion of foreign currency commitments or pledges is the average rate of exchange for the month in which the Programme and Budget is approved (December of the prior year).

For individual Member State contributions of Unrestricted Income: In the event that the exchange rate prevailing on the date of the receipt of funds varies substantially from the rate of the initial recording of the income, then an adjustment to Unrestricted Income will be made. For such an adjustment to be made, the cumulative adjustments for an individual donor must exceed 100,000 Euros. In all other cases, such differences will be recorded within Exchange Rate gains and losses.

g. Contributions-in-kind – Should contributions-in-kind be received, they are described and reported within the notes to the financial statements but are not included as income within the financial accounting records. Such contributions-in-kind are primarily received in the form of office rental and staff members seconded by Member States and others.

h. Contributions receivable – Contributions receivable represent amounts recoverable from donors for restricted grants promised or pledged for which the conditions have been met, and for core contributions received after the end of the calendar year but before the accounting records for that year have been closed. Where necessary, these amounts are reduced by appropriate amounts for estimated irrecoverable amounts based on a review at the reporting date.

i. Cash and cash equivalents – Cash and cash equivalents comprise cash on hand, bank current accounts and interest bearing bank deposits.

j. Fixed Assets – Tangible Assets purchased with unrestricted funds and with a cost exceeding 2,000 Euros are capitalised and depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method on the following basis:

- | | |
|--------------------------------------|---------|
| i. Furniture, Fixtures and equipment | 4 years |
| ii. IT Equipment | 3 years |
| iii. Motor vehicles | 4 years |

Occasionally, International IDEA purchases assets with a cost exceeding 2,000 Euros from restricted funds/grant funds which have been received for specific short term projects. In such cases - and consistent with the manner of reporting within the grant within which the assets have been purchased - the full cost of the assets is capitalized and this cost is then depreciated in full in the year of acquisition with the charge being recognized in the Statement of Financial Performance.

The gain or loss on the disposal, or withdrawal from use, of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

The carrying value of fixed assets are reviewed for impairment if changes in circumstances indicate that they may not be recoverable. If such cases exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Any provision for impairment is charged against the Statement of Financial Performance in the year concerned.

k. Finance leases – International IDEA does not have any obligations under finance leases and has no lease agreements of this nature.

l. Operating leases – Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign and operating lease are similarly spread on a straight-line basis over the lease term.

m. Income taxes – International IDEA is tax-exempt; accordingly, no provision for income taxes has been made in the accompanying combined financial statements.

n. Accounts payable to donors – These represent funds received in advance from donors for either unrestricted and restricted purposes, for which the grant conditions have not yet been met. Also included are amounts payable to donors where donors require reimbursement of unexpended grant balances.

o. Other accounts payable and accruals – These represent amounts to be paid in the future for goods or services received, whether or not they have been billed by the supplier.

p. Provisions – Provisions are recognized for current obligations that (i) result from a past event, (ii) are expected to result in the use of economic resources, and (iii) can be reasonably estimated. Provisions are based on management’s best estimate of the expenditure required to settle the obligation at the date of the Statement of Financial Position.

q. Functional and presentation currency – The currency of the report is the Euro. Assets and Liabilities in other currencies are translated to Euro at rates of exchange ruling at the end of the financial year as published by the European Central Bank.

Transactions in other currencies are translated to Euro at the average rate of exchange as published by the European Central Bank for the month in which the transaction took place.

Significant exchange gains and losses are transferred to or from the Currency Reserve.

r. Foreign currencies – Contributions, donations and grant income are received in Euros and in other currencies. Assets and liabilities denominated in foreign currencies are translated into Euros at the exchange rates prevailing on the date of the Statement of Financial Position.

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Both realised and unrealised gains and losses resulting from the settlement of such transactions, and from the retranslation at the reporting date of assets and liabilities denominated in foreign currencies, are recognized in the Statement of Financial Performance.

2B. Accounting judgements and estimates

In the application of the Organisation’s accounting policies, which are described in Note 2A, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Estimates include, but are not limited to: accounts receivables, accrued charges, contingent assets and liabilities, and the degree of impairment of fixed assets.

Provisions

International IDEA enters into numerous agreements under which donors and other grant-making bodies provide funds for activities, institutional costs or programs. The requirements of such grants may include conditions for reporting and the submission of original documentation and evidence in order to support that work was undertaken in accordance with an agreed

plan. In the normal course of operational, grant-making bodies may consider certain expenses to be eligible or not to be eligible on the grounds that they do not accord with the agreed work plan. IDEA does not believe that the results of any such ineligible expense claims will have a material effect on the statement of financial performance or statement of financial position.

3. Cash and cash equivalents

31 December

(Thousands of Euros)

| | 2016 | 2015 |
|--------------|---------------|---------------|
| Cash on hand | 24 | 24 |
| Cash at Bank | 11,847 | 14,017 |
| Total | 11,871 | 14,041 |

International IDEA has the equivalent of 11,1 Million Euros deposited with a well-established bank - Svenska Handelsbanken AB - in Sweden while deposits outside Sweden are sufficient for one month's operational requirements for the country in question.

4(a). Receivable Contributions (Schedule 1, note 9(a))

31 December

(Thousands of Euros)

| | 2016 | 2015 |
|---|------------|------------|
| Unrestricted contributions (schedule 1 (a)) | 2 | 5 |
| Restricted Projects (schedule 1 (b)) | 480 | 416 |
| Total | 482 | 421 |

4(b). Prepayments

In Myanmar, International IDEA works with partners in the implementation of the EU STEP democracy project. International IDEA advances funds to these partners who then use the funds for activities.

On 31 December 2016, the value of such unspent advances was €420,000 (2015: €551,000). In 2016, this amount was reflected in Prepayments while in 2015 this was netted off against Trade Payables and Accruals.

5. Fixed Assets

Changes in furniture, fixtures and equipment for the period (Thousands of Euros)

| | 31 December 2015 | Acquisitions | Depreciation | 31 December 2016 |
|-----------------------------------|------------------|--------------|--------------|------------------|
| Cost | | | | |
| Furniture, fixtures and equipment | 293 | 95 | | 388 |
| IT Equipment | 48 | 7 | | 55 |
| Motor Vehicles | 57 | - | | 57 |
| Total cost | 398 | 102 | | 500 |
| Depreciation | | | | |
| Furniture, fixtures and equipment | (257) | | (62) | (319) |
| IT Equipment | (42) | | (8) | (50) |
| Motor Vehicles | (57) | | | (57) |
| Total Depreciation | (356) | | (70) | (426) |
| Net Book value | | | | |
| Furniture, fixtures and equipment | 36 | 95 | 62 | 69 |
| IT Equipment | 6 | 7 | 8 | 5 |
| Motor Vehicles | - | - | - | - |
| Total net book value | 42 | 102 | 70 | 74 |

6. Liabilities and Deferred Income

31 December (Thousands of Euros)

| | 2016 | 2015 |
|---|--------------|--------------|
| Trade payables and Accruals | | |
| Accounts payable | 837 | 956 |
| Accruals | 543 | 550 |
| Total | 1,380 | 1,506 |
| Deferred Income (Schedule 1) (Note 9(a)) | | |
| Unrestricted contributions (Schedule 1(a)) | - | - |
| Restricted Projects (Schedule 1 (b)) | 3,406 | 2,526 |
| Total | 3,406 | 2,526 |

7. Personnel Accruals

31 December

(Thousands of Euros)

| | 2016 | 2015 |
|-----------------------|--------------|--------------|
| Annual Leave | 184 | 195 |
| Pension contributions | 505 | 559 |
| Separation Allowance | 686 | 621 |
| Withholding taxes | 155 | 118 |
| Total | 1,530 | 1,493 |

Annual leave

International IDEA staff members have an annual leave entitlement of 30 working days per calendar year. Up to 10 days may be carried forward if not utilised by 31 January of the following year. This provision reflects the untaken leave at the year end.

Pension contributions

Contribution in lieu of pension

Staff members receive an annual payment in lieu of a pension contribution. For international staff positions the pension is payable at the end of each twelve months of service. At the end of the reporting period the contribution in lieu of pension which has been earned but not yet paid is accrued.

Pension contributions

Contributions for those staff members who, according to the Headquarters agreement with the Government of Sweden, are subject to tax in Sweden are paid monthly into a defined contribution pension scheme.

Separation allowance

Staff members who have relocated from their home country to take up employment in any country where International IDEA has an office are, on the conclusion of their contracts, entitled to a separation allowance on relocation back to their home country. This provision reflects allowances with respect to currently employed staff members in this category.

8. Net Assets

Movements in reserves are detailed in the Statement of Changes in Reserves and are classified as follows:

a. General Reserve – This is International IDEA's central reserve account that provides liquidity to meet unplanned short and medium term volatility in income and expenditure. The level of this reserve may not fall to below the level of 50% of unrestricted Member State income for the previous year. In 2016, the Council approved the use of

€2.7m of reserves to fund an unexpected drop in income in 2016. Of this figure, €2.0m were actually drawn from reserves.

b. Currency Reserve – This reserve provides a facility to overcome distortions in International IDEA's operational expenditures caused by fluctuations in the exchange rate between the Euro and other currencies. In line with the reserve policy, the currency reserve is maintained at €1.

9. Revenues

a. Contributions – Funds received from donors are used to support International IDEA's programmes that must fall within the mandate of International IDEA as approved in an annual Programme and Budgets by the governing Council. Details of all contributions are set out in Schedule 1 and are classified as Unrestricted or Core contributions

(schedule 1(a) and restricted contributions (schedule 1(b)). Core contributions are used to support International IDEA's activities. Restricted contributions support activities that are mutually agreed upon between International IDEA and the individual donor via grant agreements and similar.

9(a)(i) Analysis of Income – Unrestricted (schedule 1a)

For the year ended 31 December 2016

(Thousands of Euros)

| Donors | 31 December 2016 | | | | | | 31 December 2015 |
|-----------------------------------|------------------|---------------|--|---------------------|-----------------|--------------|------------------|
| | Opening Balance | Cash Payments | Exchange rate gain/(loss) on Receivables | Accounts Receivable | Advance Payment | Total Grants | Total Grants |
| Unrestricted Contributions | (5) | 10,765 | 63 | 2 | 0 | 10,825 | 14,261 |
| Barbados | | 4 | | | | 4 | 4 |
| Botswana | | 35 | | | | 35 | (1) |
| Brazil | | 70 | | | | 70 | - |
| Canada | | - | | | | - | 708 |
| Chile | | 161 | | | | 161 | 156 |
| Costa Rica | | 5 | | | | 5 | 9 |
| Finland | | - | | | | - | 1,100 |
| Germany | | 400 | | | | 400 | 400 |
| India | | 46 | | | | 46 | 45 |
| Mauritius | | 9 | | | | 9 | 9 |
| Mexico | | 48 | | | | 48 | 88 |
| Mongolia | (5) | 10 | | | | 5 | 5 |
| Netherlands | | 4,000 | | | | 4,000 | 3,500 |
| Norway | | 1,233 | | | | 1,233 | 2,569 |
| Peru | | 9 | | | | 9 | 8 |
| South Africa | | - | | | | - | 19 |
| Spain | | 50 | | | | 50 | - |
| Sweden | | 3,774 | 49 | | | 3,823 | 4,526 |
| Switzerland | | 911 | 13 | | | 925 | 1,114 |
| Uruguay | | - | | 2 | | 2 | 2 |

9(a)(ii) Restricted Income for the year ended (schedule 1b)

For the year ended 31 December 2016

(Thousands of Euros)

| Donors | 2016 | | | | | 2015 |
|--|-----------------|---------------|------------|-----------------|---------------|---------------|
| | Opening balance | Cash Payments | Receivable | Advance payment | Total Grants | Total Grants |
| Restricted contribution | 2,110 | 12,121 | 479 | (3,406) | 11,304 | 11,361 |
| Belgium | - | 48 | - | - | 48 | 48 |
| Belgian Ministry of Foreign Affairs | - | 48 | - | - | 48 | 48 |
| Canada | (9) | 244 | - | (199) | 36 | 91 |
| Department of Foreign Affairs, Trade and Development | (9) | 45 | - | - | 36 | 91 |
| The International Development Research Centre | - | 199 | - | (199) | - | - |
| European Union | 938 | 3,365 | 82 | (1,510) | 2,875 | 3,196 |
| European Commission | 938 | 3,365 | 82 | (1,510) | 2,875 | 3,196 |
| Organisation internationale de la Francophonie (OIF) | - | 88 | - | - | 88 | - |
| OIF | - | 88 | - | - | 88 | - |
| Germany | 117 | 147 | 15 | (75) | 204 | 205 |
| Robert Bosch Stiftung GmbH | - | 35 | - | (35) | - | - |
| The Institute für Auslandsbez | - | 112 | - | (40) | 72 | - |
| Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH | 117 | - | 15 | - | 132 | 205 |
| Inter American Development Bank | - | - | - | - | - | 17 |
| Inter-American Development Bank | - | - | - | - | - | 17 |
| Development Bank | - | - | - | - | - | - |
| Korea, Republic of | 68 | (68) | - | - | - | 118 |
| Ministry of Foreign Affairs | 68 | (68) | - | - | - | 118 |
| Netherlands | 19 | 192 | 25 | - | 236 | 341 |
| Ministry of Foreign Affairs | - | - | - | - | - | 225 |
| The Netherlands Institute for Multi-Party Democracy | 19 | 192 | 25 | - | 236 | 116 |
| Nepal | 5 | 252 | 26 | - | 283 | 27 |
| Government facility | 5 | 243 | 24 | - | 272 | 27 |
| SAARC Business Association of Home Based Workers | - | 9 | 2 | - | 11 | - |

| Donors | 2016 | | | | | 2015 |
|--|-----------------|---------------|------------|-----------------|--------------|--------------|
| | Opening balance | Cash Payments | Receivable | Advance payment | Total Grants | Total Grants |
| Norway | 856 | 2,550 | | (316) | 3,090 | 5,298 |
| Norwegian Ministry of Foreign Affairs | 856 | 2,550 | | (316) | 3,090 | 5,298 |
| Spain | 32 | 120 | - | (85) | 67 | 147 |
| Spanish Agency for International Cooperation | 32 | 120 | - | (85) | 67 | 147 |
| Sweden | 317 | 2,603 | 2 | (968) | 1,954 | 1,308 |
| Swedish Ministry of Foreign Affairs | 317 | 1,462 | 2 | (321) | 1,460 | 897 |
| Swedish International Development Agency (Sida) | - | 1,141 | - | (647) | 494 | 411 |
| Switzerland | - | 553 | 13 | (92) | 474 | 15 |
| The Swiss Agency for Development and Co-operation (SDC) | - | 37 | 1 | - | 38 | - |
| The Swiss Federal Department of Foreign Affairs | - | 516 | 12 | (92) | 436 | 15 |
| United Kingdom | (64) | 566 | 197 | (38) | 661 | 65 |
| Department for International Development (DFID) | (64) | 566 | 197 | (38) | 661 | 65 |
| United Nations | 4 | 21 | - | - | 25 | 14 |
| United Nations Development Program | 4 | 5 | - | - | 9 | 14 |
| United Nations Entity for Gender Equality and the Empowerment of Women | - | 16 | - | - | 16 | - |
| USA | (173) | 1,440 | 119 | (123) | 1,263 | 461 |
| US Agency for International Development (USAID) | (189) | 1,014 | 119 | - | 944 | 380 |
| US Department of State | - | - | - | - | - | 21 |
| The Ford Foundation | 16 | 115 | - | (15) | 116 | 28 |
| Open Society Foundation | - | 311 | - | (108) | 203 | - |
| US Pact | - | - | - | - | - | 32 |
| Other | - | - | - | - | - | 10 |
| Other | - | - | - | - | - | 10 |

9(a)(iii) Restricted Income for the year ended (schedule 2)

| Donor and Programme/Project | Grant Agreement No. | Main Project No. |
|---|---------------------|------------------|
| Belgium | | |
| <i>Belgian Ministry of Foreign Affairs (BE MFA)</i> | | |
| EU Office Grant | 2015-14 | P0256-01 |
| Canada | | |
| Department of Foreign Affairs, Trade and Development (CA-DFATD) | | |
| Support for Strengthening the Capacity of Burmese Parliamentarians | 2015-01 | P0244-03 |
| European Union | | |
| <i>European Commission (EU EC)</i> | | |
| Contribuer au renforcement des Assemblées législatives et à la consolidation du dialogue entre les partis politiques et leurs membres élus-es au Parlement Haïtien. | 2013-13 | P0242-01 |
| STEP Democracy Support To Electoral Processes and Democracy In Myanmar | 2014-05 | P0254 |
| Estrategia ciudadana para mejorar la calidad de la política | 2015-05 | P0255 |
| Promoción de la Democracia a través del fortalecimiento de las capacidades de la administración electoral nacional | 2016-10 | P0304-01 |
| Germany | | |
| <i>The Institut für Auslandsbeziehungen (DE IFA)</i> | | |
| WANA – Regional | 2016-06 | P0205-10 |
| <i>Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GE GIZ)</i> | | |
| BRIDGE Capacity Building Training for National Electoral Management Bodies in Africa 2015–2016 | 2015-03 | P0151-06 |
| Netherlands | | |
| <i>The Netherlands Institute for Multiparty Democracy (NL NIMD)</i> | | |
| Respect for Women's Political Rights | 2013-20 | P0245 |
| Norway | | |
| <i>Norwegian Ministry of Foreign Affairs (NO MFA)</i> | | |
| Six Months Support to Nepal's Constitution Building process | 2015-08 | P0127-09 |
| Election Training and Resource Centre Bhutan | 2014-07 / 2015-09 | P0155 |
| Supporting democratic transition and consolidation in Haiti | 2014-04 | P0164-04 |
| Supporting democratic transition and consolidation in Haiti | 2015-06 | P0164-05 |
| CBP Phase III | 2012-04 | P0231 |
| JAP Norway | 2014-10 | P0234-01 |
| Norwegian Budget for the IDEA AUC JAP II 2016 to 2020 | 2016-08 | P0234-02 |
| WANA – Norway Basket Funding | 2013-07 | P0238 |
| Myanmar Constitution Centre My Constitution | 2015-20 | P0273-01 |
| Spain | | |
| <i>Spanish Agency for International Cooperation (ES AECI)</i> | | |
| Fortalecimiento de la Gestión Política y Legislativa de la Asamblea Plurinacional | 2015-12 | P0258-01 |
| Strengthening of plurinational electoral body in order to further enhance Bolivian democracy | 2016-14 | P0282-01 |

(Thousands of Euros)

| Grant Period (DD/MM/YY) | | Grant Pledged | | Expenditure | | |
|----------------------------|------------|----------------------|--------------|-------------|--------------|--------|
| Start Date | End Date | in Grant Currency | EUR Value | Prior Years | Current Year | Total |
| | | | | 48 | 48 | 96 |
| | | | | 48 | 48 | 96 |
| 01/01/2015 | 31/12/2019 | EUR 240,000 | 240 | 48 | 48 | 96 |
| | | | | 67 | 36 | 103 |
| | | | | 67 | 36 | 103 |
| 01/01/2015 | 15/03/2016 | CAD 172,686 | 122 | 67 | 36 | 103 |
| | | | | 3,497 | 2,875 | 6,372 |
| | | | | 3,497 | 2,875 | 6,372 |
| 01/01/2015 | 31/12/2015 | EUR 700,000 | 700 | 686 | 10 | 696 |
| 22/12/2014 | 21/12/2017 | EUR 8,000,000 | 8000 | 2,559 | 2,270 | 4,829 |
| 01/07/2015 | 31/12/2016 | EUR 850,000 | 850 | 251 | 575 | 825 |
| 13/07/2016 | 12/07/2018 | EUR 1000,000 | 1000 | 0 | 21 | 21 |
| | | | | 206 | 204 | 409 |
| | | | | 0 | 72 | 72 |
| 01/04/2016 | 31/12/2016 | EUR115,149.60 | 115 | 0 | 72 | 72 |
| | | | | 206 | 131 | 337 |
| 01/03/2015 | 30/06/2016 | EUR 358,008 | 358 | 206 | 131 | 337 |
| | | | | 206 | 236 | 442 |
| | | | | 206 | 236 | 442 |
| 01/01/2014 | 31/12/2017 | EUR 693,255 | 693 | 206 | 236 | 442 |
| | | | | 7,338 | 3,089 | 10,427 |
| | | | | 7,338 | 3,089 | 10,427 |
| 01/10/2015 | 31/03/2016 | NOK 1,600,000 | 190 | 76 | 114 | 190 |
| 01/12/2012 | 30/06/2016 | NOK 4,424,204 | 535 | 325 | 210 | 535 |
| 20/08/2014 | 28/02/2016 | NOK 5,150,000 | 619 | 601 | 18 | 619 |
| 01/01/2015 | 30/06/2016 | NOK 2,772,154 | 316 | 63 | 253 | 316 |
| 01/09/2012 | 31/12/2016 | NOK 45,967,252 | 5529 | 4,109 | 1,419 | 5,529 |
| 01/10/2015 | 31/12/2015 | NOK 6,000,000 | 702 | 516 | 188 | 704 |
| 01/05/2016 | 01/12/2020 | NOK 15,000,000 | 1659 | 0 | 203 | 203 |
| 01/01/2013 | 31/12/2016 | NOK 17,470,450 | 2176 | 1,623 | 553 | 2,176 |
| 01/12/2015 | 31/12/2017 | NOK 4,000,000 | 435 | 25 | 130 | 155 |
| | | | | 30 | 67 | 98 |
| | | | | 30 | 67 | 98 |
| 01/07/2015 | 30/06/2016 | EUR 62,000 | 62 | 30 | 32 | 62 |
| 08/08/2016 | 07/08/2017 | EUR 120,000 | 120 | 0 | 36 | 36 |

table continues on opposite page

| Donor and Programme/Project | Grant Agreement No. | Main Project No. |
|---|---------------------|------------------|
| Sweden | | |
| <i>Swedish Ministry of Foreign Affairs (SE MFA)</i> | | |
| Supporting Electoral and Political Processes in Kenya | 2015-11 | P0235-04 |
| Global State of Democracy Signature publication | 2016-06 | P0281-01 |
| Strömsborg rental subsidy | 2012-20 | R0017-01 |
| <i>Swedish International Development Agency (SE SIDA)</i> | | |
| Apoyo a la gobernabilidad democrática en Bolivia | 2016-05 | P0275-01 |
| Mejora de la institucionalidad de la democracia intercultural y paritaria y del ejercicio de los derechos ciudadanos | 2016-24 | P0303-01 |
| Switzerland | | |
| <i>The Swiss Agency for Development and Cooperation (CH ADC)</i> | | |
| International IDEA support to the State Election Commission (SEC): Implementing the Electoral Risk Management tool in Macedonia/FYROM | 2016-02 | P0274-01 |
| <i>The Swiss Federal Department of Foreign Affairs (CH FDFA)</i> | | |
| Support for democratic consolidation in Haiti | 2016-13 | P0283-01 |
| Political Parties and EMBs dialogue for peaceful electoral processes | 2016-16 | P0301-01 |
| United Kingdom | | |
| <i>Department for International Development (UK DFID)</i> | | |
| Support for the Africa Union Pre-Election Assessment Unit (DFID) | 2015-13 | P0152-05 |
| Support for the Africa Union Pre-Election Assessment Unit (DFID) 2016/17 | 2016-11 | P0152-06 |
| Supporting a Cohesive Response to Local Governance Development in Nepal | 2016-20 | P0305-01 |
| United Nations | | |
| <i>United Nations Development Program (UN UNDP)</i> | | |
| Gender Equality and Empowerment of Women | 2015-02 | P0173-03 |
| <i>United Nations Entity for Gender Equality and the Empowerment of Women (UN UNWOMEN)</i> | | |
| Gender and Constitutional Jurisprudence Project | 2015-15 | P0280-01 |
| USA | | |
| <i>US Agency for International Development (US AID)</i> | | |
| Fighting the Influence of Illicit Interests in Peru's Political Processes | 2014-01 | P0248-01 |
| <i>The Ford Foundation (US FORD)</i> | | |
| WANA - Regional | 2016-01 | P0205-08 |
| <i>Open Society Foundations (US OSF)</i> | | |
| WANA - Regional | 2016-04 | P0205-09 |
| OSF-Capacity Building for Civil Society Actors in Afghanistan | 2016-03 | P0257-02 |
| Nepal | | |
| <i>Governance Facility (NP GF)</i> | | |
| Civic Participation in Peace Building and Democratic Development (CIVIP) | 2015-19 | P0272-01 |
| <i>SAARC Business Association of Home Based Workers Nepal (NP SABAH)</i> | | |
| Training of Leaders (TOL) on Gender and Electoral Laws | 2016-15 | P0291-01 |
| France | | |
| <i>Organisation internationale de la Francophonie (FR OILF)</i> | | |
| Support to Dialogues Praia and Addis Workshops | 2016-17 | P0235-05 |
| TOTAL | | |

(Thousands of Euros)

| Grant Period (DD/MM/YY) | | Grant Pledged | | Expenditure | | |
|----------------------------|------------|----------------------|--------------|---------------|---------------|---------------|
| Start Date | End Date | in Grant Currency | EUR Value | Prior Years | Current Year | Total |
| | | | | 2,285 | 1,954 | 4,238 |
| | | | | 2,285 | 1,460 | 3,745 |
| 01/07/2015 | 31/12/2017 | SEK 9,000,000 | 972 | 0 | 303 | 303 |
| 01/06/2016 | 01/12/2017 | SEK 8,000,000 | 844 | 0 | 425 | 425 |
| 01/01/2013 | 31/12/2015 | SEK 20,474,100 | 2270 | 2,285 | 733 | 3,017 |
| | | | | 0 | 494 | 494 |
| 01/02/2016 | 31/07/2016 | SEK 4,000,000 | 426 | 0 | 426 | 426 |
| 01/10/2016 | 31/12/2018 | SEK 19,000,000 | 1989 | 0 | 68 | 68 |
| | | | | 0 | 474 | 474 |
| | | | | 0 | 38 | 38 |
| 01/02/2016 | 30/06/2016 | CHF 50,000 | 46 | 0 | 38 | 38 |
| | | | | 0 | 436 | 436 |
| 01/08/2016 | 31/12/2018 | USD 1,533,600 | 1438 | 0 | 397 | 397 |
| 01/09/2016 | 01/04/2017 | EUR 55,094 | 55 | 0 | 39 | 39 |
| | | | | 65 | 661 | 726 |
| | | | | 65 | 661 | 726 |
| 01/07/2015 | 31/03/2016 | GBP 400,000 | 520 | 65 | 455 | 520 |
| 01/06/2016 | 31/3/2017 | GBP 408,000 | 530 | 0 | 199 | 199 |
| 21/11/2016 | 30/11/2019 | GBP 1,750,000 | 2275 | 0 | 8 | 8 |
| | | | | 14 | 25 | 39 |
| | | | | 14 | 9 | 23 |
| 05/03/2015 | 29/04/2016 | USD 25,000 | 23 | 14 | 9 | 23 |
| | | | | 0 | 16 | 16 |
| 01/06/2016 | 31/04/2017 | USD 19,838 | 19 | 0 | 16 | 16 |
| | | | | 654 | 1,264 | 1,917 |
| | | | | 433 | 944 | 1,377 |
| 22/09/2014 | 20/04/2017 | USD 1,930,000 | 1700 | 433 | 944 | 1,377 |
| | | | | 221 | 116 | 337 |
| 01/01/2016 | 31/12/2017 | USD 250,000 | | 221 | 116 | 337 |
| | | | | 0 | 203 | 203 |
| 01/01/2016 | 31/12/2017 | USD 320,000 | 302 | 0 | 81 | 81 |
| 01/01/2016 | 31/08/2016 | USD 190,807.28 | 180 | 0 | 122 | 122 |
| | | | | 27 | 284 | 311 |
| | | | | 27 | 273 | 300 |
| 01/11/2015 | 31/10/2017 | USD 750,000 | 686 | 27 | 273 | 300 |
| | | | | 0 | 11 | 11 |
| 25/08/2016 | 31/10/2016 | NPR 1,332,761 | 11 | 0 | 11 | 11 |
| | | | | 0 | 88 | 88 |
| | | | | 0 | 88 | 88 |
| 12/09/2016 | 30/10/2016 | EUR 88,000 | 88 | 0 | 88 | 88 |
| | | | | 14,435 | 11,304 | 25,739 |

table continues on opposite page

9(b) Other revenue and gains

For the year ended 31 December 2016

(Thousands of Euros)

Other revenues and gains comprised:

| | 2016 | 2015 |
|-----------------|-----------|-----------|
| Interest Income | 8 | 18 |
| Book sales | 3 | 2 |
| Total | 11 | 20 |

10. Operating costs

Details of expenditures are segregated and presented in the manner they were budgeted and approved by the Council: Programme Costs, Programme Support Costs, Institutional Costs and Indirect and Human Resources (HR) cost recoveries.

Programme Costs – These are direct costs to programme activities and are shown net of Indirect Costs and HR recoveries.

Programme Support Costs – These are indirect costs International IDEA incurs to support project execution. These include Finance, the Board of Advisors, Publications and Communications.

Institutional Costs – These are costs that International IDEA incurs regardless of the level of project activities e.g. The Secretary-General's Office and External Relations.

For the year ended 31 December 2016

(Thousands of Euros)

| | 2016 | | | | 2015 |
|-----------------|---------------|---------------|-------------------|---------------|---------------|
| | Institutional | Programmatic | Programme support | Total | Total |
| Contractors | 350 | 5,699 | 132 | 6,181 | 6,716 |
| Operating Costs | 693 | 2,695 | 839 | 4,227 | 4,968 |
| Personnel costs | 1,760 | 7,967 | 1,210 | 10,937 | 10,274 |
| Travel | 136 | 2,523 | 146 | 2,805 | 3,626 |
| Total | 2,939 | 18,884 | 2,327 | 24,150 | 25,584 |

These costs are further reclassified by programme in Schedule 3.

Schedule 3: Analysis of Expenditure for the year ended

(Thousands of Euros)

| EXPENDITURE | 2016 | | | 2015 |
|---|------------------|--------------------|---------------|---------------|
| | Restricted Funds | Unrestricted Funds | Total | Total |
| PROGRAMMATIC | 9,769 | 4,856 | 14,625 | 15,993 |
| Africa & West Asia | 2,561 | 2,690 | 5,251 | 4,150 |
| Addis Ababa (Regional Office) | 1,264 | 2,117 | 3,381 | 2,594 |
| Egypt | 102 | 119 | 221 | 156 |
| Kenya | 303 | 5 | 308 | - |
| Tunisia | 892 | 449 | 1,341 | 1,400 |
| Asia & the Pacific | 3,051 | 1,501 | 4,552 | 5,157 |
| Canberra (Regional Office) | 210 | 1,045 | 1,255 | 1,511 |
| Myanmar | 2,436 | 240 | 2,676 | 3,011 |
| Nepal | 405 | 216 | 621 | 635 |
| Corporate Services | - | 36 | 36 | 34 |
| Finance | - | 36 | 36 | 34 |
| Ext. Relations & Gov. Support | 48 | 1,112 | 1,160 | 1,421 |
| Inter-Regional Dialogue | - | 90 | 90 | 193 |
| Practical Approaches to improving Electoral Processes | - | - | - | 9 |
| Office Grant | 48 | - | 48 | 48 |
| EU Office (Brussels) | - | 441 | 441 | 429 |
| UN Permanent Observer (New York) | - | 581 | 581 | 742 |
| Global Programmes | 2,095 | 3,733 | 5,828 | 7,424 |
| Constitution Building Processes | 1,558 | 2 | 1,560 | 1,896 |
| Democracy, Assessment, Analysis and Advisory | 498 | 1,268 | 1,766 | 2,086 |
| Democracy & Development | - | 542 | 542 | 590 |
| Electoral Processes | - | 1,114 | 1,114 | 1,719 |
| Global Programmes | - | 263 | 263 | 383 |
| Political Parties | 39 | 544 | 583 | 750 |
| Latin America & the Caribbean | 2,777 | 1,377 | 4,154 | 4,284 |
| Andean Region | 1,518 | 299 | 1,817 | 1,794 |
| Bolivia | 561 | 91 | 652 | 287 |
| Haiti | 677 | 193 | 870 | 1,273 |
| Paraguay | 21 | 1 | 22 | - |
| Costa Rica/Chile Regional Office | - | 793 | 793 | 930 |
| Secretary-General's Office | - | 125 | 125 | 421 |
| Gender Mainstreaming and IKNOW Politics | - | 71 | 71 | 78 |
| Secretary-General's office - Emerging Initiatives | - | - | - | 26 |
| Publications | - | 54 | 54 | 317 |
| Wider Europe | 38 | 275 | 313 | 144 |
| Europe | 38 | 275 | 313 | 144 |

| EXPENDITURE | 2016 | | | 2015 |
|--|------------------|--------------------|----------------|----------------|
| | Restricted Funds | Unrestricted Funds | Total | Total |
| INSTITUTIONAL | 733 | 2,208 | 2,941 | 3,237 |
| Corporate Services | 733 | 497 | 1,230 | 1,477 |
| Strategic Planning | | 135 | 135 | 130 |
| Director of Corporate Services | | 247 | 247 | 338 |
| Security and Risk Management | | 120 | 120 | 16 |
| Strömsborg rental subsidy | 733 | (7) | 726 | 733 |
| HQ Facilities | | (16) | (16) | 37 |
| Information Technology | | 18 | 18 | 223 |
| Ext. Relations & Gov. Support | - | 394 | 394 | 432 |
| External Relations | | 162 | 162 | 175 |
| Governance Support | | 232 | 232 | 257 |
| Global Programmes | - | - | - | 36 |
| Programme Development Committee | - | - | - | 36 |
| Secretary-General's Office | - | 1,317 | 1,317 | 1,291 |
| Office of the Secretary-General | | 553 | 553 | 620 |
| Management Committee Meetings | | 3 | 3 | 5 |
| Internal Audit | | 119 | 119 | 142 |
| Communications | | 642 | 642 | 524 |
| PROGRAMME SUPPORT | 802 | 5,769 | 6,571 | 6,343 |
| Exchange (gain)/loss | 41 | 183 | 224 | 135 |
| Exchange gain(loss) | 41 | 183 | 224 | 177 |
| Fixed Assets first time adjustment on capitalization | - | - | - | (42) |
| Corporate Services | 632 | 4,639 | 5,271 | 5,102 |
| Organizational Monitoring and Evaluation | 17 | 121 | 138 | 275 |
| Finance | 90 | 664 | 754 | 827 |
| Human Resources (HR) | 87 | 633 | 720 | 690 |
| HR All staff Benefits & Leaves | 438 | 3,221 | 3,659 | 3,310 |
| Ext. Relations & Gov. Support | 35 | 256 | 291 | 284 |
| Partnerships and Programme Funding Support | 35 | 256 | 291 | 284 |
| Global Programmes | 27 | 201 | 228 | 213 |
| Board of Advisers | 27 | 201 | 228 | 213 |
| Secretary-General's Office | 67 | 490 | 557 | 579 |
| Publications | 51 | 372 | 423 | 438 |
| Library | 16 | 118 | 134 | 141 |
| Human Resources recovery | - | (4,243) | (4,243) | (4,301) |
| Human Resources recovery | | (4,243) | (4,243) | (4,301) |
| Indirect Cost Recovery | (801) | (1,750) | (2,551) | (2,741) |
| Indirect Cost Recovery | (801) | (1,750) | (2,551) | (2,741) |
| TOTAL EXPENDITURE | 11,304 | 12,846 | 24,150 | 25,584 |

11. Personnel costs

For the year ended 31 December

(Thousands of Euros)

The payroll cost for all IDEA staff were as follows:

| | 2016 | 2015 |
|-----------------------------------|---------------|---------------|
| Payroll costs | 7,176 | 6,874 |
| Annual, Parental and Sick Leave | 1,174 | 1,025 |
| | 8,350 | 7,899 |
| Contributions in lieu of pensions | 1,321 | 1,265 |
| Insurance | 429 | 346 |
| Other Benefits | 837 | 764 |
| Total | 10,937 | 10,274 |

Between 2012 and 2015, International IDEA engaged an independent Human Resources firm to provide comparative salary information upon which the organization bases its salary scales. In each year the firm undertook a review of salary information for comparable organizations in the locations in which IDEA has offices. Adjustments to the salary scales were then decided by the Secretary-General and presented to Council for review. In 2016, no such survey was undertaken as a cost saving measure and salary scales were frozen for the year.

As an International Organization, International IDEA's relationship with the Ministry of Foreign Affairs of the Kingdom of Sweden is regulated via a Headquarters agreement. By agreement with the Ministry of Foreign Affairs, the payroll taxes are calculated on the salaries of staff members recruited in Sweden and are remitted to the relevant taxation authorities. The costs of these payments are refunded to International IDEA by the Swedish Government.

Employee benefits – In addition to salaries and allowances, International IDEA accounts for the following primary obligations:

1. Contribution in lieu of pension – Staff members receive an annual payment in lieu of a pension contribution. Internationally recruited staff are paid the equivalent of two months' base salary in lieu of pension contributions.
2. Contribution to a defined benefit scheme – Nationally recruited staff members in Sweden do not accrue benefits within the Swedish state pension provisions in accordance with International IDEA's Headquarters agreement. Instead, a contribution is paid, on the employees' behalf into "Länsförsäkringar Pension Plan" which provides similar pension entitlements to the state administered scheme.
3. Other locally recruited employees in countries with which International IDEA has a Host Country Agreement have been formally registered within the social security systems of those countries and social security contributions are paid on their behalf by International IDEA.
4. International IDEA staff members are entitled to children's schooling allowances. These allowances are based on those provided to staff within the United Nations system.
5. Housing allowance subsidies are available to expatriate international staff members in the event that the rental costs of appropriate available housing exceeds 20% of salary. The subsidy is provided at 80% of the difference between the rental cost and 20% of salary capped and is capped at 40% of the rental cost. The subsidy is available only towards the cost of properties leased from unrelated third parties.
6. Payroll taxes and social contributions – Income tax and social charges are paid in respect of nationally recruited staff in countries in which International IDEA has an HQ or Host Country Agreement. Internationally recruited staff and other contractors for whom International IDEA does not make taxation and social contribution payments are obliged by contract to properly comply with the requirements of their taxation authorities.

7. Contributions-in-kind – The salary costs of one full time staff member in Africa and three full time staff members in Nepal have been generously provided

by NORDEM, the Norwegian Centre for Human Rights and the Canadian government respectively.

12. Secretary-General and Directors' Remuneration

The total disbursements paid to or in respect of directors in 2016 (full time equivalents: 9,00) in the form of salaries and allowances amounted to 1,723,610

Euros (2015: 1,744,298, full time equivalents: 9,08) of which 132,648 Euros (2015: 125,676 Euros) was refunded by the Government of Sweden.

The base monthly salaries of the Secretary-General and Directors serving as at 31 December 2016 are as follows:

| | Monthly salary (In Euros) | | Appointment date |
|---|------------------------------|---------|---------------------|
| | 2016 | 2015 | |
| Mr Yves Leterme, <i>Secretary-General</i> | €14,362 | €14,362 | 01/06/2014 |
| Mr Adam Boys, <i>Director for Corporate Services</i> | €11,134 | €11,134 | 01/02/2015 |
| Mr Andrew Bradley, <i>Director of the office of International IDEA to the European Union</i> | €11,876 | €13,376 | 01/05/2010 |
| Ms Karin Gardes, <i>Director for External Relations and Governance Support</i> | €10,089* | €10,662 | 25/05/2009 |
| Ms Keboitse Machangana, <i>Director for Global Programmes</i> | €11,699 | €11,699 | 01/02/2015 |
| Ms Leena Rikkila Tamang, <i>Director for Asia and the Pacific</i> | €9,529 | €9,529 | 01/02/2014 |
| Professor Adebayo Olukoshi, <i>Director – Africa</i> | €12,800 | €12,800 | 16/02/2015 |
| Dr Massimo Tommasoli, <i>Director – Permanent Observer to the United Nations</i> | €12,507 | €12,507 | 07/01/2003 |
| Dr Daniel Zovatto, <i>Director for Latin America and the Caribbean</i> | €13,666 | €13,666 | 10/05/1997 |

*Salary is paid in Swedish Kronor – The change is due to exchange rate changes

In addition to base salaries, Directors are entitled to other benefits available to internationally recruited staff members including a contribution in lieu of pension

and education allowances for children. All director remuneration costs are included in note 11 above.

13. Human Resources

As at 31 December 2016, IDEA employed 173 Staff Members (2015: 173).

Distribution of staff members by gender

| Levels | 31 December 2016 | | 31 December 2015 | |
|-------------------------------|------------------|------------|------------------|------------|
| | M | F | M | F |
| Senior Management (level 1-3) | 67% | 33% | 75% | 25% |
| Mid-Management (level 4-5) | 55% | 45% | 49% | 51% |
| Other (level 6-10) | 42% | 58% | 43% | 57% |
| Overall | 47% | 53% | 47% | 53% |

Gender disaggregated base salary data (euros)

| Level | Average Salary | Total Population | Male Salary average | Male | Female Salary Average | Female |
|-------------------|----------------|------------------|---------------------|-----------|-----------------------|-----------|
| 2 | 11,727 | 8 | 12,397 | 5 | 10,612 | 3 |
| 3 | 9,062 | 4 | 9,465 | 3 | 7,855 | 1 |
| 4 | 7,675 | 15 | 7,551 | 9 | 7,862 | 6 |
| 5 | 5,824 | 25 | 6,278 | 13 | 5,332 | 12 |
| 6 | 4,643 | 34 | 4,524 | 19 | 4,794 | 15 |
| 7 | 2,714 | 44 | 2,801 | 15 | 2,759 | 29 |
| 8 | 1,826 | 19 | 3,391 | 1 | 1,833 | 18 |
| 9 | 1,033 | 5 | 558 | 1 | 1,152 | 4 |
| 10 | 676 | 11 | 703 | 9 | 553 | 2 |
| Temp | 2,477 | 8 | 2,586 | 6 | 2,207 | 2 |
| All levels | 4,260 | 173 | 4,889 | 81 | 3,760 | 92 |

The above table is intended to enable monitoring of gender pay parity within the organization at all grades in all locations. The Secretary-General is appointed by the Council and is therefore not included within this table. However, the salary details of the Secretary-General are disclosed in note 11 and 12.

The table above includes salary information without reference to years of service to International IDEA or years of professional experience.

Gender Policy – International IDEA has a comprehensive Gender Policy and a Gender Committee of staff members which promotes the policy and monitors adherence to it. The goal of the Gender Policy is to promote gender equality and ensure that International IDEA's internal management systems and practices and work on supporting sustainable democracy through the provision of comparative knowledge, assistance in reform and influencing policies and politics help to overcome inequalities between men and women.

Employees' nationality by region

| Region | 2016 | 2015 | Change +/-(-) |
|----------------------------|------------|------------|---------------|
| Nordic Countries | 28 | 30 | (2) |
| Other European | 42 | 43 | (1) |
| North America | 13 | 13 | - |
| Central & South America | 31 | 29 | +2 |
| North Africa & Middle East | 8 | 9 | (1) |
| Central & Southern Africa | 22 | 20 | +2 |
| Asia | 24 | 23 | +1 |
| Oceania/Pacific | 5 | 6 | (1) |
| Total | 173 | 173 | - |

Location of Staff

| Office/ Region | 31 December 2016 | 31 December 2015 | Change +/-(-) |
|-----------------------------|------------------|------------------|---------------|
| Stockholm HQ | 77 | 82 | (5) |
| Brussels Office | 3 | 3 | - |
| The Hague Office | 7 | 7 | - |
| New York Office | 3 | 3 | - |
| Latin America and Caribbean | 28 | 25 | +3 |
| Africa and Western Asia | 26 | 25 | +1 |
| Asia & Pacific | 29 | 28 | +1 |
| Total | 173 | 173 | - |

14. Financial risk management

International IDEA has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Credit risk

Credit risk is the risk of financial loss to International IDEA if a donor fails to meet its contractual obligations, and arises principally from International IDEA's receivables from donors. International IDEA has no significant exposure to credit risk.

This note presents information about International IDEA's exposures to each of the above risk, the International IDEA's objectives, policies and processes for measuring and managing risk, and the International IDEA's management of capital. Further quantitative disclosures are included through these financial statements.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

31 December

(Thousands of Euros)

| | Note | 2016 | 2015 |
|---------------------------|------|---------------|---------------|
| Receivable Contributions | 4 | 482 | 421 |
| Cash and cash equivalents | 3 | 11,871 | 14,041 |
| Other Receivables | | 1,955 | 1,098 |
| | | 14,308 | 15,560 |

Exposure to credit risk through deposits at banks is decreased as International IDEA has the equivalent of 11,1 Million Euros deposited with a well-established

bank – Svenska Handelsbanken AB – in Sweden while deposits outside Sweden are sufficient for one month's operational requirements for the country in question.

Financial risk management

Impairment losses

The ageing of donations receivable at the reporting date was:

| 31 December | | (Thousands of Euros) | |
|-------------------------|------------|----------------------|--|
| | 2016 | 2015 | |
| Foreign holdings | 482 | 421 | |
| Past due 0 to 90 days | 482 | 421 | |
| Past due 90 to 181 days | - | - | |
| Total | 482 | 421 | |

(ii) Liquidity risk

Liquidity risk is the risk that International IDEA will not be able to meet its financial obligations as they fall due. International IDEA is exposed to liquidity risk in that the receipt of donor funds does not match expenditure. Historically, the organization has managed the effects of this risk effectively. In particular, the Council has approved an Operating Reserve based on annual contributions and represented by cash balances at bank. In 2016, the Council approved the

use of €2.7m of reserves to fund an unexpected drop in income in 2016. Of this figure, €2.0m were actually drawn from reserves.

Liquidity risk

The following are the contractual maturities of financial liabilities:

| 31 December 2016 | | (Thousands of Euros) | | | | |
|--------------------------------------|-----------------|------------------------|------------------|-------------|-----------|-----------|
| 31 December 2016 | Carrying amount | Contractual Cash flows | 6 months or less | 6-12 months | 1-2 years | 2-5 years |
| Non-derivative financial liabilities | (6,316) | (6,316) | (6,316) | | - | - |
| Accounts payables | | | | | | |
| 31 December 2015 | Carrying amount | Contractual Cash flows | 6 months or less | 6-12 months | 1-2 years | 2-5 years |
| Non-derivative financial liabilities | (4,032) | (4,032) | (2,031) | (2,031) | - | - |
| Accounts payables | | | | | | |

(iii) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the value of International IDEA's financial instruments. Where possible, International IDEA matches the currency of the payment with the currency received from donors. As

at 31 December 2016, if the Euro had strengthened/weakened by 1% against the major operating currencies with all other variables being held constant, there would have been a decrease/increase in the deficit for the year of Euro 104,320.

15. Budget statement for the year ended

31 December 2016

(Thousands of Euros)

| | Final Budget vs Actual | | | Initial Budget vs Final Budget | | |
|------------------------------------|------------------------|----------------|-------------|--------------------------------|----------------|--------------|
| | Budget | Actual | Execution | Initial Budget | Final Budget | Change |
| Income | 23,752 | 22,140 | 93% | 22,638 | 23,752 | 1,114 |
| Member states contribution | 11,545 | 10,825 | 94% | 14,143 | 11,545 | (2,598) |
| Restricted Income | 12,207 | 11,304 | 93% | 8,495 | 12,207 | 3,712 |
| Other income | - | 11 | | - | - | |
| Expenditure | 25,778 | 24,151 | 94% | 23,888 | 25,778 | 1,889 |
| Operational Costs | 23,566 | 21,435 | 91% | 21,620 | 23,566 | 1,946 |
| Non-staff Cost | 11,944 | 10,917 | 91% | 9,835 | 11,944 | 2,109 |
| Staff Cost | 8,818 | 7,967 | 90% | 9,211 | 8,818 | (393) |
| Indirect Cost | 2,804 | 2,551 | 91% | 2,574 | 2,804 | 230 |
| Institutional Costs | 2,938 | 2,938 | 100% | 2,627 | 2,938 | 311 |
| Non-staff Cost | 1,292 | 1,178 | 91% | 1,144 | 1,292 | 148 |
| Staff Cost | 1,646 | 1,760 | 107% | 1,483 | 1,646 | 163 |
| Net Programme Support Costs | (726) | (222) | 31% | (358) | (726) | (368) |
| Non-staff Cost | 453 | 1,120 | 247% | 534 | 453 | (80) |
| Staff Cost | 1,625 | 1,209 | 74% | 1,682 | 1,625 | (57) |
| Indirect Cost recovery | (2,804) | (2,551) | 91% | (2,574) | (2,804) | (230) |
| Deficit | (2,026) | (2,011) | 99% | (1,250) | (2,026) | (775) |

International IDEA seeks annual approval for a Programme and Budget based upon a prudent estimate of Core or Unrestricted income plus any contracted restricted income by way of grants for particular activities. A Programme and Budget is developed within an approved six year Strategy and presented to the Finance and Audit Committee for review. The Programme and Budget for the year, with the recommendations of the Finance and Audit Committee, is then presented to the Council for their review and approval at an Extraordinary Annual Meeting in the last quarter of the preceding year.

Performance against the Programme and Budget is reported to the Council and subsidiary bodies during the year and modifications are subject to Council approval.

In the main, modifications relate to the Programme and Budget through the year relate to new activities and specifically the inclusion of new programmes resulting from grants received. Expenditure under restricted income grants is reflective of income with unspent funds being carried as deferred income.

Restricted Funding Budgets – Initial Budget versus Final Budget

Thousands of Euros

| Donor | Project Geographical area | Initial Budget | Revised Budget | Variation |
|--|--|----------------|----------------|--------------|
| European Union (EU) | Myanmar / Peru / Bolivia | 3,215 | 3,640 | 425 |
| Ford Foundation | WANA | 15 | 383 | 368 |
| The Netherlands Institute for Multiparty Democracy (NIMD) | Tunisia | 238 | 267 | 29 |
| Norway | Africa / Myanmar / Haiti / WANA / Bhutan / Nepal / Haiti | 2,585 | 3,353 | 768 |
| Sweden | Kenya / Bolivia | 1,145 | 1,941 | 796 |
| US Agency for International Development (USAID) | Peru | 1,121 | 1,052 | (69) |
| Canada | Myanmar | 30 | 30 | - |
| Belgium | Brussels | 48 | 48 | - |
| Switzerland | Macedonia / Haiti / Political Parties | - | 521 | 521 |
| Open Society Foundations (OSF) | Afghanistan | - | 175 | 175 |
| Governance Facility | Nepal | - | 349 | 349 |
| UNWOMEN | Global | - | 28 | 28 |
| Department for International Development (DFID) | Africa | 275 | 808 | 533 |
| Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH | Africa | 73 | 152 | 79 |
| Spanish Agency for International Development (AECID) | Bolivia | - | 105 | 105 |
| La Francophonie (OIF) | Africa | - | 88 | 88 |
| SABAH | Nepal | - | 11 | 11 |
| Total | | 8,745 | 12,951 | 4,206 |

16. Operating Lease Commitments

Operating lease commitments represent rental payments for properties that International IDEA leases for office use in the countries that it operates. The rent payable under these leases is subject to renegotiation at various intervals. For the Swedish, Netherlands and Belgium leases, the rentals are supported by bank guarantee through Svenska-Handelsbanken.

The guarantee for the Sweden lease represents 6 months rental. The Swedish government has also provided funding for this guarantee and the value of this funding is recorded in Payables in the amount of €408,407. To reduce financing costs this guarantee was cancelled after the year end and deposit SEK3,412,350 (€408,407) paid directly to the landlord (Stockholm City Council).

Future minimum lease payments for the periods are as follows:

| 31 December | (Thousands of Euros) |
|---------------------------------------|----------------------|
| | 2016 |
| Within one year | 1,093 |
| In the second to five years inclusive | 1,258 |
| After five years | 107 |
| Total | 2,458 |



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