



INTERNATIONAL IDEA
Supporting democracy worldwide

Financial Statements 2018



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Graphic design and layout by International IDEA
based on an original graphic design concept developed by kilometre design

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 2018.

Principal Activity

Created in 1995, the International Institute for Democracy and Electoral Assistance (International IDEA) is an intergovernmental organization with a mandate to: *support sustainable democratic change*. International IDEA does this through: analyses of global and regional democratic trends; production of comparative knowledge on good international democratic practices; offering technical assistance and capacity-building on democratic reform to actors engaged in democratic processes; and convening dialogue on issues relevant to the public debate on democracy and democracy building. International IDEA brings together those who analyze and monitor trends in democracy with those who engage directly in political reform or act in support of democracy. International 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

International IDEA was established as an international inter-governmental organization by 14 founding Member States at a conference held in Stockholm on 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

 Chair Belgium Joined 1995	 Chair Spain Joined 1995	 First Vice Chair Namibia Joined 1997							
 Australia Joined 1995	 Barbados Joined 1995	 Benin Joined 2016	 Botswana Joined 1997	 Brazil Joined 2016	 Canada Joined 1997	 Cape Verde Joined 2003	 Chile Joined 1995	 Costa Rica Joined 1995	 Dominican Republic Joined 2011
 Finland Joined 1995	 Germany Joined 2002	 Ghana Joined 2008	 India Joined 1995	 Indonesia Joined 2013	 Luxembourg Joined 2018	 Mauritius Joined 1999	 Mexico Joined 2003	 Mongolia Joined 2011	 Netherlands Joined 1995
 Norway Joined 1995	 Panama Joined 2018	 Peru Joined 2004	 Philippines Joined 2013	 Portugal Joined 1995	 South Africa Joined 1995	 Sweden Joined 1995	 Switzerland Joined 2006	 Uruguay Joined 2003	 Japan (official observer)

Offices

International IDEA has a Headquarters' Agreement with Sweden and Host-country Agreements with the Governments of Australia, Belgium, Bolivia, Chile, Costa Rica, Ethiopia, Haiti, Nepal, The Netherlands, South Africa, South Sudan and Tunisia. Negotiations for Host-country Agreements continue in Mexico, Mozambique and Myanmar. International IDEA also has permanent observer status at the United Nations in New York. During the year International IDEA opened new offices in Mexico and Mozambique and closed the offices in Kenya and Haiti. 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, Bhutan, Bolivia, Chile, Ethiopia, Mexico (opened in 2018), Mozambique (opened in 2018), Myanmar, Nepal, The Netherlands, Paraguay, Peru and Tunisia and a UN liaison office in New York.

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 2018 there were seven (2017: eight) Director-level positions. Incumbents during the year are detailed below:

Name and Position	Gender
Ms Fiona Rowley, Executive Director (appointed 1 June 2018)	F
Mr Gideon Nhundu, Acting Executive Director (Acting until 31 May 2018)	M
Mr Andrew Bradley, Director of the office of International IDEA to the European Union (left 31 December 2018)	M
Ms Keboitse Machangana, Director for Global Programmes	F
Professor Adebayo Olukoshi, Director for Africa and Western Asia	M
Ms Leena Rikkilä 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

Steering Committee

Member States held the following offices on the Council in 2018:

Namibia	Chair
Peru	First Vice Chair
Vacant	Second Vice Chair
Sweden	Host Country
Finland	Additional Council member
Brazil	Additional Council member

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
Mr Thomas Böni (joined 01/01/2018)	M	3
Ms Ingrid Skjøtskift (joined 01/01/2018)	F	3
Mr Leo van der Tang	M	3

In response to the request by the Chair of Council which was made in 2017 for female representation on the Finance and Audit Committee, the nomination of a female member of the committee was welcome.

Board of Advisors

Name	Gender	Meetings attended (out of two)
Ms Burmaa Radnaa (Vice Chair) (left 31 December 2016)	F	-
Dr Shahabuddin Yaqoob Quraishi	M	2
Ambassador Antonio Núñez García-Sauco (left 31 December 2016)	M	-
Dr Bassma Kodmani (left 23 October 2018)	F	1
Mr Nicholas Haysom	M	1
Professor Christine Bell	F	2
Ms Emine Bozkurt	F	2
Dr Cheik Modibo Diarra	M	1
Dr Nicole Goodman (joined 19 March 2018)	F	2
Prof Celso Lafer (joined 19 March 2018)	M	1
Ms Njeri Kabeberi	F	2
Mr Sergio Bitar	M	2
Daw Aung San Suu Kyi (Honorary Board Member) (left 13 December 2018)	F	Nil - Not required to attend

Results

The results of International IDEA are set out in the statement of financial performance on page 7 of the financial statements.



Yves Leterme
Secretary-General

26 March 2019
Strömsborg
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 with applicable accounting standards and then applying them consistently; making judgments and estimates that are reasonable and prudent; and preparing 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 7 to 41 were authorized by the Secretary-General on 26 March 2019 for issue to the Council and are signed below to signify this.



Yves Leterme
Secretary-General



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

Opinion

We have audited the International Institute for Democracy and Electoral Assistance's (International IDEA) financial statements for the year ending 31 December 2018.

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 2018 and its financial performance and cash flow for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

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 opinion. 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 29 March 2019

KPMG AB


Birgitta Johansson Vognsen
Authorized Public Accountant

Statement of Financial Performance

For the year ended 31 December 2018

(Thousands of Euros)

Income and Operating Costs	Note	2018	2017
Income			
Donor Contributions	9(a)	23,501	24,254
Other Income	9(b)	21	6
Total Income		23,522	24,260
Operating Costs			
Contractors		5,351	6,181
Operating Costs		4,430	4,986
Personnel costs	11&12	10,032	10,688
Travel		3,224	3,321
Total Operating Costs	10	23,037	25,176
Surplus/(Deficit) for the year		485	(916)

Statement of Financial Position

As of 31 December 2018, and 2017

(Thousands of Euros)

	Note	2018	2017
Assets			
Current Assets			
Cash and cash equivalents	3	12,760	9,399
Receivable Contributions	4	2,275	1,401
Prepayments		2,226	484
Recoverable staff income tax and social security payments		981	1,139
Recoverable value-added tax		60	60
Other receivables		23	19
Total current assets		18,325	12,502
Non-current assets			
Fixed Assets	5	17	45
Total non-current assets		17	45
Total Assets		18,342	12,547
Liabilities and Reserves			
Current Liabilities			
Trade Payables and Accruals	6	1,524	1,820
Deferred Income	6	7,699	2,104
Personnel Accruals	7	1,484	1,473
Total current liabilities		10,707	5,397
Total Liabilities		10,707	5,397
Net Assets			
General Reserve		6,650	7,066
Currency Reserve	8	500	500
Transferred to Reserves		485	(416)
(Deficit)/Surplus for the period		485	(916)
Transferred to Currency Reserve		-	500
Net Assets		7,635	7,150
Total Liabilities and Reserves		18,342	12,547



Yves Leterme
Secretary-General



Fiona Rowley C.A. (S.A.)
Executive Director

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

Statement of Cash flows

As of 31 December 2018, and 2017

(Thousands of Euros)

	Note	2018	2017
Cash flow from operating activities			
Surplus/(Deficit) from ordinary activities		485	(916)
Depreciation	5	29	29
(Increase)/decrease in receivables and prepayments		(2,461)	1,806
Increase/(decrease) in payables		5,308	(919)
Net cash flow from operating activities		3,361	-
Cash flow from investing activities			
Capitalization of fixed assets	5	-	-
Purchase of fixed assets	5	-	-
Net cash flow from investing activities		-	-
Net (decrease) increase in cash and cash equivalents		3,361	(2,472)
Cash and cash equivalents at beginning of period		9,399	11,871
Cash and cash equivalents at end of period		12,760	9,399

Statement of Changes in Net Assets

(Thousands of Euros)

	General Reserve	Currency Reserve	Total
Balance at 1 January 2017	7,066	1,000	8,066
Transfer (to)/from Currency Reserve	–	(706)	(706)
Transfer from Currency to Operating Reserve	500	206	706
Net deficit for the year ended 31 December 2017	(916)	–	(916)
Balance, 31 December 2017	6,650	500	7,150
Transfer (to)/from Currency Reserve	-	(320)	(320)
Transfer from Currency to Operating Reserve	-	320	320
Net surplus for the year ended 31 December 2018	485	-	485
Balance, 31 December 2018	7,135	500	7,635

Notes (forming part of the annual financial statements)

1. Reporting Entity

Created in 1995, the International Institute for Democracy and Electoral Assistance (International IDEA) is an Intergovernmental Organization that has a mandate to support sustainable democracy worldwide.

International IDEA brings together those who analyze and monitor trends in democracy with those who engage directly in political reform or act in support of democracy at home and abroad. International 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 after 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. Accounting policies

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 with 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 are applied.

Except as otherwise disclosed 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, the 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

Notes (forming part of the annual financial statements)

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 from the rate of the initial recording of the income 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 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 capitalized. Depreciation is charged to write off the cost over their estimated useful lives, using the straight-line method on the following bases:
 - 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 recognized in the Statement of Financial Performance.

The carrying values 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 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 recognized 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 an 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 or 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.

Notes (forming part of the annual financial statements)

- 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 realized and unrealized 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 Organization'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 recognized 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 programmes. The requirements of such grants may include conditions for reporting and the submission of original documentation and evidence to support that work was undertaken in accordance with an agreed plan. In the normal course of operations, 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. International IDEA is of the view that the results of any such ineligible expense claims will not have a material effect on the statement of financial performance or statement of financial position.

Notes (forming part of the annual financial statements)

3. Cash and cash equivalents

31 December

(Thousands of Euros)

	2018	2017
Cash on hand	38	48
Cash at Bank	12,722	9,351
Total	12,760	9,399

International IDEA has the equivalent of 11,8 Million Euros (2017: 8,6 Million Euros) deposited with well-established banks—Svenska Handelsbanken AB, in Sweden and Rabobank in The Netherlands. Deposits outside Sweden and The Netherlands are sufficient for one month's operational requirements for the country in question.

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

31 December

(Thousands of Euros)

	2018	2017
Unrestricted contributions (schedule 1 (a))	68	152
Restricted Projects (schedule 1 (b))	2,207	1,249
Total	2,275	1,401

Notes (forming part of the annual financial statements)

5. Fixed Assets

Changes in furniture, fixtures and equipment for the period

(Thousands of Euros)

	31 December 2017	Disposals	Depreciation	31 December 2018
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Cost

Furniture, fixtures and equipment	388	–	–	388
IT equipment	55	–	–	55
Motor vehicles	57	(19)	–	38
Total cost	500	(19)	–	481

Depreciation

Furniture, fixtures and equipment	(346)	–	(26)	(372)
IT equipment	(52)	–	(2)	(54)
Motor vehicles	(57)	19	–	(38)
Total Depreciation	(455)	19	(28)	(464)

Net Book value

Furniture, fixtures and equipment	42	–	(26)	16
IT equipment	3	–	(2)	1
Motor vehicles	–	–	–	–
Total net book value	45	–	(28)	17

Notes (forming part of the annual financial statements)

6. Liabilities and Deferred Income

31 December

(Thousands of Euros)

	2018	2017
Trade payables and Accruals		
Accounts payable	1,300	1,588
Accruals	224	232
Total	1,524	1,820
Deferred Income (Schedule 1) (Note 9(a))		
Unrestricted contributions (Schedule 1(a))	-	-
Restricted Projects (Schedule 1 (b))	7,699	2,104
Total	7,699	2,104

7. Personnel Accruals

31 December

(Thousands of Euros)

	2018	2017
Annual Leave	182	190
Pension contributions	542	443
Separation Allowance	655	676
Withholding taxes	105	164
Total	1,484	1,473

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 utilized 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 pensions 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.

Notes (forming part of the annual financial statements)

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. It is the Council's prerogative at all times to determine the level of the General Reserve Fund, and unless otherwise explicitly decided by the Council the Institute shall at the end of each financial year have a balance on the General Reserve Fund equal to at least 50% of the approved budgeted unrestricted expenditure for the following year.
- 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 between EUR500,000 and EUR 1m. An adjustment to general reserve is done only when the reserve falls outside these limits.

In December 2018 the Council of Member States approved a change in the reserves policies. Previously the balance on the General Reserve was to be held at a level not below the level of 50% of unrestricted Member State income for the previous year. The Currency Reserve was previously to be held at a level not below €1million.

The effect of this change, and a change in the accounting policy for accounting for accounting for foreign currency fluctuations on income received from Member States is set out in note 17 to these financial statements.

Notes (forming part of the annual financial statements)

9. Revenues

9(a) Donor Contributions

31 December

(Thousands of Euros)

	2018	2017
Unrestricted Income	13,479	14,384
Restricted Income	10,022	9,870
Total	23,501	24,254

- 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 Note 9 and are classified as Unrestricted (or Core) contributions (9(a)(i)) and Restricted Contributions (9(a)(ii))

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.

- b. Contributions-in-kind** – From January 2018, the government of Chile provides rent free office space for the International IDEA Latin America and the Caribbean regional office in Santiago the contribution for 2018 is valued at EUR 35,600. (2017: EUR 27,044)

Notes (forming part of the annual financial statements)

9(a)(i) Unrestricted (Core) income for the year ended

31 December

(Thousands of Euros)

31 December 2018							31 December 2017
Donors	Opening Balance	Cash Payments	Exchange rate gain/(loss) on Receivables	Accounts Receivable	Advance Payment	Total Grants	Total Grants
Unrestricted Contributions	(152)	13,220	343	68	-	13,479	14,384
Barbados	-	4	-	-	-	4	5
Botswana	-	16	1	-	-	17	19
Brazil	(70)	67	-	68	-	65	70
Canada	-	-	-	-	-	-	-
Chile	-	77	(7)	-	-	70	166
Costa Rica	-	4	-	-	-	4	5
Finland	-	-	-	-	-	-	-
Germany	-	400	-	-	-	400	400
India	-	41	1	-	-	42	48
Mauritius	-	9	(1)	-	-	8	10
Mexico	(42)	40	(1)	-	-	(3)	48
Mongolia	-	4	1	-	-	5	4
Namibia	-	2	-	-	-	2	2
Netherlands	-	4,000	-	-	-	4,000	4,500
Norway	-	2,608	(64)	-	-	2,544	3,393
Panama	-	26	-	-	-	26	-
Peru	-	6	-	-	-	6	8
South Africa	-	17	-	-	-	17	18
Spain	(40)	40	-	-	-	-	40
Sweden	-	5,167	419	-	-	5,586	4,710
Switzerland	-	690	(6)	-	-	684	936
Uruguay	--	2	-	-	-	2	2

Notes (forming part of the annual financial statements)

9(a)(ii) Restricted Income for the year ended

31 December

(Thousands of Euros)

Donors	2018					2017
	Opening balance	Cash Payments	Receivable	Deferred Income	Total Grants	Total Grants
Restricted contribution	856	14,659	2,206	(7,699)	10,022	9,870
Belgium	(48)	156	-	(35)	73	48
Ministry of Foreign Affairs	(48)	156	-	(35)	73	48
Canada	9	23	-	-	32	190
Canadian International Development Agency	-	14	-	-	14	-
The International Development Research Centre	9	9	-	-	18	190
European Union	(711)	7,320	1,583	(5,638)	2,554	2,916
European Commission	(711)	7,320	1,583	(5,638)	2,554	2,916
Organisation internationale de la Francophonie (OIF)	(4)	34	-	-	30	54
OIF	(4)	34	-	-	30	54
Germany	172	815	-	(99)	888	992
Robert Bosch Stiftung Gmbh	115	(4)	-	-	111	105
The German Foreign Ministry	60	763	-	(94)	729	848
Institute für Auslandsbeziehungen	4	49	-	(5)	48	39
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	(7)	7	-	-	-	-
Inter-American Development Bank	7	10	1	-	18	-
Inter-American Development Bank	7	10	1	-	18	-
Kyrgyzstan	1	(1)	-	-	-	26
Coalition for Democracy and Civil Society	1	(1)	-	-	-	26
Luxembourg	31	506	12	(260)	289	103

Notes (forming part of the annual financial statements)

Donors	2018					2017
	Opening balance	Cash Payments	Receivable	Deferred Income	Total Grants	Total Grants
Ministère des Affaires étrangères et européennes	31	506	12	(260)	289	103
Mexico	92	598	–	(273)	417	-
Instituto Nacional Electoral	-	43	-	-	43	-
Tribunal Electoral del Poder Judicial de la Federación	92	555	–	(273)	374	-
Netherlands	25	(10)	–	-	15	197
Ministry for Foreign Affairs	6	9	–		15	
The Netherlands Institute for Multi-Party Democracy	19	(19)	–		-	197
Nepal	(87)	87		–	-	447
Government facility	(87)	87		–	-	447
Norway	334	1,225	99	(494)	1,164	482
Ministry of Foreign Affairs	334	1,225	99	(494)	1,164	482
Panama	-	87	-	(74)	13	-
The Electoral Tribunal	-	87	-	(74)	13	-
Spain	279	300	–	(300)	279	105
Spanish Agency for International Cooperation	279	300	–	(300)	279	105
Sweden	820	1,551	–	(388)	1,983	2,358
Ministry of Foreign Affairs	166	651	–	-	817	1,593
Swedish International Development Agency (Sida)	654	900	–	(388)	1,166	765
Switzerland	(48)	386	63	-	401	655
The Swiss Federal Department of Foreign Affairs	(48)	386	63	-	401	655
United Kingdom	20	1,395	18	(142)	1,291	607
Department for International Development (DFID)	20	1,395	18	(142)	1,291	607

Notes (forming part of the annual financial statements)

	2018					2017
Donors	Opening balance	Cash Payments	Receivable	Deferred Income	Total Grants	Total Grants
United Nations (UN)	–	-	-	-	-	3
United Nations Entity for Gender Equality and the Empowerment of Women	–	-	-	-	-	3
USA	(36)	177	430	4	575	687
US Agency for International Development (USAID)	(84)	179	430	4	529	354
The Ford Foundation	2	(2)	–	-	-	129
Open Society Foundation	46	-	-	-	46	204

Notes (forming part of the annual financial statements)

9(a)(iii) Restricted Income for the year ended 31 December 2018

Donor and Programme/Project	Grant Agreement No.	Main Project No.	Grant Period (DD/MM/YY)		Grant Pledged			Part of grant Pledge realized as income	
			Start Date	End Date	in Grant Currency	EUR Value	Prior Years	Current Year	Total to date
Belgium					0			73	73
Belgian Ministry of Foreign Affairs (BE MFA)					0			73	73
Decentralization of Electoral Risk Management in Nepal	2017-14	P0128-01	01/01/2018	31/08/2019	EUR 119,274	119	0	25	25
EU Office Grant - 2018-2019	2015-14	P0256-02	01/01/2015	31/12/2019	EUR 240,000	240	0	48	48
Canada					233			32	265
Canadian International Development Agency (CA CIDA)					0			14	14
Promocion de la igualdad de genero en politica y elecciones en Paraguay	2018-03	P0333-01	26/02/2018	30/04/2018	CAD 21,646	14	0	14	14
The International Development Research Centre (IDRC)					233			18	251
IDRC - Youth Democracy Curriculum	2016-12	P0289-01	03/11/2016	30/04/2018	CAD 307,000	210	233	18	251

Notes (forming part of the annual financial statements)

Donor and Programme/Project	Grant Agreement No.	Main Project No.	Grant Period (DD/MM/YY)		Grant Pledged			Part of grant Pledge realized as income	
			Start Date	End Date	in Grant Currency	EUR Value	Prior Years	Current Year	Total to date
European Union					7,722			2,554	10,276
European Commission (EU EC)					7,722			2,554	10,276
STEP Democracy Support to Electoral Processes and Democracy in Myanmar	2014-05	P0254	22/12/2014	30/04/2018	EUR 8,000,000	8,000	7,371	590	7,961
Promoción de la Democracia a través del fortalecimiento de las capacidades de la administración electoral nacional	2016-10	P0304-01	30/07/2016	12/07/2018	EUR 1,000,000	1,000	351	294	645
Encouraging Conditions to Ensure Development of a Transparent and Democratic Political and Electoral Process	2018-02	P0317-01	25/02/2018	24/02/2020	EUR 800,000	800	0	265	265
IDEA - Upholding Citizens Constitutional Rights for Democratic Consolidation in Fiji	2017-13	P0327	01/02/2018	31/01/2020	EUR 600,000	600	0	120	120
STEPII - IDEA	2018-08	P0328	01/08/2018	31/07/2021	EUR 10,000,000	10,000	0	714	714
Level up - Political finance with integrity	2017-15	P0332	01/01/2018	31/12/2019	EUR 579,352	579	0	165	165
Mayor Registro y Participación de Jóvenes e Indígenas en Procesos Electorales	2018-09	P0336-01	01/09/2018	31/08/2019	EUR 240,000	240	0	185	185
EU Mozambique – Main. Support to Consolidation of Democracy in Mozambique	2018-13	P0341	01/04/2018	31/08/2024	EUR 6,256,000	6,256	0	221	221
Germany					953			888	1 841
Robert Bosch Stiftung Gmbh (DE BOSCH)					105			111	216
Refugees, Asylum Seekers and Democracy	2016-18	P0293-01	01/11/2016	30/04/2018	EUR 220,000	220	105	111	216
The German Foreign Ministry "Auswärtiges Amt" (DE-FFO)					848			729	1,577
Support to the Yemeni Peace Process - Constitutional Dialogues	2017-05	P0309-01	01/04/2017	31/05/2018	EUR 1,385,575	1386	848	729	1,577
The Institut fur Auslandsbeziehungen (ifa) e. V. (DE IFA)					0			48	48
Phase 2 - Youth Dialogues on Constitutional Reform in Lebanon	2018-07	P0309-03	01/08/2018	31/12/2018	EUR 58,929	59	0	48	48

Notes (forming part of the annual financial statements)

Donor and Programme/Project	Grant Agreement No.	Main Project No.	Grant Period (DD/MM/YY)		Grant Pledged			Part of grant Pledge realized as income	
			Start Date	End Date	in Grant Currency	EUR Value	Prior Years	Current Year	Total to date
Inter American Development Bank					0			18	18
Inter-American Development Bank (WW IADB)					0			18	18
Updating the GEPPAL database	2017-06	P0311-01	05/01/2017	31/12/2018	USD 25,760	22	0	18	18
Mexico					1			417	418
Instituto Nacional Electoral (MX INE)					0			43	43
Develop a Technical Accompaniment to the Mexican EP	2018-05	P0308-03	23/03/2018	30/09/2018	MXN 1,000,000	44	0	43	43
Tribunal Electoral del Poder Judicial de la Federacion de Mexico (MX TRIBELEC)					1			374	375
Institutional capacities for the promotion of democracy and electoral justice - Mexico	2017-03	P0308-01	20/03/2017	28/12/2018	MXN 2,300,000	110	1	85	86
Support to IDEA in Mexico	2018-01	P0308-02	09/03/2018	31/12/2019	MXN 13,200,000	573	0	289	289
Netherlands					0			15	15
Knowledge Platform, Security and Rule of Law (NL KPSRL)					0			15	15
Interface Development for the Dataset on Post Conflict CBP	2017-11	P0315-01	28/07/2017	31/12/2018	EUR 15,000	15	0	15	15
Norway					841			1,165	2,006
Norwegian Ministry of Foreign Affairs (NO MFA)					841			1,165	2,006
Norwegian. Budget for the IDEA AUC JAP II 2016 to 2020	2016-08	P0234-02	01/05/2016	01/12/2020	NOK 15,000,000	1,659	473	411	884
Political Parties Symposium Session - Ethiopia	2016-08	P0234-04	01/01/2018	31/12/2018	NOK 4,850,000	536	0	200	200
Second Phase _Ethiopia Nation Building Symposium	2016-08	P0234-05	01/09/2018	31/12/2019	NOK 5,000,000	553	0	98	98
Myanmar Constitution Centre My Constitution	2015-20	P0273-01	01/12/2015	31/12/2017	NOK 4,000,000	435	368	68	436
Supporting Democratic Consolidation in Haiti	-	P0334-02	01/01/2018	31/12/2018	NOK 2,800,000	287	0	292	292

Notes (forming part of the annual financial statements)

Donor and Programme/Project	Grant Agreement No.	Main Project No.	Grant Period (DD/MM/YY)		Grant Pledged			Part of grant Pledge realized as income	
			Start Date	End Date	in Grant Currency	EUR Value	Prior Years	Current Year	Total to date
Myanmar Constitution Centre My Constitution 2	2018-11	P0338-01	01/09/2018	31/08/2021	NOK 8,500,000	890	0	96	96
Spain							21	279	300
Spanish Agency for International Cooperation (ES AEIC)							21	279	300
Fortalecimiento del Órgano Electoral Plurinacional para un mayor impulso a la Democracia Boliviana	2017-08	P0314-01	29/08/2017	29/08/2019	EUR 300,000	300	21	279	300
Sweden							6,168	1,983	8,151
Swedish Ministry of Foreign Affairs (SE MFA)							5,336	817	6,153
Supporting Electoral and Political Processes in Kenya	2015-11	P0235-04	01/07/2015	31/12/2017	SEK 9,000,000	972	766	122	888
Global State of Democracy Signature publication	2016-06	P0281-01	01/06/2016	01/12/2017	SEK 8,000,000	844	842	3	845
Strömsborg rent subsidy	-	R0017-01	01/01/2013	31/12/2019	SEK 48,123,500	5,112	3,728	692	4,420
Swedish International Development Agency (SE SIDA)							832	1,166	1,998
Mejora de la institucionalidad de la democracia intercultural y paritaria y del ejercicio de los derechos ciudadanos	2016-24	P0303-01	01/10/2016	31/12/2018	SEK 19,000,000	1,989	832	1,166	1,998
Switzerland							937	401	1,338
The Swiss Federal Department of Foreign Affairs (CH FDFA)							937	401	1,338
Support for democratic consolidation in Haiti	2016-13	P0283-01	01/08/2016	31/12/2018	USD 1,533,600	1,438	937	401	1,338

Notes (forming part of the annual financial statements)

Donor and Programme/Project	Grant Agreement No.	Main Project No.	Grant Period (DD/MM/YY)		Grant Pledged			Part of grant Pledge realized as income	
			Start Date	End Date	in Grant Currency	EUR Value	Prior Years	Current Year	Total to date
United Kingdom					216			1,290	1,506
Department for International Development (UK DFID)					216			1,290	1,506
Scaling up the Support to Structural Preventive Diplomacy and Political Analysis in the Area of Elections in Africa	2017-12	P0152-07	01/09/2017	31/03/2018	GBP 171,842	186	46	149	195
Expanding the Support to Structural Preventive Diplomacy and Political Analysis in the Area of Elections in Africa	2018-06	P0152-08	27/07/2018	31/03/2021	GBP 1,903,570	2,137	0	610	610
Policy Capacity on Federalism and Local Governance Coherence Nepal - Implementation Phase	2016-20	P0305-02	01/08/2017	20/11/2019	GBP 1,547,726	2,012	170	531	701
USA					122			575	697
US Agency for International Development (US AID)					0			530	530
Citizen Engagement in Clean Elections	2018-04	P0316-01	20/03/2018	19/09/2019	USD 1,000,000	813	0	530	530
Open Society Foundations (US OSF)					122			45	167
OSF-Capacity Building for Civil Society Actors in Afghanistan	2016-03	P0257-02	01/01/2016	30/06/2018	USD 190,807	180	122	45	167
France					88			30	118
La Francophonie (FR OILF)					88			30	118
Support to Dialogues Praia, Addis & Kigali Workshops	2016-17	P0235-05	05/06/2018	08/06/2018	USD 35,508	30	88	30	118
Luxembourg					103			289	392
Ministère des Affaires étrangères et européennes (LU MFA)					103			289	392
Myanmar Constitution Centre - My Constitution	2017-04	P0310-01	01-05-2017	31/10/2018	EUR 390,000	390	103	289	392

Notes (forming part of the annual financial statements)

Donor and Programme/Project	Grant Agreement No.	Main Project No.	Grant Period (DD/MM/YY)		Grant Pledged			Part of grant Pledge realized as income	
			Start Date	End Date	in Grant Currency	EUR Value	Prior Years	Current Year	Total to date
Panama					0			13	13
The Electoral Tribunal (PA ELETRIBU)					0			13	13
NEW- Mexico office	2018-15	P0342-01	22/11/2018	31/03/2020	USD 347,208	305	0	13	13
TOTAL					17,405			10,022	27,427

Notes (forming part of the annual financial statements)

9(b) Other revenue and gains

31 December

(Thousands of Euros)

Other revenues and gains comprised:	2018	2017
Interest Income	21	6
Book sales	-	-
Total	21	6

10. Operating costs

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

- Programmatic Costs** –are direct costs to programme activities and are shown net of Indirect Costs and HR recoveries.
- Programme Support Costs** –are indirect costs International IDEA incurs to support project execution. These include Finance, the Board of Advisors, Publications and Communications.
- Institutional Costs** –are costs that International IDEA incurs regardless of the level of project activities e.g. The Secretary-General's Office and External Relations.

31 December

(Thousands of Euros)

	2018				2017
	Institutional	Programmatic	Programme support	Total	Total
Contractors	166	5,117	68	5,351	6,181
Operating Costs	668	2,902	860	4,430	4,986
Personnel costs	1,420	4,291	4,321	10,032	10,688
Travel	67	2,998	159	3,224	3,321
Total	2,321	15,308	5,408	23,037	25,176

These costs are further reclassified by programme in Note 10(a) below.

Notes (forming part of the annual financial statements)

10(a) Analysis of Expenditure for the year ended 31 December

31 December

(Thousands of Euros)

EXPENDITURE	2018			2017
	Restricted Funds	Unrestricted Funds	Total	Total
PROGRAMMATIC	8,585	6,723	15,308	15,517
Africa and West Asia	2,634	2,496	5,130	5,172
Addis Ababa (Regional Office)	1,497	1,833	3,330	2,326
Kenya	122	-	122	472
Mozambique	221	6	227	-
Tunisia	794	657	1,451	2,374
Asia and the Pacific	2,467	1,973	4,440	5,648
Canberra (Regional Office)	34	1,225	1,259	1,354
Bhutan	-	238	238	-
Fiji	120	40	160	-
Myanmar	1,756	176	1,932	3,132
Nepal	557	294	851	1,162
External Relations and Governance Support	48	986	1,034	1,081
Inter-Regional Dialogue	-	-	-	3
EU Office (Brussels)	48	481	529	269
Secretary General's Office Emerging Initiatives	-	-	-	212
UN Permanent Observer (New York)	-	505	505	549
Global Programme	174	4,497	4,671	5,986
Constitution-Building Processes	60	1,259	1,319	1,234
Democracy, Assessment, Analysis and Advisory	114	837	951	2,282
Democracy and Development	-	1	1	282
Electoral Processes	-	921	921	1,105
Global Programmes	-	343	343	361
Political Parties	-	1,136	1,136	722

Notes (forming part of the annual financial statements)

EXPENDITURE	2018			2017
	Restricted Funds	Unrestricted Funds	Total	Total
Latin America and the Caribbean	3,921	1,073	4,994	3,559
Andean Region	813	170	983	674
Bolivia	1,630	-	1,630	935
Haiti	693	156	849	851
Paraguay	354	14	368	350
Mexico	431	(7)	424	-
Chile Regional Office	-	740	740	749
Wider Europe	84	453	537	566
Europe	84	453	537	566
Recoveries from Programmatic projects included in programme expenditure above	(743)	(4,755)	(5,498)	(6,495)
Human Resources Recovery	-	(3,348)	(3,348)	(3,879)
Indirect Costs Recovery	(743)	(1,407)	(2,150)	(2,616)
INSTITUTIONAL	691	1,630	2,321	2,517
Corporate Services	691	384	1,075	1,150
Strategic Planning	-	-	-	-
Director of Corporate Services	-	227	227	184
Security and Risk Management	-	141	141	175
Strömsborg rental subsidy	691	18	709	711
HQ Facilities	-	(4)	(4)	48
Information Technology	-	2	2	32
Secretary-General's Office	-	1,246	1,246	1,367
Office of the Secretary-General	-	684	684	830
Internal Audit	-	136	136	124
Communications	-	426	426	413
TOTAL PROGRAMME SUPPORT	746	4,662	5,408	7,142
Programme Support Costs supported by Indirect Costs	253	1,487	1,740	2,082

Notes (forming part of the annual financial statements)

EXPENDITURE	2018			2017
	Restricted Funds	Unrestricted Funds	Total	Total
Organizational Monitoring and Evaluation	–	–	–	–
Finance and Procurement	75	441	516	514
Board of Advisers	25	148	173	160
Partnerships and Programme Funding Support	16	93	109	306
Budget and Programme Performance	59	348	407	548
Publications	60	352	412	412
Library	18	105	123	142
Other Programme Support Costs	488	2,860	3,348	4,376
Human Resources (HR)	69	404	473	734
HR All staff Benefits and Leaves	419	2,456	2,875	3,642
Exchange (gain)/loss	5	315	320	684
TOTAL EXPENDITURE	10,022	13,015	23,037	25,176

Notes (forming part of the annual financial statements)

11. Personnel costs

31 December

(Thousands of Euros)

The payroll cost for all International IDEA staff were as follows:	2018	2017
Payroll costs	6,966	7,135
Annual, Parental and Sick Leave	1,112	1,203
	8,078	8,338
Contributions in lieu of pensions	1,136	1,281
Insurance	103	210
Other Benefits	715	859
Total	10,032	10,688

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 International IDEA has offices. Adjustments to the salary scales were then decided by the Secretary-General and presented to Council for review. In 2018, no such survey was undertaken as a cost saving measure and salary scales were adjusted by 1.5% across the board.

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:

- Contribution in lieu of pension – Staff members receive an annual payment in lieu of a pension contribution. International recruited staff are paid the equivalent of two months' base salary in lieu of pension contributions.
- 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.
- 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.
- 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.
- Housing allowance subsidies are available to expatriate international staff members if the rental costs of appropriate available housing exceed 20% of salary. The subsidy is provided at 80% of the difference between the rental cost and 20% of salary and is capped at 40% of the rental cost. The subsidy is available only towards the cost of properties leased from unrelated third parties.
- International 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.

Notes (forming part of the annual financial statements)

12. Secretary-General and Directors' Remuneration

The total disbursements paid to or in respect of directors in 2018 in the form of salaries and allowances amounted to 1,338,614 Euros (2017:1,585,999) (full time equivalents: 8) of which Zero Euros (2017: 55,300 Euros) will be refunded by the Government of Sweden.

The base monthly salaries of the Secretary-General and Directors serving as at 31 December 2018 are as follows:

31 December	(Euros)		
Monthly salary	2018	2017	Appointment date
Mr Yves Leterme <i>Secretary-General</i>	€14,577	€14,577	01/06/2014
Ms Fiona Rowley <i>Executive Director (from 1 June 2018)</i>	€10,000	-	01/06/2018
Mr Gideon Nhundu <i>Acting Executive Director (until 31 May 2018)</i>	€6,546	€6,083	03/11/2009
Mr Andrew Bradley <i>Director of the office of International IDEA to the European Union (left 31 December 2018)</i>	€12,054	€12,054	01/05/2010
Ms Keboitse Machangana <i>Director for Global Programmes</i>	€11,874	€11,874	01/02/2015
Ms Leena Rikkilä Tamang <i>Director for Asia and the Pacific</i>	€10,006	€10,006	19/08/2002
Professor Adebayo Olukoshi, <i>Director for Africa and West Asia</i>	€12,992	€12,992	16/02/2015
Dr Massimo Tommasoli, <i>Director – Permanent Observer to the United Nations</i>	€12,695	€12,695	07/01/2003
Dr Daniel Zovatto, <i>Director for Latin America and the Caribbean</i>	€13,871	€13,871	10/05/1997

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.

Notes (forming part of the annual financial statements)

13. Human Resources

As at 31 December 2018, International IDEA employed 159 Staff Members (2017: 166).

13.1 Distribution of staff members by gender

Levels	31 December 2018		31 December 2017	
	M	F	M	F
Senior Management (level 1-3)	63%	37%	67%	33%
Mid-Management (level 4-5)	53%	47%	55%	45%
Other (level 6-10)	39%	61%	40%	60%
Overall	45%	55%	45%	55%

13.2 Gender disaggregated base salary data (Euros)

Level	Average Salary	Total number of staff	Male Salary average	Male	Female Salary Average	Female
2	11,906	6	13,186	3	10,627	3
3	7,973	1	7,973	1	-	-
4	7,546	20	7,547	12	7,545	8
5	5,672	27	5,782	13	5,569	14
6	4,013	32	4,094	15	3,941	17
7	2,213	36	2,213	14	2,215	22
8	1,669	17	2,048	3	1,588	14
9	784	4	587	1	849	3
10	649	11	563	8	880	3
Temp	2,077	4	-	-	2,077	4
All levels	4,041	158	4,527	70	3,655	88

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.

Notes (forming part of the annual financial statements)

13.3 Employees' nationality by region

Region	31 December 2018	31 December 2017	Change +/(-)
Nordic Countries	19	27	(8)
Other European	40	38	+2
North America	7	10	(3)
Central and South America	29	32	(3)
North Africa and Middle East	7	6	+1
Central and Southern Africa	23	23	-
Asia	33	28	+5
Oceania/Pacific	1	2	(1)
Total	159	166	(7)

13.4 Location of Staff

Office/ Region	31 December 2018	31 December 2017	Change +/(-)
Stockholm HQ	57	69	(12)
Brussels Office	4	3	+1
The Hague Office	8	9	(1)
New York Office	1	2	(1)
Latin America and Caribbean	28	32	(4)
Africa and Western Asia	23	20	+3
Asia and the Pacific	38	31	+7
Total	159	166	(7)

14. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

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

(a) 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.

Notes (forming part of the annual 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	2018	2017
Receivable Contributions	4	2,275	1,401
Cash and cash equivalents	3	12,760	9,399
Other Receivables		3,290	1,702
Total		18,325	12,502

Exposure to credit risk through deposits at banks is decreased as International IDEA has the equivalent of 11,8 million Euros (2017: 8,6 million Euros) deposited with well-established banks, Svenska Handelsbanken AB in Sweden and Rabobank in The Netherlands 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)

	2018	2017
Foreign holdings	2,275	1,401
Past due 0 to 90 days	1,320	1,401
Past due 90 to 181 days	-	-
Past due over 181 days	955	-
Total	2,275	1,401

(b) 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 when the receipt of donor funds does not match expenditure. Historically, the organization has managed the effects of this risk effectively.

In December 2018, the Council of Member States approved a new, forward looking reserve policy as follows:

- A general reserve that equals 50% of the following year's budgeted unrestricted expenditure
- A currency reserve that is between €500k and €1million which is adjusted against general reserves only if goes outside these limits.

Notes (forming part of the annual financial statements)

Liquidity risk

The following are the contractual maturities of financial liabilities:

31 December

(Thousands of Euros)

31 December 2018	Carrying amount	Contractual Cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Non-derivative financial liabilities	(10,707)	(10,707)	(9,928)		(779)	–
Accounts payables						
31 December 2017	Carrying amount	Contractual Cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Non-derivative financial liabilities	(5,397)	5,397	(5,397)	-	-	-
Accounts payables						

(c) Currency risk

Currency risk is the risk that changes in foreign currencies with all other variables being held constant, 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 2018, if the Euro had strengthened/ weakened by 1per cent against the major operating currencies there would have been a decrease/increase in the deficit for the year of EUR 104,063 (2017: EUR 81,287).

Notes (forming part of the annual financial statements)

15. Budget statement for the year ended 31 December

31 December

(Thousands of Euros)

	Final Budget vs Actual			Initial Budget vs Final Budget		
	Budget	Actual	Execution	Initial Budget	Final Budget	Change
Income	24,546	23,522	96%	24,208	24,546	338
Member states contribution	12,726	13,479	106%	14,145	12,726	(1,419)
Restricted Income	11,820	10,022	85%	10,063	11,820	1,757
Other income	–	21	-	–	–	–
Expenditure	25,699	23,037	90%	24,534	25,699	1,165
Operational Costs	23,680	20,861	87%	22,457	23,680	1,223
Non-staff Cost	12,781	11,072	87%	11,365	12,781	1,416
Staff Cost	8,609	7,639	89%	9,008	8,609	(399)
Indirect Cost	2,290	2,150	94%	2,084	2,290	206
Institutional Costs	2,320	2,321	100%	2,537	2,320	(217)
Non-staff Cost	1,058	901	85%	1,197	1,058	(139)
Staff Cost	1,262	1,420	113%	1,340	1,262	(78)
Net Programme Support Costs	(301)	(145)	48%	(460)	(301)	159
Non-staff Cost	389	1,032	265%	572	389	(183)
Staff Cost	1,494	973	65%	1,458	1,494	36
Indirect Cost recovery	(2,184)	(2,150)	98%	(2,490)	(2,184)	306
(Deficit)/Surplus	(1,153)	485	(42%)	(326)	(1,153)	(827)

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 five-year Strategy (2018-2022) 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 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.

Notes (forming part of the annual financial statements)

16. Operating Lease Commitments

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

Future minimum lease payments for the periods are as follows:

31 December	(Thousands of Euros)	
	2018	2017
Within one year	915	1,197
In the second to five years inclusive	82	665
After five years	-	-
Total	997	1,862

17. Change in accounting policy

In December 2018 the Council of member States approved a change in the accounting policy for revenue recognition in respect of individual Member-State contributions of Unrestricted Income. Under the previous accounting policy, if 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. Under the new policy if the exchange rate prevailing on the date of the receipt of funds varies from the rate of the initial recording of the income such differences will be recorded within Exchange Rate gains and losses.

This change was made so that results in the financial statements provide faithfully representative and more relevant information about the effects of transactions, other events and conditions on International IDEA's financial position, financial performance and cashflows, in that the effects of foreign currency fluctuations are transparent within the annual financial statements.

Notes (forming part of the annual financial statements)

The effects of the change on the current and prior period are set out below:

31 December

(Thousands of Euros)

	2018	2017
Donor contributions under the previously applied accounting policy	23,250	24,115
Donor contributions under the revised accounting policy	23,501	24,254
Net effect on donor contributions	251	139
Operating costs under the previously applied accounting policy	4,179	4,847
Operating costs under the revised accounting policy	4,430	4,986
Net effect on operating costs	(251)	(139)
Net effect on surplus /(deficit) for the year	-	-

Balance of the Currency Reserve 31 December 2016

1,000

Transfer from the Currency Reserve

706

Transfer from Currency Reserve under the previously applied accounting policy

567

Additional transfer from the Currency Reserve under the new accounting policy

139

Transfer to the Currency Reserve

206

Transfer to Currency Reserve under the previously applied accounting policy

(567)

Additional transfer from the Currency Reserve under the new reserves policy

361

Currency Reserve restated

500

Balance of the General Reserve at 31 December 2016

6,150

Net deficit for the year ended 31 December 2017

(916)

Transfer from Currency Reserve

500

Additional transfer from the Currency Reserve under the new accounting policy

139

Additional transfer from the Currency Reserve under the new reserves policy

361

General Reserve restated

6,650