



International IDEA

The International Institute for Democracy
and Electoral Assistance

Financial Statements for the year ended 31 December 2012



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Auditor's report

To the council of the International Institute for Democracy and Electoral Assistance

Report on the Financial Statements

We have audited the accompanying financial statements of the International Institute for Democracy and Electoral Assistance, which comprise the balance sheet as at December 31, 2012 with a balance sheet total of TEuro 21 250, the income statement and statement of changes in reserves for the year then ended with a deficit of TEuro 1 515, and a summary of significant accounting policies and other explanatory notes.

Responsibilities of the management for the financial statements

The management is responsible for the preparation and fair presentation of these annual accounts in accordance with the basis of preparation set out under Significant Accounting Policies and the Institute's Finance regulations, and for such internal control as the management determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements for the year 2012 have been prepared in accordance with the accounting policies described under Significant Accounting Policies and the Institute's Finance regulations.

Furthermore, in our opinion, the accounts for grants have been kept in accordance with generally accepted accounting principles. The grants being reviewed have been used as stated in the application.

Stockholm, May 30, 2013
Ernst & Young AB



Thomas Lönnström

Authorized Public Accountant

International Institute For Democracy And Electoral Assistance
BALANCE SHEET
As at 31 December 2012 and 2011
(In Thousands of Euros)

	<u>Note</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash and Bank	3	16,574	18,319
Receivables			
Contributions	4	3,349	592
Prepaid Expenses/Accrued Income		412	474
		<u>3,761</u>	<u>1,066</u>
Other Receivables			
Value Added Tax		238	78
Personal Income Tax		637	0
Other		40	155
		<u>915</u>	<u>233</u>
TOTAL ASSETS		<u>21,250</u>	<u>19,617</u>
LIABILITIES AND CAPITAL			
Accounts Payable			
Trade Creditors and Accruals	5	1,457	2,422
Personnel Liabilities	6	1,267	925
Contributions	5	8,566	4,795
		<u>11,291</u>	<u>8,142</u>
Capital and Reserves			
Reserves	7	9,959	11,474
TOTAL LIABILITIES AND CAPITAL		<u>21,250</u>	<u>19,617</u>



Vidar Helgesen
 Secretary-General

29/MAY/2013



Joan Sawe
 Director of Corporate Services

29/MAY/2013

International Institute For Democracy And Electoral Assistance
Income Statement
For the years ended December 31, 2012 and 2011

(In thousands of Euros)

	Note	2012		2011	
		Core Funds	Restricted Funds	Total	Total
Revenues and Gains					
Contributions	8.a	12,548	12,042	24,590	20,891
Other revenues and gains	8.c	1,346	-	1,346	1,080
Total revenues and gains		13,894	12,042	25,936	21,971
Expenses					
Programme costs	9	5,504	10,790	16,293	14,690
Programme support costs	9	6,000	1,252	7,252	5,844
Institutional costs	9	3,906	-	3,906	2,962
Total expenses		15,409	12,042	27,451	23,496
NET SURPLUS		(1,515)	-	(1,515)	(1,525)
Classification by expense type					
Personnel costs	9 & 10	8,089	2,950	11,039	8,579
Consultants	9	2,746	3,572	6,318	6,020
Travel	9	2,527	2,606	5,133	5,166
Operating Costs	9	2,046	2,914	4,961	3,731
Total		15,409	12,042	27,451	23,496

The International Institute For Democracy And Electoral Assistance
Statement of Changes in Reserves
For the years ended December 31, 2012 and 2011
(In thousands of Euros)

	General Reserve	Social Security Reserve	Currency Reserve	Working Capital Reserve	Operating Reserve	Total
Balance, December 31, 2010	837	590	1,171	4,090	6,311	13,000
Transfer (to)/from Working Capital				545	-545	0
Transfer (to)/from Currency			-24		24	0
Net Movement in Social Security		-34			34	0
Net surplus					-1,525	-1,525
Balance, December 31, 2011	837	556	1,147	4,635	4,299	11,474
Transfer (to)/from Working Capital					241	0
Transfer (to)/from Currency			606	-241	-606	0
Transfer from Currency to Operating Reserve			-606		606	0
Net surplus					-1,515	-1,515
Balance, December 31, 2012	837	556	1,147	4,394	3,025	9,959

Note:

7a

7b

7c

7d

Schedule of Income

For the years ended December 31, 2012 and 2011

(In EUR)

Donors	2012					2011
	Opening Balance	Cash receipts/ repayments	Accounts receivable	Advance payment	Grant	Grant
UNRESTRICTED (CORE) CONTRIBUTIONS	990,226	12,720,537	2,643,737	(3,668,917)	12,547,978	12,589,036
Australia	117,825	246,818	393,329	-	511,992	223,410
Barbados	-	-	7,579	-	7,588	6,966
Botswana	-	15,430	-	-	15,176	13,932
Canada	-	3,047,927	-	- 2,283,627	741,600	720,400
Chile	137,536	135,290	-	135,290	132,781	123,082
Costa Rica	3,870	7,588	-	-	3,794	3,483
Denmark	-	403,638	-	-	403,500	402,300
Finland	-	500,000	-	-	500,000	345,000
Ghana	-	-	-	-	-	1,530
Germany	-	400,000	-	-	400,000	400,000
India	-	37,164	-	-	37,940	36,630
Mauritius	-	7,715	-	-	7,588	6,966
Mexico	-	39,860	-	-	37,940	34,830
Mongolia	-	-	5,000	-	5,000	5,000
Namibia	-	1,633	-	-	1,612	1,431
Netherlands	250,000	2,500,000	-	- 1,250,000	1,500,000	1,500,000
Norway	900,200	1,054,296	-	-	1,929,546	2,236,350
Peru	-	7,588	-	-	7,588	-
South Africa	23,775	23,775	22,376	-	23,175	25,425
Spain	150,000	150,000	-	-	200,000	150,000
Sweden	-	3,477,750	2,213,937	-	5,429,200	5,473,300
Switzerland	-	662,025	-	-	651,520	877,140
Uruguay	2,040	2,040	1,516	-	1,978	1,862
Other	1,212	1,212	-	-	1,540	0

Schedule of Income

For the years ended December 31, 2012 and 2011

(In EUR)

Donors	2012					2011
	Opening Balance	Cash receipts/ repayments	Accounts receivable	Advance payment	Grant	Grant
RESTRICTED CONTRIBUTIONS	3,214,681	8,282,574	705,280	(4,897,380)	12,042,124	8,302,18
Australia						
Australian Agency for International Development (AusAID)	183,148	1,686,003	0	(265,312)	1,603,840	952,900
Belgium						
The Ministry of Foreign Affairs	6,051		0		6,051	-
Canada						
Canadian International Development Agency (CIDA)	22,849	9,127	-	(1,642)	30,333	35,800
Department of Foreign Affairs and International Trade (DFAIT)	(25,084)	664,441	21,156	(277,385)	383,128	48,443
International Development Research Centre (IDRC)	-					
European Union						
The European Commission	52,663		595,660	(410,170)	2,711,245	1,214,726
Finland						
The Ministry of Foreign Affairs	46,074		0	(156,956)	79,118	143,926
Germany						
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)			49,692		264,612	
Inter American Development Bank	(70,157)		4,807	(4,080)	50,860	111,512
Japan						
World Support for Development	145,270			(7,929)	218,640	
The Netherlands						
The Netherlands Institute for Multiparty Democracy				(12)	499,988	
Norway						
The Royal Ministry of Foreign Affairs	1,747,055	5,529,705	27,411	(2,578,423)	4,725,749	3,616,169
Offshore Northern Seas Foundation (ONSF)		78,472		(177)	78,295	
Organisation of American States - General Secretariat	1,140		-	(1,140)		47,184
Romania						
The Ministry of Foreign Affairs	19,012			(1)	19,011	30,988
Spain						
The Spanish Agency for International Cooperation (AECI)	287,494		0	(343,547)	147,647	528,401
Ayuntamiento de Madrid / Fundacion Instituto Universitario de Investigacion Jose Ortega y Gasset (FOG)	0		-	(0)		43,080
Sweden						
The Ministry of Foreign Affairs	380,322			(582,167)	336,014	414,021
Switzerland						
The Swiss Federal Department of Foreign Affairs	347,528		0	(175,937)	192,211	380,579
The Swiss Agency for Development and Cooperation						
United Kingdom of Great Britain and Northern Ireland						
Department for International Development (DFID)		145,784	-	(21,936)	123,848	
United Nations						
The United Nations Development Fund (UNDEF)						
The United Nations Development Program (UNDP)	18,225		-	(1)	406,128	616,459
The United Nations Office for Project Services (UNOPS)	(0)					13,267
The United Nations Development Fund for Women (UNIFEM)	-					
United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)	7,441		1,929		16,655	55,426
United States of America						
The Ford Foundation	45,652	169,042	4,624	(70,565)	148,753	49,304
TOTAL RESTRICTED AND UNRESTRICTED CONTRIBUTIONS	4,204,907	21,003,111	3,349,017	(8,566,297)	24,590,102	20,091,223

Earmarked Contributions
For the period 01 January 2012 to 31 December 2012
(In Euro)

Donor and Programme/ Project	Grant Agreement No	Project No	Grant Period (MM/DD/YY)	Grant Pledged		Expenditures		
				In Grant Currency	EUR Value	Prior Years	Current Year	Total
AUSTRALIA								
Australian Agency for International Development (AusAID)								
Capacity Building Training of Election Administrators in Southern & East Africa	2006-08	P0016	01-05-06 - 31-05-10	AUD 1,400,000	827,119	837,033	-	837,033
Building Resources in Democracy Governance and Elections (BRIDGE) Training Programme in Africa - Phase 2	2010-14	P0076-02,03	01-05-11 - 31-12-13	EUR 2,781,795	2,781,795	750,964	979,316	1,730,280
Asia & the Pacific Programme Development	2010-15	P0078	01-03-10 - 30-06-12	AUD 600,000	444,519	321,294	123,225	444,519
State of Local Democracy Assessment in the Autonomous region of Muslim Mindanao	2011-06	P0083-06	15-07-11 - 31-03-13	AUD 103,488	77,257	21,837	25,347	47,184
Support to the Global Commission on Elections, Democracy and Security	2011-18	P0139-03	01-01-12 - 31-12-12	AUD 300,000	240,269	-	240,270	240,270
Joint IDEA-CommSec project (Hub 6)	2012-07	P0111-06	01-06-12 - 31-12-12	AUD 300,000	235,682	-	235,682	235,682
BELGIUM								
The Ministry of Foreign Affairs								
African Traditional Justice Mechanisms - Publication Follow-up	2008-12	P0001	01-01-09 - open	EUR 170,500	170,500	162,315	-	162,315
Customary Governance and Democracy Building: Exploring the Links	2008-13	P0002	01-01-09 - open	EUR 181,500	181,500	183,635	6,051	189,685
CANADA								
Canadian International Development Agency (CIDA)								
Midterm Evaluation of the Supreme Electoral Tribunal's Strategic Plan 2008 - 2012 and Support to Elaborate its Strategic Plan 2012 - 2016	2011-04	P0163-01	09-08-11 - 29-02-12	CAD 89,000	65,754	35,800	30,333	66,134
Department of Foreign Affairs and International Trade (DFAIT)	2011-02	P0157-03	10-06-11 - 01-03-13	CAD 249,963	188,069	48,443	140,681	189,124
Strengthening the Institutional and Operational Performance of Five Regional Legislative Assemblies in Bolivia	2012-02	P0202-02	01-07-12 - 31-03-12	CAD 1,174,025	911,086	-	242,447	-
Support to Democracy Building in Libya	2007-13	P0021	01-01-08 - 30-06-10	CAD 144,176	95,831	95,831	-	95,831
EUROPEAN UNION								
International Development Research Centre (IDRC)								
South - South Capacity Building & Consultative Workshops					9,150,028	5,283,854	2,711,245	7,995,099

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The European Commission

2008-01	P0018	01-10-08 - 30-09-11	EUR 6,474,577	6,474,577	5,028,916	1,274,672	6,303,588
Training and Technical Assistance Activities related to EU Electoral Observation Missions: Network for Enhanced Electoral and Democratic Support (NEEDS)							
2008-17	P0007-01	01-02-09 - 30-09-10	EUR 175,000	175,000	157,070	-	157,070
Study on Strategies and Methodologies for EC Action in Support to Parliaments							
2011-12	P0200	20-09-11 - 19-09-12	EUR 1,203,431	1,203,431	62,399	708,116	770,515
Support Activities to the Electoral Processes in Egypt							
2011-13	P0202-01	24-11-11 - 23-11-12	EUR 1,097,020	1,097,020	35,470	728,457	763,927
Supporting Democratic Transition in Libya							
2012-09	P0223-01	20-11-12 - 20-05-14	EUR 200,000	200,000	-	-	-
Fortalecimiento de las capacidades del Estado y de la Sociedad Civil							

FINLAND

				1,690,278	305,996	79,118	914,338
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The Ministry of Foreign Affairs

2009-07	P0068-01	05-10-09 - 31-01-10	EUR 190,000	190,000	162,069	-	162,069
Supporting Constitution Building in Nepal: Implementation of Rights, Oversight and Accountability Mechanisms of the New Constitution in the Making							
2010-17	P0127-05	01-12-10 - 31-03-12	EUR 190,000	190,000	143,926	46,074	190,000
Support to the Consolidation of Democracy in Nepal							
2011-14	P0127-06	01-12-10 - 31-03-12	EUR 190,000	190,000	-	33,044	33,044
Nepal Support to Democratic Transition: Finland support 2012							

Germany

				560,139	-	264,612	264,612
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Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ)

2011-26	P0076-04	01-01-12 - 30-09-13	EUR 560139	560,139	-	264,612	264,612
Africa Union BRIDGE at National Level - GIZ							

Inter American Development Bank

2011-05	P0161-03	27-06-11 - 31-12-11	USD 22,860	16,348	2,654	14,962	17,616
Opening Gates: Women in Political Parties and Parliament (I)							
2011-07	P0161-02	05-07-11 - 05-01-12	USD 200,155	153,184	108,858	35,898	144,756
Opening Gates: Women in Political Parties and Parliament (II)							

ITALY

				2,437,280	2,000,000	-	2,437,280
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The Ministry of Foreign Affairs

2006-03	P0037	01-03-06 - open	EUR 2,000,000	2,000,000	2,000,000	-	2,000,000
Promotion of the Democracy Assistance Dialogue in the Broader Middle East and North Africa Region							

JAPAN

				218,640	-	218,640	218,640
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2010-11	P0139-02	01-01-12 - 31-12-12	USD 300000	218,640	-	218,640	218,640
Protecting and Promoting the Integrity of the Electoral Process (PIEP)							

Netherlands

				500,000	-	499,988	499,988
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or

NORWAY				25,918,969	11,753,902	4,804,044	15,720,302
The Royal Ministry of Foreign Affairs							
		Constitution Building Programme Phase II 2009-2011		3,813,283	3,108,331	718,510	3,826,841
		Democratic Dialogues and Vision Building in Bolivia 2007-2009		2,207,703	2,199,359	-	2,199,359
		African Union Commission - International IDEA Joint Action Plan		568,140	568,405	-	568,405
		Support for the Constitution Building Process in Nepal 2006-2009		1,478,731	1,341,280	-	1,341,280
		Support to IPD (2): Ball Workshop		166,320	166,406	-	166,406
		Political Participation and Representation of Women		1,082,111	571,238	273,178	844,416
		African Union - International IDEA Joint Action Plan 2010-2011		1,271,415	1,058,520	212,895	1,271,415
		Nepal - Constitution Building and Electoral Capacity		2,328,724	1,159,053	635,875	1,794,928
		Constitution Making Workshop Stockholm		138,150	129,441	-	129,441
		Support to Andean Region		4,225,521	1,377,089	1,030,567	2,407,656
		Election Training and Resource Centre Bhutan		95,238	-	-	-
		Supporting the Process of Democratic Transition and Consolidation in Haiti		771,600	74,779	703,438	778,217
		Supporting the Process of Democratic Transition and Consolidation in Haiti		816,324	-	312,148	312,148
		Chile-Peru Democratic dialogue for sustainable peace		134,735	-	43,251	43,251
		Support the Democratic Processes in the Region		672,543	-	671,035	-
		Constitution Building Programme Phase III 2012-2015		4,307,272	-	88,314	-
		South Sudan - CBP		1,455,778	-	-	-
		Myanmar - Design activities & Publications' translation		103,007	-	-	-
		Global Commission on Elections, Democracy and Security		204,081	-	36,538	36,538
		Offshore Northern Seas Foundation (ONSF)					
		Study on the impact on the energy sector due to transition in WANA		78,295	-	78,295	-
		Organization of American States					
		Gender Methodology		73,505	70,408	-	70,408
				73,505	70,408	-	70,408
		ROMANIA					
		Assessment of Electoral Processes in the WANA region		50,000	30,988	19,011	49,999
				50,000	30,988	19,011	49,999
		SPAIN					
		The Spanish Agency for International Cooperation (AECI)					
				2,342,000	1,875,799	147,647	1,910,074

Strengthening Democracy through More Inclusive Party Systems and Political Organizations	2008-11	P0015	01-07-07 - 31-08-09	EUR 396,000	396,000	396,002	-	396,002
Reforms for a Better Democracy in Latin America	2007-14	P0026	17-10-07 - open	EUR 300,000	300,000	310,836	-	310,836
Democracy at the Local Level in the Arab World	2007-21	P0041	01-07-07 - 31-05-10	EUR 431,300	431,300	392,173	-	392,173
Strengthening Democracy Adean region	2010-05	P0142	15-07-10 - 14-01-12	EUR 668,000	668,000	633,724	34,275	667,999
Democracias representativas e inclusivas en los países andinos	2012-03	P0214	01-02-12 - 31-07-13	EUR 275,000	275,000	113,372	-	113,372
Apoyo al Centro de Estudios sobre la promoción de la democracia y transparencia electoral de UNASUR	2012-12	P0222	19-09-12 - 19-05-15	EUR 128,700	128,700	-	-	-
Ayuntamiento de Madrid / Fundacion Instituto Universitario de Investigacion Jose Ortega y Gasset (FOG)								
Capacity building to improve the management of social programmes in Huancavelica, Peru	2008-16	P0065-01	07-08-09 - 07-05-10	EUR 143,000	143,000	143,064	-	143,064
NETHERLANDS								
The Ministry of Foreign Affairs					3,180,888	2,269,768	336,014	2,605,772
Democracy in Development	2008-08	P0012-01	01-07-08 - 30-06-10	SEK 18,000,000	1,698,300	1,698,530	-	1,698,530
Political Participation and Representation of Women	2009-03	P0075	01-01-10 - 31-12-12	EUR 950,000	950,000	571,238	273,178	844,416
Supporting Electoral and Political Processes in Kenya	2012-20	P0235	01-08-12 - 31-12-13	SEK 500,000	532,588	62,836	-	62,836
SWITZERLAND								
The Swiss Federal Department of Foreign Affairs					4,374,580	2,763,659	192,211	3,613,081
Developing a Reconciliation Resource Network	2006-09	P0025	01-06-06 - 30-06-09	EUR 25,000	25,000	23,921	-	23,921
Participatory Democracy (Swiss '09)	2009-12	P0073-03	01-01-08 - 31-12-10	CHF 200,000	131,580	131,580	-	131,580
Participatory Democracy (Swiss '10)	2010-04	P0073-04	01-01-08 - 30-04-11	CHF 200,000	148,960	148,960	-	148,960
Elections and Conflict: Assessment and Violence Prevention Tool	2010-09	P0110-02	01-01-10 - 31-12-11	EUR 150,000	150,467	122,195	28,272	150,467
North Africa Programme (Basket Fund)	2011-10	P0203	01-10-11 - 31-12-13	CHF 1,000,000	816,000	148,682	163,939	312,620
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND								
Department for International Development (DFID)					2,848,891	2,188,321	123,848	2,721,685
Capacity Support to the Department of Political Affairs - AUC	2011-23	P0151-05	01-01-12 - 30-04-13	GBP 205,617	253,682	123,848	-	123,848
UNITED NATIONS								
The United Nations Development Program (UNDP)					2,595,209	2,188,321	422,783	2,597,837
Sudan Political Parties Development	2008-06	P0036	26-10-08 - 25-01-11	USD 1,335,067	1,032,857	1,033,646	-	1,033,646
Global Programme for Electoral Cycle Support	2010-01	P0111-02	01-05-10 - 30-06-12	USD 1,824,981	1,356,125	949,997	406,128	1,356,125
Strengthening of PPs in Bolivia	2009-06	P0137	22-04-10 - 31-10-10	USD 70,092.97	48,827	53,396	-	53,396
The United Nations Office for Project Services (UNOPS)								
Roundtable Gender and Democracy	2011-03	P0138-03	29-04-11 - 07-05-11	USD 18,201.20	13,150	13,267	-	13,267
United Nations Development Fund for Women								
Gender and Political Parties Seminar and Gender Monitoring Media in Electoral Campaigns in Bolivia, Costa Rica and Dominican Republic	2009-08	P0074	01-11-09 - 15-08-10	USD 107,000	72,659	82,588	-	82,588

United Nations Entity for Gender Equality and the Empowerment of Women

Gender Media Monitoring	2011-01	P0158-01	30-01-11 - 30-06-11	USD 31,340	23,223	22,225	22,225
Gender Media Monitoring in Argentina and Guatemala	2011-08	P0162-01	25-07-11 - 31-12-11	USD 68,364	48,368	33,201	16,655
UNITED STATES OF AMERICA					267,387	49,304	148,753
The Ford Foundation							148,555
Intercultural Dialogue Peru	2010-16	P0156-01	01-01-11 - 30-06-12	USD195,000	147,320	49,304	99,251
Support for Civil Society Wkshops on Electoral & Constitutional Legal Frameworks	2011-11	P0201-01	01/09/11 - 31-01-13	USD 80,000	60,277		49,502
Establishment of a Constitutional Law Assoc in the WANNA Region	2012-12	P0205-03	01-08-11 -	USD 75,000	59,790		
TOTAL					58,969,038	11,160,662	12,042,124

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Schedule of Expenditure

For the years ended December 31, 2012 and 2011
(In EUR)

EXPENDITURE	2012			2011
	Restricted Funds	UnRestricted Funds	Total	Total
Programme Total	12,941,932	13,203,833	26,145,015	21,541,949
Global Programmes	4,350,066	5,302,941	9,653,007	9,763,672
Constitution Building Processes	806,699	43,640	850,339	1,232,962
Democracy, Conflict & Security	0	502,221	502,221	510,665
Democracy & Development	0	408,858	408,858	620,463
Democracy & Diversity	6,051	497,655	503,706	490,606
Democracy & Gender	546,356	506,014	1,052,371	828,043
Electoral Processes	1,978,629	1,520,132	3,498,761	3,353,303
Global Programmes	(0)	632,469	632,469	1,429,162
Political Parties	16,895	458,153	475,048	606,577
PPIEP	995,435	180,421	1,175,857	
State of Democracy	0	553,378	553,378	691,892
Latin America Regional Programme	2,574,763	1,611,176	4,185,939	3,574,312
Andean Region	1,559,176	652,979	2,212,155	2,104,279
Haiti	1,015,587	10,963	1,026,550	74,779
LAC Regional Office (CR)	0	947,234	947,234	1,395,254
Africa Programme	1,592,736	2,232,730	3,825,466	3,832,091
Addis	388,459	284,107	672,566	0
Africa	0	(0)	(0)	63,540
Arab World	0	0	0	10,783
Joint Action Plan	212,895	0	212,895	980,238
South Africa	991,382	1,550,971	2,542,353	2,030,044
Sudan	0	0	0	257,582
West Africa	0	397,652	397,652	489,904
Western Asia - North Africa	2,660,802	543,315	3,204,117	976,993
WANA	2,660,802	543,315	3,204,117	976,993
Asia and the Pacific	863,585	1,334,620	2,198,185	1,591,821
Nepal	714,994	0	714,994	712,830
Asia & the Pacific	148,572	1,334,620	1,483,191	878,991
External Relations and Governance support	0	1,636,482	1,636,482	1,163,498
UN Permanent Observer	0	673,348	673,348	656,946
P0140-02 Inter-Regional Dialog	0	470,815	470,815	411,854
P0138-02 Democracy Forum	0	102,569	102,569	88,124
P9902-01 Brussels office running costs	0	389,750	389,750	6,574
Secretary General Office	0	541,820	541,820	639,555
P0094-01 Gender Mainstreaming and IKNOW Politics	0	94,146	94,146	636,658
P0149-01 Programme Evaluation	0	113,184	113,184	
P0150-03 Emerging and Sustained Initiatives	0	0	0	2,896
P9911-01 Den Haag Office	0	334,490	334,490	
RESTRICTED FUNDS	0	1,636,482	1,636,482	1,163,498
Global Programmes	0	62,762	62,762	
R0051-02 Programme Development Committee	0	62,762	62,762	
External Relations and Governance support	0	551,975	551,975	480,935
R0003-01 External Relations	0	278,529	278,529	232,092
R0003-02 Governance Support	0	273,446	273,446	248,843
Secretary General Office	0	1,717,892	1,717,892	1,716,841
R0009-01 Communications	0	497,104	497,104	378,605

R0001	Office of the Secretary-General	0	780,499	780,499	715,556
R0005-01	RBM & Strategic Planning	0	440,289	440,289	622,679
Corporate Services		0	1,573,113	1,573,113	764,152
R0011-01	DCS	0	283,366	283,366	201,129
R0017	HQ Facilities	0	1,098,765	1,098,765	281,872
R0019	IT	0	190,982	190,982	217,130
LAC Regional Office					64,021
PROGRAMME SUPPORT COSTS		1,252,254	5,999,670	7,251,924	5,944,144
Africa	Programme Design (Africa)				386,986
Asia and the Pacific					201,887
External Relations		29,795	142,751	172,547	0
R0003-03	Internal Procedures and Services	29,795	142,751	172,547	0
Global Programmes		26,033	124,727	150,760	157,494
R0051-01	Board of Advisers	26,033	124,727	150,760	157,494
Secretary General Office		123,424	591,337	714,761	540,502
R0009-03	Library	26,728	128,055	154,783	214,495
R0009-02	Publications	85,328	408,813	494,141	326,007
R0005-03	Global Workplan Monitoring	11,369	54,469	65,838	
Corporate Services		1,073,001	5,140,855	6,213,856	4,557,275
R0013	Finance	173,278	830,193	1,003,472	721,959
R0015-01	HR Office	203,993	977,351	1,181,344	876,730
R0015-04	Leave and allowances	695,730	3,333,311	4,029,041	2,958,586
R0015-05	HR recovery	0	(5,949,960)	(5,949,960)	(4,295,863)

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Notes to Financial Statements
31 December 2012 and 2011

(In thousands of Euros)

1. Statement of Activities

Created in 1995, the International Institute for Democracy and Electoral Assistance (IDEA) is an intergovernmental organization with 28 member states from six continents. It 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.

2. Significant Accounting Policies

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

- a. **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.
- b. **Accrual Accounting** - The financial statements have been prepared using the accruals basis of accounting.
- c. **Revenue recognition** – Restricted contributions are recognized as revenues when the grant conditions have been substantially met or the donor has explicitly waived such conditions. Core contributions are recognized as revenues in the calendar year in which the remittance is received unless the funds have been received in advance for the following calendar year. Contributions in respect of the reporting period but received in the following calendar year are also recorded as revenues if received before the books have been closed.
- d. **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 calendar year but before the books for that year have been closed.
- e. **Cash and cash equivalents** - Cash and cash equivalents comprise cash on hand, bank current accounts and interest bearing bank deposits.



- f. **Fixed Assets** – All fixed assets are written off in full at the time of acquisition.
- g. **Income taxes** - The institute is tax-exempt; accordingly, no provision for income taxes has been made in the accompanying combined financial statements.
- h. **Accounts payable to donors** - These represent grants received in advance from donors for core and restricted grants, 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.
- i. **Other accounts payable and accruals** - These represent amounts to be paid in the future for goods or services received, whether billed by the supplier or not.
- j. **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.
- k. **Reporting currency** - The currency of 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 Swedish Central Bank. Transactions in other currencies are translated to Euro at the average rate of exchange as published by the Swedish Central Bank for the month in which the transaction took place.

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

3. Cash and cash equivalents

	2012	2011
Cash on hand	39	28
Cash at Bank	15,535	18291
Total	16,574	18,319

4. Receivables Contributions (Schedule 1)

	2012	2011
Core contributions	2,644	299
Restricted Projects	705	293
Total	3,349	592

5. Accounts payable

	2012	2011
Contributions (Schedule 1)		
Core	3,669	1,288
Restricted Projects	4,897	3,507
	<hr/>	<hr/>
Total	8,566	4,795
	2012	2011
Trade Creditors and Accruals		
Trade Creditors	1,425	1,943
Accruals	32	479
	<hr/>	<hr/>
Total	1,457	2,422

6. Personnel Liabilities

	2012	2011
Annual Leave	120	157
Pension	591	448
Separation Allowance	415	164
Parental Leave	43	81
Withholding Taxes	92	0
Home Fare Grant	5	57
Retirement	1	18
	<hr/>	<hr/>
Total	1,267	925

Staff has an **annual leave** entitlement of 30 working days per calendar year. Up to 10 days may be carried forward if not utilised by 31st January of the following year.

All staff receive a **pension contribution** equivalent to 2/12 of their yearly gross salary. For expatriates the pension is payable in cash at the end of every twelve months of service.

Contributions for staff members who, according to the Head Quarters Agreement with the government of Sweden, are taxable in Sweden are paid monthly into a pension fund.

Staff members who have relocated to Sweden are, at the expiry of their contracts, entitled to a **separation allowance** on relocation.

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7. Reserves

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

- a. **General Reserve** - This reserve provides long-term protection for the Institute by safeguarding it from unforeseen developments that could seriously affect its stability and effectiveness. Appropriations may only be made in extreme circumstances. No appropriations were made from the fund during the year;
- b. **Social Security Reserve** – This reserve represents amounts set aside from refunds of social charges by the Swedish Tax Authority to meet possible future commitments to staff and former staff in respect of possible loss of state pension rights or other social insurance rights. There was no movement this year.
- c. **Currency Reserve** – This reserve provides a facility to overcome distortions in its operational expenditures caused by fluctuations in the exchange rate between the Euro and other currencies. There was an increase in this reserve, equivalent to the exchange gain of €606 made during the year (vs. loss of €24 in previous year). The gain for current year has been transferred from Currency to Operating reserve from where it is distributable.
- d. **Working Capital Reserve** - This reserve provides liquidity should contributions from Member States be received at a slower rate than approved operational expenditure. This reserve is targeted at 20% of the annual income received in the immediately preceding year. As current reserve level exceeds requirement, the over subscription has been transferred to Operating reserve where it is distributable.

8. Revenues

- a. **Contributions** - Funds received from donors are used to support the Institute's programs that must fall within the mandate of the Institute as approved by the Governing Council. Details of all contributions are set out in Schedule 1 and are classified into Core and Restricted contributions. Core contributions are used to support the Institute's activities. Restricted contributions support activities that are mutually agreed upon between the Institute and the donor.
- b. **In-kind Contributions** – The government of Sweden pays to the City of Stockholm rent for the Strömsborg building that International IDEA uses as its headquarters. This arises from an agreement between the Ministry of Foreign Affairs and the City of Stockholm. From September 2011, this building had been under renovation and was reoccupied September 2012. During this time, IDEA had rented alternative premises and charged this cost in its accounts as Office Rent.

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- c. **Other revenue and gains** - For the years ended 31 December 2012 and 2011, other revenues and gains comprised:

	2012	2011
Tax Refund	617	695
VAT Refund	0	262
Exchange Rate Gain	606	-24
Interest Income	118	138
Book Sales	4	4
Sundry Income	<u>1</u>	<u>4</u>
Total	1,346	1,080

International IDEA is VAT exempted from specific purchases. In 2011, the VAT refund for was booked as Other Revenue. In 2011 projects were charged with the gross amount including VAT. On receipt of VAT, the refund was accounted for as income. In 2012 the accounting basis was changed so that projects are charged with the net amount excluding VAT.

In 2012, exchange gain has been disclosed as income whilst in 2011 the exchange loss was disclosed as expenditure. To make the 2 years comparable, 2011 income has been restated to include the loss of €24.

9. Expenses and losses

Details of expenditures are segregated in the way they were budgeted and approved by Council: Programme Costs, Programme Support Costs, Institutional Costs and Indirect and 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 the institute incurs to support project execution. These include Finance, Board of Advisers, Publications and Communications.

Institutional Costs – These are costs that the institute must incur with or without project activities e.g. The Secretary General's Office and External Relations.

In order to make the 2 years comparable, 2011 figures have been restated to show the above 3 categories.

These are further reclassified by expense type i.e. Personnel, Consultants, Travel and Operating Costs

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10. Personnel cost

In addition to the above formal employees, IDEA has contracted consultants/supports predominantly working in Regional Offices. The salary cost shown below includes both categories.

	2012	2011
Salary	7,055	5,576
Annual, Parental and Sick Leave	<u>738</u>	<u>710</u>
	7,794	6,286
Pension Contributions	1,625	1,259
Insurance	386	325
Other Benefits	<u>1,235</u>	<u>709</u>
Total	11,039	8,579

11. Human Resources

As at 31st December 2012, IDEA employed 105 Staff Members (86 in 2011). This number comprises International Staff Members and Stockholm based national Staff Members.

Table1: Employees' nationality by region.

Region	2012	2011
Nordic Countries	24	22
Europe	36	27
North America	8	7
Central & South America	8	7
North Africa & Middle East	0	1
Central & Southern Africa	16	14
Asia	10	5
Oceania/Pacific	3	3
Total	105	86

Table 2: Location of Staff

Region	2012	2011
Stockholm	75	68
Brussels	2	2
The Hague	2	0
Latin America and Caribbean	6	3
Africa and Middle East	9	9
Asia	6	3
West Asia North Africa	4	0
New York	1	1
Total	105	86

Distribution of staff members by gender

Levels	2012		2011	
	M	F	M	F
Senior Management (level 1-3)	64%	36%	67%	33%
Mid-Management (level 4-5)	57%	43%	59%	41%
Other (level 6-9)	41%	59%	43%	57%
TOTAL	49%	51%	43	43

Personnel cost

In addition to the above formal employees, IDEA has 58 contracted consultants/supports (34 x Female and 24 x Male) predominantly working in Regional Offices. Some of these contracts were converted to local contracts of employment in 2012.

The salary cost shown above includes both categories.

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