

Annual Report 2020

Stichting Vredesbeweging Pax Nederland



PAX
www.paxforpeace.nl

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Colophon

May 2021

PAX means peace. Together with people in conflict areas and concerned citizens worldwide, PAX works to build just and peaceful societies across the globe. PAX brings together people who have the courage to stand for peace. Everyone who believes in peace can contribute. We believe that all these steps, whether small or large, inevitably lead to the greater sum of peace.

If you have questions, remarks or comments on this report, please send them to info@paxforpeace.nl.

See also www.paxforpeace.nl.

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Foreword Anna Timmerman

A global pandemic drastically changed everyone's lives, 2020 was a year like no other. In the Netherlands, we saw a lot less of our colleagues, friends and families. Some of us fell ill, or lost loved ones to the virus. In other countries repression and aggression is on the rise. Many people were forced to stay at home in 2020. Protests were quashed, as in Iraq. Colombians became sitting ducks for paramilitaries and other armed groups settling scores with community leaders. The thugs did not have to look far. They knew exactly where their victims were: at home. There were periods when a Colombian who had stood up for the rights of his or her community and fought for the return of stolen land was murdered every day.

Not everyone had the luxury of staying at home. Many people saw no other option than to try to leave the suffering and persecution behind, coronavirus or no coronavirus, in search of a safer home. These refugees were often confronted with the heartless reality of closed European borders. Syrians are fleeing from Assad's armies, only to be sent back by patrols guarding the European fortress.

2020 was my first year as general manager of PAX. Fortunately, I was able to speak to many partners using various modern tools of communication, which everyone here at PAX is now using on a daily basis. Our partners are inspirational activists who have found creative ways to carry on with their important work. Still, meeting people through a screen is not the same as being there. I missed shaking hands to break the ice, hugging as we parted. We spoke to Lucy Nusseibeh about the situation in the Palestinian territories and how she is helping to strengthen the voice of Palestinian women. "Any kind of trust and support helps girls to get more out of themselves," Lucy told us, "and be less concerned about what tradition and society want from them."

It would have been great to speak face to face with the strong women PAX works with in Iraq and Sudan. To see how women have taken on increasingly important, often decisive roles in social protests. Hala al-Karib from Sudan told us that women should not be underestimated: "Women have shown time and again that they can bring about change." I would have loved to go to South Sudan to visit the Kuron Peace Village, where sworn enemies learn to live together. We called Lokii Lokwaar Eliah. He works in the village: "I want to support my people, I cannot be happy when my people suffer. You cannot count on miracles, but sometimes they happen."

Miracles sometimes happen, yes. But in the meantime, hard work is needed. And hard work led to one of the highlights of 2020: a 50th country ratified the UN Treaty on the Prohibition of Nuclear Weapons. That means nuclear weapons are officially illegal since January 2021. A big step that PAX and many others have been fighting for for decades. Indeed, we haven't been idle since the protests of the 1980s. We've been fighting the battle through political and legal channels, and it's paying off.



In 2020, so much of what we hold dear fell by the wayside. But more than that, what remained took on even greater importance: the longing for a better world. Not just for posterity, but for the here and now. Because some rulers, who should be acting on behalf of the people, are pursuing interests that drive them far from what people care about: living together in peace, in solidarity. Many young activists, from abroad and from the Netherlands, spoke during the Peace Week about how, in their field and in their way, they're fighting for a fairer society. It's wonderful to hear such a diverse group of people talk about their dreams and their approach.

2020 was a year in which the people of PAX – our partners, the Embassies of Peace and our volunteers – found new ways to connect, build bridges and support each other. To work on international solidarity. That ingenuity can serve as an inspiration for us all. But as the South Sudanese Lokii says: "You may hope for a miracle, but you cannot assume it. We must work hard together to avoid suffering."

Decades of hard work has paid off: Nuclear weapons become illegal

2020 was the year in which decades of activism, endurance and hard work finally paid off: nuclear weapons became illegal. "This is a huge step towards a nuclear-free world," said Susi Snyder, Nuclear Disarmament Program Leader at PAX. In short: the UN treaty banning nuclear weapons became international law. This treaty makes the development, testing, use and possession of nuclear weapons illegal. The treaty went into effect in January 2021. This will increase the stigma against nuclear weapons and undermines the idea that they are legitimate, including in countries that have not yet ratified the treaty. "Everyone knows that nuclear weapons are terrible and cause enormous and long-lasting damage," says Snyder. "Seventy-five years after nuclear weapons were first used, they are finally illegal."

PAX has always railed against the very existence of these weapons. We organized the biggest protests ever in The Netherlands in the 1980s. As a vital part of the International Campaign to Abolish Nuclear Weapons (ICAN) we worked to get countries to negotiate and adopt the ban treaty at the UN, for which ICAN received the Nobel Peace Prize. And now the ban treaty has gone in to effect we will keep pushing countries to join, starting in The Netherlands.



Breakthrough after years of activism: Top-level managers charged with financing paramilitaries

A major breakthrough in Colombia: Two big players in coal mining have been charged with complicity in gross human rights violations. PAX has worked side by side with victims of these violations for years. Based on the stories of both eyewitnesses and perpetrators of the violence, in 2014 we published the report 'The Dark Side of Coal'. Although we weren't part of the legal proceedings, the indictment echoes our findings. It alleges that the current and the former president of the Colombian subsidiary of the American coal giant Drummond financed and backed right-wing paramilitary death squads. It lists 3,382 victims of crimes, including murder, enforced disappearance and kidnapping.

According to the National Prosecutor, these crimes were part of a terrorist strategy against the local population with the aim of displacing them from the area and stealing their land. PAX's main focus has always been to draw attention to the violent history of the mining region in Cesar and call on mining companies Drummond and Prodeco to contribute to remedy and reparation for victims. But as if these crimes weren't hard enough to swallow, big companies and State institutions are barely lifting a finger to acknowledge the victims' plight or compensate them for the injustices they've suffered. Despite repeated invitations by the victims, the mining multinationals have been dragging their feet and, after seven years, have still not entered into dialogue with the victims' organisation. The indictment shows that the victims of paramilitary violence were right to persist in calling on the mining companies to answer for their actions. PAX continues to work for and with the people affected by the crimes and conflict.



Monitoring the situation of Syrian refugees trapped in Lebanon

PAX monitors the situation of Syrian refugees and their host communities in Lebanon, as well as returnees to Syria. Thousands of refugees participated in the research and provided insight into their experiences and concerns. It's very important for the people to have ownership of the findings, and we continue to engage our respondents in ongoing research. "This project brings the daily struggles Syrian refugees are facing to the attention of international decision-makers and donors", says Rosie Ball, working closely on the project from PAX's Brussels office. "This is vital after they have faced over a decade of hardship." These are some of our findings:

- ◆ Covid-19 and associated restrictions have a severe impact on refugees' and host communities' incomes, livelihoods and housing
- ◆ Covid-19 related healthcare and vaccines must be provided to all on an equal basis
- ◆ There are concerns and fears regarding discrimination against refugees
- ◆ Pressure increases on refugees to return to Syria, but the country remains unsafe
- ◆ An independent monitoring mechanism is required to assess conditions inside Syria to ensure that returns are safe, voluntary and dignified

The restrictions to reduce the impact of Covid-19 should not lead authorities to backslide on human rights and civic space. That's why PAX supports local civil society organisations. Their work on human rights and peacebuilding issues is crucial at this time. PAX does the research as part of the Refugee Protection Watch Coalition, together with Basmeh and Zeitooneh, ALEF - Act for Human Rights, 11.11.11 and Upinion. We use the outcomes of the monitoring to put pressure on politicians and policymakers, so refugees are not forgotten, their rights are protected, and their situation improves.



Peace Week and PAX Power to the People

Organising a week that's all about solidarity, human connection and seeing people you don't usually meet proved to be challenging in 2020. But that's exactly what the annual Peace Week stands for: we meet, eat, walk and discuss... we talk peace, politics and activism. All of that had to be done in another way. And it worked!

Take our new PAX Power to the People event, for instance. A few dozen people were allowed in the theatre to listen to speakers, performers and activists talk about the work they do for peace. In a normal year, thousands might have shown up, as thousands participate in the Walks of Peace. But this year, too, people were inspired by the words of those on the stage, thanks to several livestreams of the events. And they had another added value: because they were recorded, it's easy to revisit the speeches and debates on our websites. Sigrid Kaag, Minister for Foreign Trade and Development Cooperation, also spoke at the event, saying: "It's a real honour to be here tonight, and I didn't have to think twice about attending. I have always loved the work that PAX does, even before I became minister. I value PAX's work highly and I admire the integrity and courage of its local staff and international colleagues. They raise issues that are often sensitive and not debated nearly often enough. PAX really highlights the seriousness of the violations and threats that the absence of peace brings to people's lives, and the urgent need to respond to these threats."

The volunteers of the Embassies of Peace worked tirelessly to "make something happen, despite the virus". And they did. Take the people in Nijmegen, for instance. They cooked take-away meals, and asked for something in return: for everyone to leave a message of peace. According to the motto: Receiving peace, and delivering it. In Vlaardingen, students folded more than a thousand paper cranes, commemorating the attack on Hiroshima and Nagasaki and calling on Dutch Prime Minister Rutte to sign the UN Treaty on the Prohibition of Nuclear Weapons.



Two awards for our campaigns

The PAX campaign "Behind every face there is a story" won the audience award at the IDleaks Awards 2020. With the campaign, PAX wants to encourage people to look beyond their own boundaries. To really get to know others, to realise that everyone has his or her own story and to contribute to a solidarity-based society. In the campaign, Syrian Abdelilah told his story in an original way, using a game as a narrative vehicle. IDleaks says of the video: "It's a double invitation to acknowledge the often traumatic (life) story of refugees - something that's clearly not self-evident if you look at how often (forced) migration is spoken and written about." And about the twist in the video: "We often see campaigns that take an unexpected turn. In this campaign, the turn is both productive and poignant." In recent years, Abdelilah has told his story to dozens of school classes through the PAX project Story of a Refugee, for which we received support from the National Postcode Lottery. The project continues online. His story, and those of Syrian newcomers such as Diana and Maher, can be seen on online.verhaalvanmijnvlucht.nl.

The international Campaign to stop Killer Robots has won the triennial Ypres Peace Prize. The campaign, of which PAX is co-founder, is committed to a ban on deadly autonomous weapon systems. The winner of the Peace Prize is chosen by pupils from the area around Ypres (Belgium). They spend time learning about the topics that the various nominees are committed to, and then they're allowed to vote. Of course, Ypres has seen the horrors of war, especially during World War I, in which the town was completely levelled. "The campaign is honoured to receive this award from a city that has suffered from armed conflict in the past. Today, more than ever, we need courageous political leaders who dare to take clear measures to prevent conflict and protect our security," says Mary Wareham, Coordinator of the Campaign to Stop Killer Robots.



Reporting on civilian harm caused by explosive weapons

Dutch F-16s bombed an ISIS bomb factory in Hawijah, Iraq in June 2015. Secondary explosions killed at least 70 civilians and wounded hundreds more. In 2020, PAX spoke to Subhan Al Jabouri, Hawijah's mayor: "The horror of this strike had a profound psychological effect on the psyche of the victims... some families were completely wiped out, others lost at least three or four family members."

To prevent this from happening again, PAX devoted much time to the issue in 2020. Together with Airwars, we released the report *Seeing through the rubble: The civilian impact of the use of explosive weapons in the fight against ISIS*. "When bombing and shelling take place in towns and cities, civilians are killed and suffer life-changing injuries, and vital infrastructure like hospitals and schools are destroyed," says Roos Boer of PAX and co-author of the report. "We need to see states agree to stronger rules that will stop these urban attacks."

In the Netherlands, PAX discusses the issue with the Ministry of Defence. Part of a consortium of civil society organizations, PAX offers the Ministry expertise because we believe cooperation between military, humanitarian and academic specialists is the best chance of getting a good result. So the next time the Netherlands takes part in a mission, we can openly discuss and set goals, monitor them, make adjustments and take decisions based on the facts. It puts us in a better position to effectively use the facts to prevent civilian casualties. And it will allow us to become a country that by default takes immediate responsibility for the civilian casualties that are sure to happen again in a next mission. We ask The Netherlands to make a constructive international contribution to a new, international agreement about greater restraint and transparency in relation the use of explosive weapons in populated areas.



PAX Doves for contributions to a more peaceful world

PAX presents the PAX Dove to individuals who are committed to peace and to fostering new connections between people from all walks of life. The people being awarded the prize in 2020 have all contributed to a more peaceful world, and each of them has been courageous in their own way. The Doves were awarded by a jury of four: Chantal Suissa, trainer and public speaker; Amma Asante, former MP for the Dutch Labour Party; Farid Tabarki, researcher of the transformation of society and economy; and Sinan Can, journalist and programme maker.

The first person to receive the PAX Dove last year was Khadija Arib. She protected peace and fostered open political dialogue in her role as Speaker of the House of Representatives. The jury saw her as a role model for many girls and admired her for her perseverance in the face of setbacks due to discrimination. Arib: 'I'm proud of the fact that we can stand up here for our voters, regardless of religious background or political affiliation.'

Journalist Minka Nijhuis also received a Dove. She was given the prize in recognition of her tremendous effort to support citizens in conflict areas. She is one of the most honest Dutch foreign journalists and has informed a wide audience about conflicts and what (the lack of) peace means to people. Nijhuis: 'I'm an outsider who wants to tell a story from the inside.' The theologian Rikko Voorberg received a Dove for relentless advocacy on behalf of refugees. He generated a great deal of attention, publicity and support for refugees on Lesbos with his action We Gaan Ze Halen. Voorberg fights for humanity: 'I'm very happy for this acknowledgement of the way I, and many others, search for connection.' Naomie Pieter, a Dutch activist, also received a PAX Dove. She has been fighting against racism and LGBTIQ+ discrimination and made this fight even more inclusive than before. She really makes a difference. Pieter: 'This is one step towards so much more.'



Management report 2020

1.1 Vision, core values, mission and strategy

VISION

Our vision is: peace is possible! We're convinced that human dignity is the basis for peace and justice. Every person, regardless of their conviction, origin or orientation, has a right to a dignified existence. This right is universal and inviolable. That also implies solidarity with peace activists and victims of war and violence. We support local communities and civil society organisations that work hard for the right to human security and try to end conflict with sustainable solutions anchored in international law. PAX works on this closely with local partners and people who feel, like we do, that every person has the right to a dignified life.

CORE VALUES

All too often, insecurity and injustice lead to conflict. Inequality between men and women, harmful gender norms and the exclusion of minority groups cause violence and oppression. PAX battles this inequality with human dignity and solidarity as core values. We are catalysts for critical reflection on current political and social trends, and play an active role in them. We're not distracted by private, party political or national interests.

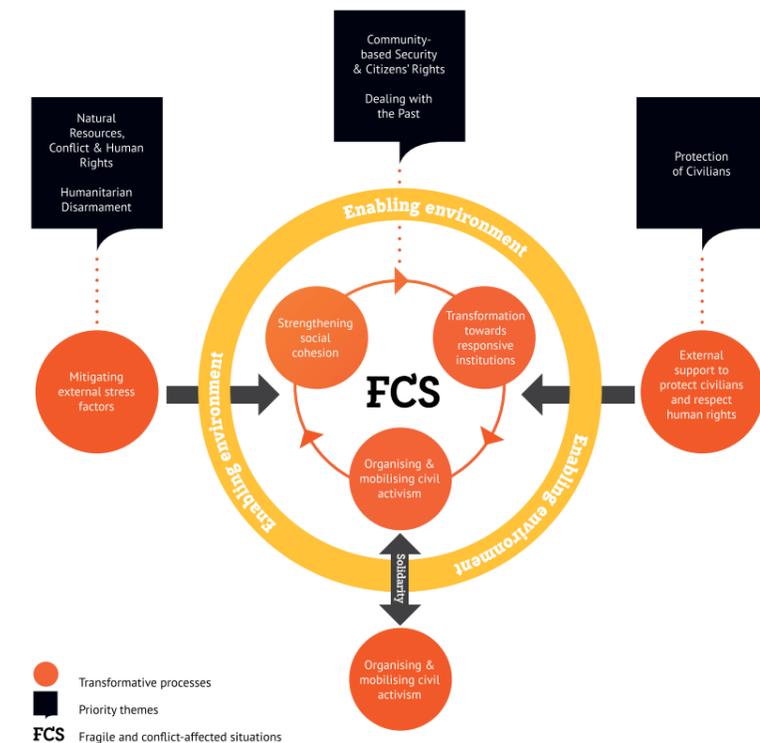
MISSION

PAX was founded by Pax Christi Netherlands and the Interchurch Peace Council (IKV) who are inspired by the evangelical call for peace and justice. It's our mission to work with people in fragile and conflict-affected situations and together ensure human security, prevent and end armed violence, and contribute to peaceful and just societies. The voice of citizens must be strengthened in their pursuit of equality and more balanced power relations.

STRATEGY

Working on peace in conflict-affected situations requires that political, governmental, economic and civil society actors play an active role in multiple interconnected processes. The picture below summarises this complex interconnectedness from a civil society perspective and indicates the entry points that PAX identified for helping to prevent and end violent conflict. Through its programmes, PAX works towards building peaceful societies by supporting civil activism and mobilising civilians in conflict-affected areas, as well as in our own society. It strengthens social cohesion within society and between and among hostile groups by rebuilding trust and respect so communities acknowledge their common interests, can speak with one voice and hold their government accountable for their security and rights.

FIGURE 01 OUR VISION ON PEACEBUILDING



PAX promotes government reforms in view of creating responsive and legitimate public institutions that provide security and access to justice. Based on international humanitarian law, it mobilises the international community to live up to that law and to hold governments accountable for respecting, protecting and fulfilling human security and human rights.

External stress factors like international arms trafficking, violent extremism and the irresponsible exploitation of natural resources increase the risk of violence and human rights violations. By strengthening the resilience of citizens and authorities against that external stress, PAX works on reducing the risk of armed conflict.

Civic space is both an aim and a means. Civilians can only take an active role in social change processes if they're allowed or feel free to exercise their fundamental rights to freedom of expression, association and peaceful assembly. In all PAX programme countries, civic space is limited. Therefore, enlarging civic space is a fundamental part of PAX's programme objectives.

PAX organises its international work in five thematic programmes, each with its own strategic objective (see chapter 1.2):

1. Community-based Security and Citizens' Rights
2. Dealing with the Past
3. Protection of Civilians
4. Natural Resources, Conflict & Human Rights
5. Humanitarian Disarmament

We strive for gender-specific programming by deepening our understanding of harmful gender norms as drivers of conflict and addressing these issues. Our projects seek to bridge the gap between women's roles in civil resistance and non-violent action, on one hand, and their meaningful participation in formal processes and leadership, on the other.

In 2019, PAX added a sixth theme: Peace Activism and Advocacy. This includes a number of interventions and cross-cutting themes that support the five main themes, such as gender, activism, capacity building, lobbying, advocacy and communication.

The sixth theme also covers PAX's work in the Netherlands, part of which contributes to achieving the objectives of the international programmes by mobilising and organising public support and pressure. The other part aims to contribute to a peaceful and inclusive society in the Netherlands itself.

1.2 Achieving objectives

TRANSFORMATIVE CHANGE

Achieving PAX's mission requires transformative change at the local, national and international levels. Key actors need to decide to 'do things differently' and act accordingly: civilians need to stand up for their rights or interests and organise themselves; citizens need to overcome their differences, find common ground and a common voice; authorities need to start listening and become more responsive; the international community needs to put human rights and human security first and change regulations or norms.

PAX wants to take an active – and at times leading – role in these transformative processes and respond to civilians' desire for peace in areas of conflict, fragility and repression. The process of transformative change will require us to engage with holders of power, formal and non-formal authorities and companies, in alliance with partners in programme countries and international networks. We want to sway them towards making positive change that is conducive to inclusive peace and ending violence.

Our intervention strategies include:

1. Capacity development
2. Research and monitoring
3. Building bridges between (antagonistic) groups
4. Facilitating dialogue
5. Advocacy and campaigning

PLANNING, MONITORING AND EVALUATING FOR RESULTS

PAX has an actor-oriented planning, monitoring and evaluation system. Our project design focuses on how key-actors need to change their behaviour to achieve the strategic objectives in a specific context (desired outcomes). Project-specific theories of change describe the logic between the project's objectives, the desired outcomes and our interventions. By testing underlying assumptions and learning from them, we continuously challenge ourselves to improve the quality and effectiveness of our work. We monitor our interventions and outcomes to track our progress and contribution towards the strategic objectives (contribution to change). By evaluating our projects, we're able to validate our progress and contribution in terms of efficiency, effectiveness, relevance and sustainability.

In 2020, external consultants evaluated the projects implemented in alliance with Amnesty International Netherlands under the Strategic Partnership Freedom from Fear (2016-2020, funded by the Dutch Ministry of Foreign Affairs). The partnership covered a range of projects representing all five of PAX's thematic programmes. The overall assessment of effectiveness, relevancy and efficiency were positive. Given the fragility of the contexts in which PAX and Amnesty work, the sustainability of results is uncertain. However – according to the evaluators – the adopted approaches towards partnerships, capacity building and programming help increase the likelihood of long-lasting gains. A summary report¹ and the Management Response² are publicly accessible through the online platform of the International Aid Transparency Initiative (IATI).

CONTRIBUTION TO CHANGE

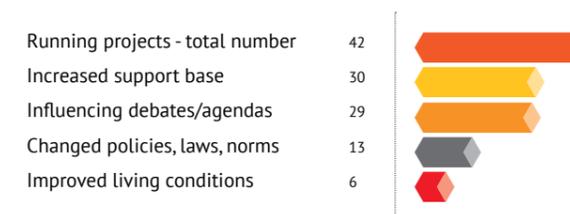
Based on the theories of change, PAX monitors how projects contribute to the desired societal change. We place the observed effects into four broad categories, representing essential steps towards the ultimate improvements that the people we work with and for would like to see in their lives:

1. increased support base for the desired change among the population;
2. increased influence of (specified groups within) civil society in public and political debate and space to engage with relevant authorities;
3. changes in laws, policies, norms/attitudes; and
4. implementation of those new norms and regulations leading to improved living conditions for (specified groups within) the population.

Monitoring in 2020 shows that many projects contribute substantially to changes in category 1 and 2. On the one hand, this reflects that we and our partners primarily play a role in building movements and strengthening voices. On the other hand, it shows that in those categories we can relatively easily identify how and to what extent project interventions contributed to the observed changes. Changes in regulations and norms and actual improvements in the lives of people are virtually always the result of a complex interplay of many actors and factors.

The diagram below indicates the total number of ongoing projects in 2020 and per effect category the number of projects that substantially contributed to change in that category.

FIGURE 02 CONTRIBUTION TO CHANGE



1 <https://paxvoorvrede.nl/media/download/executive-summary-evaluation-fff-programme--final.pdf>

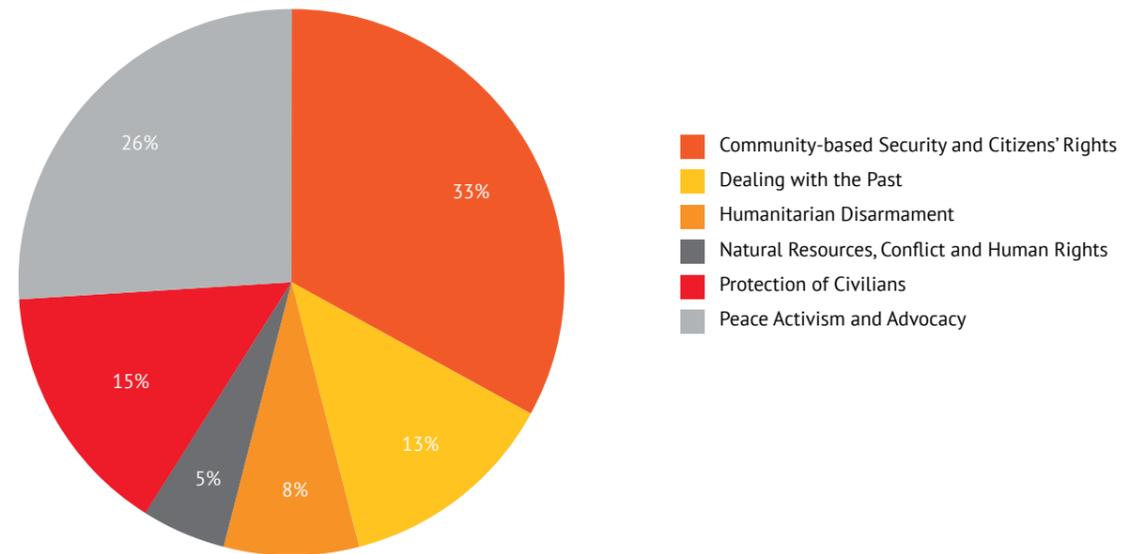
2 <https://paxvoorvrede.nl/media/download/200916-management-response--fff-evaluation-final-approved.pdf>

SELECTION OF PROJECTS

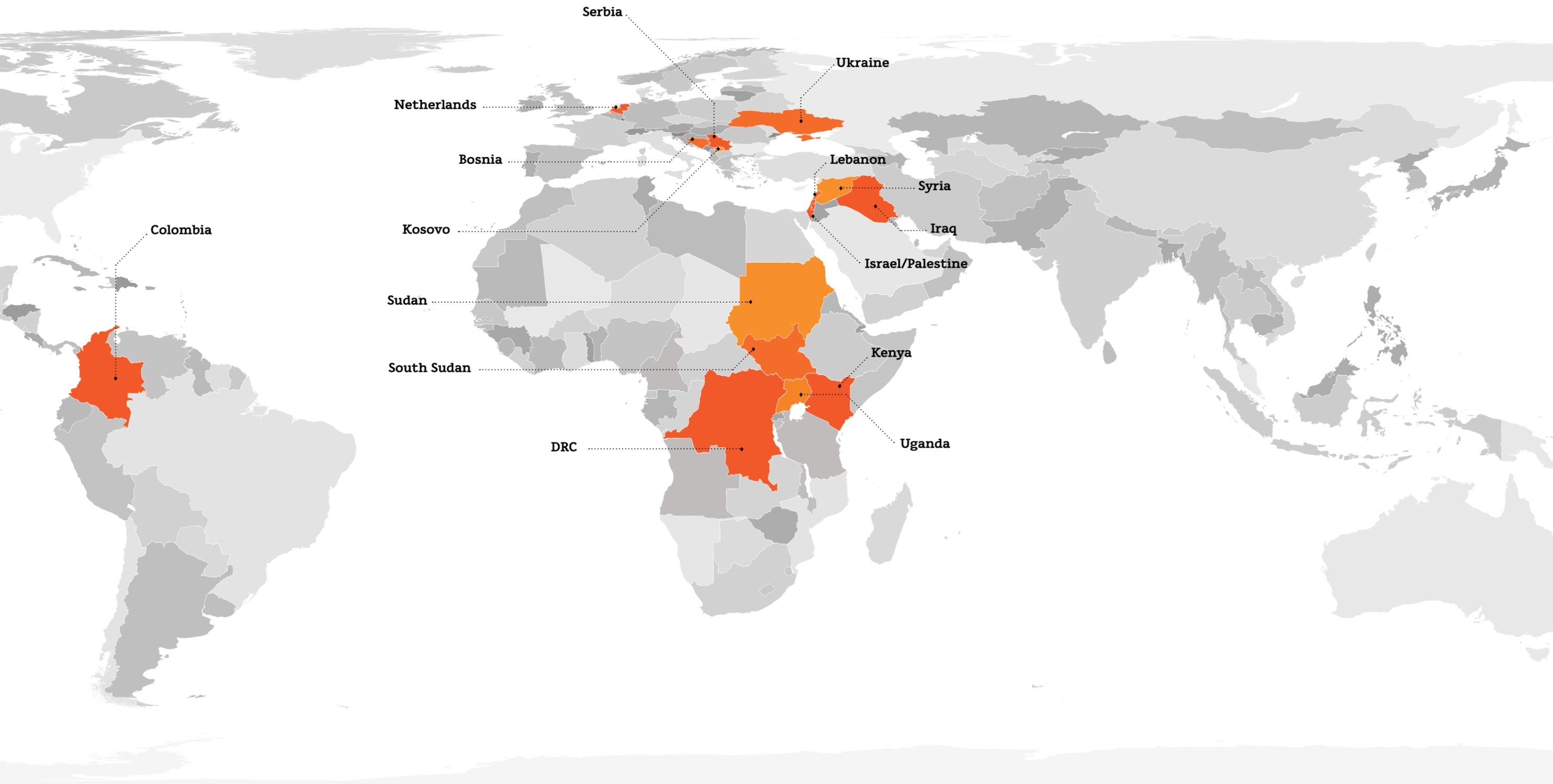
The choice of projects is guided by PAX's mission and its five-year strategic framework. In addition, priorities are set based on context analyses, PAX's potential added value and financing opportunities.

The diagram below shows how choices translated into expenditure per theme.

FIGURE 03 EXPENDITURE PER THEME



THE COUNTRIES WHERE WE WORK



International Peace Work – achievements 2020

STRATEGIC OBJECTIVES

◆ Civil change agents and their communities contribute to social cohesion by facilitating dialogue and negotiation processes between antagonistic groups.

◆ Civil change agents engage and increase pressure on their government for reforms to create responsive and legitimate institutions that protect human security and human rights.

◆ Civil change agents put pressure on governments, while mobilising the international community to improve the enabling environment for civil activism.

COMMUNITY-BASED SECURITY AND CITIZENS' RIGHTS

Rebuilding social cohesion within and between communities is vital to achieving durable, peaceful solutions to violent conflict. And so is restoring trust between citizens and the authorities. We therefore support our partners in their efforts to rebuild trust between communities. Together, we engage with or put pressure on local authorities, the military and police to develop responsive and legitimate state institutions and to create space for civil activism. Where possible and relevant, PAX and its partners combine activities at the local, national and international levels.

PAX runs projects on this theme in Syria, Iraq, Lebanon, Israel and the Palestinian Territories, Sudan, South Sudan, Democratic Republic of the Congo, Kosovo and Ukraine. In 2020, we explored new project opportunities in the Sahel.

Below is a brief description of selected projects and their 2020 results.

In the northern provinces of Tshopo and Haut Uele in the **Democratic Republic of the Congo**, conflicts of interest over access to land and natural resources lead to violent intra-community conflicts and armed conflict between communities and authorities or security forces. PAX and its Congolese partner organisation facilitate multi-stakeholder dialogues, support local communities in developing their conflict resolution capacities and provide guidance in developing formal agreements on solutions that work for all involved parties. In 2020, an external evaluation confirmed the effectiveness of the combination of the legitimacy, leadership and local knowledge of the Kisangani based Justice and Peace Commission, on the one hand, and PAX's strategic and analytical approach, long-term focus and methodological guidance, on the other. In a relatively short time span, the Justice and Peace Commission of Kisangani and PAX managed to resolve the conflict between two communities over the access to land and to ease tensions in an armed conflict between communities and authorities over access to a protected nature reserve. Both provide examples for the resolution of other conflicts. PAX and the Justice and Peace Commission Kisangani aim to ensure sustainability of the results in these specific cases and to expand the approach to other conflicts in the region.

One of the projects in **Iraq** focuses on social cohesion in the northern Nineveh Governorate. Three years after the defeat of ISIS, the level of trust among the population is low. Many are still struggling to cope with trauma, and the infrastructure and public services need to be restored.

Displaced persons, in particular, are in a vulnerable position – whether they still live in camps or have returned to their cities or towns. Our Iraqi partners take a bottom-up approach in enhancing mutual trust, both between people with different backgrounds (religious, ethnic, gender or otherwise) and between the population and authorities. A large number of inclusive local peace committees have been set up and trained. They advocate on behalf of the local population and act as a bridge between communities and authorities.

From July to September 2020, a large number of displaced Yazidis returned to Nineveh. Peace committee volunteers across the governorate were the first to help the returnees settle again in their new living areas. Because of their broad outreach, the network of committees proved to be a valuable ally for local authorities in raising awareness on the risks of Covid-19, disseminating information on the measures taken and distributing materials.

National level advocacy by the peace committees paid off in terms of an increased number of local branch offices to handle compensation requests from war victims. This will help improve access to such compensation and accelerate the compensation processes.

The Iraqi project 'Engendering the Transition to Peace and Security in Iraq' focused on increasing attention for and responsiveness to sexual and gender-based violence: awareness-raising, empowering women groups and activists, increasing research capacities of partners, and advocating changes in the norms, attitudes and practices of authorities and security providers. An external evaluation of the 2017-2020 project shows that it positively affected the capacities of women groups to provide support to victims, to document cases of gender-based violence, to communicate about this sensitive issue with relevant authorities, to speak up against it within their communities, and to advocate for improved handling of cases by the police. In particular, local police improved their responsiveness and sensitivity to domestic violence. Police authorities involved in the project valued the cooperation with women's groups, responded to their suggestions for improved practices and referred victims to relevant civil society organisations for psycho-social services, legal aid or shelter. Although Iraqi partner organisations succeeded in connecting to relevant national level institutions such as the Women's Empowerment Directorate of the Iraqi Council of Ministers, their advocacy did not yet result in policy changes at that level. Thus, the project did not fully achieve its ambitions. Almost half of the interviewees indicated that the hardest challenge for change in this field is in traditions, customs, religious beliefs and the influence of tribal and religious leaders. And their top recommendation was to expand the project period, followed by the suggestion to 'engage more with religious and tribal leaders'. PAX's partners have plans to continue advocacy and cooperation with the relevant authorities that started in this project.

PAX started its programme in **Ukraine** in 2014, in response to the turbulent political developments in the country with the clashes between the Maidan protest movement and the Yanukovich government, the annexation of Crimea by the Russian Federation and the war in the Donbas region in the east of the country. These events came with a sharp increase in polarisation: pre-existing differences in ideology, political positions, regional interests and conflicting views of the country's future became a strong factor in dividing communities and escalating tensions in a society where trust in authorities is traditionally low. More recently, with the recognition of an autocephalous Orthodox Church of Ukraine, religion has also become politicised and securitised, a worrisome development in a country that used to stand out for its religious pluralism.

PAX projects with Kyiv-based partner Dignity Space focus on promoting dialogue as a method for overcoming antagonism and conflict. The primary entry point is bottom-up, developing resilience against polarisation and conflict in communities by educating ‘Peace Engineers’ who are extensively trained to mediate and assist antagonistic parties to communicate in a non-violent way and to come to mutually satisfying solutions. The network of educated dialogue facilitators is gradually expanding.

At the same time, the projects target authorities and religious leaders, asking and stimulating them to embrace pluralism and to reach out to ‘the other’. The ‘professional track’ trainings organised by Dignity Space specifically target employees in governmental or civil society organisations who are in a position to either take a de-escalating and mediating role themselves or to cooperate with the highly trained Peace Engineers.

With the Institute for Religious Freedom in Kyiv, PAX published a manual with practical guidance for local authorities, religious leaders and community members how to protect freedom of religion or belief. Eight webinars accompanied the launch. And although the manual was published electronically as well, the first issue of 1,000 copies soon found its way to the targeted audience and a reprint had to be made. The launch got a follow-up in a small series of learning events with military chaplains from different denominations. Unfortunately, the pandemic prevented the envisioned follow-up with faith-based communities on the ground.

STRATEGIC OBJECTIVES

◆ Local and national authorities, and the international community reduce the risk of violent conflict by contributing to inclusive processes of truth, justice and reparation that take into account the wishes and grievances of victims and communities.

DEALING WITH THE PAST

Many post-conflict countries are prone to recurring violence. Achieving sustainable peace after conflict, and promoting democracy and respect for human rights requires that truth is established, justice is served and victims receive recognition and reparations. It is crucial that this is done in an inclusive way, trying to bridge differences between groups and communities.

PAX works on ‘Dealing with the Past’ in Bosnia and Herzegovina, Kosovo, cross-border in the Western Balkans, Colombia, South Sudan, and the Democratic Republic of the Congo. Many of our projects in the Community-based Security and Citizens’ Rights programme include components of the Dealing with the Past approach.

Since 1995, PAX has been working with survivors and relatives of victims of the genocide in Srebrenica, **Bosnia and Herzegovina**. On July 11, 2020 it was exactly 25 years ago that the genocide had taken place: more than 8,000 Bosniaks (Bosnian Muslims), primarily men and boys but also a number of women, were murdered by Bosnian Serbs of the Army of the Republika Srpska under the command of General Ratko Mladić and more than 25,000 Bosniaks were expelled from the region. Over the years, PAX supported survivors and victims’ relatives in truth finding, getting access to justice, remedy and reparation, memorialisation, and in making steps towards reconciliation.

In 2017, the Srebrenica Memorial Centre opened its doors, including the permanent exhibition ‘Srebrenica genocide – the failure of the international community’. PAX supported its development from the beginning, in response to the wishes and ideas of associations of Srebrenica survivors and



the Centre’s Board. In 2020, the Memorial Centre and PAX started a new project with the Blinken Open Society Archives (Central European University – Budapest), aiming for the development of an official and professionally set up archive. Moreover preparations started for an equally professional Forensic Depot.

Facilitating dialogue between the survivors and the women and men who served in the Dutch UN battalion in Srebrenica, is one of the common threads in PAX’s engagement with Srebrenica. In 2020, Boy Jonkergouw Theaterproducties and PAX developed the theatre performance ‘Gevaarlijke Namen’ (Dangerous Names) with Alma Mustafić, daughter of the murdered Dutchbat electrician Rizo Mustafić, and Dutchbat veteran Ray Braat. They tell their own stories and thus add a new and remarkable chapter to the dialogue. Unfortunately, the premiere – originally planned for December 2020 – had to be postponed till September 2021, due to COVID-19. The theatre performance is meant to make the Srebrenica massacre palpable to young people in the Netherlands. PAX develops an accompanying educational package for visiting school groups. This may partially fill a gap revealed by research³ – commissioned by PAX – into the representation of ‘Srebrenica’ in curricula for primary and secondary education in the Netherlands. The representation appeared to be very limited and one-sided.

Memorialisation is an important subject in PAX’s programming in the wider **Western Balkans** region. Exclusive and ethno-nationalistic remembrance prevails in the region and contributes to increasing polarisation, while inclusive memorialisation and shared narratives are necessary for rebuilding trust between antagonistic communities and a peaceful future. Inclusive memory initiatives focus on narratives, histories, experiences and perspectives from multiple groups. Their goal is

³ ENG: <https://paxforpeace.nl/what-we-do/publications/safe-area> - DUTCH: <https://paxvoorvrede.nl/wat-wij-doen/publicaties/veilig-gebied>

to connect people, not to divide them. PAX supports such initiatives and in particular promotes cooperation between them in view of increased impact. In 2020, we conducted an inventory,⁴ analysed the obstacles to inclusive memorialisation and provided recommendations to civil society organisations, regional policymakers, the European Union and the wider international community.



Over the past decades, the **Colombian** internal armed conflict has caused immense personal suffering. More than 220,000 people were killed and many millions displaced from their homes by various armed groups. The Peace Agreement between the Colombian government and the FARC guerrillas involved a number of transitional justice institutions and mechanisms. PAX's projects aim to provide access to those institutions and processes for victims. Moreover, PAX supports relatives of missing persons in truth finding and gaining access to recognition and reparation.

Victims receive support to organise themselves, improve their knowledge on transitional justice possibilities, connect with relevant institutions and document cases of enforced disappearances. A key success factor in this project is the cooperation with local organisations, specialised in psychosocial support and forensic techniques, and with Fundación PAX Colombia. PAX Colombia is locally present and over the years has gained trust from both the primary intended beneficiaries – victims' organisations, women's organisations and indigenous authorities – and the relevant local and national authorities and institutions.

⁴ <https://paxforpeace.nl/what-we-do/publications/mapping-inclusive-memory-initiatives-in-the-western-balkans>

In 2020, training, documenting and reporting continued. Notable progress was made in establishing cooperation with the Unit for the Search of Disappeared Persons (UPDB), at both the national local levels. The UPDB takes the lead in the search for missing persons. The results of PAX projects with relatives, provide it with valuable input for setting up its Regional Search Plans. Newly assured financial support enables us to expand psychosocial support, trauma healing activities and specialised training for indigenous authorities on forensic work.

During the years of violence by the Lord's Resistance Army in Uganda, South Sudan, the Central African Republic and in the **Democratic Republic of the Congo**, communities suffered the large-scale abduction of children, mutilation, killing, rape, looting and destruction. After their desertion, the former members of the Resistance Army are returning to their families in Congo and Uganda, yet the relationship between them and the victims of violence is undoubtedly disturbed and social cohesion and trust is weak. PAX and its partner Action pour la Promotion Rurale work with the communities in the northern provinces Haut-Uele and Bas-Uele on reintegration, community based reconciliation, local commemorations and truth finding. At the same time, they set up a defection and reintegration programme. Thanks in particular to female leadership, communities are increasingly able to cope with their traumatic past, to work on reconciliation and to accept reintegration of former fighters in their midst.



STRATEGIC OBJECTIVES

◆ Local and international security actors in areas of conflict or war increase the effectiveness and responsiveness of their Protection of Civilians interventions.

PROTECTION OF CIVILIANS

PAX believes that adequate protection of civilians in areas of conflict and war depends strongly on the conflict's local conditions. Therefore, the programme Protection of Civilians – like other PAX programmes – takes a bottom-up approach and simultaneously recognises the need for multi-level change.

This is why we work with partners in conflict areas to examine civilian views on threats to security, the impact on their lives and their ideas for improving human security. Communities and activists use the findings of the Human Security Surveys in their engagement with authorities and security providers to place civilian perspectives at the centre. PAX uses them – among other expertise – to advocate for more inclusive and accountable protection of civilians and advise policymakers from NATO, the EU, the United Nations and key bilateral countries. We also provide training to militaries and contributors to international military missions in how to provide effective protection in practice.

Currently the 'on the ground' part of the programme is geographically focused particularly on South Sudan and Iraq. In both countries, research protocols for the Human Security Surveys were adapted to Covid-19-related limitations. Pandemic conditions also necessitated the accelerated transfer of responsibilities – such as the training of enumerators – to Iraqi and South Sudanese partners, which is actually a positive unintended consequence that will result in greater local ownership. Unfortunately, possibilities for organising in-person community dialogues or advocacy with security actors were limited. Still, one South Sudanese partner succeeded in organising a series of community engagement activities on revenge killings that had been highlighted by survey respondents. Chiefs and clan members of the involved communities came together, discussed the findings, analysed the root causes and came up with more constructive means of addressing the existing vendettas. The participants committed to stopping the cycles of violence by referring security issues to the police and other local authorities (rather than taking matters into their own hands), who in turn promised to resolve future violence through appropriate law enforcement measures.

The pandemic also impacted the engagement with international actors and military missions. Due to shifting priorities in agendas and budgets at the national and international levels, a number of scheduled international meetings were cancelled. Others switched to online events, limiting possibilities for 'bilaterals in the corridors', but often also providing opportunities for more diverse and inclusive participation, including from conflict contexts themselves. Both in Iraq and South Sudan, partners also found new digital ways to engage with interested stakeholders, utilizing social media platforms to disseminate research findings and to facilitate dialogue.

PAX adapted to this digital shift as well. For example, we organised a series of thematic virtual events focused on improving different aspects of policy and practice of international security actors. Our annual Protection of Civilians Conference was also fully online, convening an audience of civil society, military, diplomatic and academic experts. Over 400 people from around the world participated in the 3-day event, which never would have been possible had it remained an in-person event as in years' past.



Civilian harm and its reverberating effects was one of the central themes of the PoC Conference, as well as broader programme implementation in 2020 – partly due to the topicality of public and political debates on a tragic incident in Hawija, Iraq in 2015. Over 70 civilians were killed and more than 100 injured when Dutch F16s bombed an IS military factory in Hawija in the international fight against Islamic State. Newly revealed facts led to debates between the government and parliament on transparency and compensation for victims. With Utrecht University, PAX started conducting research on the indirect and long-term effects of this attack on civilians, the results of which will be available in 2021.

We published a thematic paper on the broader issues of investigating harm to civilians, and a briefing paper in anticipation of a parliamentary debate on new transparency measures around reporting on civilian casualties from Dutch military action. In discussion with the Dutch Ministry of Defence, PAX advocated for a new and improved approach to tracking, reporting on and responding to incidents of civilian harm resulting from military actions. In September, the Ministry decided to start a 'Roadmap Process', followed by a first meeting in November in which all major stakeholders took part, including members of the PAX-chaired NGO consortium of peer institutions.

For more information about PAX's Protection of Civilians programme, including its publications, see: www.protectionofcivilians.org.

STRATEGIC OBJECTIVES

◆ Companies and governments respect and protect human rights and human security during the exploitation of natural resources.

◆ Civilians who have suffered human rights violations as a result of the exploitation of natural resources gain access to justice and reparations in a peaceful manner.

NATURAL RESOURCES, CONFLICT & HUMAN RIGHTS

The exploitation of natural resources such as coal, oil and gold in countries that are prone to conflict can contribute to violence, human rights violations and state fragility. Investments by mining and oil industries all too often coincide with people being forcibly removed from their land and their habitats and livelihoods being destroyed. Those who dare to protest, risk harassment or even murder. While the presence of natural resources in theory offers opportunities for economic growth, the risk of adverse impacts is enormous. Especially when there is no government willing or able to safeguard the rights of their population and to protect the environment.

PAX runs projects under this theme in Colombia, South Sudan and the Democratic Republic of the Congo. We support victims in organising themselves, raising their voices and getting access to justice and remedy. In addition, we advocate for more effective norms and rules.

In **Colombia**, PAX works with victims of past human rights violations in the mining region of Cesar. The primary aim is to get coal mining companies to contribute to truth and remedy. PAX supports these victims, who have organised themselves in the Asamblea Campesina and built their capacities to voice their grievances and interests and to enter into dialogue with the companies. PAX engaged quite successfully with energy companies – clients of the mining companies – and some of their financiers, convincing them to put pressure on the mining companies to enter into dialogue with the victims' organisation. This has been a tough process, and until now, the mining companies had only taken small steps towards genuine dialogue. The 2020 pandemic and the related economic crisis weakened economic pressure from major stakeholders as an instrument to convince the mining companies. After promising developments in the first months, the process slowed down to a virtual standstill.

The Colombian Truth Commission continued to reach out to the mining companies, by organising closed-door meetings, to persuade them to participate in truth-finding about human rights violations in the Cesar mining region.

In December 2020, the Prosecutor General in Colombia charged the former and current directors of one of the targeted companies for involvement in the murder of union leaders and financing paramilitaries. PAX's report, *The Dark Side of Coal* (2014),⁵ was cited several times in the indictment. Based on statements by witnesses and perpetrators, the report documented collaboration between international mining companies and paramilitaries responsible for widespread violence.

In the northeast of the **Democratic Republic of the Congo**, gold is the subject of a conflict between artisanal and industrial miners. PAX aims for more peaceful coexistence based on compliance by all parties with Congolese regulations and international conventions and standards. In cooperation with local civil society organisations, PAX supports artisanal miners to organise themselves



and develop joint objectives and strategies, enabling them to exercise their right to stay in the industrial concession or to get a fair compensation for their loss of livelihood. Covid-19 hindered follow-up steps toward engagement with the industrial companies.

Meanwhile, PAX took the policy lead in research and advocacy regarding the European Conflict Minerals Regulation. On behalf of the informal European Core Group on Conflict Minerals (which includes the European Network for Central Africa), PAX conducted research into the implementation of the Regulation in the member states.

PAX participates in the agreements on Responsible Business Conduct (RBC), platforms that provide space for dialogue and practical cooperation between Dutch financial institutions, government representatives and civil society organisations. Stimulated by these dialogues, most of the larger banks, insurers and pension funds improved their human rights policies and their commitments to **international standards** laid down in guidelines of the United Nations (UN) and the Organisation for Economic Co-operation and Development (OECD). PAX also continued its work as part of the Fair Finance Guide in the Netherlands to monitor progress and inform consumers on investment practices by banks, insurers and pension funds.

In 2020, PAX helped draft an adequate framework on controversial weapons and arms trade that will enable insurance companies to improve their policies and practices, and this, in turn, will increase the pressure on arms producers. PAX's report on this subject showed that large insurers in particular still hold significant portfolios of this kind of investments. Progress is mainly seen amongst smaller insurance companies. With one of the pension funds, PAX developed a guidance document for investing in companies that operate in conflict-affected areas. Opportunities to bring this topic to the international level of the UN Working Group on Business and Human Rights are being explored.

⁵ <https://paxforpeace.nl/what-we-do/publications/the-dark-side-of-coal>

STRATEGIC OBJECTIVES

◆ States, companies and other actors contribute to the effective regulation and significant reduction of the production of, trade in and use of forbidden and controversial weapons.

HUMANITARIAN DISARMAMENT

PAX mobilises public and political pressure to regulate and reduce the production, trade and use of controversial weapons. The term 'humanitarian disarmament' means that we start from the perspective of civilians and the impact that weapons have on them. PAX takes on the entire chain: from the development of new weapons and investments in weapon producers and the arms trade, to the use of these weapons in armed conflict. In much of our work, we make use of the leverage of the financial sector by lobbying for divestment. We mainly work in international coalitions, including activists, researchers, scientists and survivors, and in close cooperation with states that share our goal to protect civilians in conflict.

In 2020, PAX focused attention on the protection of civilians against nuclear weapons, armed drones, lethal autonomous weapons and the use of explosive weapons in populated areas.

PAX's work towards stigmatising, outlawing and eliminating **nuclear weapons** reached a major milestone: 75 years after the bombing of Hiroshima and Nagasaki, the number of states that ratified or acceded to the Treaty on the Prohibition of Nuclear Weapons exceeded the threshold for its entry into force. Nuclear weapons are now prohibited under international law. As steering committee member of the International Campaign to Abolish Nuclear Weapons (ICAN), PAX supported efforts leading to the entry into force of the treaty. In the Netherlands, the 75-year commemoration sparked citizens, city councils, parliamentarians and political party youth groups to speak out against nuclear weapons. PAX supported a network of local activists across the country and engaged with city councils and other political actors.



PAX developed and maintains a unique database on companies and investors involved in the production of nuclear weapons. Statements and actions by investors and producers recognizing the problematic nature of nuclear weapons add to their stigmatisation. In 2020, PAX research supported divestment and engagement campaign activities in Australia, Canada, Ireland, Scotland, United Kingdom, US, Germany, Denmark, Norway, Sweden and across the United States. A major Japanese bank announced a ban on financing the production of nuclear and other weapons of mass destruction. Sixteen other financial institutions indicated policy changes as well and one company which had formerly been involved in the nuclear weapons enterprise ended its engagements.

Consequences of the use of **explosive weapons** were documented in PAX's reports *Explosive weapons with wide area effects and risk to civilians*⁶ and *Seeing through the Rubble*.⁷ The first pointed to the severe and long-term consequences for civilians, not only when they are hit directly but also following the destruction of houses and other infrastructure, leading to the collapse of basic services such as clean drinking water, energy and health care. The second report was written in collaboration with Airwars, a British organisation specialised in tracking, assessing and archiving military actions and related civilian harm claims. It focuses on the impact that the use of explosive weapons in the fight against ISIS had on civilians.

PAX strives for effective regulation of the use of these weapons to significantly reduce civilian harm. In early 2020, improved regulation seemed within reach. Until February, there was promising progress in negotiations for a strong political declaration. The scheduled final negotiations during an in-person meeting in March had to be postponed, however, because of the pandemic. PAX contributes to this UN-level process through its steering committee membership of the International Network on Explosive Weapons (INEW). Together with colleagues, PAX provides text suggestions, engages with parliamentarians and state representatives, takes part in (online) expert and political meetings, and contributes to keeping the issue on the agenda by publishing reports that voice the views and interests of victims and partners on the ground.

Although the use of drones in armed conflict is not that new anymore, rapid technological developments and the proliferation of **armed drones** are sparking new concerns on the way in which they seem to be changing warfare. Based on the use of drones in the conflicts in Ukraine and Yemen, PAX published a report titled *Violent skies*.⁸ It describes trends in how the use of armed drones shapes the behaviour of conflicting parties. It also expresses concern regarding the lack of adequate regulation and provides recommendations to states and international organisations to take action for proper control on the production, trade and use of armed drones, and for upholding international standards regarding the protection of civilians and international humanitarian law.

In 2020, PAX engaged with the Dutch government on this issue, which resulted in a joint side event at the UN General Assembly (UNGA) and an exchange of views related to international discussions on regulation. PAX took over coordination of the European Forum on Armed Drones (EFAD), which led to joint positioning and coordinated statements in UN meetings by over 30 civil society organisations.

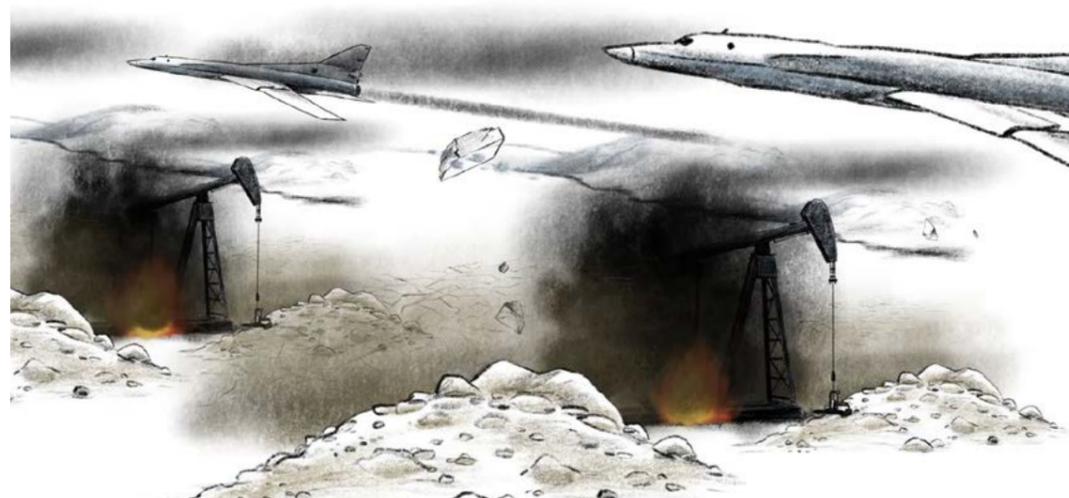
⁶ <https://paxforpeace.nl/what-we-do/publications/explosive-weapons-with-wide-area-effects-and-risk-to-civilians>

⁷ <https://paxforpeace.nl/what-we-do/publications/seeing-through-the-rubble>

⁸ <https://paxforpeace.nl/what-we-do/publications/violent-skies>

The development of **lethal autonomous weapons** (killer robots) is another reason for concerns about the future of armed conflict. This kind of weapon system can select and attack targets without meaningful human control. PAX strives for a treaty that ensures meaningful human control and prohibits lethal autonomous weapons. PAX coordinates European advocacy and campaigning for the Campaign to Stop Killer Robots. PAX also works with the private sector to develop policies to not contribute to the development of these weapons.

Discussions on international regulation take place in the UN forum around the Convention on Certain Conventional Weapons (CCW). Support for meaningful human control over the critical functions and the need for context-dependent, value-based human judgement is growing. And several European governments have expressed support for a new treaty that ensures meaningful human control. The 2021 Review Conference of the Convention aims to put forward elements of a normative and operational framework.



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In recent years, PAX has built its capacity for work on the **environmental aspects of armed conflicts** by acquiring new skills in research methodologies, building expertise, joining forces with other civil society organisations and by gaining access to relevant international fora. Current activities focus on awareness raising and agenda setting. In 2020, PAX initiated a new informal working group on this subject in order to consolidate the expertise of civil society organisations and speak out with one voice. Joint policy briefs and publications such as *Witnessing the Environmental Impacts of*

War,⁹ increased the visibility of the issue and helped the agenda setting. For the first time, the UN Secretary General mentioned the risks of environmental damage and climate change in his annual report¹⁰ to the Security Council on the protection of civilians.

PAX research in this field focuses on cases in Syria and Iraq. Our report on conflict-related oil pollution in north-east Syria and its impact on people's health and livelihoods received a lot of media attention and fed the statements of several states expressing their concerns during the UN Security Council debates on the ongoing conflicts in Syria.

PARTNERS, COALITIONS AND ALLIANCES

PAX would not be able to achieve the results outlined above without cooperating with others: civil society organisations in the programme countries, like-minded organisations in international coalitions and programme-specific alliances. The network of programme country partners currently consists of 54 non-governmental organisations. Each of them cooperates with community-based organisations or activists. PAX and its partners cooperate on the ground by implementing projects and programmes. In addition, most of the local partners receive financial assistance as well as support to develop their capacities. With a number of partners, the latter is becoming increasingly reciprocal, meaning that PAX and its partners are learning from each other, strengthening each other and improving their joint effectiveness.

A fine example of this reciprocal strengthening of capacities is the joint-learning pilot on non-violent action and movement building. In October 2020, 28 participants – 10 from PAX and 18 from partner organisations in Iraq, Lebanon, the Palestinian Territories, Syria, South Sudan and Sudan – started an online learning cycle around a shared challenge: how to build active non-violent movements and effectively mobilise and organise large numbers of people. Until June 2021, participants will go through a series of learning loops for five to six weeks and explore new insights, exchange experiences, knowledge and lessons learned, and will seek to incorporate these into their daily work. The trajectory will not only feed into the work practices of the participating organisations, but hopefully also provide us with new insights and approaches for cross-border learning.

Particularly in the Humanitarian Disarmament programme, working in international coalitions is a central feature of PAX's strategy. The International Network on Explosive Weapons has already been mentioned. Other examples include the Campaign to Stop Killer Robots, the International Campaign to Abolish Nuclear Weapons (ICAN) and Fair Finance International.

Programme-focused strategic partnerships operational in 2020 included:

1. Strategic Partnership Freedom from Fear, an alliance of PAX and Amnesty International Netherlands
2. South Sudan: Women and Girls for Change, an alliance of PLAN, HealthNet TPO, STAD and PAX
3. Iraq: Women, Peace and Security, alliance between PAX, Iraqi Al-Amal Association, Impunity Watch and Utrecht University

⁹ <https://paxforpeace.nl/what-we-do/publications/witnessing-the-environmental-impacts-of-war>

¹⁰ Reference: https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/S_2020_366.pdf

4. Musawat: Freedom of Religion and Belief, PAX joining forces with Peace and Freedom Organisation (PFO), Palestinian Center for Peace and Democracy (PCPD) and ALEF – Act for Human Rights
5. Impunity Watch is also a strategic partner in the implementation of the PAX Dealing with the Past programme.

2020 was the final year for the first three joint programmes. New partnerships will start from January 2021, after successful participation in tender procedures under the Strengthening of Civil Society policy framework of the Dutch Ministry of Foreign Affairs. Funded by the grant instrument Power of Voices, PAX entered into a partnership titled 'Strengthening Civil Courage' with ABAAD, Amnesty International Netherlands and DefendDefenders. ABAAD is based in Lebanon and specialises in promoting gender equality in North Africa and the Middle East. DefendDefenders works from Uganda and supports human rights defenders in the Horn of Africa and East Africa, by enhancing their capacities with a special eye for reducing their vulnerability to persecution.

With funding from the grant instrument Women, Peace and Security (WPS) PAX will lead a consortium with Un Ponte Per and the Strategic Initiative for Women in the Horn of Africa. Un Ponte Per is an Italian NGO promoting peace, human rights and solidarity in the Middle East. The Strategic Initiative is a network with a broad membership in East Africa and the Horn of Africa and specialises in campaigning and advocating for women's rights and equality. The joint programme 'Al-Thawra Untha' will cover projects in Iraq and Sudan. PAX also joined an alliance led by PLAN International for implementing a Women, Peace and Security programme in South Sudan, titled 'Leaders for Peace'.

Peace activism in the Netherlands

ENGAGING CITIZENS IN THE NETHERLANDS

PAX started when peace-minded Christians decided to take action to make the world a better and more humane place. Since those early days, PAX has embraced different influences and become a more diverse organisation as a result. An organisation for people who share the same goal: to make peace happen.

To achieve our objectives, we cooperate with international partners and also receive support from our Dutch constituency. In the Netherlands, PAX works with 89 **Embassies of Peace**. These are local groups committed to building an inclusive society. Moreover, almost 50,000 people have participated in our campaigns and signed petitions, for instance against nuclear weapons. This strengthens our message and gives it more weight. In 2020, we called on Prime Minister Mark Rutte to sign the Treaty on the Prohibition of Nuclear Weapons and remove the US weapons stationed in the Netherlands. Thousands of signatures were gathered in a short period of time to boost our campaign.

PAX organises global citizenship and raises awareness and support from the general public, politics and businesses in the Netherlands for themes related to peace and justice.

Some PAX campaigns in the Netherlands are directly linked to international projects. In 2020, thousands signed the letter that Iraqi activists Alaa, Yasmin, Rusul and Zahraa sent to the UN. The letter asks for equal rights for men and women, and protection during protests. We also called on Dutch citizens to join a variety of climate strikes and protests.



Connecting people

PAX's work looks at global linkages – whether political, economic or social – between people and issues in conflict and post-conflict areas and those in Dutch society. During the Peace Week, and especially the PAX Power to the People event, we invited activists from different countries, working on different themes, to discover what they can learn from each other. It was a successful event, followed primarily online by thousands of people. Each year in September, during Peace Week, PAX generates public attention for peace work in general. Together with local Embassies for Peace, churches and student groups, PAX held a large number of activities such as lectures, Walks of Peace and other intercultural meetings. See 1.6, 'Supporters' for more info on this subject.



1.3 Financial policy and financial results

The following is a summary of the financial results for 2020 compared to the budget and the results for 2019.

IN € X 1.000	ACTUAL 2020		BUDGET 2020		ACTUAL 2019	
	€	%	€	%	€	%
Income	16,988	100	19,028	100	17,891	100
Expenses						
On the objective	14,232	84	16,826	88	14,796	83
Fundraising	1,208	7	951	5	812	4.5
M&A	1,306	8	1,284	7	1,438	8
Financial loss	69		-		22	
Sum of income and expenses	173		-33		823	

In 2020, the income was €1 million less than the income in 2019. It should be noted here that the income in 2019 includes a one-time donation from the Interkerkelijk Vredesberaad (IKV) of €1.2 million for our continuity reserve.

Compared to the budget, income was €2.1 million lower. This is because PAX received less income from institutional donors, partly related to the Covid-19 crisis that started in February 2020.

In 2020, the share of income from the subsidy under the strategic partnership with the Ministry of Foreign Affairs was 51%; in 2019, the share of total income was 53%. The programme with the Ministry ended in 2020. A new strategic partnership has been contracted for the period 2021-2025. To reduce dependence on one large donor, we are aiming to diversify our sources of funding. Most of these funds have a duration of two or three years, due to the project-based nature of these funding sources.

Fund diversification has raised the costs of fundraising. In addition, in 2020 costs were incurred for the application for the new strategic partnership with the Ministry. Therefore, in 2020 the share of the costs of fundraising was 7% of the income (2019: 4.5%).

Similar to 2019, the share of management and administration costs was about 8% of the income.

The sum of income and expenses was €0.2 million above budget. The positive result has been added to an earmarked reserve and fund.

The existing continuity reserve is sufficient to cover the calculated risk, taking into account the guarantee issued by Pax Christi. See section 1.4 for a further explanation of the continuity reserve.

FUNDRAISING METHOD USED

Support from individual donors is a valuable source of income for PAX. PAX is deeply rooted in Dutch society and enjoys moral and financial support from donors and Pax Christi members and through legacies and bequests as well as from participants of the annual Peace Week event hosted every September.

As a result, more than 18,000 members and donors supported PAX in 2020 with financial contributions or other types of in-kind support.

To fulfil PAX's mission and achieve impactful change for people, we are applying a proactive approach to raise funds for our programmes. We are working together with our donors to develop solution-oriented partnerships, build strong networks and ensure sustainability for our programmes. With this approach, we are aiming to diversify our donor base, which is reflected in our fundraising strategy. In 2020, we were awarded the Strengthening Civil Courage Strategic Partnership by the Dutch Ministry of Foreign Affairs for the period 2021-2025. As not all of PAX's programmes are funded through this partnership, diversification was even more crucial. We successfully focused on forging stronger relationships with foreign governments and on outreach to national and international foundations. Considering the financial requirements of this new partnership, it has become essential to our organisation to ensure full cost-recovery for every project from 2021 onwards. To ensure success in this endeavour, as well as in PAX's other fundraising priorities, the fundraising team started developing a fundraising strategy for the period 2021-2025 which will be finalised in early 2021.

1.4 Risks and uncertainties

Risk management is a topic that needs continuous attention from management and other staff. Several teams are involved in risk management. The organisation director oversees this.

PAX has a dedicated security advisor in the HR, Organisation & Secretariat team, who develops security policies and procedures and provides training and support to staff.

Integrity policies and integrity issues are dealt with by an integrity officer in the HR, Organisation & Secretariat team. See section 1.5 for more detailed information on integrity.

Reputation and reputational risks are handled by the Communications & Society team.

Financial risks are handled by the Planning & Control team and income-related issues are handled by the Fundraising team. Compliance-related risks are also handled by the Planning & Control team.

ICT and data-related risks are handled by the Facilities & ICT team.

PAX has formalised its risk analysis. The risks are re-assessed every year according to actual and anticipated changes in the categories mentioned below. Based on the updated risk assessment, the required level of the continuity reserve has been calculated as at least €2.4 million (2019: €2.8 million).

The required level almost matches the actual size of the continuity reserve (being €2.3 million) as per the balance date, excluding the guarantee issued by Pax Christi (being €1.2 million).

The updated risk analysis has been presented to and approved by the Supervisory Board.

Our liquidity and reserves position is sufficient to cover more than 12 months of expenditure.

The **financial risk** (the highest risk in our risk analysis) relates to the ability to absorb financial shocks in the financing of our work. The total amount related to financial risks is estimated at €1.8 million.

Impact of the Covid-19 virus

In February 2020, the world found itself in an unprecedented situation as it faced the rapid spread of the Covid-19 virus. A month later, in March 2020, PAX instructed its staff to start working mainly from home. A taskforce was created to deal with HR, well-being, ICT and internal communication. And programme and fundraising staff remained in close contact with partners and donors to inform each other of the impact of the pandemic and changing measures so plans and scheduling could be adjusted.

We have been looking, with our partners, for alternative ways to continue our programme activities, as physical meetings and international travel are hardly possible, if at all. Digital meetings and training events can often go ahead, but they are not always an ideal substitute for face-to-face meetings. In several cases, activities had to be postponed or cancelled. Monitoring and research activities are also more difficult or impossible to conduct, while lobbying and advocacy is being severely hampered, not to mention strategic planning with our partners.

In several of our programme countries, civic space has shrunk even more during Covid-19. Also, it is increasingly hard to maintain contact with activists who are at risk or in danger, and to provide sufficient support for them. And gender-based and sexual violence and suppression has been on the rise as well.

Most of our donors have been flexible in covering ongoing costs, despite the fact that many activities could not take place in 2020. Still, the delay in activities has reduced or delayed income, as well as expenditure. This explains why our income and expenditure levels are well below budget. Also, fundraising has become more challenging. This situation did not lead PAX to suffer a financial loss in 2020, nor is one forecasted for 2021, but we have included an amount of €0.8 million in our risk analysis.

PAX is confronted with a high level of absenteeism. Covid-19 is one of the reasons for that, not only because a few staff members caught the disease, but mainly because of the additional workload it has brought and the impact of working from home for a longer period of time. For many, remote working can be stressful and problematic in terms of communication and effective collaboration.

We expect this situation to continue for several months in 2021. We are preparing for a return to the office sometime in 2021, subject to government policies and the impact of vaccination programmes, but we expect a more permanent increase in remote working compared to pre-Covid-19 times.

Together with our donors and partners, we can adjust to this situation without additional financial support from the government (i.e. other than the continuation of government grants for regular activities). But of course it will have an effect on our activities and the impact of our work, which we will try to limit as much as possible.

Indeed, the main priority for PAX and many of its donors is to reduce the impact of the COVID-19 crisis on the peace activities and to support our local partners to the best of our ability.

The risk of having to cover remaining costs if funding sources are not replaced by new funding is estimated at €0.5 million. This is a continuous risk because most of the funding PAX receives from institutional donors is project-based. Mitigation: diversification of donors, investing in donor relations and making sure we maintain a strong track record with donors.



Furthermore, we have included an amount of €0.3 million to cover for **own contributions** in case we are not able to get 100% cost coverage for new or existing projects, due to funding restrictions by the donor. This risk has increased due to the funding conditions for the Power of Voices Strategic Partnership with the Dutch Ministry of Foreign Affairs, which provides less leeway for co-funding with other subsidies and donations. Mitigation: seek donors who are able and willing to provide full cost coverage of projects as well as donors who are able and willing to match funding from other donors. In addition: invest in private and other types of unearmarked funding.

A major financial risk in last year's risk assessment was related to the uncertainty of whether the Ministry of Foreign Affairs would prolong funding of a **Strategic Partnership**. This risk has been successfully mitigated by the decision of the Minister to approve our applications for the Power of Voices and Women, Peace & Security Strategic Partnerships, together with our alliance partners. This funding is now secured until 2025.

Other risks:

We have estimated our other risks to be similar to last year's risks. These risks include:

- ◆ The risk regarding **data privacy and data protection**. Mitigation: devote continuous attention to data security.
- ◆ The risk of **fraud and corruption** in terms of reputational damage. Mitigation: make continuous efforts to raise awareness of potential integrity risks and improve policies and code of conduct.
- ◆ The risk regarding **personnel and the organisation** (related to **security** issues). Mitigation: implement a security policy and guidelines as well as training activities.
- ◆ The risk of breaching grant conditions regarding the **funding of terrorist activities**. Mitigation: putting additional checks and controls in place, including related clauses in partner agreements.

The risk related to **less income than budgeted from STIKAV** has been removed as no net income is being budgeted from this source.

The total amount needed to cover these other risks is calculated at €0.6 million. Together with the €1.8 million for the financial risk, the total amount needed for the continuity reserves is at least €2.4 million.

1.5 Organisation and governance

LEGAL STRUCTURE

PAX is a non-governmental-organisation. It is a Stichting (foundation) registered in the Netherlands, with ANBI (charitable) status. The official name of the foundation is Stichting Vredesbeweging PAX Nederland (Foundation Peace Movement PAX Netherlands). PAX was founded in 2006 by the Association Pax Christi Netherlands (Pax Christi) and the Foundation Interchurch Peace Council (Interkerkelijk Vredesberaad, IKV).

STATUTORY OBJECTIVE

The statutory objective of PAX is to execute programmes, projects and services for IKV and Pax Christi, as well as to execute programmes, projects and services for third parties, as long as these dovetail with the objectives of IKV and Pax Christi. The statutory objective of IKV is to promote solutions for crisis and war situations. The statutory objective of Pax Christi is to promote peace in the broadest sense.

A new statutory objective will be formulated in 2021.

Pax Christi Netherlands was founded in 1948 as an independent section of the international Pax Christi movement. It emerged during the aftermath of World War II from the impassioned hope: war never again. IKV was founded in 1966 by churches in the Netherlands and Pax Christi with the aim of promoting an ecumenical peace dialogue and finding political solutions for the arms race and war situations. Currently six churches participate in IKV.

STIKAV (Stichting Katholieke Vredesbeweging: Catholic Peace Movement Foundation) was founded by Pax Christi. Its role is to manage the PAX office in Utrecht and the location at Godebaldkwartier, Hoog Catharijne in Utrecht, including the Stiltecentrum (Silence Centre). STIKAV manages this building on behalf and with the mandate of its owners, the Sisters of the Eucharist congregation.

FIGURE 04 OVERVIEW DIAGRAM OF LEGAL STRUCTURE



Relations between PAX, IKV, Pax Christi and STIKAV

The four legal entities work closely together as one group on their shared mission. Pax Christi is an association of 2,350 members who support the work of PAX. IKV represents the voice of the churches on issues about war and peace. IKV and Pax Christi have no staff.

Pax Christi's highest body is the members' council, which consists of volunteers. IKV's highest body is formed by the Executive Board, the members of which are also volunteers. Its members are primarily nominated by the six participating churches: the Roman Catholic Church, the Protestant Church in the Netherlands, the Remonstrant Brotherhood, the Mennonite Church in the Netherlands, the Old Catholic Church and the Moravian Church. Any positive financial results of IKV and Pax Christi (including from member subscriptions and church collections) are transferred to PAX to fund peace activities.

Since the four legal entities have been managed as one group, there was one consolidated annual report for the group until 2018. However, in 2019 it became apparent that there are insufficient grounds for classifying PAX as group head, as PAX has no policy-determining influence in Pax Christi, IKV or STIKAV. This negates the basis for consolidation. This has triggered a review of the legal and governance structure of the group. Also, the current statutes of all legal entities need to be updated. In 2020, the governance of all legal entities was aligned with the statutes themselves and with Dutch law and regulations. The statutes will be updated in the first half of 2021.

PAX COLOMBIA

A to PAX related legal entity is Pax Colombia, which is a Fundación (foundation), registered in Colombia. The members of the foundation and of the Founding Council are employees of PAX, who work for our Latin America programme. The Founding Council of Pax Colombia is the highest authority of the foundation and nominates the Executive Director and Executive Committee.

BOARD OF DIRECTORS

PAX's Board of Directors is tasked with managing the organisation, for which it has full administrative responsibility. Each member of the Board of Directors has one vote. The Executive Board generally makes its decisions based on consensus. The Executive Board is accountable to the Supervisory Board.

In 2020 the Executive Board consisted of:

FIGURE 05 COMPOSITION OF EXECUTIVE BOARD

NAME	POSITION	ANCILLARY POSITIONS
Anna Timmerman	<ul style="list-style-type: none"> General director and member of PAX's Executive Board Member of STIKAV's Executive Board 	Chair of Mensen Maken Amsterdam Member of the Human Rights Watch Netherlands Committee Ambassador for the National Holocaust Museum Member of the Humanity in Action advisory board All volunteer positions
Radboud van Delft	<ul style="list-style-type: none"> Organisation director and member of PAX's Executive Board Member of STIKAV's Executive Board 	None
Miriam Struyk	<ul style="list-style-type: none"> Director of programmes and member of PAX's Executive Board 	None

Remuneration of senior management

The Supervisory Board determines, on the advice of the Remuneration Committee, the remuneration policy, the level of the management fee and the level of the other remuneration components. The directors are employed by PAX and receive a salary. Work done for the benefit of STIKAV is not paid separately or extra. The Supervisory Board has determined the salary policy and level of the salary according to the collective labour agreement (CAO) of the Protestant Church in the Netherlands and the guidelines and qualification system of Goede Doelen Nederland (see www.goededoelennederland.nl).

The guidelines consider, among other things, the size and complexity of the organisation, the context of the organisation and the model of the Management Board. They set a maximum standard for annual income. The weighting of the situation at PAX was carried out by the Remuneration Committee of the Supervisory Board. This led to a so-called BSD-score of 422 points (general director) with a maximum annual income of €124,577 (1 FTE/12 months) and a BSD score of 388 points (members of the Board) with a maximum annual income of €111,735 (1 FTE/12 months).

The actual annual income of management relevant to the assessment amounted to €99,970 for Anna Timmerman (0.95 FTE/12 months), €96,389 for Miriam Struyk (0.95 FTE/12 months); and €85,788 for Radboud van Delft (0.84 FTE/12 months). The remuneration remained within the applicable ceilings. No other fees were paid.

Remuneration of PAX senior executives meet both WNT legislation and the guidelines set by Goede Doelen Nederland. For further details, see Appendix 1 and 2 of the financial report.

GOVERNANCE AND SUPERVISION

Governance and supervision are strictly separate processes at PAX, as documented in the statutes. The Supervisory Board's tasks are to assess whether PAX is fulfilling its mission well and to supervise the policy of the Board of Directors. The Board of Directors is responsible for achieving the strategic objectives in an efficient and effective way. The Supervisory Board monitors the risks and degree of risk management in the organisation and whether there is a safe and healthy social environment. The Supervisory Board receives support from two advisory committees. The Audit Committee discusses the financial interim audit report and annual account in detail with the organisation director, controller and the external accountant, after which the committee advises the Supervisory Board on this. The Audit Committee also discusses quarterly financial reports with management. The Remuneration Committee periodically makes an evaluation of the performance of the statutory members of the Executive Board and advises the Supervisory Board in its role as employer of the board.

ORGANISATION AND PERSONNEL

PAX's organisational structure consists of six programme teams, which are tasked with achieving the programme objectives, and eight specialist teams for organisation-wide and cross-programme tasks in specific fields of expertise. Almost all teams are managed by two equal leaders (dual leadership model), one being responsible for content (strategy, policies and coherence) and the other for the organisational side, including budgeting and personnel management. In the three smaller teams, these roles are delegated to one person. All leadership positions are filled part time, in combination with another role, e.g. as project lead or policy advisor, in order to ensure involvement in daily reality and operations. This organisational model was evaluated at year-end 2020. The evaluation report will be studied in 2021 to decide whether adjustments to the organisational structure are necessary.

FIGURE 06 OVERVIEW OF PAX'S ORGANISATIONAL STRUCTURE



In the multiyear budget for 2016-2020, it was decided earlier to distribute the financial means of the Strategic Partnership with the Ministry of Foreign Affairs according to a bell curve, with budget increases between 2016 and 2018 and budget decreases in 2019 and 2020. Therefore, in 2019 and 2020 we had to gradually reduce staff numbers. The actual staff numbers were reduced from 126.9 FTE at the end of 2018 to 120.7 FTE at the end of 2019 and 116 FTE at the end of 2020. No forced layoffs have been necessary. For 2021, the budgeted number of FTEs is 118.7.

Sick leave in 2020 was 9% (2019: 8%). The high percentage is mainly related to a number of long-term illnesses. A study of the high workload among PAX's staff was conducted in 2020, which resulted in a number of recommendations that will be implemented in 2021. The Covid-19 pandemic has slightly increased the number of people calling in sick. In addition, the restrictions due to the pandemic have affected the well-being of our employees.

INTEGRITY

We continue to look critically at ourselves and our own policies to ensure that a high standard of integrity is maintained. We realise that improper conduct can happen anywhere at any time, but the risk increases when there are unequal power relations. And norms governing proper conduct erode even more quickly in situations of war and violent conflict. In 2018, PAX updated its integrity policy and code of conduct. Our integrity policy is supported by an independent external confidential advisor and an internal integrity officer, and contains a whistle-blower policy. In the first place, this policy aims to prevent incidents from occurring at all, but when they do occur this policy allows such incidents to be reported as easily and safely as possible. We will always investigate reports and complaints, communicate them in a transparent way and sanction those involved in

an appropriate way. Our integrity policy is published on our intranet and on our website: <https://www.paxforpeace.nl/about-us/integrity-policy>. All staff members have signed the code of conduct, including consultants and freelancers. This is also asked of partner organisations.

Any kind of conflict of interest among members of the Supervisory Board or Executive Board is forbidden, to which end they provide a written statement each year. Members of the Executive Board and Supervisory Board are forbidden to engage in any business relations or relations in the family sphere with the organisation in order to preclude any potential conflict of interest.

In 2020, there were two reports of integrity violations:

1. An investigation that was launched in 2019, after PAX received an anonymous complaint against a PAX employee and an employee of a partner organisation regarding physical and sexual harassment towards women and girls, was completed in 2020. The accusations in the complaint could not be established due to lack of evidence. However, other issues of integrity and performance were raised and investigated during the investigation. As a result, PAX decided to give an official warning and not renew the contract of the PAX employee, and the final investigation report was also shared with the partner organisation so they could take appropriate action.
2. In June 2020, PAX received an internal complaint against a PAX employee regarding sexual harassment. A preliminary investigation was made, which resulted in the suspension of the employee and two integrity reports being filed against him, one report regarding sexual harassment and another regarding abuse of power. The accusation of sexual harassment could not be established due to lack of evidence. The accusation of abuse of power was established by reasonable inference. The Board of Directors decided to give an official warning for this, to not let the employee resume his tasks and responsibilities and not to renew his contract.

All involved parties in these cases are kept updated and informed on the steps taken, the outcome, and the measures or sanctions taken. Also, all of these cases were anonymously reported to the Ministry of Foreign Affairs, in accordance with the obligation to report such cases.

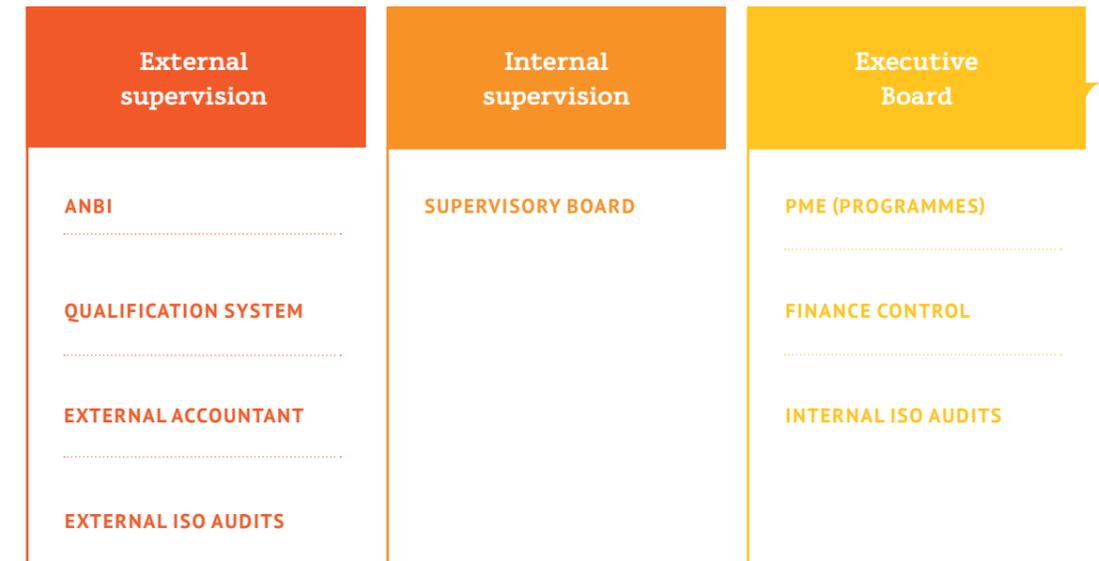
For information on our **complaints procedure**: see chapter 1.6. Communication with stakeholders.

Compliance with external supervision codes

In addition to internal supervision, PAX is also subject to external supervision, which helps to ensure quality assurance.

The diagram below shows the relationship between internal and external supervision at PAX.

FIGURE 07 RELATION BETWEEN INTERNAL AND EXTERNAL SUPERVISION



ISO Certificate 9001:2008

PAX has an ISO certificate 9001:2015 according to the Partos standard, version 2018. External audits in the framework of ISO certification are conducted on an annual basis by an independent and accredited agency. The external audit conducted in 2020 showed no shortcomings that needed to be resolved.

External accountant

The accountant audit is carried out in accordance with the guideline for annual reporting RJ650 for 'Charity organisations' of the Dutch Accounting Standards Board, including the Dutch control protocol WNT by independent registered auditors Mazars N.V.

Codes and guidelines

PAX is a member of the Association of Fundraising Institutions (Goede Doelen Nederland) and complies with all this association's code of conduct, including:

- ◆ The qualification system, which is the hallmark for charities in the Netherlands. The Dutch Central Bureau on Fundraising (CBF) periodically reviews whether PAX is meeting all its quality requirements. In 2020, a reassessment was carried out by the CBF confirming PAX's compliance and making recommendations, including updating the statutes of association. These were adopted by the board of directors. The statutes will be updated in the first half of 2021. See also <https://www.cbf.nl/de-erkenning>

- ◆ Guidelines for the Reserves of Charitable Organizations.
- ◆ The Guideline for Remuneration for Directors of Charitable Institutions.
- ◆ The ENP-Goede Doelen Nederland Directive on the Settlement of Estates.
- ◆ The Goede Doelen Nederland recommendation on cost allocation management and administration.
- ◆ Practical guide to responsible asset management.

PAX is a member of Partos, the Dutch association for NGOs working in international development, and adheres to this association's code of conduct (www.partos.nl).

This code covers the fields of:

1. Sustainable development of society
2. Professional organisation
3. Communication and fundraising

Public Benefit Organisation (ANBI)

PAX holds an ANBI status (ANBI means Public Benefit Organisation, PBO) with the Dutch Tax Authorities.

1.6 Communication with stakeholders

PAX's main stakeholders are our partners in the areas where we work, our supporters in the Netherlands, donors and employees. Our communication strategy is as follows.

Partners

Project leaders are contact persons for the partners and often go on field visits. Management also periodically goes on field trips to personally monitor the progress of the peace work and the circumstances in which this is being carried out. In 2020, our visits were restricted as a result of the global pandemic.

Supporters

As a peace movement rooted in Dutch society, PAX has intensive contact with its supporters and facilitated 89 Peace Embassies in 2020. Our embassies usually organise hundreds of activities per year that involve thousands of citizens. Of course, there were fewer activities in 2020, because of Covid-19. PAX's employees, the Executive Board and members of the Supervisory Board regularly attend events such as the Peace Ambassadors' day and PAX's main annual event, the Peace Week. We maintain contact with our supporters (and donors) through the PAX magazine that appears four times a year and with interested parties via newsletters, social media and the website. In addition, we involve groups such as artists and students in the development of our campaigns. There was a sharp rise in the use of online communication in 2020. We involved people through webinars, podcasts and the online livestreaming of events.

Donors and members

Employees and management maintain regular personal contact with major donors such as the Ministry of Foreign Affairs and the Dutch Postcode Lottery, strategic partners and institutional funds. PAX also aims to build long-term relationships with individual donors to secure ongoing financial support for our projects and campaigns. Furthermore, PAX has 15,600 private donors and is supported by contributions from 2,350 members of Pax Christi association.



In 2020, we reached out to our constituency to find 100 people willing to contribute a €1,000 each. These donors make a guaranteed direct contribution to our nuclear disarmament project and will receive a drawing specially made by cartoonist Len Munnik. We launched this initiative in late 2020 and managed to attract 13 donors. However, in the first months of 2021, this number rose considerably to 50 donors.

Complaints procedure

PAX has a complaints procedure. A complaint is defined as any statement that has come to the organisation's attention that expresses dissatisfaction with its mode of operation, its message or any of its employees. PAX handles these complaints with the utmost care and follows the company's complaints procedure. In 2020 we received nine complaints, three less than the year before. Our complaints procedure is published on our website: <https://www.PAXforpeace.nl/contact/complaints-procedure>

Employees

In addition to daily operational contact, there is also regular consultation through various channels. Of course, there are regular work meetings. In addition, the Executive Board holds regular consultative meetings with the Works Council. Employees have access to an independent confidential advisor if necessary (see also Integrity in 1.5). The Covid-19 pandemic had a major impact on the way we work. We had to close our office several times, and we have asked employees to only come to the office if absolutely necessary. We make some exceptions for people whose home situation forces them to work at the office. We also regularly enquire about the well-being of colleagues and provide support to make sure they can work from home comfortably and effectively. The same goes for our colleagues abroad and at partner organisations.

Brand awareness: media

Increasing our brand awareness is one of our strategies for expanding our impact. Research is needed to find out whether our brand awareness has grown. As it is expensive, we don't conduct this research every year, and we opted not to in 2020. Our aim is to conduct a new round of research in 2021. We can be sure, however, that millions of people heard the name PAX in 2020 as a result of the important work we do.

2020 was a good year for the recognisability of PAX as we received extensive media coverage. A total of 160 articles were placed in offline newspapers varying from op-eds by our experts, interviews with our colleagues and articles on our reports. We placed 78 articles in the national press, including major newspapers such as *De Volkskrant*, *De Telegraaf*, *NRC* and *Trouw*. In addition, 67 articles appeared in the regional press, including *BN/DeStem* and *Brabants Dagblad*. The international press ran 15 of our pieces, including the BBC, *The Guardian*, *Forbes*, *Vice* and *The Telegraph*. We were on national TV and radio 13 times, including NPO Radio 1 (400,000 listeners), Eén tegen 100 (1.4 million viewers) and EenVandaag (1.5 million viewers).

Subjects that interested journalists varied. International outlets focused largely on our work on drones. National outlets covered a wider range of subjects we work on, from Srebrenica and the protection of civilians to the ban treaty on nuclear weapons and investments in weapons.

It's always hard to tell the exact number of people reached, but it's encouraging to know that the media outlets that covered PAX's work are among the biggest worldwide, nationally and regionally. Some of the regional articles were published not just in one but in many affiliated papers, putting the number of articles substantially higher than 160. Many of the articles were also published online, which means people searching for information on the subjects will be redirected to the articles for years to come.

Brand awareness: social media

Traffic on our Dutch Twitter account, our main corporate way of sharing our work and opinion on the news, increased across the board: we had more tweets, more views and more followers. More retweets, clicks and likes. Twitter has also been a way for journalists – especially international journalists – to find our experts more easily, which resulted in quite a few articles being written with our colleagues as a source.

FIGURE 09 TWITTER DUTCH ACCOUNT 2020 COMPARED TO 2019

TYPE	AMOUNT 2020	AMOUNT 2019
Followers	5.111	4830
Tweets	674	442
Views	1.189.785	519100
Retweets	2114	1345

The number of *organic* posts and views on Facebook and Instagram are slightly down from last year. It's good to keep in mind that this is the result of a hugely successful campaign we launched

in the previous year, to which these 2020 numbers are being compared. So this wasn't unexpected. However, we did reach more people through advertisements on Facebook, resulting in three times as many views compared to 2019. Indeed, all our social media channels have seen a rise in followers. On Twitter, we gained an additional 5% in followers, Facebook showed a growth of 7% and the number of followers on Instagram nearly doubled with a growth of 95%.

The PAX website had 70,710 unique visitors in 2020 and 181,744 page views. These numbers, like the ones for Facebook and Instagram, are lower than in 2019. The reason is the same: the campaign PAX ran in 2019, which caused a lot of extra traffic that year.

1.7 Expected state of affairs

The year 2021 is the first time we will implement the Strategic Framework Empowering People – Building Peace! The funding of several programmes in the Middle East and Africa and part of our projects on Humanitarian Disarmament and Business, Human Rights & Conflict have been secured until 2025. This is thanks to the successful grant applications Strengthening Civil Courage (Power of Voices, in alliance with Amnesty International The Netherlands, ABAAD and DefendDefenders) and The revolution is Female (Women, Peace & Security, in alliance with SIHA and Un Ponte Per). In addition, funding for Protection of Civilians will continue through 2023. Long-term financial security has yet to be obtained for other regional and thematic programmes and for activities in the Netherlands. We will therefore have to invest heavily in fundraising in 2021.

An important strategic objective will be to foster *more equal power relations for inclusive peace and justice*. Indeed, our conflict analysis shows that unequal power relations exist in several areas:

Shrinking civic space

Restriction of civic space is a trend that affects the political role of civil society organizations. This particularly impacts groups that suffer from exclusion and inequality, often reinforced by multiple disadvantaged identities (intersectionality). The international community is selective in its condemnation and approach as its own interests are often not put at risk in the country concerned.

Declining confidence

Polarisation along political, social and economic divides, and mistrust between citizens and the state threaten peace. Exclusion from justice and security forms a breeding ground for the violent mobilisation of group grievances, especially where human rights violations take place, and the state lacks capacity or legitimacy. Strengthening social cohesion and restoring the social contract between citizens and the state are crucial. This requires political will, capacity and trust to build inclusive institutions.

Gender inequality

Gender inequality and harmful gender norms are conflict drivers. Violent conflict reinforces gender stereotyping and sexual and gender-based violence (SGBV). There is a positive correlation between gender equality and peace. Women's participation and their influence in peace processes increase chances of success.

External stress factors

External factors influence internal dynamics, fuelling conflict and human rights violations. Often,

states and companies are responsible for this interaction through their involvement in the arms trade and deployment of controversial weapons and exploitation of natural resources, for example. The negative effects on people and environment fuel instability.

We aim to achieve transformation through four intervention strategies with specific objectives:

- ◆ Less suppression of civic space;
- ◆ More effective efforts of society and authorities to pursue peace and human rights;
- ◆ More equal gender roles and relationships, and transformation of harmful gender norms; and
- ◆ Less impact of external stress factors that harm peace and justice.

Financial outlook

The 2021 budget outlined below has been approved by the Supervisory Board.

IN € X 1.000	BUDGET 2021		ACTUAL 2020		BUDGET 2020	
		%	€	%	€	%
Income	20,976	100	16,988	100	19,028	100
Expenses						
On the objective	18,433	88	14,232	84	16,826	88
Fundraising	1,220	6	1,208	7	951	5
M&A	1,293	6	1,306	8	1,284	7
Financial loss	30		69		-	
Sum of income and expenses	-		173		-33	

Impact of Covid-19

Since February 2020, the world has been confronted with the spread of the Covid-19 virus. Several field activities carried out by PAX and its partners are on hold for the time being, while other activities can continue. An uncertain factor is how the vaccination programme in the Netherlands, but also in the countries in which we work, will develop. This is important so we can consult directly with local partners and alliance parties. Developing new networks and finding new donors is also being hampered by the coronavirus restrictions. See also section 1.4, Risks and uncertainties.

1.8 Corporate social responsibility

Through its programmes, PAX wants to have a positive impact on people, their communities and the planet. We are aware that our activities also entail the risk of negative impacts on the planet and its people, which we aim to limit and reduce as much as possible.

We consciously choose our suppliers and hired services. As one of the forces behind the Fair Finance Guide <https://eerlijkegeldwijzer.nl/> we make use of banks with a high score in the Fair Bank Guide. Exceptions are allowed when this is not possible, for instance for cross-border payments.

Our procurement policy considers environmental concerns, for example when we purchase computers, printers and other office supplies. Energy is supplied by Greenchoice, a local energy supplier that provides our office with 100% green energy. We also use products with a Fair Trade Mark, such as coffee and tea. Our catering is fully vegetarian.

We recognise that besides pursuing a sustainable procurement policy, we also need to make sure that the products we purchase are used in a sustainable way. That is why all PAX employees need a code to print documents, as this limits the amount of paper that is printed. And of course we try to keep our energy consumption to a minimum, and we sort and recycle our waste. As in previous years, PAX will continue to adhere to the principle that 100% of its employees should not commute by car. Every staff member can receive a reimbursement for public transport or bike.

Our staff used to travel internationally in order to implement projects and work closely with our partners and civilians in (post)conflict areas. However, 2020 was an exceptional year because of the travel restrictions due to the Covid-19 pandemic, which means our carbon footprint was exceptionally low. This will probably be the case for much of 2021 as well. It has taught us that by working from home we can actually do more online than we expected, including holding online meetings. This will help us to set more ambitious targets for reducing carbon emissions related to traveling. The remaining CO₂ emissions have been compensated.

2. Report from the Supervisory Board

Meetings of the Supervisory Board

The Supervisory Board's task is to independently and professionally supervise the policy of the Board of Directors and is responsible for approving the Strategic Framework 2021-2025 plan, the annual plan and budget, and the annual report and accounts. To ensure effective supervision, the Supervisory Board draws up a supervisory agenda every year that addresses the various elements of good governance it envisages. For 2020, the Supervisory Board focused mainly on:

- ◆ The grant applications for Power of Voices and Women, Peace & Security
- ◆ Functioning of the Board of Directors in its new composition
- ◆ The structure and governance of our peace organisation and its relationship with the legal entities PAX – Pax Christi – IKV – STIKAV
- ◆ The composition of the Supervisory Board and the recruitment of new members
- ◆ Finances

In addition, on several occasions the Supervisory Board discussed the coronavirus pandemic and its impact on our peace work, staff and partners in conflict areas.

In 2020, the Supervisory Board held eight regular meetings. To ensure that the Supervisory Board is not only informed by the Board of Directors, additional meetings were also held with the Works Council and staff members. Meetings were also held with representatives of IKV and Pax Christi.

On 25 November 2020, the Supervisory Board met digitally without the Executive Board or other staff members to evaluate its own functioning. The most important outcomes of this evaluation are:

- ◆ As the current version of the statutes are not up to date, they need to be revised;
- ◆ A more balanced allocation of tasks among the (old and new) members of the Supervisory Board is needed, especially regarding the membership of the Audit Committee and the Remuneration Committee;
- ◆ Quarterly reports should be expanded from focusing purely on finances to cover more substantive (progress of activities) issues as well;
- ◆ The Supervisory Board wishes to meet with the Board of Directors for half a day in the coming six months (first half of 2021) to exchange ideas about: PAX's strategy

- ◆ The Supervisory Board's role (interpretation) as a critical partner of the Board of Directors;
- ◆ The Supervisory Board wants to be closely involved in the development of the organisational structure and internal governance.

The Supervisory Board has an Audit Committee that studies and discusses in detail the financial documents with the director of the organisation and the controller, and periodically with the external auditor. The Audit Committee held five meetings in 2020.

The Supervisory Board has a Remuneration Committee that conducts annual performance reviews with the individual members of the Executive Board. In 2020, this committee concentrated on evaluation interviews with the newly appointed general director.

Main points of attention in 2020

THE GRANT APPLICATIONS FOR POWER OF VOICES AND WOMEN, PEACE & SECURITY

The Supervisory Board kept itself well informed in several meetings about the progress of writing grant applications for Power of Voices and Women, Peace & Security. The application for Power of Voices was submitted through a consortium with Amnesty International Netherlands, ABAAD (a Lebanese women's rights organisation) and DefendDefenders (a human rights organisation operating in East Africa) with PAX as the lead party. The application of Women, Peace & Security was submitted through an alliance with the Strategic Initiative for Women in the Horn of Africa (SIHA) Network and the Italian organisation Un Ponte Per.

Funding has been requested from the Ministry of Foreign Affairs for four themes (Civic space, Inclusive peacebuilding and human rights, Gender, and Business and human rights violations) and for 14 countries. The applications were successful. This guarantees the continuity of our work in Africa, the Middle East and on several international themes until 2025. The Supervisory Board believes that the Ministry's high scores reflect well its appreciation for the work of all of our staff and alliance partners.

Applications could not be made for programmes in Europe, Colombia, and for (parts of) Humanitarian Disarmament and Business & Human Rights. A fundraising strategy will be developed to get this peace work funded as well. The Supervisory Board will reflect periodically on the progress of the fundraising.

FUNCTIONING OF THE BOARD OF DIRECTORS IN ITS NEW COMPOSITION

The new general director, Anna Timmerman, started at PAX in January 2020. The Supervisory Board held various evaluation and progress meetings with Anna, partly through the Remuneration Committee. In turn, Anna has shared her impressions of PAX after the first six months. Based on her performance, the Supervisory Board has decided to prolong the employment contract.

THE STRUCTURE AND GOVERNANCE OF OUR PEACE ORGANISATION AND ITS LEGAL ENTITIES PAX – PAX CHRISTI – IKV – STIKAV

In 2006, PAX was founded by IKV and Pax Christi. PAX houses all activities, staff, and financial resources (partly through guarantees for the continuity reserve) and operates from a single office in Utrecht. IKV and Pax Christi continued to exist as separate legal entities. However, due to

various reasons, the current statutes are no longer up to date and need to be revised. In 2020, the governance of the various legal entities was brought into line with the statutes themselves and with the law and regulations. In addition, changes to the legal structure were discussed several times with representatives of IKV and Pax Christi. The next step is to update the statutes of the various legal entities in the first half of 2021.

THE COMPOSITION OF THE SUPERVISORY BOARD AND THE FILLING OF VACANCIES

The term of several Supervisory Board Members has expired or will expire in 2020 and 2021. The Supervisory Board has therefore examined what type of knowledge and experience would best suit it overall. Based on this, individual profiles were drawn up. The Supervisory Board was strengthened in 2020 by the appointment of new member Farah Karimi. At the end of 2020, a procedure to fill the other vacancies was set into motion. In February and March 2021, three new members were appointed on the recommendation of the Supervisory Board by Pax Christi and IKV: Elise Kant, Dushica Naumovska and Eduard Nazarski. They were chosen by a selection committee consisting of Farah Karimi, Janne Nijman, Tom Groot (all members of PAX's Supervisory Board), Ineke Bakker (IKV Board) and Annemarie Middelburg (Pax Christi Members Council), based on the earlier defined profiles.

THE CORONAVIRUS PANDEMIC AND ITS IMPACT ON OUR PEACE WORK, STAFF AND PARTNERS IN CONFLICT AREAS

On 12 March, the Dutch government announced a lockdown due to the coronavirus pandemic. The PAX office remained closed for the larger part of the year. Staff worked from home and travel restrictions were imposed, making field visits to conflict areas and local partners impossible or very limited.

The Supervisory Board regularly discussed the impact of the pandemic on the health and well-being of staff, the dilemma of maintaining solidarity with local peace workers from a distance, possible underspending of funds, and the difficulties of building new relationships and finding new partners and donors.

FINANCES

The Supervisory Board supervises finances and risk. The Audit Committee of the Supervisory Board discusses the annual accounts, annual budget, quarterly financial management reports and risk assessment in detail with the organisation director and the controller and reports on this at the meeting of the Supervisory Board. The Audit Committee also met with the external accountant to discuss the management letter and controller's report. The Supervisory Board also approved the multi-year financial framework for 2021-2025 and the budget for 2021.

At the end of 2019, PAX launched a European tender process for the external independent audits, starting with the 2020 financial year. Based on the qualitative award criteria and the price-quality ratio, tenders from four audit firms were assessed and Mazars proved to be the best bidder. The Supervisory Board formally approved the appointment of Mazars N.V. as PAX's new auditor with effect from 1 July 2020.

Composition of the Supervisory Board

On 31 December 2020, the Supervisory Board consisted of the following members. There was one vacancy. The procedure to fill in this vacancy has started.

Three new members have been appointed as of 1 March 2021 to fulfil the vacancy and to replace the two members whose second term has expired: Elise Kant, Dushica Naumovska and Eduard Nazarski.

FIGURE 10 SUPERVISORY BOARD

NAME	POSITION IN SUPERVISORY BOARD	POSITION/ANCILLARY POSITIONS
T. L. C. M. (Tom) Groot	<ul style="list-style-type: none"> Member of the Supervisory Board of PAX Member of the Audit Committee 	<ul style="list-style-type: none"> Professor in Management Accounting at VU Amsterdam Chair of the Department of Accounting of VU Amsterdam Director of ARCA (Amsterdam Research Center in Accounting) Director of Limperg Institute Chair of the Board of Directors of the Hendrik Brunsting Stichting (archaeological excavation foundation) Member of the Supervisory Board of the Dutch Probation Service (Reclassering Nederland)
F. (Farah) Karimi	<ul style="list-style-type: none"> Member of the Supervisory Board of PAX Member of the Remuneration Committee 	<ul style="list-style-type: none"> Member of the Senate (Eerste Kamer) of the Dutch Parliament Deputy Chairman of the GroenLinks Senate faction Supervisor of leadership courses at Comenius at the University of Groningen Member of the Supervisory Board of Hogeschool NHL-Stenden Member of the Supervisory Board Stichting Writers Unlimited (International Literature Festival). Chairman of the Board Winternachten The Hague
J. E. (Janne) Nijman	<ul style="list-style-type: none"> Member of the Supervisory Board of PAX Member of the Remuneration Committee 	<ul style="list-style-type: none"> Chairperson of the Board and academic director of T.M.C. Asser Institute Professor of History & Theory of International Law at the University of Amsterdam

		<ul style="list-style-type: none"> • Professor of International Law, the Graduate Institute of International and Development Studies in Geneva (CH) • Member of the Editorial Board of Netherlands Yearbook of International Law • International Gender Champion, network for gender equality, The Hague hub
P. (Peter) van der Veer	<ul style="list-style-type: none"> • Chair of the Supervisory Board of PAX • Member of the Audit Committee 	<ul style="list-style-type: none"> • Director of operations of the Municipality of Veenendaal

Vacancy =

REMUNERATION AND REMUNERATION COMMITTEE

The members of the Supervisory Board carry out their tasks on a voluntary basis and do not receive any reward, leave or attendance fee. Expenses such as travel expenses are the only kind to be remunerated, based on actually incurred expenses.

Every year the Remuneration Committee holds a performance review with the members of the Executive Board.

FIGURE 11 ROTATION SCHEDULE

NAME	DATE APPOINTED	APPOINTED BY	END OF FIRST TERM	END OF SECOND TERM
Marieke de Wal	02-07-2010	IKV	02-07-2014	31-12-2019
Wieger Bakker	01-03-2012	IKV	01-03-2016	01-03-2021*
Tom Groot	01-12-2018	Pax Christi	01-12-2022	
Janne Nijman	01-01-2019	IKV	01-01-2023	
Marina van Notten	01-03-2012	IKV	01-03-2016	31-12-2019
Peter van der Veer	01-03-2012	Pax Christi	01-03-2016	01-03-2021*

* To ensure continuity within the Supervisory Board, the IKV Board of Directors and the Pax Christi Council of Members have extended the second term of appointment from four to five years. The articles of association of PAX offer the possibility to do so.

NO CONFLICTING INTERESTS

There were no transactions in 2020 involving conflicts of interest on the part of members of the Supervisory Board or Executive Board. Each year, every member of the Supervisory Board and Executive Board submit a declaration of (ancillary) positions they hold on potential conflicts of interest for them and their direct family members.

Postcode Lottery always looking to support peace, also in Colombia

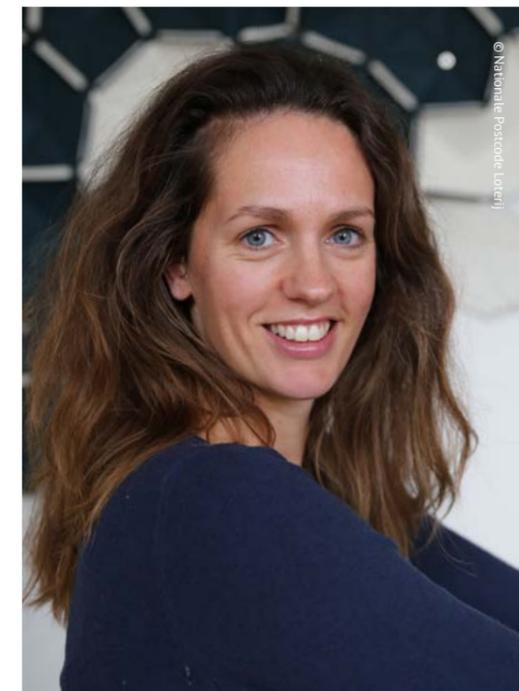
With the help of the Dutch Postcode Lottery, PAX has been able to support and assist victims of war and conflict in Colombia over the past 2,5 years. The project 'Truth and Justice' aims to support victims in the regions of Cauca, Cesar, and Meta. With thousands of civilians killed, many raped or missing, these regions have been hit the hardest by the conflict. As a result the people struggle with socioeconomic inequality and conflicts around landgrabbing and large-scale mining. Together with the victims, PAX collects evidence of war crimes. The evidence is later presented to the Truth Commission and Peace Tribunal.

Peace is a concept central to the work of PAX. But what does the concept mean for the Dutch Postcode Lottery? According to Marieke van der Vliet, who is a relationship manager for charities at the Lottery, peace is one of the key concepts in all initiatives the Lottery supports. "We are always explicitly looking for ways to support peace both in the Netherlands and abroad. Important aspects we consider when giving donations are justice, environmental issues, and human rights. Colombia is a country with a long history of violence and conflict. The need for justice and reconciliation is high. Many people in Colombia have experienced the ugliest faces of war. Nobody should have to deal with that. Players of the Lottery understand this importance."



Same passion and inspiration

"The Postcode Lottery supports charities with the money that comes from the people who participate. We therefore believe it is important that the organizations we support have broad social support. We measure this, for example, by the number of donors and volunteers. Furthermore, the goal of the organization should not depend on our contribution. That is why another condition is that your own income is at least 1 million euros per year. Additionally, a key aspect we look for is professionalism. The employees must be professionals, and the organization must be managed well, efficiently and responsibly. Furthermore, the organization must of course adhere to the existing codes for the charity sector, such as the Good Governance Code and the guidelines of Goede Doelen Nederland. And finally, we look at the same passion and inspiration as we feel in the pursuit of a sustainable and just world".



BREAKING TABOOS

PAX presented a report to the Colombian Truth Commission that broke taboos by highlighting how sexual violence was used as a weapon of war. The report included how sexual violence has left its marks on women, their partners and children. Specifically, those children born out of rape. "Gender equality is of major importance in our work when considering donations."

There is a big gap between the average player of the Lottery and a victim of the conflict in Colombia. The Lottery is sure that the project in Colombia has the support of their players. "To understand why the project has the support, we should look for the differences rather than the similarities. Life in the Netherlands is incomparable to life in Colombia. It is exactly this contrast that emphasizes the importance of such a project to our players."

'PAX DOESN'T GIVE UP'

The approach of PAX to work together with civilians and local communities is appreciated by the Lottery. Hence why the project in Colombia is not the first PAX' project supported by the Dutch Postcode Lottery. "PAX is an organization with enormous experience and knowledge. It doesn't give up easily and successfully builds long-term relationships across the globe. Both PAX and the Lottery care about building a just and safer world. We must continue the work. Even if it gets difficult."

3. Financial Statements 2020

3.1 Balance sheet (after appropriation of result)

		31 December 2020	31 December 2019
		€	€
ASSETS			
Intangible fixed assets	1	112.823	93.254
Tangible fixed assets	2	297.626	501.329
Financial fixed assets	3	376.784	-
Total fixed assets		787.233	594.583
Receivables and prepayments			
Receivables from related entities	4	38.353	183.294
Receivables from donors	5	2.690.549	3.126.667
Other receivables and prepayments	6	317.621	479.078
		3.046.523	3.789.038
Cash and cash equivalents	7	12.227.976	9.399.732
Total assets		16.061.732	13.783.353
LIABILITIES			
Reserves and funds			
Continuity reserve	8	2.330.625	2.330.625
Earmarked reserve	9	148.208	-
Earmarked fund	10	24.909	-
		2.503.741	2.330.625
Long term liabilities	11	884.290	1.240.973
Current Liabilities			
Grants received in advance	12	8.452.887	5.429.247
Partner commitments	13	2.026.080	2.978.141
Accounts payable		371.866	271.862
Other liabilities	14	1.822.868	1.532.505
		12.673.701	10.211.755
Total liabilities		16.061.732	13.783.353

3.2 Statement of income and expenses

		Actual 2020	Budget 2020	Actual 2019
		€	€	€
INCOME				
Income from individuals	15	516.558	380.000	612.747
Income from companies	16	44.304	-	22.416
Income from lottery organisations	17	1.168.743	1.284.935	1.410.313
Grants from governments	18	14.203.536	16.562.813	13.152.851
Funding from other non-profit organisations	19	1.055.601	800.000	2.692.710
Sum of income		16.988.742	19.027.748	17.891.037
EXPENSES				
Expenses on the objective	20			
Community-Based Security and Citizens Rights		4.631.814	6.330.357	5.551.376
Dealing with the Past		1.903.509	2.330.377	1.300.640
Humanitarian Disarmament		1.139.301	1.306.994	1.442.159
Natural Resources, Conflict & Human Rights		765.617	1.034.352	1.121.755
Protection of Civilians		2.148.386	2.128.829	1.817.705
Peace activism and Advocacy		3.643.290	3.695.329	3.562.698
		14.231.916	16.826.238	14.796.335
Fundraising	21	1.207.871	950.754	812.041
Management and administration	22	1.306.353	1.283.971	1.438.009
Sum of expenses		16.746.140	19.060.963	17.046.385
Sum of income and expenses before financial gain/loss		242.603	-33.215	844.652
Financial gain/(loss)	23	-69.486	-	-21.972
Sum of income and expenses		173.117	-33.215	822.680
Appropriation of result	24			
Addition to continuity reserve		-	-33.215	822.680
Addition to earmarked reserve		148.208	-	-
Addition to earmarked fund		24.909	-	-
		173.117	-33.215	822.680

3.3 Cash flow statement

		2020	2019
		€	€
Sum of income and expenses		173.117	822.680
Adjusted for:			
Depreciation & amortisation	1,2	264.153	281.928
Net finance costs	23	30.270	21.972
Changes in Receivables from related entities	4	144.941	80.921-
Changes in Receivables from donors	5	436.118	863.751
Changes in Other receivables and prepayments	6	161.457	288.380-
Changes in Long term liabilities	11	356.683-	850.966-
Changes in Current liabilities	12,13,14	2.461.946	4.053.947
Cash flow from operations		3.315.318	4.824.012
Interest received	23	14	630
Interest paid	23	13.644-	999-
Other finance costs paid	23	15.925-	16.532-
Cash flow from operating activities		3.285.763	4.807.111
Investment/desinvestment in intangible fixed assets	1	50.237-	59.471-
Investment/desinvestment in tangible fixed assets	2	29.782-	15.669-
Investment/desinvestment in financial fixed assets	3	376.784-	-
Cash flow from investing activities		456.803-	75.140-
Net Cash flow		2.828.960	4.731.971
Exchange rate and translation differences on cash and cash equivalents		715-	5.071-
Changes in Cash and Cash Equivalents	7	2.828.245	4.726.900

Notes to the 2020 Financial Statements

GENERAL

Stichting Vredesbeweging PAX Nederland (hereinafter referred to as: PAX) is located and has its registered office in Utrecht, St. Jacobsstraat 12 and is registered under number 30214009 001 in the trade register.

PAX works together with involved civilians and partners in areas of war to protect human security, to prevent and end armed violence and to build peace with justice. The activities are carried out both inland and abroad.

Financial reporting period

The financial statements cover the year 2020, which ended at the balance sheet date of December 31, 2020.

Reporting Directive for Fundraising Institutions

The 2020 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations, which is the applicable reporting framework for Dutch fundraising organisations. In addition, the financial statements have as well been prepared in accordance with the Wet Normering Topinkomens

Functional and presentation currency

The financial statements are presented in euros ('EUR'), which is the entity's functional currency.

Going Concern

These financial statements have been prepared on the basis of the going concern assumption.

Impact Coronavirus

With the outbreak of the Coronavirus and preventive measures taken by governments, there is high economic uncertainty. However, developments are currently very uncertain and subject to change. Given the high degree of uncertainty about the development of PAX, it is not possible to give a reasonable estimate of its impact on PAX. Management believes that PAX can endure the current corona crisis without external support.

ACCOUNTING POLICIES FOR THE MEASUREMENT OF ASSETS, LIABILITIES AND THE DETERMINATION OF RESULT

General

Assets and liabilities are measured at historical cost, unless stated otherwise in the further principles.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the foundation and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the foundation. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the statement of income and expenses.

If assets are recognized of which the entity does not have the legal ownership, this fact is being disclosed.

Income is recognised in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Income and expenses are allocated to the respective period to which they relate.

PRINCIPLES FOR THE TRANSLATION OF FOREIGN CURRENCIES

At initial recognition, transactions denominated in foreign currency are translated into the functional currency of the foundation at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are measured at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Translation gains and losses are recognized in the statement of income and expenses.

In 2020, the currency translation differences recognized in the profit and loss account amounted to EUR 715 (2019: EUR 12,117).

USE OF ESTIMATES

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised in the period in which the estimate is revised.

The following accounting policies are in the opinion of management the most critical in preparing the financial statements and require judgement, estimates and assumptions: Valuations of legacies to be received, provisions and termination benefits.

CHANGE OF SYSTEM

After adoption of the 2019 financial statements, a change of system has been made with regard to the subsidy commitments to partners. In the 2019 financial statements releases of subsidy commitments to partners were recognized in the year that those releases were identified. From 2020 the release of subsidy commitments to partners will be deducted from the subsidies granted in the financial year to which they relate. The impact on equity is EUR 16,028 as per 31 December 2019. The impact on the result for the year 2019 is EUR 16,028 as well. The comparative figures for the year 2019 have been restated.

A complete overview of the impact on the financial position in the balance sheet and the statement of income and expenses can be specified as follows:

	previously reported €	impact correction €	after correction €
Balance sheet December 31, 2019			
Receivables and prepayments	1.083.821	-43.645	1.040.176
Current liabilities	10.271.428	-59.673	10.211.755
Reserves and funds at December 31, 2019	2.314.597	16.028	2.330.625
Statement of income and expenses 2019			
Income	18.469.536	-578.499	17.891.037
Expenses	-17.640.912	594.527	-17.046.385
Financial gain/loss	-21.972	-0	-21.972
Total result	806.652	16.028	822.680

The change of system does not affect the result and equity, insofar as the partner expenditure is financed by a donor contract. Since the grants PAX receives for donor projects are recognized as a benefit when PAX enters into a commitment in accordance with the terms of this grant, the donor's related income is also adjusted in accordance with the adjusted expenditure.

As a result of the aforementioned change of system, the cash flow statement has been adjusted as well. This restatement relates to the net result for the year 2019.

FINANCIAL INSTRUMENTS

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. The financial statements contain the following financial instruments: Cash items, receivables and payables. The foundation has no (embedded) derivative financial instruments.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial instruments are initially recognised at fair value, including discount or premium and directly attributable transaction costs. The fair value is based on the estimated present value of the future net cash flows. After initial recognition the financial instruments are measured at amortised costs on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the statement of income and expenses.

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other. The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, including a risk premium for credit and liquidity risks.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics. The accounting principles for the accounting for (reversal of) impairment losses are described under "Impairment of financial assets".

The fair value of most of the financial instruments recognised on the balance sheet, including receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount.

IMPAIRMENT OF (FIXED) ASSETS

(Fixed) assets are assessed at each reporting date to determine whether there is any indication of an impairment.

If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is allocated to the assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous year has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognized impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognized in previous years for the asset (or cash-generating unit).

CURRENCY, INTEREST, PRICE, CREDIT, LIQUIDITY AND CASH FLOW RISKS

During the normal course of business, the foundation uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the foundation has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the foundation.

The currency risk for PAX largely consists of positions and future transactions in US dollars or currencies closely related to US dollars. Management has determined that the cost of hedging these currency risks does not outweigh the benefits. PAX has no assets that are specifically sensitive to changes in price levels (such as for instance investments in listed and non-listed equities). Surplus cash is conservatively secured in deposits with low interest risk. PAX has no significant credit risks. Receivables mainly relate to grants from solid governments or multilateral institutions. Given this low risk cash positioning PAX has secured a sound liquidity balance.

OFFSETTING FINANCIAL INSTRUMENTS

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the foundation has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are only recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Intangible fixed assets (software and licences) are measured at acquisition cost, less accumulated amortization and impairment losses. Amortisation is calculated according to the straight-line method in 5 years. Expenditures made after the initial recognition of an acquired or constructed intangible fixed asset are included in the acquisition or construction cost if it is probable that the expenditures will lead to an increase in the expected future economic benefits, and the expenditures and the allocation to the asset can be measured reliably. If expenditures do not meet these conditions, they are recognised as an expense in the statement of income and expenses.

Prepayments on intangible fixed assets are valued at cost. Prepayments on intangible fixed assets are not amortised.

TANGIBLE FIXED ASSETS

Tangible fixed assets are recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of that asset can be measured reliably. Tangible fixed assets are measured at acquisition cost, less accumulated depreciation and impairment losses. The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalized when it extends the useful life of the asset. Depreciation is recognized in the statement of income and expenses on a straight-line basis (except for the IT equipment) over their estimated useful economic life time, taking into account any estimated residual value of the individual assets. No depreciation is recognized on land, tangible assets under construction and prepayments on tangible fixed assets. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

The annual depreciation is recognised based on the following structure:

Installations: straight-line method in 10 years

Other fixed operating assets:

IT equipment - first year 40%, second year 30%, third year 20% and fourth year 10%

Furniture and other equipment - straight-line method in 5 years

Renovation (general): straight-line method in 10 years

Renovation St. Jacobstraat (due to rental period): straight-line method in 5 years

Prepayments on tangible fixed assets are valued at cost. Prepayments on tangible fixed assets are not amortised.

Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset and/or future performance units regarding the asset. A provision is recognised for expected costs of periodic major maintenance to buildings and equipment.

FINANCIAL FIXED ASSETS

The other receivables included under financial fixed assets include loans and other receivables. These receivables are initially valued at fair value. Subsequently, these loans are valued at the amortized cost. If there is a discount or premium on the granting of loans, this is credited or charged to the result as part of the effective interest during the term. Transaction costs are also included in the initial valuation and charged to the result as part of the effective interest. Impairments are deducted from the statement of income and expenditure.

RECEIVABLES

The accounting policies applied for the valuation of receivables are described under the heading 'Financial instruments'. All receivables have an estimated maturity shorter than one year. The carrying values of the recognized receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognized, if necessary.

RECEIVABLES FROM DONORS

Donor receivables relate to the positive difference between the income recognized related to the granted donor funds and the actual cash disbursements received (by PAX) from the donors as at balance sheet date. The accounting policies applied for the recognition of this income from granted donor funds are described under the headings 'income from Lottery Organisations', 'Grants from governments', and 'funding from other non-profit organisations'. All receivables have an estimated

maturity shorter than one year. The carrying values of the recognized receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognized, if necessary.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the Principles for the Translation of Foreign Currencies.

CONTINUITY RESERVE

The continuity reserve is in place to secure PAX to meet its obligations in the long term, in case of stagnated income or after an incident with a major impact on expenses. The target level is determined by the supervisory board. The PAX policy on continuity reserve meets the requirements of the CBF.

PROVISIONS

A provision is recognised when the foundation has a legal or constructive obligation, arising from past events, the amount can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are stated at the nominal value of the expenses that are expected to be required to settle the liabilities.

LIABILITIES

The valuation of Liabilities and other financial commitments are described under the paragraph financial instruments. Liabilities related to grants received in advance and contractual obligations to partners (partner commitments) are presented under the current liabilities, except for those that are due or expected to be due after one year, which are presented under non-current liabilities. The accounting policies with regards to the grants received in advance are described under the paragraph grants received in advance and the accounting policies with regards to contractual obligations to partners are described under the paragraph partner commitments.

GRANTS RECEIVED IN ADVANCE

Grants received in advance relates to the negative difference between the actual cash disbursements to the donors and the income as recognized in relation with these donor grants as at balance sheet date. The accounting policies applied for the recognition of this income from donor grants are described under the headings 'income from Lottery Organisations', 'Grants from governments', and 'funding from other non-profit organisations'.

PARTNER COMMITMENTS

Partner commitments relate to the difference between the committed contractual amount towards the partner (based on which the expenses are recognized) and the actual distributed cash payments towards these partners as at balance sheet date.

DISTINCTION BETWEEN OPERATING AND FINANCE LEASES

A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases

are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form. All lease contracts are operational leases.

Where the foundation acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognized as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognized to the statement of income and expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

INCOME FROM INDIVIDUALS

Income from individuals consists of private fundraising, income from endowment funds and legacies. Donations are recognized in the period in which they are received or have been committed by the donor. Legacies are accounted for as soon as the amount of income can be reliably estimated.

INCOME FROM COMPANIES

Donations from companies are recognized as income in the period that they were received or have been committed by the donor. Grants from companies with a designated purpose and pay-back obligation for the foundation are recognized as income in the same reporting period in which the subsidised eligible expense is recognised.

INCOME FROM LOTTERY ORGANISATIONS

Unrestricted income from lottery organizations is recognised in the period that the donor commits the funds. Grants from lottery organizations with a designated purpose and pay-back obligation for the foundation are recognised as income in the same reporting period in which the subsidised eligible expense is recognised. Amounts received in advance are presented under paragraph grants received in advance.

GRANTS FROM GOVERNMENTS

Grants from governments with a designated purpose and pay-back obligation for the foundation are recognised as income in the same reporting period in which the subsidised eligible expense is recognised. Amounts received in advance (both current as non-current) are presented under deferred income.

FUNDING FROM OTHER NON-PROFIT ORGANISATIONS

Donations from endowment funds, churches and NGO- organisations are recognized in the period in which they are received or have been committed by the donor. Grants from other non-profit organisations with a designated purpose and pay-back obligation for the foundation are recognized as income in the same reporting period in which the subsidised eligible expense is recognised. Amounts received in advance are presented under paragraph grants received in advance.

FINANCIAL GAIN/(LOSS)

Interest income is recognised in the statement of income and expenses in the period to which it belongs, using the effective interest rate method of the related asset. Interest expenses and similar charges are recognised in the period to which they belong.

COST ALLOCATION

Method of allocation of cost

Indirect costs are fully allocated pro rata of directly incurred personnel costs per objective / fundraising / management and administration.

Personnel cost

Salaries and labor conditions of PAX employees are based on the specific employment conditions of the Protestant Church Netherlands (CAO PKN).

Employee benefits during employment

Employee benefits are charged to the statement of income and expenses in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the foundation.

The liability for benefits during employment is measured at nominal value of the expenditure expected to be required to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract).

TERMINATION BENEFITS

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognised as a liability and an expense when the foundation is demonstrably and unconditionally committed to make the payment of the benefit. Termination benefits are measured in accordance with their nature. Termination benefits are measured at the best estimate of the expenditures required to settle the liability.

SALARY SENIOR EXECUTIVES

Senior executives require explicit reporting according the Dutch WNT guidelines and the Reporting Directive for Fundraising Institutions guidelines (following an additional format).

PENSIONS

Pensions are part of the employees' benefits. The main principle is that the pension charge to be recognised for the reporting period is equal to the pension contributions payable to the pension fund over the period. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

If, on the basis of the administration agreement with respect to the multi-employer plan, there is an obligation at balance sheet date, a provision is recognised when it is probable that the measures, which are necessary for the recovery of the existing funding ratio at balance sheet date, will result in an outflow of resources and the amount thereof can be estimated reliably.

The employees of PAX in the Netherlands have a pension scheme which is administered by pension fund Zorg en Welzijn. This pension scheme is a conditionally indexed average-salary scheme. Entitlements and rights granted are only indexed (adjusted in line with increase in prices) if and

to the extent that the pension provider has sufficient resources and has decided accordingly. The board may decide to reduce the entitlements if the pension provider's position so dictates. The coverage of the sector pension as at December 31, 2020 is stated at 92.6%.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

Foreign currency cash flows are translated into euros using the exchange rates on the date of the transaction. Foreign exchange differences with regard to cash and cash equivalents are presented separately in the cash flow statements.

Receipts and payments of interest are presented within the cash flow from operating activities. Transactions that do not include an exchange of cash and cash equivalents, such as finance leases, are not included in the cash flow statement.

RELATED PARTIES

Transactions with related parties are assumed when a relationship exists between the foundation and a natural person or entity that is affiliated with the foundation. This includes, amongst others, the relationship between the foundation and its affiliated foundations, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

Transactions with related parties (refer to note 3 and note 8 for the identified related parties) are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.

For the remuneration of the board of directors and supervisory board members, please refer to section 1.5 of the management report.

SUBSEQUENT EVENTS

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

Date of preparation of financial statements: May 10, 2021

3.5 Explanation of the balance sheet

	31 December 2020	31 December 2019	
	€	€	
1. Intangible fixed assets			
Balance as at 31/12 *			
Software	112.253	89.438	
Licences	570	3.816	
	112.823	93.254	
Movement in intangible fixed assets:			
	Software	Licences	Total
Balance as at January 1			
Purchase price	450.064	120.607	570.671
Accumulated amortisation	-360.626	-116.791	-477.417
Carrying amount	89.438	3.816	93.254
Changes in carrying amount			
Investments	50.237	-0	50.237
Desinvestments	-337.008	-85.610	-422.618
Amortisation	-27.422	-3.246	-30.668
Amortisation desinvestments	337.008	85.610	422.618
Balance	22.815	-3.246	19.569
Balance as at December 31			
Purchase price	163.293	34.997	198.290
Accumulated amortisation	-51.040	-34.427	-85.467
Carrying amount	112.253	570	112.823

*) Software and licences are regular enterprise software and licenses.

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2020	31 December 2019	
	€	€	
2. Tangible fixed assets			
Balance as at 31/12			
Renovation	265.590	462.762	
Other fixed operating assets	32.036	38.567	
	297.626	501.329	
Movement in tangible fixed assets			
	Renovation	Other fixed operating assets	Total
Balance as at January 1			
Purchase price	1.280.677	1.044.028	2.324.705
Accumulated depreciation	-817.915	-1.005.461	-1.823.376
Carrying amount	462.762	38.567	501.329
Changes in book value			
Investments *	-0	29.782	29.782
Desinvestments	-272.154	-427.532	-699.686
Depreciation	-197.172	-36.313	-233.485
Depreciation desinvestments	272.154	457.532	699.686
Balance	-197.172	-6.531	-203.703
Balance as at December 31			
Purchase price	-742.933	-614.242	-1.357.175
Accumulated depreciation	265.590	32.036	297.626
Carrying amount			

*) Investments in office equipment, workstations and laptops, renewal and enlargement of server capacity.

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2020	31 December 2019
	€	€
3. Financial fixed assets		
Balance January 1	-	-
Loan Stichting Katholieke Vredesbeweging	376.784	-
Balance December 31	376.784	-
The loan, in principal € 416,000, has a maximum term of 5 years and is valued at the amortized cost on the basis of the effective interest rate of 2%. The loan is accrued annually up to the amount of € 416,000.		
4. Receivables from related entities		
Stichting Katholieke Vredesbeweging	29.256	116.183
Stichting IKV	58	58.240
Vereniging Pax Christi	9.039	8.871
	38.353	183.294
5. Receivables from donors		
Ministry of Foreign Affairs regarding SP Dialogue and Dissent	255.745	-
Dutch Embassy Juba - Action Plan for Peace	155.952	-
Bureau of Democracy, Human Rights and Labor	655.466	1.148.542
German Ministry of Foreign Affairs	727.771	1.040.176
Other receivables from donors	895.615	937.949
	2.690.549	3.126.667
6. Other receivables and prepayments		
Prepaid salaries and pension contributions	47.656	27.571
Amnesty International alliance partner	116.789	-
Other receivables and prepayments	153.176	451.507
	317.621	479.078
7. Cash and Cash equivalents		
Deposits	3.668.199	8.786.824
Credit balances on Dutch bank accounts	8.473.013	565.550
Credit balances on foreign bank accounts	33.601	16.861
Cash balances	53.163	30.497
	12.227.976	9.399.732

With the exception of a bank guarantee of € 116,000, the cash and cash equivalents balances are immediately accessible.

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2020	31 December 2019
	€	€
8. Continuity reserve		
Balance January 1	2.330.625	1.507.945
Addition to continuity reserve	-	822.680
Balance December 31	2.330.625	2.330.625

PAX determines the desired size of its continuity reserve annually based on risks perceived, and the analysis is approved by its Supervisory Board. A recent analysis concluded in a required level of the continuity reserve of €2.4 million. The required level fits the actual size of the continuity reserve as per the balance date, taking into account the guarantee issued by Vereniging Pax Christi of € 1.160.000. The continuity reserve is lower than the maximum standard of 1.5 times the annual costs of the work organisation, that is € 16,412,000, which is considered acceptable by the guideline of Goede Doelen Nederland.

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2020	31 December 2019
	€	€
9. Earmarked reserve		
Balance January 1	-	-
Addition to earmarked reserve	148.208	-
Balance December 31	148.208	-
10. Earmarked fund		
Balance January 1	-	-
Addition to earmarked fund	24.909	-
Balance December 31	24.909	-

The earmarked reserve has been formed to cover deficits on current projects. The earmarked fund concerns donations from individuals from targeted campaigns to raise funds.

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2020	31 December 2019
	€	€
11. Long term liabilities		
Partner commitments	868.170	1.121.567
Commitment to Amnesty International alliance partner	-	54.730
Rental discount on office St. Jacobsstraat	16.120	64.676
	884.290	1.240.973
12. Grants received in advance		
Ministry of Foreign Affairs regarding SP Strengthening Civil Courage	5.000.000	-
Ministry of Foreign Affairs regarding SP Dialogue and Dissent	-	795.527
Dutch Embassy Juba - Action Plan for Peace	-	111.409
Ministry of Foreign Affairs other subsidy commitments	2.267.887	2.410.517
Payment obligation allotted grants	1.185.000	2.111.794
	8.452.887	5.429.247
13. Partner commitments		
Partner commitments	1.760.498	1.738.226
Commitment to Amnesty International alliance partner	-	919.600
Commitments to related entities (Foundation Pax Colombia)	265.582	225.213
Other expenses to be paid	-	95.102
	2.026.080	2.978.141
14. Other liabilities *)		
Payroll taxes and social security contribution	640.065	576.196
Reservation for leave days and holiday allowance	712.739	622.895
Payable salaries and pension contributions	66.455	57.225
Other debts, accruals and deferred income	403.609	276.189
	1.822.868	1.532.505

OFF-BALANCE SHEET ASSETS AND LIABILITIES

Guarantees

PAX has provided a bank guarantee of € 116,000 to the lessor of the office location St. Jabobsstraat, Utrecht.

Commitments	<1 year	1 – 5 year	>5 year
Lease of equipment	€ 22.098	€ 68.982	€ 0
Office rent	€ 480.246	€ 163.284	€ 0
Service contracts	€ 179.331	€ 45.670	€ 0

Subsequent events

No events have occurred between the balance date and the date on which the Supervisory Board adopted the annual accounts, which would affect the 2020 annual of the conditions of PAX at the end of the financial year or thereafter.

*) No other liabilities due after more than one year.

3.6 Explanation of the income and expenses account

	Actual 2020	Budget 2020	Actual 2019
	€	€	€
15. Income from individuals			
Donations	484.004	360.000	479.783
Legacies	32.554	20.000	132.964
	516.558	380.000	612.747
16. Income from companies			
Donations and charity discounts	44.304	- 0	22.416
	44.304	- 0	22.416
The income from companies is mainly incidental by nature.			
17. Income from lottery organisations			
National Postcode Lottery: regular contribution	500.000	500.000	500.000
National Postcode Lottery: project Lessons in Peace	23.350	- 0	22.014
National Postcode Lottery: Truth & Justice for victims Colombia	475.206	523.000	431.129
National Postcode Lottery: project Story of the Refugee	170.187	261.935	457.170
	1.168.743	1.284.935	1.410.313
18. Grants from governments			
Ministry of Foreign Affairs regarding SP Dialogue and Dissent	8.747.591	8.119.768	9.535.915
Dutch Embassy Juba - Action Plan for Peace	730.458		469.223
Other Dutch Governments	3.412.780		1.105.747
Foreign Governments	1.312.707	8.443.045	2.041.967
	14.203.536	16.562.813	13.152.851
The Strategic Partnership on Dialogue and Dissent allocated an amount totaling €59,500,000 for the Alliance for the period 2016 through 2020.			
19. Funding from other non-profit organisations			
Income from related entities	103.983	200.000	1.275.050
Joseph Rowntree Charitable Trust	41.250		55.000
Onther endowment funds	186.699		438.744
Other NGO organisations	723.669	600.000	923.916
	1.055.601	800.000	2.692.710

In 2019 the Income from related entities included a one-time IKV donation of EUR 1,160,000. This was the same amount as for which IKV issued a guarantee to PAX until 2018.

EXPLANATION OF THE INCOME AND EXPENSES ACCOUNT (CONT.)

20. Expenses on the objective

Expenses on the objective were subdivided by project over five categories. All costs were assigned to the programs. See the table: Itemisation of expenses (Appendix 3).

	Direct costs 2020	Release commitm. 2020	Indirect costs 2020	Actual 2020	Budget 2020	Actual 2019
Programme costs(x €1,000)	€	€	€	€	€	€
Community-based security and citizens rights	4.463	-523	692	4.632	6.330	5.551
Dealing with the Past	1.822	-159	241	1.904	2.330	1.301
Humanitarian Disarmament	849	-0	290	1.139	1.307	1.442
Natural resources and confl.	619	-22	169	766	1.034	1.122
Protection of Civilians	1.854	-4	298	2.148	2.129	1.818
Peace activism and Advocacy	2.799	-0	844	3.643	3.695	3.563
	12.406	-708	2.534	14.232	16.826	14.796

Details are shown in Table Itemisation of expenses.

Percentages spent

Sum of expenses (x €1,000)	16.746	19.061	17.046
Percentage spent on objective in relation to sum of expenses	85,0%	88,3%	86,8%

21. Fundraising

Cost of fundraising, as percentage of total income	7,1%	5,0%	4,5%
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22. Management and administration

Management and adm. costs, as percentage of total income	7,7%	6,7%	8,0%
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	Actual 2020 €	Budget 2020 €	Actual 2019 €
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23. Financial gain/(loss)

Interest income	14	3.500	630
Interest expenses	-13.644	-500	-999
Payment charges	-15.925	-35.000	-9.486
Exchange differences	-715	32.000	-12.117
Interest loan (agio)	-39.216	-0	-0
	-69.486	-0	-21.972

24. Appropriation of result

On May 10 2021, the Supervisory Board of PAX Foundation discussed the annual report and the financial statements 2020. In accordance with article 14.3 of the articles of association of PAX, the Supervisory Board adopted the annual report and the annual accounts of PAX, including the proposed appropriation of the result. The members of the Supervisory Board as per May 2020 are Eduard Nazarski, Tom Groot, Elise Kant, Farah Karimi, Dushica Naumovska and Janne Nijman.

The articles of association provide guidance about the appropriation of the result in stating that the foundation shall not keep more reserves than reasonably necessary for its continuity, as determined by the Managing Director. Article 4.2: "De stichting houdt niet meer vermogen aan dan redelijkerwijs nodig is voor de continuïteit van de voorziene werkzaamheden ten behoeve van haar doelstelling."

EXPLANATION OF THE INCOME AND EXPENSES ACCOUNT (CONT.)

	Actual 2020 € x 1,000	Actual 2019 € x 1,000
Specification of personnel cost		
Gross salaries	6.413	6.175
Social security contributions	1.221	1.126
Pension	615	594
	8.248	7.894
Other personnel cost	782	921
Total personnel cost	9.030	8.815
Explanation of changes		
Change in personnel cost	354	
Change in other personnel cost	139-	
Total change in personnel cost	215	

	Actual 2020	Actual 2019
Employees (in FTE)		
Average # of FTEs in the Netherlands	103,6	108,2
Number of FTEs at the end of the year in the Netherlands	102,0	108,7
Average # of FTEs in other countries	15,8	13,7
Number of FTEs at the end of the year in other countries	14,0	12,0
Average # of FTEs Total	119,4	121,8
Number of FTEs at the end of the year Total	116,0	120,7
Change in number of FTEs at the end of the year in the Netherlands	-6,7	-5,0
Change in number of FTEs at the end of the year in other countries	2,0	-1,2
Total change FTEs at the end of the year	-4,7	-6,2

Despite a decrease in the number of FTE's, personnel costs are increasing. This is partly due to the supplementary salary payment to a number of employees. The collective increase in salaries on the basis of the CAO PKN amounted to an average of 3.4%.

Appendix 1

REMUNERATION SENIOR EXECUTIVES (FORMAT GOEDE DOELEN NEDERLAND)

According Dutch reporting standards, the remuneration of senior executives for NGO organisations, has to be drawn up following the legislation WNT. For PAX additionally the branche guidelines Goede Doelen are applicable. Remuneration of PAX senior executives meet both the WNT legislation as the guidelines Goede Doelen Nederland.

NAME Position	A. TIMMERMAN General Director	M. STRUYK Director	R.T.J. VAN DELFT Director
Nature of employment	definit	indefinit	indefinit
Hours	36	36	32
Parttime percentage	95	95	84
Period	06.01-31.12	01.01-31.12	01.01-31.12
Remuneration (EUR)			
Gross salary	89.632	83.117	73.882
Holiday allowance	2.920	6.394	5.793
Year-end allowance	7.418	6.877	6.113
Total annual income	99.970	96.389	85.788
Pension costs	12.608	11.562	10.269
Total 2020	112.578	107.950	96.057
Total 2019		100.898	91.444

The annual income of the individual members of the Executive Board, excluding pension costs, remains within the maximum of EUR 116,726 (A. Timmerman), EUR 106,148 (M. Struyk) and EUR 93,857 (R.T.J. van Delft), according to the "Regeling beloning directeuren van goededoelenorganisaties".

For an explanation of the policy and the principles for the management remuneration, please refer to section 1.5 of the management report.

Appendix 2

REMUNERATION SENIOR EXECUTIVES (FORMAT WNT)

According Dutch reporting standards, the remuneration of senior executives for NGO organisations, has to be drawn up following the legislation WNT. For PAX additionally the branche guidelines Goede Doelen are applicable. Remuneration of PAX senior executives meet both the WNT legislation as the guidelines Goede Doelen Nederland.

Table 1a. Senior supervising and former executives with remuneration of € 1,700 or less.

DATA 2020

Name	Position
W.E. Bakker	member of the Supervisory Board
P. van der Veer	chair of the Supervisory Board
T.L.C.M. Groot	member of the Supervisory Board
J.E. Nijman	member of the Supervisory Board
F. Karimi	member of the Supervisory Board

Supervisory board members do not receive remuneration.

Appendix 2 (CONT.)

Table 1b. Senior executives employed on a labor contract, plus executives contracted on interim-basis (as of 13 month of service).

AMOUNTS X € 1	A. TIMMERMAN	M. STRUYK	R.T.J. VAN DELFT	J. GRUITERS
Position	General Director	Director	Director	General Director
Duration of position in 2020	06.01-31.12	01.01-31.12	01.01-31.12	
Size of employment (in FTE)	1,0	1,0	0,9	
Contracted employment?	Yes	Yes	Yes	
Remuneration 2020				
Remuneration plus taxable expenses	€ 99.970	€ 96.389	€ 85.788	
Rewards affordable over time	€ 12.608	€ 11.562	€ 10.269	
Subtotal	€ 112.578	€ 107.950	€ 96.057	
Applicable maximum	€ 198.254	€ 201.000	€ 178.667	
-/- Unpaid amounts	n.a.	n.a.	n.a.	
Total remuneration	€ 112.578	€ 107.950	€ 96.057	
Exceeding applicable maximum	No	No	No	
Remuneration 2019				
Duration of position in 2019		01.01-31.12	01.01-31.12	01.01-30.09
Size of employment (in FTE)		1,0	0,9	1,0
Contracted employment?		Yes	Yes	Yes
Remuneration plus taxable expenses		€ 90.217	€ 81.588	€ 78.166
Rewards affordable over time		€ 10.681	€ 9.856	€ 9.256
Subtotal		€ 100.898	€ 91.444	€ 87.422
Applicable maximum		€ 181.000	€ 160.889	€ 135.378
Total remuneration 2019		€ 100.898	€ 91.444	€ 87.422

Appendix 3

TABLE ITEMISATION OF EXPENSES IN €

EXPENSES	EXPENSES ON THE OBJECTIVE						FUNDRAISING	M & A COST	Total 2020	Budget 2020	Total 2019
	Community-Based Security and Citizens Rights	Dealing with the Past	Humanitarian Disarmament	Natural Resources Conflict & Human Rights	Protection of Civilians	Peace activism and Advocacy	Fundraising	Management & Administration			
a Grants and contributions	1.711.977	894.185	-86.959	117.836	806.521	37.434			3.480.994	5.584.984	3.889.095
b Procurement	411.747	76.495	69.685	24.931	256.224	234.386			1.073.468	1.500.000	1.327.584
c Outsourcing	260.306	96.683	191.041	25.351	81.702	124.544			779.627	800.000	446.009
d Publicity and promotion						470.409			470.409	500.000	545.759
e Staff expenses	1.941.891	720.587	831.006	516.296	864.677	2.428.989	755.338	971.091	9.029.875	8.765.979	8.814.883
f Housing expenses	144.497	46.289	53.887	32.527	62.977	139.208	49.261	62.871	591.516	550.000	554.794
g Office and general expenses	109.739	47.099	54.830	33.096	51.869	141.644	379.678	242.277	1.060.231	1.100.000	1.190.665
h Depreciation	51.658	22.171	25.810	15.579	24.416	66.676	23.595	30.113	260.019	260.000	277.595
Total	4.631.814 27,7%	1.903.509 11,4%	1.139.301 6,8%	765.617 4,6%	2.148.386 12,8%	3.643.290 21,8%	1.207.871 7,2%	1.306.353 7,8%	16.746.140	19.060.963	17.046.385

Explanation to expenses and distribution:

- a Commitments to partner organisations with whom we work when carrying out projects
- b Direct program costs, i.e. purchasing, hiring, travel and accommodation expenses
- c Hiring specialists for research and reporting
- d Direct program costs for communication
- e-h The total cost of the organisation is based on the actually realised personnel costs in 2020, allocated to the above mentioned TOCs (direct) and cost types (indirect)

APPROVAL FINANCIAL REPORT AND APPROPRIATION OF RESULT

Date: May 10, 2021

Supervisory board

Eduard Nazaraski

Tom Groot

Elise Kant

Farah Karimi

Dushica Naumovska

Janne Nijman

Board of directors

Anna Timmerman

Miriam Struyk

Radboud van Delft

4. Other information

4.1 Branches

In 2020, PAX maintained branch offices in Juba, South Sudan and Erbil, Iraq. Besides these offices and the main office in Utrecht, the Netherlands, we have also staff based in Beirut, Lebanon; Brussels, Belgium; and New York City, USA. A separate legal entity, PAX Colombia, is based in Bogota.

4.2 Independent auditor's report

Independent auditor's report

To the executive board and the supervisory board of
Stichting Vredesbeweging PAX Nederland

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Stichting Vredesbeweging PAX Nederland, based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Vredesbeweging PAX Nederland as at 31 December 2020, and of its result for 2020 in accordance with the Guideline for annual reporting 650 "Fundraising organisations" of the Dutch Accounting Standards Board and the requirements of the Wet Normering Topinkomens (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2020;
2. the statement of income and expenses for the year 2020; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the 'Controleprotocol WNT 2020'. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

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

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

Unaudited compliance with the anti-cumulation clause in the WNT

In accordance with the 'Controleprotocol WNT 2020' (Audit instructions WNT 2020) we did not audit the anti-cumulation clause referred to in Section 1.6a of the WNT and Section 5, subsection 1, parts n and o of the 'Uitvoeringsregeling WNT'. Consequently, we did not verify whether or not the maximum salary norm has been exceeded by a 'leidinggevende topfunctionaris' (managing senior official) due to possible employment at other institutions subject to the WNT, and whether the WNT-disclosure as required in relation to this clause is accurate and complete.

Report on the other information included in the financial report

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

- the management report 2020;
- report from the Supervisory Board;
- other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Guideline for annual reporting 650 "Fundraising organisations".

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The executive board is responsible for the preparation of the other information in accordance with the Guideline for annual reporting 650 "Fundraising organisations".

Description of responsibilities regarding the financial statements**Responsibilities of the executive board and the supervisory board for the financial statements**

The executive board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 "Fundraising organisations" and the requirements of the WNT. Furthermore, the executive board is responsible for such internal control as the executive board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the executive board is responsible for assessing the organization's ability to continue as a going concern. Based on the financial reporting framework mentioned, the executive board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so. The executive board should disclose events and circumstances that may cast significant doubt on the organization's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the organization's financial reporting process.

Our responsibilities for the audit of the financial statements

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

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

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

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements, independence requirements and the 'Controleprotocol WNT 2020'.

Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board;
- concluding on the appropriateness of the executive board use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organization to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Rotterdam, 28 May 2021

Mazars N.V.

Original has been signed by: drs. D.D. Plouvier RA



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