

# PAX Annual Report 2016

**PAX**

[www.paxforpeace.nl](http://www.paxforpeace.nl)

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# Part i

Board report

# 1

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# Statement of the board

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*'We were wise indeed, could we discern truly the signs of our own time; and by knowledge of its wants and advantages, wisely adjust our own position in it. Let us, instead of gazing idly into the obscure distance, look calmly around us, for a little, on the perplexed scene where we stand.'*

Tony Judt begins the last chapter of his epic work *Postwar* with this quote by historian Thomas Carlyle, in which he attempts to interpret European history after 1945. Judt describes, perhaps somewhat perplexed, the remarkable achievements of post-war Europe, in which the European Union played a

vital role. The EU helped to guarantee peace, reconciliation and solidarity between its member states. It also helped to establish the rule of law and lay the foundation for the prosperity of its citizens. The EU is much more than an institute. It is a fundamental response to Europe's extremely brutal and violent history. But the cautionary significance and the accompanying moral imperative of the European Union has faded into the background over time. Support for the EU is dwindling in many of its member states. Populism and xenophobic nationalism are on the rise, in many European societies including in the Netherlands. An absolute low point was reached when Great Britain opted

in favour of Brexit. The European Union must internally defend the rights and freedoms of citizens that many have been taking for granted. At the same time, a European foreign and security policy based on common values is more vital than ever.

Although the world is much more peaceful now than in previous centuries, our world has undeniably become less safe in the past ten years. According to figures from the University of Uppsala, there has been a sharp rise, especially in the past three years, of the number of state and non-state wars: from 41 in 2014 to 64 in 2016. Essentially all of the underlying causes, such as the

tremendous inequality between rich and poor, political instability, increasing flows of migrants and climate change, are global in nature and interrelated. Our only chance to find new peaceful, just and sustainable solutions is through international cooperation.

The regions that witnessed a sharp rise in violence in 2016 were North Africa and the Middle East, which were already anything but peaceful. Syria and Iraq head the list when it comes to the number of deaths through direct war-related violence. But that is only part of the story. Hunger has always been a direct consequence of war, such as in South Sudan, but it has also been a deliberate tactic used by warring factions, as became painfully clear in Syria in 2016 when various cities were besieged. Violence and hunger there have driven millions of people from their homes, from their farmlands and other sources of livelihood. The overwhelming majority of refugees are hosted in neighbouring countries, who are unable to deal with

the situation, and so there is a serious chance that violence will engulf the entire region. A much smaller percentage of refugees seek refuge in Europe. To simply close Europe's borders is cruel, it violates European values and human rights, and above all it is not a solution as long we do not eliminate the reason that causes people to become refugees. The violence taking place in the conflict areas where PAX operates is complex. It comes in many shapes and forms, and the actors are also constantly changing. One-dimensional military interventions, such as bombing ISIS, are not a solution either. Indeed, the drivers of violence will not vanish following a military victory. The only thing that can bring peace and stability in the long run is an international political strategy and peace-building, aimed at eliminating the root causes and strengthening local peace forces.

Worldwide repression is also on the rise. Authoritarian regimes are not only increasing in number. The degree and

intelligent use of repression is also cause for grave concern. At the same time, authoritarian regimes have also gained more influence in the international community. It is frankly embarrassing that the EU is making deals with authoritarian regimes such as Turkey and Sudan, the main objective of which is to stem the flow of refugees, whose human rights are not respected or safeguarded by these countries in any way whatsoever.

These are the questions and dilemmas that PAX encountered in 2016. How can we support the citizens and our partners in situations of extreme violence, such as in Syria, Iraq and South Sudan? How do we give citizens a voice in an extremely repressive country like Sudan? How can we reduce the use and availability of weapons that indiscriminately kill civilians? How can we engage citizens in the Netherlands when right-wing populism, nationalism and terrorist attacks in Europe are spreading fear, insecurity and a desire to exclude fellow citizens from their own society?

This annual report gives an impression of the answers PAX has to these complex questions.<sup>1</sup> We believe our efforts with 87 partners and allies have contributed to peace and security in 2016 in 14 countries in Africa, the Middle East, Europe and Latin America. In the Netherlands, 75 large and small peace embassies organised hundreds of activities. We successfully campaigned for negotiations to begin to ban nuclear weapons. Mining, oil and energy companies were called to account about their responsibilities regarding peace and human rights. We concluded an agreement with banks in the framework of international accountability for human rights. We monitored the implementation of arms and arms trade treaties to promote their compliance.

There were times when we were perplexed by the worrying developments in the world in 2016. But sometimes we were also perplexed by how much can be achieved with citizen activism in the Netherlands and in the conflict

areas where we operate, as well as the unwavering perseverance of our partners in what are sometimes extremely difficult circumstances. That inspires hope and shows that the ideal of peace, reconciliation and solidarity is very much alive.

Jan Gruiters  
General director

<sup>1</sup> For this annual report we selected a representative sample of the programmes and projects we implement under our five thematic areas.

2

Daphn

vrede.  
Wie  
durft?

PAX



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# 'Peace. Are you in?'

## A snapshot of 2016

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*PAX means peace. It is our mission to work together with committed civilians and partners in fragile and conflict-affected areas, to protect human security, to prevent and end armed violence, and to build peace with justice.*

To achieve our mission, we work on five themes: Community-based Security & Citizens' Rights; Dealing with the Past; Protection of Civilians; Natural Resources, Conflict & Human Rights; and Humanitarian Disarmament.

In 2016, we had ongoing programmes and projects in 14 fragile and conflict-affected countries on four continents,

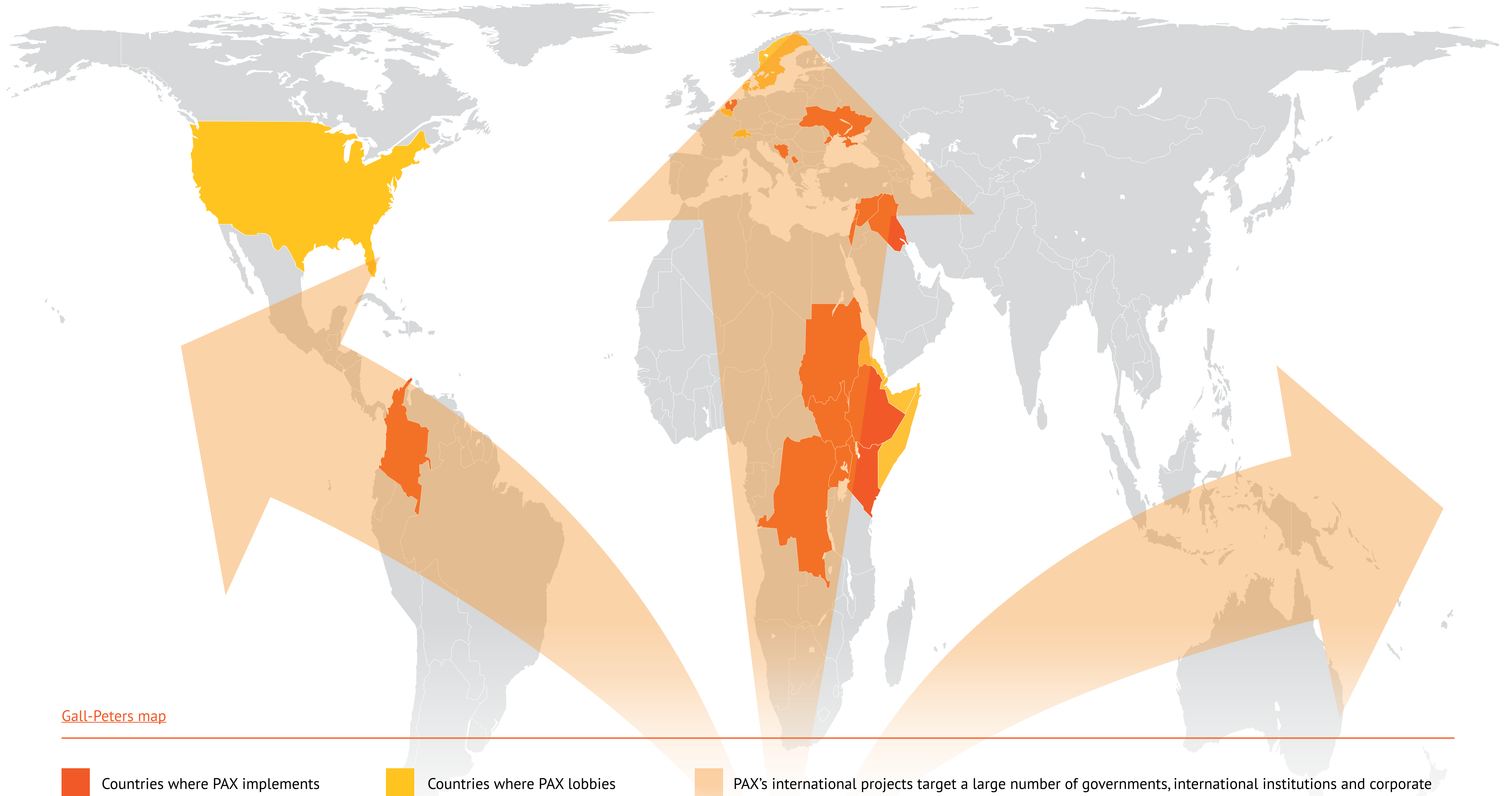
and in the Netherlands. These projects often include lobbying of governments. In 9 additional countries, PAX conducts lobbying and advocacy activities targeting decision- and policymakers at governments or international institutes located in those countries, such as the European Union (Brussels) and United Nations (New York and Geneva).

PAX also coordinates international projects targeting a large number of governments, international institutions and corporate businesses at the same time. [The world map](#) indicates the themes that we work on in all 15 countries as well as internationally.




Through our advocacy and lobbying efforts, we link our work on the ground, and the knowledge and concerns of our partners, to decision-makers at the local, national and international levels. Lobby and advocacy are used as a tool to combat the causes of violent conflict and injustice and to influence structural social, political and policy change. Programme and Public Affairs staff work together to increase effectiveness and impact.

PAX does not build peace on its own. In all countries, we work together with community-based organisations, non-governmental organisations, churches, peace activists and other civic change agents and their communities, who share our mission.



# Worldmap



[Gall-Peters map](#)

-  Countries where PAX implements projects on the ground, which sometimes includes lobby of governments
-  Countries where PAX lobbies governments, international institutions and/or corporate businesses
-  PAX's international projects target a large number of governments, international institutions and corporate businesses at the same time, on three themes: Natural Resources, Conflict & Human Rights, Humanitarian Disarmament, and Protection of Civilians.

	<b>Belgium</b> Themes: CBS&HR, HumDis		<b>Eritrea</b> Themes: CBS&CR Partners: 1		<b>Lebanon</b> Themes: CBS&CR Partners: 4		<b>Switzerland</b> Themes: HumDis
	<b>Bosnia</b> Themes: DwtP Partners: 2		<b>Ethiopia</b> Themes: CBS&CR Partners: 2		<b>Somalia</b> Themes: CBS&CR Partners: 1		<b>Syria</b> Themes: CBS&CR, PoC Partners: 8
	<b>Colombia</b> Themes: NRC&HR, DwtP Partners: 2		<b>Iraq</b> Themes: CBS&CR, PoC Partners: 5		<b>Somaliland</b> Themes: CBS&CR Partners: 1		<b>The Netherlands</b> Themes: All
	<b>Denmark</b> Themes: NRC&HR Partners: 1		<b>Israel/Palestine</b> Themes: CBS&CR Partners: 5		<b>South Sudan</b> Themes: CBS&CR, DwtP, PoC, NRC&HR Partners: 12		<b>Uganda</b> Themes: CBS&CR Partners: 4
	<b>Djibouti</b> Themes: CBS&CR Partners: 1		<b>Kenya</b> Themes: CBS&CR Partners: 4		<b>Sudan</b> Themes: CBS&CR Partners: 10		<b>Ukraine</b> Themes: CBS&CR Partners: 2
	<b>DRC</b> Themes: NRC&HR, CBS&CR Partners: 4		<b>Kosovo</b> Themes: CBS&CR, DwtP Partners: 4		<b>Sweden</b> Themes: NRC&HR Partners: 3		<b>United States</b> Themes: CBS&CR, HumDis, PoC Partners: 3

 Countries where PAX implements projects  
 Countries where PAX lobbies

**CBS&CR:** Community-based Security & Citizens' Rights  
**DwtP:** Dealing with the Past

**PoC:** Protection of Civilians  
**NRC&HR:** Natural Resources, Conflict & Human Rights

**HumDis:** Humanitarian Disarmament

## People

Many people and partners worldwide make our work happen



We have joined hands with **87** partner organisations around the world



Local peace groups in the Netherlands run **75** Embassies of Peace



**123** staff work at our headquarters in Utrecht



**15** staff are based in other countries outside the Netherlands



The total number of PAX employees grew by **28** persons in 2016



**60** volunteers are committed to support our work in the Netherlands



**29** interns strengthened our team in 2016

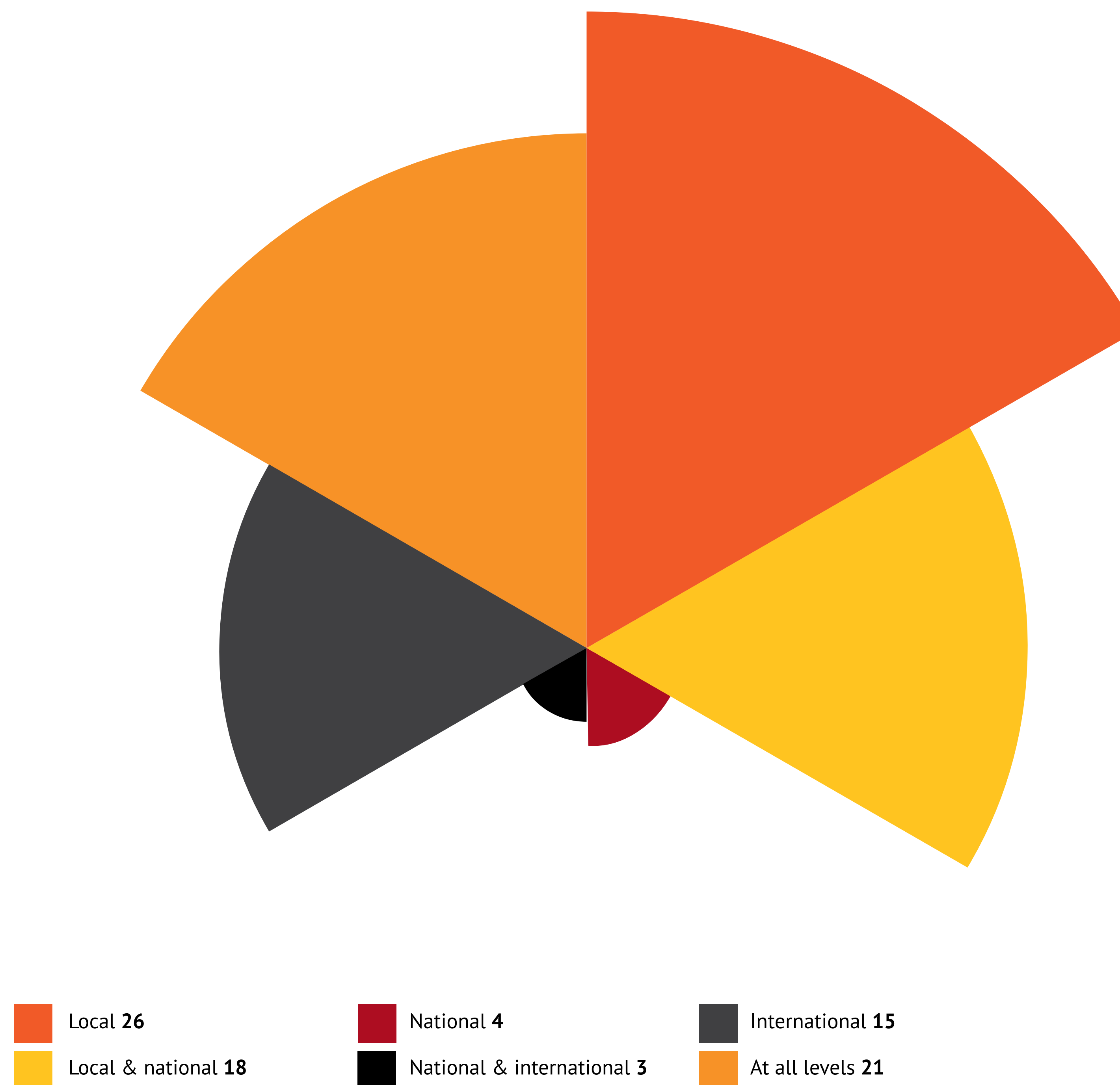
## Our partners

Of our 87 partners worldwide, seven are international organisations, five are regional organisations (three in the Middle East and two in North East Africa) and 75 are partner organisations based in the 15 countries where we work. Fourteen of our 87 partners are network organisations.

Building the capacity of our partner organisations is an important part of our work. Because we believe that sustainable change should come from within, we share with our partners, and they with us, the knowledge and lessons learned on peacebuilding, advocacy and lobbying.

We are already implementing capacity building activities with 31 of our 87 partner organisations, based on a baseline study that was conducted on their strengths and needs. Eight more partners will be added in 2017.

### THE LEVEL AT WHICH OUR 87 PARTNERS WORK



## Strategic partnerships and alliances

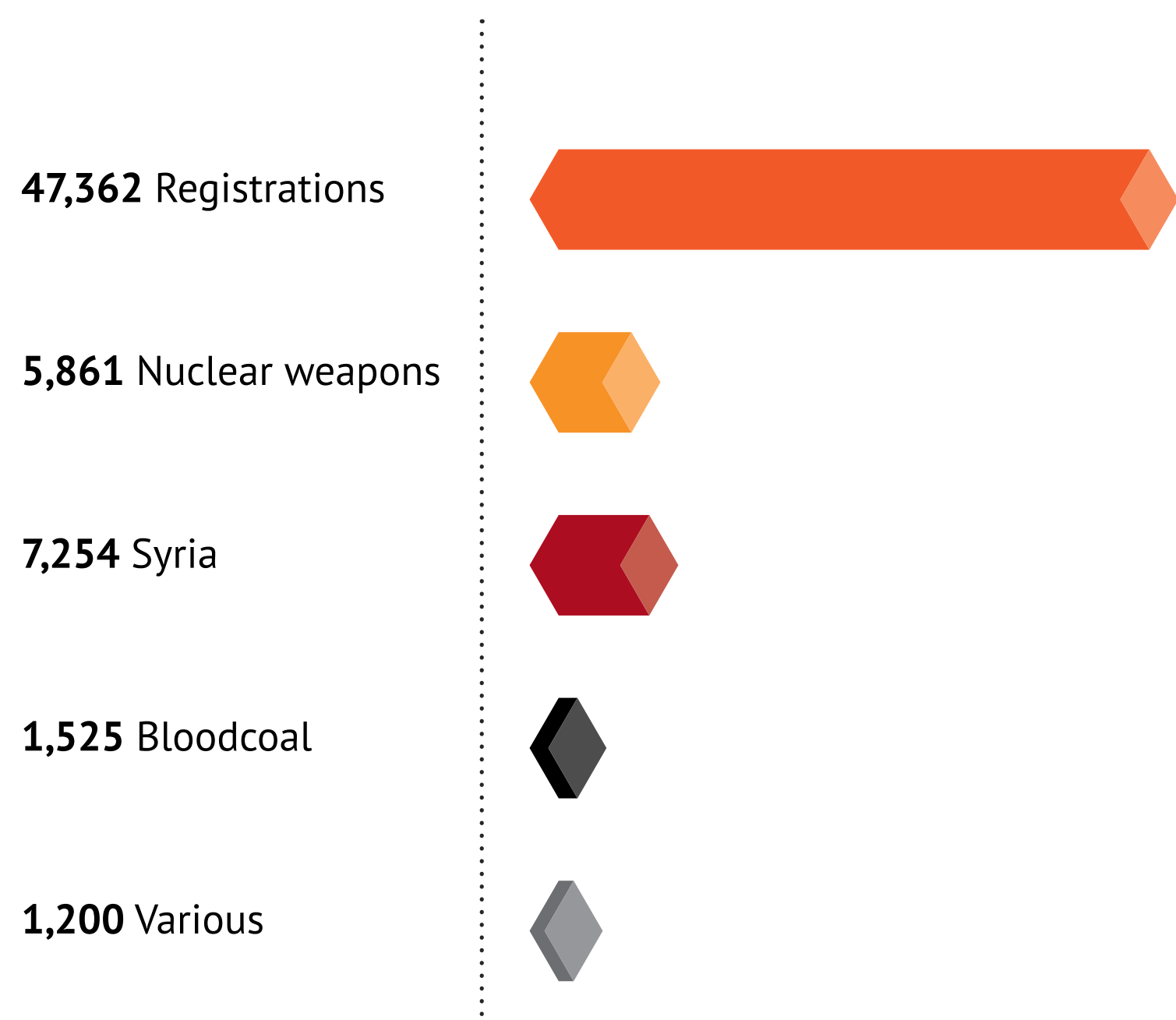
In 2016, we continued our alliance with Amnesty International. We started the Dialogue and Dissent strategic partnership with the [Dutch Ministry of Foreign Affairs](#) for the period 2016–2020. We work in partnership with Dutch and international organisations in several of our programmes and projects, for example:

- ◆ In 2016, we were awarded funding from the Dutch Ministry of Foreign Affairs as part of the third Dutch National Action Plan for the implementation of UNSCR 1325 on [Women, Peace and Security](#) to work in Iraq with Impunity Watch, Al Amal Association and Utrecht University; and in South Sudan with Plan, Healthnet TPO and STAD.
- ◆ In early 2016, we started working with the International Organization for Migration (IOM), VNG International and Cordaid in the [Democratic Republic of Congo](#).
- ◆ In 2016, PAX and VNG International started a new programme in eastern [Ukraine](#).
- ◆ In late 2016, we launched a new partnership with UN-Habitat in [Kosovo](#).
- ◆ In the Western Balkans and in Colombia, we strategically work together with Impunity Watch.
- ◆ We continued our partnership with VNG International and Cordaid for our peace work in [the borderland region](#) of South Sudan, Kenya and Uganda.
- ◆ In 2016, we finalised the regional ‘Women Against Violence’ programme in Iraq and Palestine, for which we worked in partnership with Cordaid, Women Peacemakers Program and Human Security Collective, funded by the Dutch Ministry of Foreign Affairs as part of the second NAP on UNSCR 1325.

## Campaigns

We involve the Dutch public in our campaigns. 47,362 people have registered for our online ‘action tool’. In 2016, they supported our actions and campaigns 15,840 times: 5,861 times on nuclear weapons, 7,254 times on Syria, 1,525 times on blood coal, and 1,200 times on various current issues.

### CAMPAIGNING SUPPORT BY THE DUTCH PUBLIC



Several of our international campaigns on [Humanitarian Disarmament](#) as well as on [Natural Resources, Conflict & Human Rights](#) target a total of 588 financial institutions and companies.

### FINANCIAL INSTITUTIONS AND COMPANIES TARGETED # OF COMPANIES

Dutch financial and insurance sector through the Fair Finance Guide (NL and Sweden) and the Dutch Banking Sector Agreement	23
Financial institutions investing in blood coal/oil companies with suspected poor human rights track record	25*
Financial institutions still investing in cluster munition	158
Financial institutions still investing in nuclear weapons	382

\*This is an estimation of the financial institutions investing in the involved mining companies which we expect to impact through our work.

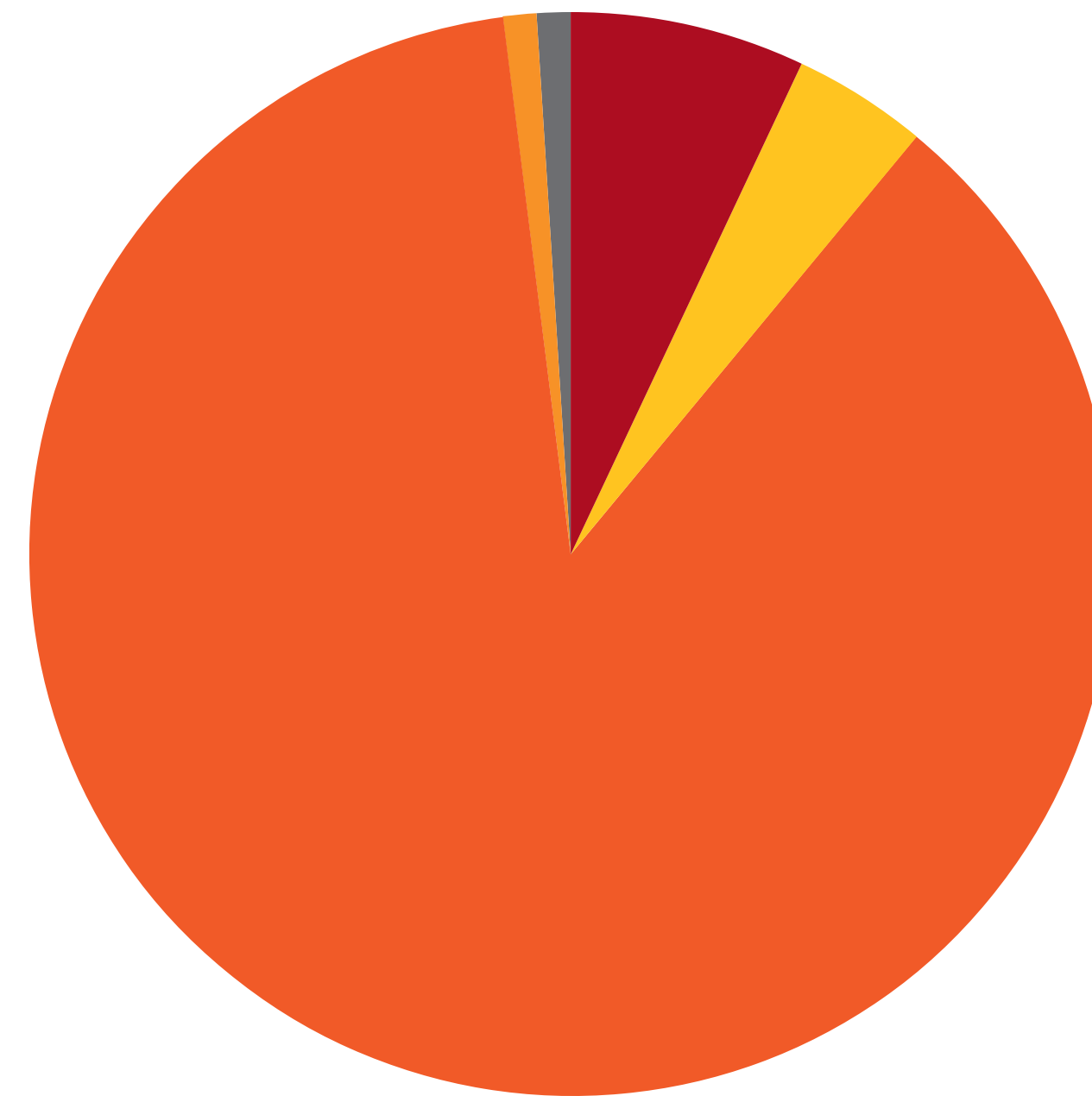
PAX is a co-founder and committed member of many international campaigns:








## Our income and expenses

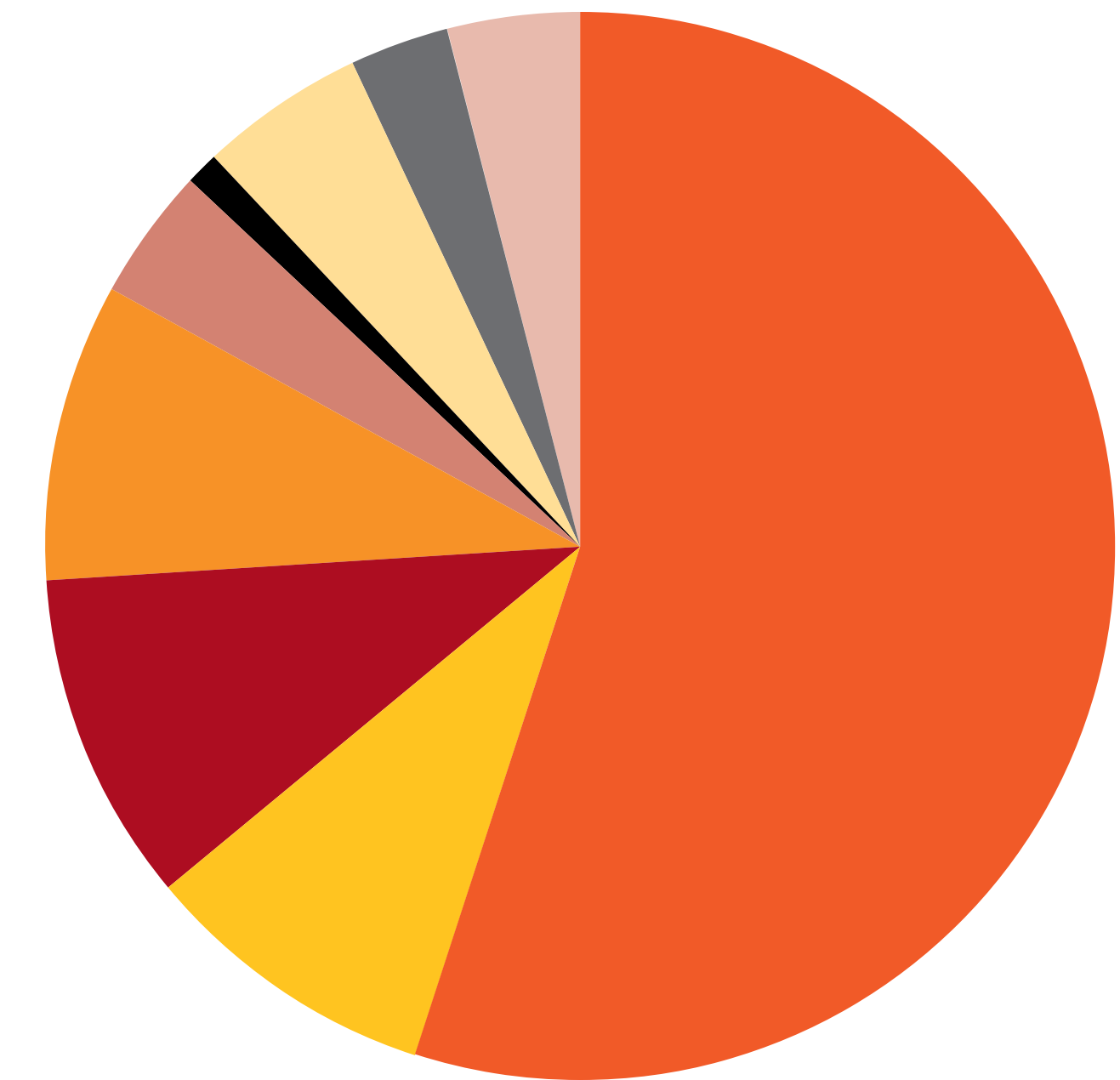
The graphs show where our income comes from and how PAX spends its funds. More detailed information is found in [Part 2](#).

### INCOME



	<b>€ 1.392.391</b>	Income from own fundraising
	<b>€ 837.906</b>	Income from third parties
	<b>€ 15.986.418</b>	Grants from governments
	<b>€ 31.005</b>	Interest and investment income
	<b>€ 38.698</b>	Other income

### EXPENDITURE

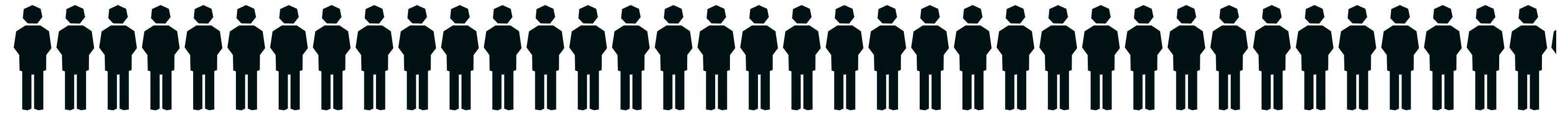


	<b>€ 9.681.751</b>	Community-based Security & Citizens Rights
	<b>€ 1.547.747</b>	Dealing with the Past
	<b>€ 1.806.197</b>	Humanitarian Disarmament
	<b>€ 1.569.383</b>	Natural Resources, Conflict & Human Rights
	<b>€ 744.083</b>	Protection of Civillians
	<b>€ 53.832</b>	Networks for peace building
	<b>€ 827.975</b>	The Freedom from Fear Alliance parties
		MFS SP liabilities
	<b>€ 484.339</b>	Acquisition costs
	<b>€ 736.437</b>	Cost of management and administration



# Outreach

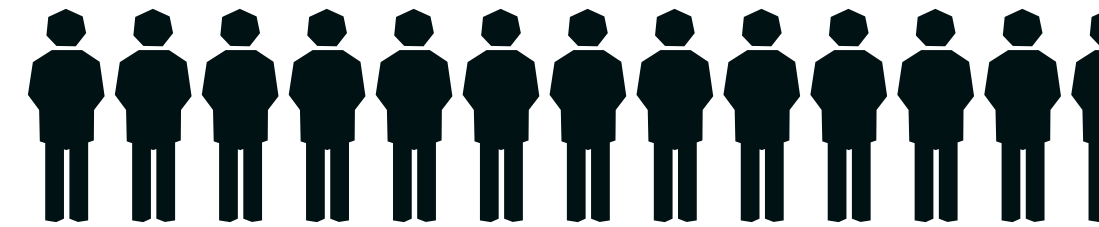
We have **18,073** followers on Facebook



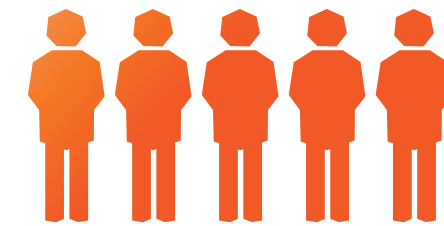
**5,143** people follow us on Twitter



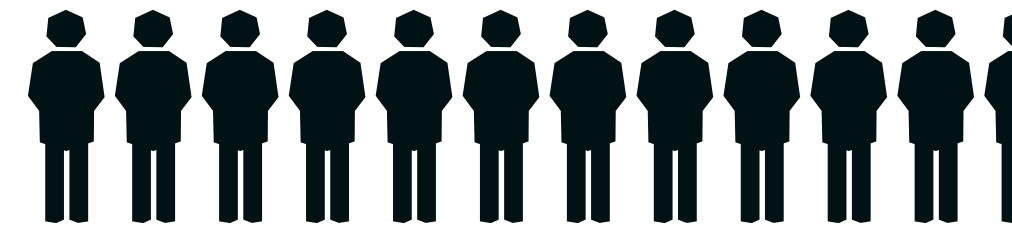
Our Dutch website had **6,200** unique visitors per month in 2016



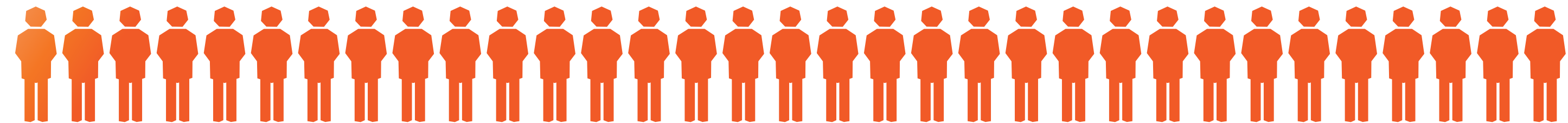
Our English website had **2,500** unique visitors per month in 2016



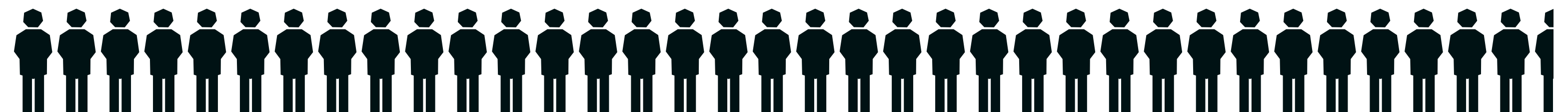
**5,700** people receive our English-language newsletter




**16,500** people in the Netherlands receive the PAX Magazine



**17,788** supporters and members contributed to our work in 2016



 = 500 people

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# Why and how we do what we do

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## Our mission and values

PAX means peace. For almost 70 years PAX has been working together with committed civilians and partners in fragile and conflict-affected situations to protect human security, to prevent and end armed violence, and to build peace with justice. This is our mission.

Our guiding values are human dignity and solidarity. We believe that human dignity is the basis for peace and justice, and that every person has the right to live free from fear. We consider peace a verb: a task assigned to us all.

We therefore show our solidarity with peace activists and victims of war and violence. We support local communities and civil society organisations that are willing to go the extra mile for the right to human security and who try to end conflict with sustainable solutions anchored in international law. We are not distracted by private, party political or national interests.

PAX is rooted in the Christian tradition and inspired by the message of peace and justice in the Holy Gospel. To this end we work together with all people of good will who share our ideal and have the courage to stand up for peace. We are supported by a wide group of

involved citizens, social organisations and churches.

## Five themes and our theory of change

To achieve our mission we work on five themes. All of the projects and programmes that we implement and support in 15 countries in the Middle East, North East and Central Africa, Europe and Latin America, or at the international level, relate to these five thematic areas:

### 1. COMMUNITY-BASED SECURITY & CITIZENS' RIGHTS



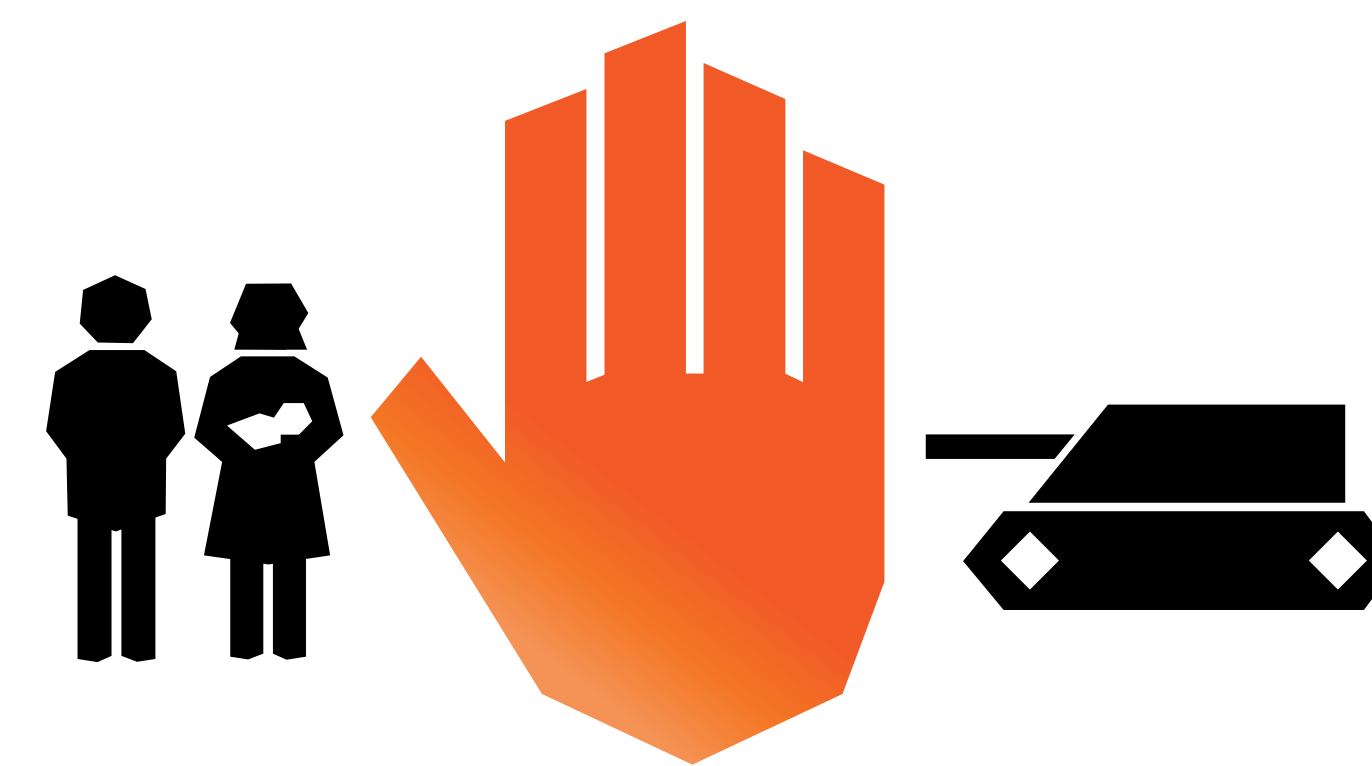
By building bridges between (antagonistic) communities together with partner organisations, we contribute to the peaceful resolution of conflicts and therefore to social cohesion within societies. By engaging with local authorities, the military and police, or by increasing pressure on these parties, we contribute to the development of a responsive and legitimate state and the political space for civic activism.

### 2. DEALING WITH THE PAST



By systematically looking at how governments and civilians deal with the violent past, through an inclusive process of truth finding, justice and reparation, we reduce the risk of violence recurring and help victims receive reparations. This improves social cohesion and helps to create a more responsive and legitimate state.

### 3. PROTECTION OF CIVILIANS



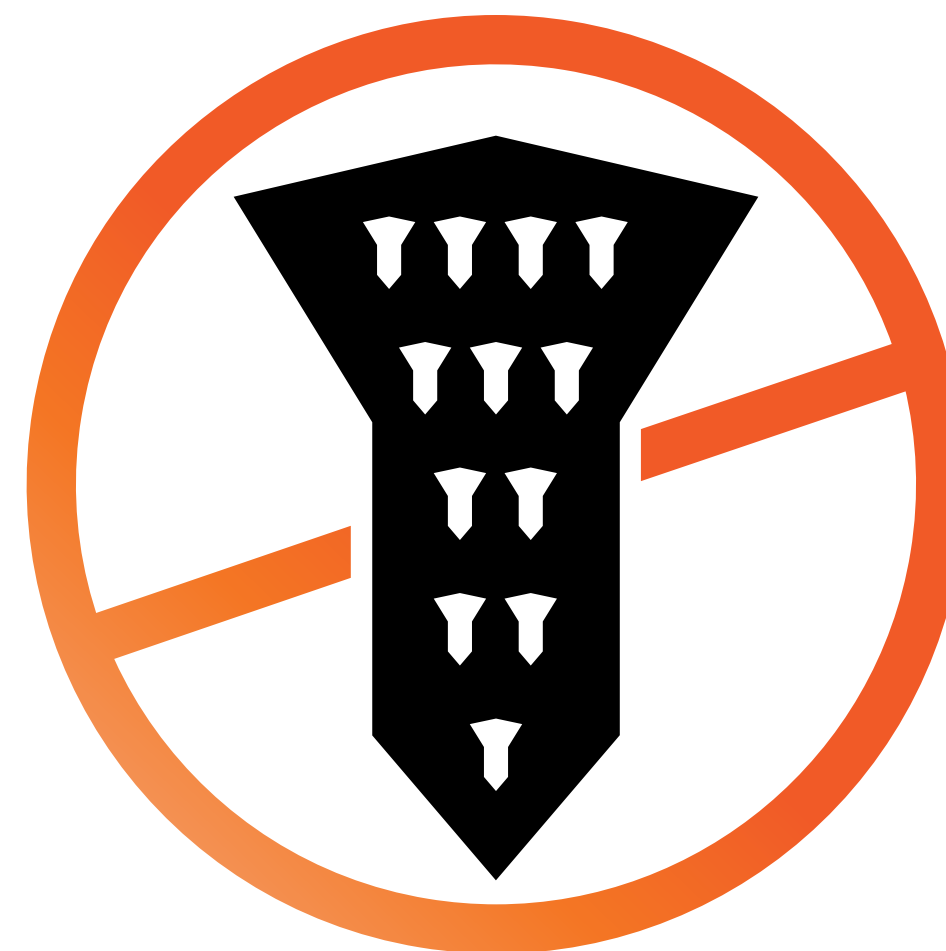
By identifying the human security interests of civilians and their communities, and supporting local communities in their dialogue with international peacekeeping missions, we help the international community to act on its responsibility to protect the security of civilians and their human rights.

#### 4. NATURAL RESOURCES, CONFLICT & HUMAN RIGHTS



By urging and supporting states and the corporate sector to follow the UN Guiding Principles on Business and Human Rights in the exploitation of natural resources, we mitigate the risk of violence and human rights violations and promote remedy for victims of violence and human rights violations.

#### 5. HUMANITARIAN DISARMAMENT



By mobilising political and public pressure for the regulation and reduction of the production, trade and use of weapons, thereby mobilising support of governments and financial institutions, in cooperation with our partner organisations and within international networks, we contribute to the mitigation of weapons as a stress factor.

PAX advocates the importance of addressing gender issues in all five thematic areas. Including a gender perspective in conflict transformation and reconciliation is closely linked to our core values. Moreover, the equal inclusion of both men and women is a practical need to come to a comprehensive approach for working on conflict and security issues. We therefore pay specific attention to [Gender, Peace & Security](#) throughout our programmes and activities.

# Why we work on these five themes

Our projects and programmes in the five thematic areas contribute to five transformative processes that we consider essential to achieving the change we envisage in the countries where we work. These five transformative processes are:

**1. Organising and mobilising civil activism.** Civil activism and the mobilisation of civilians in conflict-affected areas as well as in our own society are essential to our mission and a precondition for our work. The political space, also referred to as the enabling environment for civic change agents, is shrinking. In conflict areas, civil activists who speak out against violence and injustice are increasingly targeted by governments and armed groups. This worrisome trend makes us all the more

committed to working together and reinforcing the capacities of civilians, so that they can become civic change agents who contribute to structural change as a counterforce to the government and corporate sector, and to creating just and peaceful societies.

**2. Strengthening social cohesion within society and between and among hostile groups.** The vicious circle of fragmentation of society, on the one hand, and the weakening of the government, on the other hand, needs to be broken. Rebuilding trust relationships between people and their government, thus creating social cohesion, is essential to achieve this.

**3. Promoting government reforms to create responsive and legitimate public institutions** that provide security as well as access to justice and employment. This is important for breaking vicious circles of violence and injustice. It requires inclusive political processes that promote dialogue between citizens and

government to build a social contract between a resilient society and a responsive and legitimate government. This process explicitly includes women, minorities and young people.

*These three transformative processes towards an enabling environment, including the mobilisation of civil activism, social cohesion and a responsive and legitimate government, is what we work towards in our programmes on Community-Based Security and Citizens' Rights and Dealing with the Past*

**4. Mobilising support from the international community** to comply with the international responsibility embedded in International Humanitarian Law to respect, protect and fulfil human security and human rights.

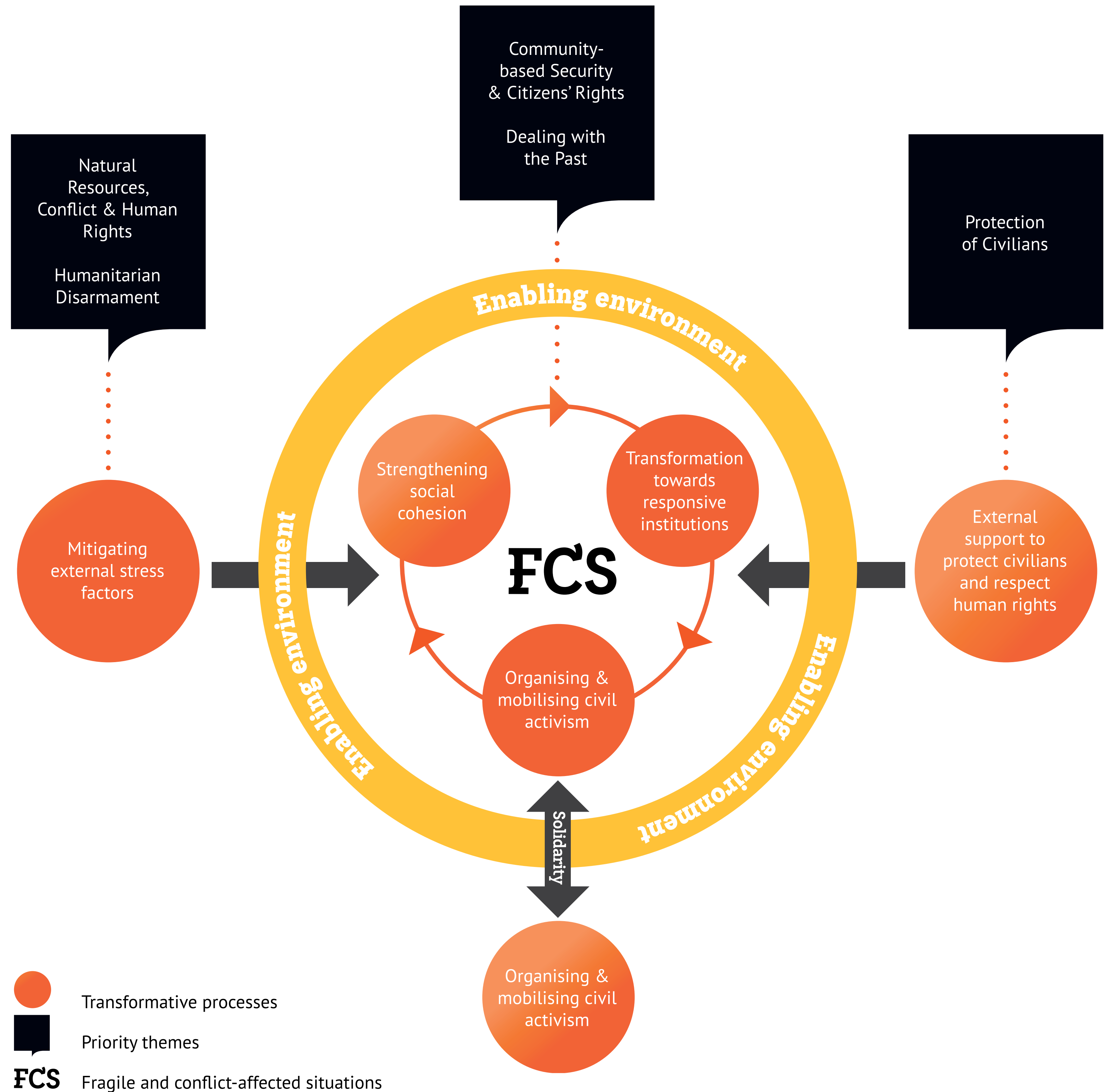
*Safeguarding the voice and perspective of civilians in peace missions by the international community is the core of our work under the theme Protection of Civilians.*

**5. Mitigating external stress factors,** such as international arms trafficking, violent extremism and the irresponsible

exploitation of natural resources, which increase the risk of violence and human rights violations. Strengthening the resilience of citizens and governments against external stress factors reduces the risk of armed conflict.

*Our programmes under the themes Humanitarian Disarmament and Natural Resources, Conflict & Human Rights help to mitigate external stress factors.*

The relationships between the themes we work on and the transformative processes they contribute to is visualised in this figure. This also shows the importance we attribute, based on our core values of solidarity and human dignity, to mobilising Dutch and European citizens to connect with citizens in fragile and conflict-affected situations and to take a stance together against injustice.



# How we work: our interventions

PAX uses different interventions and instruments to achieve results on the five main themes and to contribute to transformative change. The how of our work depends on the context in the countries where we work. To increase effectiveness, our interventions are often linked and interrelated. We focus on the following five interventions:

## 1. Capacity reinforcement

Reinforcing the capacity of partner organisations, local communities, leaders and civil activists.

## 2. Research and monitoring

Researching, analysing and monitoring human security and human rights (including *enabling rights*).

## 3. Building bridges between (antagonistic) groups

Promoting peaceful cohabitation of (antagonistic) groups by reinforcing social cohesion.

## 4. Facilitation of dialogue

Facilitating dialogue between actors at various levels.

## 5. Lobbying and public campaigns

Influencing policy for peace and human rights (including *enabling rights*) through advocacy and lobbying as well as organising and mobilising public support and pressure.

## Capacity building

Building the capacity of our partner organisations on peacebuilding, advocacy and lobbying is a vital part of our work. If our partners can contribute to social cohesion by facilitating dialogue and negotiation processes between antagonistic groups and if they are capable of collectively pressuring authorities to implement the rule of law and good governance, this will help to reduce violence and violations of human rights.

**Capacity building entails coaching, training and supervision on topics including:**

- ◆ moral leadership based on universal values and inclusiveness
- ◆ social mobilisation of local communities
- ◆ negotiations, mediation, building bridges
- ◆ human rights education, monitoring of human security and human rights violations
- ◆ advocacy, lobbying and public campaigning



## Planning, monitoring and accountability

In 2015 and 2016, we revised our Planning, Monitoring and Evaluation (PME) system to align it with PAX's new programme set-up, to exploit the potential of using theories of change in our project designs and to link it with the IATI standard. New tools and methodologies for strategic planning, information gathering, reflective monitoring and internal and external accountabilities were developed and implemented. It allows PAX to strengthen its project strategies. It provides our staff and partners the means to monitor achievements and link this with our interventions. The system also allows us to adjust the projects according to the dynamics of the complex environment in which we work. In 2016, we finalised a baseline for all projects, providing a solid start for project monitoring.



PAX's PME system includes an evaluation agenda, a multiannual planning of upcoming, mainly external, evaluations of the programmatic work of PAX, which aims to:

- ◆ enhance accountability: informing the public in general, our

constituency and especially our donors about the efficiency, effectivity, relevance and sustainability of our programmes

- ◆ enhance learning and steering to improve our strategies, interventions and policies

Women and men play different roles within their communities, both in times of conflict and while building peace. With the adoption of the 'PAX Strategic Framework for Gender, Peace and Security 2016-2020', we have strengthened the gender-specific approach to our work. Already in 2016, after training our programme staff, gender equality, gender rights and women's empowerment were built in more explicitly in the design and implementation of many of our projects. Examples are the [Human Security Survey project](#) conducted in South Sudan and Iraq, the project for inclusive community building [after ISIS in Ninewa province](#) in northern Iraq, and the strategies used to promote women's leadership in peace dialogues and engagement with local governments in Ukraine and Kosovo. Our new PME system safeguards the inclusion of gender perspectives and gender-disaggregated data.

### **UN Security Council Resolution 1325**

In March, PAX signed the third Dutch National Action Plan on Women, Peace and Security (NAP 1325). We contributed to the development of the NAP and co-chaired the NAP 1325 reading group. In October, we co-organised a side event about grassroots systems for justice and reconciliation

'Many women in Laylan Camp come from traditional areas. We started to teach them to read and write, which gave them a sense of achievement and self-worth. After that, we taught them about leadership and conflict resolution. Now the women stand up for themselves and support each other.'

SUROOD AL-NAQSHABANDI, PROJECT MANAGER KIRKUK,  
AL-AMAL ASSOCIATION

at the UN Security Council Open Debate on WPS in New York.

We are very pleased to have been awarded funds from the third NAP 1325 budget (2016-2019) to work in two consortia. First, as lead in a programme developed together with Impunity Watch and our Iraqi partner Al Amal as well as the department of Conflict Studies of Utrecht University, we will work on combating gender-based violence and pressure for security sector reform in Iraq. Together with Plan, Healthnet TPO and STAD, we developed a programme for South Sudan that focuses on capacity building activities for women's groups and traditional leaders on gender-sensitive conflict analysis and incorporating women in peacebuilding. PAX will continue to serve as the chair of the South Sudan NAP country group.

### **Women against violence in Iraq...**

In 2016, we concluded our regional 'Women against Violence' programme aimed at strengthening the role that women play in increasing community security. The new consortium programme will build on its achievements. In 2016, women in Laylan Camp for internally displaced people in Kirkuk (Iraq) were trained to strengthen their

leadership skills as they took on the role of *mukhtara*, a community leader supporting conflict resolution and mediation ([see the story of Um Marwan](#)). In both Kirkuk and Basra, women's groups managed to establish relationships with government, political and religious leaders as well as with the police. This is no small achievement in Iraq's conservative society, where women are not expected to play a role in public, 'male' affairs such as conflict and security matters.

### ... and Palestine

In Palestine, a network was formed between women's groups in Jerusalem, Bethlehem and Al-Walajah. Together, they visited the various security agencies and built up regular contact with the civil police. The aim was to put human security on the agenda, and raise awareness on gender sensitivity and stereotypes within the police force regarding Palestinian women. An encouraging result in 2016 is that for the first time two women were included in a police unit committee that works on solving sensitive problems related to domestic violence, for example. The women's groups, moreover, developed a radio programme with women's stories and information on women's rights, which was broadcast on Radio Mawwal in Bethlehem

twice a week for three months. Two women from the project intend to run as candidates in the upcoming municipality elections.

### Women's Peace Table

On 17 and 18 October 2016, PAX hosted the Regional MENA Women's Peace Table in Amman, Jordan. Women leaders and activists from around the Middle East and North Africa gathered to explore new ways to involve women in initiatives aimed at fostering transformational peace and security. The Women's Peace Tables initiative is a global awareness campaign started by #WomenSeriously in response to the fact that women are still chronically under-represented in peace negotiations and decision-making tables around the world. Women activists from networks established through our 'Women against Violence' programme also participated.





**'Two years ago,** I fled my home. Baiji, where I lived halfway between Bagdad and Mosul, was taken over by ISIS. Since then I have been living here in Laylan Camp in Kirkuk. It has not been easy. People gossiped about me – and they still do – because I live alone, without a husband. I divorced my husband five years ago because he was violent and kept marrying, then divorcing, second and third wives and bringing them into our home. But because I have confidence in myself, I don't care about the gossip; the important thing is my work. Here in the camp I was trained to be a

mukhtara, a mediator. *Mukhtar* means community leader in Arabic. It means someone who is trusted and relied on to resolve disputes in a village or neighbourhood. Usually in our society it is the men who fulfil this role. But here in the camp things are different.

The people from Al Amal have trained 60 women to become mediators in the camps and I am one of them. There are so many conflicts here, because of the tension of living in tents without privacy and the traumas of war and violence afflicting people. Since my training, I have often helped people and families resolve their conflicts. Some were about domestic violence, or forced marriage, or kidnapping.

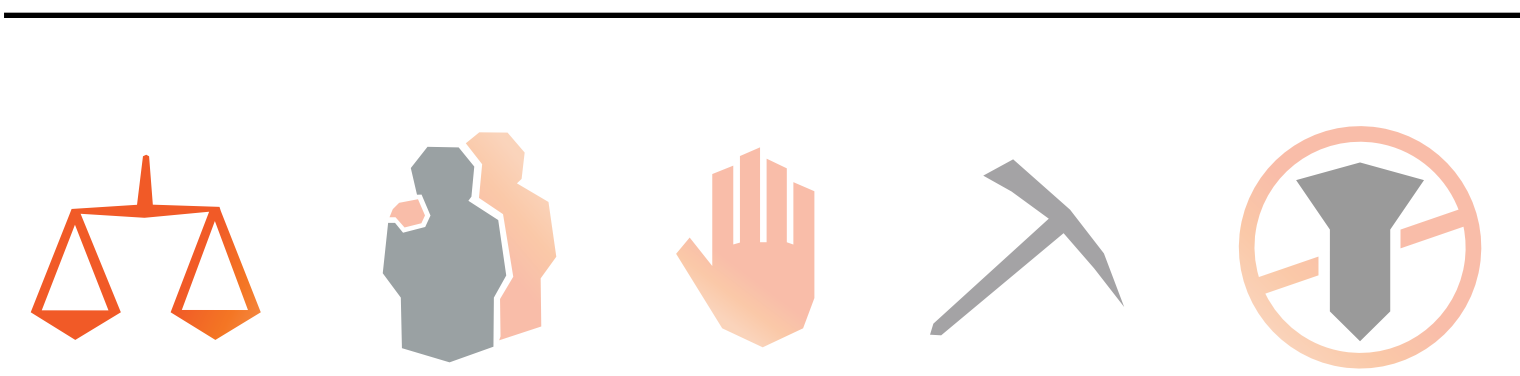
Taking on this role has changed me. My life before consisted of washing dishes and sweeping the floor. I didn't know anything, to be frank. But since I came here, I became aware of many things. Here, I learned about power, how to succeed in our work, how to speak with people and how to solve problems when they arise. Now, if someone is angry, I know how to deal with them. I am the one who remains calm in order to communicate and create understanding. I lost so much when I fled

my home. But the most valuable thing I have now is my self-esteem and my dignity. I see myself as having confidence and strength. I can get through all these challenges, as if they are a sea that I have managed to cross.

I hope it will help me in the new challenge that lies ahead. Our villages have been liberated from ISIS. We have been told to pack our things and return home. But I know that for many girls and women, the end of the armed violence does not mean they will now have peace and security. As for me, I will have to struggle to keep the position I worked so hard for here in the camp. As soon as I got to know the women who were working as community leaders, I knew this was something for me. But now I'm afraid that there won't be a role for me when I am back in my village. By the grace of God, I hope things will get better. The most important thing we want is safety. For our families and our children. I am motivated to become more successful and to help people resolve their conflicts. I am sure that as I get stronger, I will contribute to make that happen.'

INTERVIEWED BY SUROOD AL-NAQSHABANDI,  
PROJECT MANAGER AT AL-AMAL FOUNDATION

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# Community-based Security & Citizens' Rights

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## STRATEGIC OBJECTIVES

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- ◆ Civic change agents and their communities contribute to social cohesion by facilitating dialogue and negotiation processes between antagonistic groups.
  - ◆ Civic change agents engage and increase pressure on their government for reforms to create responsive and legitimate institutions that protect human security and human rights.
  - ◆ Civic change agents put pressure on governments, while mobilising the international community, to improve the enabling environment for civic activism.
- 

Rebuilding social cohesion within and between communities, and restoring trust between citizens and the authorities, is vital to achieve durable, peaceful solutions to violent conflict. PAX supports the building of bridges between (antagonistic) communities, while at the same time increasing pressure on local authorities, the military and police, to develop responsive and legitimate state institutions as well as political space for civic activism.

Capacity building is a vital component of our activities within this theme. We cooperate

strategically with Amnesty International and VNG International.

PAX runs projects under this theme in Syria, Iraq, Israel and Palestine, Lebanon, Sudan, South Sudan, Kenya, Uganda, the Democratic Republic of Congo, Kosovo and Ukraine as well as a regional project for the Horn of Africa.



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## Syria

Despite continued efforts by the UN Special Envoy to foster a political process to end the war in Syria, the situation for civilians did not improve at all. War crimes were committed systematically and on a massive scale. This included the bombing of civilian targets such as hospitals, schools and water facilities, the use of chemical weapons and banned cluster bombs, as well as deliberate starvation and forced

population transfers. A tragic low was the forced surrender of the besieged town of Darayya in August, followed by East Aleppo in December.

### **PAX in Syria**

PAX has been working in Syria since 2003. An important part of our work in Syria in 2016 was to give financial and moral support to peaceful Syrian civil society groups and activists with whom we have built up close relations. Many of them have had to flee the country, but we managed to work in regime-controlled areas, opposition-controlled areas and in areas under control of the Syrian Kurdish Democratic Unity Party (PYD), through a few dozen extremely courageous partners who are still active there. Some partners receive institutional support and others work on the [Lessons in Peace](#) and [Kulluna Muwatinun projects](#), and the local peace initiatives funded through [Adopt a Revolution](#). Because of the high level of violence and extreme insecurity, our staff in Utrecht and Amman (Jordan) can no longer visit Syria but remains in

touch with our partners through secure communication channels.

### **Sieges are war crimes**

In 2016, we continued to advocate the use of international pressure to lift the sieges on communities across Syria. Data collection by the [Siege Watch project](#), ran by PAX and The Syria Institute, showed that by August at least 1.3 million people were completely trapped. The deliberate starvation of people under siege that has been ongoing since 2013 is a war crime. During 2016, it became clear that the Assad government and its allies were shifting their tactics from 'surrender or starve' to 'surrender or die'. Civilians and opposition groups in the besieged areas were literally bombed into surrender. Given the systematic nature of these crimes, they amount to crimes against humanity.

In August 2016, Darayya in South Damascus – known as the capital of peaceful resistance – capitulated after a complete destruction campaign by government troops. Following the





## Our international advocacy & lobbying on Syria

The first-hand information we receive through our Syrian partners on the ground feeds and strengthens our advocacy work at the international level. Since 2011, PAX has been publishing Syria Alerts with analysis and recommendations on political developments. UN agencies, member states, and NGOs are increasingly relying on and referring to PAX policy recommendations.

Since PAX began cooperating with The Syria Institute on [Siege Watch](#), there have been more voices calling for improvements in reporting on sieges, including in the UN and the EU. Several large humanitarian NGOs have ramped up their advocacy on sieges following Siege Watch reports. The UN Office for the Coordination of Humanitarian Affairs (OCHA) initiated an internal review process and consequently increased its estimate of the number of people living under siege.

The international advocacy by PAX and The Syria Institute contributed to the decision taken by the

international community in early 2016 to start food airdrops over the besieged city of Deir ez-Zor in eastern Syria. PAX argued that the muted response from the international community, which was de facto accepting Assad's refusal to allow humanitarian convoys access to the city, implied complicity to war crimes. The Dutch government spoke out within the International Syria Support Group (ISSG) on the importance of airdrops for the starving population in the besieged city. The airdrops brought some relief. However, PAX continues to stress that the only real solution is to end the sieges.

In July 2016, we published the ['After ISIS Alert'](#). In this report, PAX urges the international community to develop a peacebuilding strategy for areas recaptured from ISIS, including support for inclusive local governance structures. We argue that if the efforts of the international coalition fail to address the root causes of the crisis that led to the rise of ISIS in the first place, the short-term successes against ISIS could easily lead to new post-ISIS conflicts and new humanitarian disasters.

surrender, the entire population was forcibly transferred to Idlib province. In December 2016, the exact same tactics led to the surrender and depopulation of East Aleppo. PAX argues that what have been called 'evacuations' of civilians from both cities in the media are in fact forced population transfers. These also constitute a war crime under international humanitarian law.

### Lessons in peace

In early 2016, PAX was awarded a grant by the Dutch Postcode Lottery for a three-year project to set up and run seven primary schools in East Aleppo, specifically aimed at building social cohesion through education. At the time East Aleppo was still controlled by opposition groups. Many school buildings in this part of the city had been destroyed. PAX's partner organisation Kesh Malek seized this 'opportunity' to start new schools. Kesh Malek views education as much more than teaching spelling and mathematics; it wants to help raise a young generation of both



critical and compassionate citizens. Aiming to make a clean break with the totalitarian educational culture under the Assad regime, the children are taught based on the principles of peace and freedom. Pupils are allowed to question their teachers; physical punishment or verbal abuse by teachers is forbidden. The schools welcome girls and boys of all ethnic and religious backgrounds and – even though Kesh Malek is a group of revolutionary activists – they provide education free of any political or religious ideology. The Kesh Malek schools' educational vision is very important as a counterweight to extremist groups in Syria that try to enlarge their influence on society through education.

The objective of the Lessons in Peace project was to teach 2,300 pupils divided over seven schools. By the summer, five schools had opened and were teaching over 1,000 children. However, during the summer months, East Aleppo came under full siege and was heavily bombed. At

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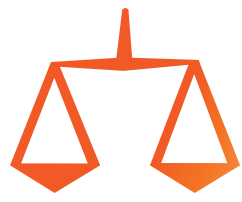
'Our aim is to build a generation through non-ideological education. For this reason, we don't accept the revolutionary flag in the classrooms of our schools – even if we are ready to die for it on the streets.'

ZAID MUHAMMAD, KESH MALEK

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the start of the school year in September, the situation was so dire that the schools established by Kesh Malek could not welcome their pupils back. Later that month, a ground offensive by regime troops and affiliated militias was launched. Step by step they took control over ever-larger areas of the eastern part of the city. In December, Aleppo fell and the remaining population (around 30,000 of the originally 326,000 people that lived in East Aleppo before the offensive) was deported.

During those frightening and chaotic days, hardly any news came through. Fortunately, after several weeks, Kesh Malek activists managed to determine the whereabouts of many of the teachers and pupils. Most of them had been forcibly relocated to rural areas to the west and north of Aleppo. With permission from the Dutch Postcode Lottery, the schools will be reopened in these new locations in 2017. Psychosocial counselling is offered to the children.



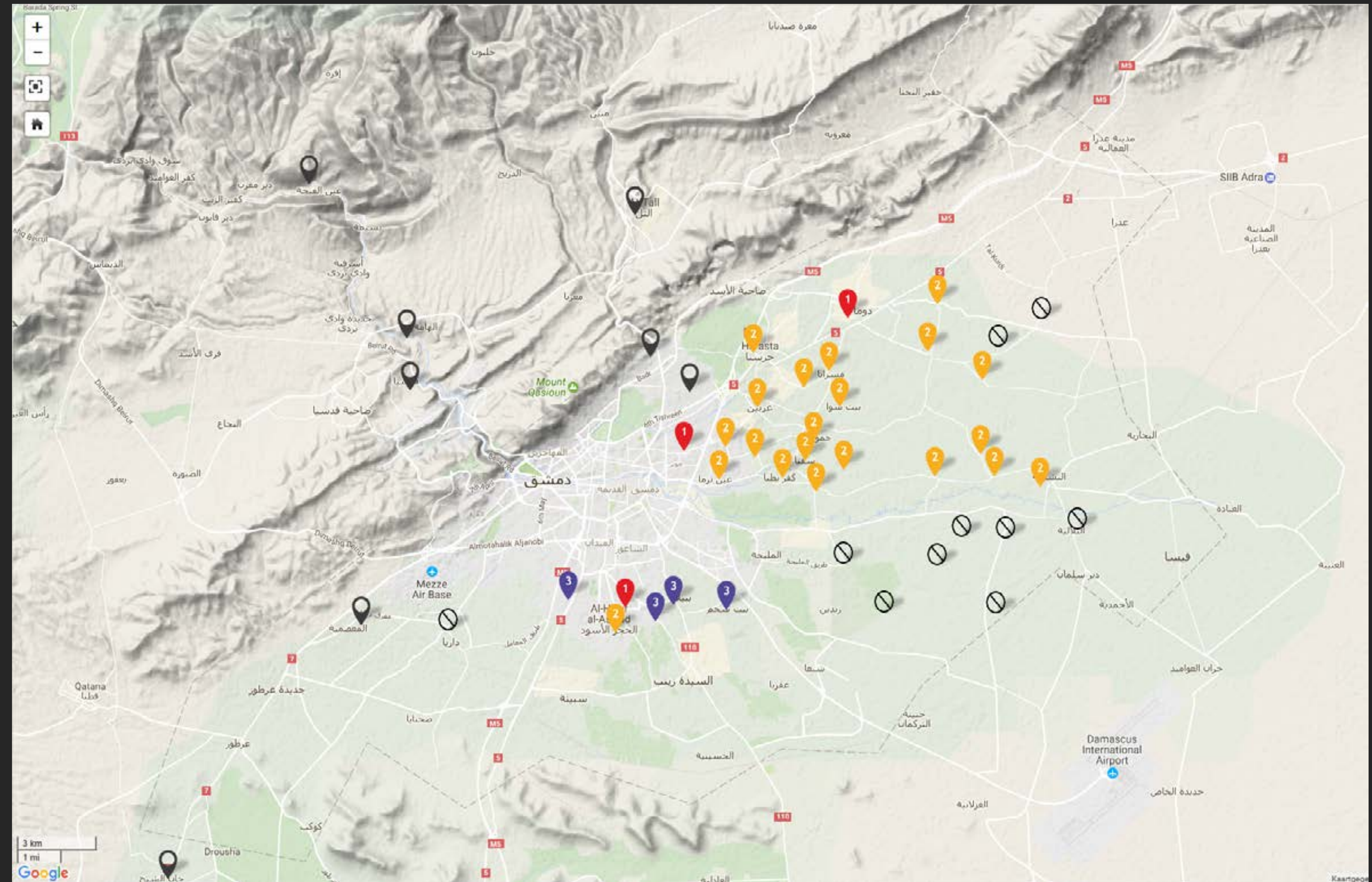
Lina Shami, member of Kesh Malek and involved with the Lessons for Peace project, was a 21-year-old student of architecture at Aleppo University when the revolution broke out in 2011. Her messages from within Aleppo in December 2016 were widely published on social media.

### More work by PAX in Syria in 2016

- ◆ Through the We Are All Citizens project, PAX supports a network of young activists in Syria. Their activities help to restore and build social cohesion among and between communities whose relationships are becoming increasingly polarised as a result of the war.
- ◆ Through the Adopt a Revolution crowdfunding campaign, supporters of PAX in the Netherlands donated money for a theatre group in Saraqeb and two youth centres in Rōbani en Hassakeh, where young people traumatised by the war are welcomed to engage in all sorts of trust-building activities, and together help to make the destroyed towns liveable again.

In 2016, the [Siege Watch project](#), a joint initiative of PAX and [The Syria Institute](#) in Washington, DC, published four reports to provide the international community with timely and accurate information on conditions in Syria's besieged communities. Data is collected with the help of a network of about 50 contact persons across Syria. Their information is analysed and used to increase international pressure to put an end to the sieges. PAX's liaison officers at the EU in Brussels and the UN in New York as well as the liaison officer for the European capitals Berlin, London and Paris support the Syria team in these advocacy efforts.

[The fourth quarterly report](#) documented an estimated 1,326,175 people trapped in inhumane circumstances in at least 39 besieged communities across Syria by August 2016. They are cut off from access to food, medical care, and often electricity and running water. They are subjected to constant attacks, including with internationally banned landmines, cluster munitions and chemical weapons, as well as with incendiary munitions, bunker busters and explosive weapons with wide-area effects. The Syrian government and its allies are responsible for the majority of these sieges.



Since its start in late 2015, the Siege Watch project has persistently shown that the scale of the crisis in besieged areas in Syria is far worse than UN OCHA has acknowledged. UN OCHA's reporting on humanitarian issues in Syria is important because it is used in the UN Secretary-General's monthly reports to the UN Security Council. The response of the international community to the war crimes committed in Syria for a large part depends on this.

In August 2016, UN OCHA recognised 590,200 Syrians living under siege. This total rose to 861,200 with the addition of East Aleppo in September, and on 1 November the UN announced that after a 'comprehensive review', it was increasing its estimate to 974,080 people under siege. The main cause of this increase was the recognition of 16 besieged locations in Rural Damascus. Nearly all of these locations have been besieged since 2013

by Syrian government forces, and Siege Watch has long advocated their recognition. The official UN population figures for besieged areas have nearly tripled since Siege Watch began monitoring and reporting in late 2015.

The Siege Watch project remains critical of the fact that UN OCHA is not transparent about why certain areas are added or removed from its list of besieged areas. This suggests politicised decision-making at the UN about acts that constitute war crimes.

The Siege Watch project disseminates data about the sieges through its website and [interactive map](#), which had around 9,000 unique visitors in 2016 and 20,000 page views. On Twitter, @SiegeWatch had 1,777 followers by the end of 2016. It is an important information source for journalists and diplomats.

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'Siege Watch has become a "go to" resource for journalists and international stakeholders and has helped give greater voice to the Syrians trapped under siege. TSI's focus on data-driven research and PAX's focus on advocacy have proven to be an effective combination, allowing both our organisations to reach further and make a larger impact than we would have on our own.'

VALERIE SZYBALA, EXECUTIVE DIRECTOR OF THE SYRIA INSTITUTE

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## Iraq

The situation in Iraq has deteriorated significantly in recent years. In 2014, political, economic, and social instability was exacerbated by the humanitarian crisis caused by the rise of the Islamic State group (ISIS). This has resulted in large numbers of refugees as well as millions of displaced persons within the country. Since the establishment of an international coalition and its military

campaign to target ISIS, the conflict has become even more complex. Many different armed groups, some with foreign support, have become involved.

As a consequence of this situation, citizens and youth and women in particular, are looking for alternative ways to address their concerns and developing an alternative discourse for their society and political situation. PAX is supporting local peace initiatives in Iraq that aim to transform the root causes of the various conflicts and different types of violence in the country.

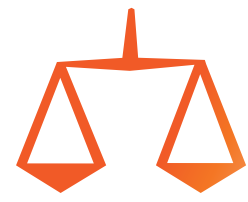
### PAX in Iraq

PAX has been working with partner organisations in Iraq since 2002 and has two offices in Bagdad and Erbil. Our programmes focus on promoting respect for diversity and inclusive policies and governance, and on advocating the legal protection and rights of minorities and women. Our [Kulluna Muwatinun youth project](#), or 'We Are All Citizens', focuses on the important and creative role that

### Our international advocacy & lobbying on Iraq

Our partners on the ground provide access to valuable, first-hand information on current developments in Iraq. We use their analysis for evidence-based advocacy, lobbying and policy advice in the Netherlands, at the EU and at the UN in Geneva and New York. We urge international actors in Iraq to pressure and cooperate with the Iraqi government and the Kurdistan regional government to develop clear political and peacebuilding strategies for the country, in particular for areas liberated from ISIS. These strategies should address the root causes of conflict and ensure human security and responsible and inclusive governance. A purely military strategy against ISIS, even if it were to be successful, is not enough to bring peace to Iraq.

In 2016, we published our research and recommendations in the ['Iraq Alert III'](#), the report ['Sinjar After ISIS'](#) and the ['After ISIS Alert'](#). All three reports were widely distributed and followed up with lobby meetings and tours in Iraq itself, Brussels, New York and The



Hague. Our efforts had an impact: we noticed a gradual shifting of the language from short-term stabilisation in areas recaptured from ISIS to longer-term peacebuilding. For instance, the Dutch Minister of Foreign Affairs promised to promote a long term after-ISIS strategy in the July conferences of the Coalition Against ISIS in Washington and honoured this promise in a statement at an Iraq pledging conference.

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the young generation can and should play in fostering respect for diversity in a country that is increasingly divided along political, religious and ethnic lines. In 2016, PAX also ran projects in Iraq under the themes [Protection of Civilians](#) and [Gender, Peace & Security](#).

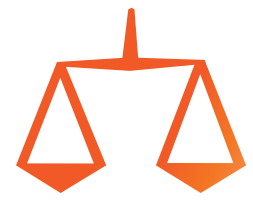
### **The Day After in Ninewa**

Ninewa Governorate, wedged between Kurdish North Iraq and Arab Central Iraq, was recaptured fully from ISIS in late 2016. The return of internally displaced people is highly politicised. Together with one Kurdish and one Arab partner organisation, al-Mesalla and al-Tahreer, we started working in three sub-districts to rebuild the broken trust between different ethnic and religious communities, on the one hand, and between citizens and local authorities, on the other hand. Our aim is to support the rebuilding of inclusive local governance structures. Already in 2015, PAX warned the international community that the lack of a conflict-sensitive and inclusive peacebuilding strategy for this area

is likely to result in renewed violence, retaliation and revenge.

Our partners helped to set up three Local Peace Committees (LPCs) with some 20 elected members each. An important purpose they serve is to allow people to share their experiences. The communities in this disputed territory in northern Iraq have all gone through waves of conflict and displacement; ISIS was only the last one of those. Truth telling and documenting people's different narratives are important for reconciliation. Without this, durable peace stands very little chance. Special meetings were organised for women and youth to speak freely. In November, the peace committees in Zummar and Sinune organised a six-day campaign on the importance of women's empowerment and their participation in peacebuilding.

The Local Peace Committees also hold town hall meetings to discuss the root causes of the conflicts as well as people's priorities and ideas for rebuilding their



society. People's recommendations and plans are submitted to the Ninewa Provincial Council, which was also displaced during the occupation by ISIS and has lost a lot of trust. The LPCs try to get support from the Provincial Council to solve practical problems, such as people's lack of ID cards, which for instance means that students who need to travel past checkpoints to get to school cannot continue with their education. The LPCs, moreover, manage a fund for small grants for voluntary and joint activities proposed by the people, such as painting over the wall of a school that has ISIS propaganda written all over it, or tea gatherings for women from different communities. The objective of these activities is again to strengthen social cohesion and dialogue, to enhance a sense of responsibility towards public issues, and to revive people's confidence and hopes that they can rebuild the region together.



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## Israel and Palestine

International and especially French efforts to revive Israeli-Palestinian peace negotiations in 2016 amounted to nothing. Meanwhile, Israel continued to establish illegal settlements in occupied territories. The ongoing occupation of the Palestinian territories and the blockade of the Gaza Strip continue to severely

compromise the rights and security of Palestinians. At the same time, 2016 saw car-ramming attacks, stabbings and shootings by Palestinians targeting Israelis in the West Bank and in Israel. Extremism, violence and mutual fear are on the rise in both societies.

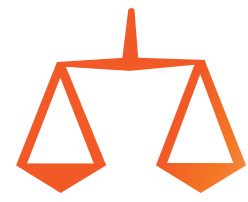
### **PAX in Israel and Palestine**

Since 2001, PAX has been working closely with local partners in Israel and Palestine. In the past few years, as part of our [‘Women against Violence’](#) regional programme we supported Palestinian women’s organisations to train and support women in taking care of their own security, especially in their relations with the police. In Jerusalem, we cooperated with a coalition of partners on the development of local community councils in the occupied neighbourhoods. In the Netherlands and at the European level, PAX continues to lobby for an end to the occupation and for recognition of the Palestinian state. In 2016, we focused especially on the issue of ‘differentiation’.

### **Differentiation policy**

In the context of continued occupation, PAX is asking the international community to pressure Israel to put an end to the human rights violations in the occupied territories and to make sure that Israel does not profit from the occupation. In December, the principle of differentiating between Israel and the occupied territories was laid down in UN Security Resolution 2334. It calls on all states ‘to distinguish, in their relevant dealings, between the territory of the State of Israel and the territories occupied since 1967’. The resolution thus fully supports the advocacy work of PAX with the Dutch government and business corporations on differentiation policy.

In February, we facilitated meetings of Hugh Lovatt from the European Council on Foreign Relations (ECFR) with trade unionists and NGOs. A special procedure to address members of the parliamentary foreign affairs committee on the topic of differentiation was also organised. In November, Israeli partners active in



the Peace NGO Forum also spoke with parliamentarians and foreign affairs staff on the importance of differentiation for the purpose of a possible two-state solution. One of our Palestinian partners also took part in these meetings.

### Labelling of products

One of the measures that PAX continues to advocate as part of a differentiation policy is the mandatory labelling of products that are produced in or come from Israeli settlements in occupied territories. Such products should not be labelled as ‘Product from Israel’, but instead their labels should refer to ‘settlement’. PAX strongly believes that illegal occupation should not generate profit, and proper labelling is the only way for consumers to be sure that they are not indirectly contributing to the occupation. At the same time, differentiation also means that PAX does not oppose dealings with Israel proper.

In late 2015, partly as a result of PAX’s intense lobbying on the issue, the Dutch



government adopted mandatory labelling as policy, supported by a majority in parliament. The Netherlands Food and Consumer Products Safety Authority (NVWA) is tasked with overseeing the correct implementation of the decision. In May, the Dutch Foreign Minister noted that he had received no complaints

from the NVWA on the implementation of the labelling of settlement products. However, PAX remains on top of this issue because so far no label in a Dutch supermarket has been seen stating a product comes from an Israeli settlement in the occupied territories.



## Sudan

Violent conflict between the Sudanese government forces and opposition groups in Darfur and in Sudan's southern states of Blue Nile and South Kordofan (Nuba Mountains) continued throughout 2016. In the southern states, at least half a million people have fled their towns and villages. Many crossed the border into South Sudan, where they remain in refugee camps. Despite international

efforts, including by the African Union, to find a political solution to the conflict, the Sudanese government continued its military campaign. The humanitarian situation is extremely dire and people are increasingly suffering from hunger.

Meanwhile, Sudan finds itself in a stronger position internationally than it has done for a long time. Omar al-Bashir, president since 1993, is still wanted by the International Criminal Court in The Hague for genocide and crimes against humanity. Nevertheless, the European Union and member states have started to engage with his government after years of political isolation. The reason is the pressure in EU countries to stem the arrival of refugees and migrants from North Africa. In late 2015, the EU signed an agreement with Sudan that entails substantial funding for activities such as strengthening border security and tackling human smuggling.

### Our international advocacy & lobbying on Sudan

In response to the increased international rehabilitation of the Sudanese government, PAX published a [Sudan Alert](#) in June, focusing on the EU's policy options for Sudan. PAX warns the EU that strengthening the position and building the capacities of the abusive Sudanese regime in an attempt to reduce refugees will likely lead to more humanitarian crises, and yet more refugees.

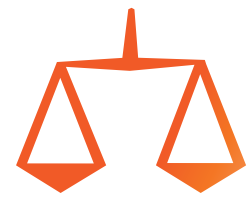
The report was launched at a Chatham House meeting in London. It was also discussed in the Dutch parliament, where the ministers for foreign affairs and development cooperation argued that there is no change in the Dutch government's critical attitude towards Khartoum. However, there has been a policy shift at the EU level. The willingness to engage in a critical dialogue with the Sudanese government, so goes the argument, may lead to more progress on human rights issues, rather than isolating Khartoum. PAX finds this argument highly implausible. The focus on the EU's migration interests is increasing Khartoum's leverage on the EU, not vice versa.



### **PAX in Sudan**

PAX continues to support several initiatives that bring together civil society organisations and political groups to discuss pathways for a transition to a democratic Sudan with equal rights and opportunities for all citizens. This work is extremely difficult given how little space has been granted to civil society to operate in Sudan. In 2016, the surveillance, harassment and detention of members of Sudanese civil society further increased.





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## Horn of Africa

The dwindling space for civil society organisations that work on issues of peace, security and human rights, is not only a problem in Sudan. In most countries of the Horn of Africa, governments curtail the work of civil society organisations (CSOs) in an increasingly aggressive manner. In 2016, PAX and partner Al-Khatim Adlan Centre for Enlightenment & Human

Development (KACE), based in Kampala, Uganda, started a project to bring CSOs together in a regional network to gather evidence for a regional and international lobbying campaign to address the growing repression of civil society.

Lobbying will target the African Union and the Intergovernmental Authority on Development, as well as the EU and the United Nations. In its first year, the project managed to establish working relationships in 10 countries, create an international CSO Forum with a Watch (monitoring system on Human Rights Violations) and design an advocacy and lobbying strategy. The Oxfam office in Addis Ababa, Ethiopia supports the project by building the capacity of national NGOs and advocacy and lobbying skills. There appears to be great enthusiasm among NGOs in different countries of the Horn of Africa to come together to share experiences and increase their critical mass and power.

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Our governments tolerate civil society organisations that deliver services. But they respond violently when we make citizens aware of their rights and help them demand public participation. Our network shares strategies to defend civic space and make governments more accountable.'

ALBAQIR AL AFIF MUKHTAR, DIRECTOR OF KACE

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## South Sudan

In July 2016, civil war broke out again across South Sudan. Eleven months earlier, a peace agreement had been signed to end two years of civil war in Africa's youngest nation. But the agreement was broken almost on a daily basis, caused by deep mistrust between the leaders of the transitional government and by a flood of weapons available in the country. Over 2.6 million South Sudanese citizens have fled

their homes since 2013. By late 2016, parts of the country were on the brink of famine.

### **PAX in South Sudan**

PAX has been engaged with religious and civil society organisations in South Sudan since 1993. We believe that the best chances for reconciliation lie with ordinary people who aspire a peaceful future for their country. No peace deal signed by elites will hold when people's voices are not heard and historic grievances go unaddressed. Together with our partners, we continue to focus on strengthening local capacities for peace and facilitating dialogue to promote social cohesion. We believe that this is more important now than ever. PAX also runs projects in South Sudan under the themes on [Dealing with the Past](#) and [Protection of Civilians](#).

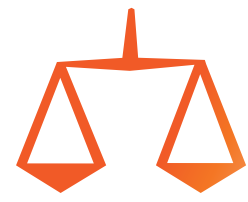
### **Peace from below**

In 2016, PAX supported a local peace process in the war-affected Greater Upper Nile region. Partner organisation Assistance Mission for Africa (AMA) is working with a Nuer community in Unity

### **Our international advocacy & lobbying on South Sudan**

South Sudan has been a focus of our international advocacy efforts since 2011. Findings from the Human Security Survey, a project under the theme [Protection of Civilians](#), are being used to inform international policymakers and diplomats who decide on the deployment of resources by UNMISS, the UN mission in South Sudan. Under the theme [Natural Resources, Conflict & Human Rights](#), we advocate internationally to give victims of the oil war (1997–2003) access to remedy.

In January 2016, we published a report entitled [Scenarios for South Sudan in 2020](#) together with the Stockholm International Peace Research Institute and a group of civil society leaders. The report was widely shared and received with much interest in South Sudan as well as by the Dutch government (The Hague), the EU (Brussels) and the UN (New York). It argues the need for transitional justice and a citizen-driven constitutional review process as a precondition to a peaceful future in South Sudan. The renewed



outbreak of violence in July put a temporary stop to our advocacy work on these issues. Instead, colleagues in Juba wrote security updates, for instance revealing that male South Sudanese were not allowed to board evacuation airplanes, which we sent to contacts in The Hague, Brussels and New York. Officials in The Hague contacted their colleagues at the embassy in Juba to raise this issue with the South Sudanese government.

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State<sup>2</sup> and their Dinka neighbours in Lakes State to resolve long-running hostilities. Both communities have set up a Peace and Development Committee (PDC), paying special attention to participation of women and youth. The committees have already played an important role in de-escalating the conflict. Exchange visits by peace delegations from both areas took place in early 2016. They started exploring possibilities for cooperation and setting up a joint peace committee. The escalation of violence in July between Nuer and Dinka forces meant a blow to this process and caused the only joint market in the area to be closed.

The project nevertheless accomplished important achievements in 2016. The two PDCs organised nine monthly forums, where communities can speak out about the challenges they face in their interaction with local authorities and national and international humanitarian organisations working in the area. Local security issues are discussed and resolutions receive follow-up.

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'Everyone in the area knows AMA because they have supported the community a great deal in the difficult days we have been facing. AMA plays a mediating role in ending the spiral of revenge killings. This is very important. Because we need security, before we can have peace.'

REVEREND KAI, GANYLIEL, UNITY STATE

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Communities and local authorities can question the NGOs on the services they provide, while the NGOs learn about the urgent needs of the communities and can coordinate efforts with local authorities. In this way, peace, humanitarian and development activities reinforce each other. The monthly forums made it clear that the participating communities not only had problems among themselves but also with neighbouring communities in Rumbek East (Lakes State). AMA therefore decided to extend the Portals to Peace project to this area.

Other changes brought about by the project include land that was allocated by the local authorities for a market and vegetable garden for the growing Ganyliel Women Business Group. This group also provides a safe space and counselling for women who are victims of gender-based violence. Initiatives like these will be built on by a [new project starting in 2017](#) with funds awarded to PAX by the Dutch Ministry of Foreign Affairs in 2016.

## More work by PAX in South Sudan

- ◆ PAX started working with the Justice and Peace Commission of the Catholic Diocese of Malakal on intracommunity dialogue among several displaced Nuer communities who have found shelter in and outside the Protection of Civilians (PoC) sites within the United Nations premises in Bentiu.
- ◆ As a core group member of the South Sudan Council of Churches (SSCC), PAX supports the development and implementation of their 'Action Plan for Peace', which was finalised in 2016. Local implementation of the action plan, including work on advocacy and reconciliation, started in several states.
- ◆ PAX supports the South Sudan Action Network on Small Arms (SSANSA), which organised two-day 'Security is Everyone's Business' dialogues in Yei, Ikwotos, Budi and Bor. Local government officials, representatives of the police, army, prison, fire brigade and wildlife forces came together with traditional leaders,

youth, women and community organisations to discuss security issues and draw up an action plan to improve the relationship between communities, authorities and security providers.

- ◆ PAX and local partner Organising People for Prosperity (OPP) and social innovation studio Butterfly Works organised a five-day co-creation workshop for youth groups in Juba that wish to bring youth of different ethnicities together to be a force for positive change. The gathering resulted in action plans that PAX continues to support.

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<sup>2</sup> PAX uses the geographical names as of August 2015, the time of the peace agreement, although they were changed afterwards.







'It was Friday evening the 8<sup>th</sup> of July, when my younger brother entered my room, shouting, "Did you hear the gun shots? There is shooting outside!" I closed the book I was reading and followed him outside. The sound of heavy machine guns shook the city.

We lived in Juba, near Ronyokonyo market in the Rator neighbourhood. A crowd of people was running away from the market, rushing to the nearby church. During the 2013 outbreak of violence, people sought protection in churches,

mosques and UN compounds. And although these proved no guarantee for safety – many people were killed inside churches and mosques – this clearly hadn't shaken people's faith in the power of God.

The streets were in chaos. Cars collided. I saw people being knocked over by motorcycles, run over by cars. A man running away on bare feet shouted: "In State House Rjir's and Rjek's men are fighting!" Upon hearing this I felt so weak and vulnerable. I realised that once again our president and vice-president had clashed violently. And I knew what this would mean for ordinary citizens.

The sound of heavy artillery became louder and louder. My heart was beating fast. I rushed home, grabbed my small bag and passport, and holding the hand of my younger cousin we ran to seek refuge in the church. The church compound was already packed with people. Small children were yelling without anyone attending to them. I heard many voices cursing our leaders for their greed, which again was going to make the people suffer. I thought of the saying "when two elephants fight, the grass suffers".

Fighting went on for four consecutive days and escalated into full-scale war. I felt so stressed. Fortunately, PAX came with an evacuation plan for its staff and partners. I looked for my passport, but couldn't remember where I had placed it. It was lost. I cursed.

My friends and colleagues were evacuated to Kenya. A few courageous ones remained in Juba. They chose to stay put under their beds. Because I had lost my passport, my brother and I were evacuated inside the country, to Rumbek. For the first time in two weeks we were able to breathe the fresh air of relief and be hopeful about our physical safety. Thanks to the good coordination by PAX staff, we were able to escape the violence and chaos of Juba until it was safe to return, four months later.'

JOHN MALITH MABOR IS PROGRAMME OFFICER FOR THE HUMAN SECURITY SURVEY SOUTH SUDAN AND BASED AT PAX'S JUBA OFFICE.



## Borderlands: South Sudan, Uganda and Kenya

In 2016, it had been 11 years since PAX had launched a peace and reconciliation programme in the borderland region between South Sudan, Uganda and Kenya.

The programme built on earlier peace work done together with our partners in the former Eastern Equatoria State since 2000. Keeping cattle is the main source of livelihood in the region, whose history is marked by violent cattle raids and ethnic conflict. Marginalisation, the decline of traditional authority, and the weak relationship between the government and communities also contribute to conflict.

The initiative for the borderland programme came from Emeritus Bishop Paride Taban, a long-standing partner of PAX and visionary patron of Holy Trinity Peace Village Kuron in South Sudan. The objective was to start peace dialogues between communities, improve relations between communities and local authorities, and establish a regional peace network. In June 2016, PAX organised a workshop to reflect on a decade of cross-border peace work. Twenty civil society leaders from local peace organisations and churches that together form the Cross-border Peace Coordination Committee participated, as well as 100 leaders and

security staff from the three countries.

A lot has been achieved in the past 10 years. Organisations and churches have been trained in fact-finding missions, human rights monitoring, and conflict management and mediation techniques. Together the network members put pressure on local government authorities, army and police to take responsibility for improving the human rights and human security situation in this troubled area. The effect is tangible: there have been very few casualties from inter-communal violence and no large-scale cattle raids in the past few years.

Sadly, the South Sudanese civil war that erupted again in July 2016 has had a clear impact on the security situation on the South Sudan side of the border. Project plans had to be halted and our key partners The Catholic Diocese of Torit (CDOT) and Kuron Peace Village turned to immediate crisis management and lobbying work, preventing further escalation at the local level. CDOT started



providing psychosocial support to the thousands of internally displaced people and refugees. Radio talk shows to prevent more violence were broadcast on Radio Emanuel. Marches and gatherings to pray for peace and raise awareness were organised. Thanks to the cross-border peace network, the churches on the South Sudan and Ugandan side of the border cooperated very well on the refugee crisis.

In 2016, in the *corridor area between Kenya and South Sudan* the security situation greatly improved. Local partners Lokichoggio Peace Organization (Kenya) and Losolia Rehabilitation Development Association (South Sudan) started bringing elders, warriors, women and youth from different clans together in peace dialogue meetings at strategic places along the border. The meetings helped to build trust and identify common interests. Continuous lobbying with the local governments resulted in the opening of three new market sites where thousands of animals are traded. Doing business encourages peaceful cooperation between the

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'Peace is not only a state of mind and heart, but a verb. Every day I share with the people I meet eight central verbs: I love you, I miss you, I thank you, I forgive you, We forget, We are together, I am wrong, I am sorry. Peace and reconciliation are not mere techniques to be learned; they are the result of the transformation of individuals and communities.'

BISHOP PARIDE TABAN, PATRON OF HOLY TRINITY PEACE VILLAGE KURON IN SOUTH SUDAN

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communities and gives the local economy a much-needed boost. This corridor remained relatively stable after the renewed outbreak of civil war in South Sudan in July 2016.

A successful peace dialogue meeting in Ikotos County along the *South Sudan–*

*Uganda corridor*, hosted by the diocese of Torit (South Sudan) in collaboration with the diocese of Kotido (Uganda), was attended by 1,500 people. An important outcome was that youth who had fled to the bush after cattle-raiding conflicts were welcomed back by their communities.



Along the Uganda–Kenya corridor, the programme is going well. PAX’s local partners Dodoth Agro-Pastoralist Development Organization and Kotido Peace Initiative on the Ugandan side of the border are no longer at the forefront of organising the peace dialogues and follow-up activities. This has now been proactively taken up by local peace committees. The partners take on the role of advisors.

The fragile situation in war-torn South Sudan, and the effects this has on the communities that live across the borders in Kenya and Uganda, makes the peace programme extremely important. In 2017, we will decide whether to expand the programme to the Ethiopian border area. Meanwhile, we are trying to get extra funds for the Kuron Peace Academy and a refugee youth programme.





## Democratic Republic of Congo

The eastern part of the DR Congo continues to be plagued by insecurity and violence even since the UN-drafted peace deal was signed by 11 African countries in 2013. Conflicts over land and ethnic tensions are deep-rooted, interference by

foreign armed groups is persistent and the role of the Congolese government is extremely weak.

### **PAX in eastern Congo**

PAX has been working with local and international partners in eastern Congo since 2004. We believe that to build a safer society, the broken trust among communities and between citizens and the state must be restored. Building democratic structures and increasing the influence of citizens on decisions that concern their security and dignity must be part of these efforts. PAX also runs a project in the DR Congo under the theme [Natural Resources, Conflict & Human Rights](#).

### **Pamoja Inawezekana**

In 2016, the *Pamoja Inawezekana* project – Swahili for ‘Together we can make it happen!’ – started in the North Kivu and Ituri provinces. In this joint project, PAX focuses on improved democratic dialogue by strengthening local peace organisations, Cordaid works with the

judiciary, the International Organization for Migration with the police, and VNG International with the local government’s *Comités de Sécurité*.

PAX’s first step was to open a field office in Bunia, which involved recruiting staff, renting an office building, getting an internet connection and importing a car from Dubai. Once these challenges were met, the project took off with a needs assessment conducted among the population of 38 chiefdoms in four territories of Ituri province. In focus group discussions and interviews, people talked about their experiences with the police, army, judiciary and local government. The research outcome was clear: instead of providing safety, security and justice, the population feels that these authorities contribute to insecurity. At four meetings convened to discuss the findings, most officials did not deny that to be able to feed their families, they often see no other option than to exploit the population, for instance by stopping them at roadblocks and demanding bribes or worse.



Based on the analysis published in the report *Acteurs de Sécurité ou d'Insécurité?*, PAX's project activities include conflict mediation and the training of citizens in advocacy and lobbying to bring their grievances to the attention of their local security councils or the provincial government, while our allies will train the police and support the judiciary. In November 2016, PAX conducted a study on youth groups in Aru. The outcomes will be shared with the civil servants involved in security issues related to border criminality. Another study on land conflicts is planned for early 2017. The project will select one conflict each in eight selected chiefdoms, to be solved by the conflict mediation activities planned for 2017 and 2018. These mediation processes will be documented and analysed to learn from the different practices and continue to improve the programme.



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## Highlight: Activist HIVE

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The Activist Hive is both a real and virtual community to inspire, empower and connect peace activists across the world. To build inclusive, peaceful and democratic societies, courageous women and men work together: to share creative strategies, learn new tools and tricks, seek funding, show solidarity and spark peaceful change. At the online Activist Hive and its Facebook companion, activists can access instruction videos, long-reads and podcasts from fellow activists around the world. They keep each other updated of their events and successes, and solicit support. 180 activists are involved with the Activist Hive that was created by PAX in 2014.

In 2016, we co-organised two Activist Labs. Activists got together for four days to co-create an innovative and concrete action about a local need or issue. They are supported by 'unusual suspects' from outside the traditional peacebuilding field to offer a fresh perspective and new skills. In Kosovo, activists developed a campaign for the development of the Mitrovica Bridge Zone that links north and south Mitrovica, a divided city since the North Kosovo crisis. In Lebanon, the inspired Activist Lab co-organised with the ['We Love Tripoli' centre](#) also focused on issues of cultural heritage and

'I saw Tripoli from a different perspective; it is no longer only the city I live in, I feel the responsibility to preserve the place. The notion that change is in our hands is very empowering.'

PARTICIPANTS AT THE ACTIVIST LAB, LEBANON

public space and how this can be used for conflict resolution. A neighbourhood exhibition organised on the fourth day of the lab brought people of all ages together.

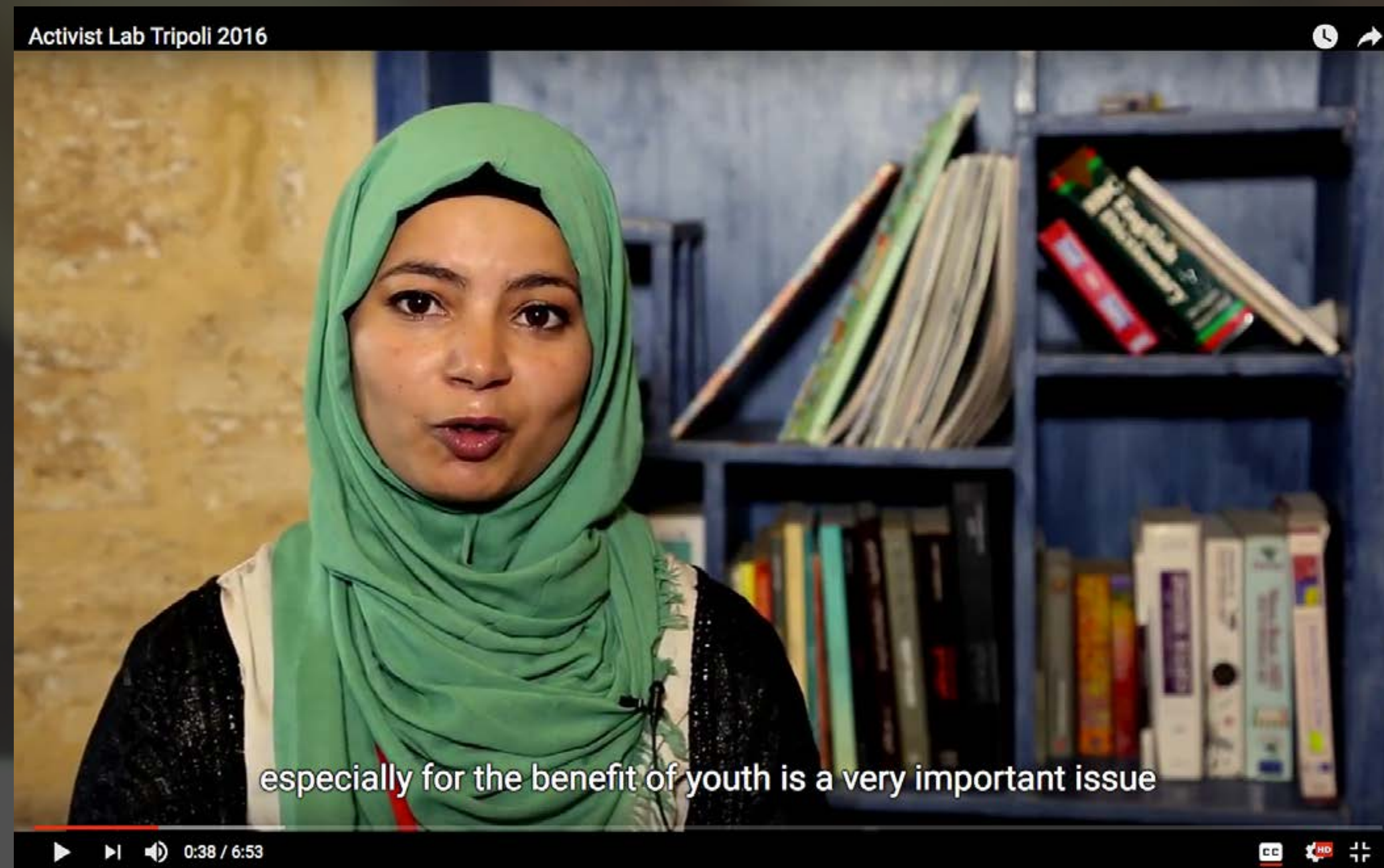
To keep growing its international network, the Activist Hive:

- ◆ Co-organised the international youth peace forum [Global Youth Rising in Romania](#). PAX ran workshops on how to deal with propaganda and populism, how to use theatre for activism, and how to make and broadcast more effective videos using smartphones.
- ◆ Supported an exchange visit of Lebanese activists to the [ARENA Summer School for Peace and Art](#) of our Armenian partner organisation Peace Dialogue.
- ◆ Enabled Akram Saud, a refugee from Syria, to present a case at the third edition of [WhatTheHacks](#), a cross-over between a hackathon and think tank where professionals in the fields of peace, justice and security meet coders, developers, artists, philosophers and designers to co-create solutions.



## The Activist Hive in numbers (2016)

- ◆ 10 activities and events supported in five countries: Lebanon, Syria, Kosovo, Romania and Georgia
- ◆ 180 activists from 15 countries personally involved in activities and events
- ◆ 500 people directly reached by activists involved in the Activist Hive
- ◆ 20,000 people reached through Activist TV videos and online activities



Akram's central question was: how can we – (Dutch) activists, hackers, IT experts and designers – support Syrian activists who are still working for peace inside Syria?

**Activist TV** has its own [YouTube channel](#) and has produced 30 videos that feature the inspirational work of peace activists around the world, including on subjects such as Black Lives

Matter, Ahmad Rhattab from Saraqeb (Syria) and Syrian activism in the Netherlands.

**Activist Academy.** Building on the feedback by participants in the Activist Labs, we keep advancing our curriculum. In 2016, we developed two further curricula for Activist TV and the Activist Lab, as well as one manual for activist strategy development.



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## Ukraine

2016 was the third year of war in eastern Ukraine. The ceasefire concluded in the Minsk II agreement did not hold, but it did prevent the outbreak of large-scale fighting. The political part of the agreement hardly moved forward. Democratic reforms have been slower and more half-hearted than many had hoped. Non-government controlled areas in the east are increasingly isolated from

government-controlled Ukraine through a combination of isolation and self-isolation. Society remains highly polarised and the 'propaganda war' continues.

### **PAX in Ukraine**

The focus of our work in Ukraine is to counter polarisation within society by facilitating dialogue, and to bridge the trust gap between citizens and (local) authorities. We have noticed that despite the difficult situation, groups of activists and volunteers are increasingly better organised. They, and hundreds of thousands of internally displaced people, continue to show their resilience and strength.

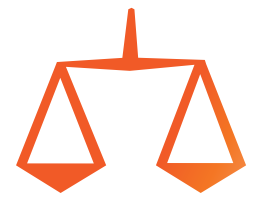
### **State building in Eastern Ukraine**

In 2016, PAX and VNG International started a new programme in eastern Ukraine. The aim is to strengthen democracy at the local level in six municipalities. PAX focuses on building trust between local authorities and active citizens based on cooperation and openness. VNGI supports the municipalities to respond to the

democratic reforms and demands made by the population for more transparency and participation.

During the first half of the year, our staff travelled to the Donetsk, Dnipropetrovsk and Kharkiv provinces and selected six towns to participate in the programme: Izyum, Pavlohrad, Pershotravensk, Pokrovsk, Slovyansk and Svyatohirsk. We then conducted a baseline study in these towns of the presence of CSOs and activists, their expectations about cooperation with the municipal authorities, and urgent problems faced.

After the summer, we organised training events for the municipalities and the nearly 30 participating CSOs. We worked on the roles of civil society and local authorities and their opportunities for cooperation and on public participation and strategic planning. During a final workshop at the end of the year, we worked on joint project proposals for each town, which will be implemented in 2017. At this workshop, a change was already



noticeable in the attitudes towards each other on the part of the CSOs and the civil servants from the municipalities. They showed a shared interest in working together for the benefit of their towns.





# KOSOVO

Deep polarisation between the government and opposition hobbled Kosovo’s reform agenda in 2016 and slowed progress on the normalisation of relations with Serbia through an EU-facilitated dialogue. Preparations for the re-opening of the symbolic Mitrovica Bridge started in the summer, and relations between Serb-majority municipalities in the north and authorities

in Pristina continued to improve. In April, the EU–Kosovo Stabilization and Association Agreement entered into force, representing an important step towards European integration.

### **PAX in Kosovo**

PAX has been working in Kosovo since before the 1998–1999 war. We work in partnership with civil society in Kosovo to ensure that the voices of citizens are heard in the relevant local, national and international policymaking processes. In 2016, PAX also initiated a project in Kosovo under the theme [Dealing with the Past](#).

### **Fostering inclusive development**

In autumn 2016, PAX and its longest-standing partner, Community Building Mitrovica (CBM), launched a major new partnership with a UN agency, UN-Habitat. The ‘Fostering inclusive development and good governance in northern Kosovo’ programme, financed by the Swedish government, represents a strategic effort to facilitate the

integration of four Serb-majority municipalities. This is being done through support to local government planning and management capacities, the mobilisation of civil society to ensure public oversight, and the facilitation of local–central and inter-municipal dialogue and cooperation. PAX and CBM co-implement the programme’s civil society dimension, carrying forward activities from the earlier Our Matters and [Activist Lab](#) Mitrovica projects, together with the Mitrovica Regional Monitoring Team, a multi-ethnic platform for CSOs.

PAX also co-produced a [major policy paper](#) with the European Centre for Minority Issues in Kosovo, detailing a plan for the establishment of the Association/Community of Serb-majority Municipalities, an important instrument for the protection of minority interests agreed to in the EU-facilitated dialogue.



'Public involvement is crucial to ensuring that inclusive development happens at the local level. CBM and PAX use an approach that helps civil society to affect local policies by raising their voices and demanding to be part of the decision-making process.'

FLORENTINA HAJDARI, PROGRAMME MANAGER AT CBM





'It was November 2012, and the first time since 1999 that I was going to cross the main bridge again from North Mitrovica, where I live, to South Mitrovica. Ever since the war, this bridge has been a symbol of division rather than connection. I had applied for a position as programme officer with Community Building Mitrovica (CBM). Its office is in South Mitrovica.

I was excited, but a bit scared. I asked my friend who was already working with CBM whether it was safe to cross to the other side. He said not to worry, but I still felt anxious. The images from the war

had remained vivid in my mind: the bombings and shootings that took place on the bridge, people from the North and South attacking each other.

The fact that those images were still haunting me shows how divided our city still is. People from either side, who haven't had a chance or reason to cross the bridge, fear they will be killed if crossing it, simply because they are Serbs – or Albanians.

The day my interview was scheduled I crossed Mitrovica Bridge with my heart racing. But once I was in the South, I found people just passed me by without noticing. People were walking the streets, enjoying the sun, chatting to each other. I was surprised and relieved. Life on the other side looked the same – marked by the same daily struggles of regular people who lack so much, socially, economically, culturally...

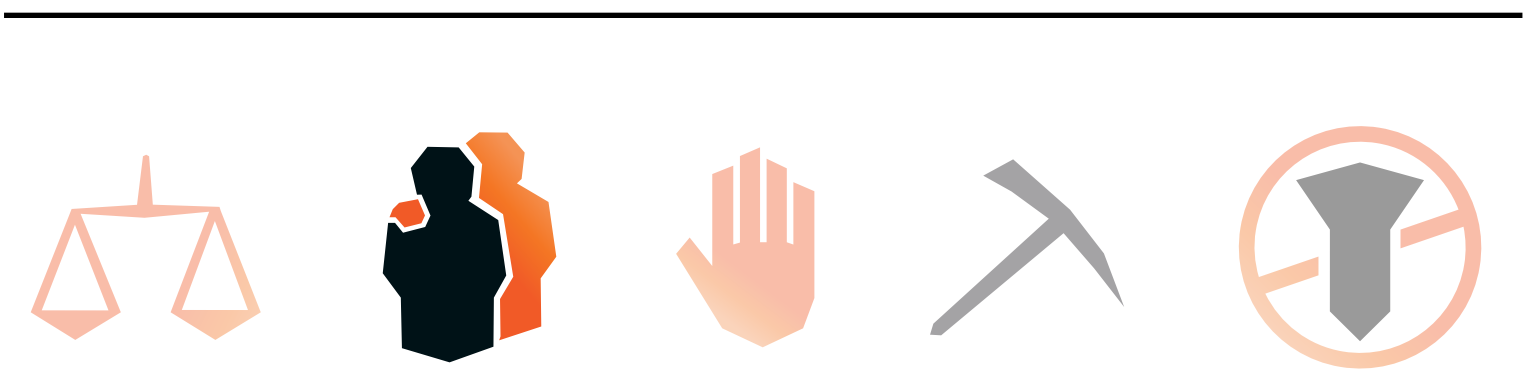
Already during the interview, I knew I was in the right place. These were people who really longed to see change and who were committed to improve the daily lives of citizens regardless of their ethnic background. I feel lucky to have been part of the cooperation between PAX and CBM since that day. Both PAX and CBM want to hear everybody, all parties involved, all sides of the story. Their common approach

is their secret for success. Not that success always comes easy. We have encountered many challenges, made worse by the divisive political situation. But that is exactly why we want to work with all groups, to remind them that there are still people who are not painted by the contentious colours of politics.

In 2015, CBM and PAX began developing a unique new partnership with UN-Habitat. With support from Sweden, the programme was launched in late 2016. It continues our efforts to build the capacity of civil society in the Mitrovica region, but situates that work within a broader programme of support to strengthen the planning capabilities of northern municipalities, their responsiveness to citizens, and their ability to cooperate with each other and the authorities in Pristina. Although there are days when I feel we are running around in circles, I strongly believe in the importance of our work. Wounds are still fresh and I cannot make everyone love each other, but I can see that we are helping to normalise relationships between the two opposing sides of our city.

We are showing people that they can raise their voices, that they can demand the changes they long for. We all believe in our impact on the community and the small, everyday steps towards reconciliation.'

# 5







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# Dealing with the Past

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## STRATEGIC OBJECTIVE

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- ◆ That local and national authorities, and the international community – taking into account the wishes and grievances of victims and communities – contribute to processes of truth, justice and reparation that are as inclusive as possible, thus reducing the risk of reversion to violent conflict.
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Many post-conflict countries are prone to recurring violence. Peace agreements rarely address the sensitive issues of 'dealing with the past'. Achieving sustainable peace after conflict and promoting democracy and respect for human rights requires that truth is established, justice served, and that victims receive reparations. It is crucial that all of this is done in an inclusive way, trying to bridge differences between antagonist groups and communities.

To be more successful in that work, PAX has embarked on a strategic partnership with Impunity

Watch. An international partners meeting, held in April 2016, marked the first steps in this promising partnership.

PAX runs projects under this theme in Bosnia, South Sudan, Colombia and Kosovo as well as a regional programme for the Western Balkans.



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## Bosnia

The Srebrenica genocide of July 1995 continues to cause grave tensions in Bosnia. Bosniaks (Bosnian Muslims) and Bosnian Serbs remain diametrically opposed and divided. Meanwhile, victims from Srebrenica are still largely denied access to justice and reparations. While the Netherlands have been committed financially to support Srebrenica, for instance through the government's

support for the Potočari Memorial Centre, most survivors are still waiting for the Netherlands to acknowledge its mistakes and apologise for its failure to protect the people who relied on the UN for their safety.

### **PAX in Bosnia**

More than 25 years ago, PAX started working in Bosnia and Herzegovina. The aim of our Srebrenica programme is to support the 'campaign for truth and justice' of the Srebrenica victims and their families, and to help create conditions for rebuilding contacts and eventually trust between Bosniaks and the Dutchbat veterans.

In 2016, we supported several activities to strengthen the position of Srebrenica victims and demand accountability for what happened. A symbolic but significant achievement was that, for the first time, the Dutch Ministry of Defence honoured our request to lower the flag to half-mast during the annual commemoration of the fall of Srebrenica on 11 July in The Hague,

which is co-organised by PAX. As always, a considerable PAX delegation was also present at the commemoration at the cemetery in Potočari.

We organised a meeting between representatives of Potočari Memorial Centre, Srebrenica survivors' associations and Dutch parliamentarians. Their visit in March coincided with the session at the International Criminal Tribunal for the former Yugoslavia (ICTY) where the verdict was delivered against Radovan Karadzic. A group of relatives of Srebrenica victims witnessed the judges impose 40 years' imprisonment against the former Bosnian Serb leader for the genocide of Srebrenica and other war crimes. In early 2016, we presented the results of a research project on the possibilities for a Claims Commission/ Trust Fund for the victims of Srebrenica. Such an initiative could prompt the international community to take responsibility for its failure to deliver the promised protection to the people of Srebrenica.



### Potočari Memorial Centre

Our programme with the Potočari Memorial Centre (PMC), situated at the former Dutchbat compound, combines the two key objectives of our work in Bosnia: lobbying for justice and accountability, and promoting dialogue. For over ten years, PAX has actively tried and gradually succeeded in facilitating dialogue between Dutchbat veterans and survivors of the genocide. It goes without saying that this is an extremely difficult, sensitive and painful process. Nevertheless, PAX strongly believes that dialogue and openness to the narratives of others, including those of the Dutchbat veterans, is important in light of truth-finding. At the same time, the dialogue between survivors and Dutchbat veterans should also help Dutch politicians to reassess the specific role that the Netherlands played in the events of 1995.

Despite many new developments, more knowledge and ICTY cases against key perpetrators Karadzic and Mladic, Dutch politicians continue to merely repeat the





government's position of 2002. This says that the Netherlands, as a member of the international community, is politically co-responsible for the failure of the international community to protect the people of Srebrenica.

An encouraging moment in 2016 was the commemoration that took place in Srebrenica for Raviv van Renssen, the only Dutchbat soldier who died there. Raviv's father was present with his partner and Raviv's brother and sister, as well as a number of Dutchbat veterans, Bosniak women representing organisations of survivors, representatives of the Dutch embassy, and of Potocari Memorial Centre and Kamp Westerbork memorial centre.

Earlier in 2016, PAX had facilitated the first visit by Raviv's father, Ben van Renssen, to Srebrenica. It was the mayor of Srebrenica, whom they met during that visit, who expressed support for the idea of a commemoration on 8 July, the day of Raviv's death. It was a small yet very meaningful commemoration for all those present.

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'It's very important to us that we can show compassion and share the pain with Raviv van Renssen's father, brother and sister. We know and fully understand what that means for them, because we are in the same situation. We will always attend Raviv's commemoration. We look at Raviv in the same way as we look at our victims because we know and realise that he honestly and decently defended us in the UN safe area in Srebrenica.'

NURA BEGOVIC, NEXT OF KIN AND SURVIVOR, VICE-CHAIR OF THE 'WOMEN OF SREBRENICA' ASSOCIATION.

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© PAX Daniel Maissan RF

## More work by PAX on Dealing with the Past

◆ Many years after the wars in Croatia, Bosnia and Herzegovina and Kosovo, ethnic nationalism is still very strong and in fact dominates not only politics but also the daily lives of millions of citizens. In 2016, PAX started a new regional programme in cooperation with Impunity Watch. The key challenge is to improve the EU policy on the Western Balkans. More attention needs to be paid to the underlying causes of the conflict. We strongly feel that the EU still has leverage and can and should do more to support inclusive processes of justice, truth, reparation and memorialisation.

◆ PAX runs a European campaign on 'blood coal' sourced from César in Colombia, a region where residents have suffered greatly from paramilitary violence that is directly related to the mining business. In Colombia, we help indigenous and campesino victims from the Meta and Cauca department, to organise themselves and support them with legal advice and psycho-social accompaniment. This project is funded



by the Bureau of Democracy, Human Rights and Labor of the US Department of State and is part of a combined project together with Impunity Watch who implements this project in Guatemala.

◆ PAX continues to support the 'Remembering the Ones We Lost' project, an initiative by a group of dedicated South Sudanese individuals. They have set up a public memorial website which aims to list all the victims of war and community violence in South Sudan since 1955. The purpose is to contribute to healing the wounds of the past through memorialisation and promoting national reconciliation in the process.

◆ PAX, UPEACE Centre The Hague and the South Sudan Law Society concluded the research programme 'Intersections of Truth, Justice and Reconciliation in South Sudan' with the launch of two final studies in October 2016: 'Access to Justice in South Sudan' and 'Perceptions of Transitional Justice in South Sudan'. The reports show the importance of capturing the experiences, needs and views of citizens on the questions of truth, justice and reconciliation in relation to the past and present conflicts in South Sudan.

◆ PAX concluded its Paving the Way for the South Sudan We Want project in 2016 with a significant output: a 'citizens' constitution'. It is a fully redrafted text of the constitution by South Sudanese legal experts. The input came from of an inclusive, nationwide dialogue and constitutional review process coordinated by PAX and the South Sudan Law Society in 2014–2016. It involved a group of 18 national NGOs and Justice Africa. Lessons learned from the project are currently being translated into recommendations for an inclusive and broad-based national dialogue in South Sudan.

◆ In partnership with Impunity Watch (IW), PAX initiated a new programme on dealing with the wartime past in Kosovo. In 2016, Kosovo finalised a bilateral agreement with the Netherlands to establish the Kosovo Specialist Chambers and Specialist Prosecutor's Office. These are judicial institutions based in The Hague that will prosecute alleged war crimes associated with the Kosovo Liberation Army in 1998–2000. PAX and IW issued recommendations on effective public outreach to the Specialist Chambers and Specialist Prosecutor's Office, and facilitated initial

contacts between those institutions and civil society in Kosovo. Together with local partners Centre for Peace and Tolerance and Integra, PAX and IW will work to promote informed public dialogue about the Specialist Chambers and Specialist Prosecutor's Office, and advocate a stronger institutional framework for dealing with the past, in the year ahead.

# Highlight: Kicking-off 'Dealing with the Past' with Impunity Watch



**Iryna Brunovakali-setska**  
Ukraine

*- advocates the teaching of peace*

'If young people learn to accept that there isn't one truth, but several interpretations of the same past, then people who used to be each other's enemies can live side by side. Students, for example, can tell their family's story. These moments are always like an epiphany for people. Which is great!'

.....  
How does one live with the past in areas where everything has been destroyed and everyone is everyone else's enemy? That was the topic of the four-day meeting 'Dealing with the Past', which also kicked off the partnership between PAX and Impunity Watch. Peace activists from all over the world came to the Netherlands to participate in the meeting. They also visited the Camp Vught National Memorial centre.  
.....



**Valdete Idrizi**  
Kosovo

*- is friends with the other side*

'My Mitrovica is still a divided town. The Serbs live in the north, the Albanians in the south. I still can't go back to my house, after seventeen years. The fact that we live this way has to change and will change. I always work in mixed groups.'



**Father John Opi Severino**  
South Sudan

*- wants to console*

'I was born and raised in war. My brothers and uncles fought, and a few of my brothers are still in the army. Others have died. Almost all families in South Sudan have the same story. We have to learn how to deal with that past. I want to show people that we are all suffering. There's consolation in that too.'



**Raad Hassan** Iraq  
*- works to build peace*

'My family and I fled from ISIS. The rest of my family stayed behind in Mosul. Men from the Yezidi community were killed. Women were raped and turned into slaves. From the liberated area, I first worked as a PAX peacebuilder, and now I work for the Iraqi government. People are seeking vengeance, and that's exactly what we're trying to prevent, otherwise more blood will flow.'

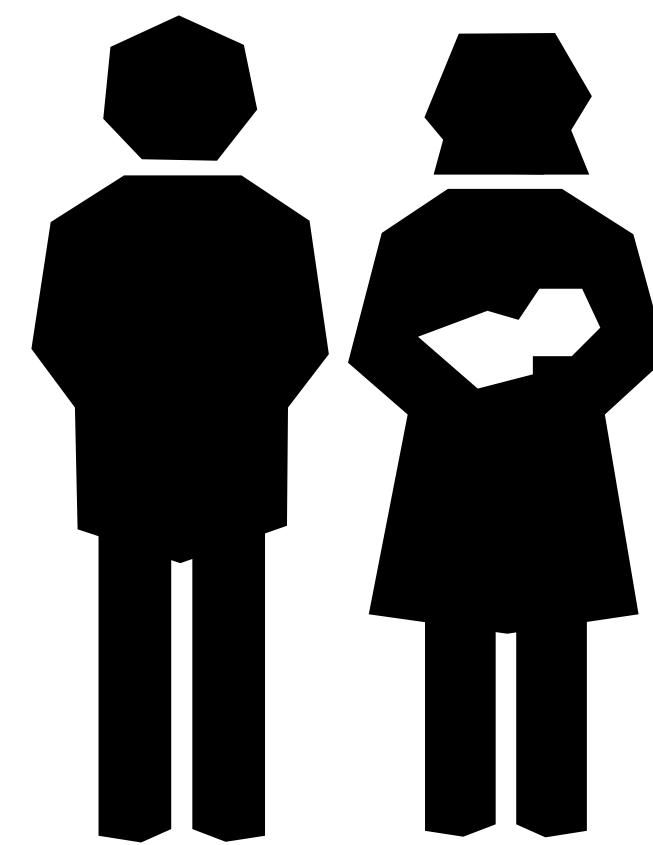


**Venera Cocaj**  
Kosovo

*- is a student fighting ignorance*

'At school in Kosovo you only learn superficial things about history. I didn't know about the existence of Yugoslavia, for example. So children only hear stories from their own families and the biases that accompany these stories. Women are hardly listened to either. I'm trying to make it clear to young people that there are always other stories.'

# 6







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# Protection of Civilians

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## STRATEGIC OBJECTIVE

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- ◆ The UN and its member states carry out their interventions for the protection of civilians based on the local security priorities of civilians and their communities.
- 

The protection of civilians in conflict areas is at the heart of PAX's work. It is our mission to work together with civilian organisations and local activists to protect and improve human security. The Protection of Civilians (PoC) is also high on our international political agenda. Safeguarding the safety of men, women and children who are caught up in today's violent conflicts, however, is proving extremely difficult. The news that reaches us from countries such as Syria, Iraq and South Sudan about civilians who are being intimidated, attacked, abducted and tortured speaks volumes.

PAX believes that to safeguard the protection of civilians it is vital that military interventions are guided not only by *state security* interests, but also by local *human security* interests.

PAX runs projects under this theme in South Sudan and Iraq, while we also engage in international advocacy and lobbying.



PAX believes that the answer to *how* the safety and human security of civilians can be best guaranteed largely depends on the conflict's local conditions. Yet reliable information about local security situations is often hard to come by if it exists at all. PAX therefore developed a methodology that gives civilians a voice in discussions about their safety: The Human Security Survey (HSS). The survey gathers data about urgent security threats and protection needs from the perspective of the population, as well as information about opportunities and capacities to build more secure communities. The surveys are conducted in coordination with local partners and by locally trained enumerators, who use smartphones with the open source software KoBoToolbox to ease the process of data collection and analysis.

The objective of the Human Security Survey project is threefold. First, to increase the understanding of local security experiences, perceptions and trends. Second, to support civilians in



advocating protection and holding those responsible for providing security to account. And third, to make sure that the PoC policies of both domestic and international actors, such as the United Nations, are based on the real needs and priorities of civilians living in conflict.



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## South Sudan

In 2015, the Human Security Survey was successfully piloted in South Sudan. In April 2016, PAX and the South Sudan Action Network on Small Arms (SSANSA) trained 14 coordinators. They will support the work of the enumerators, who were to be trained in 2016 as well. PAX planned to conduct the survey in four states: Western, Central and Eastern Equatoria and Jonglei. However, July witnessed a

resurge of violence across large parts of South Sudan. A crackdown on civil society activists ensued and many of SSANSA's staff and trained coordinators were forced to flee the country or became internally displaced. By November 2016, it was possible to start collecting data in Jonglei state. Around 875 surveys were completed, and more than half of the respondents were women. The results of the survey will be presented and discussed at local meetings. Police, local government and military personnel are invited to encourage discussion and dialogue between citizens and those who are responsible for their safety. Moreover, better relationships between civilians, armed actors and local government will increase the chances of future reconciliation and peacebuilding. The findings of the survey are broadcast by local radio stations and at the same time used for advocacy at the international level, in particular for the UN mission in South Sudan (UNMISS).



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## Iraq

In 2016, PAX extended the Human Security Survey project to Iraq, where it will now run in three provinces: Kirkuk, Basra and Salahaddin. Much of the first year of the project was devoted to adjusting the HSS methodology to the Iraqi context and building the partnerships and networks on the ground that are necessary to do this type of field research and community engagement. A great deal of effort and

time also went into securing the political buy-in of local authorities for the project. This is often essential to facilitate a smoother data collection process, but also to ensure that local officials, security actors, and other key powerbrokers will be willing to discuss the survey findings and act in response to local demands for improved civilian security.

The surveys and subsequent dialogue series will be conducted in close collaboration with long-time civil society partners of PAX: The Iraqi Al-Firdaws Society and the Iraqi Al-Amal Association. With their support, the survey questionnaire was translated into Arabic and adjusted to the cultural and political context of the different regions in the country. Al-Amal also recruited the 14 enumerators and three coordinators that were trained in Kirkuk province in 2016. Given the sensitive nature of identity issues in Iraq, the data collection teams must always reflect the diversity of the populations in which they work. Therefore, the enumerators always

include men, women and young people, as well as people from the different ethnic and religious groups living in those areas. They are trained in using the data collection software and taught how to ask sensitive questions, for instance on arms proliferation or gender-based violence. The coordinators are trained in the survey process, which includes topics ranging from the random selection of respondents to what to do in case one of the enumerators has their smartphone confiscated by the police. Conducting a survey on security perceptions is a politically sensitive undertaking in a country like Iraq, so the continual guidance of respected local civil society partners is critical. The local partners advise on how to guarantee not only an effective research process, but also the safety of the enumerators and citizens participating in the survey and follow-on activities.

In 2016, a consortium of PAX, Utrecht University and Impunity Watch was awarded funding from the Dutch Ministry of Foreign Affairs through the tender for



the Dutch National Action Plan on UNSCR 1325 on Women, Peace and Security. Part of the funds will be used to execute the Human Security Survey in Iraq's Salahaddin province, and to amend the survey methodology to make it as gender-sensitive as possible. Implementation will start in 2017, and will involve close collaboration with PAX's local partners, as well as Utrecht University and Impunity Watch. The survey will be repeated annually in all three provinces to identify both trends and emerging opportunities to improve the protection of civilians over time.

### **Our international advocacy & lobbying on Protection of Civilians**

The Human Security Survey is a means to an end: improving the effective protection of civilians in conflict areas. The findings of the survey are therefore also used for advocacy and lobbying at the international level, including the European Union, NATO and the United Nations. PAX uses the knowledge it acquires about local security threats and priorities in South Sudan and Iraq to inform international policymakers and diplomats who decide on the deployment of resources by the UN missions in both countries. PAX also engages with policymakers at the EU and NATO, which are starting to develop their own policies on the Protection of Civilians. The critical but evidence-based knowledge and experience that PAX brings into the discussions is valued by these international actors (see the account by [Alexandra Hiniker, PAX's liaison officer to the United Nations in New York](#). In the Netherlands, we contributed to the advice on PoC by the [Advisory Council on International Affairs](#) to the Dutch government in July 2016.

PAX also helps to train and advise military personnel prior to and during peacekeeping missions. In 2016, PAX helped to facilitate an eight-day workshop in Musanze, Rwanda for military, police and civilian personnel involved in peacekeeping missions from 15 African countries. Around 40 mid-level personnel participated, ranging in rank from major to colonel. PAX provided training on why community engagement and the inclusion of people's perspectives are key to successful peacekeeping operations. Participants shared their experiences with collaboration between civilians, police and military to protect civilians in different contexts. During a real-life scenario exercise, participants created protection plans to test the new knowledge and skills acquired during the course. The training was organised by the US, Rwanda and the Netherlands.





'As the PAX Representative to the United Nations, I incorporate the protection of civilians into all aspects of my work. Considering the extremely challenging situations in Syria, Iraq and South Sudan today, it is more important than ever for policymakers to understand how decisions made in New York affect the people they intend to help, so that they can work together to find a sustainable solution.

Even though I am the only one in PAX's New York office, I am constantly interacting with people. My work is all about tracking the relevant UN bodies and decision-making processes, establishing relationships with the people and institutions who are involved in these processes, and developing and sharing policy recommendations to influence them. So every week my diary is filled with meetings to attend and people to get hold of.

I find it exciting to get involved in detailed negotiations about resolutions. And at the same time it can be challenging to ensure that decisions made in New York, which can easily be influenced by geopolitical interests, actually support, rather than duplicate or undermine any of our partners' efforts.

Of course, I could never do any of this work on my own. I'm constantly consulting with colleagues and partners in the Netherlands, Brussels, Iraq, Syria, and South Sudan, which requires a lot of phone calls and emails. Throughout the year, I also travel to PAX headquarters in Utrecht and visit the countries where we work. It's not only policymakers who need to understand the impact of their decisions; it's also important

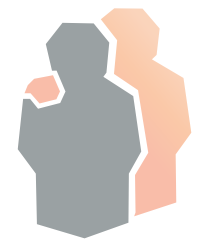
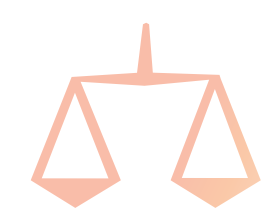
for me to meet directly with our partners and see their work first-hand so that I can help amplify their concerns and recommendations.

One of the most rewarding aspects of my job is bringing our partners to New York to meet directly with UN staff and diplomats, so that they can explain in their own words what their challenges are and how the international community can help address them. It's also important for partners to see how people in New York operate.

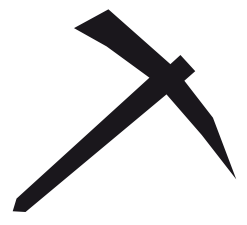
In addition to focusing on specific countries, I also cover thematic issues including peace-building, humanitarian disarmament and arms control. It's incredible to be part of historic events like the Arms Trade Treaty vote in 2013 and the agreement to negotiate a nuclear ban treaty in late 2016.'

ALEXANDRA HINIKER IS THE PAX REPRESENTATIVE TO THE UNITED NATIONS, BASED IN NEW YORK.

# 7







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# Natural Resources, Conflict & Human Rights

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## STRATEGIC OBJECTIVES

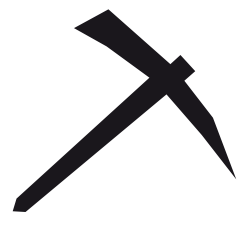
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- ◆ Human security and the human rights of civilians are respected and protected during the exploitation of natural resources by companies and governments.
  - ◆ Civilians who have suffered human rights violations as a result of the exploitation of natural resources can claim access to justice and reparations in a peaceful manner.
- 

The exploitation of natural resources such as coal, oil, gold or uranium in countries in Africa and Latin America that are prone to conflict, often contributes to violence, human rights violations and state fragility. Investments by mining and oil industries all too often lead to people being forcibly removed from their land, their habitats and livelihoods destroyed. Those who dare 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 South Sudan, the Democratic Republic of Congo and Colombia. We lobby for more effective norms and rules, and advocate the right to remedy for victims of violence and injustice. This includes our work on the Voluntary Principles and the Dutch Banking Sector Agreement. We do part of this international lobbying work in partnership with Amnesty International and OxfamNovib.



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## South Sudan

2016 was a very difficult year for the people of South Sudan. The peace agreement of September 2015 did not hold. In July 2016, large-scale violence broke out once again ([see also chapter 4](#)).

### **PAX in South Sudan**

The ongoing insecurity in South Sudan has meant that our cooperation with local partners inside Sudan for reparation

of the damages caused by the oil industry had to be suspended. Our lobbying at the international level continued.

PAX also runs projects in South Sudan under the themes [Community-based Security & Citizens' Rights](#), [Dealing with the Past](#) and [Protection of Civilians](#).

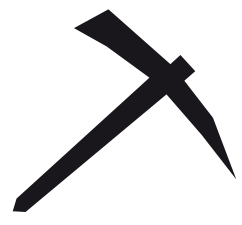
### **Unpaid debt: Lundin Petroleum**

2016 was a significant year in our efforts to seek justice for the tens of thousands of people in South Sudan who suffered extreme violence in connection with oil operations in 1997–2003. In November, the Swedish public prosecutor for international crimes revealed that CEO Alex Schneiter and Chair Ian Lundin of the Swedish oil company Lundin Petroleum had been heard as suspects of aiding and abetting war crimes in Sudan and South Sudan.

The investigations had been opened in 2010, following the report [Unpaid Debt](#), written by PAX and published by the European Coalition on Oil in Sudan that same year. The report questioned the role

that several oil companies played in the so-called 'oil war' in what is now South Sudan. The oil operations set off a spiral of violence as the Sudanese government and forces loyal to them set out to secure and take control of the oil fields. Thousands of people died and almost 200,000 were violently displaced. The victims of the oil war have been denied their right to remedy.

A court case may open in 2017 in Stockholm. The importance of court proceedings would be threefold. It would be the first time that anybody will be held to account for a role in any of the unspeakable horrors of Sudan's civil wars. Secondly, it would be a breakthrough if senior management of a multi-billion-dollar company were indicted in their home country for complicity in international crimes that were committed in another country. Thirdly, it would offer a unique opportunity to call upon a multinational company and its shareholders to provide remedy to victims of gross human rights violations.



In 2016, PAX supported the work of the Victims Working Group that was established in Juba. The members of the group issued a powerful [Remedy Claim](#) directed at investors and the Swedish government. Together with Swedish NGOs, PAX has engaged with institutional shareholders of Lundin Petroleum, pointing out that they failed their human rights duties by not addressing Lundin's oil war legacy. In 2016, the Norwegian Statoil bought 20% of the shares of Lundin Petroleum. Together with Norwegian NGOs, PAX called upon Statoil to ensure that Lundin Petroleum fulfils its obligation to contribute to effective remedy of victims, or end the business relationship.

If a court case opens in 2017, it is likely to attract a great deal of media attention. PAX will use the occasion to step up its advocacy and lobbying in Sweden, Norway and internationally.



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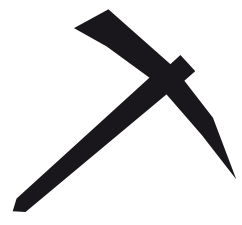
'We claim our right to effective remedies and reparations for the crimes that have been committed against us. We lived through the unspeakable horrors of Sudan's oil war. Our villages have been burned down, our daughters raped, children abducted, parents beaten to death, cattle stolen, communities scattered. The human rights abuses of the oil war have devastated our lives. As victims of human rights abuses, we have the right to remedy. This right has been denied to us and we claim it now.'

Crimes have been committed by a variety of armed forces after Sudan's government decided to let international companies exploit oil on our land. Once the leading company in our area, Lundin Petroleum found oil, it sold it for a fortune and left. Its managers are expected to stand trial in Sweden shortly for complicity in crimes committed against us. The company and its shareholders are indebted to us and it is time for them to pay.

South Sudan is in turmoil and its authorities are unable to govern the country effectively and equitably. Consequently, a remedy and reparation process will have to be independently managed, without any political interference. Because we suffered together, we want collective reparation.

Because we need a transparent and accountable process, we solicit impartial international parties to initiate and oversee a remedy process. We would appreciate it if Sweden, Lundin Petroleum's home country, could take the lead in achieving this.'

ON BEHALF OF THE VICTIMS WORKING GROUP,  
REV. JAMES NINREW AND REV. MATTHEW DENG



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## Democratic Republic of Congo

The DR Congo is a country with vast natural wealth. The presence of natural resources, such as gold, coltan and oil, in the past two decades has often played a negative role in the cycle of war and insecurity in the country. In the north-

east of the DR Congo, more than a million people depend economically on artisanal gold mining. Tensions are rising between communities and the local authorities, which give out concessions to international gold mining companies.

### **PAX in eastern Congo**

Our programme in the north-east of the DR Congo aims to help improve security both within industrial gold concessions and artisanal exploitation areas. Together with local partners, we work on monitoring security and security incidents in mining zones, lobby for the creation of special areas where artisanal goldminers are allowed to work and promote policies for artisanal mining such as the creation of cooperatives. PAX also runs a project in the eastern DR Congo under the theme Community-based Security & Citizens' Rights.

### **Security in gold exploitation**

In 2016, PAX supported the training of local monitoring teams in the mining areas. We also contributed to dialogue

between local communities, local authorities and the multinational mining companies about how to improve the human security situation in the gold mining areas. In March, PAX organised a conference in Kisangani, where we presented the results of our seven studies on the gold mining sector. A wide range of NGOs active in the north-east of DR Congo participated, as well as representatives from the mining company and ministries, politicians, army and police.

All in all, however, 2016 proved a difficult year for the project. The results of our capacity building activities for civil society were weaker than expected. Achieving results in the difficult environment of north-east Congo depends for a large part on effective cooperation with local partner organisations. When key individuals, who have earned the trust of different parties and who show leadership, leave these organisations, this inevitably means a great loss for the project. PAX is committed to address and resolve these recent challenges in 2017.



## Colombia

In 2016, PAX continued its ‘Stop Blood Coal’ campaign to recognise and compensate victims of paramilitary violence in the César region in Colombia. The basis for this campaign is the report from 2014 entitled ‘[The Dark Side of Coal](#)’, in which PAX exposed the large-scale human rights violations taking place in César. Residents have suffered greatly from paramilitary violence that is directly related to the

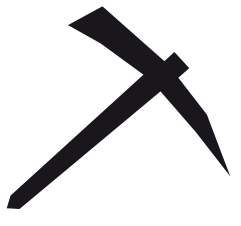
mining business. Between 1996 and 2006, at least 3,100 people were murdered, 55,000 farmers driven from their land and hundreds of people disappeared. Perpetrators and witnesses have declared under oath in legal processes and to PAX how the mining companies Drummond and Prodeco supported the paramilitary forces with finance, equipment and information. Both companies deny the allegations. The victims of violence and their surviving relatives are still waiting for recognition and compensation. Those who stand up for their rights are intimidated.

Our campaign strategy is as follows: with the help of PAX’s constituency, ask European and Dutch energy companies who buy coal from these mining companies to temporarily stop. In early 2016, we asked the European energy companies Dong, Vattenfall, RWE/Essent, E.ON, EDF, SteagEngie and EnBW to heed this call. We hope this will force the mining companies to finally acknowledge the human rights violations that they are involved in and start to compensate victims.

We experienced a major success in April. The largest energy company in Denmark, Dong, decided to stop buying coal from Prodeco/Glencore, until that mining company takes concrete steps towards compensating victims. Dong thus showed that energy companies do indeed have a choice when it comes to importing coal.

### **Campaigning in the Netherlands**

PAX brought Colombian national Maira Méndez Barboza to the Netherlands. When she was 15 her father, who worked for Drummond and was a member of a trade union, was murdered in front of his family by paramilitaries. Maira asked energy company Nuon during a personal discussion to stop buying coal from Drummond and Prodeco. Her story made a considerable impression, but it did not lead to concrete measures. At the urgent request of PAX, three parties in the Dutch parliament submitted questions in writing to the minister for international trade and development cooperation as a result of Maira Méndez Barboza’s visit.



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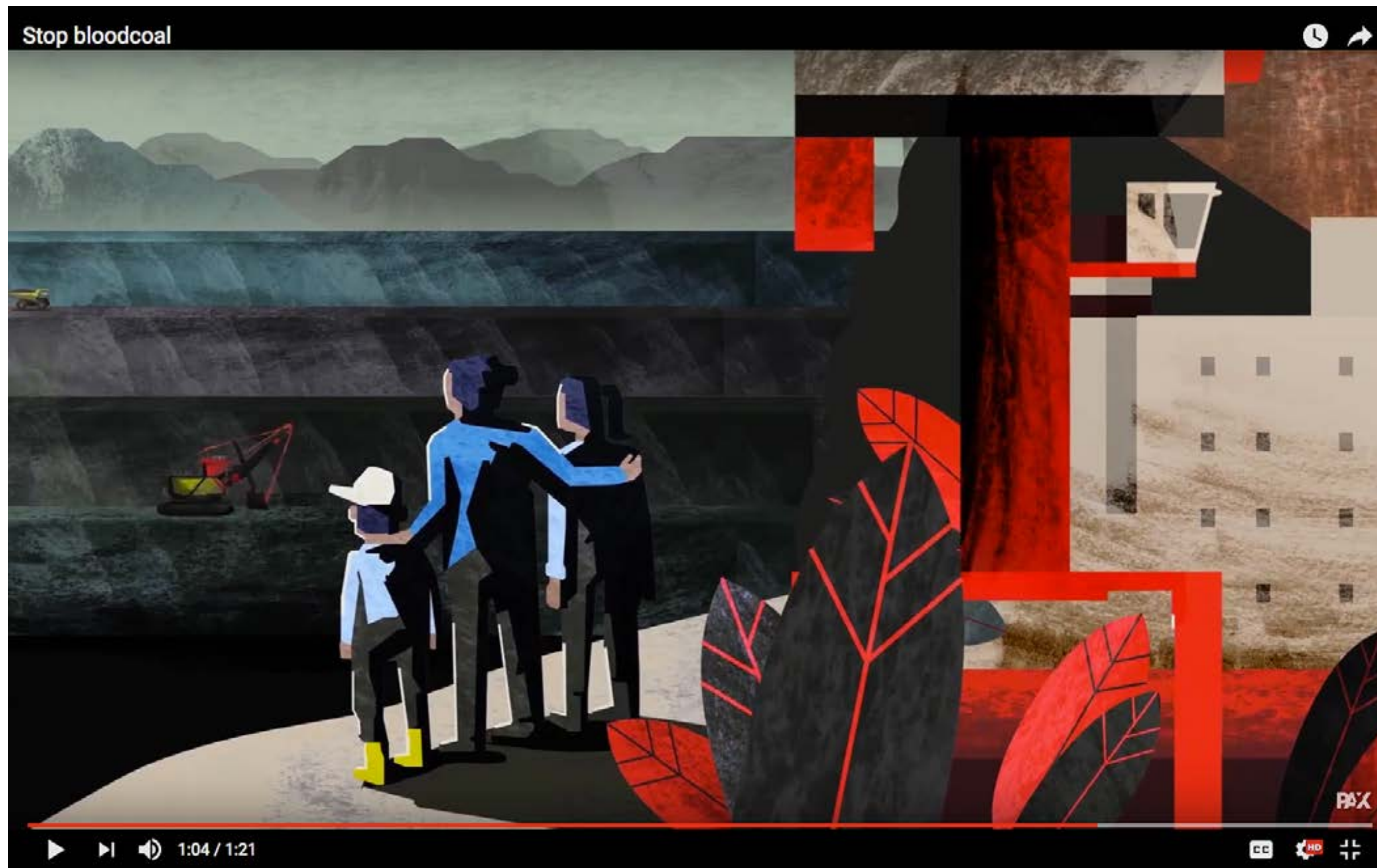
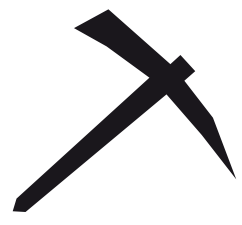


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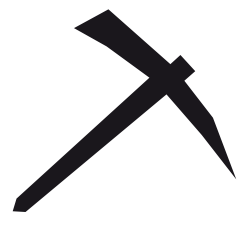


New research conducted by PAX in November entitled '[Civil Society under Threat](#)' reveals that violence and threats are still the order of the day in César. In the past four years at least 200 people have been victims of assassinations and death threats. The reign of terror has indirectly had an impact on thousands of people in the region. Around the

same time, the Colombian government published a report entitled *La Maldita Tierra* about the emergence of paramilitary violence in the mining region of César and the economic powers behind it. The report contains three new testimonies by ex-paramilitary leaders about alleged cooperation between the mining companies Drummond and Prodeco/

Glencore and the paramilitaries. Prompted by the findings, PAX again called on energy companies to immediately stop buying coal from César. To step up pressure against Nuon, ENGIE, Essent and E.ON, earlier in the year we had already launched a public campaign to get consumers to switch energy suppliers. Nuon and its Swedish parent company Vattenfall responded to the switchover campaign by introducing slightly stricter requirements for its purchasing policy. But there was no immediate suspension of purchasing, nor did Nuon ask the mining companies Drummond and Prodeco/ Glencore to take concrete steps to compensate victims. In late November, Nuon announced it would continue to buy blood coal from Colombia.

In 2016, PAX launched a campaign focused on the capital city of Amsterdam called '[Free Amsterdam from blood coal](#)'. In November, inhabitants of Amsterdam, companies and organisations were asked to speak out against blood coal. Amsterdam is the biggest European port



for coal after Rotterdam. Approximately 30% of the coal comes from Colombia. Amsterdam's municipal council has already asked the municipal authorities to look at ways of keeping blood coal from entering the port. PAX hopes that this campaign will give new impetus to attempts to defend Colombian victims of human rights violations in the César region in 2017.

## More work on Natural Resources, Conflict & Human Rights

In 2000, the Voluntary Principles (VP) on Security and Human Rights were adopted by governments, major multinational extractive companies, and NGOs, to guide the security provision of extractive sector companies in a way that respects human rights. PAX is member of the Voluntary Principles Initiative (VPI). We promote the principles among both governments and companies as a tool to reduce the risk of violence and human rights violations in natural resource exploitation.

Increasingly, companies are signing agreements with host governments about security provision for large investments. This offers an innovative opportunity to effectively promote respect for human rights among state security forces. In 2016, at the initiative of PAX, the VPI adopted Model Clauses for Agreements Between Government Security Forces and Companies with Respect to Security and Human Rights. These are new international guidelines with some very strong supporters and as such have a major potential to promote human rights among key actors.

## Highlight: The Dutch Banking Sector Agreement

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On 28 October 2016, after more than a year of negotiations, a significant agreement with the Dutch financial sector was signed in The Hague: the Dutch Banking Sector Agreement on international responsible business conduct regarding human rights.

The starting point for the negotiations, in which PAX took active part together with Amnesty International and OxfamNovib, was the assumption that financial institutions can positively influence the responsible business behaviour of their client companies. The agreement specifies the responsibility of banks and their clients to respect human rights and to work towards the remedy of victims whose rights were violated as a result of business operations. This responsibility is enshrined in international standards, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

The strength of the agreement is the fact that all relevant parties are involved: major banks such as ING, ABN AMRO and Rabobank, the Dutch government, NGOs and trade unions. All parties have agreed to pool and share their expertise and experience. The NGOs will help banks identify human rights risks and take the appropriate action in their

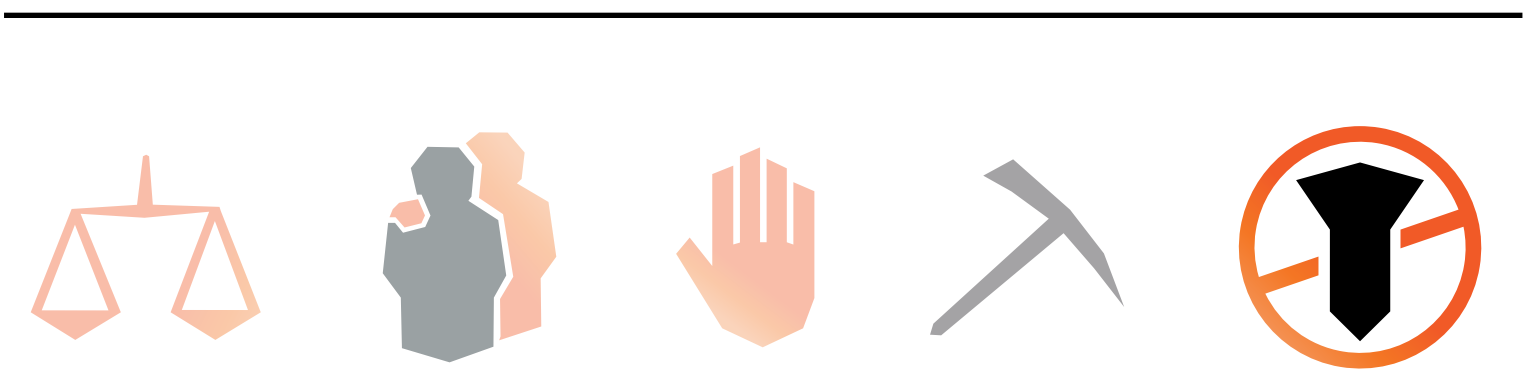
'Reparation for victims of human rights violations is vital for peace and reconciliation. This agreement examines if banks can be held responsible. With our experience of defending victims we help banks improve their understanding of this critical issue.'

JAN GRUITERS, GENERAL DIRECTOR PAX

operations. A database will be developed for collecting reliable information about human rights risks across countries and sectors. Banks can use this information when taking decisions about project and business financing. The NGOs will also advise the banks on how to conduct critical discussions with their business clients on these issues. By signing the agreement, banks agree to be more transparent about the way in which they fulfil their responsibility to respect human rights, about their investment portfolios, about their client screening programmes, and about their dialogue with clients that have become involved in human rights violations. The banks will also insist that their clients set up a complaints mechanism for victims of human rights violations.

The agreement is the first of its kind worldwide and has received international praise. For PAX, it marks another important step in our efforts to prevent human rights violations through the behavioural change of financial institutions. Our annual reports 'Don't Bank on the Bomb' (about investments in nuclear weapons) and '[Worldwide Investments in Cluster Munitions](#)', as well as our participation in the [Dutch Fair Bank Guide](#) and [Fair Insurance Guide](#), serve the same goal.

8





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# Humanitarian Disarmament

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## STRATEGIC OBJECTIVE

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

PAX mobilises political and public pressure for the regulation and reduction of the production, trade and use of weapons. The term 'humanitarian disarmament' means that we start from the perspective of civilians and the impact of weapons on them. Our goal is to improve the protection of civilians by better regulation or banning of certain weapons. PAX takes on the entire chain: from the development of new weapons, the investments in weapon producers and the arms trade, to the use of these weapons in armed conflict. We mainly work in international coalitions, often with a wide range of actors including

activists, researchers, scientists and survivors, and in close cooperation with states who share our goal to protect civilians. Depending on the different weapons, PAX focuses on norm building, norm setting or norm compliance.



# Norm building

## Killer robots

PAX is co-founder of the international [Campaign to Stop Killer Robots](#), an international coalition working to preemptively ban fully autonomous weapons, also called 'killer robots'. These weapons take a significant step further than armed drones. With armed drones, although human oversight is geographically far removed, someone still needs to press a button. With fully autonomous weapons, the human decision is taken out completely. The weapons would be able to select and attack targets without any form of meaningful human control. PAX is concerned about legal, policy and security issues that stem from this, but most importantly we consider it ethically wrong to leave decisions about life and death to robots.

In March 2016, the Dutch government embraced the conclusions from a [report](#) on autonomous weapon systems by two Dutch advisory commissions. PAX



published its highly critical reaction to the report and gave a presentation during a meeting about the topic in the Dutch parliament. To engage the Dutch public, we organised a public event called '[killing without a heart](#)' in De Balie, with Nobel Peace Prize laureate Jody Williams as one of the speakers. In April, PAX convened a

strategy meeting in the Netherlands with the main advocates of the Campaign to Stop Killer Robots.

Intensive lobbying and campaigning to get the issue on national and international agendas has paid off. More than 70 states have now expressed their concerns at



various UN forums, where PAX also gave statements and presentations, while 19 countries have called for a ban. The most significant development came at the very end of the year. At the Convention on certain Conventional Weapons (CCW) in Geneva in December, countries agreed to formalise deliberations on lethal autonomous weapons systems in 2017. A Group of Governmental Experts (GGE) will convene for two weeks in 2017 to move the issue further. PAX will closely monitor the process and continue to campaign for a pre-emptive ban on the use, production and development of fully autonomous weapons.

### Armed drones

The use of armed drones, which has fast increased in the last decade, raises many moral, ethical and legal questions. The crucial question is whether armed drones can and will contribute to the protection of civilians in armed conflicts. In 2016, PAX became the coordinator of the European Forum on Armed Drones (EFAD). Together with Armament Research Services, we published a report about

non-state actor use of drones, including commercial drones. The importance of addressing this issue became especially apparent with the increased use of drones by ISIS. We engaged with policymakers in the Netherlands and abroad, to raise concerns over transparency about the use of armed drones, and the need for clearer policies on when this use is and is not permitted. We co-organised a European Union hearing on armed drones and participated in two meetings by the United Nations Institute for Disarmament Research in Geneva. We also participated in an expert meeting organised by the Dutch Ministry of Foreign Affairs and analysed the position of Dutch political parties on drones. In 2017, PAX will continue to coordinate EFAD and step up our advocacy with Dutch and international policymakers and politicians to make sure they address the moral, ethical and legal concerns that relate to the use of armed drones, including the issue of extrajudicial killings.

## Conflict and environment

In 2015, PAX started working on the environmental impact of conflict. The goal is to protect civilians against the direct and long-term impact that conflict may have on their environment, for instance by targeting industrial areas or petrochemical facilities, or due to the type of munitions used.

On the one hand, we focus on strengthening legal protection and stronger international standards, and, on the other hand, on informing more adequate humanitarian and emergency responses on the ground. In 2016, we published several reports on the topic, including 'Targets of Opportunity', which analyses the use of depleted uranium by A-10s in the 2003 Iraq War, and 'Scorched Earth and Charred Lives', which highlights the civilian health risks caused by the increasing number of makeshift refineries in Syria's oil rich Deir ez-Zor governorate.

Using our evidence-based research, we gave input at several international fora and processes on the topic, for instance for the reports by the



UN Special Rapporteur on Toxics and Human Rights. We also gave input at bilateral meetings for the vote for the UN Environment Assembly (UNEA) resolution on protecting the environment in areas affected by armed conflict, which was adopted by consensus at the 2nd UNEA meeting in Nairobi in May.

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## Norm setting

### Explosive weapons

Every day, explosive weapons are used in conflict areas around the world. Research indicates that when these weapons are used in populated areas, nine out of ten casualties are civilians. Explosive weapons with so-called ‘wide area effects’ are especially problematic, because of the risk they pose to civilians and to the buildings (schools, hospitals) and infrastructure on which civilian lives depend. While some explosive weapons, for example cluster munitions, are prohibited, most explosive weapons’ use is permitted – as long as it follows the rules of ‘distinction’, ‘precaution’ and ‘proportion’.

PAX co-founded the International Network on Explosive Weapons (INEW) in 2011, and has been a member of its steering committee since. So far, over 75 states have acknowledged the humanitarian harm caused by explosive weapons in populated areas, and their number is growing. In 2016, PAX spoke at and participated in meetings

with governments and UN agencies, advocating political commitment to prevent the harm caused by explosive weapons in populated areas.

In 2016, PAX co-published the report [‘Areas of Harm’](#), which analyses the wide-area effects of certain explosive weapons, and presented the report at the UN. We also set up the photo exhibition ‘Collateral’ during a meeting of states in New York. To engage the Dutch public, we organised a year-long exhibition of ‘Collateral’ in the Humanity House in The Hague. Photographs by Dirk-Jan Visser portray the stories of people affected by explosive weapons on both sides of the frontline in Donbass (eastern Ukraine). In 2016, PAX conducted another field mission to eastern Ukraine, in cooperation with the International Human Rights Clinic of Harvard Law School, to map the impact of explosive weapons on healthcare and patients. The results of this joint field research will be published in 2017.





## Nuclear weapons

Nuclear weapons are the only weapons of mass destruction that have not yet been prohibited by an international treaty. This is unacceptable and extremely dangerous. PAX has been working to ban nuclear weapons on an international level as well as in the Netherlands for many years. In October 2016, the world got a step closer to getting rid of all nuclear weapons. In a historic vote, a majority of UN member states decided to start negotiations on a treaty to prohibit the worst weapons ever made. The negotiations will begin in March 2017 at the United Nations headquarters in New York.

As an international steering group member, PAX plays a leading role in the International Campaign Against Nuclear Weapons (ICAN), the global coalition that has been at the forefront of the movement advocating the ban. Partly thanks to the work of ICAN, the historical discourse on nuclear weapons that focused on state security has



shifted to a humanitarian approach. It is now widely recognised that any use of nuclear weapons would not only cause catastrophic harm, but also violate the fundamental principles of international humanitarian law.

At the same time, there has been a significant increase in escalatory rhetoric and action by the United States and Russia, the two states with the largest nuclear arsenals in the world. Combined with new information about the number of accidents and near-nuclear misses over the last decades, this has increased



the urgency on the part of some states towards renewed action for the prohibition and elimination of nuclear weapons.

In 2016, PAX engaged in the 'Open-ended working group on nuclear disarmament' by contributing a series of working papers and actively engaging with delegations. PAX's core themes,

including investment issues, were incorporated into the final report of the working group presented to the UN General Assembly and became part of the substantive discourse on the ban.

### **Don't Bank on the Bomb**

PAX's annual publication [Don't Bank on the Bomb](#) about global investments

in nuclear weapons producers has contributed to the financial industry's perspective on nuclear weapons. It has become a resource for financial institutions looking to expand their policies and get more information about what companies to exclude from investment. The evidence published in the annual report has also strengthened international advocacy and could lead to the first international prohibition on the financing of a weapon.

In 2016, we launched the fourth 'Don't Bank on the Bomb' report. The research shows that financial institutions controlling over €1.7 trillion prohibit or limit investments in nuclear weapon producers. Since the first publication in 2013, more than 20 new policies stigmatising investment in nuclear weapons have emerged. However, the report also identifies 390 banks, insurance companies and pension funds which have made US\$498 billion available to nuclear weapon producers since January 2012.



## No Nukes campaign in the Netherlands

In April, the Dutch parliament discussed the PAX proposal for a law against the development, production, ownership, use, placement and transfer of nuclear weapons in the Netherlands. In 2015, the Dutch public told parliament clearly that it wanted a ban. Through our citizens' initiative, we collected 45,508 signatures for a national ban on nuclear weapons, which compelled the parliament to put the ban on its political agenda.

During the debate, five political parties rallied behind the proposal of PAX to introduce a national ban. Moreover, the *Teken Tegen Kernwapens* (or, No Nukes) campaign, building on years of intensive parliamentary education and advocacy, resulted in a clear majority of political parties telling the Dutch government it should actively support an international nuclear ban treaty. This means that PAX, working with partners including the Rode Kruis and ASN Bank, has achieved the only public commitment by a NATO member state to participate in the

upcoming ban treaty negotiations.

Despite public opinion and parliamentary pressure to reject the weapons, the Dutch government was one of 16 states that abstained from voting in October, when 123 states voted in favour of starting negotiations on an international ban. However, the Dutch Foreign Minister did state that the Netherlands would be participating in the negotiations, despite the continued reliance on nuclear weapons in the joint NATO security doctrine.

## Norm compliance

### Cluster munitions and arms trade

International treaties and conventions only make a real impact on the ground if they are strictly interpreted and implemented. Therefore, we dedicate a lot of effort to monitoring and researching compliance with these treaties. We do

this with regard to the Convention on Cluster Munitions (CCM), the milestone international treaty that came into force in 2010 and the UN Arms Trade Treaty (ATT) that was adopted in 2013. In 2016, PAX supported ATT campaigners in the Horn of Africa and we published the ['Armed and Insecure' report](#), which provides an overview of arms transfers and armed violence in the Horn of Africa. We also monitor Dutch export policies within the context of the EU's Common Position on arms exports, which is the only legally binding region-wide arrangement on conventional arms exports.

## Highlight: Cluster munitions

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On 1 September 2016, one of the world's largest arms manufacturers, the US company Textron, announced that it will stop the production of cluster munitions.

PAX's annual report ['Worldwide Investments in Cluster Munitions: a shared responsibility'](#) listed Textron as a manufacturer of the Sensor Fuzed Weapon (SFW), a type of cluster munition that is banned under the 2008 Convention on Cluster Munitions (CCM). Our 2016 report revealed that between June 2012 and April 2016, worldwide 49 financial institutions had investments totalling nearly US\$12.5 billion in Textron. Ever since 2009, we have been urging investors, banks and other financial institutions to withdraw their financial support from Textron. The 2016 decision by Textron to stop manufacturing cluster munitions demonstrates the impact of our worldwide campaign. In 2017, we will closely monitor the company's implementation of its decision and we will continue to put pressure on Textron until the last SFW has been delivered.

In 2003, PAX co-founded the [Cluster Munition Coalition](#), which today has more than 350 members in over 100 countries. Our aim is to promote the

universalisation of the CCM, which to date has been signed by 119 states, and to ensure strict compliance with the convention.

10 countries – including the Netherlands – have enacted legislation prohibiting investments in cluster munition producers. More and more financial institutions are deciding to not invest in cluster munitions. Dutch institutions are doing relatively well. 19 of the listed 38 financial institutions worldwide that do not invest in cluster munitions are Dutch.

During the Sixth Meeting of States Parties to the CCM that took place in Geneva on 5–7 September, PAX called for more international cooperation to ban cluster munitions throughout the world. Because despite the achievements, the figures remain worrying: in the past four years, 158 financial institutions invested US\$28 billion in companies that produce cluster munitions.

# August 6, 1945 - Hiroshima

## Setsuko Thurlow

Setsuko Thurlow, Survivor from Hiroshima





'I turned around and saw the outside world. Although it was morning, it looked like twilight because of the dust and smoke in the air. People at a distance saw the mushroom cloud and heard a thunderous roar. But I did not see the cloud because I was in it. I did not hear the roar, just the deadly silence broken only by the groans of the injured. Streams of stunned people were slowly shuffling from the city centre toward nearby hills. They were naked or tattered, burned, blackened and swollen. Eyes were swollen shut and some had eyeballs hanging out of their sockets. They were bleeding, ghostly figures like a slow-motion image from an old silent movie. With a few surviving classmates I joined the procession carefully stepping over the dead and dying.

I was 13 years old when the US Air Force dropped the atomic bomb "Little Boy" on the Japanese city of Hiroshima on 6 August 1945. As a survivor of the bombing, I feel a powerful commitment to tell the story of Hiroshima. In October, 123 countries in the world voted to begin negotiations on a legally binding international ban treaty for nuclear weapons. This is breathtakingly exciting and empowering for all of us campaigners around the world.

For decades, so much attention has been given to the doctrine of "deterrence" and how useful those nuclear weapons are for that purpose. But I say that is nonsense. As long as nuclear weapons exist and we keep competing in investing more and more in them, then we are heading for a catastrophe. I believe that humanity and nuclear weapons cannot coexist. The total abolition of nuclear weapons is the only path to security and the preservation of the human community and civilisation for future generations.

The survivors of the bombing of Hiroshima and Nagasaki are getting old and passing away, leaving a smaller number of us. I feel it is imperative to tell the younger generation of that terrible dawn of the nuclear age. And I am grateful to the International Campaign for the Abolition of Nuclear Weapons for being such a strong force in the rapidly growing global movement for the total prohibition and elimination of nuclear weapons. I am hopeful that in 2017, the decisive next steps will be taken to make this happen.'



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# Peace activism in the Netherlands

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PAX needs a strong foundation and constituency in the Netherlands to carry out its peace work successfully. In this light, it is important that we inform and mobilise Dutch citizens and connect them to citizens in (post)conflict areas. Peace, after all, is not only PAX's ideal but one that everyone should be pursuing. Our work is driven by solidarity because we believe that everyone is entitled to human dignity. In 2016, we continued our two successful campaigns on Nuclear Weapons and on Blood Coal. The achievements are discussed in the chapters on Humanitarian

## Disarmament and Natural Resources, Conflict & Human rights.

As a peace organisation rooted in Dutch society, PAX also aims to strengthen binding forces in a society that is uncertain about its future and polarised by the arrival of refugees and the fear of terrorist violence. Activities in the Netherlands are increasingly focused on supporting our local Embassies of Peace as bridge builders within their own constituencies.

## Embassies of Peace

PAX maintains continuous and close contact with the Embassies of Peace, 75 large and small local groups throughout the Netherlands who carry out a range of

activities for peace. Once a year, everyone is invited to Ambassadors' Day, which was visited by about 150 people this time, in preparation for the Peace Week in the third week of September.

'Peace flights' is a PAX project in which people involved with the Embassies of Peace, or other communities and church groups, can express their appreciation for those who are dedicated to peace. Ten groups have sent or presented a total of 76 doves to volunteers from a food bank, participants in a wake at the detention centre in Camp Zeist, development projects, youth and neighbourhood initiatives. One case that deserves special attention is the participation of a





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secondary school, whose second forms all joined in and sent doves to remarkable people in their neighbourhoods. Another 23 doves were sent via the website, mainly to peace activists in Syria and Colombia.

### 50<sup>th</sup> Peace Week

The 2016 Peace Week was special as it was the 50th time it was held. The main message this year was 'We can all do something for peace', a message that complements PAX's payoff: 'Peace. Are you in?' Because the Peace Week scores well in terms of publicity, PAX invested a great deal in its media campaign, with excellent results. For example, 900,000 viewers watched a TV commercial during a broadcast by *Socutera*, which makes short promotional films for good causes. Other examples include a Google banner that was shown 1.4 million times; partially paid-for Facebook posts reached 125,000 people; and 1.9 million people saw billboards along motorways containing the message. Another programme element that received a great deal of attention was [Adopt a Revolution](#).

The week opened with the Walk of Peace, this year held in Enschede. The Walk is inspired by the World Council of Churches' call to join a 'Pilgrimage for Justice and Peace'. It was organised in cooperation with the Council of Churches and Enschede for Peace. About 300 participants from different religions and beliefs walked past houses of prayer and places that are meaningful to peace. The people met and got to know each other, discovered similarities and differences, and experienced peace. It was a wonderful event that actually had a practical result. The Syrian Orthodox, Muslim and Catholic communities from the city promised, together with the municipality of Enschede, that they would continue to meet and put themselves at the service of peace in the city.

After hundreds of activities throughout the country organised for a large part by the Embassies of Peace, PAX concluded the Peace Week with the *Manifest*, a spectacular celebration with theatre, dance, rap, authors reading



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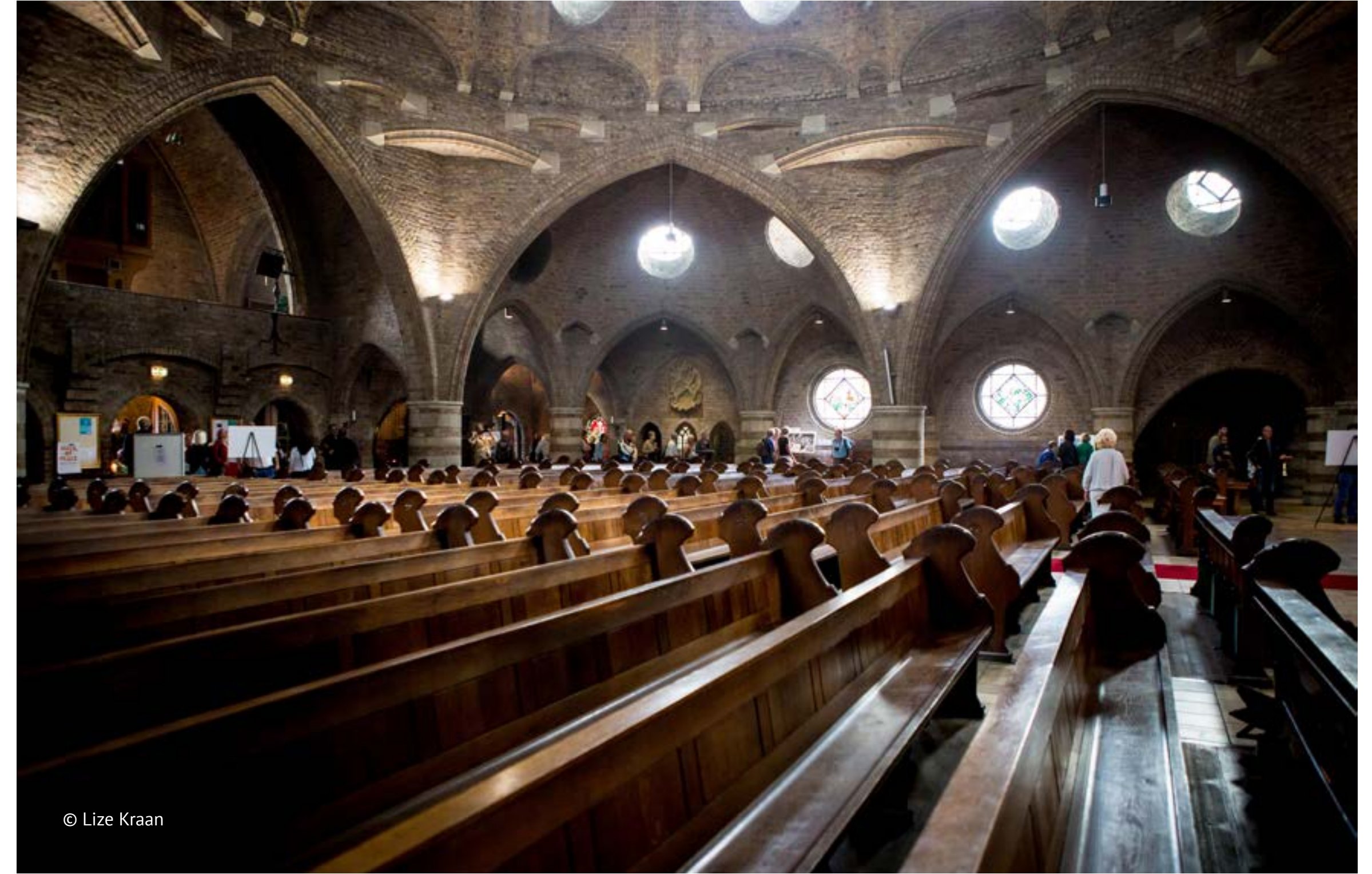
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from their works, stand-up comedy and performances targeting a younger audience. Approximately 700 peace-infused partygoers visited the festivities at the Amsterdam *Stadsschouwburg*, which were preceded by a [‘Bed-In’ for peace](#) following the example of John Lennon and Yoko Ono in 1969. The programme was put together by the ‘night mayor’ of Amsterdam, Mirik Milan, an expert on new nightlife trends. PAX’s three-year programme has enabled it to attract young, creative and active people in a fun and light way and involve them in PAX’s ideas and peace work. This was the second time *Manifeest* was held, which will continue next year.

## Refugees

The problems that exist in the conflict and post-conflict countries where PAX works are increasingly knocking on our front door as well. The number of refugees fleeing to Europe and the Netherlands as a result of violence and war is on the rise. PAX recognises that this is causing tension in our own

society and therefore wanted to help give refugees a dignified welcome last year and counteract the ensuing polarisation.

PAX was one of the driving forces behind [‘Stay Human’](#), a unique coalition of 52 civil society organisations. It is unique because in addition to the usual suspects, unexpected parties also joined the coalition, including VNO/NCW (the national employer’s association), the Holland Festival (the world-famous performing arts festival) and Scouting Netherlands. The coalition provided a platform for a range of initiatives that focus on the humane hosting of refugees and more moderation in the debate about the issue. A media campaign on radio, television and social media gave these promising initiatives exposure.

Because PAX believes that a discussion should not only be held *about* refugees but also by refugees, it established ‘Get to Know Us’. A group of Syrian refugees was brought together who would provide first-hand commentary in the media and

on their own social media channels on current events that impact them. It turned out to be more difficult than expected for those involved to adopt the mores of the complex Dutch media system. Many refugees have not found their permanent place or secured their future yet, and as a result the project did not have the output that it deserved. Based on the lessons learnt, we will make another attempt with a new group in 2017.

At the request of the educational sector, PAX found a number of Syrian refugees who were willing to [tell their story](#) in classes in secondary schools. It turned out to be a resounding success. Many teachers struggle with the sometimes harsh discussions with uninformed and biased students. But what happens when they meet a refugee is remarkable: as it turns out, when students strike up a conversation with refugees their attitudes tone down and their harsh opinions do an abrupt about-turn. More than 4,500 students were reached in almost 200 meetings. A new

group of Syrians have come forward for 2017.

### Action alert

In order to reinforce our ongoing campaigns and assist our programmes in conflict countries, we ask Dutch citizens to participate in our (online) campaigns, and to support us through unpaid publicity through their own channels. When PAX wants to exert public or political pressure, we use an 'action alert' to ask these people to take action, for example by sending an email or signing a petition. A total of 47,362 people are now signed up to receive action emails (an 18% increase compared to last year) and a total of 15,840 actions were carried out by them. Each of these actions reflects public support for our lobbying and programme activities. In 2016, more than 2,000 people were involved in the [Blood Coal campaign](#).

### PAX on social media and online

The most spectacular growth PAX experienced was in social media. Facebook now has 18,073 followers (a 17% increase), 4129 accounts are following us on Dutch Twitter (a 16% increase) and 1,014 on our English Twitter account. The number of website visitors has also increased. For the Dutch website, the number of unique visitors is now 6,200 a month (a 57% increase) and the number of page views is now 18,000 (a 41% increase). In 2016, the English website had 2,500 unique visitors a month (a 78% increase). In addition, a newsroom has been created on the website with press releases, photos and videos, and when possible additional material to inform and provide service to journalists. As is the case every year, PAX published four magazines that reach 16,500 subscribers in the Netherlands. We produced 13 newsletters that are distributed to 6,000 recipients, with an open rate of 31%. The newly established English newsletter already has 5,700 subscribers.

The screenshot shows the Twitter profile for PAX (@PAXvoorvrede). The profile header is orange with the text "AN IETS VOOR VREDE" and "DOE MEE, MET". Below the header, the profile statistics are displayed:

TWEETS	FOLLOWING	FOLLOWERS	LIKES	LISTS
8,935	1,277	4,242	358	7

The profile is set to "Tweets & replies". The first tweet is a pinned tweet from PAX @PAXvoorvrede, dated Jan 11, with the text: "Kom in actie voor #vrede! Meld je aan voor de #Action wanneer we jouw hulp hard nodig hebben:". Below the text is a photo of a protest with signs, one of which says "GEEF MET KAN". The tweet has 5 retweets and 5 likes. The second tweet is a retweet by Jan Gruiters @JanGruiters, dated Apr 26, with the text: "Mijn nieuwe blog over onmogelijke vrienden. We moeten met autoritaire leiders herzien.". Below the text is a link to "jangruiters.wordpress.com". The tweet has 3 retweets and 1 like.

## Visibility and profile

The communication department developed a new strategic communication framework for the period 2016–2020 that clearly states our objectives: better positioning and streamlining of PAX's profile with relevant target groups; mobilising and organising these target groups and promoting global citizenship; reinforcing internal communication to create a distinct profile for the outside world; and finally consolidating private fundraising.

The communication concept 'Peace. Are you in?' launched in 2014 has now been completely rolled out and has permeated all corporate and campaign messages and communication. The corporate advertisements have been standardised. Moreover, we have launched a one-year media partnership with a major publisher of various newspapers and magazines, 'De Persgroep'. The hiring of a communication advisor/press officer who will focus specifically on international media in the coming years will increase PAX's

visibility abroad. Much of PAX's peace work is of interest to foreign media, and this attention will contribute to the programme work.

In terms of generating unpaid publicity, a fixed procedure has been put into place to facilitate collaboration between communication advisors and staff dealing with content, as well as a so-called communication tool. A new, comprehensive public relations policy should lead to more visibility in the Dutch and foreign media. A strategic choice was made to limit the number of faces that appear in the media. This will be enforced in 2017. The subjects that scored highest in unpaid publicity were [Killer robots](#), the citizens' initiative for a debate in the Dutch parliament about a ban on [nuclear weapons](#) and the [Siege Watch reports](#) about the situation in Syria.



**Haris Roncevic** (with raised hand)

'It's sad to hear that refugees are being victimised even though they haven't done anything wrong.'

## The story of the refugee

PAX visits schools, clubs, churches and our Embassies of Peace with refugees. That's an absolute necessity if you see how little people in the Netherlands know about the background of refugees and their stories, and in light of the preconceptions and emotions that this lack of knowledge generates. PAX joined Ammar Sheikh Ibrahim (29) to a regional education centre in Helmond. He is one of the refugees that came up with the idea of visiting schools with PAX so refugees could tell their stories themselves.



**Ingeborg Krook**  
teacher of citizenship

'Many colleagues are scared to talk about refugees because people could get hurt. You can prevent that from happening by bringing someone into the class who looks you in the eye and tells you what it's really like to be a refugee.'



**Michiel Compiet**  
trainee teacher

'IS, refugees, attacks – we deal with these subjects in almost every lesson.'



**Ammar Ibrahim**

'I think it's important that Dutch people learn more about us, about Syria. That would help them to understand why we fled.'



**Björn Pluijm**  
(centre)

'Impressive. In the media all you see are the bad things, not what Ammar is telling us.'



**Larissa Beckers**  
(right)

'I have massive respect for them.'



**Jan Jaap van Oosterzee**  
Syria expert

'PAX is working on peace in Syria. The arrival of refugees brings that work to the Netherlands too.'



**Maha Ghrer**  
guest teacher

'My sister and brother-in-law live in Aleppo. My dream is to return, but horrible things are happening there and we have to tell people about them.'

BED  
PEACE.







'Because world peace doesn't seem to have been making any headway lately – in fact, in 2016 the idea seemed further away than ever – PAX and I decided to make my status as ambassador more or less permanent for the time being. It sounds more ceremonious than it is. What I agreed to comes down to something like this: I refuse to leave my post until all weapons in the world have been destroyed and all rifles, cannons, rockets, mortars, knuckle dusters, tanks and other dubious weaponry, including trucks, tractors and throwing spears, have been melted down into threshing tools and trumpets.

That's the way it is, like it or not. World peace, it's a pipe dream, so says human nature, and that means I'm stuck in my post as ambassador till the end of my days, unless Pax for Peace and I find a compelling reason to decide otherwise and end the whole affair.

So what exactly have I done in 2016 to convert my ideals into deeds? I lay in bed. Not that there's anything particularly special about that, after all we do it every night. Peacemakers, warmongers, criminal lawyers, activists, defence attorneys, weapons manufacturers, executioners, despots, lackeys – they all lie in bed every night.

But in this case lying in bed was different. To begin with, it was daytime, which usually means you're ill or injured. Neither was the case here. I lay in bed, in fact we lay in bed, to lend force to our idea of peace. We did it twice. The first time was in the Hilton Hotel in Amsterdam, in the John & Yoko Suite. After all, they were the ones who invented the idea of the bed-in for peace. They lay there for a week in 1969, just to make a statement. The press flooded the place. Never before had there been so much publicity for two people lying in bed for peace. I was fascinated by the bed-in, which is how people referred to the week-in-bed – everything in the sixties had the suffix

'in': there were teach-ins, sit-ins, smoke-ins. The first time I heard about it was when I was 15, in 1980. John Lennon had just been murdered by a deranged fan. I was inconsolable. My hero, my working-class hero, my rebel, gunned down by a derailed idiot.

In the days following Lennon's death, I heard recordings of the 1969 bed-in from the archives. I have to lie in that bed with my wife, I thought at the time, whoever she may be.

36 years later it happened, thanks to Pax for Peace. My wife Mariska and I lay in that famous bed (the sheets had been cleaned in the meantime). We did it to shoot a film, a teaser for a much bigger bed-in, during the *Manifest* in September. There was a mega-bed at Leidseplein, in which a hundred of us lay for a week... no, let's not exaggerate... for a half hour.

Apart from lying in bed I have advocated peace, even in the Military Museum. If you can state there that 'war is fear, disguised as courage,' and even receive applause for it, then you're on the right path as an ambassador of peace. Go forward with courage! All we are saying is give peace a chance.'

# 10



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# Fundraising

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## Individual support

Individual support constitutes a valuable source of income for PAX. The support comes from the members of PAX Christi, from donors who contribute one-off or periodically, from bequests and legacies, and from the annual collection organised throughout the Netherlands during [Peace Week in September](#).

In 2016, we approached our 17,788 members and donors five times with a request for a structural or occasional donation. During Peace Week and with 'Kerken in Actie', churches across the

Netherlands raised over € 64,000 for our peace work. Special attention was given to the [Lessons in Peace projects in Syria](#). Committed individuals involved in the 75 Peace Embassies across the Netherlands organised all sorts of fundraising activities. The ongoing online Adopt a Revolution campaign raised over € 20,000 in 2016 for small-scale peace initiatives in Syria. PAX members, volunteers and private donors supported us through the 'Ask a Friend' campaign, which resulted in 360 new friends for PAX who also contribute financially to our work. The committed support shown by our members and donors confirms PAX's mission: all contributions, big or small, help us to protect civilians and build just

and peaceful societies together, across the globe.

### Legacies

In 2016, we received a total of € 47,724 from legacies and bequests, up from € 30,912 in 2015. The fact that people include PAX in their will signifies considerable trust in our work and approach to building peace, for which we are very grateful. PAX has a policy that guides our conscientious handling of such funds as well as a brochure for interested donors.

## Handling complaints

In 2016 a total of ten complaints came in. This is a striking decrease compared to 2015. Four complaints concerned donation requests, three about not having or having received duplicate items of post, while two other complaints involved inaccuracies in correspondence and the design of a mailing. These nine complaints were dealt with according to procedure. One complaint was about PAX's political views. This complaint was only signed with a first name, without an address. This complaint has therefore been set aside.

## Institutional fundraising

An important aspect of our new five-year institutional fundraising strategy is our proactive approach towards institutional fundraising. The objectives of our work are leading the search for funding for our programmes.

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I find PAX a reliable, no-nonsense organisation. I know that the money I donate really benefits people in war zones. I noticed on Facebook that you also confront politicians. All I want to say is: keep up the good work!

MAAIKE HOFFER, PRIVATE SUPPORTER

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In early 2016, we kick started our new strategic partnership with the Dutch Ministry of Foreign Affairs. Within the 'Strategic Partnership on Dialogue and Dissent', PAX – in the Freedom from Fear Alliance with Amnesty International – will achieve structural changes of behaviour in fragile and conflict-affected situations. In order to achieve its objective, the Freedom from Fear Alliance will receive no more than €59.5 million over the total five-year period of the Strategic Partnership (1 January 2016–31 December 2020).

Our aim is to reduce our financial dependence on funding from the Dutch Ministry of Foreign Affairs. Therefore, we are investing in increased donor diversification by the year 2020. See also the explanation in chapter 15, [financial statement](#).

Besides the 'Dialogue and Dissent' Strategic Partnership, this year PAX received a contract from the Dutch Ministry of Foreign Affairs for its

activities in Iraq (as leader of an Alliance with Impunity Watch and PAX's local partner Al Amal Association), funded through the National Action Plan 1325 for Women, Peace and Security 2016–2020. The overall objective of this project is to 'increase our understanding and awareness of the root causes and patterns of (Sexual and) Gender-based Violence ((S)GBV) and impunity thereof and increased capacity to develop, implement and evaluate effective transformative strategies to carry out applied research on (S)GBV'. This is one of the outcomes of increased fundraising efforts for Gender, Peace and Security.

This year, PAX also received a contract from the Dutch Embassy in Iraq for a bridge fund for its 'Kulluna Muwatinun' (We Are All Citizens) project in Iraq, aimed at addressing the promotion and protection of rights of minority groups through promoting a discourse on inclusive citizenship as an alternative for sectarian thinking.

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'PAX's commitment to the defence of human rights and the promotion of peace and democracy in the Middle East is unequivocal. PAX has extensive expertise in community development and advocacy for social justice in Syria and Iraq. PAX values the participation of local actors in development processes, and supports these processes according to the strengths and specific needs of local partners. Research and networking are also at the heart of PAX's efficient work, both at headquarters and in implementing countries. These are the strengths that Development and Peace is looking for in a partner and appreciates in PAX.'

CHRISTIAN CHAMPIGNY, DEPUTY DIRECTOR INTERNATIONAL PROGRAMMES, DEVELOPMENT AND PEACE

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The Dutch Postcode Lottery expressed their trust in PAX's work by not only continuing to support PAX's core business but also awarding our [Lessons in Peace projects in Syria](#).

We continued with our international fundraising approach, which has resulted in new contracts with the Canadian organisation Development & Peace. We have expanded our cooperation with foreign governments, such as the United States Department of State's Bureau for Democracy, Human Rights and Labor, which has provided funds for our [The Day After project](#) in Ninewa province, Iraq.

At the same time, UK funding sources have continued. To solve the complex, global issues connected to Humanitarian Disarmament, perseverance is needed for long-term change strategies. PAX applauds the long-term vision demonstrated by both the Sigrid Rausing Trust and the Joseph Rowntree Charitable Trust. The Sigrid Rausing Trust helped us continue our leading role in the



Stop Explosive Investments campaign and research on Explosive Weapons in Populated Areas, through their €50,000 support. The Joseph Rowntree Charitable Trust's dedicated backing with the same amount, has helped PAX continue to end investment in nuclear weapons and translate stigma to policy.

The lessons learned from 2015's two-yearly funding partner survey have been put into practice this year. More time and effort has been invested into donor stewardship and donor compliance. This will be given equal attention in 2017.

11



# Governance and report of the supervisory board

## Legal structure

PAX is the result of a special united partnership with a unique structure. It originated from a long tradition of peace activism and was founded in 2006 as a joint work organisation of Pax Christi Netherlands and the Interchurch Peace Council (IKV). Pax Christi Netherlands was founded in 1948 as an independent sector of the international Pax Christi movement. It emerged during the aftermath of World War Two from the impassioned hope: war never again. The Interchurch Peace Council was founded in 1966 by the churches of the Netherlands and Pax Christi with the aim of promoting political solutions for crises and war situations. The Catholic Peace

Movement Foundation (STIKAV) was founded by Pax Christi, and its sole role is to manage the Pax Christi Centre at Hoog Catharijne in Utrecht.

The IKV foundation and the Pax Christi Netherlands Association are PAX's primary patrons and represent constituents of the peace movement. PAX runs all of the peace programmes, manages all financial resources and employs all of the staff.

The unity between the different legal entities was organised carefully. IKV and Pax Christi each nominate half of the members of PAX's supervisory board and approve PAX's strategic multiannual

## DIAGRAM OF LEGAL STRUCTURE





plans. PAX Christi's highest body is the council of members. Pax Christi's statutory board of directors is also PAX's statutory board of directors. IKV's highest body is formed by the executive board that is primarily nominated by the 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. PAX's general director is also one of the members of IKV's executive board. PAX's board of directors is also STIKAV's board.

### **Governance and supervision**

Governance and supervision are strictly separate processes at PAX, which has been documented in the statutes. The supervisory board's first task is to assess whether PAX is fulfilling its mission well according to the values of the peace movement. The board ensures that the strategic objectives are achieved in an efficient and effective way. In doing so, the supervisory board monitors the

risks and degree of risk management in the organisation and whether there is a healthy social environment. The supervisory board receives support from two advisory committees. The audit committee goes over the financial interim report and annual account in detail with the director, controller and an external accountant, after which he advises the supervisory board on this. The remuneration committee makes an annual evaluation of the performance of the members of the board of directors and advises the supervisory board in its role as employer of the directors.

PAX's executive board is formed by a statutory board of directors tasked with managing the organisation, for which it has full administrative responsibility. The board consists of a general director, who focuses primarily on the organisation's strategy, and a director tasked with operational implementation. The general director is the chair of the board. The board generally makes its decisions based on consensus. The general director

has the deciding vote if the votes cast by the board are a tie. The board of directors is accountable to the supervisory board.

### **The supervisory board in 2016**

The supervisory board met four times in 2016. In addition to implementing the instruments described above, the supervisory board also devoted particular attention to the following in 2016:

#### **Peace programmes**

To gain a better understanding of the daily peace work, the supervisory board invites a programme leader to each meeting. In 2016, there were presentations on the following subjects:

1. Cross-border peace programme in South Sudan, Uganda, Kenya
2. Arms trade project
3. Conflict, human rights and the financial sector
4. Ukraine programme

The supervisory board employs the following accountability instruments:

## Financial multiannual scenario for 2016–2020

The supervisory board has adjusted and reviewed the starting points of the fundraising strategy according to the risk it poses to PAX's independence, on the one hand, and the continuation of the subsidy from the ministry of foreign affairs after 2020, on the other hand. This resulted in a new multiannual plan for the period 2016–2020.

The financial long-term estimate for 2016-2020 was adapted after a review by the supervisory board. The main purpose of this adjustment is to achieve a more systematic phasing out of programmes at the end of the plan period.

### Organisational restructuring

PAX is in a process of organisational change. The main aim of this transition is to increase professional freedom of programme staff within the agreed policy and financial framework and to increase the capacity for streamlined and service-oriented support for the budgeting,

## ACCOUNTABILITY INSTRUMENTS

INSTRUMENT	AUTHORITY OF SUPERVISORY BOARD
Strategic multiannual framework	Review and adopt (approval authority of Pax Christi Netherlands and IKV)
Financial multiannual estimate	Approval
Organisational goals and annual plan	Approval
Annual budget	Approval
Risk analysis and risk management	Part of budget and annual account
Interim report on organisational goals	Review of approved annual plan
Financial interim reports	Review of approved budget
KPMG Management letter as a result of interim control	Meeting with external account, among other people (by audit committee)
Annual report	Approval
Financial statements and accountants report	Meeting with external accountant (by audit committee) + approval
Annual performance interviews with members of the board of directors	Evaluation
Periodic meetings with the supervisory board	Exchange of information between the works council and supervisory board

managing and reporting of financial resources. In 2016 PAX was able to enjoy strong growth in terms of the number of staff and resources. See also chapter 12, [HR and Organisation](#).

### Personal development

Evaluating and learning are key priorities at PAX. The implementation of

organisational goals for 2016 regarding the development of the PAX Academy and Learning Agenda has been slower than planned. The supervisory board has urged the board of directors to update its policy.

### PAX in an increasingly insecure and violent world

The supervisory board has discussed

a number of trends with the board of directors and identified ways in which PAX can respond to current opportunities, threats and risks in our environment.

### **PAX's complaints mechanism**

The complaints mechanism has been expanded and adopted.

### **2016 evaluation and review schedule**

Every year the supervisory board's remuneration committee conducts performance talks with both directors, which produces individual agreements that are set down in writing. In addition, the supervisory board conducts an annual self-evaluation. This has led to the inclusion of the following items on the supervisory agenda:

- ◆ Replenishment at a later stage for the supervisory board for more specific and financial expertise. The profile of the members of the supervisory board has been refocused, and a process has been launched to enhance governance.

- ◆ Prioritise strategic profiling of PAX, including broad social support and institutional cohesion among PAX's council of members, the IKV executive board and the peace embassies.
- ◆ Meeting with the works council, which took place in December 2016.
- ◆ Continuously addressing knowledge development and learning at PAX has led to an update of the policy on this subject.
- ◆ An arrangement for whistleblowers was introduced at PAX last autumn.

### **Relationship with stakeholders**

PAX stakeholders include our partners in the conflict-affected areas where we work, our members and donors, and our beneficiaries and employees. Please refer to the relevant sections of this annual report for a description of our relationship with these stakeholders.

### **Integrity**

Integrity is an important condition for good governance and supervision. PAX has an integrity policy and an arrangement for whistleblowers in order to ensure that employees can identify misunderstandings without risk to their careers or jobs. Any kind of conflict of interest among members of the supervisory board or board of directors is forbidden, to which end they have signed a written agreement. Members of the board of directors 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.

### **External supervision and codes**

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

### **ISO Certificate 9001:2008**

PAX has the ISO certificate 9001:2008 for the entire organisation and all of its activities. This means that PAX has a

documented quality management system, consisting of a high-quality policy with specific objectives and clear tasks and procedures. Internal audits take place occasionally to review whether PAX is meeting all of its quality requirements. External audits in the framework of ISO certification are conducted on an annual basis by an independent and accredited agency.

#### **External accountant**

The accountant audit is carried out in accordance with Dutch law, including the Dutch Standards on Auditing and the Control protocol WNT by independent accountants KPMG Accountants N.V..

#### **Codes and guidelines**

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

- ◆ The qualification system for good causes. [The Central Bureau for Fundraising](#) periodically reviews

whether PAX meets all of its quality requirements. The Dutch Central Fundraising Bureau (CBF) monitors compliance.

- ◆ Guidelines for the Reserves of Charitable Organizations.
- ◆ The Guideline for Remuneration for Directors of Charitable Institutions WNT2.
- ◆ 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 member of Partos, the Dutch association for NGOs working in International Development, and adheres to this association's [Code of Conduct](#). This code covers the fields of:

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

#### **General Public Advancement (ANBI)**

PAX is a Public Benefit Organisation. Changes to its statutes have to be presented to the State Inspector of the Tax Authorities, who monitors the risks of whether the Public Benefit Organisation's requirements are being met or not.

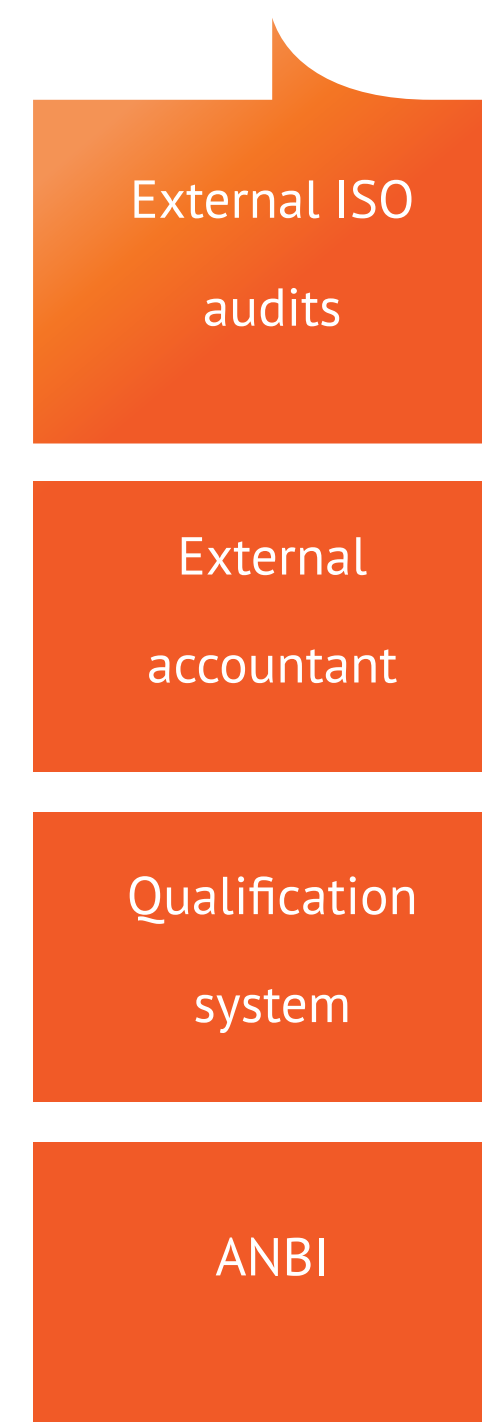
## Remuneration

The members of the supervisory board carry out their tasks on a volunteer basis and do not receive any reward, leave or attendance fee. Expenses, such as travel expenses, are the only expenses that are remunerated, based on actually incurred expenses.

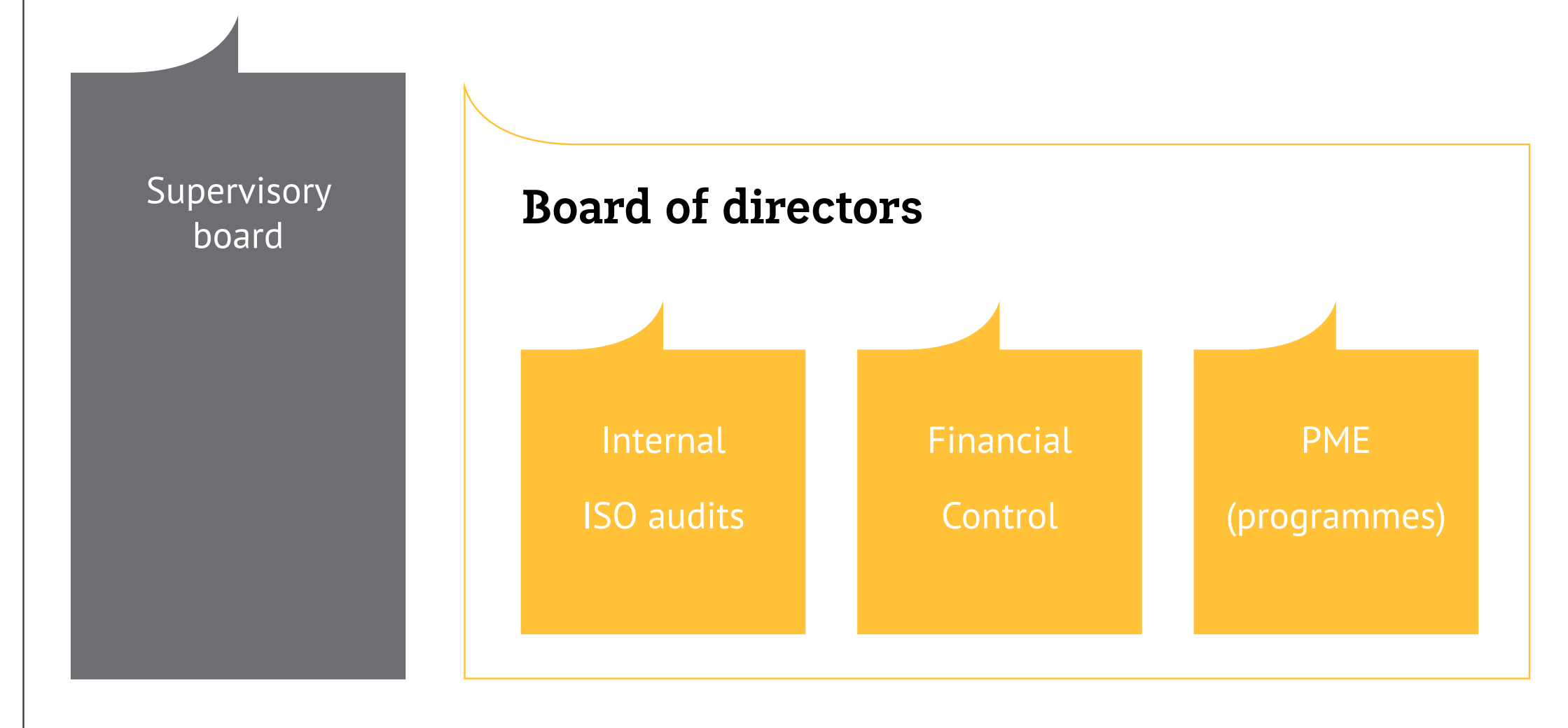
The remuneration of the board of directors in 2016 was far under the reward scheme stipulated by the qualification system for good causes in the Netherlands. The itemised specification of expenses made by the supervisory board and the salaries of the board of directors are included in the 2016 financial report and financial statements in [chapter 16](#).

## SUPERVISION

### External Supervision



### Internal Supervision



## Composition of executive board and supervisory board

The statutory board of directors consisted of the following people on 31 December 2016:

### COMPOSITION OF STATUTORY BOARD OF DIRECTORS

NAME	POSITION/ANCILLARY POSITIONS
Jan Gruiters	General director and chairman of PAX's board of directors General director and chairman of Pax Christi's executive board Director of IKV and member of IKV's executive board Member of STIKAV's executive board
Freek Landmeter	Director of PAX Director and member of Pax Christi's executive board Member of STIKAV's executive board

### ROTATION SCHEDULE OF SUPERVISORY BOARD

NAME	DATE APPOINTED	END OF FIRST TERM	END OF SECOND TERM
Marieke de Wal	02-07-2010	02-07-2014	02-07-2018
Carla Kuijpers-Groensmit	10-05-2010	10-05-2014	02-07-2018
Wieger Bakker	01-03-2012	01-03-2016	01-03-2020
Peter van der Veer	01-03-2012	01-03-2016	01-03-2020
Marina van Notten	01-03-2012	01-03-2016	01-03-2020
Sander Smits van Oyen	29-05-2013	29-05-2018	

The supervisory board consisted of the following people on 31 December 2016:

### COMPOSITION OF SUPERVISORY BOARD

NAME	POSITION/ANCILLARY POSITIONS
Marieke de Wal	Managing Director of the Partnerships Resource Centre, Rotterdam School of Management, Erasmus University Rotterdam
Carla Kuijpers-Groensmit	Former director of Students service at the University of Utrecht
Wieger Bakker	Professor at the Utrecht University School of Governance within the faculty of Law, Economics and Governance Director of studies of the bachelor programme on public administration and organisation science, Utrecht School of Governance, Faculty of law, economics and governance. Chairman of the Board of the Moving Culemborg Foundation Member of the Executive Committee of Inter University Centre in Dubrovnik, Croatia
Peter van der Veer	Director of operations of the Municipality of Veenendaal
Marina van Notten	Partner in Profonte, consultants in philanthropy
Sander Smits van Oyen	Director of Social Venture Capital (SOVEC) Board member of various SMEs in Ghana Board member of the Bo Hjelt Foundation Member of Advisory board of Aviation Cosmetics BV Member of the Board of Stichting Munipa Founder/ board member Foundation GoedWerkt

# 12





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# Human Resources and organisation

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## **PAX employees**

In late 2016, 138 people worked for PAX. 123 of the employees were based in the Netherlands, while the remaining 15 were based in several other countries where PAX works. Moreover, in several countries where we cannot register as an organisation, we have hired several additional employees through other organisations that are registered locally. In 2016, the total number of PAX employees grew by 28 persons. This was made possible thanks to additional financial support for PAX's work via several grants. 54% of PAX's employees work on a part-time basis.

## **Organisational changes**

In 2015, PAX launched an organisational development process that extended into 2016. An important objective of this change process was the necessity to increase the organisation's strategic capacity and agility. PAX's programme teams and departments started to work with an increased professional freedom, based on agreed programme frameworks and budgets. This has increased collaboration in multidisciplinary teams and helped to implement bottom-up monitoring and budgeting procedures. PAX has organised several training sessions, such as 'providing and receiving feedback' and 'wellness training', in order to further enhance self-organisation.

## **Occupational health policy**

The percentage of absenteeism due to illness at PAX in 2016 increased by 0.6%, to 4.1%. This increase was mainly caused by the fact that a few employees called in sick for the long term. PAX works with a professional occupational health and safety agency that provides professional medical support. Employees and volunteers can report undesirable behaviour or sexual harassment to the occupational health and safety officer.

## **Security policy**

As of 2016 many more colleagues became involved in the security policy. Every programme team has a contact person or two for each specific security policy per

region. The number of colleagues engaged in our crisis management team has now doubled to ensure shift-based working in case of a security issue. Also, PAX implemented a buddy system, in which each travelling colleague has regular contact with a colleague in the office. Expertise and regional knowledge has now been optimally mobilised to ensure that there is a solid, organisation-wide security policy. We have further developed safety protocols in regions where we have an increased field presence.

In addition to our employees' physical safety, we also further developed our data protection and security against cyberattacks, an important matter for an organisation such as PAX. This is an ongoing exercise since the techniques used to combat hacking and malware are a continuous cat-and-mouse game.

### **Employment conditions**

PAX complies with the collective labour agreement of the Protestant Church in the Netherlands. We continued our

internal dialogue and research to ensure that a suitable employment conditions agreement would be implemented to suit changing personal circumstances and the need for self-organised, relatively highly skilled professionals.

### **Development and training**

In 2016 PAX increased its efforts to strengthen programmatic and organisational learning. PAX has invested in strategic thinking and decision making by appointing two strategic advisors. This has led to strategic councils and reviews and decisions on PAX's role regarding refugees, stability and democracy in Central Africa, climate change and conflict, and the Israel–Palestine conflict. Additional investments have also been made in Planning Monitoring & Evaluation (PME) to strengthen PAX's PME-based learning. Most PAX programme groups organised strategic reflection processes in 2016. Project teams organise learning sessions to inform and exchange knowledge with colleagues about themes, programmes and project activities.

A policy advisor tasked with learning was appointed to strengthen programmatic learning at PAX. This contributed to a widely discussed policy paper on PAX's learning culture, as well as increased awareness of PAX's learning culture and the design of learning cycles that have a combined focus on programmatic priorities and cultural interventions, such as open and supportive discussions, learning from mistakes, exploring and investigating together.

Each year PAX organises 'inspiration days', in which the entire organisation reviews, discusses and learns about certain subjects. In 2016, the inspiration days focused on programmatic priorities such as non-violent action, future forecasting, storytelling and open-source information.

PAX has made an overall budget available equal to 2.5% of the wage bill for both individual and general training. In 2016, 1.9% of the wage bill was spent on training and development programmes.

## Recruitment

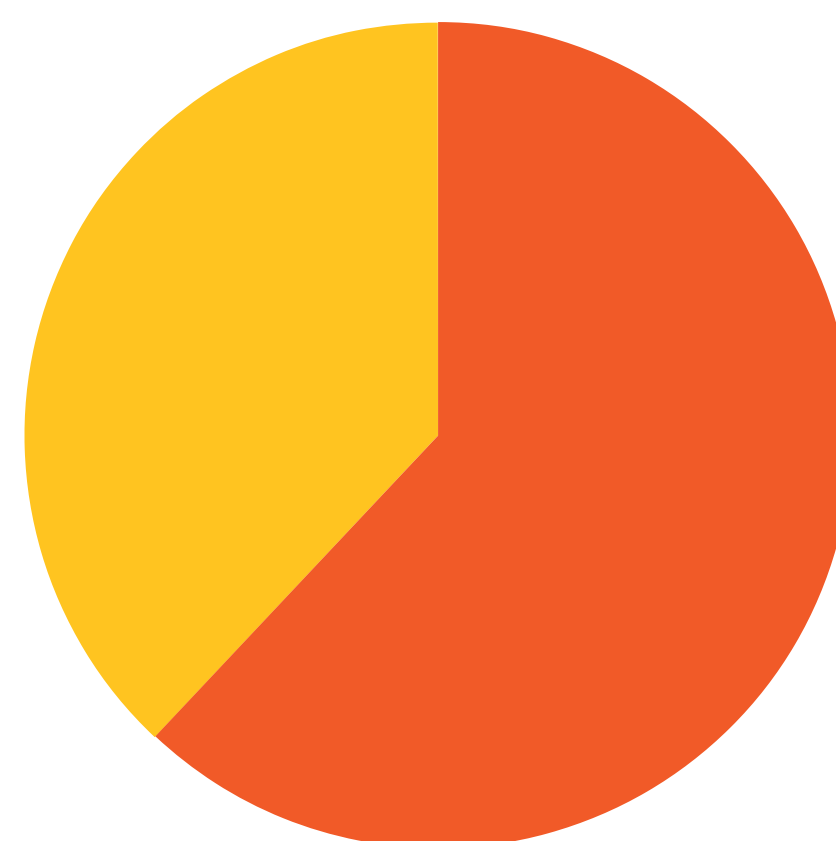
PAX recruited employees through its own website and network. In late 2016, PAX started to also publish job vacancies via the Foundation for Refugee Students (UAF), an organisation that supports and counsels highly skilled refugees in the Netherlands.

## Employee and volunteer diversity

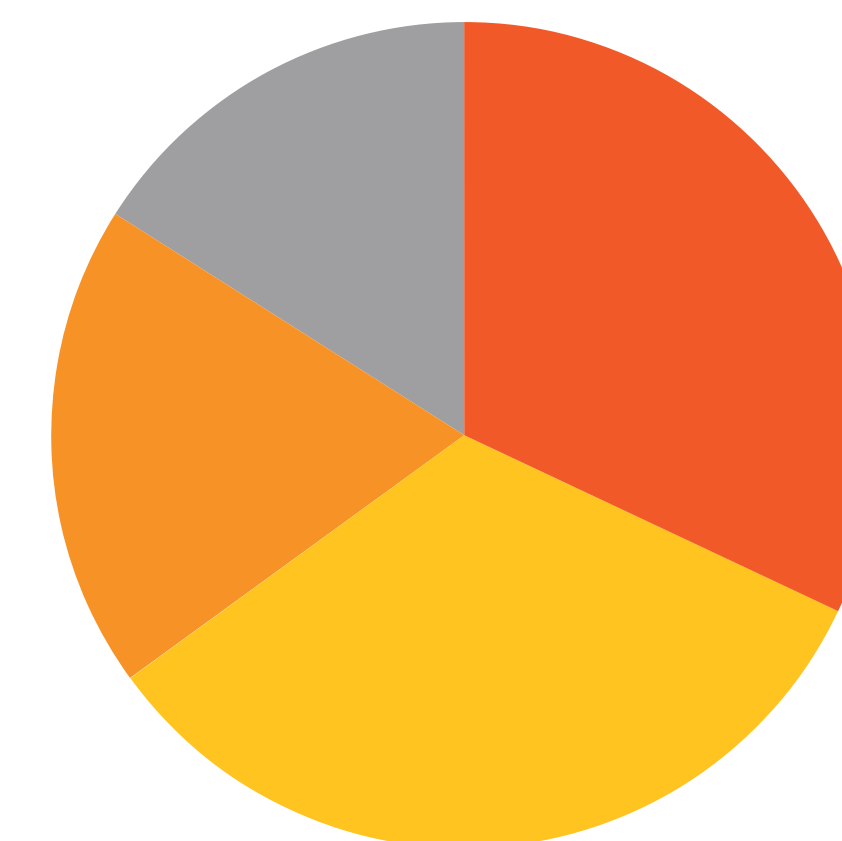
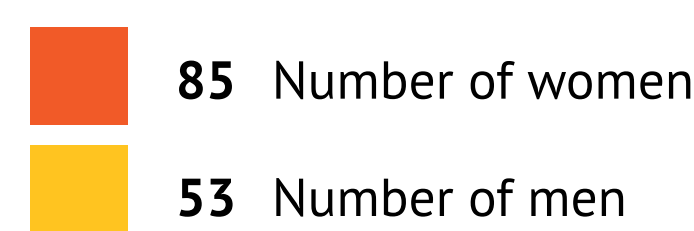
PAX advocates equal opportunities for everyone. Respect for diversity is one of the basic conditions for human dignity. Each human being, and each population group, is unique, has its own characteristics, and those specific qualities are what contribute to the society to which he/she belongs – and this pertains to the local, national and global levels. PAX wants to optimise the potential that diversity offers in its own organisation. Our vacancy announcements reflect this philosophy. We encourage people from all backgrounds to apply for positions at PAX.

The male : female ratio among PAX employees is currently 38% : 62%.

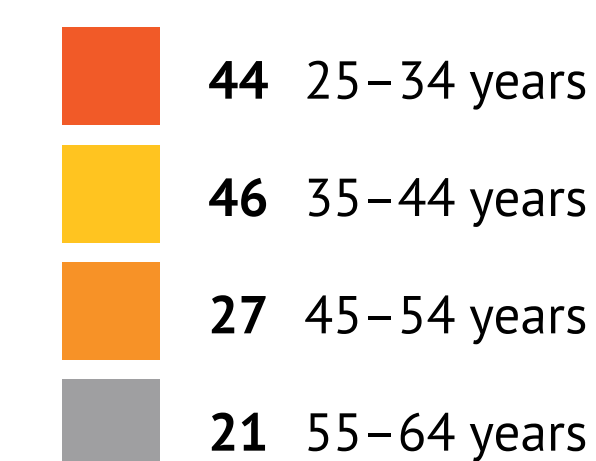
### EMPLOYEES IN THE NETHERLANDS AND ABROAD



#### GENDER



#### AGE



Due to an increase of non-Dutch-speaking colleagues, a great deal of internal communication is now done in English.

## Volunteers and interns

PAX works with a group of 60 volunteers, mainly students or recent graduates. Once or twice a month they carry out public actions on behalf of PAX

(informing pedestrians about PAX's work and campaigns), or support us at the office or during demonstrations and events, such as Manifest or the Walk of Peace. At least once a year PAX organises a gathering for all its volunteers in order to stay in touch with them and encourage them to remain dedicated. PAX organises a workshop for the volunteers at this

gathering. Last year the themes were Peace Activism 2.0 and Effective Altruism. We are currently exploring additional ways to include the volunteer pool in PAX's work. PAX has a volunteer policy that covers the fields of Recruitment and selection, Assistance, Binding, Safety and confidentiality.

In addition to the volunteers, the PAX team is frequently strengthened by interns, mainly students or recent graduates, who help out with temporary research and project assignments. PAX took on 29 interns in 2016. We appreciate their input and the way that they have been able to exchange their knowledge and innovative ideas with our colleagues, who have many years of experience in peacebuilding.

These many volunteers also contribute to PAX's programmes, campaigning and peacebuilding activities without any financial reward, including those who support our peace movement at the organisational level (members of the



Supervisory Board, PAX Christi Members Council and the Interchurch Peace Council). In addition, each year we work together with the Embassies of Peace across the Netherlands to hold the [Peace Week](#) in September.

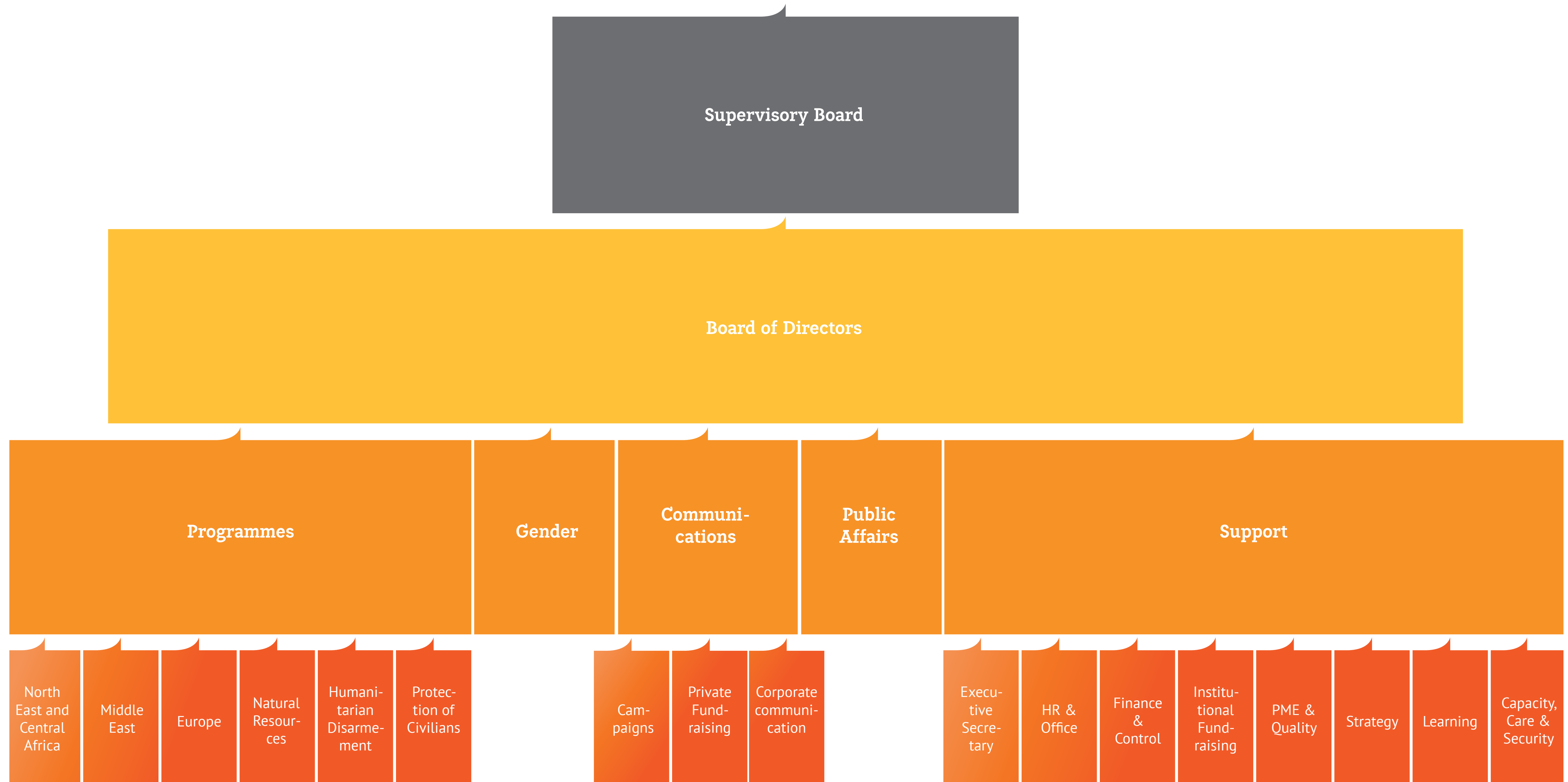
### Work Council

The Work Council and Board of Directors held a meeting every 6 weeks. The Work Council and Supervisory Board also convened in 2016. Since the Work Council consisted of many new members, PAX held an introductory training session about the Work Council. In 2016, the Work Council mainly focused on PAX's whistle-blower policy (policy on dealing with reports concerning suspicion of misconduct or irregularities), the expansion of the PAX office, and the human resources policy. Also, PAX initiated exploratory discussions on a new job matrix to further support and encourage the discussion in the self-organising teams on team and personal development.

## HUMAN RESOURCES

	NUMBER OR PERCENTAGE IN 2015	NUMBER OR PERCENTAGE IN 2016
Total number of personnel	110	138
Full-time equivalent	95.5	120.9
% of full-time personnel	62%	46%
% of part-time personnel	38%	54%
Personnel entering/leaving employment	16/8	46/8
Number of personnel with permanent contract	70.9%	65,9%
Absenteeism due to illness	3.5%	4.1%
Spent on education as % of the gross wage sum	2.2%	1.9%
Interns	11	29
Volunteers	52	60

ORGANISATION



# 13

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HOW CAN PEACE  
BE SO VIOLENT

STREET ART  
FOR PAX  
PEACE

NO MORE  
BLOODY  
WAR!

Beelden  
ART  
FREEDOM

ART  
FREEDOM

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# Corporate Social Responsibility

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Closely linked to our mission and objectives, corporate social responsibility plays an important role in our organisation. The PAX principle is: Practice what you preach.

We confront companies, financial institutions and government bodies about their behaviour, particularly when it comes to the exploitation of natural resources and responsible investment. PAX closely monitors the effects of our own operations on people and the planet.

We consciously choose our suppliers and hired services. In 2016 we renewed our contract with energy supplier Greenchoice, a local energy supplier

that provides our office with 100% green energy. Our choice for this energy provider was determined by our desire to strengthen the sustainable energy industry, as well as our commitment not to contribute to the mining industry, which is linked to human rights violations, assassinations and land confiscation. Our procurement policy always takes into account environmental concerns, for example when we purchase computers, printers and other office supplies. The deciding question in our choice of bank was whether or not it invests in the production or trade of arms. We also use as many products with a Fair Trade Mark as possible, such as coffee and tea.

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. So far, we have managed to save one package of paper per week (which adds up to 26,000 sheets of paper a year), as we were able to track all printing jobs. And of course we try to keep our energy consumption to a minimum, and we sort and recycle our waste.

In 2016 we made preparations to expand our organisation with an additional office at a second location in



Utrecht. In choosing our office equipment, we opted for the more sustainable LED lamps and purchased as much second-hand furniture as possible. The housing organisation that supported our expansion also has a good CSR track record. To ensure that we maintain a low environmental footprint, the additional location is easily accessible by public transport. As in previous years, PAX will continue to adhere to the principle that 100% of its employees commute by train, bus or bicycle.

Our staff is forced to travel regularly by aeroplane in order to implement projects and work closely with our partners and civilians in (post)conflict areas. We have chosen to compensate for these CO<sub>2</sub> emissions via the Climate Neutral Group, which selects projects that combine energy, the environment and development solutions into sustainable business opportunities in developing countries. We chose Gold Standard's Energy Efficient Cook Stove Project in Kenya, which has developed a special

cook stove to replace traditional cooking over an open fire. This wood oven uses less fuel and produces little or no smoke, which reduces CO<sub>2</sub> emissions.

# 14

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# Looking ahead at 2017

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The notion that the world is changing more quickly than in the past is a false cliché. It is true, however, that the world is changing more quickly than we, as people or as the peace movement, can sometimes keep up with, and that we regularly struggle to attach the right meaning or value to all of these changes. To quote Thomas Carlyle once again: 'We were wise indeed, could we discern truly the signs of our own time; and by knowledge of its wants and advantages, wisely adjust our own position in it.' But this lack of insight does not exempt us from our duty to try to make sense of the developments of our

time and to reflect on what this means for our work.

## Global trends

There are various global trends that are having a direct impact on our work. Here are the five most striking ones:

1. Geopolitical tensions are on the rise. The relationship between the US, Russia, China and Europe appears to be characterised by confrontation and escalation. Tensions are not only running high in the Middle East, especially in Syria, but also in the eastern part of Europe and in Asia, in the area around the Chinese Sea and in North Korea.

The 'logic' of military intervention is predominating instead of international political and diplomatic cooperation. Meanwhile the UN Security Council remains divided over the protection of civilians irrespective of its responsibility to protect civilians against genocide, war crimes, crimes against humanity and ethnic cleansing.

2. The rampant violence in the conflict areas where we operate is continuing unabated. Political and sustainable solutions still appear some way off in the Middle East and the Horn of Africa. Hunger, both the result and an actively used weapon of war, has plunged millions of people into severe famine. There

is little to no prospect for millions of refugees of a return to (rebuild) their houses and homes.

3. Repression continues to occur in many countries, and the methods of repression are becoming increasingly sophisticated. This reduces the political space to carry out peace and human rights work. The physical and digital insecurity of our partners and other activists is only getting worse. This is also partly the result of their success. The claim-making capacity of partners and other activists has improved, and so they are increasingly being seen as a threat by those in power.

4. The moral support that our partners, and the communities in which they work, derive from the Universal Declaration of Human Rights and international humanitarian law is as powerful as ever. But when it comes to states and non-state powers, international treaties seem to be losing their normative force. In war torn societies international humanitarian law principles are violated with impunity. Even

in the Netherlands, the convention on refugees is regularly challenged. European countries are considering denouncing the European Convention on Human Rights. African countries are turning their backs on the International Criminal Court.

5. Right-wing populism and xenophobic nationalism are continuing to thrive in the Netherlands and other European countries, fuelled by the fear of refugees, migrants and terrorist attacks.

In 2017 we will critically ask ourselves: does our work still address these, and other, developments? We not only want to focus more clearly on the question of whether we are doing things well, but we also want to ask ourselves whether we are still doing the right things. Civic change agents play a crucial role in PAX's theory of change, as it does in all of our programmes and strategies. If the political space for citizen activism diminishes as a result of repression and violence, international values are put under pressure, governments allow themselves

to be swayed by nationalism and if short-sighted self-interest, xenophobia and the exclusion of fellow citizens increases in Europe and in our own society, then we have to strengthen the countervailing power, organise more efficiently and connect with each other more effectively. PAX wants to reinforce citizens' power to bring about political change.

We will strengthen citizens' power to bring about change in 2017 by carrying out analyses and subsequently developing ideas that will:

1. Strengthen the power of civic driven change in conflict areas by:
  - a. Developing clear strategies for building our partners' capacity, with a special emphasis on youth.
  - b. Developing a strategy that will strengthen civil monitoring of violations of international humanitarian law.

2. Strengthen the power of civic driven change by uniting forces:

- a. Strengthening partnerships and networks with peace and human rights organisations.
- b. Creating stronger local and international bonds to enhance citizens' claim-making capacity by improving monitoring.

3. Strengthen the power of civic driven change in the Netherlands by:

- a. Setting up and developing activities that fall within PAX's area of operations and which are related to our work in conflict areas, such as refugees and exclusion.

In addition to strengthening the content of our programme work, this will also serve to refine PAX's proposition and profile and possibly result in other activities being prioritised.

## Regional and thematic programmes

Below are several broad outlines of adjustments to programmes that have already been decided for 2017, organised by theme.

### Community-based Security & Citizens' Rights

- ◆ A quarterly review of the regional context for the Northeast Africa programme is being carried out, and the programme's research component is being reinforced. This should improve the link with overarching issues and reinforce regional advocacy and lobbying. In South Sudan, where the civil war continues unabated, specific projects will be re-evaluated or adapted.
- ◆ Tensions and repression are on the rise in Central Africa, and our projects will hone their focus on addressing the rise of violence and the diminishing political space for civil society organisations.

- ◆ In our projects in countries such as Syria and Iraq we are trying to navigate through a turbulent and violent period in which we are keeping an eye on our strategic objectives. Some space will emerge for projects that focus on the post-IS period, especially in Iraq. We will further investigate how local activities can be better linked to the international agendas of the EU, UN and its member states. UN Resolutions 1325 (gender) and 2250 (youth and conflict) provide an opportunity to develop a framework for various projects in the Middle East.
- ◆ The Europe programme, specifically Ukraine, will strengthen efforts to build the capacity of young leaders and activists with the aim of promoting respect for diversity in society and an effective partnership with local authorities.
- ◆ A two-year project will be launched that aims to develop an effective

and robust strategy that helps civic change agents and international actors to expand their political space and operate more effectively.

### **Dealing with the Past**

- ◆ In 2016 comparative studies were conducted in the area of truth finding (Kosovo, South Sudan and Ukraine), victim participation (South Sudan, Iraq and Colombia) and in the area of international interventions by the UN and the EU (the Western Balkans, Syria and DR Congo). In 2017 this will result in finalised projects.

### **Protection of Civilians**

- ◆ The Human Security Survey will be evaluated in 2017 and based on that it will be extended to other countries.
- ◆ In 2017 PAX will decide whether or not to contribute to the policy regarding threats from and options for regional security in the Sahel region.

- ◆ In 2017 PAX will decide whether or not to implement a rapid response mechanism for severe crisis situations.

### **Natural Resources, Conflict and Human Rights**

- ◆ The projects that focus on oil production in the border area of South Sudan, Kenya and Uganda have been revised because the intended production of oil has been put on hold for the time being.
- ◆ As far as Lundin–South Sudan is concerned, there will be additional concerns in 2017 regarding the safety of victims and our partners, as a result of the possible criminal trial against Lundin’s board. Strict monitoring is absolutely essential. In 2017, PAX will continue to advocate for victim compensation with its coalition partners.

- ◆ PAX is weighing whether or not to focus more carefully on financial investors as actors.
- ◆ In 2017, a phase of research and partnership will begin for PAX in the framework of the bank agreement signed in 2016. We are working on this with Amnesty International and Oxfam Novib.

### **Humanitarian Disarmament**

- ◆ Unfortunately developments in current conflicts reveal that concluding a successful international agreement does not necessarily mean that your work is done. International humanitarian law is under pressure from all angles. In addition to continuing existing projects in the area of disarmament, this is a wider concern that PAX will address in 2017.

## Communication

Continuation of the strategic communication policy for 2016–2020, with special attention on the following points:

1. PAX will continue its work in 2017 on the refugee theme and the Stay Human campaign, the call to always see refugees as human beings.
2. Mobilise political and public attention and support for the themes in the mottos: *Don't profit from war violence and War is violence against citizens*

## Organisation

In 2017 PAX will continue to work on:

1. Supporting its employees, in these particular areas:
  - ◆ Periodical employee satisfaction surveys, which can lead to changes in conditions of employment and the working conditions policy

- ◆ Strategically driven and focused training policy
- ◆ Stronger peer cooperation, communication and consultation

- ◆ Personal mobility policy

2. Reassessing whether PAX's current management structure is still optimal, following the departure of one of its directors.

3. Reinforcing good governance, including the role of the supervisory board

4. Consolidating the organisational change implemented in 2016 with the accompanying operational and policy processes.

## 2017 budget

The most striking aspects of the 2017 budget ([see Part III, Annex](#)) are:

- ◆ Augmented target for funding and expenditure, based on the principle of a bell-shaped pattern over the planning period 2016–2020, aiming to mitigate the risks related to a sharp decline at the end of the planning period.
- ◆ Which means that in the initial phase of the period (2016–2018), PAX is aiming to sharply increase capacity deployment. Subsequently the budget for 2017 is more ambitious than the budget and results of 2016.
- ◆ Income for 2017 amounts to a total of €22,725,604. The increase in income comes mainly from third-party institutional fundraising.
- ◆ Expected expenditure amounts to a total of €22,475,604. The main focus of the increased expenditure is the Protection of Civilians programme (including the development of programmes in

the Sahel region and the implementation of a rapid-response mechanism) and Natural Resources, Conflict & Human Rights.

- ◆ At 12%, the cost of raising PAX's own funds (€227,700), in relation to the total income from own fundraising, stays well below the CBF guideline of 25%.
- ◆ The cost of management and administration (€666,000), in relation to the total expenditure, is budgeted at 4%.
- ◆ The benchmark for the size of the continuity reserve has been re-determined, following the CBF guidelines (see chapter 15, [risk management](#)). To achieve the higher desired level of the reserve, the result for 2017 has been budgeted at €250,000.

### **Lastly...**

PAX aims to generate concrete results, restore human dignity and achieve a just peace. The issues that confront us are complicated and tough. Stubborn persistence is a must, even when it seems that you are making no progress whatsoever. Indeed, we need to realise that fighting for peace is valuable in and of itself. It is the active involvement and solidarity with citizens and partners in war zones that gives them the courage to continue and which, in turn, also feeds our own courage. It is the active involvement of partners, donors, of citizens, including in the Netherlands, in peace that ultimately will bring us closer to this peace.

Utrecht, May 2017

Chairman board of directors:

Jan Gruiters,  
General director,

Supervisory board:

Marieke de Wal  
Carla Kuijpers-Groensmit  
Wieger Bakker  
Peter van der Veer  
Marina van Notten  
Sander Smits van Oyen





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# Financial report

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The financial statements are presented in chapter 16. This financial report will explain the figures. The item numbers that are depicted in the column behind the items of the statement of income and expenditure and the balance refer to the explanation of the items in this financial report.

## Explanation of the Statement of Income and Expenditure

The statement of income and expenditure is subdivided into separate sections, one on income and one on expenditure.

### **Appropriation of the result**

The result of €834,674 is an appropriation to the continuity reserve. A propitious mixture of financing resulted in the favourable use of own funding and thereby a positive balance of income and expenditure.

## Income: available for objectives

The total income for 2016 was €18,286,418, which is €2,269,566 more than 2015 and largely over budget. If the amount related to our Alliance partners is excluded (€827,975 in 2016, €2,830,211 in 2015), then the income for 2016 was €17,458,443, which is €4,271,802 more than 2015 (see items 12 to 16). Here we must note that in 2016 we changed the way we are going to look at our income and expenditure levels up to 2020. In order to remain organisationally

and economically healthy we have chosen to depict our income and expenditure levels in a bell curve instead of the original linear growth curve. It is our intention to end the 2016–2020 planning period, in the context of the Ministry of Foreign Affairs (MoFA) Subsidy Strategic Partnership Dialogue and Dissent funding period, on the same income and expenditure level as we started it.

We will continue to pursue our chosen fundraising strategy of donor diversification and internationalisation, while fine-tuning our priority setting towards a higher return, without compromising our policy consistency. To this end, the introduction of a strict ‘go or no go’ assessment and procedure has proven useful. The government policy of awarding subsidies increasingly through tendering procedures, and to reward tenders with alliances, has increased the fundraising workload of the responsible programme. We will seek ways to strengthen our programming capacity in this field.

### **Our own fundraising**

By our own fundraising, we mean income from individual members of the general public (private fundraising) and income from capital funds (see item 12).

In general, consolidating the amount of private fundraising has required increasingly more effort. To keep the amount stable, we need to focus on specific target groups, and this strategy seems to be paying off. We are continuing to focus on integrating these fundraising efforts into our heightened campaigning effort. Furthermore, opportunities with major private donors are being explored, and we will continue to do so in the future. These kinds of donations were responsible for a rise in this type of funding in 2016.

Contributions and donations increased considerably, whereas legacies declined sharply. PAX has been using a legacies strategy for a number of years now, but revenues have varied substantially from year to year, and investments should be evaluated over a longer time period.

Income from capital funds in 2016 showed a diverse development compared to 2015 and was well below the budget estimate.

The total amount of our own fundraising in 2016 was €1,392,391, which was well under the budgeted target of € 2,955,575. However, our own fundraising in 2016 did perform at the same level as 2015.

### **Income from third parties**

The Dutch National Postcode Lottery continued its support to PAX in 2016 (see item 13). Also see [chapter 10 on Fundraising](#).

### **Grants from governments**

The strategic long-range plan reflects the ambition, defined in key ratios, to monitor progress on achieving our strategic objectives. The diversification of funds is one of these objectives, which is partially reflected in table 1 below ([also see chapter 10 on Fundraising](#)).

**Key ratio 1**

In 2016, MoFA's Strategic Partnership Dialogue and Dissent grant represented 57% of total expenditures. This means that this MoFA subsidy funds financed 57% of PAX's activities.

**Key ratio 2**

This percentage represents the Non-Dutch Ministry of Foreign Affairs share of the total income. This private and institutional input represents funds that do not come directly (or indirectly) from the Dutch Ministry of Foreign Affairs. Over 2016, this percentage for PAX amounted up to 22%. This is 6% lower than was projected for 2016.

In this calculation, MoFA's Medefinancieringsstelsel II and Strategic Partnership Dialogue and Dissent subsidies (2011–2015 MFSII & 2016–2020 SP D&D) are treated as a percentage of total expenditure. To ensure the integrity of the figures and their comparability with those of

**TABLE 1. CONSOLIDATED KEY RATIOS FOR INCOME DIVERSIFICATION**

KEY RATIOS	ACHIEVED IN 2012	ACHIEVED IN 2013	ACHIEVED IN 2014	ACHIEVED IN 2015	BUDGET 2016	ACHIEVED IN 2016
MoFA Subsidy (2011–2015 MFSII & 2016–2020 SP D&D)	74%	65%	58%	55%	56%	57%
Non-Dutch MoFA contribution	26%	26%	23%	27%	28%	22%

preceding years, we used the portion of these MoFA subsidies in our calculations that PAX managed and used for its own activities, apart from the MoFA subsidy disbursed to the parties in the Freedom from Fear alliance. Funding that was received from the Dutch MoFA apart from the MoFA SP D&D subsidy and the previous MFSII is not included in the calculation. In absolute figures, compared to the 2015 MoFA MFSII, PAX used a significantly larger amount of MoFA SP D&D funds in 2016 (€9,952,828 in 2016,

€6,320,864 in 2015).

For reasons that are inherent to the subsidies, the 2015 MoFA MFSII and the 2016 SP D&D amounts in the annual accounts include the share of the other alliance parties for which PAX is responsible as the leading alliance party. This amounts to €827,975 in 2016, which has been excluded when calculating this percentage. This applies to both income and expenditures.

## Interest and investment income

PAX does not invest in securities unless it is necessary for the pursuit of its objective (in accordance with PAX statutes).

In 2016, PAX received €30,455 in interest on liquid assets, fully realised on savings accounts (see item 16).

Oikocredit is an organisation that offers capital with favourable conditions to the underprivileged to start up a self-owned enterprise. Besides social revenue Oiko certificates generate an honest financial revenue for investors, €550 in 2016.

## Expenditure

### Spending on our objectives

In this section we will explain the expenditures that PAX made on the activities that it manages. As of 2016, we have altered our programme structure in favour of the Theory of Change (ToC) framework, which encompasses the strategic objectives and the way we aim

TABLE 2. EXPENDITURE PER TOC

EXPENDITURE PER TOC	ACTUAL 2016	BUDGET 2016	BALANCE 2016
Community-based Security & Citizens' Rights	9,681,751	7,478,525	2,203,226
Dealing with the Past	1,547,747	1,085,895	461,852
Humanitarian Disarmament	1,806,197	1,714,276	91,921
Natural Resources, Conflict & Human Rights	1,569,383	3,212,941	-1,643,558
Protection of Civilians	744,083	1,402,863	-658,780
Total expenditure	15,349,161	14,894,500	454,661

to achieve those strategic objectives, given a certain context. This change in programme structure is reflected in the adaptation of the statement of income and expenditure.

Table 2 shows PAX's spending on each ToC in comparison with its 2016 budget. There have been major shifts per ToC. Successful acquisition and a higher level of ambition have created opportunities for expanding the CBS&CR and Dealing with the Past programmes. The expenditure of the ToC's Natural

Resources, Conflict & Human Rights and Protection of Civilians are significantly lower than budgeted. This has mostly to do with delays in launching projects. Overall there is a modest surplus balance in the results of €454,661.

### Key ratios

PAX uses key ratios to ensure efficient and cost-effective management and administration.

The target figures set out in our long-range estimate are reviewed in light of actual developments before being fixed in our annual budget. Over the course of the year, periodical management reports paint a picture that programme leaders can use to fulfil its accountability to the board of directors, which the board of directors, in turn, can use to fulfil its accountability to the supervisory board.

Key ratios are listed in table 3, and an explanation of each one is given in the text that follows. Calculations are based on the consolidated figures.

### Key ratio 1

Key ratio 1 is the cost of our own fundraising as a percentage of the yield of our own fundraising. PAX's policy is to remain within the limits of the guideline of the Central Bureau of Fundraising (CBF). The CBF maximum averages at 25% over three years. PAX has remained within these guidelines.

**TABLE 3. EFFICIENCY OF KEY RATIOS**

EFFICIENCY OF KEY RATIOS	ACTUAL 2014	ACTUAL 2015	BUDGET 2016	ACTUAL 2016
Cost of our own fundraising *)	15%	17%	8%	15%
Cost of management & administration	5%	5%	6%	4%
Spent on objectives (in relation to income)	89%	95%	92%	89%
Spent on objectives (in relation to expenditure)	92%	92%	92%	93%

\*) The calculation of the cost of our own fundraising and management and administration for prior years has been corrected in accordance with the RJ650 directive.

### Key ratio 2

Management and administration costs as a percentage of total outlay are 4% and therefore well below the budgeted target of 6%.

### Key ratio 3

Expenditure on objectives as a percentage of total income. This index shows how much income, also reflecting the effect of the result of income and expenditure, is spent directly on activities to reach our objectives. 89% is below our

target of 92%. This deviation was caused by the positive result in 2016, which of course does not lead to the exploitation of activities in 2016, but which will be used for activities in the future.

### Key ratio 4

Expenditure on objectives as a percentage of total expenditure (excluding exceptional expenses). This index shows how much income is spent directly on activities to reach our objectives. 93% is above our target of 92%.

# Explanation of the Balance

## Assets

The position of the assets as of 31 December 2016 normalised compared to 2015. In 2015 an imbalance occurred, particularly due to the advance payment of €5,152,500 for the 2016–2020 grant ‘Dialogue and Dissent’ Strategic partnership for ‘lobby and advocacy’ from the Dutch Ministry of Foreign Affairs. In 2016 the position of the assets was more balanced with related expenditure than it was before.

There were fewer receivables and cash or cash equivalents as well as fewer subsidy commitments.

## Cash flow

In terms of the change in balance positions in 2015–2016 some positions shifted significantly. Given the need to increase our capital position, as a result of growth and more demanding and volatile

social economic contexts (see the section on ‘Continuity and reserves policy’), PAX optimised the fund – expenditure ‘match’ – to counterbalance the employment of our own means and add an amount of €834,675 to the reserves.

As the working capital position in 2015 was significantly influenced by the advance payment from the Strategic Partnership Dialogue and Dissent, the intended acceleration of the growth of expenditure has led to a return to a normal level of our liquidity position (receivables and cash divided by short-term debts, see table 6).

To sum up, our liquidity position mainly reflects the size of our reserves (see following sections) and the position on receivables and cash versus subsidy commitments. The subsidy commitments consist mainly of PAX’s obligations to its donors and partners.

## Liabilities

### Earmarked reserve

€100,000 of the result was used as an appropriation to the earmarked reserve in 2015 to cover the cost for the planned rehousing and modification costs for restructuring the chapel and ‘Stiltecentrum’ in the shopping mall Hoog Catharijne, which is being renovated. The plan will be executed in the second half year of 2017.

### Continuity and reserves policy

This annual account is based on the going concern assumption. PAX complies with the guidelines of the Association of Fundraising Institutions (Goede Doelen Nederland) for the reserves of charitable organisations, which is part of the CBF regulations. In accordance with the directive, PAX has updated its risk assessment and valuation model to analyse its risks for 2016 to 2020 and the continuity reserve that would be desirable to mitigate those risks. Based on this analysis, the board of directors set the desired amount

of the continuity reserve in 2017 at €3,000,000, which will be presented to the supervisory board for approval in June 2017. PAX's continuity reserve of €2,868,834 means it has made a significant step towards achieving its desired level.

Affirming the actual capital position, IKV and PAX Christi are equal guarantors for covering risks up to €2,320,000, i.e. €1,160,000 for each partner. The reserve that IKV can provide for this purpose amounts €1,369,424 and is sufficient for covering €1,160,000. The guarantee of PAX Christi is covered mainly by the forced-sale value of the office building (including 'Stiltecentrum') under STIKAV management. Under the long-term lease that runs until 2028, STIKAV will be the beneficiary of the proceeds of the property should it be sold. The valuation (forced-sale value) was newly indicated and fixed in 2012 and is still in excess of PAX Christi's total guarantee. The PAX premises is part of a shopping mall ('Hoog Catharijne') which is undergoing

**TABLE 4. CONSOLIDATED KEY RATIOS FOR SOLVENCY AND LIQUIDITY**

KEY RATIOS	ACHIEVED IN 2015	BUDGET 2016	ACHIEVED IN 2016	BUDGET 2017
Solvency	19%	60%	41%	40%
Liquidity	1.2	1.5	1.7	1.5

major renovations. A new valuation will be performed after the renovation of Hoog Catharijne is finalised, which is scheduled to happen sometime in 2017. Besides the guarantees of IKV and PAX Christi, PAX has built up reserves of up to €1,491,778 on its own.

PAX has few options for strengthening its reserves. It is against the MoFA Strategic Partnership Dialogue and Dissent subsidy conditions to allocate MoFA Partnership funds to the reserves. In 2016 the continuity reserve increased compared to 2015 thanks to revenues from other, unearmarked sources. The

solvency ratio (reserves divided by total liabilities) and liquidity ratio (short-term assets divided by short-term debts) evolved as depicted in table 4.

In 2015 the image of the solvency level was distorted by the above-mentioned abnormally high cash and subsidy commitment levels. These levels normalised in 2016.

### **Responsible asset management**

IKV, PAX Christi (including its supporting foundations) and PAX owe it to their mission and their social constituency to manage their assets in a socially



responsible way. That means that in addition to financial criteria, non-financial and ethical criteria play an important role in the choices we make when it comes to managing our financial resources.

Responsible asset management entails the following for us:

1. Practice what you preach: PAX applies the same principles to its own asset management as the principles it urges companies to adopt under corporate social responsibility principles. We participate in the Fair Banking Guide (Eerlijke Bankwijzer) and use sustainable banks as our preferred banking partners.

2. Related to these ethical norms, our basic principle for asset management and investment is to maintain the value of the principle at the highest possible yield. PAX has opted for very risk-averse asset management. It does not invest in shares or bonds, listed or unlisted. Moreover, PAX does not apply any kind

of financial instrument with a high-risk profile. This minimisation of risk influenced the total amount of income from interest.

3. One important exception is the ability to influence the policies of certain stock market-listed enterprises and to highlight these enterprises' violations of human rights and/or international humanitarian law. PAX holds no more shares than necessary for the exercise of the rights attached to the shares. This exception is recorded in PAX's statutes.

### **Risk management**

Following from the principles of responsible asset management PAX has a conservative risk appetite. The valuation of risks in the risk assessment and valuation model is limited to the risks for which PAX has no appetite. Given the conservative risk appetite almost all identified risks will be within this scope of risk.

In line with this responsibility to minimise and manage financial risk we

monitor our risks in a systematic way, which is reviewed and discussed with the board of directors and the supervisory board twice a year. The organisation has grown: PAX has more employees and partner commitments, and a growing programme portfolio. The analysis of risk has a direct impact on our [continuity reserve](#). Therefore, the board of directors has raised the ceiling of the continuity reserve. In 2016 we started to broaden the risk analysis to organisation-wide risks, which we will complete in 2017. We have included the organisation-wide risks that we have identified thus far in the risk assessment and valuation model.

The main areas of risk identified:

- ◆ Financial:
  - Adequate replacement of expiring funding
  - Compliance with contract conditions and agreements
  - Financial shock in the transition to post-2020
  - Sound funding dependency ratio

- Attentive funding control of our own means
  - Matching cash donor advances and related cash outflow programme expenditure
  - Sound balance in tender processes between time investment and expected results
  - Fraud and corruption
- ◆ Data privacy and data protection:
- Data leaking
  - Endangered security of workers and partners, hacks and monitoring by hostile-minded actors
- ◆ Political & social developments:
- Guarantee of PAX's independence
  - Balance between focus of donors and focus of PAX
- ◆ Human resources:
- Agility of the organisation grates against people's flexibility
  - Tension between the need for flexibility in the composition of

- the staff and the labour constraints to achieving this
- Safety during missions

### **Short-term debts**

There was a boost of the subsidy commitment position in 2015. This boost was caused by a combination of factors. On the one hand, the 'holding' of the final payment obligations to partners in light of the finalisation of partner commitments at the end of the MFSII period. And on the other hand, the advance payment from the Strategic Partnership Dialogue and Dissent. This situation started to normalise again in 2016.

# Part *iii*

Financial statement  
including other information

# 16



Consolidated  
financial statement  
PAX 2016

**BALANCE SHEET (AFTER APPROPRIATION OF RESULT)**

ASSETS		31 DEC 2016	31 DEC 2015
		€	€
Intangible fixed assets	1	52,632	55,790
Tangible fixed assets	2	122,781	134,630
Financial fixed assets	3	28,137	27,711
Receivables and accrued assets	4	1,162,436	2,229,540
Cash and Cash Equivalents	5	5,883,286	8,932,728
		<b>7,249,272</b>	<b>11,380,399</b>

**BALANCE SHEET (AFTER APPROPRIATION OF RESULT)**

LIABILITIES		31 DEC 2016	31 DEC 2015
		€	€
<b>Reserves and funds</b>			
Continuity reserve	6	2,868,834	2,034,160
Earmarked reserve	7	100,000	100,000
<b>Provisions</b>	8	40,000	40,000
<b>Short-term debts</b>			
Subsidy commitments	9	3,233,144	7,863,942
Other accounts payable	10	347,860	485,261
Other liabilities	11	659,434	857,036
		<b>4,240,438</b>	<b>9,206,239</b>
		<b>7,249,272</b>	<b>11,380,399</b>

STATEMENT OF INCOME AND EXPENDITURE

		ACTUAL 2016	BUDGET 2016	ACTUAL 2015				
		€	€	€				
<b>INCOME</b>								
Income from own fundraising	12	1,392,391	2,955,575	1,423,706	Partners in Masterpeace project (ended 2015)	-	250,000	500,000
Income from joint actions		-	-	-	Strengthening Civil Society (from 2016 part of programmes)	-	116,000	197,170
Income from third parties	13	837,906	1,131,584	1,200,288	Freedom from Fear Alliance parties MFSII - SP D&D	827,975	1,094,356	2,830,211
Grants from governments	14	15,986,418	13,425,997	13,030,596		<b>16,230,968</b>	<b>16,440,953</b>	<b>15,240,576</b>
Interest and investment income	15	31,005	50,150	41,205				
Other income	16	38,698	35,000	321,057				
<b>Total income</b>		<b>18,286,418</b>	<b>17,598,306</b>	<b>16,016,852</b>				
<b>EXPENDITURE</b>								
<b>Spent on behalf of the objective</b>	17				<b>Acquisition costs</b>	18		
Community-Based Security and Citizens Rights		9,681,751	7,478,524	-	Cost of own fundraising		211,998	239,968
Dealing with the Past		1,547,747	1,085,895	-	Cost of joint actions		-	-
Humanitarian Disarmament		1,806,197	1,714,275	-	Cost of third parties		74,255	73,568
Natural Resources and Conflict		1,569,383	3,212,940	-	Cost of grants from governments		197,962	279,567
Protection of Civillians		744,083	1,402,863	-	Cost of investment income		124	150
Human Security and Human Rights in Fragile States		-	-	6,043,016		<b>484,339</b>	<b>593,253</b>	<b>597,622</b>
Human Security and a voice in Repressive States		-	-	3,743,396				
Security & Disarmament		-	-	1,577,153	<b>Management and administration</b>	19		
Networks for conflict prevention and Peace Building		-	-	208,764	Cost of management and administration		736,437	564,100
Networks for peace building		53,832	86,100	140,866				
					<b>Total Expenditures</b>		<b>17,451,744</b>	<b>17,598,306</b>
					<b>Result</b>		<b>834,674</b>	<b>-</b>
					<b>Appropriation of Result</b>			
					Continuity reserve		834,674	582,040
					Earmarked reserve		-	100,000
							<b>834,674</b>	<b>482,040</b>

CASH FLOW STATEMENT

		2016	2015
		€	€
Year End Result		834,674	482,040-
Adjusted for			
Depreciations	1.2	93,390	139,603
Changes in provisions	8	-	-
Interest on Income and expenditure	16	10,198-	24,601-
Changes in Receivables and accrued assets	4	1,067,104	1,281,175-
Changes in Short-term debts	9,10,11	4,965,801-	5,561,282
<b>Cash flow from operating activities</b>		<b>2,980,831-</b>	<b>3,913,069</b>
Interest received	16	10,198	24,600
<b>Cash Flow from primary activities</b>		<b>10,198</b>	<b>24,600</b>
Investment/disinvestment in intangible fixed assets	1	31,967-	12,660-
Investment/disinvestment in tangible fixed assets	2	46,416-	95,855-
Investment/disinvestment in financial fixed assets	3	426-	420-
<b>Cash flow from investing activities</b>		<b>78,809-</b>	<b>108,935-</b>
Release of MFS II interest component in the Earmarked reserve		-	112,266-
<b>Cash flow from financing activities</b>		<b>-</b>	<b>112,266-</b>
<b>Changes in Cash and Cash Equivalents</b>	5	<b>3,049,442-</b>	<b>3,716,468</b>



# Notes to the 2016 Financial Statements

## General

Peace Movement PAX Netherlands Foundation (hereinafter referred to as: PAX) is located and has its registered office in Utrecht, Godebaldkwartier 74. On 1 April 2017 we moved to St. Jacobsstraat 12.

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.

# Notes on Legal Persons

## PAX

On 29 January 2014 the statutory name of IKV PAX Christi 'IKV PAX Christi Collaborative Partnership Foundation' was changed to 'Peace Movement PAX Netherlands Foundation'.

Since 2007, all peace work done by the Interchurch Peace Council Foundation (IKV) and the Peace Movement PAX Christi Netherlands Association (PAX Christi) has been combined and taken over by PAX. PAX carries out all peace programmes; it is also the employer of all staff members. PAX's Board of Directors is appointed in accordance with its articles of association. It consists of a general director and one director. The Board of Directors must render account to PAX's Supervisory Board for the policy it pursues. PAX's Supervisory Board appoints and dismisses the Board of Directors.

The Board of Directors bases its annual plan and budget on the strategic long-range plan and long-range budget and the new insights and expectations. The annual plan and budget describes objectives, peace programmes, intended results as well as the people deployed and resources used in them. The annual plan and budget are submitted to PAX's Supervisory Board for approval.

Within six months of the end of the financial year, the Board of Directors drafts the annual accounts in accordance with RJ 650. The annual accounts require approval from the Supervisory Board.

## Peace Movement PAX Christi Netherlands Association (PAX Christi) and the Inter-church Peace Council Foundation (IKV)

PAX Christi (established in 1948) and IKV (established in 1966) continue to exist as separate peace organisations with their own identity and distinct characteristics, even after they combined their peace work in 2007. They are the

PAX Foundation's primary commissioning bodies.

IKV's board builds on its ecumenical identity and includes the Roman Catholic Church, the General Baptist Brotherhood, the Moravian Church (Unitas Fratrum), the Old-Catholic Church of the Netherlands, the Protestant Church in the Netherlands and the Remonstrant Brotherhood. PAX Christi's Membership Council builds on its Roman Catholic identity to inspire the work organisation with perspectives on current peace issues and thus to provide a broad orientation for the strategic development of their peace work. IKV and PAX Christi approve the strategic long-range plans of PAX and each appoint three members to PAX's Supervisory Board.

### **Catholic Peace Movement Foundation (STIKAV)**

The Catholic Peace Movement Foundation (STIKAV) manages the property located at Godebaldkwartier 74 (from 1 April 2017, St. Jacobsstraat

12) in Utrecht, the Netherlands, where PAX's head office is housed. For this purpose, the foundation has signed a lease agreement for a symbolic amount with the legal owner of the property, the Sisters of the Eucharist congregation. The lease runs to 2028. One of the provisions in the contract is that STIKAV will be the beneficiary should the property be sold. To underpin consistency in policy and the connection of the various legal persons, PAX's Board of Directors is also STIKAV's board. PAX Christi's Supervisory Board supervises STIKAV's board as well.

### **PAX Christi Horn of Africa Trust**

PAX Christi has established a foundation for its work in the Horn of Africa. The management, organisation and financing of the PAX Christi Horn of Africa Trust, which is based in Kenya, are closely linked to the other legal persons named. As the activities stopped in 2010 there are no annual accounts included anymore in this overview. This entity is a dormant organisation at this moment in time.

## Going Concern

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

## Reporting Period

The statements are based on a reporting period of one year. The fiscal year coincides with the calendar year.

## Principles for the Translation of Foreign Currencies

The currency used throughout this report is the euro (€).

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies 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 to the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Translation gains and losses are taken to the statement of income and expenditure as expenditure. In 2016, the currency translation differences recognised in the statement of income and expenditure account amounted to EUR 2,200 (2015 EUR -7,967).

## Reporting Directive for Fundraising Institutions

The 2016 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011).

These guidelines provide the public with clear criteria for assessing fundraising cost ratios, expenditure of funds and whether these funds have been spent on the goals for which they were intended. Compliance with these reporting guidelines is an important precondition for a charity organisation to obtain and retain the seal of approval from the Central Bureau of Fundraising of the Netherlands (CBF). The consolidated financial statements have been prepared from the accounting records of PAX and in accordance with the organisation's accounting policies.

The Law 'Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)' entered into force on 1 January 2013. PAX falls under Annex I of this Act under WNT. A standard has also been laid down for benefits in connection with the termination of employment of senior executives, and information about these benefits must be disclosed. For the charities, the general standard for the 'Goede Doelen' sector is used, including remuneration and severance fees for directors for 2016 and EUR 179,000 and EUR 75,000 respectively. For supervisory directors, the maximum remuneration according to the norm is 15% for the chairman (EUR 26,850) and 10% for members of the Supervisory Board (EUR 17,900).

The consolidated annual report contains the following entities:

- ◆ Stichting Vredesbeweging Pax Nederland (PAX)
- ◆ Stichting Interkerkelijk Vredesberaad (IKV);

- ◆ Vereniging Vredesbeweging Pax Christi Nederland (Pax Christi);
- ◆ Stichting Katholieke Vredesbeweging (Stikav);

The consolidation is based on the full consolidation method.

In the consolidated financial statements, intra-group debts, receivables and transactions are eliminated. Also, the results on transactions between group members are eliminated to the extent that the results are not realised through transactions with third parties outside the group.

## Reclassifications in accordance with RJ650

### Reclassification income RJ650

The year's audit revealed that income from former years was not classified in

accordance with the RJ650. The income items 2015 and 2016 have been reclassified as own fundraising, joint actions, third parties and grants from governments (including foreign governments).

### Reclassification acquisition cost ratios RJ650

According to the RJ650 the acquisition cost ratios are distributed over the different income categories. The 2015 figures have been reclassified accordingly.

### Reclassification spent on behalf of the objective

In 2016 the programme structure was altered towards the frame of Theory of Change (ToC), which encompasses the strategic objectives and the way we aim to achieve those strategic objectives, given a certain context. This change in programme policy and structure is reflected in the adaptation of the statement of income and expenditure. Starting in 2016 the programmes were redefined in a five-year planning period covering 2016-2020 and have no direct systematic relation

with the programme structure in former years. Therefore the 2015 figures 'spent on behalf of the objective' are presented in their original structure and have not been reclassified.

### Reclassification of cost in the breakdown table

In accordance with directive 650, the secretary cost of alliances is not permitted as a separate section in the breakdown table. This was presented under management and administration. However, it concerns costs for the correct application and justification of the MFS and SP funding. Think of the additional accountant costs, the reporting system costs and the additional costs to take the evaluation to a higher level also with our alliance partners. In addition, cooperation within the alliance with Amnesty and formerly Press Now and GPACC resulted from the MoFa requirement to qualify for MFS/SP. Thus, additional costs are primarily aimed at obtaining and maintaining government subsidies. The 2015 figures have been reclassified accordingly.

### Change of method of allocation of cost on the basis of hournates

The method of cost allocation through the calculation of hourly rates has changed in line with the internal and external calculation, tendering and reporting on tariffs.

The rate structure is as follows:

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Direct personnel cost	A
Organisational cost	B
Productive hours	C
Average position-related rate per hour	$D=A/C$
Surcharge for central organisational cost	$E=B/C$
Total hourly rate	$F=D+E$

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This change of method has no effect on the final outcome of the calculation compared to former years and does not give occasion to adapt the 2015 figures.

## Principles for the Valuation of Assets, Liabilities and Financial Results

### General

The principles applied in evaluating assets and liabilities and determining financial results are based on nominal values. Revenue and expenses are matched to the period in which they occurred (according to the matching principle). Revenue from legacy is recorded in the year that their size can be reliably established.

### Recognise assets and liabilities

Assets and liabilities are measured at nominal value, unless otherwise stated 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 entity and the cost of the asset can be reliably measured. A liability is recognised in the balance sheet when it is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably. 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. An asset or liability is no longer recognised in the balance sheet 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 being transferred to a third party.

A financial asset or a financial liability is recognised in the balance sheet when the contractual rights or obligations with respect to that instrument arise. A financial instrument is no longer

recognised in the balance sheet when there is a transaction that results in a transfer to a third party of all or substantially all of the rights to economic benefits and all or substantially all of the risks related to the position. A purchase or sale according to standard market conventions is, by class of financial assets and financial liabilities, systematically recognised or derecognised in the balance sheet on the trade date (date of entering into binding agreement) / the settlement date (date of transfer).

### **Recognise statement of income and expenditure**

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

reliability. Revenues and expenses are allocated to the period to which they relate. Revenues are recognised when the foundation has transferred the significant risks and rewards of ownership of the goods to the buyer.

### **Allocation of indirect cost**

The indirect costs are allocated to the target (spent on objectives) unless they can be directly attributed to the categories of acquisition and/or management and administration.

### **Recognise currency, price, credit, liquidity and cash flow risks**

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. 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.

### **Use of estimates**

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

The following accounting policies are in the opinion of management the most critical for the purpose of presenting the

financial position and require estimates and assumptions.

- ◆ Donor commitments at contracted value
- ◆ Work in progress partners on the basis of estimated progress %
- ◆ Partner commitments on the basis of progress % and status of control capacity
- ◆ Exchange rate fluctuations are partly mitigated by matching donor and partner contracts. For the remaining exposure the currency rates of donor and partner commitments are assumed to remain stable in the relevant contract periods.

### Financial Instruments

Financial Instruments include receivables, cash and cash equivalents, cash and accounts receivables, current liabilities and other liabilities. Financial instruments are initially recognised at fair value. After initial recognition the financial instruments are measured at amortised

costs on the basis of the effective interest method. The amortised costs equal the fair value. The fair value is based on the estimated present value of the future net cash flows. Purchased loans and other receivables are measured at amortised costs on the basis of the effective interest method, less impairment losses. Financial commitments that are not held for trading are carried at amortised cost on the basis of the effective interest rate method.

The foundation has no derivative financial instruments embedded in contracts.

### Intangible Fixed Assets

Intangible fixed assets (software and licences) are valued at purchase price. 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 expenditure.

### Tangible Fixed Assets

Tangible fixed assets are valued at acquisition price minus depreciation using their estimated economic life time. Any residual value is taken into account.

The annual depreciation is set as a basis for the following structure:

- ◆ Installations: According to the straight-line method in 10 years
- ◆ Other fixed operating assets:
  - IT equipment: First year 40%, second year 30%, third year 20%, fourth year 10%
  - Furniture and other equipment: According to the straight-line method in 5 years
- ◆ Renovation: According to the straight-line method in 10 years

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

Future modification costs concerning restructuring can be covered through the formation of earmarked reserves. Scheduled maintenance can be included in a provision.

### Financial Fixed Assets

Financial fixed assets relate to certificates of Oikocredit shares which are valued at their nominal value. Every

year dividend less management fee is added in certificates.

### Receivables

The accounting policies applied for the valuation of other receivables are described under the heading 'Financial instruments'

### 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.

### Foreign currency

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.

### Cash and cash equivalents not available on demand

The cash and cash equivalents balance

includes an amount of EUR 113,460 that is not immediately accessible in 2017. This relates to funds that are in a blocked account because of guarantees issued by the bank.

### Continuity reserve

The PAX policy on continuity reserve meets the requirements of the CBF.

### Earmarked reserve

The earmarked reserves are related to funds earmarked by the Supervisory Board to be spent on a designated purpose. The earmarked reserves do not reflect an obligation towards any third party and the Supervisory Board has the authority to reverse this reserve.

### Provisions

Provision for roof terrace is measured at the nominal value of the best estimate of the expenditures expected to be required to settle the obligations and losses.



A provision is recognised if the following applies:

- ◆ the foundation has a legal or constructive obligation, arising from a past event; and
- ◆ the amount can be reliably estimated; and
- ◆ it is probable that an outflow of economic benefits will be required to settle the obligation

### Long-Term Debts and Current Liabilities

The valuation of the long-term debts and current liabilities are described under the paragraph financial instruments.

Balance positions for current projects consist of grants yet to be received and costs yet to be paid for these projects.

### Donations and subsidies

In 2006, the IKV Foundation's ruling body and Pax Christi's Membership Council decided to book the two organisations' incomes from individuals

and institutional funding as the partnership's income. This was done after deducting the resources that the two entities require for their own activities and organisational expenses. Legacies left specifically to IKV or Pax Christi are not included here, nor are results from previous financial years. IKV and Pax Christi contract out the implementation of their programmes and services to PAX.

### 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.

### Lease of buildings

If 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 recognised as a reduction of rental expenses over the lease term. Lease payments and benefits regarding operating leases are recognised in the statement of income and expenditure 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.

### Cash flow statement

The cash flow statement is prepared using the indirect method. Foreign currency cash flows are translated into euros using the weighted average exchange rates for the respective periods.

### Income from own fundraising

Income from own fundraising consists of private fundraising and income from capital funds.

Income from private fundraising involves contributions, donations, collections, legacies and the sale of materials.

Except legacies these private fundraising items are accounted for in the year in which they are received or in which the materials are sold. Exceptions are written undertakings that have been received before year-end as these can be accounted for in the current year. Legacies are recognised based on a statement received from the executor in the year in which the amount can be determined reliably.

The valuation of legacies including property is done based on the most recent correspondence and receipts are included up to the preparation of the financial statements. The valuation is done prudently. We work closely together with Centrum Nalatenschappen, who check and archive the documents and calculations.

Income from capital funds is recognised in the statement of income and expenditure in the year in which the subsidised expenditures were incurred.

### **Income from joint actions**

Non-recurring or temporary collaborations are often characterised by the fact that they are not an independent legal entity and the economic risks attached to the activities of the partnership are taken by the participating institutions. In the year under review, we did not have any of these activities.

### **Income from third parties**

Income from third parties is accounted for as such when PAX carries no risk in the fundraising campaign. The income from third parties is recognised in the year in which the income is pledged.

### **Grants from governments**

Grants and subsidies are recognised in the statement of income and expenditure in the year in which the subsidised expenditures were incurred. The grants are recognised where it is probable that they will be received and PAX will comply with all attached conditions.

### **Interest income and income from investments**

The line item interest income and income from investments contains the (gross) interest, dividends and realised and unrealised exchange income. Interest income and expenses are recognised time proportionally. Interest income is recognised as investment income.

The organisational expenses are allocated on the basis of actual cost of the number of hours actually worked.

- a. Objectives
- b. Cost of fundraising
- c. Management and administration costs

These are specified in the table explaining expense distribution.

This year we have adjusted the allocation to the various cost categories. The direct labour costs and hired experts were numbered among the Purchases and acquisitions of the last years. These

costs are now rightly categorised under the item Personnel.

### Employee benefits during employment

Employee benefits are charged to the statement of income and expenditure 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.

### Salary top officials

The remuneration of the board of directors is specified on page [182](#) and [184](#). See also the Reporting Directive for Fundraising Institutions for an explanation of the application of the WNT guidelines.

### Pensions

Pensions are part of the employees' benefits. The main principle is that the

pension charge to be recognised for the reporting period should be equal to the pension contributions payable to the pension fund over the period. Insofar 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.

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 coverage of the sector pension as at December 31, 2016 is 90.1%.

### Transactions with related parties

The remuneration of the managing and supervisory directors is specified on pages [182](#) to [184](#).

Date of preparation of financial statements: June 1st, 2017

EXPLANATION OF THE BALANCE SHEET

1. Intangible fixed assets				2. Tangible fixed assets				
Balance as at 31/12*				Balance as at 31/12				
		31 DEC 2016	31 DEC 2015			31 DEC 2016	31 DEC 2015	
		€	€			€	€	
Software		36,879	42,228	Installations		11,342	14,140	
Licences		15,753	13,562	Other fixed operating assets		95,863	102,323	
		<b>52,632</b>	<b>55,790</b>	Renovation		15,576	18,167	
						<b>122,781</b>	<b>134,630</b>	
<b>Movement in intangible fixed assets:</b>				<b>Movement in tangible fixed assets</b>				
	<b>Software</b>	<b>Licences</b>	<b>Total</b>		<b>Installations</b>	<b>Other fixed operating assets</b>	<b>Renovation</b>	<b>Total</b>
<b>Balance as at January 1</b>				<b>Balance as at January 1</b>				
Purchase Value	323,930	85,609	409,539	Purchase value	27,976	840,334	298,064	1,166,374
Accumulated depreciation	281,702	72,047	353,749	Accumulated depreciation	13,836	738,011	279,897	1,031,744
<b>Book value</b>	<b>42,228</b>	<b>13,562</b>	<b>55,790</b>	<b>Book value</b>	<b>14,140</b>	<b>102,323</b>	<b>18,167</b>	<b>134,630</b>
<b>Changes in book value</b>				<b>Changes in book value</b>				
Purchases	17,834	14,133	31,967	Investments**	-	46,416	-	46,416
Disinvestments	-	-	-	Disinvestments	-	-	-	-
Depreciations	23,183	11,942	35,125	Depreciations	2,798	52,876	2,591	58,265
<b>Balance</b>	<b>5,349-</b>	<b>2,191</b>	<b>3,158-</b>	<b>Balance</b>	<b>2,798-</b>	<b>6,460-</b>	<b>2,591-</b>	<b>11,849-</b>
<b>Balance as at December 31</b>				<b>Balance as at December 31</b>				
Purchase value	341,764	99,742	441,506	Purchase value	27,976	886,750	298,064	1,212,790
Accumulated depreciation	304,885	83,989	388,874	Accumulated depreciation	16,634	790,887	282,488	1,090,009
<b>Book value</b>	<b>36,879</b>	<b>15,753</b>	<b>52,632</b>	<b>Book value</b>	<b>11,342</b>	<b>95,863</b>	<b>15,576</b>	<b>122,781</b>

\*) Software and licences are regular enterprise software and licenses \*\*) Investments in office equipment, workstations and laptops, renewal and enlargement of server capacity  
Both intangible and tangible fixed assets held for business operations.

EXPLANATION OF THE BALANCE SHEET

3. FINANCIAL FIXED ASSETS	31 DEC 2016	31 DEC 2015	4. RECEIVABLES AND ACCRUED ASSETS	31 DEC 2016	31 DEC 2015
	€	€		€	€
Oiko credit certificates*	28,137	27,711	Ministry of Foreign Affairs MFS II	-	449,358
			Communities of Change Alliance	-	33,389
<b>Balance as at January 1</b>			Cordaid Gender Fund	27,988	-
Book value	27,711	27,291	Other donors	639,622	1,038,796
Received dividend	426	420	Currents accounts alliance partners	6,598	263,289
			Accounts receivable Inheritances and legacies	-	-
<b>Book value as at December 31</b>	<b>28,137</b>	<b>27,711</b>	Sales tax	-	228,528
			Prepaid salaries and pension contributions	384	-
			Income taxes and social security contribution	550	-
			Prepaid amounts and guarantees	433,082	201,725
			Payments on transfer	46,472	-
			Other receivables	7,740	14,455
				<b>1,162,436</b>	<b>2,229,540</b>

\* ) Oiko credit is an organisation that offers capital with favourable conditions for the start-up of a self-owned enterprise to underprivileged. Besides social revenue Oiko certificats generate an honest financial revenue for investors.

No receivables due after more than one year.

The increase of receivables is mainly due to the expire of contract terms with the final installment.

EXPLANATION OF THE BALANCE SHEET

5. CASH AND CASH EQUIVALENTS	31 DEC 2016	31 DEC 2015	6. CONTINUITY RESERVE	31 DEC 2016	31 DEC 2015
	€	€		€	€
Deposits (term under 3 months)	4,976,851	7,839,961	Continuity reserve	2,868,834	2,034,159
Credit balances on Dutch bank accounts	792,877	1,013,201			
Credit balances on foreign bank accounts*	68,760	27,807	Balance as at January 1	2,034,159	2,616,199
Cash balance on Dutch and foreign banks*	44,798	51,759	Allocation of the result	834,675	582,040-
	<b>5,883,286</b>	<b>8,932,728</b>	<b>Balance as at December 31*</b>	<b>2,868,834</b>	<b>2,034,159</b>
			* Specification at December 31		
			PAX	1,491,778	660,967
			Pax Christi	2,479	2,479
			IKV	1,369,424	1,369,424
			STIKAV	5,153	1,289
				<b>2,868,834</b>	<b>2,034,159</b>

\*) The cash and cash equivalents on foreign bank accounts and banks affect liquidity of our field offices.

The cash and cash equivalents balance includes an amount of € 113,460 that is not immediately accessible. This relates to funds that are in a blocked account because of guarantees issued by the bank.

EXPLANATION OF THE BALANCE SHEET

7. EARMARKED RESERVE	31 DEC 2016	31 DEC 2015	8. PROVISIONS	31 DEC 2016	31 DEC 2015
	€	€		€	€
Earmarked reserve	100,000	100,000	Maintenance costs*	40,000	40,000
Balance as at January 1	100,000	112,267	Balance as at January 1	40,000	40,000
Become available*	-	112,267-	Provisions used during the year	-	-
Allocation of the result	-	100,000	Dotation	-	-
			Withdrawal due to expenses	-	-
<b>Balance as at December 31**</b>	<b>100,000</b>	<b>100,000</b>	<b>Balance as at December 31</b>	<b>40,000</b>	<b>40,000</b>

\*) Interest from MFS resources is used for the objective

\*\*) Planning costs for rehousing, part of expected modification costs concerning restructuring Hoog Catharijne. This restructuring however has been delayed by a year.

The earmarked reserve as at December 31 is part of STIKAV.

\*) Major maintenance has been deferred. This provision of a short-term nature is part of STIKAV.





EXPLANATION OF THE BALANCE SHEET

11 B. OFF-BALANCE SHEET ASSETS AND LIABILITIES

Liability and guarantees

a. PAX has paid € 15,669 as a guarantee for the rent and possible damage of the meeting rooms at Meeting Plaza.

b. PAX has provided a bank guarantee of € 113,460 to Hajofi, lessor of the new office location Jacobstraat, Utrecht, per 01.04.2017.

Other liabilities	<1 YEAR	1- 5 YEAR	>5 YEAR
Partners & consultants	1,311,834	106,419	-
Lease of equipment	14,729	44,186	-
Office rent*	340,381	1,815,368	113,460
Service contracts	104,297	556,248	34,766

\*) The office rent contract includes a rent-free period of 183,000 EUR

11 C. SUBSEQUENT EVENTS AFTER THE BALANCE DATE

There is a guarantee security of € 113,460 in 2017 incurred in connection with the lease of the new building. The National Postcode Lottery granted in February 2017 € 2,000,000 for the project 'The Story of a refugee'.

EXPLANATION OF THE INCOME AND EXPENDITURE ACCOUNT

The income items 2015 en 2016 are reclassified according RJ650. See the notes.

The sources of income relate to projects with statutory regular destinations. In the terms of the providers of these sources of income no other than statutory regular destinations are included.

12. INCOME FROM OWN FUNDRAISING	ACTUAL 2016	BUDGET 2016	ACTUAL 2015
	€	€	€
<b>Income from private fundraising</b>			
Contributions	73,609	86,000	76,781
Donations	693,717	453,935	556,930
Churches Collection	64,028	100,000	62,018
Legacies	2,250	100,000	25,352
	<b>833,604</b>	<b>739,935</b>	<b>721,081</b>
<b>Income from Capital funds</b>			
Domestic donors	328,028	1,539,502	488,208
Joseph Rowntree Charitable Trust	50,348	50,348	50,348
The Sigrid Rausing Trust	49,142	49,142	52,912
Open Society Institute	119,754	119,754	-
Other foreign donors	11,515	456,894	111,157
	<b>558,787</b>	<b>2,215,640</b>	<b>702,625</b>
<b>Total Income from own fundraising</b>	<b>1,392,391</b>	<b>2,955,575</b>	<b>1,423,706</b>

13. INCOME THIRD PARTIES	ACTUAL 2016	BUDGET 2016	ACTUAL 2015
	€	€	€
National Postcode Lottery (regular contribution)	500,000	500,000	1,000,000
National Postcode Lottery (extra project Lessons in Peace)	289,893	400,000	-
Fundraising organisations	48,013	231,584	200,288
	<b>837,906</b>	<b>1,131,584</b>	<b>1,200,288</b>

14. GRANTS FROM GOVERNMENTS

Direct			
Ministry of Foreign Affairs MFSII 2015 - SP D&D 2016*	9,952,828	9,210,218	6,320,864
Freedom from Fear Alliance parties	827,975	1,094,356	2,830,211
Other direct Dutch government	2,842,545	1,420,498	1,807,782
Other direct foreign governments	1,272,939	637,431	706,917
	<b>14,896,287</b>	<b>12,362,503</b>	<b>11,665,774</b>
Indirect			
Communities of Change Alliance	-	-	901,734
Other indirect	1,090,131	1,063,493	463,088
	<b>1,090,131</b>	<b>1,063,493</b>	<b>1,364,822</b>
<b>Total grants from governments</b>	<b>15,986,418</b>	<b>13,425,996</b>	<b>13,030,596</b>
Freedom from Fear Alliance parties	827,975	1,094,356	2,830,211
	<b>15,158,443</b>	<b>12,331,640</b>	<b>10,200,385</b>

\*) The Ministry of Foreign Affairs Subsidy Strategic Partnership on Dialogue and Dissent (SP D&D) allocated an amount totalling €59,500,000 for the Freedom from Fear Alliance for the period 2016 through 2020

EXPLANATION OF THE INCOME AND EXPENDITURE ACCOUNT

15. INTEREST AND INVESTMENT INCOME	ACTUAL 2016	BUDGET 2016	ACTUAL 2015
	€	€	€
Interest	30,455	49,400	40,663
Investment income Oikos Credit	550	600	542
	<b>31,005</b>	<b>50,000</b>	<b>41,205</b>
<hr/>			
<b>16. OTHER INCOME</b>			
Annual rent income Stiltecentrum	-	15,000	13,462
Sales tax refund	-	-	215,309
Shared costs, travel expenses and received discounts*	38,698	20,000	92,286
	<b>38,698</b>	<b>35,000</b>	<b>321,057</b>

\*) Costs for travelling together with like-minded organisations and received discounts because for being a charitable organisation.

EXPLANATION OF THE INCOME AND EXPENDITURE ACCOUNT

17. SPENT ON BEHALF OF THE OBJECTIVE	ACTUAL DIRECT COSTS 2016	ACTUAL INDIRECT COSTS 2016	TOTAL ACTUAL 2016	TOTAL BUDGET 2016	TOTAL ACTUAL 2015
Programme costs (x €1,000)					
Community-based security and citizens rights	5,544	4,138	9,682	7,479	-
Dealing with the Past	879	669	1,548	1,086	-
Humanitarian Disarmament	546	1,260	1,806	1,403	-
Natural resources and conflict.	644	925	1,569	3,213	-
Protection of Civillians	166	578	744	1,714	-
Human Security in Fragile States	-	-	-	-	6,043
Human Security in Repressive States	-	-	-	-	3,743
Security & Disarmament	-	-	-	-	1,577
Networks for conflict prevention	-	-	-	-	209
Networks for Peace building (of IKV and Pax Christi)	54	-	54	86	141
Strengthening Civil Society (integrated in programmes)	-	-	-	116	197
	<b>7,833</b>	<b>7,570</b>	<b>15,403</b>	<b>15,097</b>	<b>11,910</b>
Partners in Masterpeace project (ended 2015)			-	250	500
The Freedom from Fear Alliance parties' MFS SP liabilities			828	1,094	2,830
			<b>16,231</b>	<b>16,441</b>	<b>15,241</b>
Allocation is based on logbook results. Details are shown in Table Itemisation of expenses <a href="#">page 185</a>					
Income (x €1,000)			18,286	17,598	16,017
Expenses (x €1,000)			17,452	17,598	16,499

EXPLANATION OF THE INCOME AND EXPENDITURE ACCOUNT

17. CONT.	ACTUAL 2016 %	BUDGET 2016 %	ACTUAL 2015 %	SPECIFICATION OF PERSONNEL COSTS	2016 € X 1,000	2016 € X 1,000
Percentage spent on objective in relation to income.	88.8%	92.0%	95.2%	Gross salaries*	4,755.2	3,995.3
Percentage spent on objective in relation to expenses.	93.0%	92.0%	92.4%	Social security contributions	777.7	656.0
				Pension	479.8	401.9
					<b>6,012.7</b>	<b>5,053.2</b>
				Other personnel costs**	1,296.4	1,233.7
				Total	<b>7,309.1</b>	<b>6,286.9</b>
				Average # of FTEs in the Netherlands	95.4 FTE	80.0 FTE
				Number of FTEs on balance sheet date in the Netherlands	107.4 FTE	83.5 FTE
				Average # of FTEs foreign	17.7 FTE	12.4 FTE
				Number of FTEs on balance sheet date foreign	23.5 FTE	12.0 FTE
				Explanation of changes		
				Change in employed personnel costs	959.5	
				Change in other personnel costs	62.7	
				<b>Total change in personnel costs</b>	<b>1,022.2</b>	
				Change in number of FTEs on balance sheet date in the Netherlands	23.9 FTE	
				Change in number of FTEs on balance sheet date foreign	11.5 FTE	
				<b>Total change FTEs on balance sheet</b>	<b>35.4 FTE</b>	

18. ACQUISITION COSTS

The full direct and indirect cost of fundraising is thought necessary to guarantee continuance of fundraising. Consistent with CBF quality mark guidelines, an average of 25% over the past 3 years is the maximum value of CBF guideline

Cost of own fundraising	15.2%	8.1%	16.0%
Cost of joint actions	-	-	-
Cost of third parties	8.9%	6.5%	6.1%
Cost of grants from governments	1.2%	2.1%	2.3%

19. MANAGEMENT & ADMINISTRATION

Costs incurred for internal management and administration are not charged to the objectives or fundraising, but are listed separately.

Management and administration costs as percentage of total expenditures	4.2%	6.0%	5.4%
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\*) The growth in FTEs largely explains the growth of employed personnel costs anticipating the growth of budget 2016 till 2020

\*\*) The level of other personnel costs is mainly due to the investments in organisational improvements, strengthening of administration and control as well as monitoring and reporting systems to the end of increased accountability and transparency for the period 2016 till 2020, through hiring of temporary staff.

## Explanation of the Remuneration for the Board of Directors

### WNT Accountability 2016

As of January 1, 2013, the law 'Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)' entered into force. This accountability has been drawn up on the basis of the following rules applicable to PAX:

The remuneration maximum in 2016 for PAX is € 168,000. This applies in proportion to the duration and / or extent of the employment. As of 1 January 2016, senior executives without employment will apply a different standard for the first 12 calendar months, both for the duration of the assignment and for the hourly rate.

### Remuneration senior executives

Leading senior executives and erstwhile employed senior executives. Also leading senior executives without employment from the 13th month of the job completion

Name	J. Gruiters	F.J.T. Landmeter
Job position	General Director	Director
Commencement and completion of function in 2016	01-01/31-12	01-01/31-12
Size of employment (in FTE)	1.0	1.0
Erstwhile employed senior executive?	No	No
(Fictional) employment?	Yes	Yes
<b>Individual WNT-maximum</b>	<b>168,000</b>	<b>168,000</b>
Annual Income, gross	96,394	87,903
Taxable Disbursement	0	0
Other (future) benefits	11,742	10,562
Subtotal	108,136	98,465
-/- undue amount paid	0	0
<b>Total remuneration</b>	<b>108,136</b>	<b>98,465</b>
Mandatory motivation if exceeded	n.a.	n.a.
<b>Information 2015</b>		
Commencement and completion of function in 2015	01-01/31-12	01-01/31-12
Size of employment 2015 (in FTE)	1.0	1.0
Annual Income, gross	94,132	85,841
Taxable Disbursement	0	0
Other (future) benefits	11,383	10,238
<b>Total remuneration 2015</b>	<b>105,515</b>	<b>96,079</b>

Board remuneration including pension and social insurance contributions came to € 226,535 (2015: 223,763) in 2016. The amount and composition of remuneration are dealt with in the financial statements in the statement of income and expenses.

**Statement ‘Wet normering bezoldiging topfunctionarissen in de (semi)publieke sector (WNT2)’ remuneration board of directors (Dutch Law on standards remuneration of executives in the (semi) public sector)**

The Supervisory Board has enacted on the advice of the Remuneration Committee, the remuneration policy, the level of management remuneration and the amount of other remuneration components. The policy is updated periodically. The last review was in 2016.

In determining the remuneration policy and enacting of the remuneration PAX follows ‘de Regeling beloning directeuren van goede doelen ten behoeve van besturen en raden van toezicht’ (the

guideline remuneration directors of charities, for supervisory boards) (see [www.goededoelennederland.nl](http://www.goededoelennederland.nl)).

The scheme indicates on the basis of weightings a maximum norm for the annual income. The weighting of the situation of PAX was executed by the Remuneration Committee. This led to a so-called BSD-score of 475 points corresponding with a maximum annual income for respectively general director 87% - 413 points J. Gruiters € 110,000 per FTE/12 months and for director 80% - 380 points F.J.T. Landmeter € 98,000 per FTE/12 months.

The outcomes of the review against the applicable limits of the relevant annual income of the directors amounted (2015 in €) for J. Gruiters € 94,123 per FTE/12 months and for F.J.T. Landmeter € 85,841 per FTE/12 months. These rewards were within the applicable limits. In 2016 the relevant annual income of the directors amounted (2016 in €) for J. Gruiters € 96,394 per FTE/12 months (max. 114K 1FTE/12 months) and for F.J.T. Landmeter

€ 87,903 per FTE/12 months (max. 102K 1FTE/12 months) and remained still within these limits.

In 2016 the annual income, the taxable disbursements, employers pension contribution and other (future) benefits for respectively general director J. Gruiters € 118,103 per FTE/12 months and for director F.J.T. Landmeter € 108,432 per FTE/12 months remain well below the in the guideline stated maximum of € 179,000 per year.

Moreover the taxable disbursements, employers pension contribution and other (future) benefits were in reasonable proportion to the annual income.

REMUNERATION OF THE BOARD OF DIRECTORS

Name	J. Gruiters	F.J.T. Landmeter
Job position	General Director	Director
Type of contract	indefinite	indefinite
hours	36	36
Part-time percentage	100	100
Period	01-01/31-12	01-01/31-12
Salary (EUR) / Annual Income, gross:		
Gross salary	82,920	75,612
Holiday allowance	6,592	6,015
Year-end allowance, 13th/14th month	6,882	6,276
Variable annual income	0	0
<b>Total</b>	<b>96,394</b>	<b>87,903</b>
Employers Social Security costs	9,967	9,967
Taxable Disbursement	0	0
Employers Pension contribution	11,742	10,562
Pension Compensation	0	0
Other (future) benefits	0	0
Severance entitlement	0	0
<b>Total remuneration 2016</b>	<b>118,103</b>	<b>108,432</b>
<b>Total remuneration 2015</b>	<b>116,191</b>	<b>107,572</b>

No loans, advances or guarantees have been provided to the directors.

**Boards of supervisors**

The members of the Supervisory board receive no salary, vacation pay or attendance fees for their work. Travel and other expenses are compensated on the basis of cost incurred.

	2016	2015
Compensations (including volunteer compensations)	1,486	1,774



ITEMISATION OF EXPENSES IN €

EXPENDITURES	SPENT ON BEHALF OF THE OBJECTIVE						ACQUISITION COSTS					MANAGEMENT & ADMINISTRATION	TOTAL 2016	TOTAL 2015
	COMMUNITY-BASED SECURITY AND CITIZENS RIGHTS	DEALING WITH THE PAST	HUMANITARIAN DISARMAMENT	NATURAL RESOURCES AND CONFLICT	PROTECTION OF CIVILIANS	NETWORKS FOR PEACE-BUILDING	FUNDRAISING OWN	FUNDRAISING JOINT ACTIONS	FUNDRAISING THIRD PARTIES	FUNDRAISING GOVERNMENTS	MANAGEMENT & ADMINISTRATION			
1. Grants and contributions	2,938,829	519,313	119,642	269,773	45,085	-	-	-	-	-	-	3,892,642	2,288,406	
2. Purchases and acquisitions*	2,275,295	313,892	371,920	326,448	105,875	53,832	-	-	-	-	-	3,447,262	2,668,326	
3. Publicity and promotion	330,158	45,548	53,968	47,369	15,363	-	-	-	-	-	-	492,406	727,463	
4. Personnel	3,480,852	571,876	1,042,874	774,217	481,424	-	152,141	-	73,654	90,343	641,762	7,309,143	6,286,857	
5. Accommodations	272,093	40,245	90,250	62,811	39,920	-	-	-	-	-	7,382	512,701	514,515	
6. Office expenses	61,054	9,030	20,251	14,094	8,958	-	44,176	-	331	379	11,713	169,986	70,274	
7. General expenses	3,931	581	1,304	908	577	-	97-	-	97-	23,819	55,845	86,771	2,985	
8. ICT	213,312	31,550	70,753	49,242	31,296	-	16	-	16	83,070	-	479,255	372,172	
9. Depreciation and interest	48,780	7,215	16,180	11,260	7,157	-	-	-	-	-	2,798	93,390	139,604	
10. Management costs	57,447	8,497	19,055	13,261	8,428	-	15,762	-	351	351	16,937	140,089	97,957	
<b>Total</b>	<b>9,681,751</b>	<b>1,547,747</b>	<b>1,806,197</b>	<b>1,569,383</b>	<b>744,083</b>	<b>53,832</b>	<b>211,998</b>	<b>-</b>	<b>74,255</b>	<b>197,962</b>	<b>736,437</b>	<b>16,623,645</b>	<b>13,168,559</b>	
	58.2%	9.3%	10.9%	9.4%	4.5%	0.3%	1.3%	0.0%	0.4%	1.2%	4.4%			
Partner in Masterpeace project												-	500,000	
Freedom from Fear Alliance parties												827,975	2,830,211	
Explanation to expenses and distribution:												<b>17,451,620</b>	<b>16,498,770</b>	
1. Payments to partner organisations with whom we work when carrying out projects.														
2. Direct programme costs, i.e. purchasing, hiring, travel and accommodation expenses.														
3. Direct programme costs for communication.														
4.-10. The total cost of the organisation is based on a retrospectively charted hourly rate allocated to the above mentioned cost centers.														
*) In former years direct personnel cost was presented under 2. Purchases and acquisitions. In 2016 we present all personal cost under 4. Personnel. The figures for 2015 are adjusted accordingly.														

# Financial statement PAX 2016

**BALANCE SHEET (AFTER APPROPRIATION OF RESULT)**

ASSETS		31 DEC 2016	31 DEC 2015
		€	€
Intangible fixed assets	1	52,632	55,790
Tangible fixed assets	2	111,439	120,490
Financial fixed assets	3	143,437	276,671
Receivables and accrued assets	4	1,154,696	2,215,085
Cash and Cash Equivalents	5	4,269,778	7,158,349
		<b>5,731,982</b>	<b>9,826,385</b>

**BALANCE SHEET (AFTER APPROPRIATION OF RESULT)**

LIABILITIES		31 DEC 2016	31 DEC 2015
		€	€
<b>Reserves and funds</b>			
Continuity reserve	6	1,491,778	660,968
Earmarked reserve	7	-	-
<b>Short-term debts</b>			
Subsidy commitments	8	3,233,144	7,863,942
Other accounts payable	9	347,860	485,261
Other liabilities	10	659,200	816,214
		4,240,204	9,165,417
		<b>5,731,982</b>	<b>9,826,385</b>

STATEMENT OF INCOME AND EXPENDITURE

		ACTUAL 2016	BUDGET 2016	ACTUAL 2015					
		€	€	€					
<b>INCOME</b>									
Income from own fundraising	11	1,332,134	2,693,575	1,188,851	Strengthening Civil Society (from 2016 part of programmes)		116,000	197,170	
Income from joint actions		-	-	-	Freedom from Fear Alliance parties MFSII - SP D&D	827,975	1,094,356	2,830,211	
Income from third parties	12	835,648	1,131,584	1,200,288		<b>16,177,136</b>	<b>16,363,456</b>	<b>15,099,710</b>	
Grants from governments	13	15,986,418	13,425,997	13,030,596	<b>Acquisition costs</b>				
Interest and investment income	14	22,716	37,800	26,339	Cost of own fundraising	17	207,814	235,468	224,021
Other income	15	38,698	35,000	321,057	Cost of joint actions		4,184	4,500	3,782
<b>Total income</b>		<b>18,215,614</b>	<b>17,323,956</b>	<b>15,767,131</b>	Cost of third parties		74,255	73,568	72,640
					Cost of grants from governments		197,962	279,567	297,057
						<b>484,215</b>	<b>593,103</b>	<b>597,500</b>	
<b>EXPENDITURE</b>					<b>Management and administration</b>				
<b>Spent on behalf of the objective</b>	16				Cost of management and administration	18	723,453	407,397	660,694
Community-Based Security and Citizens Rights		9,681,751	7,478,525	-	<b>Total Expenditures</b>		<b>17,384,804</b>	<b>17,363,956</b>	<b>16,357,904</b>
Dealing with the Past		1,547,747	1,085,895	-	<b>Result</b>		<b>830,810</b>	<b>40,000-</b>	<b>590,773-</b>
Humanitarian Disarmament		1,806,197	1,714,276	-	<b>Appropriation of Result</b>				
Natural Resources and Conflict.		1,569,383	3,212,941	-	Continuity reserve		830,810	-	590,773-
Protection of Civillians		744,083	1,402,863	-	Earmarked reserve		-	-	-
Human Security and Human Rights in Fragile States				6,043,016		<b>830,810</b>			<b>590,773-</b>
Human Security and a voice in Repressive States				3,743,396					
Security & Disarmament				1,577,153					
Networks for conflict prevention and Peace Building			8,600	208,764					
Partners in Masterpeace project (ended 2015)			250,000	500,000					

CASH FLOW STATEMENT

		2016	2015
		€	€
Year End Result		830,810	590,773-
Adjusted for			
Depreciations	1.2	90,592	136,806
Changes in provisions	15	3,623-	26,163-
Interest on Income and expenditure	3	133,234	83,579-
Changes in Receivables and accrued assets	4	1,060,388	1,196,323-
Changes in Short-term debts	8,9,10	4,925,213-	5,523,265
<b>Cash flow from operating activities</b>		<b>2,813,811-</b>	<b>3,763,233</b>
Interest received	15	3,623	26,162
<b>Cash Flow from primary activities</b>		<b>3,623</b>	<b>26,162</b>
Investment/disinvestment in intangible fixed assets	1	31,967-	12,660-
Investment/disinvestment in tangible fixed assets	2	46,416-	95,855-
<b>Cash flow from investing activities</b>		<b>78,383-</b>	<b>108,515-</b>
Release of MFS II interest component in the Earmarked reserve		-	112,266-
<b>Cash flow from financing activities</b>		<b>-</b>	<b>112,266-</b>
<b>Changes in Cash and Cash Equivalents</b>	5	<b>2,888,571-</b>	<b>3,568,614</b>

# Notes to the 2016 Financial Statements

## General

Peace Movement PAX Netherlands Foundation (hereinafter referred to as: PAX) is located and has its registered office in Utrecht, Godebaldkwartier 74. On 1 April 2017 we moved to St. Jacobsstraat 12.

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.

# Notes on Legal Persons

## PAX

On 29 January 2014 the statutory name of IKV PAX Christi 'IKV PAX Christi Collaborative Partnership Foundation' was changed to 'Peace Movement PAX Netherlands Foundation'.

Since 2007, all peace work done by the Interchurch Peace Council Foundation (IKV) and the Peace Movement PAX Christi Netherlands Association (PAX Christi) has been combined and taken over by PAX. PAX carries out all peace programmes; it is also the employer of all staff members. PAX's Board of Directors is appointed in accordance with its articles of association. It consists of a general director and one director. The Board of Directors must render account to PAX's Supervisory Board for the policy it pursues. PAX's Supervisory Board appoints and dismisses the Board of Directors.

The Board of Directors bases its annual plan and budget on the strategic long-range plan and long-range budget and the new insights and expectations. The annual plan and budget describes objectives, peace programmes, intended results as well as the people deployed and resources used in them. The annual plan and budget are submitted to PAX's Supervisory Board for approval.

Within six months of the end of the financial year, the Board of Directors drafts the annual accounts in accordance with RJ 650. The annual accounts require approval from the Supervisory Board.

## Peace Movement PAX Christi Netherlands Association (PAX Christi) and the Inter-church Peace Council Foundation (IKV)

PAX Christi (established in 1948) and IKV (established in 1966) continue to exist as separate peace organisations with their own identity and distinct characteristics, even after they combined their peace work in 2007. They are the

PAX Foundation's primary commissioning bodies.

IKV's board builds on its ecumenical identity and includes the Roman Catholic Church, the General Baptist Brotherhood, the Moravian Church (Unitas Fratrum), the Old-Catholic Church of the Netherlands, the Protestant Church in the Netherlands and the Remonstrant Brotherhood. PAX Christi's Membership Council builds on its Roman Catholic identity to inspire the work organisation with perspectives on current peace issues and thus to provide a broad orientation for the strategic development of their peace work. IKV and PAX Christi approve the strategic long-range plans of PAX and each appoint three members to PAX's Supervisory Board.

### **Catholic Peace Movement Foundation (STIKAV)**

The Catholic Peace Movement Foundation (STIKAV) manages the property located at Godebaldkwartier 74 (from 1 April 2017, St. Jacobsstraat

12) in Utrecht, the Netherlands, where PAX's head office is housed. For this purpose, the foundation has signed a lease agreement for a symbolic amount with the legal owner of the property, the Sisters of the Eucharist congregation. The lease runs to 2028. One of the provisions in the contract is that STIKAV will be the beneficiary should the property be sold. To underpin consistency in policy and the connection of the various legal persons, PAX's Board of Directors is also STIKAV's board. PAX Christi's Supervisory Board supervises STIKAV's board as well.

### **PAX Christi Horn of Africa Trust**

PAX Christi has established a foundation for its work in the Horn of Africa. The management, organisation and financing of the PAX Christi Horn of Africa Trust, which is based in Kenya, are closely linked to the other legal persons named. As the activities stopped in 2010 there are no annual accounts included anymore in this overview. This entity is a dormant organisation at this moment in time.

## Going Concern

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

## Reporting Period

The statements are based on a reporting period of one year. The fiscal year coincides with the calendar year.

## Principles for the Translation of Foreign Currencies

The currency used throughout this report is the euro (€).

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies 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 stated at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Translation gains and losses are taken to the statement of income and expenditure as expenditure. In 2016, the currency translation differences recognised in the statement of income and expenditure account amounted to EUR 2,200 (2015 EUR -7,967).

## Reporting Directive for Fundraising Institutions

The 2016 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011).

These guidelines provide the public with clear criteria for assessing fundraising cost ratios, expenditure of funds and whether these funds have been spent on the goals for which they were intended. Compliance with these reporting guidelines is an important precondition for a charity organisation to obtain and retain the seal of approval from the Central Bureau of Fundraising of the Netherlands (CBF). The consolidated financial statements have been prepared from the accounting records of PAX and in accordance with the organisation's accounting policies.

The Law 'Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)' entered into force on 1 January 2013. PAX falls under Annex I of this Act under WNT. A standard has also been laid down for benefits in connection with the termination of employment of senior executives, and information about these benefits must be disclosed. For the charities, the general standard for the 'Goede Doelen' sector is used, including remuneration and severance fees for directors for 2016 and EUR 179,000 and EUR 75,000 respectively. For supervisory directors, the maximum remuneration according to the norm is 15% for the chairman (EUR 26,850) and 10% for members of the Supervisory Board (EUR 17,900).

The consolidated annual report contains the following entities:

- ◆ Stichting Vredesbeweging Pax Nederland (PAX)
- ◆ Stichting Interkerkelijk Vredesberaad (IKV);



- ◆ Vereniging Vredesbeweging Pax Christi Nederland (Pax Christi);
- ◆ Stichting Katholieke Vredesbeweging (Stikav);

The consolidation is based on the full consolidation method.

In the consolidated financial statements, intra-group debts, receivables and transactions are eliminated. Also, the results on transactions between group members are eliminated to the extent that the results are not realised through transactions with third parties outside the group.

## Reclassifications in accordance with RJ650

### Reclassification income RJ650

The year's audit revealed that income from former years was not classified in

accordance with the RJ650. The income items 2015 and 2016 have been reclassified as own fundraising, joint actions, third parties and grants from governments (including foreign governments).

### Reclassification acquisition cost ratios RJ650

According to the RJ650 the acquisition cost ratios are distributed over the different income categories. The 2015 figures have been reclassified accordingly.

### Reclassification spent on behalf of the objective

In 2016 the programme structure was altered towards the frame of Theory of Change (ToC), which encompasses the strategic objectives and the way we aim to achieve those strategic objectives, given a certain context. This change in programme policy and structure is reflected in the adaptation of the statement of income and expenditure. Starting in 2016 the programmes were redefined in a five-year planning period covering 2016-2020 and have no direct systematic relation

with the programme structure in former years. Therefore the 2015 figures 'spent on behalf of the objective' are presented in their original structure and have not been reclassified.

### Reclassification of cost in the breakdown table

In accordance with directive 650, the secretary cost of alliances is not permitted as a separate section in the breakdown table. This was presented under management and administration. However, it concerns costs for the correct application and justification of the MFS and SP funding. Think of the additional accountant costs, the reporting system costs and the additional costs to take the evaluation to a higher level also with our alliance partners. In addition, cooperation within the alliance with Amnesty and formerly Press Now and GPACC resulted from the MoFa requirement to qualify for MFS/SP. Thus, additional costs are primarily aimed at obtaining and maintaining government subsidies. The 2015 figures have been reclassified accordingly.

### Change of method of allocation of cost on the basis of hourrates

The method of cost allocation through the calculation of hourly rates has changed in line with the internal and external calculation, tendering and reporting on tariffs.

The rate structure is as follows:

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Direct personnel cost	A
Organisational cost	B
Productive hours	C
Average position-related rate per hour	$D=A/C$
Surcharge for central organisational cost	$E=B/C$
Total hourly rate	$F=D+E$

---

This change of method has no effect on the final outcome of the calculation compared to former years and does not give occasion to adapt the 2015 figures.

## Principles for the Valuation of Assets, Liabilities and Financial Results

### General

The principles applied in evaluating assets and liabilities and determining financial results are based on nominal values. Revenue and expenses are matched to the period in which they occurred (according to the matching principle). Revenue from legacy is recorded in the year that their size can be reliably established.

### Recognise assets and liabilities

Assets and liabilities are measured at nominal value, unless otherwise stated 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 entity and the cost of the asset can be reliably measured. A liability is recognised in the balance sheet when it is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably. 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. An asset or liability is no longer recognised in the balance sheet 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 being transferred to a third party.

A financial asset or a financial liability is recognised in the balance sheet when the contractual rights or obligations with respect to that instrument arise. A financial instrument is no longer

recognised in the balance sheet when there is a transaction that results in a transfer to a third party of all or substantially all of the rights to economic benefits and all or substantially all of the risks related to the position. A purchase or sale according to standard market conventions is, by class of financial assets and financial liabilities, systematically recognised or derecognised in the balance sheet on the trade date (date of entering into binding agreement) / the settlement date (date of transfer).

### **Recognise statement of income and expenditure**

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

reliability. Revenues and expenses are allocated to the period to which they relate. Revenues are recognised when the foundation has transferred the significant risks and rewards of ownership of the goods to the buyer.

### **Allocation of indirect cost**

The indirect costs are allocated to the target (spent on objectives) unless they can be directly attributed to the categories of acquisition and/or management and administration.

### **Recognise currency, price, credit, liquidity and cash flow risks**

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. 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.

### **Use of estimates**

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

The following accounting policies are in the opinion of management the most critical for the purpose of presenting the

financial position and require estimates and assumptions.

- ◆ Donor commitments at contracted value
- ◆ Work in progress partners on the basis of estimated progress %
- ◆ Partner commitments on the basis of progress % and status of control capacity
- ◆ Exchange rate fluctuations are partly mitigated by matching donor and partner contracts. For the remaining exposure the currency rates of donor and partner commitments are assumed to remain stable in the relevant contract periods.

### Financial Instruments

Financial Instruments include receivables, cash and cash equivalents, cash and accounts receivables, current liabilities and other liabilities. Financial instruments are initially recognised at fair value. After initial recognition the financial instruments are measured at amortised

costs on the basis of the effective interest method. The amortised costs equal the fair value. The fair value is based on the estimated present value of the future net cash flows. Purchased loans and other receivables are measured at amortised costs on the basis of the effective interest method, less impairment losses. Financial commitments that are not held for trading are carried at amortised cost on the basis of the effective interest rate method.

The foundation has no derivative financial instruments embedded in contracts.

### Intangible Fixed Assets

Intangible fixed assets (software and licences) are valued at purchase price. 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 expenditure.

### Tangible Fixed Assets

Tangible fixed assets are valued at acquisition price minus depreciation using their estimated economic life time. Any residual value is taken into account.

The annual depreciation is set as a basis for the following structure:

- ◆ Installations: According to the straight-line method in 10 years
- ◆ Other fixed operating assets:
  - IT equipment: First year 40%, second year 30%, third year 20%, fourth year 10%
  - Furniture and other equipment: According to the straight-line method in 5 years
- ◆ Renovation: According to the straight-line method in 10 years

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

Future modification costs concerning restructuring can be covered through the formation of earmarked reserves. Scheduled maintenance can be included in a provision.

### Receivables

The accounting policies applied for the valuation of other receivables are

described under the heading 'Financial instruments'

### 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.

### Foreign currency

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.

### Cash and cash equivalents not available on demand

The cash and cash equivalents balance includes an amount of EUR 113,460 that is not immediately accessible in 2017. This relates to funds that are in a blocked account because of guarantees issued by the bank.

### Continuity reserve

The PAX policy on continuity reserve meets the requirements of the CBF.

### Earmarked reserve

The earmarked reserves are related to funds earmarked by the Supervisory Board to be spent on a designated purpose. The earmarked reserves do not reflect an obligation towards any third party and the Supervisory Board has the authority to reverse this reserve.

### Provisions

Provision for roof terrace is measured at the nominal value of the best estimate of the expenditures expected to be required to settle the obligations and losses.

A provision is recognised if the following applies:

- ◆ the foundation has a legal or constructive obligation, arising from a past event; and
- ◆ the amount can be reliably estimated; and

- ◆ it is probable that an outflow of economic benefits will be required to settle the obligation

### Long-Term Debts and Current Liabilities

The valuation of the long-term debts and current liabilities are described under the paragraph financial instruments.

Balance positions for current projects consist of grants yet to be received and costs yet to be paid for these projects.

### Donations and subsidies

In 2006, the IKV Foundation's ruling body and Pax Christi's Membership Council decided to book the two organisations' incomes from individuals and institutional funding as the partnership's income. This was done after deducting the resources that the two entities require for their own activities and organisational expenses. Legacies left specifically to IKV or Pax Christi are not included here, nor are results from previous financial years. IKV and Pax

Christi contract out the implementation of their programmes and services to PAX.

### 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.

### Lease of buildings

If 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 recognised as a reduction of rental expenses over the lease term. Lease payments and benefits regarding operating leases are recognised in the statement of income and expenditure 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.

### Cash flow statement

The cash flow statement is prepared using the indirect method. Foreign currency cash flows are translated into euros using the weighted average exchange rates for the respective periods.

### Income from own fundraising

Income from own fundraising consists of private fundraising and income from capital funds.

Income from private fundraising involves contributions, donations, collections, legacies and the sale of materials. Except legacies these private fundraising items are accounted for in the year in which they are received or in which the materials are sold. Exceptions are written undertakings that have been received before year-end as these can be accounted for in the current year. Legacies are recognised based on a

statement received from the executor in the year in which the amount can be determined reliably.

The valuation of legacies including property is done based on the most recent correspondence and receipts are included up to the preparation of the financial statements. The valuation is done prudently. We work closely together with Centrum Nalatenschappen, who check and archive the documents and calculations.

Income from capital funds is recognised in the statement of income and expenditure in the year in which the subsidised expenditures were incurred.

### **Income from joint actions**

Non-recurring or temporary collaborations are often characterised by the fact that they are not an independent legal entity and the economic risks attached to the activities of the partnership are taken by the participating institutions. In the year under review, we did not have any of these activities.

### **Income from third parties**

Income from third parties is accounted for as such when PAX carries no risk in the fundraising campaign. The income from third parties is recognised in the year in which the income is pledged.

### **Grants from governments**

Grants and subsidies are recognised in the statement of income and expenditure in the year in which the subsidised expenditures were incurred. The grants are recognised where it is probable that they will be received and PAX will comply with all attached conditions.

### **Interest income and income from investments**

The line item interest income and income from investments contains the (gross) interest, dividends and realised and unrealised exchange income. Interest income and expenses are recognised time proportionally. Interest income is recognised as investment income.

The organisational expenses are allocated on the basis of actual cost of the number of hours actually worked.

- a. Objectives
- b. Cost of fundraising
- c. Management and administration costs

These are specified in the table explaining expense distribution.

This year we have adjusted the allocation to the various cost categories. The direct labour costs and hired experts were numbered among the Purchases and acquisitions of the last years. These costs are now rightly categorised under the item Personnel.

### **Employee benefits during employment**

Employee benefits are charged to the statement of income and expenditure 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.

### Salary top officials

The remuneration of the board of directors is specified on page [210](#) and [212](#). See also the Reporting Directive for Fundraising Institutions for an explanation of the application of the WNT guidelines.

### Pensions

Pensions are part of the employees' benefits. The main principle is that the pension charge to be recognised for the reporting period should be equal to the pension contributions payable to the pension fund over the period. Insofar 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.

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 coverage of the sector pension as at December 31, 2016 is 90.1%.

### Transactions with related parties

The remuneration of the managing and supervisory directors is specified on page [210](#) and [212](#).

Date of preparation of financial statements: June 1 2017



EXPLANATION OF THE BALANCE SHEET

1. Intangible fixed assets				2. Tangible fixed assets			
	31 DEC 2016	31 DEC 2015		31 DEC 2016	31 DEC 2015		
Balance as at 31/12*	€	€	Balance as at 31/12	€	€		
Software	36,879	42,228	Other fixed operating assets	95,863	102,323		
Licences	15,753	13,562	Renovation	15,576	18,167		
	<b>52,632</b>	<b>55,790</b>		<b>111,439</b>	<b>120,490</b>		
<b>Movement in intangible fixed assets:</b>				<b>Movement in tangible fixed assets</b>			
	<b>Software</b>	<b>Licences</b>	<b>Total</b>		<b>Other fixed op- erating assets</b>	<b>Renovation</b>	<b>Total</b>
<b>Balance as at January 1</b>				<b>Balance as at January 1</b>			
Purchase Value	323,930	85,609	409,539	Purchase value	840,334	298,064	1,138,398
Accumulated depreciation	281,702	72,047	353,749	Accumulated depreciation	738,011	279,897	1,017,908
<b>Book value</b>	<b>42,228</b>	<b>13,562</b>	<b>55,790</b>	<b>Book value</b>	<b>102,323</b>	<b>18,167</b>	<b>120,490</b>
<b>Changes in book value</b>				<b>Changes in book value</b>			
Purchases	17,834	14,133	31,967	Investments**	46,416	-	46,416
Disinvestments	0	-	0	Disinvestments	-	-	-
Depreciations	23,183	11,942	35,125	Depreciations	52,876	2,591	55,467
<b>Balance</b>	<b>-5,349</b>	<b>2,191</b>	<b>-3,158</b>	<b>Balance</b>	<b>6,460-</b>	<b>2,591-</b>	<b>9,051-</b>
<b>Balance as at December 31</b>				<b>Balance as at December 31</b>			
Purchase value	341,764	99,742	441,506	Purchase value	886,750	298,064	1,184,814
Accumulated depreciation	304,885	83,989	388,874	Accumulated depreciation	790,887	282,488	1,073,375
<b>Book value</b>	<b>36,879</b>	<b>15,753</b>	<b>52,632</b>	<b>Book value</b>	<b>95,863</b>	<b>15,576</b>	<b>111,439</b>

\*) Software and licences are regular enterprise software and licenses \*\*) Investments in office equipment, workstations and laptops, renewal and enlargement of server capacity  
Both intangible and tangible fixed assets held for business operations.

EXPLANATION OF THE BALANCE SHEET

3. CURRENT ACCOUNTS	31 DEC 2016	31 DEC 2015	4. RECEIVABLES AND ACCRUED ASSETS	31 DEC 2016	31 DEC 2015
	€	€		€	€
Stichting Katholieke Vredesbeweging	81,684	86,972	Ministry of Foreign Affairs MFS II	-	449,358
Stichting IKV	46,813	73,859	Communities of Change Alliance	-	33,389
Vereniging Pax Christi	14,940	115,840	Cordaid Gender Fund	27,988	-
	143,437	276,671	Other donors	639,622	1,038,796
			Currents accountants alliance partners	6,598	263,289
			Sales tax	-	228,528
			Prepaid salaries and pension contributions	384	-
			Income taxes and social security contribution	550	-
			Payments on transfer	46,472	-
			Prepayments and receivables and guarantees	433,082	201,725
				1,154,696	2,215,085

No receivables due after more than one year.

The increase of receivables last year was mainly due to the expire of contract terms with the final installment.

This year that is not the case.

EXPLANATION OF THE BALANCE SHEET

5. CASH AND CASH EQUIVALENTS	31 DEC 2016	31 DEC 2015	6. CONTINUITY RESERVE	31 DEC 2016	31 DEC 2015
	€	€		€	€
Deposits (term under 3 months)	3,458,557	6,520,590	Continuity reserve	1,491,777	660,967
Credit balances on Dutch bank accounts	697,663	558,193			
Credit balances on foreign bank accounts *)	68,760	27,807	Balance as at January 1	660,967	1,243,086
Cash balance on Dutch and foreign banks *)	44,798	51,759	Allocation of the result	830,810	582,119-
	<b>4,269,778</b>	<b>7,158,349</b>	<b>Balance as at December 31</b>	<b>1,491,777</b>	<b>660,967</b>

The cash and cash equivalents balance includes an amount of € 113,460 that is not immediately accessible. This relates to funds that are in a blocked account because of guarantees issued by the bank.

7. EARMARKED RESERVE		
Earmarked reserve	-	-
Balance as at January 1	-	112,267
Become available*	-	112,267-
Allocation of the result	-	-
<b>Balance as at December 31</b>	<b>-</b>	<b>-</b>

\*) Interest from SP resources is directly used for the objective

EXPLANATION OF THE BALANCE SHEET

8. SUBSIDY COMMITMENTS	31 DEC 2016	31 DEC 2015	9. ACCOUNTS PAYABLE	31 DEC 2016	31 DEC 2015
	€	€		€	€
Ministry of Foreign Affairs advance Strat. Partn. Dialogue and Dissent*	834,246	5,152,500	Accounts payable	347,860	485,261
Ministry of Foreign Affairs Strat. Partn. Dialogue and Dissent Alliance partner Amnesty International	294,225	-			
Ministry of Foreign Affairs other Funds not spent in 2016 to use in 2017	847,612	2,047,982	<b>10. OTHER SHORT TERM LIABILITIES</b>	<b>31 DEC 2016</b>	<b>31 DEC 2015</b>
Cordaid Gender Fund	-	233,233		€	€
Payment obligation allotted grants	863,643	345,709	Income taxes and social security contribution	-	1,284
Other expenses to be paid	393,418	84,517	Sales tax	25,018	-
Other prepaid grants by donors	-	-	Reservation for leave days and holiday allowance	510,979	357,990
	<b>3,233,144</b>	<b>7,863,941</b>	Payable salaries and pension contributions	-	21,289
			Other debts, accruals and deferred income	123,203	435,651
				<b>659,200</b>	<b>816,214</b>

\*) The advance Strat. Partn. Dialogue and Dissent comprises the commitment of alliance party Amnesty International, PAX being the secretary of the alliance.

No short term liabilities due after more than one year.

EXPLANATION OF THE BALANCE SHEET

10 A. OFF-BALANCE SHEET ASSETS AND LIABILITIES

Liability and guarantees

a. PAX has paid € 15,669 as a guarantee for the rent and possible damage of the meeting rooms at Meeting Plaza.

b. PAX has provided a bank guarantee of € 113,460 to Hajofi, lessor of the new office location Jacobstraat, Utrecht, per 01.04.2017.

Other liabilities	<1 YEAR	1- 5 YEAR	>5 YEAR
Partners & consultants	1,311,834	106,419	-
Lease of equipment	14,729	44,186	-
Office rent*	340,381	1,815,368	113,460
Service contracts	104,297	556,248	34,766

\*) The office rent contract includes a rent-free period of 183,000 EUR

10 B. SUBSEQUENT EVENTS AFTER THE BALANCE DATE

There is a guarantee security of € 113,460 in 2017 incurred in connection with the lease of the new building. The National Postcode Lottery granted in February 2017 € 2,000,000 for the project 'The Story of a refugee'.

EXPLANATION OF THE INCOME AND EXPENDITURE ACCOUNT

The income items 2015 en 2016 are reclassified according RJ650. See the notes.

The sources of income relate to projects with statutory regular destinations. In the terms of the providers of these sources of income no other than statutory regular destinations are included.

11. INCOME FROM OWN FUNDRAISING	ACTUAL 2016	BUDGET 2016	ACTUAL 2015
	€	€	€
<b>Income from private fundraising</b>			
Contributions private fundraising Vereniging Pax Christi	27,489	39,000	31,353
Contribution private fundraising Stichting IKV	78,760	60,600	34,179
Contribution private fundraising STIKAV	150,000	10,000	47,000
Donations	517,098	268,335	348,081
<b>Legacies</b>	-	100,000	25,613
	<b>773,347</b>	<b>477,935</b>	<b>486,226</b>
<b>Income from capital funds</b>			
Domestic donors	328,028	1,539,502	488,208
Joseph Rowntree Charitable Trust	50,348	50,348	50,348
The Sigrid Rausing Trust	49,142	49,142	52,912
Open Society Institute	119,754	119,754	-
Other foreign donors	11,515	456,894	111,157
	<b>558,787</b>	<b>2,215,640</b>	<b>702,625</b>
<b>Total Income from own fundraising</b>	<b>1,332,134</b>	<b>2,693,575</b>	<b>1,188,851</b>

13. INCOME THIRD PARTIES	ACTUAL 2016	BUDGET 2016	ACTUAL 2015
	€	€	€
National Postcode Lottery (regular contribution)	500,000	500,000	1,000,000
National Postcode Lottery (extra project Lessons in Peace)	289,893	400,000	-
Fundraising organisations	45,755	231,584	200,288
	<b>835,648</b>	<b>1,131,584</b>	<b>1,200,288</b>

14. GRANTS GOVERNMENTS

Direct			
Ministry of Foreign Affairs MFSII 2015 - SP D&D 2016*	9,952,828	9,210,218	6,320,864
Freedom from Fear Alliance parties	827,975	37,800	2,830,211
Other direct Dutch Governments	2,842,545	1,420,498	1,807,782
Other direct Foreign Governments	1,272,939	637,431	706,917
	<b>14,896,287</b>	<b>11,305,947</b>	<b>11,665,774</b>

Indirect			
Communities of Change Alliance	-	-	901,734
Other indirect	1,090,131	1,063,493	463,088
	<b>1,090,131</b>	<b>1,063,493</b>	<b>1,364,822</b>

Total grants from governments	15,986,418	12,369,440	13,030,596
Freedom from Fear Alliance party	827,975	37,800	2,830,211
	<b>15,158,443</b>	<b>12,331,640</b>	<b>10,200,385</b>

\*) The Ministry of Foreign Affairs Subsidy Strategic Partnership on Dialogue and Dissent (SP D&D) allocated an amount totalling €59,500,000 for the Freedom from Fear Alliance for the period 2016 through 2020.

EXPLANATION OF THE INCOME AND EXPENDITURE ACCOUNT

15. INTEREST	ACTUAL 2016	BUDGET 2016	ACTUAL 2015
	€	€	€
Interest	22,716	37,800	26,339
<hr/>			
16. OTHER INCOME			
Annual rent income Stiltecentrum	-	15,000	13,462
Sales tax refund	-	-	215,309
Shared costs travel expenses and received discounts*	38,698	20,000	92,286
	<b>38,698</b>	<b>35,000</b>	<b>321,057</b>

\*) Costs for travelling together with like minded organisations and received discounts because for being a charitable organisation.

EXPLANATION OF THE INCOME AND EXPENDITURE ACCOUNT

16. SPENT ON BEHALF OF THE OBJECTIVE

Expenditures on the objective were subdivided by project over six categories. All costs were ascribed to the programmes.

Programme costs (x €1,000)

	ACTUAL DIRECT COSTS 2016	ACTUAL INDIRECT COSTS 2016	TOTAL ACTUAL 2016	TOTAL BUDGET 2016	TOTAL ACTUAL 2015
Community-based security and citizens rights	5,544.3	4,137.5	9,681.8	7,479.0	-
Dealing with the Past	878.8	669.0	1,547.8	1,086.0	-
Humanitarian Disarmament	545.5	1,260.7	1,806.2	1,714.0	-
Natural resources and conflict	643.6	925.8	1,569.4	3,213.0	-
Protection of Civillians	166.3	577.8	744.1	1,403.0	-
Human Security in Fragile States	-	-	-	-	6,225.6
Human Security in Repressive States	-	-	-	-	2,862.6
Security & Disarmament	-	-	-	-	2,278.1
Networks for conflict prevention	-	-	-	-	281.3
Strengthening Civil Society	-	-	-	103.0	116.0
	<b>7,778.5</b>	<b>7,570.8</b>	<b>15,349.3</b>	<b>14,998.0</b>	<b>11,763.6</b>
Partners in Masterpeace project			0.0	250.0	500.0
The Freedom from Fear Alliance parties' MFS SP liabilities			828.0	1,094.0	2,850.0
			<b>16,177.3</b>	<b>16,342.0</b>	<b>15,113.6</b>
Allocation is based on logbook results. Details are shown in Table Itemisation of expenses <a href="#">page 213</a>					
Income (x €1,000)			18,215.6	17,324.0	15,767.1
Expenses (x €1,000)			17,384.8	17,364.0	16,357.9



EXPLANATION OF THE INCOME AND EXPENDITURE ACCOUNT

16. CONT.	ACTUAL 2016	BUDGET 2016	ACTUAL 2015	SPECIFICATION OF PERSONNEL COSTS	2016	2016
	%	%	%		€ X 1,000	€ X 1,000
Percentage spent on objective in relation to income.	88.8%	94.3%	95.9%	Gross salaries**	4,755.2	3,995.3
Percentage spent on objective in relation to liabilities.	93.1%	94.1%	92.4%	Social security contributions	777.7	656.0
				Pension	479.8	401.9
					<b>6,012.7</b>	<b>5,053.2</b>
<b>17. ACQUISITION COSTS</b>						
The full direct and indirect cost of fundraising is thought necessary to guarantee continuance of fundraising consistent with CBF quality mark guidelines, an average of 25% over the past 3 years is the maximum value of CBF guideline				Other personnel costs***	1,296.4	1,233.7
				<b>Total</b>	<b>7,309.1</b>	<b>6,286.9</b>
				<b>Average # of FTEs</b>	<b>95.4 FTE</b>	<b>80.0 FTE</b>
				<b>Number of FTEs on balance sheet date in the Netherlands</b>	<b>107.4 FTE</b>	<b>83.5 FTE</b>
				<b>Average # of FTEs Foreign</b>	<b>17.7 FTE</b>	<b>12.4 FTE</b>
				<b>Number of FTEs on balance sheet date Foreign</b>	<b>23.5 FTE</b>	<b>12.0 FTE</b>
<b>18. MANAGEMENT &amp; ADMINISTRATION</b>				<b>Explanation of changes</b>		
Costs incurred for internal management and administration are not charged to the objectives or fundraising, but are listed separately.				Change in employed personnel costs	959.5	
				Change in other personnel costs	62.7	
				<b>Total change in personnel costs</b>	<b>1,022.2</b>	
				Change in number of FTEs on balance sheet date in the Netherlands	23.9 FTE	
				Change in number of FTEs on balance sheet date Foreign	11.5 FTE	
				<b>Total change FTEs on balance sheet</b>	<b>35.4 FTE</b>	
Management and administration costs as percentage of total expenditures	4.2%	2.3%	4.0%			

\*) The method of cost allocation and resulting figure 2015 have been reset in consistency with former years. The costs of joint actions made in PAX, while the income is in IKV and VPC

\*\*) The growth in FTEs largely explains the growth of employed personnel costs anticipating the growth of budget 2016 till 2020 \*\*\*) The level of other personnel costs is mainly due to the investments in organisational improvements, strengthening of administration and control as well as monitoring and reporting systems to the end of increased accountability and transparency for the period 2016 till 2020, through hiring of temporary staff.

## Explanation of the Remuneration for the Board of Directors

### WNT Accountability 2016

As of January 1, 2013, the law 'Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)' entered into force. This accountability has been drawn up on the basis of the following rules applicable to PAX:

The remuneration maximum in 2016 for PAX is € 168,000. This applies in proportion to the duration and / or extent of the employment. As of 1 January 2016, senior executives without employment will apply a different standard for the first 12 calendar months, both for the duration of the assignment and for the hourly rate.

### Remuneration senior executives

Leading senior executives and erstwhile employed senior executives. Also leading senior executives without employment from the 13th month of the job completion

Name	J. Gruiters	F.J.T. Landmeter
Job position	General Director	Director
Commencement and completion of function in 2016	01-01/31-12	01-01/31-12
Size of employment (in FTE)	1.0	1.0
Erstwhile employed senior executive?	No	No
(Fictional) employment?	Yes	Yes
<b>Individual WNT-maximum</b>	<b>168,000</b>	<b>168,000</b>
Annual Income, gross	96,394	87,903
Taxable Disbursement	0	0
Other (future) benefits	11,742	10,562
Subtotal	108,136	98,465
-/- undue amount paid	0	0
<b>Total remuneration</b>	<b>108,136</b>	<b>98,465</b>
Mandatory motivation if exceeded	n.a.	n.a.
<b>Information 2015</b>		
Commencement and completion of function in 2015	01-01/31-12	01-01/31-12
Size of employment 2015 (in FTE)	1.0	1.0
Annual Income, gross	94,132	85,841
Taxable Disbursement	0	0
Other (future) benefits	11,383	10,238
<b>Total remuneration 2015</b>	<b>105,515</b>	<b>96,079</b>

Board remuneration including pension and social insurance contributions came to € 226,535 (2015: 223,763) in 2016. The amount and composition of remuneration are dealt with in the financial statements in the statement of income and expenses.

**Statement ‘Wet normering bezoldiging topfunctionarissen in de (semi)publieke sector (WNT2)’ remuneration board of directors (Dutch Law on standards remuneration of executives in the (semi) public sector)**

The Supervisory Board has enacted on the advice of the Remuneration Committee, the remuneration policy, the level of management remuneration and the amount of other remuneration components. The policy is updated periodically. The last review was in 2016.

In determining the remuneration policy and enacting of the remuneration PAX follows ‘de Regeling beloning directeuren van goede doelen ten behoeve van besturen en raden van toezicht’ (the

guideline remuneration directors of charities, for supervisory boards) (see [www.goededoelennederland.nl](http://www.goededoelennederland.nl)).

The scheme indicates on the basis of weightings a maximum norm for the annual income. The weighting of the situation of PAX was executed by the Remuneration Committee. This led to a so-called BSD-score of 475 points corresponding with a maximum annual income for respectively general director 87% - 413 points J. Gruiters € 110,000 per FTE/12 months and for director 80% - 380 points F.J.T. Landmeter € 98,000 per FTE/12 months.

The outcomes of the review against the applicable limits of the relevant annual income of the directors amounted (2015 in €) for J. Gruiters € 94,123 per FTE/12 months and for F.J.T. Landmeter € 85,841 per FTE/12 months. These rewards were within the applicable limits. In 2016 the relevant annual income of the directors amounted (2016 in €) for J. Gruiters € 96,394 per FTE/12 months (max. 114K 1FTE/12 months) and for F.J.T. Landmeter

€ 87,903 per FTE/12 months (max. 102K 1FTE/12 months) and remained still within these limits.

In 2016 the annual income, the taxable disbursements, employers pension contribution and other (future) benefits for respectively general director J. Gruiters € 118,103 per FTE/12 months and for director F.J.T. Landmeter € 108,432 per FTE/12 months remain well below the in the guideline stated maximum of € 179,000 per year.

Moreover the taxable disbursements, employers pension contribution and other (future) benefits were in reasonable proportion to the annual income.

REMUNERATION OF THE BOARD OF DIRECTORS

Name	J. Gruiters	F.J.T. Landmeter
Job position	General Director	Director
Type of contract	indefinite	indefinite
hours	36	36
Part-time percentage	100	100
Period	01-01/31-12	01-01/31-12
Salary (EUR) / Annual Income, gross:		
Gross salary	82,920	75,612
Holiday allowance	6,592	6,015
Year-end allowance, 13th/14th month	6,882	6,276
Variable annual income	0	0
<b>Total</b>	<b>96,394</b>	<b>87,903</b>
Employers Social Security costs	9,967	9,967
Taxable Disbursement	0	0
Employers Pension contribution	11,742	10,562
Pension Compensation	0	0
Other (future) benefits	0	0
Severance entitlement	0	0
<b>Total remuneration 2016</b>	<b>118,103</b>	<b>108,432</b>
<b>Total remuneration 2015</b>	<b>116,191</b>	<b>107,572</b>

No loans, advances or guarantees have been provided to the directors.

**Boards of supervisors**

The members of the Supervisory board receive no salary, vacation pay or attendance fees for their work. Travel and other expenses are compensated on the basis of cost incurred.

ITEMISATION OF EXPENSES IN €

EXPENDITURES	SPENT ON BEHALF OF THE OBJECTIVE					ACQUISITION COSTS				MANAGEMENT & ADMINISTRATION	TOTAL 2016	TOTAL 2015
	COMMUNITY-BASED SECURITY AND CITIZENS RIGHTS	DEALING WITH THE PAST	HUMANITARIAN DISARMAMENT	NATURAL RESOURCES AND CONFLICT	PROTECTION OF CIVILIANS	FUNDRAISING OWN	FUNDRAISING JOINT ACTIONS	FUNDRAISING THIRD PARTIES	FUNDRAISING GOVERNMENTS	MANAGEMENT & ADMINISTRATION		
1. Grants and contributions	2,938,829	519,313	119,642	269,773	45,085	-	-	-	-	-	3,892,642	2,288,406
2. Purchases and acquisitions*	2,275,295	313,892	371,920	326,448	105,875	-	-	-	-	-	3,393,430	2,548,357
3. Publicity and promotion	330,158	45,548	53,968	47,369	15,363	-	-	-	-	-	492,406	727,463
4. Personnel	3,480,852	571,876	1,042,874	774,217	481,424	152,014	127	73,654	90,343	641,762	7,309,143	6,286,857
5. Accommodations	272,093	40,245	90,250	62,811	39,920	-	-	-	-	-	505,319	500,519
6. Office expenses	61,054	9,030	20,251	14,094	8,958	40,119	4,057	331	379	10,716	168,989	69,119
7. General expenses	3,931	581	1,304	908	577	-97	-	-97	23,819	54,038	84,964	37
8. ICT	213,312	31,550	70,753	49,242	31,296	16	-	16	83,070	-	479,255	372,172
9. Depreciation and interest	48,780	7,215	16,180	11,260	7,157	-	-	-	-	-	90,592	136,806
10. Management costs	57,447	8,497	19,055	13,261	8,428	15,762	-	351	351	16,937	140,089	97,957
<b>Total</b>	<b>9,681,751</b>	<b>1,547,747</b>	<b>1,806,197</b>	<b>1,569,383</b>	<b>744,083</b>	<b>207,814</b>	<b>4,184</b>	<b>74,255</b>	<b>197,962</b>	<b>723,453</b>	<b>16,556,829</b>	<b>13,027,693</b>
	58.5%	9.3%	10.9%	9.5%	4.5%	1.3%	0.0%	0.4%	1.2%	4.4%		
Partner in Masterpeace project											-	500,000
Freedom from Fear Alliance parties											827,975	2,830,211
Explanation to expenses and distribution:											<b>17,384,804</b>	<b>16,357,904</b>
1. Payments to partner organisations with whom we work when carrying out projects.												
2. Direct programme costs, i.e. purchasing, hiring, travel and accommodation expenses.												
3. Direct programme costs for communication.												
4.-10. The total cost of the organisation is based on a retrospectively charted hourly rate allocated to the above mentioned cost centers.												
*) In former years direct personnel cost was presented under 2. Purchases and acquisitions. In 2016 we present all personal cost under 4. Personnel. The figures for 2015 are adjusted accordingly.												

## Motion to adopt and approve

The financial statements over 2016 were drafted and signed by the Board of Directors and approved by the Supervisory Board, including the appropriation of result, as presented on [page 217](#)

Utrecht, St. Jacobsstraat 12

Date 06/01/2017

Executive board

J. Gruiters MSc, managing director

Supervisory board

Marieke de Wal, chairwoman

# Independent auditor's report



## Independent auditor's report

To: the Executive Board and the Supervisory Board of Stichting Vredesbeweging PAX Nederland

### **Report on the accompanying consolidated financial statements**

#### *Our opinion*

We have audited the consolidated financial statements 2016 of Stichting Vredesbeweging PAX Nederland, based in Utrecht.

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of Stichting Vredesbeweging PAX Nederland as at 31 December 2016, and of its result 2016 in accordance with the Guideline for annual reporting 650 'Fundraising institutions' of the Dutch Accounting Standards Board and the requirements of the Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT).

The consolidated financial statements comprise:

1. the consolidated and foundation's balance sheet as at 31 December 2016;
2. the consolidated and foundation's statement of income and expenditures 2016; 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. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the consolidated financial statements' section of our report.

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

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

### **Report on the other information included in the annual report**

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

- the board report;
- other information;
- annexes.

Based on the following procedures performed, we conclude that the other information is consistent with the consolidated financial statements and does not contain material misstatements.

KPMG Accountants N.V., ingeschreven bij het handelsregister in Nederland onder nummer 33263683, is lid van het KPMG-netwerk van zelfstandige ondernemingen die verbonden zijn aan KPMG International Cooperative ('KPMG International'), een Zwitserse entiteit.



We have read the other information. Based on our knowledge and understanding obtained through our audit of the consolidated 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 less than the scope of those performed in our audit of the consolidated financial statements.

The Executive Board is responsible for the preparation of the other information.

#### **Description of the responsibilities for the consolidated financial statements**

##### *Responsibilities of the Executive Board and the Supervisory Board for the consolidated financial statements*

The Executive Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Guideline for annual reporting 650 'Fundraising institutions' of the Dutch Accounting Standards Board 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 consolidated financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the consolidated financial statements, the Executive Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the consolidated financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Foundation 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 company's ability to continue as a going concern in the consolidated financial statements.

The Supervisory Board is responsible for overseeing the Foundation's financial reporting process.

##### *Our responsibilities for the audit of the consolidated 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 have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the consolidated financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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



- identifying and assessing the risks of material misstatement of the consolidated financial statements, whether due to errors or fraud, 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 errors, 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 Foundation'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 management's 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 Foundation'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 consolidated 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 the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the consolidated financial statements, including the disclosures; and
- evaluating whether the consolidated financial statements represents 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.

Utrecht, 1 June 2017

KPMG Accountants N.V.

J.L.C. van Sabben RA



## Appropriation of result

The statutes of PAX contain no specific guidelines for the appropriation of result.

## Field offices

PAX has employed staff in the following field offices:

### **Office**

South Sudan registered and located in Juba

République Démocratique du Congo

registered and located in Bunia

Jordan registered and located in Amman

Colombia registered and located in Bogota

# Part **iii**

ANNEX

Additional information

## Annex additional information entities 1

### **Stichting Vredesbeweging Pax Nederland (PAX)**

The legal form is foundation.

The registered office of the foundation is located in Utrecht.

#### **Executive board**

J. Gruiters MSc, managing director  
ing. F.J.T. Landmeter, director

#### **Supervisory board**

Marieke de Wal, chairwoman  
Carla Kuijpers-Groensmit  
Marina van Notten  
Peter van der Veer  
Wieger E. Bakker  
Sander Smits-van Oyen

### **Stichting Interkerkelijk Vredesberaad (IKV)**

The legal form is foundation.

The registered office of the foundation is located in Utrecht.

#### **Members**

Ineke Bakker, chairman  
Jan Gruiters MSc, director  
Ben Schennink  
Caecillia van Peski  
Christine Welschen  
Cocky de Graaf  
Jack Bogers  
Lucien van Liere  
Arriën Kruyt  
Patrick Groenewegen  
Waldo Idoe

## Annex additional information entities 2

### **Vereniging Vredesbeweging Pax Christi Nederland (Pax Christi)**

The legal form is association.

The registered office of the association  
is located in Utrecht.

#### **Executive board**

J. Gruiters MSc, managing director  
ing. F.J.T. Landmeter, director

#### **Members' council**

Jan Peters sj, chairman interim  
Anita Böcker  
Ineke Malsch  
Bert van Roermund  
Désirée Verweij  
Piet Kruizinga  
Peter Peelen sj

Rian Evers  
Sanneke Brouwers  
Sarita Bajnath  
Bas Roufs  
Annemarie Middelburg  
Hans Oldenhof

### **Stichting Katholieke Vredesbeweging (STIKAV)**

The legal form is foundation.

The registered office of the foundation  
is located in Utrecht.

#### **Executive board**

J. Gruiters MSc, managing director  
ing. F.J.T. Landmeter, director

## Annex budget 2017

For the Statement of income and  
expenditure budget 2017 see  
next page.

## STATEMENT OF INCOME AND EXPENDITURE

	ACTUAL 2016	BUDGET 2017		ACTUAL 2016	BUDGET 2017
	€	€		€	€
<b>INCOME</b>			<b>Acquisition costs</b>		
Income from own fundraising	1,392,391	2,048,359	Cost of own fundraising	211,998	227,700
Income from third parties	837,906	2,711,758	Cost of joint actions	-	4,500
Grants from governments	15,986,418	17,880,337	Cost of third parties	74,255	84,600
Interest and investment income	31,005	50,150	Cost of grants from governments	197,962	205,600
Other income	38,698	35,000	Cost of investment income	124	150
<b>Total income</b>	<b>18,286,418</b>	<b>22,725,604</b>	<b>Total Expenditures</b>	<b>17,451,744</b>	<b>22,475,604</b>
<b>EXPENSES</b>			<b>Management and administration</b>		
<b>Spent on behalf of objective</b>			Cost of management and administration	736,437	666,000
Community-based security and citizens rights	9,681,751	10,316,686	<b>Result</b>	<b>834,674</b>	<b>250,000</b>
Dealing with the past	1,547,747	1,617,454	<b>Appropriation of Result</b>		
Humanitarian Disarmament	1,806,197	1,659,765	Continuity reserve	834,674	-
Natural resources and conflict	1,569,383	3,635,763	Ear marked reserve	-	-
Protection of Civillians	744,083	2,896,430			
Networks for peace building	53,832	66,600			
Freedom from Fear Alliance parties MFSII - SP D&D	827,975	1,094,356			
	<b>16,230,968</b>	<b>21,287,054</b>		<b>834,674</b>	<b>-</b>

# PAX

## **Colophon**

Text: Dr. Ellen Ijmmers and PAX

Translations and English editing: Mark Speer

Graphic design: Het Ijzeren Gordijn

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