

Annual Report for 2019

Stockholm International Peace Research Institute
Organization no. 802006-2660
(Unofficial English version)

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The mandate of the Foundation

Stockholm International Peace Research Institute (SIPRI) was established on 1 July 1966.

According to paragraph 2 of the Foundation's statutes:

'In accordance with the guidelines for the allocation of funds which the Swedish Parliament has approved in pursuance to Government Bills 1966:76 and 1979/80:106, the purpose of the Foundation is to conduct scientific research on questions of conflict and co-operation of importance for international peace and security, with the aim of contributing to an understanding of the conditions for peaceful solutions of international conflicts and for a stable peace.'

Considering the report from this year, the purpose of the statutes has been fulfilled.

SIPRI Governing Board 2019

Chair

Ambassador Jan Eliasson, *Sweden*

Members

Professor Dewi Fortuna Anwar (*Indonesia*)

Dr. Vladimir Baranovsky (*Russia*)

Ambassador Lakhdar Brahimi (*Algeria*) (*until April 7, 2019*)

Mr. Espen Barth Eide (*Norway*)

Mr. Jean-Marie Guéhenno (*France*)

Dr. Radha Kumar (*India*)

Dr. Patricia Lewis (*United Kingdom*)

Dr. Jessica Tuchman Mathews (*United States*)

Governing Board meetings 2019

27 - 28 May 2019

18 - 19 November 2019

Director and Deputy Director 2019

Dan Smith, Director (*United Kingdom*)

Sigrún Rawet, Deputy Director (*Sweden*)

Auditors

Appointed by the Swedish Government for the period 2018 – 2022:

Emilie Sleth, Chartered Accountant, BDO Mälardalen AB

Appointed by the Swedish Government for the period 2018 – 2022:

Anna-Karin Dahlén, Senior Advisor, Swedish Ministry for Foreign Affairs

The Director's Annual Report 2019

Overview

For SIPRI, 2019 was a year of new challenges and expansion. The global security horizon remains bleak and once again SIPRI reports showed increases in military spending and the international trade in major weapons. The challenges of new technologies in the military and security spheres continue to grow and viable frameworks for control and regulation remain elusive. Meanwhile, a raft of reports on climate change, loss of biodiversity, other environmental deterioration, and inequalities make it clear that long-term drivers of insecurity persist and are strengthening. Awareness of some of this means there is considerable demand for SIPRI's data, analyses, findings and recommendations, as well as for the activities that we convene and for our participation in other institutions' activities.

Highlights of the year included the 50th anniversary of the *SIPRI Yearbook*, the sixth annual Stockholm Forum on Peace and Development in May, the United Nations High-level Political Forum on Sustainable Development in July and the fourth annual Stockholm Security Conference in October and the annual SIPRI lecture in May. This was delivered by UN Human Rights Commissioner and former President of Chile, H.E. Michelle Bachelet on the topic 'Peace, development, human rights and gender equality—The story of my life'. The lecture was presented in the presence of H.M. King Carl XVI Gustaf and H.M. Queen Silvia. SIPRI ended the year by co-organizing a Senior Officials Meeting, together with the Swedish Ministry for Foreign Affairs and the German Federal Foreign Office, to take forward the Stockholm Initiative on Nuclear Disarmament.

SIPRI continues to grow in staff numbers, activities and financial turnover. One feature of this year has been a different area of growth—partnerships. Against this background of global challenges and SIPRI's growing range of activities, the Governing Board has adopted a new Institute Strategy for 2019–24, reflecting strengthened efforts for the implementation of Agenda 2030, local peacebuilding and regional analysis, dialogue and engagement, and peace research capacity-building.

Partnerships

One question often asked in 2019 pertained to the state of the world. Issues that fuelled this question were climate change, deteriorating arms control, emerging technologies that need to be monitored, and international power competition—issues that can only be resolved through international cooperation. For SIPRI, the same logic leads us to combine our efforts with those of other international institutions for joint activities on shared goals.

- SIPRI and the International Committee of the Red Cross (ICRC) decided to join forces in 2019 and conduct a joint project on advanced technology weapons, entitled 'Limits on autonomy: identifying practical elements of human control'. Its main objective was to support future discussions at the United Nations Convention on Certain Conventional Weapons (CCW) group of governmental experts (GGE) on lethal autonomous weapons systems (LAWS) with a thorough mapping study to identify the practical elements of human control and explore how these can be operationalised in concrete terms.
- SIPRI was approached by the United Nations High Commissioner for Refugees (UNHCR) in May to discuss ways in which we could be of assistance, with the result that the MOU establishing our knowledge partnership with the agency was signed in October when the High Commissioner for Refugees visited Stockholm.
- In June SIPRI published the first report on the knowledge partnership with the World Food Programme (WFP). That partnership is now moving into its second phase.
- In July the United Nations Environment Programme (UNEP) approached SIPRI to seek assistance with analysis and policy formulation about climate-related security risks in the Horn of Africa, the Middle East, North Africa, the western Sahel, Latin America and the

Caribbean. SIPRI has agreed a contract for the period up until May 2020 and it seems likely there will be follow-on arrangements as well.

- SIPRI continues to have partnerships with, among others, the Munich Security Conference, the Swedish Civil Contingencies Agency and the World Economic Forum.
- SIPRI is also working with the World Bank on a number of different strands.
- SIPRI is the Coordinator of the EU Non-proliferation and Disarmament Consortium, which is composed of 6 leading European think tanks and coordinates the European Network of Independent Non-proliferation and Disarmament Think Tanks of over 90 research centres from across Europe.

Research

It was the 50th anniversary of the *SIPRI Yearbook* in 2019. To observe the anniversary and to improve public access to the data gathered over the years, all editions of the Yearbook from 1969–2017 were made available for download on SIPRI's website. A 50-day social media campaign was rolled out, with highlights from the Yearbook's lifespan—manifesting the variety of SIPRI's research since it first launched.

SIPRI has a longstanding reputation as a leading authority on disarmament, arms control and non-proliferation thanks to the support of the Swedish Parliament since 1966. Less well known publicly, SIPRI has an equally strong track record as a knowledgeable, impartial and reliable facilitator of sensitive dialogues in the Middle East and on the Korean Peninsula. Engagement in the Korean peninsula has increased due to events in recent years and SIPRI, in close cooperation with the Ministry for Foreign Affairs, has successfully organized dialogue meetings focusing on confidence-building measures. In January 2019, SIPRI co-hosted, together with the Ministry for Foreign Affairs, a multilateral dialogue with the US special envoy and counterparts from the Democratic People's Republic of Korea, Republic of Korea and Sweden. As the Director of SIPRI, I was a member of the official Swedish delegation that visited Pyongyang in July.

At the beginning of the year, SIPRI and partners released the *White Book of the Civil Society for Peace and Security in Mali*, in which Malian civil society organisations propose constructive policies for resolving the crisis and building peace among local communities, at the level of the national government and through international responses. Over 20 filmed interviews featuring numerous stakeholders in the region, offering a range of views, complemented the publication over the year.

SIPRI's work on climate and security has continued to be highly successful during 2019. Throughout the year, SIPRI continued its participation in an independent Expert Working Group supporting the United Nations, seeking to map out climate risk decision making and climate security assessments. SIPRI published the first policy paper in a series that asks how UN peacebuilding efforts have been affected by climate change and how they have responded. It focuses on the UN peacebuilding mission in Somalia, the United Nations Assistance Mission in Somalia (UNSOM) and offers a unique insight into the changing reality of contemporary peacebuilding efforts. SIPRI has also addressed the EU on the issue, including with a SIPRI Policy Brief on 'EU Foreign and Security Policy on Climate-related Security Risks'.

In 2019 SIPRI and the Brookings Institution set up a new initiative aiming to establish the annual number of violent deaths worldwide. The Global Registry of Violent Deaths (GReVD) will count deaths caused by all forms of violence and display these in an open-source data catalogue that will allow the tracking of trends in violence. This will enable monitoring of progress on the world's commitment to achieving the Agenda 2030 and more specifically Sustainable Development Goal 16 on peace, justice and strong institutions.

In May 2019, the *Lancet* medical journal and the Swedish Institute for Global Health Transformation launched a commission on the interlinkages between the Sustainable Development Goals (SDGs) on health, gender and conflict. SIPRI's Deputy Director is a member of the commission along with other international experts. The aim of the commission is to generate new evidence on the interlinkages between the three goals and to give concrete and evidence-based recommendations on how improving

health and enhancing gender equality contributes to peaceful, just and inclusive societies. The work is expected to go on for three years, including dissemination and follow-up.

In May 2019, SIPRI co-convened the sixth Stockholm Forum on Peace and Development together with the Swedish Ministry for Foreign Affairs on the theme 'From crisis response to peacebuilding: Achieving synergies'. 2019 was an important year for Agenda 2030, the Sustaining Peace Agenda and the Climate Action Summit. The Forum as a whole served as important preparation for the peacebuilding community and timely fed into the discussions at the High-level Political Forum (HLPF) and SDG review at the UN in July and September.

SIPRI was part of the Swedish delegation to the HLPF at the UN in July and co-hosted an event on 'Agenda 2030 at a crossroads—How do we ensure an integrated approach in tackling climate-related security risks, conflict and inequality?'

In June 2019, SIPRI published the first report from the knowledge partnership with the WFP. The report is based on four field research-based case studies in El Salvador, Iraq, Kyrgyzstan and Mali, which looked at WFP programming in diverse situations, including outright violent conflict and transition from violence to sustainable peace. The report proposes five areas of change, including conflict sensitivity, targeting aid, working holistically, partnerships management and the challenge of measuring progress in contributing to peace.

In October 2019, SIPRI hosted the fourth Stockholm Security Conference (SSC). The theme expanded on discussions from the previous year—reviewing how the nature of conflict is changing and how technologies of today and tomorrow are shaping the fields of conflict and security. The conference was opened by the Swedish speaker of the Parliament and organized in partnership with Crisis Management Initiative, Mercy Corps, the Swedish Civil Contingencies Agency and the Munich Security Conference.

Finally, in November SIPRI co-hosted a Senior Officials Meeting on nuclear disarmament together with the Swedish Ministry for Foreign Affairs and the German Federal Foreign Office. The meeting was held in the framework of the Stockholm Initiative on Nuclear Disarmament, ahead of the 2020 Review Conference on the Treaty on the Non-Proliferation of Nuclear Weapons (NPT RevCon 2020) and attracted senior representatives from 16 countries.

Publications

In 2019 SIPRI published a total of 53 titles in a variety of formats on a wide range of themes. The *SIPRI Yearbook 2019* served, as it does every year, both as SIPRI's flagship publication and as a key source of data and analysis on a range of peace and security issues. It is an enduring symbol of the Institute's excellence and global reach. It is the single most trusted and respected, authoritative and independent source on armaments, disarmament and international peace and security.

The *SIPRI Yearbook* is published through Oxford University Press. Full translations of the *SIPRI Yearbook* are available in Arabic, Chinese, Russian and Ukrainian, while summaries in 2019 were issued in Catalan, Dutch, English, French, German, Italian, Korean, Spanish and Swedish.

Media

During 2019 SIPRI was covered in more than 30 100 global media outlets' stories in over 140 countries worldwide. SIPRI's Twitter account '@SIPRIorg' has more than 49 500 active followers and the Institute's Facebook page has more than 22 670 likes. In 2019 SIPRI issued 55 major press releases and online announcements.

SIPRI organized four major data launches in 2019: the launch of SIPRI's data on international arms transfers was profiled in more than 2 720 media outlets in 112 countries in the launch week alone. In April SIPRI's military expenditure data launch received a record coverage of more than 3 870 media

outlets during the launch week. The June launch of the *SIPRI Yearbook 2019* with updated data on world nuclear forces was cited in over 1 740 media outlets during the launch week. In December SIPRI launched its data on the arms industry which generated a total coverage of over 2 200 articles in global media.

SIPRI's statement on the occasion of the 2019 Nobel Peace Prize on 1 October was covered in 650 media outlets.

In 2019 SIPRI continued to develop its film output. Through these productions, SIPRI strives to bring regional perceptions, voices and views into the global debate. There are ambitions to further grow SIPRI's body of film in the next year.

The SIPRI Reflection Film *The Complexity of Conflict and Peacebuilding In Central Mali* focused on the conflict in central Mali, and called for a better understanding of local dynamics in order to resolve conflict and build peace in the region. SIPRI also produced a film on the Global Registry of Violent Deaths (GReVD), a new initiative aiming to count deaths from violence around the world. The video explains why there is now an urgent need to start accurately counting such deaths. Following the launch of the *White Book of the Civil Society for Peace and Security in Mali*, SIPRI continued to release over 20 interview videos highlighting the diversity in the area and putting local communities at the centre of the peacebuilding.

SIPRI's Peace Points episodes continued to be produced throughout the year with my thumbnail sketches of pressing global issues in peace and security.

Events

In addition to its major conferences and workshops, SIPRI organized many other important events throughout the year, including:

- **February:** Welcomed H.R.H. Crown Princess Victoria for a briefing on SIPRI's work on various security issues and participated in the Munich Security Conference hosting a roundtable discussion with the title 'Emerging technologies: Time to reboot arms control?'. (Munich, Germany). SIPRI also organised an event on artificial intelligence and nuclear risk in South Asia (Colombo, Sri Lanka).
- **March:** Partnered with the German Federal Foreign Office for the 'Rethinking Arms Control Conference' attended by the Swedish Foreign Minister and co-hosted session on biotechnology (Berlin, Germany).
- **April:** Co-organized a seminar discussion with the Swedish Police Authority on 'Policing organized crime in the context of UN peace operations' and convened a public seminar on arms control and security after the demise of the Intermediate-Range Nuclear Forces (INF) Treaty.
- **May:** Co-hosted a two-day workshop with the Friedrich-Ebert-Stiftung Kenya Office and the Pan African Climate Justice Alliance on integrating climate change and security issues in the Horn of Africa region (Nairobi, Kenya).
- **June:** An address held by H.E. Moon Jae-in, President of the Republic of Korea, at the Swedish Parliament, on the occasion of his state visit to Sweden. The event was organised in collaboration with SIPRI.
- **July:** Co-hosted a panel discussion on world nuclear forces and arms control together with the Japanese Broadcasting Corporation (NHK). The event was part of the Japanese Television programme *Global Agenda* and was broadcast to an international audience on 27 July 2019. SIPRI also hosted a panel discussion at the Almedalen Week in cooperation with the WFP about the link between hunger and conflict in Mali.
- **August:** Hosted a public seminar by H.E. Dr. Mohammad Javad Zarif, Foreign Minister of Iran, on the occasion of his official visit to Sweden.

- **September:** Hosted a workshop on non-proliferation, disarmament and arms control (NPDAC) education. The workshop brought together participants from different regions to review the state of play for NPDAC education.
- **October:** Hosted a conference on 'China–European Union (EU) relations in an era of connectivity' convening a group of 20–25 Chinese and European experts. SIPRI also organized a roundtable discussion together with the Parliamentary Committee on Foreign Affairs on the crises of arms control and climate related security risks.
- **November:** Co-convened a Global Learning Breakfast Meeting together with the Islamic Relief Worldwide on the Humanitarian–Development–Peacebuilding Nexus. The event was convened at SIDA and also involved participation from the International Rescue Committee and the Norwegian Refugee Council. SIPRI also held an event in Stockholm at which I moderated a public, live-streamed discussion among SIPRI's Governing Board members on 'The State of the World: As bad as it looks or...?'
- **December:** Organized a public event entitled 'Syria and global order: A European perspective' assessing how the Syrian conflict has reshaped the strategic relationships in the Middle East both at global level and between key regional actors.

Finance and administration

With regards to SIPRI's finances, 2019 produced a good result – a surplus of 1 437 066 SEK, a much welcome addition to the reserves. The overall turnover for 2019 increased and totalled 87 675 833 SEK. The number of employees at the end of 2019 was 72 compared to the average number of 59,2 (53 in 2018). Our new partnerships and recruitments started to have effect during 2019 and will have the full effect during 2020.

The generous core grant from the Swedish Parliament, through the annual Swedish state budget, remains the bedrock of the Institute's finances. Without it, SIPRI would not be able to sustain its important mission. The share of external grants in the overall turnover of SIPRI increased to some 67%, showing a healthy diversity of sources underpinning the Institute's finances.

We have strengthened our finance team and are also in the process of implementing a new financial system in order to meet the requirements of a growing organisation.

Governance

For SIPRI 2019 was a year of expansion. The staffing level continues to grow and a total of 21 recruitment processes were carried out. To facilitate the recruitment processes and to ensure that all applications are handled in accordance with the GDPR, SIPRI has signed up for a recruitment tool that will be used for all future recruitments, including internships. SIPRI continued with the line management training focusing on leadership development for the staff who oversee the work of one person or more.

During 2019, SIPRI drafted and adopted a new travel policy that applies to all duty travel performed on behalf of the Institute including safety restrictions. For instance, all staff travelling to high-risk countries should now attend a Hostile Environment Awareness Training (HEAT) before travelling. The travel policy will come into force on 1 January 2020.

SIPRI once again held two meetings of the Governing Board—in May and in November. The meeting in May was scheduled in coordination with the annual SIPRI Lecture. In November, SIPRI continued with the same concept as for last year's public event with the Governing Board members on the state of the world—the risks and challenges, and the prospects for peace and security. The event was again highly appreciated and well-attended.

Last but not least the Governing Board adopted the Institute Strategy for 2019–24. The ambitious five-year Institute strategy will guide SIPRI's work in order to meet the new global challenges addressing conflict and its root causes such as climate change, poor governance, gender inequity and lack of inclusion.

In summary, 2019 was a year of expansion and new challenges for SIPRI. The current global security landscape is unfavourable and deteriorating. In this global context, given SIPRI's reputation and role as a research centre and a meeting place, our strategic aim is to foster a global conversation on human security and international stability, a conversation that takes both evidence and international law seriously and is characterised by mutual respect and diversity.

When the Swedish Government presented the budget proposition for 2020 to the Swedish Parliament in September 2019 there were several references to SIPRI's work and impact. SIPRI was mentioned as a strong and credible voice in the international work for disarmament and non-proliferation and the successful media dissemination of our research was highlighted.

Our data and analysis are for all to use, unbiased and as accurate as possible. Based on the data, we try to offer clarity on complex technical and normative issues, so as to facilitate a broad range of participation; the global conversation that we seek is not to be an exchange among experts only.

Dan Smith
Director
February 21, 2020

Income and assets comparison 2015-2019

All figures in SEK

	2019	2018	2017	2016	2015
Net Income	87 675 833	85 422 778	69 861 049	62 887 829	55 253 463
Operating profit	1 437 066	5 440 923	321 173	-610 703	1 402 506
Operation (%) [*]	1,7	6,4	0,5	-1,0	2,5
Total assets	45 051 524	50 167 412	35 209 644	21 992 167	22 027 502
Cash ratio (%) [*]	137,3	125,1	113,9	124,4	130,3

^{*}Definition of key performance indicators, see footnotes**Distribution of earnings**

Proposal distribution of earnings

To the Assembly's disposal	10 777 652
Earnings	1 437 066
	12 214 718
The Board proposes to be carried forward	12 214 718
	12 214 718

Equity

Amount at the beginning of the year	10 777 652
Earnings	1 437 066
Balance at the end of the year	12 214 718

Regarding the foundation's results and financial position, we refer to the following financial statement and related disclosures.

Income and expenditure account

	Note	2019	2018
Operating income			
Net income	1	87 675 833	85 422 778
Total of Operating income		<hr/> 87 675 833	<hr/> 85 422 778
Operating expenses			
Direct external costs	2	-31 037 684	-29 200 653
Other external costs	2	-9 560 922	-8 241 891
Staff costs	3	-46 117 882	-42 835 495
Depreciation of tangible fixed assets	4	-394 100	-374 825
Other operating costs		0	0
Total of operating expenses		<hr/> -87 110 588	<hr/> -80 652 864
Operating profit		565 245	4 769 914
Income from financial items			
Financial income	5	872 883	680 112
Financial expenses	6	-1 062	-9 103
Total of income from financial items		<hr/> 871 821	<hr/> 671 009
Profit after financial items		<hr/> 1 437 066	<hr/> 5 440 923
Change in capital this year		1 437 066	5 440 923

Balance Sheet

	Note	2019-12-31	2018-12-31
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment	4	621 329	889 741
Total of tangible fixed assets		<hr/> 621 329	<hr/> 889 741
Current assets			
Current receivables			
Accounts receivable		1 210 842	3 326 414
Current tax		0	0
Other short term claims		47 836	373 810
Prepaid expenses and accrued income		1 989 516	2 588 483
Total of current receivables		<hr/> 3 248 194	<hr/> 6 288 707
Cash and bank			
Cash at bank and petty cash		41 182 001	42 988 964
Total Cash and bank		<hr/> 41 182 001	<hr/> 42 988 964
Total current assets		44 430 195	49 277 671
TOTAL ASSETS		45 051 524	50 167 412

EQUITY AND LIABILITIES	Note	2019-12-31	2018-12-31
Equity			
Balance carried forward		10 777 652	5 336 729
Change in capital		1 437 066	5 440 923
Total equity		<hr/> 12 214 718	<hr/> 10 777 652
Liabilities			
Long term liabilities			
Other long term liabilities		0	0
Total long term liabilities		<hr/> 0	<hr/> 0
Current liabilities			
Accounts payable		6 135 363	5 868 182
Unused grants		20 199 745	26 957 692
Other short term liabilities		1 567 111	1 407 490
Current tax liability		343 239	282 642
Accrued expenses and prepaid income		4 591 348	4 873 754
Total current liabilities		<hr/> 32 836 806	<hr/> 39 389 760
TOTAL EQUITY AND LIABILITIES		45 051 524	50 167 412

Additional Information

General Information

Accounting principles

The annual report was first prepared in accordance with the Annual Accounts Act and BFNAR 2012: 1.

Valuation Principles

Receivables

Receivables are recognized at the amounts expected to be received.

Other assets, provisions and liabilities

Other assets, provisions and liabilities are valued at cost unless otherwise stated below.

Revenue Recognition

The income is recognized at the fair value of the consideration received or receivable.

A conditional contribution is a contribution made subject to conditions that involve a repayment obligation if the condition is not met. Conditional grants are considered as liabilities until the costs they should cover arise.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any impairment losses.

The useful life of assets is reviewed at each reporting date. A straight line model of 5 years is used.

Leases

Operating leases are calculated on a straight-line basis over the lease term.

Employee Benefits

Pensions

Defined contribution pension plans

Fees for defined contribution pension plans are expensed as incurred. All of SIPRI's pension plans are defined contribution plans.

Receivables and liabilities in foreign currency

Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate.

Exchange differences arising on the settlement or translation of monetary items are recognized in the income statement of the financial year in which they arise, as either an operating or a financial item based on the underlying business event.

Public funding

Public contributions are valued at the fair value of the asset that the company has received or will receive.

Government subsidies not linked to demands for future achievement, known as unconditional grants, are recognized when the conditions for the grant are met, that is usually associated with when the grant is received.

Government subsidies associated with the requirement of future performance, so-called conditional grants, are considered as a liability when the grant is received and recognized as income when the costs associated with the grant arises.

Notes to financial statement

Note 1 Net income

	2019	2018
Grants from the Swedish Government	28 402 000	28 402 000
Grants from other funders	59 050 051	56 191 932
Royalties	205 615	221 050
Other	18 167	25 362
Rental income	0	582 434
	<hr/> 87 675 833	<hr/> 85 422 778

Used project grants

	2019	2018
Swedish Government agencies	29 247 556	38 125 386
Other Government	11 227 608	4 543 985
Private research foundations	6 404 303	6 342 516
EU	7 659 868	4 181 046
UN and other international organisations	2 702 954	1 165 768
Other	<hr/> 1 807 762	<hr/> 1 833 231
	<hr/> 59 050 051	<hr/> 56 191 932

Note 2 Other external expenses

	2019	2018
Projects costs for funded projects	31 037 684	29 200 653
Administrative costs	<hr/> 9 560 922	<hr/> 8 241 891
	40 598 606	37 442 544

Note 3 Staff

Average number of employees

The average number of employees is based on the paid attendance hours in relation to normal working hours

	2019	2018
Average number of employees has been	59,2	53,0
of which women	34,0	29,5
of which men	25,2	23,5

Among them where 25 (20) different nationalities represented.

Research staff were 40 (37).

Foreign contracted research staff are paid tax-free benefits under the Income Tax Act.

All employees are covered by the state collective agreement on pensions.

Gender distribution, board and management

	2019	2018
Number of board members	8	9
of which women	4	4
of which men	4	5
Number of management	7	7
of which women	4	4
of which men	3	3

Note 4 Machinery and other technical facilities	2019	2018
Opening cost	2 390 647	2 297 716
Investment for the year	125 688	92 931
Sales/disposals	0	0
Accumulated acquisition value	2 516 335	2 390 647
Depreciation	-1 500 906	-1 126 081
Sales/disposals	0	0
Depreciation of the year	-394 100	-374 825
Accumulated depreciation	-1 895 006	-1 500 906
Total carrying value	621 329	889 741
Note 5 Interest receivables and similar income	2019	2018
Interest	966	0
Exchange difference	871 917	680 112
	872 883	680 112
Note 6 Interest payable and similar costs	2019	2018
Interest	-1 062	-9 103
Exchange difference	0	0
	-1 062	-9 103

Other notes

Note 7 Definition of key performance indicators

Operation % = Operating profit as a percentage of Net income

Cash Ratio % = Total Current assets as a percentage of Current liabilities

Note 8 Cultural Assets

SIPRI has borrowed artwork for its office at Signalistgatan 9, Solna, through the Public Art Agency Sweden. According to the Public Art Agency, the receiving authority must report artworks purchased after 2003, with a value exceeding SEK 20 000 in the balance sheet. The value of one of the artworks amounts to SEK 28 000 and was bought after 2003.

SIPRI is not to be regarded as an authority but is an independent foundation reporting according to the K3 rules and can therefore not recognize the value in the balance sheet.

Solna February 21, 2020



Jan Eliasson



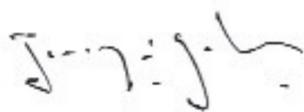
Dewi Fortuna Anwar



Vladimir Baranovsky



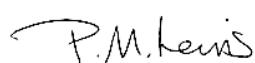
Espen Barth Eide



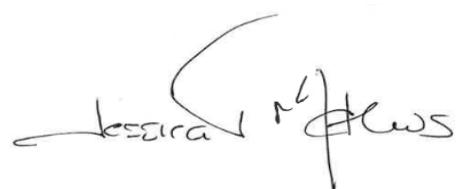
Jean-Marie Guéhenno



Radha Kumar



Patricia Lewis



Jessica Tuchman Mathews



Stockholm International Peace Research Institute
Organization no: 802006-2660

Our Audit Report was submitted on February , 2020

Emilie Sletth
Chartered Accountant

Anna-Karin Dahlén
Senior Advisor