

Annual Report for 2023

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 2023

Chair

Stefan Löfven, Sweden

Members

Dr. Mohamed Ibn Chambas (*Ghana*)
Jean-Marie Guéhenno (*France*)
Ambassador Chan Heng Chee
Dr. Radha Kumar (*India*)
Dr. Patricia Lewis (*United Kingdom*)
Dr. Jessica Tuchman Mathews (*United States*)

Governing Board meetings 2023

22-23 May
13-14 November

Director and Deputy Director 2023

Dan Smith, Director (*United Kingdom*)
Joakim Vaverka, 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 2021–2025:
Carita Nyssölä Linde, Deputy Director, Sweden's Ministry for Foreign Affairs.

The Director's Annual Report 2023

Overview

The Stockholm International Peace Research Institute (SIPRI), established by the Swedish parliament in 1966, offers research, activities and other resources, including data, analysis, policy support and dialogue that aim to generate actionable, evidence-based recommendations on a wide range of issues. These issues include conventional war, armament, military expenditure, the arms trade, weapons of mass destruction, and new challenges related to artificial intelligence and advances in cyber technology; long term causes of conflict, such as political behaviour, food insecurity, climate change, state–citizen relations, and drivers of peace and resilience, including good governance and security sector reform; and instruments for promoting peace and security, including peacekeeping, sanctions, humanitarian, development, and peacebuilding aid.

Given the current state of the world and the many challenges that the international community is facing, the demand for SIPRI's research and activities is significant and growing. SIPRI addresses this demand by continually evolving its operations to be an active and relevant participant in the international dialogue on contemporary challenges to peace, security, and development. This is achieved through communicating research findings in various ways, from written publications to organising and participating in meetings and conferences.

At the core of SIPRI's financial stability is the core grant from the Swedish parliament, provided through the annual Swedish government budget allocation, '1:7 Bidrag till Stockholms internationella fredsforskningsinstitut (SIPRI)'. The core grant, which has remained steady at 28,4 million SEK per annum since 2018, provides foundational financial support to SIPRI, covering salaries for non-project personnel, including parts of Operations, Human Resources and the Director's Office. It also supports governing board activities, covers office rent and contributes to SIPRI's IT infrastructure. The grant's flexibility extends to enabling some fundraising activities, ensuring SIPRI's resilience to global challenges and maintaining smooth operations. Moreover, it provides flexibility for research and helps SIPRI adapt to unexpected events.

This report focuses on research and activities funded by the core grant. For the sake of context and comprehensiveness, there are also references to research and activities supported by other sources.

Research

Armament and Disarmament

In 2023, SIPRI furthered its research into armament and disarmament. SIPRI's world-renowned databases continue to be a trusted international reference across the globe. The launch of SIPRI's annual world nuclear forces data saw record media coverage, in over 5900 media reports. The 2023 arms transfers data launch was covered in over 7500 reports. The data is also frequently referenced in national and international forums. For example, SIPRI data on international arms transfers was used by the Arms Trade Treaty (ATT) Secretariat in a presentation at the Ninth Conference of States Parties to the ATT in August 2023.

In 2023, the release of data from the military spending and arms production databases achieved record media coverage and policy impact, providing timely information and data-focused analysis to inform policy deliberations and public debates. The data on military expenditure, covered in 7600 media reports, continues to be a crucial source of information for policymakers and the public in the spending discussions of many countries. For example, SIPRI's research was featured in the UN's [2023 Global Sustainable Development Report](#), using the military expenditure data. Researchers also utilized the data on arms production to brief the European Parliament, and staff at the office of a United States Senator on weapon procurement and arms-industrial policy issues. The data on the top 100 arms companies, released in December 2023, was reported in over 3000 media outlets across the world.

SIPRI also conducted timely work to analyse the increasingly complex nuclear weapons landscape, with research into the impact of cyber and outer space developments on deterrence, and into the role of umbrella states in the global nuclear order.

SIPRI's work on dual-use and arms export control in the reporting period encompassed several noteworthy activities. These included research on gender-based firearms violence and the specific types of firearms employed in acts of violence in the European Union (EU). This research was conducted as part of a project implemented in collaboration with the Flemish Peace Institute. Furthermore, SIPRI organized a seminar under the EU Non-Proliferation and Disarmament Consortium (EUNPDC) on the theme 'A New Era for EU Arms Export Controls? Perspectives for the Current Review of the Common Position'. This event aimed to contribute valuable insights to both the EU and its member states during the review of the EU Common Position on arms exports. Additionally, SIPRI expanded its research efforts concerning the proliferation risks associated with missile technology within the rapidly emerging New Space industry. As part of this initiative, SIPRI researchers released a report entitled '[Developing Good Practices in Export Control Outreach to the NewSpace Industry](#)'.

SIPRI continued its cutting-edge research on the regulation of autonomous weapons systems (AWS) to inform discussions and support the international policy process. SIPRI launched a new study aimed at supporting the international policy process on AWS, which explores what international humanitarian law permits, prohibits and requires in the development and use of AWS.

SIPRI also continued to broaden its portfolio of educational activities in the area of armament and disarmament. The Institute played a pioneering role through its EU-funded [proliferation awareness courses](#) for future engineers. Moreover, the second edition of the Armament and Disarmament Summer School, co-hosted by SIPRI and Uppsala University's Alva Myrdal Centre, in cooperation with the Odesa Center for Non-proliferation, offered a unique capacity-building and networking opportunity for emerging experts, thought leaders and policymakers from all over the world. Additionally, SIPRI and the United Nations Office for Disarmament Affairs (UNODA) partnered for a three-year, EU-funded initiative on responsible innovation in artificial intelligence (AI) for peace and security.

Conflict, Peace and Security

In its research on conflict, peace and security, SIPRI continued to explore global themes and conducted regionally focused research in the Western Sahel, the Middle East and North Africa, China and East Asia, and Europe.

Throughout 2023, research in the Sahel and West Africa region was focused on understanding trends and developments in perceptions of governance and security in countries experiencing the effects of violent extremism and the compounding effects of climate change and failing social contracts. Research findings were presented to various international actors to support their policy and field work, including several permanent missions to the UN (the Netherlands, France, Belgium, Austria, Switzerland, Germany and Sweden), the UN Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), the Policy, Evaluation and Training Division (DPET) of UN Peacekeeping, Science Po in Paris and Alliance Sahel in Brussels.

A Sahel Symposium was co-organized by SIPRI and Uppsala University's Forum for Africa Studies, which brought together a dozen scholars on and in West Africa in an important discussion on public service provision and the perspectives of citizens in Burkina Faso, Mali and Niger. In addition, in collaboration with the West African Network for Peacebuilding and the Danish Refugee Council, SIPRI established a West African regional research network focused on peacebuilding, prevention of conflicts and violent extremism. SIPRI is regularly asked to deliver briefing notes to the French Ministry of Foreign Affairs, drawing from the Institute's research conducted in the region. Additionally, numerous permanent missions to the UN have requested online briefing sessions to delve into discussions concerning security and governance within the Sahel region.

In addition to research on social cohesion and community dialogues in Iraq, the SIPRI Middle East and North Africa Programme explored the dynamics of peacebuilding and state-building in Libya, the social contract in Yemen and cross-sectarian policy dialogue in Lebanon, as well as environmental politics in the Gulf region. SIPRI also launched a new research initiative entitled 'The North Africa Dialogues and Analysis' and focused on the deepening engagement between the Gulf Cooperation Council countries and four Asian powers: China, India, South Korea and Japan. The SIPRI China and Asia Security Programme focused on issues related to international political economy and geopolitics; development aid, peacebuilding, and the Global South; and foreign, defence and strategic policy.

Under these themes, the programme organized workshops on EU–Japanese approaches to de-risking, and on Russian–Chinese peacebuilding in Africa. These initiatives highlight SIPRI’s ongoing contribution to fostering informed collaboration among key stakeholders.

The SIPRI Peace Operations and Conflict Management Programme expanded its work with a new focus on human rights. It partnered with the UN Department of Peace Operations on the review of the 2018 Gender Responsive UN Peace Operations Policy. During the annual Women, Peace and Security week in New York, SIPRI co-hosted a workshop together with the Cairo International Center for Conflict Resolution, Peacekeeping and Peacebuilding, the International Peace Institute and the Permanent Mission of Canada to the UN on gender and the future of peacekeeping.

The Peace Operations and Conflict Management Programme also conducted research on the security sector reform (SSR) activities of the UN Mission in South Sudan and the UN Organization Stabilization Mission in the Democratic Republic of the Congo as they transition towards mission closure. The [research](#), on how the missions and national and international actors can strengthen the sustainable outcome of the transition of SSR activities, was presented at the Permanent Mission of the Netherlands to the UN in New York. In addition, the programme partnered with the African Union (AU), among others, in the organization of a conference in Addis Ababa entitled ‘The AU SSR Policy Framework, a Decade of Implementation: Successes, Challenges and Perspectives for the Future’. Moreover, an expert dialogue was organized on the new opportunities for a strategic UN–EU partnership at the Permanent Mission of Sweden to the UN and the EU Delegation to the UN in New York. The [Civilian CSDP Compact](#), agreed on by EU member states in May 2023, further demonstrates the impact that SIPRI’s research has. Two political commitments were incorporated into the compact that derived from recommendations made in a [SIPRI publication](#).

Peace and Development

In its research on peace and development, SIPRI continued to devote significant efforts to the area of climate, peace and security. Building on the leading role that it has established over the past few years, SIPRI continued to support the climate and security agenda with policy-relevant research by engaging specifically with the EU and supporting the Swedish EU Council Presidency. In addition, it worked closely with institutions, states and policymakers, including the UN. SIPRI further broadened its work in this area by developing a stronger focus on the effective implementation of climate security responses that are both conflict and climate sensitive, by working closely with, among others, the International Organization for Migration, the UN Climate Security Mechanism, the European External Action Service and the Organization for Security and Co-operation in Europe. SIPRI also explored work on climate finance and provided strategic advice to the United Arab Emirates for the COP28 Declaration on Climate, Relief, Recovery and Peace.

The SIPRI Food, Peace and Security Programme undertook a significant expansion in its research initiatives. Notably, it signed new research collaboration agreements with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Swedish Red Cross and the Swedish International Agricultural Network Initiative (SIANI). Advanced stage planning is also ongoing with the World Bank and several World Food Programme (WFP) country offices. These partnerships result from the programme’s cutting-edge and timely research on food security, conflict, peace and stability, primarily conducted through the SIPRI–WFP knowledge partnership, established in 2018. The knowledge partnership successfully concluded the second phase of its work, on how WFP can contribute to improving the prospects for peace in the countries where it works, with the final two case studies conducted in 2023.

SIPRI’s work stream on resilience, peacebuilding and prevention gained policy attention among the donor governments represented on the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD), as well as among UN stakeholders, for its research on the role of the composition of official development assistance in preventing conflict. SIPRI’s work was referenced in the OECD’s 2023 report [‘Peace and Official Development Assistance’](#). SIPRI has also been invited to advise on strengthening the United Kingdom’s conflict prevention toolkit. Furthermore, a published review of health system resilience during conflict attracted the particular attention of researchers and practitioners in the health community in the wake of the war in Gaza.

Events

On 15–17 May 2023, SIPRI hosted the 10th annual edition of its flagship event, the **Stockholm Forum on Peace and Development**. This dialogue-driven event provides a neutral platform for interdisciplinary exchange among officials from governments and intergovernmental organizations, together with practitioners and researchers, on development, humanitarian, peacebuilding and security issues. On the theme of ‘Seeking Solutions for Turbulent Times’, the Stockholm Forum tackled a complex reality. In order to inform ways forward for peacebuilding and stabilization around the world, including future reconstruction efforts in Ukraine, it explored lessons and experiences from past and ongoing peacebuilding, stabilization and state-building efforts. The Forum identified gaps where innovative approaches are needed and what these could entail, highlighted interlinkages between different crises to tackle them more effectively, considered how investments in war-to-peace transitions can factor in green transition measures, and examined modalities of international cooperation in the context of future stabilization and reconstruction efforts. After the event, UN Assistant Secretary-General for Peacebuilding Elizabeth Spehar [made a video on Twitter](#) thanking SIPRI for convening the 2023 Stockholm Forum on Peace and Development.

Related to its research activities and in addition to its major forum, SIPRI also organized or co-organized many other events throughout the year. The following selection serves as an illustration:

- On 26 January, SIPRI joined a [high-level meeting](#) of the Stockholm Hub on Environment, Climate and Security, which was held at the Stockholm Resilience Centre. The meeting focused on the current food crisis and the systemic weakness of the global food systems.
- On 30 January, SIPRI presented its Environment of Peace report at an [event](#) organized in collaboration with the Embassy of Sweden in Bogotá.
- On 18 February, SIPRI and the International Crisis Group co-hosted a lunch event at the Munich Security Conference (MSC) on ‘[Food, Fuel and Fertilizer: Evaluating the Impact of the War in Ukraine on Conflict Risk](#)’. The event was moderated by Cindy McCain, then US Ambassador to the UN Agencies in Rome. On 19 February, SIPRI and the German Center for International Peace Operations (ZIF) co-hosted a session on Europe’s new crisis management missions.
- On 14–15 March, SIPRI, the Center for Applied Research in Partnership with the Orient (CARPO) and the Gulf Research Center Foundation hosted a workshop entitled ‘[Regional Project Development within the Climate–Energy–Health Nexus: Sustainability in West Asia and the Arabian Peninsula \(WAAP\)](#)’.
- On 31 March, SIPRI [hosted a visit](#) from HE Nicolae Ciucă, Prime Minister of Romania. The visit tied into an event on the topic of ‘Threats and Opportunities in the Black Sea Area’.
- On 25 April, SIPRI and the UN Institute for Disarmament Research (UNIDIR) hosted an [online webinar](#) to showcase the new SIPRI data on global military expenditure.
- 2–5 May, SIPRI and the EUNPDC hosted an [online intensive introductory course](#) on the proliferation of weapons of mass destruction, mechanisms to control their further spread and pathways to disarmament.
- On 13–14 June, SIPRI hosted a hybrid (in person in Stockholm and online) expert workshop on ‘[Cyber Incidents and Threat Perceptions: Views from China, Russia, Europe and the United States](#)’.
- On 16 June, SIPRI had the privilege of [hosting a visit](#) from Her Royal Highness Crown Princess Victoria and a delegation from the EU Political and Security Committee (PSC).
- On 21–25 August, SIPRI and the Alva Myrdal Centre for Nuclear Disarmament at Uppsala University, in cooperation with the Odesa Center for Non-proliferation, hosted the second iteration of the [Armament and Disarmament Summer School](#). This is a course and networking opportunity for the next generation of professionals in the fields of disarmament, non-proliferation and arms

control, aimed at supporting and reinvigorating disarmament education activities. The 2023 edition accommodated 26 participants from 21 countries and a diverse range of backgrounds, including students, lecturers, researchers, policy officers and junior diplomats.

- On 6 September, [SIPRI hosted Rafael Grossi](#), Director General of the International Atomic Energy Agency (IAEA), for a roundtable discussion, international press conference and dinner.
- On 4 October, SIPRI co-organized a session at the 2023 Africa Resilience Forum in Abidjan, Côte d'Ivoire on '[Accelerating Climate Finance for Sustaining Peace](#)'.
- On 20 October, SIPRI, together with the Dutch Ministry of Foreign Affairs, organized a [side event](#) at the 78th session of the First Committee of the UN General Assembly in New York.
- On 13 November, SIPRI hosted an in-person event with its governing board members entitled '[Geopolitics: A Changing World Order? Views from Africa, Asia, Europe and the USA](#)'.
- On 13–14 December, SIPRI convened a workshop entitled '[Geopolitics Meets the Local: Diverse Perspectives and Intertwined Research Agendas](#)'.

Publications

In 2023, SIPRI published a total of 54 titles in a variety of formats on a wide range of themes, as well as 26 online commentaries of various types.

SIPRI Yearbook 2023 is the latest edition of the Institute's annual flagship publication, first appearing in 1969. It remains a key source of data and analysis on a range of peace and security issues and is an enduring symbol of the Institute's excellence and global reach. The SIPRI Yearbook is often regarded as 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.

Media

During 2023, SIPRI was covered in more than 70 000 media outlet stories and blogs (compared to 59 000 in 2022) in over 140 countries worldwide, with the strongest coverage in North America (19 800 mentions), Western Europe (17 010 mentions), Eastern Europe (9200 mentions), the Middle East (5300 mentions) and India (2900 mentions). By the end of 2023, SIPRI's X account (previously known as Twitter) '@SIPRIorg' had 93 000 active followers (up from 84 800 in 2022), and its Facebook page had more than 28 000 followers (27 811 followers in 2022). In addition, SIPRI had 8000 YouTube followers (7150 followers in 2022) and 25 000 followers on LinkedIn (21 385 followers in 2022). SIPRI organized four major data launches in 2023 and in 2022 five data launches.

Finance and Administration

At the end of the budget year 2023, SIPRI had a deficit of 4.6 million Swedish kronor. The total turnover for 2023 increased marginally from 111.8 million Swedish kronor to 112.9 million Swedish kronor. SIPRI's core grant (*prop. 2022/23:1 utg.omr. 5,bet. 2022/23:UU1, rskr. 2022/23:68*) has remained stable at 28.4 million Swedish kronor over the past six years, while SIPRI's total turnover has increased annually. This has resulted in the core funding's percentage share of total income decreasing from 47 per cent in 2018 to 25 per cent in 2023. In addition to the core funding, SIPRI also receives a strategic grant from the Swedish MFA. In 2023, this grant was reduced to 20 million SEK. In 2022 was 32.5 million SEK.

During 2023, SIPRI applied for 74 grants applications. Those were distributed as below.

Number of Grant applications for 2023 per department.

Cluster/dep.	Total applications	Rejected	Under review	Approved	Started in 2023	Starts in 2024
A&D1	32	12	8	12	10	2
CPS2	19	6	3	10	7	3
P&D3	21	7	7	7	5	2
Event	0	0	0	0	0	0
Outreach	1	0	0	1	1	0
Director's Off.	1	0	1	0	0	0
Total	74	25	19	30	23	7

1 Armament and Disarmament; 2 Conflict, Peace and Security; 3 Peace and Development

During 2022, SIPRI applied for 56 grants applications. Those were distributed as below.

Number of Grant applications for 2022 per department.

Cluster/dep.	Total applications	Rejected	Under review	Approved	Started in 2022	Starts in 2023
A&D1	30	6	10	14	11	3
CPS2	15	4	4	7	7	0
P&D3	9	2	1	6	5	1
Event	1	0	0	1	1	0
Outreach	1	0	0	1	1	0
Total	56	12	15	29	25	4

1 Armament and Disarmament; 2 Conflict, Peace and Security; 3 Peace and Development

SIPRI's annual report for 2022 included the amount of the strategic grant we had received from MFA. This makes it unfortunately difficult to compare 2023 to the previous year 2022. The total figure for our contributions from the MFA in 2022 was 28.4 + 32.5 million SEK = a total of 60.9 million SEK, which is 55 per cent of the total turnover of 112 million SEK.

The corresponding figure for the year 2023 is 28.4 + 20 million kroner = a total of 48.4 million kroner, which is 43 per cent of the total turnover of 113 million SEK.

The increased share of external project funding demonstrates a broader base of funders supporting the institute's finances. This may be healthy in the long run by reducing SIPRI's dependence on a single major funder.

Due to the significant decrease in the strategic grant from the Swedish MFA in comparison with 2022 and since the decision on the level of the grant was made only on July 31, 2023, SIPRI found it challenging to find alternative funding, especially for salary costs, which is reflected in this year's deficit.

Governance

Following five years of steady growth, 2022 was largely a year of consolidation for SIPRI, a trend which continued in 2023. The threshold for the employee count, set at 99 and implemented in 2021, remained unchanged throughout the year 2023. To further accommodate the Institute's previous growth, additional organizational changes were implemented in the Operations Department to enhance the Institute's ability to conduct activities in line with its strategic aims and priorities, and plan, manage and control projects effectively and coherently.

In a world that is facing increasingly complex and perilous risks and challenges, SIPRI makes an ever more valuable contribution to knowledge and understanding, through a combination of reliable facts, fair-minded analysis, constructive policy proposals and dialogue. With a talented staff and guided by an international board, SIPRI will continue to contribute to important global conversations, with the ambition of generating the changes needed to move towards a more stable, peaceful, prosperous and sustainable future.

Solna, 14 February 2024

Dan Smith
Director

Income and assets comparison 2019–2023

All figures in SEK

	2023	2022	2021	2020	2019
Net Income	112 933,2	111 782,1	101 987,1	90 420,4	87 675,8
Profit after financial items	-4 645,8	1 619,5	1 409,5	1 520,7	1 437,1
Operation (%) [*]	-4,11	1,45	1,40	1,70	1,70
Total assets	36 982,7	43 846,5	46 261,5	55 968,4	45 051,5
Cash ratio (%) [*]	147,82	163,16	150,85	131,80	137,30

*Definition of key performance indicators, see footnotes

Distribution of earnings

Proposal distribution of earnings	2023-12-31
To the Assembly's disposal	16 764 413
Loss	<u>-4 645 777</u>
	12 118 636
The Board proposes to be carried forward	<u>12 118 636</u>
	12 118 636

Equity

Amount at the beginning of the year	16 764
Loss	<u>-4 646</u>
Balance at the end of the year	12 118

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

Income and expenditure account

	Note	2023	2022
Operating income			
Net income	1	112 933 182	111 782 090
Total of Operating income		112 933 182	111 782 090
Operating expenses			
Direct external costs	2	-37 781 011	-34 503 699
Other administrative costs	2	-10 399 736	-9 612 750
Staff costs	3	-70 318 898	-68 323 518
Depreciation of tangible fixed assets	4	-102 572	-107 455
Total of operating expenses		-118 602 217	-112 547 422
Operating profit		-5 669 035	-765 332
Income from financial items			
Financial income	5	2 362 298	2 387 767
Financial expenses	6	-1 339 040	-2 959
Total of income from financial items		1 023 258	2 384 808
Profit after financial items		-4 645 777	1 619 476
Change in capital this year		-4 645 777	1 619 476

Balance Sheet**ASSETS****Fixed assets****Tangible fixed assets**

Improvement expenditure on property	6	335 197	0
Equipment	7	219 790	184 736
Total of tangible fixed assets		554 987	184 736

Current assets**Current receivables**

Accounts receivable		2 036 600	2 465 576
Other short term claims		96 542	140 790
Prepaid expenses and accrued income	8	2 993 506	4 590 084
Total of current receivables		5 126 649	7 196 450

Cash and bank

Cash		4 707	15 366
Bank accounts Sipri		25 407 018	29 487 607
Bank accounts EU		5 889 315	6 962 367
Total Cash and bank		31 301 041	36 465 340

Total current assets **36 427 690** **43 661 791****TOTAL ASSETS** **36 982 676** **43 846 527**

EQUITY AND LIABILITIES	Note	2023-12-31	2022-12-31
Equity			
Balance forward		16 764 413	15 144 937
Change in capital		-4 645 777	1 619 476
Total equity		12 118 636	16 764 413
 Liabilities			
Provisions			
Provisions for partial pension	9	221 460	322 543
Total provisions for partial pension		221 460	322 543
 Current liabilities			
Accounts payable		4 469 981	5 896 475
Unused grants	10	11 574 817	13 508 590
Other short term liabilities		0	2 300 215
Current tax liability		3 464 595	866 778
Accrued expenses and prepaid income	11	5 133 188	4 187 512
Total current liabilities		24 642 580	26 759 571
 TOTAL EQUITY AND LIABILITIES		36 982 676	43 846 527

Cash flow statement

	2023-01-01-	2022-01-01-	
	Note	2023-12-31	2022-12-31
The current operations			
Operating profit		-5 669 035	-765 332
Adjustments for items that are not included in cash flow		270 170	107 455
Interest received		314 869	12 768
Paid interest		-9 402	-2 959
Paid income tax		-259 166	288 778
Cash flow from operating activities			
before changes in working capital		-5 352 564	-359 290
Cash flow from changes in working capital			
Decrease (-) / increase (+) of accounts receivable		428 976	-3 565 709
Decrease (+) / increase (-) of receivables		1 640 826	-3 082 239
Decrease (-) / increase (+) of accounts payable		-1 426 494	-520 646
Decrease (+) / increase (-) of payables		-690 493	
Cash flow from operating activities		-5 399 750	-7 527 884
Investment activities			
Improvement expenditure on property		-335 197	0
Acquisition of machinery and equipment		-35 053	-125 602
Cash flow from investing activities		-370 250	-125 602
Financing activities			
		-101 083	-236 895
Cash flow from financing activities		-101 083	-236 895
Change in cash and cash equivalents		-5 871 083	-7 890 381
Cash and cash equivalents at the beginning of the year		36 465 339	41 980 721
Exchange rate difference in cash and cash equivalents		706 785	2 374 999
Cash and cash equivalents at the end of the year		31 301 041	36 465 339

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 is reviewed at each reporting date. The following useful lives are applied: 5 years.

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 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 arise.

Notes to financial statement

Note 1 Net income

	2023	2022
Core Grant from the Swedish Government	28 402 000	28 402 000
Funding from external projects	83 453 004	83 004 357
Royalties	33 760	323 255
Other	1 044 418	-56
	112 933 182	111 729 556

Funding from external projects

	2023	2022
Swedish Government agencies	26 194 303	38 520 778
Other Government	25 184 460	18 913 647
Private research foundations	10 812 783	6 313 820
EU	6 284 515	6 531 898
UN and other international organizations	5 235 577	6 764 658
Other	9 741 366	5 959 435
	83 453 004	83 004 236

Note 2 Other external expenses

	2023	2022
Direct Project costs	37 781 011	34 503 699
Administrative costs	10 399 736	9 612 750
	48 180 747	44 116 449

Note 3 Employees and employee costs

Average number of employees

	2023	2022
Women	50	53
Men	32	34
	82	87

Gender distribution, board and management

	2023	2022
Number of board members	8 (100%)	8 (100%)
of which women	4 (50%)	3 (38%)
of which men	4 (50%)	5 (62%)
Number of management	7 (100%)	7 (100%)
of which women	4 (57%)	4 (57%)
of which men	3 (43%)	3 (43%)

	2023	2022
Salaries and reimbursements		
The Board and the CEO:	1 949 416	1 799 135
Other employees:	45 811 330	44 598 524
	47 760 746	46 397 659
Social costs	7 328 629	6 943 992
Other social fees	13 055 171	12 395 113
	20 383 800	19 339 105
Total salaries, reimbursements,social costs and pension costs	68 144 546	65 736 764
Salaries and allowances		
Other personnel costs	2 174 351	2 586 753
Total salaries, reimbursements,social costs and pension costs	68 144 546	65 736 764
	70 318 897	68 323 517
The average number of employees is based on paid attendance hours in relation to normal working hours.		
Among them, 33 (26) different nationalities were represented.		
Research staff were 52 (59).		
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.		
Note 4 Interest receivables and similar income		
Exchange difference	1 839 447	2 375 206
Exhange rate difference Projects	207 982	0
	2 362 298	2 387 767
Note 5 Interest payable and similar costs		
Interest	-9 402	-2 752
Exchange difference	-1 329 638	-206
	-1 339 040	-2 958
Note 6 Improvement expenditure on others property		
Opening acquisition value (reclassification)	670 394	0
Depreciation of the year	-335 197	0
Total value	335 197	
Note 7 Machinery and other technical facilities		
Opening cost	2 769 452	2 643 850
Investment for the year	137 625	125 602
Sales/disposals	0	0
Accumulated acquisition value	2 907 077	2 769 452
Depreciation	-2 584 716	-2 477 261
Depreciation of the year	-102 571	-107 455
Accumulated depreciation	-2 687 287	-2 584 716
Total carrying value	219 790	184 736

Note 8 Prepaid expenses and accrued income

	2023	2022
Prepaid rents	1 610 691	1 512 138
Other items	1 382 815	3 047 391
Prepaid insurance premium	0	30 555
	2 993 506	4 590 084

Note 9 Provision for partial pension

	2023	2022
Opening provision	322 543	559 438
Cost for the year	0	-114 963
This year's payment	-101 083	-121 932
Closing Provision	221 460	322 543

Note 10 Unused grants

	2023	2022
WIP- advance payments from customers	-29 007 974	-39 571 196
Other short-term liabilities (EU)	40 582 791	53 079 786
Total amount	-11 574 817	-13 508 590

Note 11 Accrued expenses and Prepaid income

	2023	2022
Accrued costs projects	-563 867	-111 715
Accrued costs core	-590 222	-111 554
Accrued costs for adjustment funds	-779 363	-650 039
Accrued vacation pay	-2 366 746	-2 638 637
Accrued vacation pay social fees	-78 294	0
Accrued pension payments	-480 567	-480 567
Accrued-SPV-pension payments	-261 843	0
Accrued costs for audit	0	-195 000
OBS-account manual salaries	-12 286	0
	-5 133 188	-4 187 512

Note 12 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 13 Cultural Assets

The SIPRI office at Signalgatan 9, Solna, houses borrowed artwork from the Public Art Agency Sweden. According to the Public Art Agency Sweden, the receiving authority must report in the balance sheet any artwork purchased after 2003 that has a value exceeding SEK 20 000. The value of one artwork amounts to SEK 28 000 and was bought after 2003. SIPRI is not regarded as an authority but is an independent foundation reporting in accordance with the K3 rules and can therefore not recognize the value in the balance sheet.

Note 14 Disposition of profit or loss**2023-12-31****Proposal for the allocation of profit**

Retained earnings	16 764 413
Loss of the year	<u>-4 645 777</u>

12 118 636**Proposal to be carried forward**

12 118 636

12 118 636

Solna

Stefan Löfven
Chair

Chan Heng Chee

Mohamed Ibn Chambas

Jean-Marie Guéhenno

Radha Kumar

Patricia Lewis

Jessica Tuchman Mathews

Our Audit Report was submitted in February 2024

Emilie Sleth
Chartered accountant

Carita Nyyssölä Linde
Deputy Director