

Annual Report for 2021

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 2021

Chair

Ambassador Jan Eliasson, *Sweden*

Members

Mr. Espen Barth Eide (*Norway*) (until 14 Oct. 2021)
Dr. Mohamed Ibn Chambas (*Ghana*) (from 17 Feb. 2022)
Mr. Jean-Marie Guéhenno (*France*)
Ambassador Chan Heng Chee (*Singapore*) (from 15 Apr. 2021)
Dr. Radha Kumar (*India*)
Ambassador Ramtane Lamamra (*Algeria*) (until 28 Aug. 2021)
Dr. Patricia Lewis (*United Kingdom*)
Dr. Jessica Tuchman Mathews (*United States*)
Dr. Feodor Voytolovsky (*Russia*) (from 15 Apr. 2021)

Governing Board meetings 2021

24–25 May 2021
15–16 Nov. 2021

Director and Deputy Director 2021

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 2018–2022:
Anna-Karin Dahlén, Senior Advisor, Sweden's Ministry for Foreign Affairs

Senior Advisor Anna-Karin Dahlén was relieved from her appointment on 13 Jan. 2022, with Deputy Director Carita Nyssölä Linde appointed as new auditor for the period 2021–2025.

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 2021

Overview

In 2021 the security horizon was challenging in a number of different ways. The Covid-19 pandemic continued to plague the world, while an ever-growing abundance of evidence of the adverse effects of climate change, deteriorating arms control and risks associated with emerging technologies continued to highlight the interlinkages between nature, health, peace, security and development. The international community is divided and struggling to cope. Effective multilateralism is fighting an uphill battle in the face of a serious lack of trust and the confrontational character of international and regional relations. The year ended with rising tensions between China and Taiwan and between Russia and Ukraine. Throughout the year, regional tension was rife in the Middle East, while coups and ensuing turmoil took their toll on civilian populations in Afghanistan, Ethiopia, Mali and Sudan.

Against this backdrop of both expected and unforeseen developments, the demand for SIPRI's data, analyses and recommendations remained high, demonstrated in part by the Institute's convening power, media footprint and policy reach.

Pandemic-related circumstances required working methods to continue to be adapted during parts of the year. Three of SIPRI's flagship events were brought online: the Stockholm Forum on Peace and Development and the annual SIPRI Lecture, both in May, and the Stockholm Security Conference in November. While missing the dynamics of an in-person event, the benefits of the virtual format included reaching significant numbers of participants from all over the world, thus adding more perspectives and richness to discussions.

After a multi-year period of growth at SIPRI, a cap on staff numbers was introduced late in the year to consolidate the research programmes and stabilize the organizational infrastructure of the Institute. SIPRI bid farewell to two of its Governing Board members who stepped down due to being appointed to senior posts in their respective governments: Ramtane Lamamra became Foreign Minister of Algeria, and Espen Barth Eide joined the new Norwegian Government as Minister of Climate and Environment. The Board vacancies are currently in the process of being filled.

Research

SIPRI research output remained both prolific and of a high standard. While the pandemic continued to hamper some research projects, notably those that rely on field-related activities, others were pursued with minimal disruption. Conferences, roundtables, seminars and workshops were primarily conducted in a digital format; only events and meetings involving a limited number of participants were held in person.

In 2021 SIPRI strengthened research related to the **Organization for Security and Co-operation in Europe (OSCE)**. One focus area was climate and security, where research showed how the OSCE can advance its role in the field of climate security. This effort provided high-level engagement, including at an ambassadorial meeting hosted by the Swedish Delegation to the OSCE in Vienna. It also provided strategic opportunities to advise the delegation in the negotiations leading up to the concluding Ministerial Council in Stockholm in December. Moreover, SIPRI's European Security programme focused strongly on the OSCE, with presentations on the modernization of the Vienna Document, the Lisbon Framework for Arms Control, and the role of the OSCE in transparency and confidence building.

SIPRI's **Environment of Peace (EP) initiative**, which was launched in May 2020, made substantial progress in 2021. During the course of the year, the background research was finalized, the draft chapters of the academic report and the report for policymakers were written, and the review process commenced. On the outreach side, the EP team continued to engage with a wide range of stakeholders, published several written commentaries and blogs, and organized and participated in panel events. In addition, the visual identity of the initiative and final reports were confirmed.

During 2021 SIPRI supported the implementation of the 2018 **Civilian Common Security and Defence Policy (CSDP) Compact** and the development of a follow-up initiative—a new civilian CSDP Compact, or Compact 2.0, which is to be adopted by European Union (EU) member states in 2023. SIPRI continued to monitor and analyse the implementation of the commitments of the 2018 compact to (a) strengthen national contributions to civilian CSDP missions, and (b) increase the representation of women in them.

SIPRI also contributed with input to an **Interparliamentary Union (IPU) resolution** on how parliaments can best contribute to peace. SIPRI's advice focused on three areas: parliaments' role for dialogue, in oversight and for prevention.

In 2021 the **new SIPRI programme on Food, Security and Peace** became operational. The programme institutionalizes the expertise built up within SIPRI under its knowledge partnership with the World Food Programme (WFP) and expands SIPRI's research on the intersection between food security, conflict and peace. (Additional information about the SIPRI–WFP knowledge partnership is presented in the section on 'Partnerships').

In the field of armament and disarmament, SIPRI established a **research focus on space security issues**, including kinetic anti-satellite weapons testing and developments in norms and responsible behaviour in space at the United Nations General Assembly.

Events

In 2021 SIPRI continued with its three flagship events:

- In May SIPRI co-hosted with the Swedish Ministry for Foreign Affairs (MFA) the eighth annual **Stockholm Forum on Peace and Development** in a digital format under the theme 'Promoting Peace in the Age of Compound Risk'. Since its inception, the Forum has become an important part of global conversations on how to promote effective action that cuts across sectors and siloed approaches. In 2021 the Forum brought together 5 300 participants from 162 countries and 62 partner organizations, reflecting a truly global reach. A total of 384 speakers from the peacebuilding, economic and human development, security, health, and technology fields shared views from international or regional organizations—such as the African Union (AU), the Economic Community of West African States (ECOWAS), the EU, the International Monetary Fund (IMF), the OSCE and the UN—as well as from local perspectives, including those of women peacebuilders, youth and environmental activists.
- Also in May, SIPRI hosted the third annual **SIPRI Lecture**, held virtually on the theme 'Democracy in a Post-Covid World'. The lecture was delivered by Madeleine Albright, former Secretary of State of the United States. Sweden's Prime Minister, Stefan Löfven, Sweden's Minister for Foreign Affairs, Ann Linde, and the Chair of the SIPRI Governing Board, Jan Eliasson, delivered opening remarks. The lecture was followed by a panel conversation.

- Finally, in November SIPRI hosted the sixth annual **Stockholm Security Conference** in a hybrid format, featuring 15 sessions on the theme of 'Battlefields of the Future: Trends of Conflict and Warfare in the 21st Century'. The conference explored means to prevent and mitigate the risks of rapid advancements in technology. The online sessions looked at how current developments in technology have opened cyberspace, outer space and the mental space as potential new battlefields of the future. Additionally, the conference explored trends in several parts of the world where more traditional types of warfare are continuing or re-emerging. The Ypres Peace Prize ceremony concluded the conference, connecting battlefields of the future to those of the past.

Related to its research activities, and in addition to its major conferences and workshops, SIPRI also organized or co-organized many other events throughout the year. The following account of the past year's activities serves to illustrate this:

- **January**
 - Co-hosted with the International Peace Institute (IPI) a virtual expert-level dialogue with the UN Peacebuilding Commission (PBC) members, focused on exploring the PBC as a forum for discussions on climate-related security risks
- **February**
 - Briefed the UN Security Council on 'Conflict Futures'
- **March**
 - SIPRI experts gave evidence to the British Parliament Committees on Arms Export Controls as part of an inquiry into British arms exports in 2019. The oral evidence session was held virtually
 - Co-hosted, with IPI and the Norwegian Institute of International Affairs (NUPI), a virtual expert-level dialogue on the theme 'Translating Mandates into Policy and Practice: Emerging Lessons from Operationalizing Climate-related Security Risks in Peace Operations and Peacebuilding'
- **April**
 - Hosted a virtual high-level conversation on the theme 'Perspectives on the Arms Control Agenda in 2021: Obstacles and Opportunities', featuring HE Izumi Nakamitsu, UN Under-Secretary-General and High Representative for Disarmament Affairs
 - Hosted a virtual side event on the role of international assistance to implement the Arms Trade Treaty (ATT), held in the framework of the ATT Working Group meetings and the Seventh Conference of States Parties (CSP7) Informal Preparatory Meeting
 - Hosted a virtual workshop on 'Nuclear CBMs [confidence-building measures] and Transparency in South Asia: Voices from India, Pakistan, China, Russia and the USA'
- **May**
 - Co-hosted, with the Stimson Center, a virtual event presenting and analysing the latest trends in global arms transfers and military expenditure
 - Briefed the UN Security Council as part of an Arria Formula meeting, organized under the Chinese presidency, on 'The Impact of Emerging Technologies on International Peace and Security'
- **June**
 - Co-hosted a virtual expert-level dialogue on 'Integrating Climate Security and Peacemaking in Somalia', held as part of the 'Climate-related Peace and Security Risks' project
 - Co-hosted a virtual event on 'Prospects for US–Russia Strategic Stability' with the Stockholm Centre of Eastern European Studies (SCEEUS), the Swedish Defence Research Agency (FOI), and the Swedish Pugwash
 - Hosted an online briefing to coincide with the launch of the report 'Autonomous Weapon Systems and International Humanitarian Law: Identifying Limits and the Required Type and Degree of Human–Machine Interaction'

- Co-hosted a webinar on climate-related security risks in West Africa with the Friedrich-Ebert Stiftung's (FES) Peace and Security Centre of Competence sub-Saharan Africa, and NUPI
- **July**
 - Co-hosted, with the UN's Food and Agriculture Organization (FAO) and the WFP, an affiliated event of the UN Food Systems Pre-summit on the topic 'From Conflict and Hunger to Stability and Nourishment: A Comprehensive Approach to Peace, Development and Humanitarian Action'
- **September**
 - Hosted a virtual side event in the framework of the ATT CSP7 and in connection with the launch of a series of SIPRI papers taking stock of the ATT
 - Hosted an expert roundtable discussion with Yemen's Minister of Foreign Affairs and Expatriates, HE Dr Ahmed Awad Bin Mubarak, as part of his official visit to Sweden
 - Joined a high-level event on the role of the OSCE in the field of climate security, held in Vienna
 - Engaged in the international conference 'Fix the Food', co-hosted by the Nobel Peace Center and the WFP
- **October**
 - Co-hosted, with the UN Department of Peace Operations (UNDPO), a webinar exploring the many impacts of Covid-19 on peace operations
 - Organized a webinar entitled '3D Printing Missiles on Demand? Additive Manufacturing as a Challenge to the Missile Technology Control Regime', held in connection with the launch of the report '3D Printing and Missile Technology Controls'
 - Co-hosted, with the Shanghai Institutes for International Studies (SIIS) and NUPI, a virtual event exploring the water–energy–food nexus and its implications for climate change security
- **November**
 - Hosted an online roundtable discussion on the theme 'Chinese ODA [official development assistance] in Africa and Implications for the International Aid Architecture'
 - Held a physical launch event in Brussels for a paper on 'Strengthening EU Civilian Crisis Management: The Civilian CSDP Compact and Beyond'
 - Participated in the Geneva Peace Week 2021, hosting a virtual workshop on 'Policy Pathways for an Environment of Peace'
 - Convened, in cooperation with the FES, two dialogue meetings on peace operations and non-traditional security challenges, held in Geneva
 - Convened, in cooperation with the FES and NUPI, the first meeting of the Regional Climate Security Working Group for West Africa, held in Dakar, Senegal
- **December**
 - Co-hosted a virtual event on 'Nuclear Disarmament and Arms Control: The State of Play' with the newly established Alva Myrdal Centre for Nuclear Disarmament at Uppsala University

Partnerships

Addressing today's multifaceted challenges requires international cooperation. The same logic leads SIPRI to combine its efforts with other international institutions on joint activities towards shared goals. The following is a brief summary of some of the partnership activities in 2021:

- SIPRI continued its knowledge partnership with the WFP, which is aimed at building evidence on the relationships between conflict and hunger and defining the WFP's contributions to peace. Current research consists of nine country studies combined with studies on five themes: stabilization, gender, climate change, cash-based transfers and measurement. A number of planned reports were delayed due to travel restrictions resulting from the Covid-19 pandemic, but a new

strategy for remote research supported by the use of local researchers was implemented in 2021. A report on Lebanon, produced under the partnership, was published in September.

- Through its partnership with the WFP, SIPRI also engaged in the UN Food Systems Summit (FSS) planning process during 2021. SIPRI and the WFP established the Peace Resilience Working Group, which was part of 'Action Track 5: Build Resilience to Vulnerabilities, Shocks and Stress' of the summit. The working group was the only space in the FSS planning process dedicated to discussing the largest driver of hunger—conflict. The working group later evolved into the Fighting Food Crises along the Humanitarian–Development–Peace Nexus Coalition, a group comprised of UN member states, regional bodies, UN organizations, non-governmental organizations (NGOs) and researchers. The coalition aims to contribute to ending hunger through pursuing peace and unleashing the potential of sustainable food systems to enhance the prospects for peace. SIPRI co-leads the coalition with the WFP, the FAO and the g7+ (Group of Seven Plus).

- SIPRI also continued its collaboration with the International Committee of the Red Cross (ICRC), holding a discussion on climate change and armed conflict in March. In addition, SIPRI engaged with the ICRC at the Stockholm Security Conference, where the ICRC's Chief Legal Officer and Head of the Legal Division participated in the opening panel. Two other panels included speakers from the ICRC.

- SIPRI continued its partnership with the UN High Commissioner for Refugees (UNHCR) with a project focused on Western Sahel, in which SIPRI conducted research to inform the UNHCR's programming in the region. The research focused on the reasons for and specific challenges posed by forced displacement in Western Sahel. Using perception surveys carried out by a trained network of local facilitators as well as focus group discussions and interviews, SIPRI researchers explored the rural exodus occurring in the region, the needs of displaced populations, and gaps in assistance. The UNHCR's Deputy Director and Head of Protection Service for its West and Central Africa Regional Bureau also joined a panel on the region during the 2021 Stockholm Security Conference.

- SIPRI continued its collaboration with the UN Development Programme (UNDP), organizing a high-level event in April as part of the UNDP's Development Dialogue series. The panel aimed to address what joint analysis and data exchanges are necessary to come to a common understanding for more integrated peace, development and humanitarian action. Speakers included Sweden's State Secretary to the Minister of International Development Cooperation, the UNDP's Assistant Administrator and Director of the Bureau of External Relations and Advocacy, the UNHCR's Assistant High Commissioner for Protection, and NGO representatives.

- SIPRI is the coordinator of the EU Non-Proliferation and Disarmament Consortium (EUNPDC), which is composed of six leading European think tanks. The consortium established and promotes the European network of independent non-proliferation and disarmament think tanks of now 104 research centres from across Europe. In this framework in 2021, SIPRI also organized a webinar on 'Strengthening Non-proliferation and Disarmament Education in Europe' and published six EUNPDC papers.

- SIPRI engaged in fruitful collaboration with the newly established Alva Myrdal Centre on Nuclear Disarmament at Uppsala University, notably within the field of nuclear disarmament in policy and international law.

- In close collaboration with NUPI, SIPRI is providing advice to the Norwegian MFA during its period as an elected member of the UN Security Council (2021–2022). SIPRI and NUPI provide reliable, relevant, timely and actionable knowledge on climate-related security and development risks for specific countries and regions on the Security Council's agenda. On climate-related security risks, SIPRI also continued to support the Swedish MFA, and in 2021 worked closely with multiple actors advancing their work on climate security, including the European External Action

Service (EEAS), the UN Assistance Mission in Somalia (UN SOM), the UN Environment Programme (UNEP) and the World Bank.

Publications

In 2021 SIPRI published a total of 51 titles in a variety of formats on a wide range of themes, as well as over 30 online commentaries of various types.

SIPRI Yearbook 2021 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, Russian and Ukrainian, while summaries in 2021 were issued in Catalan, Dutch, English, Farsi, French, Italian, Korean, Spanish and Swedish.

Media

During 2021, SIPRI was covered in more than **30 000** (compared with 26 000 in 2020) **global media outlet stories and an additional 4 000 blogs** in over 140 countries worldwide. SIPRI's Twitter account '@SIPRIorg' has more than 73 000 active followers and its Facebook page has more than 25 490 likes. Moreover, SIPRI has 5 790 YouTube followers and over 16 600 followers on LinkedIn.

SIPRI organized four major data launches in 2021.

- In March the launch of SIPRI's data on international arms transfers was profiled in more than 3 400 media outlets in the launch week alone.
- In April SIPRI's military expenditure data launch received coverage in more than 2 700 media outlets during the launch week.
- The June launch of SIPRI's 2021 edition of the Yearbook, with new data on world nuclear forces, was cited in over 1 900 media outlets during the launch week.
- In December the launch of SIPRI's data on the arms industry generated a record coverage of over 2 500 articles.

SIPRI's statement from Director Dan Smith on the 2021 Nobel Peace Prize on 8 October was covered in over 1 300 global media outlets. This included coverage in the Swedish media and major international news agencies and broadcasters such as Reuters, AFP and CNN as well as a live interview on Al Jazeera.

SIPRI launched several publications in 2021—including the SIPRI Policy Paper 'Climate-related Security Risks and Peacebuilding in Mali'—which received a high level of attention from both local and international media. SIPRI experts published numerous articles and opinion pieces in international outlets such as Euronews, *Die Welt*, IPS News, *Jeune Afrique*, *Le Monde* and *The Washington Post*.

In 2021 SIPRI continued to develop its film output, releasing a total of 84 videos. On YouTube, SIPRI's videos received **58 400 views**. Several film series featured interviews with local experts, activists and members of government and the private sector in various geographic locations, including South Asia, China, Ghana, Mali, Yemen and various EU countries. SIPRI continued to live stream as many of its events as possible. In addition, SIPRI produced videos of various

webinars and sessions of the annual Stockholm Forum on Peace and Development and the Stockholm Security Conference. Other highlights include the following:

- A new addition to the SIPRI Reflection series outlined and described for the first time how SIPRI and its partner in Mali, Point Sud, collect data in central Mali to understand the perceptions of the local population;
- the SIPRI Spotlight series continued to feature high-profile visitors in brief interviews. Additionally, SIPRI issued a series on perceptions of nuclear challenges in South Asia, including interviews with experts from India, Pakistan, Russia and the USA;
- the Conversation series continued to present interviews featuring SIPRI experts on various topics pertaining to peace and security from an insider's perspective. These included subjects such as the evolving China–EU relationship and connectivity in the digital and transport sectors, new technologies and nuclear disarmament, and others; and
- Peace Points episodes continued to be produced with SIPRI Director Dan Smith offering timely commentary on global issues in peace and security.

Finance and administration

The year 2021 produced a surplus of 1 409 502 SEK, which will be added to the reserves. The overall turnover in 2021 increased to 101 987 101 SEK. The number of employees at the end of 2021 was 84, compared with the annual average number of 73 (69 in 2020).

The core grant from the Swedish Parliament, provided through the annual Swedish Government budget allocation, remains the cornerstone of the Institute's finances.

SIPRI submitted 77 applications for funding during 2021. Of those, 29 were granted with research begun in 2021, and 8 were granted with work to begin in 2022. Also, 19 applications were rejected and 21 are still open.

The share of external grants in the overall turnover of SIPRI was 72 per cent in 2021, which illustrates the diversity of sources that underpins the Institute's finances.

During 2021 SIPRI continued to develop the new financial system that was implemented in 2020 to meet the requirements of a growing organization.

Governance

SIPRI's growth, in staff numbers and financial turnover, continued in 2021. A total of 11 new staff members were hired, 3 as successors to departing staff members and 8 as new hires due to an expansion of research and activities.

In September, a cap on staff numbers at 99 was introduced to consolidate the Institute and give space to strengthen its infrastructure to support its larger size.

To accommodate more staff, a space in the SIPRI building in Solna previously used for storage was converted for office use to provide additional workstations and areas for online meetings. The financing of the refurbishment was partly covered by SIPRI and partly by the landlord pursuant to provisions in the lease.

SIPRI's Governing Board met online in May and November, according to its usual schedule. SIPRI bid farewell to two of its Board members who stepped down due to being appointed to senior posts in their respective governments: Ramtane Lamamra became Foreign Minister of Algeria, and

Espen Barth Eide joined the new Norwegian Government as Minister of Climate and Environment. Both Board vacancies are currently in the process of being filled.

SIPRI thus finished 2021 in good shape and with a strong heart. The Institute's global footprint has continued to grow. The take-up of SIPRI data, made available to inform both public discussion and policymaking, also continues to increase. SIPRI's advice is sought by a growing number of actors of many kinds—governments, international and civil society organizations, academic institutions and news media.

The international environment is unstable and worrying in many respects. As 2021 ended, fears of armed action involving great powers were stirred by events in eastern Europe and East Asia. The impacts of climate change and other aspects of the global environmental crisis grew throughout the year, and the Covid-19 pandemic remained a heavy burden. In that global environment, the role of SIPRI in stimulating a global conversation on ways of achieving a more peaceful world is more important than ever.

There remains a range of internal challenges to meet and surmount at SIPRI—to secure proper financing, to achieve the right balance of research, outreach and operational infrastructure, and above all to sustain the excellence of the Institute's research. It is the ongoing importance of SIPRI's mission that binds staff and Governing Board together to meet those challenges and continue the work.

Dan Smith
Director
7 February 2022

Income and assets comparison 2017–2021

All figures in SEK

	2021	2020	2019	2018	2017
Net Income	101 987 101	90 420 482	87 675 833	85 422 778	69 861 049
Profit after financial items	1 409 502	1 520 717	1 437 066	5 440 923	321 173
Operation (%) [*]	1,4	1,7	1,7	6,4	0,5
Total assets	46 261 521	55 968 433	45 051 524	50 167 412	35 209 644
Cash ratio (%) [*]	150,8	131,8	137,3	125,1	113,9

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

Distribution of earnings

Proposal distribution of earnings

To the Assembly's disposal	13 735 435
Earnings	<u>1 409 502</u>
	15 144 937

The Board proposes to be carried forward	<u>15 144 937</u>
	15 144 937

Equity

Amount at the beginning of the year	13 735 435
Earnings	<u>1 409 502</u>
Balance at the end of the year	15 144 937

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

Income and expenditure account

	Note	2021	2020
Operating income			
Net income	1	101 987 101	90 420 482
Total of Operating income		<hr/> 101 987 101	<hr/> 90 420 482
Operating expenses			
Direct external costs	2	-30 760 626	-24 567 062
Other external costs	2	-8 067 462	-9 487 863
Staff costs	3	-62 406 572	-53 994 445
Depreciation of tangible fixed assets	4	-153 439	-428 815
Other operating costs		0	0
Total of operating expenses		<hr/> -101 388 099	<hr/> -88 478 185
Operating profit		599 002	1 942 297
Income from financial items			
Financial income	5	817 259	41
Financial expenses	6	-6 759	-421 621
Total of income from financial items		<hr/> 810 500	<hr/> -421 580
Profit after financial items		<hr/> 1 409 502	<hr/> 1 520 717
Change in capital this year		1 409 502	1 520 717

Balance Sheet

	Note	2021-12-31	2020-12-31
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment	4	166 589	320 029
Total of tangible fixed assets		166 589	320 029
Current assets			
Current receivables			
Accounts receivable		1 138 476	1 709 854
Other short term claims		153 377	51 282
Prepaid expenses and accrued income		2 822 358	2 954 107
Total of current receivables		4 114 211	4 715 243
Cash and bank			
Cash at bank and petty cash		41 980 721	50 933 161
Total Cash and bank		41 980 721	50 933 161
Total current assets		46 094 932	55 648 404
TOTAL ASSETS		46 261 521	55 968 433

EQUITY AND LIABILITIES	Note	2021-12-31	2020-12-31
Equity			
Balance forward		13 735 435	12 214 718
Change in capital		1 409 502	1 520 717
Total equity		15 144 937	13 735 435
 Liabilities			
Provisions			
Provisions for partial pension	7	559 438	0
Total provisions for partial pension		559 438	0
 Current liabilities			
Accounts payable		6 417 120	5 174 115
Unused grants		16 917 109	29 100 247
Other short term liabilities		2 131 560	1 865 014
Current tax liability		578 000	518 701
Accrued expenses and prepaid income		4 513 357	5 574 921
Total current liabilities		30 557 146	42 232 998
 TOTAL EQUITY AND LIABILITIES		46 261 521	55 968 433

Cash flow statement		2021-01-01 -	2020-01-01-
	Note	2021-12-31	2020-12-31
The current operations			
Operating profit		599 002	1 942 297
Adjustments for items that are not included in cash flow		1 607 772	8 473
Paid interest		-3 313	-1 279
Interest received		119	41
Paid income tax		59 299	175 462
Cash flow from operating activities			
before changes in working capital		2 262 879	2 124 994
Cash flow from changes in working capital			
Decrease (+) / increase (-) of receivables		-601 032	-1 467 049
Decrease (-) / increase (+) of accounts payable		1 243 005	-961 248
Decrease (-) / increase (+) of current liabilities		-11 857 293	10 181 978
Cash flow from operating activities		-8 952 440	9 878 675
Investment activities			
Acquisition of machinery and equipment		0	-127 515
Cash flow from investing activities		0	-127 515
Financing activities			
Cash flow from financing activities		0	0
Change in cash and cash equivalents			
Exchange rate difference in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		50 933 161	41 182 001
Cash and cash equivalents at the end of the year		41 980 721	50 933 161

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 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 arise.

Notes to financial statement

Note 1 Net income	2021	2020
Core Grant from the Swedish Government	28 402 000	28 402 000
Funding from external projects	73 407 534	61 862 516
Royalties	176 133	155 436
Other	1 434	2 530
Rental income	0	0
	101 987 101	90 422 482

Used project grants	2021	2020
Swedish Government agencies	35 272 711	30 354 958
Other Government	19 519 718	14 324 559
Private research foundations	4 124 172	4 025 659
EU	4 868 167	7 359 710
UN and other international organizations	8 410 171	4 930 050
Other	1 212 595	867 580
	73 407 534	61 862 516

Note 2 Other external expenses	2021	2020
Projects costs for funded projects	30 760 626	24 567 062
Administrative costs	8 067 462	9 487 863
	38 828 088	34 054 925

Note 3 Staff	2021	2020
Average number of employees		
The average number of employees is based on paid attendance hours in relation to normal working hours		
Average number of employees has been	73,0	69,0
of which women	45,0	43,0
of which men	28,0	26,0

Among them, 27 (31) different nationalities were represented.

Research staff were 49 (46).

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	2021	2020
Number of board members	8	8
of which women	3	3
of which men	5	5
Number of management	7	7
of which women	4	4
of which men	3	3

	2021	2020
Salaries, allowances etc.		
Salaries, allowances, social costs and pension costs have been paid in the following amounts:		
The Board and the CEO:		
Salaries and allowances	1 779 856	1 730 421
Pension costs	0	0
	1 779 856	1 730 421
Other employees:		
Salaries and allowances	41 726 175	37 008 522
Pension costs	6 158 294	4 464 358
	47 884 469	41 472 880
Social costs	11 539 055	9 398 530
Total Board and others	61 203 380	52 601 831
Salaries and allowances	43 506 031	38 738 943
Pension costs	6 158 294	4 464 358
Social costs	11 539 055	9 398 530
Total amount	61 203 380	52 601 831

Note 4 Machinery and other technical facilities	2021	2020
Opening cost	2 643 850	2 516 335
Investment for the year	0	127 515
Sales/disposals	0	0
Accumulated acquisition value	2 643 850	2 643 850
Depreciation	-2 323 821	-1 895 006
Sales/disposals	0	0
Depreciation of the year	-153 440	-428 815
Accumulated depreciation	-2 477 261	-2 323 821
Total carrying value	166 589	320 029

Note 5 Interest receivables and similar income	2021	2020
Interest	119	41
Exchange difference	817 140	0
	817 259	41

Note 6 Interest payable and similar costs	2021	2020
Interest	-3 313	-1 279
Exchange difference	-3 446	-420 342
	-6 759	-421 621

Note 7 Provision for partial pension	2021	2020
Opening provision	0	0
Cost for the year	588 841	0
This year's payment	-29 403	0
 Closing Provision	 559 438	 0

Other notes**Note 8 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 9 Cultural Assets

The SIPRI office at Signalistgatan 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.

Solna, February, 2022

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Our Audit Report was submitted on February 2022

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