



International IDEA

The International Institute for Democracy
and Electoral Assistance

Financial Statements for the year ended 31 December 2008

www.idea.int

Auditor's Report

To the Council of the International Institute for Democracy and Electoral Assistance

We have audited the accompanying balance sheet of the International Institute for Democracy and Electoral Assistance as of December 31, 2008, and the related statement of income for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as of December 31, 2008, and of the results of its operations for the year then ended and comply with the Institute's Finance Regulations.

Stockholm May 14, 2009

A handwritten signature in blue ink, appearing to read "Deloitte AS", is written over the printed name "Deloitte AB".

Deloitte AB

International Institute For Democracy And Electoral Assistance

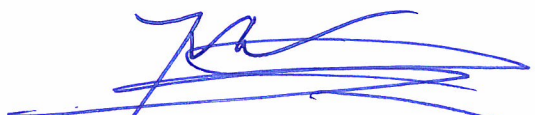
BALANCE SHEET

As at 31 December 2008 and 2007

(In thousands of Euros)

	<u>Note</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Cash and Bank	3	13 594	11 401
Receivables			
Contributions	4	660	70
Prepaid Expenses/Accrued Income		98	83
		758	153
Other Receivables			
Value Added Tax		71	60
Field Office Advances		350	378
Personnel Advances		25	42
Claims on Suppliers		27	128
		473	608
TOTAL ASSETS		14 825	12 162
LIABILITIES AND CAPITAL			
Accounts Payable			
Trade Creditors and Accruals	6.b	1 369	1 258
Personnel Liabilities	7	1 168	1 001
Contributions	6.a	5 527	4 230
		8 064	6 489
Capital and Reserves			
Reserves	8	6 761	5 673
TOTAL LIABILITIES AND CAPITAL		14 825	12 162


Vidar Helgesen
Secretary-General


Martin Van Weerdenburg
Director of Finance & Administration

International Institute For Democracy And Electoral Assistance

Income Statement

For the years ended December 31, 2008 and 2007

(In thousands of Euros)

		2008			2007
	Note	Core	Restricted Project	Total	Total
Revenues and Gains					
Contributions	9.a	10 524	6 163	16 687	12 364
Other revenues and gains	9.b	807	-	807	706
Total revenues and gains		11 331	6 163	17 494	13 070
Expenses					
Operations		5 510	6 163	11 673	9 626
Management and Administration		4 644	-	4 644	3 094
Total expenses		10 154	6 163	16 317	12 720
NET SURPLUS					
		1 177	-	1 177	350

Expenses by Natural Classification

Personnel costs	5 769	1 759	7 528	6 025
Consultants	1 044	1 321	2 365	1 880
Conferences	324	489	813	481
Travel	1 643	1 624	3 267	2 114
Operating Costs	930	643	1 573	1 525
Publications	365	252	617	574
Fixed Assets	79	75	154	121
Total	10 154	6 163	16 317	12 720

See accompanying notes to Financial Statements.

The International Institute For Democracy And Electoral Assistance

Statement of Changes in Reserves

For the years ended December 31, 2008 and 2007

(In thousands of Euros)

	General Reserve	Social Security Reserve	Currency Reserve	Working Capital Reserve	Operating Reserve	Total
Balance, January 1, 2007	837	935	504	2 099	1 154	5 529
Transfer (to)/from Working Capital						0
Transfer (to)/from Currency			-13		13	0
Net Movement in Social Security		-207				-207
Net surplus					351	351
Balance, December 31, 2007	837	728	491	2 099	1 518	5 673
Transfer (to)/from Working Capital				515	-515	0
Transfer (to)/from Currency			-181		181	0
Net Movement in Social Security		-89				-89
Net surplus					1 177	1 177
Balance, December 31, 2008	837	639	310	2 614	2 361	6 761

See accompanying notes to Financial Statements.

The International Institute For Democracy And Electoral Assistance

Notes to Financial Statements

December 31, 2008 and 2007

(In thousands of Euros)

1. Statement of Activities

Created in 1995, the International Institute for Democracy and Electoral Assistance (IDEA) is an intergovernmental organisation with 25 member states from six continents. It has a mandate to support sustainable democracy worldwide. IDEA brings together those who analyse and monitor trends in democracy and those who engage directly in political reform or act in support of democracy at home and abroad. IDEA works with new and long-established democracies, helping to develop and strengthen the institutions and culture of democracy. It operates at international, regional and national levels, working in partnership with a range of institutions.

2. Significant Accounting Policies

A summary of the significant policies adopted in the preparation of the accompanying financial statements are as follows:

- a. ***Use of estimates*** - The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes the estimates and assumptions used in the preparation of these financial statements were appropriate in the circumstances, actual results could differ from those estimates and assumptions.
- b. ***Accrual Accounting*** - The financial statements have been prepared on the accrual basis of accounting.
- c. ***Reclassifications*** - The financial statements of the 2007 year include certain reclassifications in order to be comparable to the 2008 year financial statements.
- d. ***Revenue recognition*** - Contributions, whether core or restricted project, are recognized as revenues only when the grant conditions, if any, have been substantially met or the donor has explicitly waived such conditions.
- e. ***Contributions receivable*** - Contributions receivable represent amounts recoverable from donors for core and restricted project grants promised or pledged for which any conditions have already been met.
- f. ***Cash and bank*** - Cash and cash equivalents are comprised of cash on hand, bank current accounts and interest bearing bank deposits.
- g. ***Fixed Assets*** - All fixed assets are written off in full at the time of acquisition.

- h. **Income taxes** - IDEA is tax-exempt. Accordingly, no provision for income taxes has been made in the accompanying financial statements.
- i. **Accounts payable to donors** - These represent grants received in advance from donors for core and restricted project grants, for which the grant conditions have not yet been met. It also includes amounts payable to donors when donors require reimbursement of unexpended grant balances.
- j. **Trade Creditors and accruals** - These represent amounts to be paid in the future for goods or services received, whether billed by the supplier or not.
- k. **Provisions** - Provisions are recognized for current obligations that (i) result from a past event, (ii) are probable to result in the use of economic resources, and (iii) can be reasonably estimated.
- l. **Reporting currency** – The currency of report is the Euro. Assets and Liabilities in other currencies are translated to Euro at rates of exchange ruling at the end of the financial year as published by the Swedish Central Bank.

Transactions in other currencies are translated to Euro at the average rate of exchange as published by the Swedish Central Bank for the month in which the transaction took place.

Significant exchange gains and losses are transferred to or from the Currency Fund.

3. Cash and bank

	2008	2007
Cash on hand	6	2
Cash at Bank	13,588	11,399
Total	<u>€ 13,594</u>	<u>€ 11,401</u>

4. Receivables - Contributions

	2008	2007
Contributions - (Refer Schedule 1)		
Core	-	-
Restricted Projects	660	70
Total	<u>€ 660</u>	<u>€ 70</u>

5. Fixed assets

For 2008 and 2007 the Organization wrote off €154 and €121, respectively, for fixed assets purchased during the year

6. Accounts payable

	2008	2007
a. Contributions - (Refer Schedule 1)		
Core	1,500	-
Restricted Projects	4,027	4,230
Total	€ 5,527	€ 4,230
	2008	2007
b. Trade Creditors and Accruals		
Trade Creditors	537	560
Accruals	832	698
Total	€ 1,369	€ 1,258

7. Personnel Liabilities

	2008	2007
Salary	31	-
Annual Leave	426	389
Pension	222	207
Separation Allowance	236	188
Parental Leave	187	151
Social Charges	11	13
Withholding Taxes	55	53
Total	€ 1,168	€ 1,001

8. Reserves

Movements in reserves are detailed in the Statement of Changes in Reserves and are classified as follows:

- a. **General Reserve** - This fund provides long-term protection for the Institute by safeguarding it from unforeseen developments that could seriously affect its stability and effectiveness. Appropriations may only be made in extreme circumstances. No appropriations were made from the fund during the year;
- b. **Working Capital Reserve** - This fund provides liquidity when contributions from Member States are received at a slower rate than approved operational expenditure. Every effort is made to maintain this reserve at 20% of the annual income received in the immediately preceding year;
- c. **Social Security Reserve** - This reserve represents amounts set aside from refunds of social charges by the Swedish Tax Authority to meet possible future commitments to staff and former staff in respect of possible loss of state pension rights or other social insurance rights. A reduction of €89 occurred in the reserve

- during the year due to adverse currency movements (€98) and payment of legal advice fees (€13) which were partially offset by interest earnings of €22;
- d. **Currency Reserve** – This reserve provides a facility to overcome distortions in operational expenditures caused by fluctuations in the exchange rate between the Euro and other currencies. There was a reduction of €181 in this reserve during the year;

9. Revenues

- a. **Contributions** - Funds received from donors are used to support IDEA's programs. Programs must fall within the mandate of IDEA and be approved by the Governing Council. Details of all contributions are set out in Schedules 1 and 2 of these financial statements and are classified into Core and Restricted Project contributions. Core contributions are used to support IDEA's activities. Restricted Project contributions also support IDEA's activities, but they can only be used for activities that are mutually agreed upon between IDEA and the donor.
- b. **Other revenue and gains** - For the years ended December 31, 2008 and 2007, other revenues and gains are:

	2008	2007
Salary Tax Refund	460	511
Interest	294	167
Book Sales	12	12
Sundry Income	41	16
Total	€ <u>807</u>	€ <u>706</u>

10. Expenses and losses

Details of expenditures are segregated, by type, between Operations and Management and Administration and are set out in Schedule 3 of these financial statements.

Operations expenses - These comprise all expenditures by HQ, Regional and Field Offices directly related to the main programmatic activities of Integrated Democracy Building, Electoral Processes, Political Parties, Constitution Building, Gender, State of Democracy and General Program Support:

Management and general expenses - These expenses comprise general administration expenses, including expenditures applicable to the Governing Council, the Board of Trustees, Secretary-General, Communications, Finance and Administration, Human Resources, Information Technology and Office Accommodation.

Schedule of Income

For the years ended December 31, 2008 and 2007
(In EUR)

Donors	2008				2007
	Funds Available	Accounts receivable	Advance payment	Grant	Grant
CORE CONTRIBUTIONS	12 023 519	0	-1 500 000	10 523 519	8 170 497
Australia	-			0	-
Barbados	-			0	7 126
Belgium	-			0	-
Botswana	15 716			15 716	14 800
Canada	645 800			645 800	323 100
Cape Verde	-			0	-
Chile	63 285			63 285	51 800
Costa Rica	3 929			3 929	3 646
Denmark	411 992			411 992	405 401
Finland	345 000			345 000	345 000
Germany	400 000			400 000	400 000
India	40 405			40 405	44 886
Mauritius	7 523			7 523	7 460
Mexico	34 785			34 785	36 005
Namibia	1 572			1 572	1 492
Netherlands	3 000 000		-1 500 000	1 500 000	700 000
Norway	908 000			908 000	570 911
Peru	-			0	-
Portugal	-			0	-
South Africa	20 400			20 400	10 270
Spain	250 000			250 000	150 000
Sweden	5 236 483			5 236 483	4 495 000
Switzerland	634 629			634 629	603 600
Uruguay	4 000			4 000	-
RESTRICTED PROJECT CONTRIBUTIONS	9 529 834	660 044	-4 026 950	6 162 929	4 193 076
Australia					
Australian Agency for International Development (AusAID)	366 996	-	(310 279)	56 717	151 956
Belgium					
The Ministry of Foreign Affairs	43 932	-	-	43 932	67 407
Canada					
Canadian International Development Agency (CIDA)	48 075	-	(1 847)	46 228	52 570
Department of Foreign Affairs and International Trade (DFAIT)	-	-	-	-	73 106
International Development Research Centre (IDRC)	67 862	-	(25 152)	42 710	-
Chile					
The Ministry of Foreign Affairs	9 631	-	(9 631)	-	49 580
European Union					
The European Commission	994 052	-	(700 976)	293 076	24 200
The European Parliament	55 200	-	-	55 200	-
Germany					
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	480 000	-	(92 940)	387 060	-
Inter American Development Bank	-	513	-	513	35 103
Italy					
The Ministry of Foreign Affairs	1 037 111	-	(607 114)	429 997	577 785
Japan					
Hiroshima University	5 304	-	-	5 304	4 136
The Netherlands					
The Netherlands Ministry for Development Cooperation	9 963	-	(0)	9 962	226 176
The Netherlands Institute for Multiparty Democracy	22 375	5 000	(1 166)	26 209	165 974
Norway					
The Royal Ministry of Foreign Affairs	3 537 361	455 566	(999 420)	2 993 507	1 679 833
Spain					
The Spanish Agency for International Cooperation (AECI)	890 561	-	(542 213)	348 348	20 702

Donors	2008				2007
	Funds Available	Accounts receivable	Advance payment	Grant	Grant
Sweden					
The Ministry of Foreign Affairs	717 009	23 726	(299 312)	441 423	59 167
Swedish International Development Agency	-	-	-	-	13 067
Switzerland					
The Swiss Federal Department of Foreign Affairs	85 445	-	(19 872)	65 573	79 099
The Swiss Agency for Development and Cooperation	59 259	-	(53 410)	5 849	85 874
UK					
Department for International Development (DFID)	8 976	55 616	-	64 592	55 511
Foreign and Commonwealth Office (FCO)	234 356	33 744	-	268 101	356 803
United Nations					
The United Nations Development Fund (UNDEF)	62 173	-	(62 173)	-	-
The United Nations Development Program (UNDP)	794 193	85 878	(301 444)	578 627	415 026
TOTAL CORE AND EARMARKED CONTRIBUTIONS	21 553 353	660 044	-5 526 950	16 686 448	12 363 573

Restricted Project Contributions

For the period January 1, 2008 to December 31, 2008

(In Euro)

Donor and Programme/ Project	Grant Period (MM/DD/YY)	Grant Pledged		Expenditures		
		in Grant Currency	EUR Value	Prior Years	Current Year	Total
AUSTRALIA			801 841	189 645	56 717	246 362
Australian Agency for International Development (AusAID)						
Capacity Building Training of Election Administrators in Southern & East Africa	01-05-06 - 31-05-10	AUD 1,400,000	801 841	189 645	56 717	246 362
BELGIUM			200 000	156 068	43 932	200 000
The Ministry of Foreign Affairs						
Reconciliation and Traditional Justice: Learning from African Experiences	01-01-03 - 31-12-08	EUR 200,000	200 000	156 068	43 932	200 000
CANADA			215 160	-	88 938	88 938
International Development Research Centre (IDRC)						
South - South Capacity Building & Consultative Workshop	01-01-08 - 30-06-10	CAD 200,000	125 492	-	42 710	42 710
Canadian International Development Agency (CIDA)						
Promotion of the Participation of Women from Political Parties, through the Strengthening of their Skills, the Empowerment of Activists and a More Favourable Legislation	01-02-08 - 30-04-09	USD 98,840	89 668	-	46 228	46 228
EUROPEAN UNION			5 025 457	-	348 276	348 276
The European Commission						
Training and Technical Assistance Activities related to EU Electoral Observation Missions: Network for Enhanced Electoral and Democratic Support (NEEDS)	01-10-08 - 30-09-09	EUR 4,970,257	4 970 257	-	293 076	293 076
The European Parliament						
Electoral Gender Quota and their Implementation in Europe	17-01-08 - 17-10-08	EUR 55,200	55 200	-	55 200	55 200
GERMANY			600 000	-	387 060	387 060
Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) GmbH						
African Conference on Constitution Building	15-10-08 - 14-01-09	EUR 600,000	600 000	-	387 060	387 060
INTER-AMERICAN BANK			9 751	-	513	513
Regional Women in Power: Strengthening Representative Democracy	14-11-08 - 31-12-08	USD 13,755	9 751	-	513	513
ITALY			2 000 000	962 889	429 997	1 392 886
The Ministry of Foreign Affairs						
Promotion of the Democracy Assistance Dialogue in the Broader Middle East and North Africa Region	01-03-06 - open	EUR 2,000,000	2 000 000	962 889	429 997	1 392 886
JAPAN			11 561	4 136	5 304	9 440
Hiroshima University						
Pilot Programme for Human Resource Education in Peace Building	01-11-07 - 31-03-08	USD 16,964	11 561	4 136	5 304	9 440
THE NETHERLANDS			1 052 997	484 952	36 171	521 123
The Netherlands Ministry for Development Cooperation						
Development of Sustainable Democracy in Armenia: Enhancement of Election Administration and Political Participation	01-01-06 - 31-01-08	EUR 390,588	390 588	380 626	9 962	390 588
The Netherlands Institute for Multiparty Democracy						
Agora Democratica Programme in Ecuador	01-04-07 - 31-03-10	EUR 662,409	662 409	104 326	26 209	130 535

Donor and Programme/ Project	Grant Period (MM/DD/YY)		Grant Pledged		Expenditures		
			In Grant Currency	EUR Value	Prior Years	Current Year	Total
NORWAY				7 580 327	1 665 359	2 993 507	4 658 866
The Royal Ministry of Foreign Affairs							
Support for the Constitution Building Process in Nepal	15-11-06	15-11-09	NOK 12,350,000	1 458 781	446 208	335 922	782 131
Constitution Building Programme	01-01-07	31-10-08	NOK 10,570,644	1 271 755	721 490	550 264	1 271 755
Democratic Dialogues and Vision Building in Bolivia	24-04-07	31-12-09	NOK 18,500,000	2 106 522	171 633	671 916	843 549
Strengthening Links between Representative and Participatory Democracy in the Andean Region	24-04-07	31-12-09	NOK 20,200,000	2 338 454	223 606	1 151 322	1 374 928
Support to Constitution Building Processes Programme	01-07-07	31-12-07	NOK 985,000	122 213	102 422	1 479	103 901
Constitution Building Programme - Phase I	24-11-08	24-11-09	NOK 2,500,000	282 603	-	282 603	282 603
SPAIN				881 300	20 702	348 348	369 050
The Spanish Agency for International Cooperation (AECI)							
Political and Electoral Reforms for a Democratic Governance in Latin America	20-04-07	19-10-08	EUR 150,000	150 000	20 702	129 072	149 775
Reforms for a Better Democracy in Latin America	17-10-07	31-12-09	EUR 300,000	300 000	-	59 296	59 296
Democracy at the Local Level in the Arab World	01-07-07	31-08-09	EUR 431,300	431 300	-	159 980	159 980
SWEDEN				1 713 889	59 167	441 423	500 590
The Ministry of Foreign Affairs							
Challenges to Democracy Building	01-05-07	30-09-08	EUR 79,169	79 169	59 167	20 002	79 169
Democracy in Development: Building a More Effective EU Agenda. An Initiative Towards and Beyond Sweden's EU Presidency 2009	01-01-08	31-12-08	SEK 1,200,000	127 920	-	97 773	97 773
Democracy in Development	01-07-08	30-06-10	SEK 16,000,000	1 506 800	-	323 648	323 648
SWITZERLAND				335 891	174 613	71 422	246 035
The Swiss Federal Department of Foreign Affairs							
Developing a Reconciliation Resource Network	01-06-06	30-06-09	EUR 25,000	25 000	19 278	3 264	22 542
Swiss Junior Professional Officer for the Constitution Building Processes Programme	19-03-07	18-03-09	EUR 148,965	148 965	69 461	62 309	131 770
The Swiss Agency for Development and Cooperation							
Preparatory Phase for the first 'World of Direct Democracy' Conference WODD'08	10-12-06	30-06-09	CHF 260,000	161 926	85 874	5 849	91 723
UNITED KINGDOM				916 211	569 899	332 693	902 592
Department for International Development (DFID)							
Political Systems, Governance and Development in the Andean Countries	01-11-05	30-09-08	EUR 201,087	201 087	136 495	64 592	201 087
Foreign and Commonwealth Office (FCO)							
Political Parties Strengthening in Sudan	30-06-07	20-12-08	GBP 533,800	715 124	433 405	268 101	701 505
UNITED NATIONS				897 382	318 755	578 627	897 382
The United Nations Development Program (UNDP)							
The ACE Practitioners' Network	01-01-07	31-12-08	EUR 895,869	895 869	318 755	577 114	895 869
Workshop in Ecuador	01-01-07	30-03-07	USD 2,000	1 513	-	1 513	1 513
TOTALS				22 241 767	4 606 186	6 162 929	10 769 115

Schedule of Expenditure

For the years ended December 31, 2008 and 2007

(In EUR)

	2008			2007
	Core Contributions	Restricted Project Contributions	Total	Total
OPERATIONS	5 509 675	6 162 929	11 672 604	9 625 765
Personnel	3 220 590	1 759 025	4 979 615	4 387 485
Director of Operations	278 063	-	278 063	
Design of Democratic Institutions and Processes	1 058 069	890 655	1 948 724	
Democracy Assessment and Analysis	801 790	10 926	812 716	
Latin America Regional Programme	427 229	364 443	791 672	
Africa and the Middle East Programme	432 493	353 801	786 294	
Asia Programme	27 321	139 199	166 520	
New York Permanent Mission	195 627	-	195 627	
Programme costs	2 289 086	4 403 904	6 692 989	5 238 280
Integrated Democracy Building	427 004	828 110	1 255 114	
Electoral Processes	659 966	603 001	1 262 967	
Political Parties	153 087	1 312 573	1 465 660	
Constitution Building	33 191	1 354 393	1 387 585	
Gender and Democracy	165 391	145 847	311 238	
State of Democracy	126 726	159 980	286 706	
General Programme Support	723 720	-	723 720	
MANAGEMENT AND ADMINISTRATION	4 644 392	-	4 644 392	3 093 805
Personnel	2 548 607	-	2 548 607	1 637 077
Secretary General Office	630 225	-	630 225	
Communications and Publications	462 063	-	462 063	
Finance and Administration	1 456 320	-	1 456 320	
General Support	2 095 785	-	2 095 785	1 456 728
Secretary General Office	412 220	-	412 220	
Communications and Publications	263 263	-	263 263	
Finance and Administration	633 284	-	633 284	
Office Running Costs - Headquarters	392 227	-	392 227	
Office Running Costs - Regional Offices	394 791	-	394 791	
TOTAL EXPENDITURE	10 154 068	6 162 929	16 316 997	12 719 569