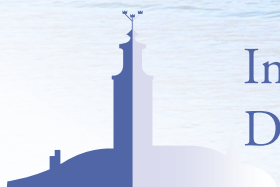


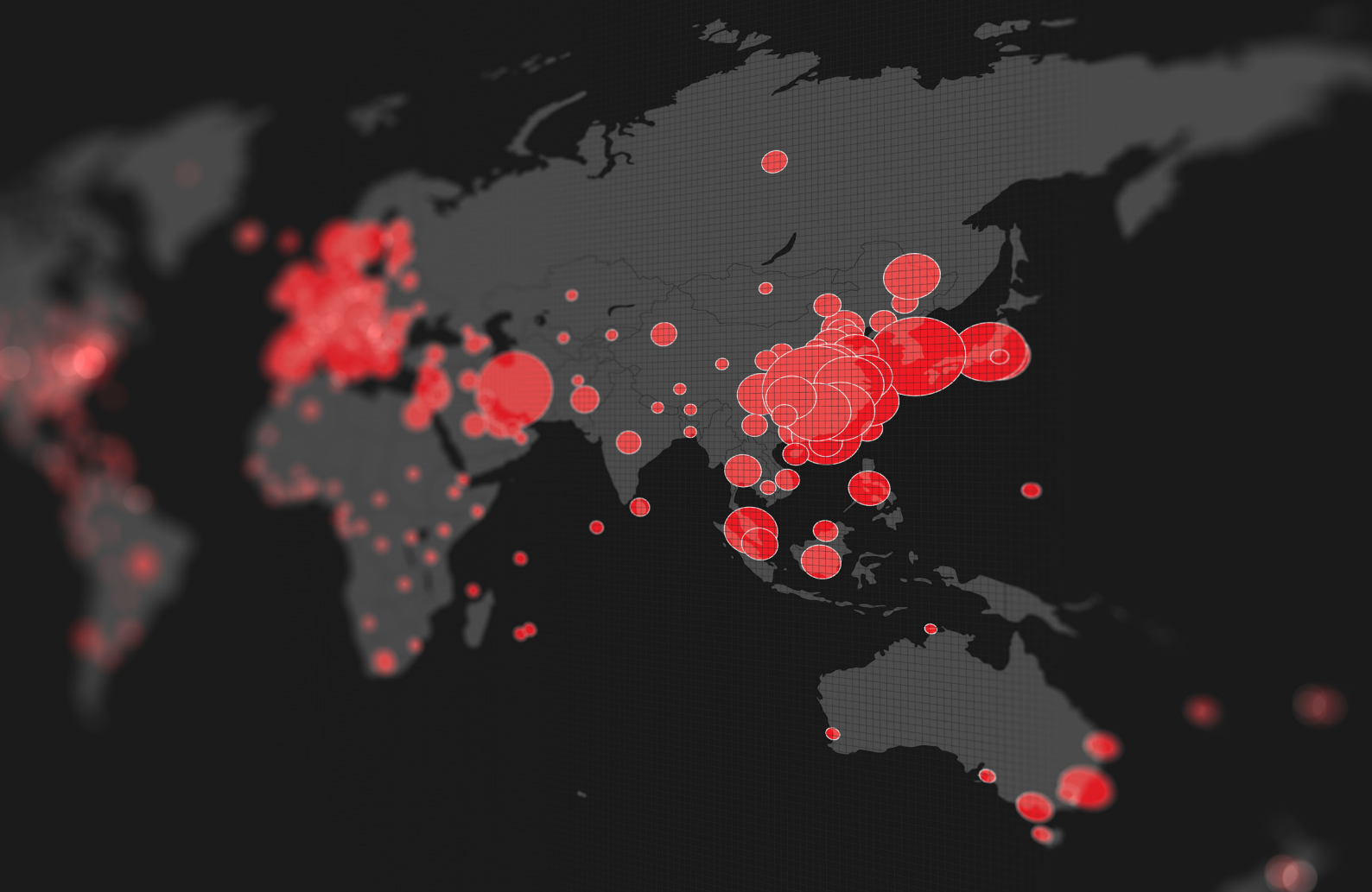
INSTITUTE FOR SECURITY & DEVELOPMENT POLICY



ANNUAL REPORT 2020



Institute for Security &
Development Policy



DEAR FRIENDS AND COLLEAGUES,

2020 will likely be remembered as the year that interrupted the modern world. The Covid-19 pandemic exposed, to a greater degree, many of the challenges that the international community faced before, such as, Sino-U.S. tensions, over-reliance on globalization, and the growth of nationalism. The pandemic might not have changed the world order, but it has highlighted many of its shortcomings.

Over this year, instability and conflicts have erupted in many areas of ISDP's expertise. Further progress in the Korean Peninsula was stalled, not only by the freeze in U.S.-North Korean relations, but also by the pandemic. International relations in East Asia have been further colored by

the continuing U.S.-China trade conflict and the crack-down on domestic dissent in areas such as Xinjiang and Hong Kong. Moreover, increased tension between Mainland China and Taiwan has switched ISDP's focus towards Cross-Strait relations. The pandemic has given states, such as China, a *carte blanche* to accelerate its domestic and international agenda without much opposition.

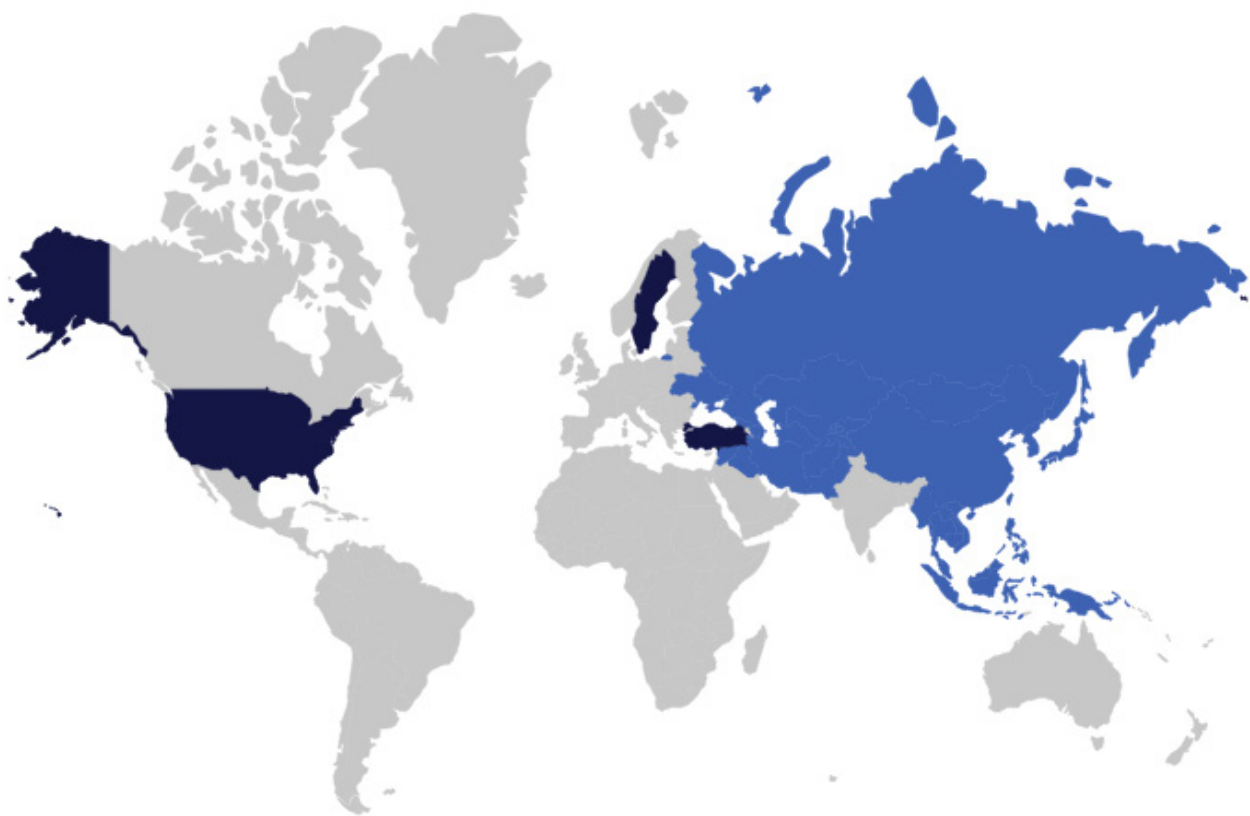
In Central Asia, developments have been more positive with Kazakhstan and Uzbekistan both remaining on the road to reform. Responding to these developments will require more engagement and a willingness to revise outdated assumptions about the region.

In the South Caucasus, the cease-fire that had lasted for a quarter century between Armenia and Azerbaijan finally collapsed, as many ISDP studies over the years had predicted. The return to war symbolizes a failure of international diplomacy, but also a fundamental shift in the region's dynamics.

In all these areas, the need for solid analysis, in-depth discussion, and dialogue is apparent. ISDP has continued to bridge the gap between academia and policymakers by providing up-to-date analysis and a forum for discussion and debate.

Sincerely,

Niklas Swanström &
Svante E. Cornell



- ISDP Country Representatives
- ISDP Focus Countries

ABOUT ISDP

ISDP is a Stockholm-based non-profit and non-partisan research and policy organization operating through two permanent programs: the Asia Program and the Silk Road Studies Program. Within these two principal programs, work at ISDP is organized in Centers and Projects. Centers have a long-term scope and focus on larger thematic areas whereas Projects are established to deliver specific outputs with a deeper and more narrowed focus, within a short-term framework.

The Asia Program conducts research into security and development challenges in the Asian region with a focus on the sub-regions of Northeast, Southeast, and South Asia. As such, it carries out policy-oriented and practical research, facilitates confidence-building exercises, and organizes conferences and seminars. The main objectives are not only to be a bridge between academia and policy but to provide strategic insights and policy recommendations to decision-makers in governments, international institutions, and the private sector.

The Silk Road Studies Program runs a Joint Transatlantic Research and Policy Center with the American Foreign Policy Council in Washington D.C. The Program focuses on the western part of Eurasia, Central Asia, the Caucasus, Turkey, and Eastern Europe. The main activities and research are focused on state-building and political development, security and conflict, as well as the relationships between the regions and the West.

UNDERSTANDING AND ENGAGING

For over a decade, ISDP has worked to expand the understanding of international affairs in its areas of focus. Concentrating on the inter-relationship between security, conflict, and development, ISDP showcases its research through analysis as well as practical activities aimed at promoting dialogue.

Since 2007, the Institute has provided independent analysis to policymakers and other relevant institutions. ISDP functions as a focal point for academic, policy, and public discussion of its focus areas through applied research,

publications, research cooperation, public lectures, and seminars.

ISDP strives to work closely with governments and independent organizations located in its regions of study and to pursue extensive collaborative projects, such as through exchanges of researchers and the organizing of joint conferences.

The Institute holds firm to the conviction that an understanding of international affairs requires a deep and comprehensive knowledge of the culture and history of the regions

and countries under study, and continuous interaction with a broad cross-section of these societies.

2020 IN NUMBERS

30+

MEDIA APPEARANCES

50+

EVENTS

160+

PUBLICATIONS

Independent thinking, strategic solutions

VISION & MISSION

ISDP's mission is to promote an understanding of the nexus between conflict, security and development in our regions of focus; inform and influence decision makers; provide analytical products and tools; and enable inclusive dialogue and debate.

ISDP's vision is to become a leading, inclusive and independent platform for analysis, dialogue and policy advice contributing to sustainable peace and development in its focus regions.

The Institute strongly believes in ethnic diversity, gender equality, and religious and political freedom and firmly stands by these values in all aspects of its work.



WAR AND INSTABILITY

Following many years of tensions, the unresolved conflict between Armenia and Azerbaijan erupted again in the summer of 2020. The conflict had remained largely frozen since 1994, when Armenia took control over the territory of Nagorno-Karabakh, a majority-Armenian enclave within Azerbaijan, and seven surrounding regions of Azerbaijan. International efforts to resolve the conflict had largely petered out in the past decade, leading to a growing conviction in Azerbaijan that only a military solution would allow it to restore control over occupied territories.

With the new Armenian government's rejection of the OSCE "Madrid principles", Azerbaijan launched an offensive in late September that, with Turkish assistance, led it to restore control over the occupied territories surrounding Nagorno-Karabakh as well as the citadel city of Shusha. A Russian-brokered ceasefire ended the conflict in early November, and the South Caucasus has now seen its most significant upheaval in the past thirty years.

Meanwhile, Georgia underwent a highly contested election that was held in the middle of the war be-

“

...the South Caucasus has now seen its most significant upheaval in the past thirty years.

tween its two neighbors. This election cemented the role of the Georgian Dream party at the helm of Georgian politics, but was subjected to heavy criticism by both domestic and foreign critics, leading to the widespread conclusion that there is a democratic backtracking in Georgia.

CAUCASUS

ISDP has long spent considerable energy to raise attention to the security situation in the South Caucasus, and particularly the much-ignored Armenia-Azerbaijan conflict. In 2017, ISDP director Svante Cornell published the first volume specifically studying the international politics of the conflict, emphasizing the key role of regional geopolitics in affecting the conflict's future. This proved prescient, given the largely unexpected policies of Turkey and Russia toward the conflict.

ISDP also sought to raise attention to the growing tensions in the region in 2020, through publications in the Central Asia-Caucasus Analyst as well as several forum events.

Only days before the war erupted, a webinar was held featuring Armenian and Azerbaijani speakers to discuss the growing tensions and possible ways out. Following the war, ISDP gathered several regional and international experts to debate the implications of the conflict, something that will un-

doubtedly require further analysis in 2021. The challenge at present is to find ways to move the region toward a lasting peaceful arrangement that can allow the nations of the Caucasus to work toward a cooperative future.



56%

turnout in Georgian
parliamentary elections

44bn

USD - Azerbaijan's
GDP

5000+

those killed in
Nagorno-Karabakh war

NEW HOPE FOR A BREAKTHROUGH IN THE NAGORNO-KARABAKH DEADLOCK?

CACI Analyst, April 2020



...Armenia's new leadership has sought to change the format of negotiations to include representatives of the "Nagorno-Karabakh Republic."

- Huseynov

GEORGIAN DREAM CLAIMS THIRD CONSECUTIVE VICTORY IN PARLIAMENTARY ELECTIONS

CACI Analyst, November 2020



....For the first time in the country's history, Georgia's ruling party has secured a third consecutive term in the parliamentary elections

- Konarzewska



TOWARDS REFORM IN CENTRAL ASIA

In early 2020, Central Asia appeared on a largely positive trajectory, with growing reform efforts in Kazakhstan and Uzbekistan, and a new momentum toward regional cooperation illustrated by the holding of a second yearly meeting of Central Asian presidents. The outbreak of the Covid-19 pandemic was therefore a most inauspicious development for the region.

As in other parts of the world, the outbreak risked leading to a reversal of reform efforts and the shutting down of borders. But while some of

that took place in Central Asia, the region's leaders largely sought a more forward-looking and cooperative approach to the management of the pandemic.

The region's two larger countries once again took the lead. Both Kazakhstan and Uzbekistan underscored their commitment to further reform, and Kazakhstan's new President Kassym-Jomart Tokayev delivered a bold new approach that sought to speed up political and bureaucratic reform, launching the concept of the "listening state." Uzbekistan, followed by Kazakhstan,

“

...the region's leaders largely sought a more forward-looking and cooperative approach to the management of the pandemic.

delivered much-needed assistance to the smaller and poorer states of the region. All in all, the pandemic may have strengthened rather than weakened the resolve of Central Asians for reform and regional cooperation.

CENTRAL ASIA

ISDP has long raised attention to the increasingly positive role of Central Asian states in world politics. In 2020, the Institute decided to explore in detail an aspect of this that has thus far yielded only limited attention: the region's growing role in international mediation.

Mediation is traditionally the domain of smaller, neutral European states. However, in recent years, Central Asian states have sought to take up a constructive role in managing the instability around them. Uzbekistan, for example, has played a signif-

icant role in bolstering the peace talks in Afghanistan. Even more significant has been the role of Kazakhstan, whose mediation of the Syrian civil war has garnered some international attention.

A closer look indicates a more systematic effort by Kazakhstan to make a positive contribution to conflicts as diverse as the Iranian nuclear controversy, the Ukraine-Russia conflict, and tensions between Turkey and Russia. ISDP's Silk Road Paper on Kazakhstan's Role in International

Mediation explores these initiatives, and concludes that the country has sought to manage the relations among the great powers surrounding Central Asia to alleviate tensions, but also to build support for its own sovereignty and independence in the process.



3rd

Kyrgyzstani Revolution of 21st Century

5th

5th reelection of Emomali Rahmon

71%

vote won by Nur Otan Party in Kazakhstan

UZBEKISTAN'S "SYSTEM RESET"

CACI Analyst, April 2020



...Another important component of Uzbekistan's "systems reset" are the independent and organized citizen initiatives that are grouped under the terms "NGOs" or "civil society."

- Aripov

RELIGION AND THE SECULAR STATE IN KYRGYZSTAN

Silk Road Paper, June 2020



...Kyrgyzstan's political project of secularism has had to confront and adjust to an increasingly diversified religious situation.

- Starr & Cornell



BOLD AND UNPREDICTABLE

Turkey's role on the international scene has continued to confound observers, and to pose delicate challenges for European and American policy-makers. The country's more assertive stance in international affairs, and President Recep Tayyip Erdoğan's increasingly hostile attitude to the United States and the EU, have led some to write Turkey off as a partner.

In parallel, however, Turkey has begun to project power outside its borders in a way that makes it an increasingly important interlocutor. Aside from military bases in Qatar and Somalia, Turkey has involved

itself directly in the civil wars in Syria and Libya, which brought it into confrontation with Russia.

Turkey's role in Syria is largely a result of cross-border dynamics between these neighboring countries. Its role in Libya has been more surprising, but reflects Turkey's intention to continue to affect the geopolitical balances in the Middle East and North Africa, something that has brought it into conflict also with Egypt, Saudi Arabia and the UAE.

But Turkey's involvement in the Black Sea region and the South Caucasus is per-

“

...Erdoğan's increasingly hostile attitude to the United States and the EU, have led some to write Turkey off as a partner.

haps the most unexpected aspect. Here, Turkey has begun to intrude directly on territories Moscow considers part of its sphere of influence, by its considerable involvement in the Azerbaijani military effort against Armenia, as well as its growing military cooperation with Ukraine.

TURKEY

ISDP has long aspired to help Western policy-makers understand Turkish domestic politics and foreign policy. Its Turkey Analyst was among the first to document Turkey's turn toward authoritarianism and Islamization over a decade ago, and has continued to provide context and analysis to developments in Turkey.

In recent years, ISDP has drawn attention to the shift under way in Turkish politics, with a growing turn toward nationalism. This development follows the shifts in domestic political

balance following the confrontation that tore apart Turkey's Islamist movement, that pitted President Erdogan against the preacher Fethullah Gülen. This conflict, which culminated in the failed July 2016 coup, led to a new alignment between Erdogan and Turkey's nationalist forces. Politically, Erdogan is now dependent on the nationalist party led by Devlet Bahçeli; in the bureaucracy, the positions vacated by Gülen followers have largely been filled by nationalists.

This new domestic balance to a large degree explains Turkey's growing preoccupation with issues that were previously marginal to President Erdogan's foreign policy – including the Eastern Mediterranean, the South Caucasus, and the Black Sea.



13

**countries with Turkish
Military presence**

54%

**Turkish citizens
wanted to join the EU**

27

**earthquakes
magnitude 5.0+**

WILL COVID-19 MIDWIFE A SOCIAL STATE IN TURKEY?

Turkey Analyst, April 2020



...Turkey is moving closer to Russia at a time when the West is beset by considerable turmoil...

- Karaveli

HAS TURKEY ABANDONED THE UIGHURS?

Turkey Analyst, November 2020



...Ankara's economic dependence on China and thus susceptibility to its pressure is rising, and it has led to a shift in Turkey's policy towards the Uighurs...

- Ramachandran



FURTHER ISOLATIONISM

The outbreak of the Covid-19 pandemic strongly impacted the geo-political environment on the Korean Peninsula during 2020. Most countries had to refocus inward in order to deal with the mayhem wreaked by this *force majeure* event.

Therefore, engagement on the Peninsula has reached its lowest point since the Singapore Summit. The stalemate reached after the summit failure in Hanoi was not resolved, and North Korea, already battered by natural disasters, wary of the disastrous damage that Covid-19 could have brought to the

country if spread, decided to impose harsh safety measures on itself by shutting down its borders.

Pyongyang attempted to recalibrate its negotiation strategy and adopted a wait-and-see stance, hence refraining from provocations that would cross Washington's red-line.

Although willing to help Pyongyang, South Korea saw all the proposals advanced by the Moon administration rejected, coupled with strong actions from the North Korean side, including; the destruction of the inter-Korean liaison office in Kaesong and the

“

...2020 has witnessed neither an amelioration nor a pejoration of the landscape of relations between Washington, Pyongyang, and Seoul.

killing of an ROK civil servant on the NLL. Regardless, South Korea also had to refocus inwardly to deal with Covid-19 and the various domestic issues that surfaced throughout the last few months.

KOREA

Even with the hurdles raised by Covid-19 on physical dialogue and the guest researchers' program, ISDP's Korea Center has kept working towards its main objectives. Through an array of online events covering issues of primary importance, to sustainable peace and development on the Korean Peninsula, the Center has continued consolidating its role as the central hub for policy-oriented Korea Studies in the Nordic region.

Moreover, the Center has strengthened its network with key stakeholders and organizations, with vested interest in the Korean Pen-

insula issues, including; hard and non-traditional security matters, the peace process, and development on the Peninsula.

The Center held two virtual multilateral dialogues, in June and October, co-organized with the Crisis Management Institute, based in Finland, with participants from the U.S., China, and South Korea. To stress the importance of development and the humanitarian situation in North Korea, the Center has organized an online forum on the topic, inviting distinguished panelists from the Swedish Red Cross and the North Korea Program at the Ko-

rean American Medical Association and the Hanns Seidel Foundation. In line with the security-oriented policy research of ISDP, the Center has organized an online forum together with the Korean Defense Veteran Association, inviting the former Commander General of the USFK and UNC and the former head of the Swiss delegation to the NNSC.



46bn

USD - ROK military expenditure

1

ROK-U.S. Large-scale military exercise

3.5m

USD - Total aid to DPRK to combat Covid-19

TOWARDS A NEW CONFLICT MANAGEMENT SYSTEM ON THE KOREAN PENINSULA: A MILITARY PERSPECTIVE

Focus Asia, July 2020



...The most probable cause of a serious military confrontation on the Korean Peninsula would be an accidental engagement that occurs in the DMZ...

- Engman

"A PEOPLE'S PEACE": INCLUSIVE PEACEBUILDING AND THE ROLE OF CIVIL SOCIETY IN KOREA

Focus Asia, September 2020



...Pursuing an "open policy" in which policy "will be completed through public participation and interaction to ensure that the policy can be fully understood, and made, by the people...

- Forss



STRAINED FOREIGN RELATIONS

If 2019 was a period of recurring overseas visits by Chinese top officials to expand and strengthen ties around the globe, 2020 was marked by a deteriorating image of China among Western countries, primarily due to Beijing's increasingly aggressive posture.

The Covid-19 pandemic dealt a significant blow to the Chinese government as it saw its global expansion curtailed by the virus. As the year progressed, the deeper the rift grew between an increasingly unpredictable U.S. administration and Beijing as the trade and technology war continued. Chinese

5G technology and investment drew ever harsher criticism and human rights abuses became much more frequent. Meanwhile, aggressive "wolf warrior" diplomacy espoused by Beijing's top diplomats further strained foreign relations.

On the domestic front, the disruptions caused by the Covid-19 crisis exacerbated the current economic slowdown. Against this backdrop, the leadership accelerated steps to rebalance the economy towards domestic consumption, introducing a new "dual-circulation" strategy to support growth. At the same time, the political crisis in

“

...The Covid-19 pandemic dealt a significant blow to the Chinese government as it saw its global expansion curtailed by the virus.

Hong Kong has been met with deeper frustrations by Beijing which implemented a controversial national security law in the city. Tensions have also grown across the Taiwan Strait, where the re-election of Tsai Ing-wen has highlighted the political stalemate between Beijing and Taipei.

CHINA

In 2020, the Stockholm China Center has pursued an in-depth and timely analysis of developments related to China, specifically tailoring our work to the changing global environment during the Covid-19 pandemic.

Throughout the year, the Stockholm China Center hosted several webinars covering key topics of focus such as disinformation, China-EU relations and Cross-strait relations, with the participation of international experts including Theresa Fallon, Vincent Chin-Hsiang Yao and Ivana Karaskov.

With a view to broadening our audience and contributing to a more nuanced understanding of China, the Center launched a new lecture series, which featured a discussion with Dr. Monika Gänssbauer on Western perceptions of China as well as a discussion on the history of Sino-Swedish relations by Dr. Ingemar Ottosson.

The Institute has sought to highlight developments in Taiwan, holding lecture series, hosting visiting scholars and publishing papers on the island's diplomatic history. The Center also hosted an international virtual conference on Chinese

and European perspectives for a global ethic.

Finally, the Center has contributed to ongoing academic and policy debates through the publication of in-depth analyses and short commentaries in line with our four key thematic areas, including Taiwan's foreign relations, China-EU relations, military developments as well as on the ideological landscape of China.



6.8%

GDP decline in Q1

140

countries now part of China's BRI

178bn

USD - Defense budget for 2020

EMERGING GIANT SHAKING UP THE EU? IMPACTS, CHALLENGES AND IMPLICATIONS OF CHINA'S INVESTMENT FRENZY IN EUROPE

Asia Paper, March 2020



...Chinese firm's foray into European markets entails far-reaching consequences for the competitiveness and technological leadership of European enterprises on the long term...

- Diallo & Swanström

TAIWAN-PARAGUAY RELATIONS: CONVERGENT TRAJECTORIES

Issue Brief, October 2020



...Beijing has sought to demonstrate the opportunity cost of Asunción's persistent recognition of the ROC...

- Tucker & Stünkel



CAUTIOUS CHANGE

Prime Minister Abe Shinzo's eight-year period as head of government began with the introduction of a "three arrow" policy which aimed at both vitalizing the economy and encouraging a new social structure, wherein women would achieve a greater role. Upon his retirement, and the subsequent election of Chief Cabinet Secretary Suga Yoshihide as his successor, the fiscal stimulus and monetary easing could indeed be considered as to a certain degree having had the desirable effects.

However, the ambition to stimulate a more active

role for women in society, as well as a higher nativity rate, had been less effective.

On the global scene, Japan has been steadily moving towards having a more important voice in international trade, not least through concluding large trade deals, such as the UK-Japan trade agreement and the RCEP (Regional Comprehensive Economic Partnership), the newly signed free trade agreement among fifteen nations in the Asia-Pacific region. Combined with the EU-Japan Economic Partnership Agreement, which went into force in February 2019,

“

...Japan has been steadily moving towards having a more important voice in international trade.

and the 2018 CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), which is an agreement between the eleven countries remaining after the U.S. President pulled the United States out of its predecessor, TPP. Japan is the only country which is a signatory to all of them.

JAPAN

The Japan Center has over the course of 2020 actively continued to expand its cooperation with other international institutes and organizations, such as the Sweden-Japan Foundation, the EIJS (European Institute of Japanese Studies), the EJEA (European Japan Experts Association), and the International Institute for Media and Women's Studies in Tokyo. It has contributed with articles for the Journal of Comparative Media and Women's Studies.

Together with EJEA, the Kawaga University in Japan, and the Fraunhofer Institute for Applied Tech-

nology (FIT), the Japan Center has, as a co-organizer, been actively involved in the preparations for a large international conference to be held in October 2021, in Kagawa, Japan: "Human-Centered Sustainability and Innovation for an AI-assisted Future".

The Center has in Co-operation with the Sweden-Japan Foundation also launched a special podcast - "Japanpodden" - which twice a month publishes interviews, panel discussions and special presentations on Japan-related subjects. The Center has also organized a number of webinars and special lec-

tures on the topic of Japan, with subjects ranging from human security, democracy, to social phenomena in traditional and modern Japanese societies.



997bn

USD - the initial budget for Japan's next fiscal year

5th

largest military budget worldwide

28%

of Japan's total population are 65+

JAPAN'S DEATH PENALTY SYSTEM: AN ANALYSIS ON THE POSSIBILITIES OF SUSPENDING OR ABOLISHING THE SYSTEM

Issue Brief, March 2020



...The international community has clearly stated its call for Japan to reconsider the death penalty system...

- Akimoto

CLOSE PARTNERS OR HESITANT DREAMERS? THE EU-JAPAN STRATEGIC PARTNERSHIP AGREEMENT (SPA)

Issue Brief, May 2020



...An agreement defending democracy and the rule of law between two economic powerhouses becomes more than just symbolic...

- Vargö

ORGANIZATION

ISDP BOARD

The ISDP Board consists of high-level professionals and convenes three to five times a year.

Anna Wieslander

Chairman of the Board

*Director for Northern Europe,
Atlantic Council*

Jan Mörtberg

*Member of the Royal Swedish Academy of
War Sciences*

Agneta Bladh

*Former State Secretary in the Swedish
Ministry of Education*

Per Storm

*General Manager and Managing Director,
EIT RawMaterials North AB*

Per Eklund

Deputy Chairman of the Board
Senior Fellow, ISDP

Olof Ehrenkrona

CEO at Stockholms Hjärnverk AB

ISDP OFFICE

Niklas Swanström is Executive Director and Svante Cornell is Director of the Institute, while Emma Petersen is the Chief Financial Officer. ISDP's main office is located at Västra Finnbodavägen 2, Nacka, Stockholm, Sweden.

In 2020, ISDP consisted of 17 staff members, 11 men and 6 women.

INTERNSHIP PROGRAM

Each semester ISDP accepts four to six interns from all over the world to assist in the work of the Institute. The ISDP internship program offers the interns work experience in an international environment, encourages them to write and publish with staff members, and shoulder progressive responsibilities within the organization. During 2020, the 7 individuals from 5 countries enrolled in the internship program were:

Anna-Carina Barthelmes
Stockholm China Center

Erik Danielsson
Stockholm Korea Center

Jacopo Polverino
Stockholm China Center

Jinsu Kim
Stockholm Korea Center

Lea Heck
Stockholm Japan Center

Jakob Ranglin-Grissler
Stockholm Japan Center

Nina Lundqvist
Stockholm Japan Center

VISITING FELLOWS PROGRAM

ISDP regularly invites visiting fellows to undertake research at the Institute. The Visiting Fellows Program provides opportunities for professional development to scholars and other specialists and networking opportunities in Sweden. During their stay, fellows conduct research on a topic related to the Institute's core areas. Through 2020 the following individuals participated in the Visiting Fellows Program:

Gwak Gyeong Hwan
Ministry of Foreign Affairs, South Korea

William C. Chung
*Institute for National Defense and Security
Research, Taiwan*

Kang Hyun Jung
*Ministry of Land, Infrastructure and
Transport, South Korea*

Yejin Shin
Ministry of Health and Welfare, South Korea

Lee Suhun
Ministry of Unification, South Korea

Hiroki Sekine
*Japan Bank for International Cooperation
(JBIC)*

Kim Heungkyu
Ajou University, South Korea

Gyeong Hwan Gwak
Ministry of Foreign Affairs, South Korea

Jo Hyunhae
*Ministry of Public Administration and
Security, South Korea*

In-bum Chun
Korea Freedom Foundation, South Korea

Muhammad Jawad Hashmi
University of Gujrat, Pakistan

RECRUITMENT

During 2020, ISDP had the pleasure of recruiting the following new staff members:

Larissa Stünkel

Junior Research Fellow

Frida Lindberg

Junior Research Fellow

Ebba Isaksson

Outreach Coordinator

Jon Thunqvist

Senior Research Fellow

Riccardo Villa

Project Coordinator

FINANCIAL REVIEW

INCOME

The Institute has successfully maintained a diversified income base. The funding from the Swedish Ministry for Foreign Affairs accounted for around 50 percent of the total revenue, a total of 13 MSEK. That a funder by itself stands at 50 percent for 2020 is due to the higher proportion of unutilized project funds from other funders for activities that could not be carried out in 2020 because of the Covid-19 outbreak. 5 percent of the revenue is linked to the Institute's taxable operations and the remaining 45 percent can be allocated from other funders.

COSTS

During 2020, the focus has been on continued cost control. The Institute's greatest asset is its human resources. Personnel costs therefore continue to be a large part of the Institute's overall budget. It is vital that the Institute continues and develops this primary resource to maintain its current position as an attractive think tank for Swedish and international funders.

RESULT

For 2020 the Institute has a positive result of 99 TSEK.

LOOKING AHEAD

The Institute's long-term budget and prognosis indicates that activities can proceed with continued effective results. ISDP will continue to focus on a diversified funding and create long-term, stable relationships with all stakeholders, as well as consistently aim to achieve high-quality outputs. Funding from the Ministry for Foreign Affairs Sweden, Japan Bank for International Cooperation, Korea Foundation, and the Ministry of Foreign Affairs of Japan, amongst others, will continue into 2021.

AUDITOR

The auditor of ISDP is Micaela Karlström at MOORE Allegretto.

FIVE-YEAR FINANCIAL OVERVIEW

	2020	2019	2018	2017	2016
Income*	12 999 133	13 319 078	14 276 102	17 693 389	19 772 263
Expenses**	12 900 115	13 175 042	14 144 056	17 435 253	19 289 181
Reported Results	99 018	144 036	132 046	258 136	483 082

*Incoming Resources including Revenue, Government Grant and Other Grants

**Resources Expended including Result (EBIT), Financial Revenue and costs, Appropriations and Tax

INCOME STATEMENT

	2020	2019
Revenue	693 752	673 132
Government Grants	9 500 359	9 092 729
Other Grants	2 805 022	3 553 217
<i>Total</i>	12 999 133	13 319 078
Costs		
Personnel Costs	-8 916 857	-7 997 716
Other Costs	-3 752 175	-5 069 835
Result (EBITDA)	357 101	251 527
Depreciation	-151 827	-124 737
Result (EBIT)	205 274	126 790
Interest, interest cost etc.	106 256	17 246
Tax	-	-
Net Result	99 018	144 036

BALANCE SHEET

ASSETS	2020-12-31	2019-12-31
<i>Fixed Assets</i>		
Inventories	159 415	101 304
<i>Total</i>	159 415	101 304
<i>Current Assets</i>		
Account receivables	-	27 461
Other receivables	-	32 039
Prepaid expenses and accrued income	854 863	1076 060
Liquid assets	3 300 525	1 734 701
<i>Total</i>	4 155 388	2 870 261
TOTAL ASSETS	4 314 803	2 971 565

LIABILITIES AND EQUITY

<i>Current Liabilities</i>		
Accounts payable	655 035	352 961
Tax liabilities	29 714	16 189
Prepaid income	1 777 359	1 271 850
Other current liabilities	496 023	252 155
Interim liabilities	1 091 888	912 614
<i>Total</i>	4 050 016	2 805 769
<i>Equity</i>	264 787	165 769
<i>Total</i>	264 787	165 769
TOTAL LIABILITIES AND EQUITY	4 314 803	2 971 565

FUNDERS IN 2020

ISDP's work is strengthened by engaging with funders, who share the Institute's interests in interpreting and informing the policy debate. The support provided by funders to the Institute is invaluable and allows ISDP to expand and improve its work, and to sustain its independence. ISDP acknowledges and appreciates the funders' support and are humbled by their confidence in the Institute's work. ISDP seeks to cooperate with its funders concerning projects and deliverables. Nonetheless, ISDP does not accept influence or instructions by funders with regard to content or conclusions drawn in its analytical work or concerning the division of responsibilities in ongoing projects.

This list includes core funding and project support, as well as commercial contracts during the course of 2020.

FUNDERS

Development, Concepts and Doctrine Centre	Mitsubishi Corporation Stockholm
Japan Bank for International Cooperation	Taipei Mission in Sweden
Korea Foundation	U.S. Department of State
Ministry for Foreign Affairs, Sweden	
Ministry of Foreign Affairs, Japan	
Ministry of Foreign Affairs, Kazakhstan	
Ministry of Unification, Republic of Korea	

IMAGE CREDIT

Front page: "Stockholm, Sweden cityscape from the port."

by EBS Professional , licenced under Shutterstock Editorial License.

Page 1: "Map of the spread of the covid-19 virus by countries in perspective screen"

by Sebestyen Balint, licenced under Shutterstock Editorial License.

Page 4: "Armenian Armed Forces armoured fighting vehicles"

by Gevorg Ghazaryan, licenced under Shutterstock Editorial License.

Page 6: "Astana Kazakstan"

by evgeny kz, licenced under Shutterstock Editorial License.

Page 8: "Turkish President Recep Tayyip Erdogan."

by Christos S, licenced under Shutterstock Editorial License.

Page 10: "North Korean leader Kim Jong-un at the memorial of eternal fire in Vladivostok"

by Alexander Khitrov, licenced under Shutterstock Editorial License.

Page 12: "China, Chengdu, Chunxi Rd"

by IHOR SULYATYTSKY, licenced under Shutterstock Editorial License.

Page 14: "Yoshihide Suga"

by Casino Connection, licenced under Flickr Creative Commons.

Icons are from Flaticon and were designed by the following artists:

Creaticca Creative Agency, Cursor creative, Freepik, Geotatah, Good Ware, Kiranshastry, monkik, Pixel perfect, Phatplus, Smashicons.

All are licensed under Flaticon Basic License.

Institute for Security and Development Policy

Västra Finnbodavägen 2
131 30 Nacka
Sweden

www.isdp.eu
info@isdp.eu
[@ISDP_Sweden](https://www.instagram.com/ISDP_Sweden)