



سكربتار با حقوق الإنسان
والقانون الدولي الإنساني
HUMAN RIGHTS & INTERNATIONAL
HUMANITARIAN LAW SECRETARIAT



Financial Report

2015

Our Overall Objective:

"...to contribute to the effective realisation of adherence to human rights and international humanitarian law in the occupied Palestinian territory (oPt) and to influence the behaviour of the relevant duty bearers..."

NIRÁS



© June 2016

The Human Rights and International Humanitarian Law Secretariat in the occupied Palestinian territory (hereafter The HR/IHL Secretariat or "Secretariat"), is a project implemented by NIRAS Sweden AB – Sweden, and the Institute of Law, Birzeit University, Birzeit, Palestine, with generous support from the governments of Sweden, Denmark, the Netherlands, Switzerland, Norway joined in 2016.

1. INTRODUCTION AND PURPOSE

The Secretariat to Support Human Rights (HR) and International Humanitarian Law (IHL) operating in the occupied Palestinian territory (hereafter the "Secretariat") is pleased to submit this narrative financial report as an integral part of the annual report covering the period from January 1, 2015 until Dec 31, 2015.

Annex 1 of this report contains the budget follow-up matrix that provides details about: (i) the Secretariat budget as in the agreements with the Donors; (ii) the accumulated remunerated expenses for the second year of the implementation period ending December 31, 2015; and, (iii) the budget balances.

The following are important notes to have in mind while reviewing this financial report:

- The reported number are all in USD unless otherwise stated;
- The budget of the Secretariat is not divided by year but rather by phases. The first is the Inception which has finished, the second is a three year budget for the Implementation Phase, and the third is the Closeout budget.
- The Secretariat budget is divided into two main categories: fees and reimbursable(s).
- The Secretariat does not need the donors' approval for modifications not exceeding 10% within each individual budget category. This means for instance under reimbursable, the Secretariat has four subcategories with flexibility to move up to 10% between these subcategories without affecting any of these subcategories' total +/- by more than 10%.
- The Secretariat has 100% flexibility under each subcategory of expenses.

2. VARIANCE AND VAT

The Budget Follow up in Annex 1 shows that there are no variances within any of the **two main categories**: 'fees', and 'reimbursable,' nor within any of the four subcategories under the 'reimbursable cost', which are: office rent and running cost, procurement, travel hotel and per diem, and finally workshop, training, audit and miscellaneous.

NIRAS has acquired 0 VAT status in Palestine on March 29, 2015. Before that date the Secretariat has been invoicing the donors with VAT after acquiring approvals of the lead donor – Sweden on a case-by-case request. Since acquiring 0 VAT status, the Secretariat has not paid any VAT that is part of the 0 VAT procedures of the Palestinian Authority.

As in 2014, variance in subline item pertaining to local travel, taxi and mileage claims is due to the fact that the Secretariat has not rented a car because the staff members have been using their own cars, or using taxis. Therefore, there were no expenses under the budget item pertaining to car rent. Both line items are under the same subcategory.

3. INTEREST RATES ON THE ACCOUNT

The Secretariat separate bank account is not an interest bearing account. Therefore there are no interest rates reported on the accounts.

4. ACCRUALS AND NON-INVOKED FEES IN 2015

As mentioned above and as required by the donors, the Secretariat's reports and invoices are on cash-bases, and information in Annex 1 represents invoiced expenses until December 31, 2015. During 2015 the amount of USD 90,188 are accruals from 2015 that were paid to consultants and service providers. These accruals are for national short term consultants for the ToT and HRBA activities.

According to the Contract between the Lead Donor and the Managing Partners, the fees were adjusted based on article 9.3 of the Contract. The contract stipulates that 'Fees shall be adjusted annually. The first adjustment shall be made twelve (12) months after the Contract enters into force. Adjustments shall be made in accordance with the Swedish Index for consultancy services K84: "Faktorprisindex för konsulttjänster K84") on approval of the donors. Base month will be the index from March 2013". This will apply both to inflation and deflation.

Based on the change of the K84 Index March 2013 to March 2015 the price was adjusted by 2.73% (during the first period March 2013 – March 2014) and modified to a total of 4.42% during the two periods. The following table was effective from August 1, 2015. Rates are rounded to whole USD.

Position/Name	Unit	Old Rate (2013) (USD)	Rate 2014 (USD)	New Rate 2015 (USD)
Programme Director, ██████████	Hour	140	144	146
Secretariat Manager, ██████████	Month	10,000	10,273	10,442
Fund Manager, Musleh, ██████████	Month	8,000	8,218	8,354
Financial Manager, ██████████	Month	8,000	8,218	8,354
Communication Officer, ██████████	Month	8,000	8,218	8,354
CSO Facilitator/Cap Build Adv, ██████████	Month	8,000	8,218	8,354
CSO Facilitator / Cap Build Adv, ██████████	Month	8,000	8,218	8,354
M&E Advisor, ██████████	Hour	40	41	42
Finance & Adm. Officer, Gaza, ██████████	Month	5,000	5,136	5,221
National short term consultants	Hour	45	46	47
International short term consultants	Hour	180	185	188
Office Assistant Secretariat in Ramallah	Month	2,200	2,260	2,297
Office serv staff & driver, secr. in Ramallah	Month	1,400	1,438	1,462
Office Service staff Gaza, ██████████	Month	1,600	1,644	1,671

5: BREAKING DOWN

Table 5.1: Committed Grant Funds by the Secretariat:

Breakdown	# of CSOs	Allocated Funds per Grant Type	Committed Funds	Balance
Core Funding Grants for 2014- 2016	24	10,391,520	10,480,000	(88,480)
Project Funding Grants (Cycle 1 & 2)	35	2,597,880	2,423,139	174,741
Emergency Funding – Gaza 2014 (9 core funded CSOs)		277,477	240,037	37,440
Subtotal – Grants Fund	59	13,266,877	13,143,176	123,701

Table 5.2: Secretariat Grants - Committed Amounts vs. Actual Disbursements:

Type of Grant	# of CSOs	Total Committed	Committed for 2015	Actual Disbursed During 2015	Actual Disbursed Through 2015	Balance for 2015	Balance for Total Committed
Core Funding Grants (2014 – 2016)	24	10,480,000	3,565,408	3,555,381*	6,237,856	700,681	4,242,144
Project Funding – first call (2014 – 2015)	19	1,181,323	0	969,473	969,473	0	211,850
Project Funding – Second call (2015 – 2016)	18	1,241,816	1,241,816	0	0	1,241,816	1,241,816
Emergency Funding –Gaza 2014	9	240,037	0	15,000	239,867	0	170
Grand Total	70	13,266,877	4,807,224	4,539,854	7,448,187	1,942,497	5,695,980

Table 5.3 Breakdown per Programme Component:

Programme Component	Total Budget	% of Overall Programme Budget (as in the Programme Budget)	Implementation Budget (3 year Budget)	Actual Disbursements and Expenses (Jan – Dec 2015)	Actual Disbursements and Expenses Through Dec 2015 (2013 – 2015)	Balance for the Implementation Phase	Percentage of Overall Actual Disbursements (Jan – Dec 2015)
Grant Funds	13,266,877	74.52%	13,266,877	4,539,854	7,448,187	5,818,690	83.3 %
Capacity Development & Policy Dialogue	1,951,200	10.96%	1,552,563*	279,410	488,148	1,064,415	5.1 %
Programme Management	2,584,400	14.52%	1,972,962*	634,241	1,777,602	195,360	11.6 %
Total	17,802,477	100%	16,792,402	5,453,505	9,713,937	7,078,465	100 %

* Note that these numbers are not according to original budget. Both items have been increased by USD26,962.5, which represent 50% of the surplus from the Inception Phase. These numbers are provided for the sake of comparison only.

* Note also that staff timesheets allow staff to report time spent on each of the four components of the programme. Management of the Secretariat includes the two components of administration/management and fund management. Capacity development and policy dialogue are the other two components listed above.

Table 5.4 Breakdown of Programme Management Component During the Implementation Phase:

Programme Management Component	Total Budget	Implementation Budget (2)	Disbursements – Implementation Phase period 2015 (Jan. -Dec. 2015)	Disbursements – Implementation Phase period through 2015 (3)	Remaining – Implementation Phase	Disbursements as a Percentage of the Total Implementation Phase Budget. (4) = (3)/(2)
Fees	3,855,600	3,019,870	812,040	1,514,681	1,505,189	50%
Reimbursable costs	680,000	505,655	101,610	175,353	330,302	34.6%
Total	4,535,600	3,525,525	913,650	1,690,034	1,835,491	47.9 %

Analysis of the figures above clearly shows that despite the passage, by December 31, 2015, of 23 months out of the 36 months of the implementation phase, or about 64% of the implementation period, the management cost at that moment in only 47.9%, less by 16% than expected.

Table 5.5 Contribution of total donor's funding & Actual amounts received:

Donor	Currency	Donor Budgets	Amounts Received To-date in Local Currency	Actual Amounts Received From Donors (in USD, After Conversion)	% by Donor**
Switzerland	Swiss Franc (CHF)	3,100,000	2,125,000	2,276,494	23%
Sweden	Swedish Kroner (SEK)	30,700,000	20,700,000	2,749,071	27%
The Netherlands	US Dollars (USD)	2,900,000	1,485,046	1,485,046	15%
Denmark	Danish Kroner (DKK)	34,000,000	20,500,000	3,461,990	35%
Grand Total in USD				9,972,601	100%

** Please note that the conversion amounts of budget received from the donors for emergency funding in 2014 is 277,477.

6: CURRENCY VARIANCE

2015 has featured a sharp decrease of currency rates (compared to USD) of two of the Secretariat donors. As of Dec.31, 2015, the currency exchange rates have affected the budget by 656,849 USD loss compared to how the USD budget of the Secretariat was converted by the donors into their own currencies in the Co-financing Agreement, and the individual contracts with NIRAS. The actual and expected losses in budget due to currency exchange rates is expected to increase in 2016 to the total amount of USD1,513,370. See Annex 2 for details.

This issue has been reported to the lead donor Sweden, because this budget deficit constitutes almost half the amount allocated for the second project funding cycle. Instruction came to the Secretariat to go ahead with signing grant agreements with the partners of the second project funding cycle.

ANNEX 1 BUDGET FOLLOW-UP

BUDGET FOLLOW-UP - SECRETARIAT HR-IHL

December 2015

NIRAS

Position/Name	Budget		Accumulated			Budget balance	
	TOTAL	IMPL. REV.	2014 audit	2015 Year	Total	IMPL. REV.	TOTAL
Long Term Professional							
Programme Director,	369,600	185,780	211,260	92,078	303,338	66,588	66,264
Secretariat Manager,	440,000	314,091	165,455	115,980	281,435	147,377	158,565
Fund Manager, Musleh, Hwaitat,	336,000	260,364	123,091	83,934	207,025	133,390	128,975
Financial Manager,	352,000	252,727	131,091	89,006	220,097	120,281	131,903
Communication Officer,	336,000	269,818	100,000	48,892	148,892	171,479	187,108
CSO Facilitator/Cap Build Adv,	336,000	266,182	103,636	87,259	190,895	149,405	145,105
CSO Facilitator / Cap Build Adv,	336,000	263,636	122,543	93,894	216,439	128,090	119,561
M&E Advisor,	57,600	32,000	12,800	28,816	41,616	3,600	15,984
Finance & Adm. Officer, Gaza,	210,000	170,413	72,031	55,346	127,377	85,773	82,623
Short Term Professional							
National short term consultants	237,600	237,600	54,000	31,730	85,730	166,348	151,870
International short term consultants	633,600	596,160	41,760	45,877	87,637	561,984	545,963
Long Term Support Staff							
Office Assistant Sec. Ramallah,	105,600	84,800	29,859	20,291	50,160	49,678	55,440
Office serv & driver, sec. Ramallah,	67,200	56,700	9,545	10,014	19,559	42,778	47,641
Office Service staff Gaza,	38,400	29,600	11,927	8,925	20,852	16,608	17,548
SUBTOTAL FEES	3,855,600	3,019,870	1,189,011	812,040	2,001,051	1,844,370	1,654,549
REIMBURSABLE EXPENSES							
1. Office, Rent and Running Costs							
Office rent, Ramallah and Gaza	73,331	55,800	30,548	20,409	50,959	32,539	22,276
Internet, telephone, mobile phones, etc.	34,064	27,000	10,910	7,989	18,899	14,471	15,165
Electricity, water, cleaning	23,335	18,000	8,324	6,291	14,615	6,346	8,720
Office consumables	11,384	9,000	3,866	4,771	8,637	3,584	2,747
Back-up fac soft/hardw., maint., upgr., servers	26,764	18,000	7,914	8,398	16,312	7,785	10,452
Printing material etc.	30,245	24,000	9,140	7,776	16,916	17,604	18,378
Subtotal Office, Rent and Running Costs	199,123	151,800	70,698	50,638	121,324	84,325	77,776
2. Procurement							
Computers	43,240	25,400			0	43,240	43,240
Office copy machine, printer, projector, etc.	0	0			0	0	0
Office furniture and other equipment	29,282	0	47,131		53,839	-21,566	-24,557
Subtotal Procurement	72,522	25,400	47,131	6,708	53,839	21,674	18,683
3. Travel, Hotel, Per diem							
International flights, incl. to/from airports	49,230	40,000	8,988	3,375	12,363	35,249	36,067
Vehicle rent	58,890	50,400	0	0	0	50,400	58,890
Vehicle fuel	14,790	12,600	0	0	0	12,600	14,790
Local travel, taxi and mileage claims	5,863	3,600	10,156	6,567	16,723	-8,312	-10,860
Hotel, Intln STC & "field visits"	56,602	52,000	5,778	1,178	6,956	46,646	49,646
Per Diem	43,383	37,800	6,849	2,290	9,139	32,768	34,224
Meal costs, "field visits"	4,623	4,000	123	488	611	3,585	4,012
Subtotal Travel, Hotel, Per diem	233,181	200,400	31,894	13,899	45,791	172,446	187,388
4. Workshop, Training m. Audit & Misc.							
Workshops, training and other meetings	85,174	68,053	13,336	16,285	29,621	50,931	55,553
Audit	60,000	45,000		14,083	14,083	40,701	45,917
Miscellaneous, unforeseen	30,000	15,000	29	0	29	14,971	29,971
Subtotal Workshop, Training m. Audit & Misc.	175,174	128,053	13,366	30,367	43,733	106,603	131,441
SUBTOTAL REIMBURSABLE EXPENSES	681,000	505,653	163,088	101,612	264,700	305,448	415,300
GRAND TOTAL, fees and reimbursables	4,535,600	3,524,523	1,352,099	913,651	2,265,750	2,210,818	2,269,850
GRANT FUNDS	19,266,671	19,266,671	2,908,333	4,538,854	7,448,107	7,891,569	5,811,600
GRAND TOTAL INCL. GRANT FUNDS	17,802,471	16,742,401	4,280,432	5,451,505	9,713,857	10,111,387	8,081,450

Payments								
Date	Donor	Currency	Amount	USD amt.	Bal. USD	Summary	% of total contribution	
2013/11/12	NL	USD	250,000	250,000		CH	2,726,194	28%
2013/12/30	DK	DKK	10,000,000	1,724,435		DK	3,461,990	35%
2014/01/17	CH	CHF	100,000	108,788		NL	1,485,046	15%
2014/04/08	CH	CHF	950,000	1,030,780		SE	2,749,071	28%
2014/04/14	SE	SEK	10,000,000	1,515,163				
2014/11/06	NL	USD	875,000	875,000				
2014/11/10	DK	DKK	10,000,000	1,655,869				
2014/11/19	CH	CHF	100,000	102,222				
2014/11/25	SE	SEK	700,000	93,514				
2014/12/12	DK	DKK	500,000	81,686				
2015/08/28	CH	CHF	975,000	1,019,149				
2015/11/09	SEK	SEK	10,000,000	1,140,394				
2015/12/08	USD	USD	360,000	360,000				
Total				9,972,601	9,972,601	Total	9,972,601	100%



ANNEX 2 CURRENCY VARIANCE CALCULATION

Annex 2: Calculation of currency variance per donor committed fund - end of December 2015 (Updated 7 March 2016).

Donor	Currency	budget/amounts in local currency to CPA	Amount received to date in local Currency	Amount not received yet in local currency	rate in budget per 1\$1	App. Exchange according to budget	Actual Amount received from Donor (4/31) as of Dec-31/15	Amount in US-Trialand try	amount according to official rate	Loss and Gain (loss)	Amount to be received to 31/12/15 if using CONSOLIDATED budget from (1)	Trialand try rate per 1\$1	Amount to be received in USD using budget rate (1)	Expected Loss in currency variance (except 2011)	expected Total loss / Gain with end of implementation phase	
Switzerland	CHF	1000,000	2205,000	975,000	0,790000	318798	2,174,217	0,8304	2,181,579	4,268	1,028,316	0,8988	984,343	(89,779)		
Sweden	SEK	30,000,000	20,000,000	10,000,000	6,2000	474488	2,655,557	7,58139	3,164,507	(609,009)	1,582,278	6,5016	1,179,349	(460,029)		
The Netherlands	USD	1,625,000	1,485,046	2,139,954	1,0000	382800	1,485,046	1,00000	1,489,046		2,139,954	1	2,139,954			
Denmark	DKK	34,000,000	20,000,000	14,000,000	5,401	497048	3,380,304	9,51663	3979,791	(150,487)	2,439,944	6,3029	2,088,459	(410,718)		
							17460075	9,495,124			675,000					
Total Received							277,877	9,972,491	Emergency Funding							





سكترتار با حقوق الإنسان
والقانون الدولي الإنساني

HUMAN RIGHTS & INTERNATIONAL
HUMANITARIAN LAW SECRETARIAT



**OUR OVERALL
OBJECTIVE**

“...to contribute to the effective realisation of adherence to human rights and international humanitarian law in the occupied Palestinian territory and to influence the behaviour of the relevant duty bearers...”



Ramallah:

Ras Al-Tahouneh St, near Al-Muqata'a
Al-Bireh, Palestine
Phone: 02 297 4563/4
Fax: 02 297 4565

Gaza:

Tomouh Building (Jawwal), Al-Jala'
Gaza City, Palestine
Phone: 08 288 3115
Fax: 08 288 3114

info@RIGHTSecretariat.ps
www.RIGHTSecretariat.ps