



سکرٹاریٹ برائے حقوق الإنسان  
والقانون الدولي الإنساني  
HUMAN RIGHTS & INTERNATIONAL  
HUMANITARIAN LAW SECRETARIAT



# Modified Financial Report

13 April 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..."*

**NIRAS**



© March 2015

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 NATURA AB – Sweden, and the Institute of Law, Birzeit University, Birzeit, Palestine, with generous support from the governments of Sweden, Denmark, the Netherlands and Switzerland.

*Disclaimer*

The views expressed in this publication do not necessarily reflect the views of NIRAS NATURA AB, Birzeit University, or the donor governments.

## 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 February 1, 2014 until Dec 31, 2014.<sup>1</sup>

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 first year of the implementation period ending December 31, 2014; 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.
- The amount of 53,925 was surplus from the Inception Period that was added to Implementation Budget of the Secretariat upon the approval of the donors. The surplus has been added in the budget follow up under the column called Revised Implementation. The surplus was broken down and added to the following line items of the budget upon agreement with the lead donor:
  - 34,270 USD were fees from the Inception that were moved to the fees category in the Implementation Budget;
  - 3600 USD were added to subcategory (1) of Office Rent and Running Costs;
  - 23,000 USD were added to subcategory (2) Procurement; and,
  - 19,655 USD were added to subcategory (4) Workshops, Training meeting, Audit & Miscellaneous.
- The Secretariat's financial reporting is a cash-based, and therefore the reporting is on remunerated expenses to date. Being 'cash-based' means those expenses that were invoiced and remunerated during the reporting period. This system is used because NIRAS is required under the agreements with the donors to only invoice actual expenses and not 'accruals.'

## 2. VARIANCE

---

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.

As mentioned under the challenges section in the Annual Report, the Secretariat has been invoicing the donors with VAT after acquiring approvals of the lead donor – Sweden on a case-by-case request. To date, the Secretariat has invoiced 10,000 USD of VAT upon the approval of the lead

---

<sup>1</sup> Note that the Inception Period started on July 15, 2013, and end of January 31, 2014.

donor. The Secretariat does not have a Zero VAT Status yet. See section 7.1.1 in the Annual Narrative Report for more information and description of this challenge.

The variance was in the line 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 account. Therefore there are no interest rates reported on the accounts.

### 4. ACCRUALS AND NON-INVICED FEES

As mentioned above and as required by the donors, the Secretariat's reports and invoices are on cash-based, and information in Annex 1 are invoiced expenses until December 31, 2014.

However, during this reporting period, the amount of 16,640 is accruals under the local consultant fee of the Secretariat's M&E advisor, Mustafa Khawaja. The amount is for 52 days of work which will appear in March 2015 budget follow-up report.

In addition, according to Amendment 1 to the Contract between the Lead Donor and the Managing Partners signed in October 2014, the fees were adjusted based upon article 9.3 of the Contract. The Amendment 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.

The adjustment of the fees shall be made in writing as an amendment to the Contract in order for the new fees to enter into force.

Based on the change of the K84 Index March 2013 to March 2014 the price was adjusted by 2.73% increase. The following table was effective from August 1, 2014. Rounded to whole USD. The contract with the lead donor was signed on July 15, 2013 and modification of the rate was signed in October 2014 stating that the new fee rate starts in August 2014.

Position/Name	Unit	Old Rate USD	New Rate USD
Programme Director, [REDACTED]	Hour	140	144
Secretariat Manager, [REDACTED]	Month	10 000	10 273
Fund Manager, [REDACTED]	Month	8 000	8 218
Financial Manager, [REDACTED]	Month	8 000	8 218
Communication Office, [REDACTED]	Month	8 000	8 218
CSO Facilitator/Cap Building Adv, [REDACTED]	Month	8 000	8 218
CSO Facilitator/Cap Building Adv, [REDACTED]	Month	8 000	8 218
M&E Advisor, [REDACTED]	Hour	40	41
Finance & Adm. Officer, Gaza, [REDACTED]	Month	5 000	5 136
National short term consultants	Hour	45	46
International short term consultants	Hour	180	185
Office Assistant Secretariat in Ramallah	Month	2 200	2 260
Office sev staff & driver, secr. in Ramallah	Month	1 400	1 438

Office Service staff, Gaza, [REDACTED]	Month	1 600	1 644
--	-------	-------	-------

The actual increase from August 1, 2014 until December 31, 2014 is specified here under:

FEE ADJUSTMENT - SECRETARIAT HR-IHL

August -December 2014

**NIRAS**  
2015-03-11

Position/Name	Old rate	Acc. Fees			Units	New rate	Adj. Amt
		July	Decemb.	Aug-Feb			
<b>Long Term Professional</b>							
Programme Director, [REDACTED]	140	181 300	211 260	29 960	214,00	144	856
Secretariat Manager, [REDACTED]	10 000	118 182	165 455	47 273	4,73	10 273	1 291
Fund Manager, [REDACTED]	8 000	85 091	123 091	38 000	4,75	8 218	1 036
Financial Manager, [REDACTED]	8 000	93 818	131 091	37 273	4,66	8 218	1 016
Communication Officer, [REDACTED]	8 000	70 545	100 000	29 455	3,68	8 218	803
CSO Facilitator/Cap Build Adv, [REDACTED]	8 000	68 364	103 636	35 273	4,41	8 218	961
CSO Facilitator / Cap Build Adv, [REDACTED]	8 000	86 182	122 545	36 364	4,55	8 218	991
M&E Advisor, [REDACTED]	40	12 800	12 800	0	0,00	41	0
Finance & Adm. Officer, Gaza, [REDACTED]	5 000	48 679	72 031	23 352	4,67	5 136	635
<b>Short Term Professional</b>							
National short term consultants	45	0	54 000	54 000	1 200,00	46	1 200
International short term consultants	180	37 440	41 760	4 320	24,00	185	120
<b>Long Term Support Staff</b>							
Office Assistant Sec. Ramallah, [REDACTED]	2 200	20 269	29 869	9 600	4,36	2 260	262
Office serv & driver, sec. Ramallah, [REDACTED]	1 400	6 618	9 545	2 927	2,09	1 438	79
Office Service staff Gaza, [REDACTED]	1 600	7 927	11 927	4 000	2,50	1 644	110
<b>TOTAL</b>							<b>9 360</b>

As clear from the table the amount of 9,360 was incurred in 2014 and will be invoiced in March 2015.

In summary the amounts of 16,640 and 9,360 are within the expenses for the period February 1, 2014 until December 31, 2014. The total is 26,000 USD.

## 5: ANALYSIS OF ANNEX 1 BUDGET FOLLOW UP

**Table 5.1: Committed funds by 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	20	2,597,880	1,232,351	1,365,529
Emergency Funding – Gaza 2014 ( 9 core funded CSOs)		277,477	240,858	36,619
<b>Subtotal – Grants Fund</b>	<b>44</b>	<b>13,266,877</b>	<b>11,953,209</b>	<b>1,313,668</b>

**Table 5.2: Committed Amounts vs. Actual Disbursements of the Secretariat's Grants:**

Type of Grant	# of CSOs	Total Committed	Committed for 2014	Actual Disbursed during 2014	Balance for 2014	Balance for Total Committed
Core Funding Grants (2014 – 2016 )	24	10,480,000	3,454,120	2,682,475	771,645	7,797,525
Project Funding –first call (2014 – 2015)	20	1,232,351	1,232,351	0	1,232,351	1,232,351
Emergency Funding –Gaza 2014	9	240,858	240,858	225,858	15,000	15,000
<b>Grand Total</b>		<b>11,953,209</b>	<b>4,927,329</b>	<b>2,908,333</b>	<b>2,018,996</b>	<b>9,044,876</b>

- Project funding payments released during January and February 2015.
- The committed amounts toward CSOs for 2014 may vary depending on the outcome of CSOs' audit reports, due April 2015.
- For amounts committed to Gaza, please see table 3.10 in the narrative report.

**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 without Inception or close out)	Actual Disbursements during 2014 (Feb -Dec. 2014.	Balance for the Implementation Phase	Percentage of overall Actual Disbursements – Feb – Dec 2014.
Grant Funds	13,266,877	74.52%	13,266,877	2,908,333	10,358,544	79%
Capacity Development & Policy Dialogue	1,951,200	10.96%	1,552,563*	208,738	1,343,825	6%
Programme Management	2,584,400	14.52%	1,972,962*	567,646	1,405,316	15%
<b>Total</b>	<b>17,802,477</b>	<b>100%</b>	<b>16,792,402</b>	<b>3,684,717</b>	<b>13,107,685</b>	<b>100%</b>

\* Note that these numbers are not according to original budget. Both items have 26,962.5 USD more which is 50% of the surplus from the Inception Phase. These numbers are for the sake of comparison only.

Note that the 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 administration/management and fund management, and the capacity development and policy dialogue are the other two components that are listed above.

The percentage of the total disbursement per component during the implementation phase as above shows that:

- The Secretariat has used 79% of the total disbursement for the grants, which also means around 5% more is spent on this component in comparison to what is allocated as a

percentage. Please note that the grants budget was increased from the original budget by 277,477 as emergency funding.

- Capacity building & policy dialogue components represent around 6% of total disbursement, which means around 5% less spent than allocated as a percentage. Please note that this rate is very promising, especially since most of Secretariat Capacity development activities will be carried out during 2015 and 2016. The activities also require use of national & international consultants.
- Programme management component (administration-management and fund management) represents 15 % of total disbursement, which means 0.5% more is spent than allocated as a percentage.

**Table 5.4 Break down of Programme Management Component during implementation phase:**

Programme Management Component	Total Budget	Implementation Budget (2)	Disbursements – Implementation Phase period ( Feb. 2014 – Dec. 2014 ) 11 Months (3)	Remaining – Implementation Phase	Disbursements as a percentage from total implementation Budget. (4) = (3)/(2)
Fees	3,855,600	3,019,870	702,641	2,317,229	19.93%
Reimbursable costs	680,000	505,655	73,743	431,912	2.09%
<b>Total</b>	<b>4,535,600</b>	<b>3,525,525</b>	<b>776,384</b>	<b>2,749,141</b>	<b>22.02%</b>

**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 (USD) after conversion.	% based upon received amounts. *
Switzerland	Swiss Franc (CHF)	3,100,000	1,150,000	1,261,345	17%
Sweden	Swedish Kroner (SEK)	30,700,000	10,700,000	1,608,677	22%
The Netherlands	US Dollars (USD)	2,900,000	1,125,000	1,125,000	15%
Denmark	Danish Kroner (DKK)	36,500,000	20,500,000	3,461,990	46%
<b>Grand Total in USD</b>				<b>7,457,012*</b>	<b>100%</b>

\*Please note that the conversion amounts of budget received from the donor regarding the emergency funding is 277,477.

\* Please note that Denmark sent their contribution for 2015.

## ANNEX 1 BUDGET FOLLOW-UP

---

Under the column entitled “**Budget**” there are three sub-columns, the first is called the **Orgnl Total** (Original Total), which represents the original budget as in the original agreements/contracts with the donors. Please note that it does not include the 75,000 USD for the midterm review. Adding this 75,000 will make the total budget 17,600,400 under this column. The second called ‘**M. Total**’ (or modified total) which is the total budget of the Secretariat that includes the Inception, Implementation and Closeout phases. The numbers are modified based upon the decision of the Steering Committee to move 53,925 USD that was surplus in the Inception to the Implementation phase. The total budget for Reimbursable and Fee costs did not change since it is only reallocations. However the Grand Total budget Including Grants changed with 277,477 USD which is the amount received from three donors for the emergency situation in Gaza. The amounts were received per donor in local currencies and immediately exchanged to USD.

The third sub-column under budget is entitled **IMPL. REV.** (implementation revised). This is the revised Implementation Budget after reallocating the surplus from the inception phase to implementation phase as described above.

The column entitled **Estimated Budget for 2014**, is in fact 1/3 of the Implementation Rev, with the exception of the Grant Funds, which is estimated based on the committed amounts.

The following column is called “**Accumulated**” which includes three sub-columns: the first for 2014 which identical to (IMPL.REV.) because this is the first year of the project. Both columns provide a breakdown of accumulated expenses during the first year of Implementation phase. The third sub column under accumulated is comparing the total from the Modified Total Budget that includes the Inception and Implementation phases.

The Budget Balance column, shows the balance for the implementation (revised) phase and the balance compared to the Total Modified Budget.

Under Invoicing (towards the left bottom of the Budget Follow-up), listed the invoices, and the monthly closure for invoices.

The Payments Section towards the bottom right end of the Budget Follow-up shows the amounts received per donor, in the local currency, date received, and the conversion to USD that happens the same day the payment is received. It also shows the total amount received per donor in USD after conversion to USD.



Position/Name	Budget			Estimated Budget	Accumulated	Accumulated	Budget balance		
	Oranl. Total	M. TOTAL	IMPL. REV.	2014	2014	IMPL. REV. I.M. TOTAL	IMPL. REV.	M. TOTAL	
<b>Long Term Professional</b>									
Programme Director,	369,600	369,600	185,780	61,927	73,096	73,096	212,116	112,684	157,484
Secretariat Manager,	440,000	440,000	314,091	104,697	100,836	100,836	166,746	213,254	273,254
Fund Manager,	336,000	336,000	260,364	86,788	80,491	80,491	124,127	179,873	211,873
Financial Manager,	352,000	352,000	252,727	84,242	80,834	80,834	132,107	171,893	219,893
Communication Officer,	336,000	336,000	269,818	89,939	66,621	66,621	100,803	203,197	235,197
CSO Facilitator/Cap Build Adv,	336,000	336,000	266,182	88,727	66,779	66,779	104,597	199,403	231,403
CSO Facilitator / Cap Build Adv,	336,000	336,000	263,636	87,879	83,173	83,173	123,536	180,464	212,464
M&E Advisor,	57,600	57,600	32,000	10,667	0	0	12,800	32,000	44,800
Finance & Adm. Officer, Gaza,	210,000	210,000	170,412	56,804	53,078	53,078	72,666	117,334	137,334
<b>Short Term Professional</b>									
National short term consultants	237,600	237,600	237,600	79,200	55,200	55,200	55,200	182,400	182,400
International short term consultants	633,600	633,600	596,160	198,720	4,440	4,440	41,880	591,720	591,720
<b>Long Term Support Staff</b>									
Office Assistant Sec. Ramallah,	105,600	105,600	84,800	28,267	22,531	22,531	30,131	62,269	75,469
Office serv & driver, sec. Ramallah,	67,200	67,200	56,700	18,900	7,524	7,524	9,624	49,176	57,576
Office Service staff Gaza,	38,400	38,400	29,600	9,867	8,037	8,037	12,037	21,563	26,363
<b>SUBTOTAL FEES</b>	<b>9,855,600</b>	<b>9,855,600</b>	<b>3,019,870</b>	<b>1,006,623</b>	<b>702,641</b>	<b>702,641</b>	<b>1,198,371</b>	<b>2,317,229</b>	<b>2,657,229</b>
<b>REIMBURSABLE EXPENSES</b>									
<b>1. Office, Rent and Running Costs</b>									
Office rent, Ramallah and Gaza	72,000	73,331	55,800	18,600	21,765	21,765	30,546	34,035	42,785
Internet, telephone, mobile phones, etc.	36,000	34,064	27,000	9,000	8,185	8,185	10,910	18,815	23,154
Electricity, water, cleaning	24,000	23,335	18,000	6,000	5,849	5,849	8,324	12,151	15,011
Office consumables	9,600	11,384	9,000	3,000	2,634	2,634	3,866	6,366	7,518
Back-up fac soft/hardw, maint, upgr, servers	24,000	26,764	18,000	6,000	4,737	4,737	7,914	13,263	18,850
Printing material etc.	32,000	30,245	24,000	8,000	4,906	4,906	9,140	19,094	21,105
<b>Subtotal Office, Rent and Running Costs</b>	<b>197,600</b>	<b>199,123</b>	<b>151,800</b>	<b>50,600</b>	<b>48,076</b>	<b>48,076</b>	<b>70,698</b>	<b>103,724</b>	<b>128,425</b>
<b>2. Procurement</b>									
Computers	9,600	43,240	25,400	8,467	-17,840	-17,840	0	43,240	43,240
Office copy machine, printer, projector, etc.	4,000	0	0	0	0	0	0	0	0
Office furniture and other equipment	20,000	29,282	0	0	17,849	17,849	47,131	-17,849	-17,849
<b>Subtotal Procurement</b>	<b>33,600</b>	<b>72,522</b>	<b>25,400</b>	<b>8,467</b>	<b>9</b>	<b>9</b>	<b>47,131</b>	<b>25,391</b>	<b>25,391</b>
<b>3. Travel, Hotel, Per diem</b>									
International flights, incl. to/from airports	50,000	49,230	40,000	13,333	2,758	2,758	8,988	37,242	40,242
Vehicle rent	67,200	58,800	50,400	16,800	0	0	0	50,400	58,800
Vehicle fuel	16,800	14,700	12,600	4,200	0	0	0	12,600	14,700
Local travel, taxi and mileage claims	4,800	5,863	3,600	1,200	8,492	8,492	10,156	-4,892	-4,293
Hotel, Intl STC & "field visits"	60,000	56,602	52,000	17,333	4,176	5,778	47,824	50,824	50,824
Per Diem	45,000	43,363	37,800	12,600	3,986	3,986	6,849	33,814	36,514
Meal costs, "field visits"	5,000	4,623	4,000	1,333	0	0	123	4,000	4,500
<b>Subtotal Travel, Hotel, Per diem</b>	<b>248,800</b>	<b>233,181</b>	<b>200,400</b>	<b>66,800</b>	<b>19,411</b>	<b>19,411</b>	<b>31,894</b>	<b>180,989</b>	<b>201,287</b>
<b>4. Worksh., Training m. Audit &amp; Misc.</b>									
Workshops, training and other meetings	80,000	85,174	68,055	22,585	6,218	6,218	13,336	61,837	71,838
Audit	60,000	60,000	45,000	15,000	0	0	0	45,000	60,000
Miscellaneous, unforeseen	60,000	30,000	15,000	5,000	29	29	29	14,971	29,971
<b>Subtotal Worksh., Training m. Audit &amp; Misc.</b>	<b>200,000</b>	<b>175,174</b>	<b>128,055</b>	<b>42,685</b>	<b>6,247</b>	<b>6,247</b>	<b>13,366</b>	<b>121,808</b>	<b>161,808</b>
<b>SUBTOTAL REIMBURSABLE EXPENSES</b>	<b>680,000</b>	<b>680,000</b>	<b>505,655</b>	<b>168,552</b>	<b>73,743</b>	<b>73,743</b>	<b>163,088</b>	<b>431,912</b>	<b>516,912</b>
<b>GRAND TOTAL, fees and reimbursables</b>	<b>4,535,600</b>	<b>4,535,600</b>	<b>3,525,525</b>	<b>1,175,175</b>	<b>776,384</b>	<b>776,384</b>	<b>1,361,459</b>	<b>2,749,141</b>	<b>3,174,141</b>
<b>GRANT FUNDS</b>	<b>12,989,400</b>	<b>13,266,877</b>	<b>13,266,877</b>	<b>3,023,296</b>	<b>2,908,332</b>	<b>2,908,333</b>	<b>2,908,333</b>	<b>10,358,544</b>	<b>10,358,544</b>
<b>GRAND TOTAL INCL. GRANT FUNDS</b>	<b>17,525,000</b>	<b>17,802,477</b>	<b>16,792,402</b>	<b>4,198,471</b>	<b>3,684,716</b>	<b>3,684,717</b>	<b>4,269,792</b>	<b>13,107,685</b>	<b>13,532,685</b>

Invoicing	
300500196	250,000
300500202	80,812
300500204	67,180
300500228	148,225
300500241	121,013
300500249	67,094
300500256	62,649
300500269	1,303,058
300500282	153,946
300500293	93,148
300500313	71,326
300500326	257,019
300500343	775,568
300500354	468,881
300500363	340,513
<b>TOTAL</b>	<b>4,260,432</b>

Payment					
Date	Donor	Amount	Currency	USD Amount	
2013/11/12	NL	250,000	USD	250,000	
2013/12/30	DK	10,000,000	DKK	1,724,435	
2014/01/17	CH	100,000	CHF	108,788	
2014/04/08	CH	950,000	CHF	1,050,280	
2014/04/14	SE	10,000,000	SEK	1,515,163	
2014/11/06	NL	875,000	USD	875,000	
2014/11/10	DK	10,000,000	DKK	1,655,869	
2014/11/19	CH	100,000	CHF	102,277	
2014/11/25	SE	700,000	SEK	93,514	
2014/12/12	DK	500,000	DKK	81,686	
<b>Total</b>				<b>7,457,012</b>	

Summary	USD Amount	% contribution based on remittance
CH	1,261,345	17%
DK	3,461,990	46%
NL	1,125,000	15%
SE	1,608,677	22%
<b>Total</b>	<b>7,457,012</b>	<b>100%</b>

Please note that there are 75,000 USD as Mid Term review cost which makes the grand total of reimbursable and expenses 4,610,400 and the grant total for the original budget 17,600,400. The Grand total of the modified budget with the midterm review of 75,000 for budget will be 17,877,477.

Please note that the percentages include remittance for Gaza Emergency as well as for instance Denmark remitted for 2015 while Sweden did not, since there was not requested.