

Annual Report 2023

Stichting Vredesbeweging PAX Nederland

PAX

www.paxforpeace.nl

Colophon

February 2025

PAX means peace. Together with people in conflict areas and concerned citizens worldwide, PAX works to build just and peaceful societies across the globe. PAX brings together people who have the courage to stand for peace. Everyone who believes in peace can contribute. We believe that all these steps, whether small or large, inevitably lead to the greater sum of peace.

If you have questions, remarks or comments on this report, please send them to info@paxforpeace.nl.

See also www.paxforpeace.nl.

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Cover image by Cédric Gerbehaye: PAX has been promoting the defection of members of the rebel groups and peace dialogues with those groups since 2017 in north-eastern Congo, the Central African Republic and Uganda. In 2023, PAX concluded a peace agreement with two LRA groups and these have now been disarmed and demobilized. This Congolese woman was kidnapped by the Lord's Resistance Army (LRA) of Joseph Kony but escaped and was able to return home. She was beneficiary of the PAX reintegration program, consisting of medical care, psychosocial care, vocational training and reconciliation with the family and her community. PAX is also working on truth finding regarding the atrocities committed in northern DRC. See also paragraph Inclusive Peacebuilding in this Annual Report.

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Foreword

"It isn't enough to talk about peace. One must believe in it. And it isn't enough to believe in it. One must work at it."

ELEANOR ROOSEVELT, VOICE OF AMERICA BROADCAST ON 11 NOVEMBER 1951.

Eleanor Roosevelt knew that peace is fragile and needs continuous effort to protect. This was true in her time, the wake of World War II, and it is still urgent today. In 2023 PAX celebrated its 75th anniversary. We looked back on how young people across Europe united in 1948, in order to break the cycle of war and violence. They found the solution in reconciliation and cooperation, as embodied by the European peace project. The initiative grew and matured into a thriving civil society organisation working for peace and justice worldwide.

Today, millions of people across the world find themselves faced with violent conflict or the fear of violence. In 2023 the world watched as extreme violence broke out in Sudan and in Gaza. At the same time, conflicts raged through many other regions, without much global attention. In Europe, the Russian aggression in Ukraine continued in its second year. PAX continued to work closely with partners in these countries to work towards peace and to protect civilians caught in conflict.

The fear for escalation of the Ukrainian war towards other European countries has also started to dominate debates around national security in The Netherlands, the EU and NATO. War on a global scale has become conceivable. NATO's protection of Europe no longer seems guaranteed. In this discussion PAX acknowledges that Europeans require sufficient military capacity to protect themselves from aggressors and that Ukraine must be supported to defend itself and protect its citizens. All the same, we as a European community should be wary of developing a military tunnel vision and creating another arms race. Instead, we should continue to pursue the ideal of collective human security, justice and peace for all. This means first and foremost that the international community upholds the international rights-based order and its core values of human dignity and solidarity.

The unconditional support of many Western governments, including the Dutch, to Israel in its destructive war on Gaza that killed tens of thousands of people, not only contributes to a major humanitarian tragedy, it also undermines the international rights-based order. It makes our government complicit in gross human rights violations, a plausible genocide according to the International Court of Justice. For this reason, PAX, together with Oxfam Novib and The Rights Forum, in November 2023 decided to take the Dutch government to court over the export of parts for Israeli F-35 fighter jets, that are engaged in the bombing of Gaza. While we lost in the first instance, we won the appeal in February 2024, when the court ordered the Dutch government to stop the export or transit of F-35 parts to Israel. The government then appealed that decision at the Supreme Court. We still await their decision.

Not the fear of war, but the vision of peace should be leading us. Remembering the above words of Eleanor Roosevelt, we all must work towards a peaceful world. Especially in times when doing so may become uncomfortable.

In this annual report, we are sharing with you a cross-section of the various activities and efforts undertaken by PAX and its partners in 2023. We highlight specific cases illustrating our work along the 4 individual PAX themes: Inclusive Peacebuilding, Protection of Civilians, Business, Conflict & Human Rights and Humanitarian Disarmament, and you can also read about our work in the Netherlands, which is intensified, in response to increasing social tensions and threats to civic space in The Netherlands.

In this report we also share our financial report on 2023. You can read that the financial reserves from PAX have depleted over the last few years to a minimal level. To counter this trend PAX is undertaking measures, such as strengthening internal administrative systems, reducing costs and enhancing PAX fundraising capacity.

Rolien Sasse
Executive Director



A woman takes a picture of candles during the commemoration of the victims of the attack on Olenivka prison, in Donetsk region, where Ukrainian POWs were kept, in Kyiv, Ukraine
© Alina Smutko



1. Management Report

1.1 Vision, Core Values, Mission and Strategy

VISION

At PAX we are proud of our more than 75 years of experience that time, and time again has confirmed our vision: **peace is possible!** The peace that we want to help achieve is much more than just the absence of war and the maintenance of stability. All too often, insecurity and injustice lead to conflict. Inequality between men and women and the exclusion of minority groups cause violence and oppression. Peace requires the construction of a social order based on justice and equality, characterised by freedom and democracy and guided by the common good.

CORE VALUES

We have our roots in the strong desire for a peaceful and dignified life, and are inspired by a long tradition that has been shaped by people who both stubbornly believe in peace and work to achieve it. In our peace work, we are guided by human dignity and solidarity as core values. Every person, regardless of their conviction, origins or orientation, has a right to a dignified existence. This right is universal and inviolable. It forms the basis of our approach, which is characterised by equality, and in which it is both possible and essential to join forces in peace and leave no one behind. That also implies solidarity; after all, people are connected to one another and dependent upon each other.

MISSION

PAX was founded by Pax Christi Netherlands (since 1948) and the Interchurch Peace Council (IKV, since 1966), groups who are inspired by the evangelical call for peace and justice. We work on fulfilling our vision together with members of the public, partners in conflict areas, Dutch and international allies and everyone who desires peace. Together, we are committed to taking real action in a widespread peace mission:

- ◆ Protecting civilians from armed conflict;
- ◆ Ending armed conflict;
- ◆ Contributing to peaceful and just societies.

ADDED VALUE

PAX has added value both as a civil society organisation and as a social movement. This added value enables us to work towards achieving our aspirations with authority and influence, in partnership with other parties:

- ◆ Our knowledge is based on years of experience, presence in conflict zones, and cooperation with partners in our international network.
- ◆ We enhance the power of peace activists and therefore their capacity to articulate their claims and grievances and exert influence.
- ◆ We create strategic connections that make sure the voices of local peace activists and their communities are heard in the political arena.
- ◆ We have social legitimacy, derived from being embedded in Dutch society and from our solidarity with peace activists in conflict zones.

ORGANISATIONAL AMBITIONS FOR 2021-2025

Empowering People, Building Peace—letting forces for peace be heard and increasing their influence—is the main theme in our peace work. If we want to put this ambition into practice, PAX will need to play a recognisable leading role that receives support from engaged citizens. This requires close cooperation with our partner organisations and supporters, and a commitment to strengthening the role of women in the field of peace and security. For this reason, PAX wants to achieve the following as a peace organisation in the period 2021-2025:

- ◆ **PAX has a pioneering role in strengthening forces for peace** within the themes and networks in which we operate. We make a visible and recognisable contribution to the social and political debate, and can mobilise citizens for peace and strengthening the international legal order. This enables us to put issues on the agenda and suggest potential solutions.
- ◆ **PAX plays a leading role in the field of gender, peace and security.** As gender equality is a fundamental prerequisite for lasting peace, PAX applies a recognisable gender approach to peacebuilding, makes a critical contribution to the social debate on gender and conflict, and influences the formulation and practical implementation of policy.
- ◆ **PAX is known to more people** among the Dutch public. People recognise PAX and our commitment to strengthening local peace forces that contribute to peaceful, inclusive societies. PAX is known as a uniting, passionate and expert organisation that exposes the causes of violence in its communications, and highlights the desire for and commitment to peace.
- ◆ **PAX deepens its partnership** with and the authority of its core partners and other partners and promotes the power of this collaboration more effectively in its advocacy and publicity.
- ◆ **PAX has a committed following that is growing in size.** A more extensive support base enhances the power of our peace work. We therefore want to strengthen and expand our support base with people of all ages, backgrounds and beliefs who share and commit to our ideal of a peaceful, inclusive society. We want to help our supporters make a contribution to a peaceful, inclusive society in the Netherlands and elsewhere in the world.

THEORY OF CHANGE AND PROGRAMME STRATEGY FOR 2021-2025

Together with our partners, we aim to contribute through our **Inclusive Peacebuilding** programme to the following transformative changes:

- ◆ *Strengthening the peaceful power of civilians:* a resilient civil society is essential for providing civilians with the power and opportunities necessary to contribute actively to a peaceful and inclusive society. Providing greater political space for civilian activism in repressive situations is both the goal and a precondition for a resilient civil society.
- ◆ *Strengthening social cohesion:* a fragmented society is vulnerable to violence, has a greater risk of exclusion and has a weakened basis for collective action. Therefore, it is important to resolve disputes and create bridges between hostile groups and communities and to strengthen unifying forces.
- ◆ *Restoring the social contract between civilians and the authorities:* a society in which the authorities do not allow citizens access to security and justice is not only undesirable, but also vulnerable to violent conflict. Restoring the social contract between a listening, responsive government and civilians is therefore a priority.

The local conflict dynamics and the transformative processes necessary for a peaceful, inclusive society are also influenced by international actors. Together with our partners and networks, we want to reduce the negative factors that increase the risk or intensity of armed conflict, and strengthen the factors that can help end violence and resolve conflicts. We seek to do so through the following programmes.

Our **Humanitarian Disarmament Programme** aims to prevent or reduce armed conflict and unnecessary civilian suffering by advocating for stronger regulation and reduction of weapons and illegal or controversial arms trading.

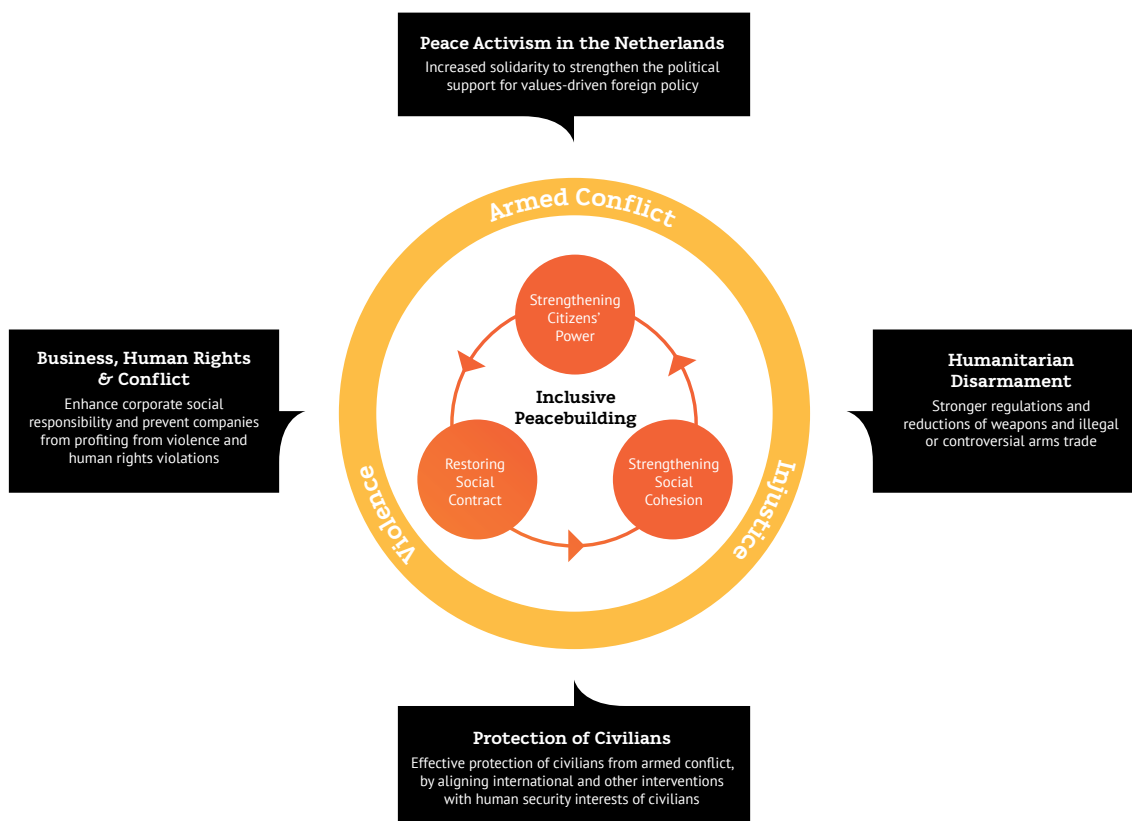
Our **Business, Human Rights & Conflict** Programme aims to enhance corporate social responsibility and prevent business companies from profiting from violence and human rights violations by advocating for stronger regulation of business activities in relation to armed conflicts and human rights violations.

Our **Protection of Civilians programme** aims for effective protection of civilians from armed conflict, by aligning international and other interventions with the local security priorities and human security interests of civilians, enabling communities, governments, and international security actors such as the UN, European Union or NATO to better protect civilians from armed conflict and human rights violations.

Our **peace activities in the Netherlands** aim for increased solidarity with peace forces in conflict affected areas and political support for a value-driven foreign policy that helps end violent conflict and build a just peace.

Gender, Peace and Security is always an important key topic for PAX across all our themes and programmes. Inequal power relations and destructive gender norms are prevalent in the social, political and economic dynamics of a society. Understanding this dynamic is key to achieving effective peace work.

OUR VISION ON PEACEBUILDING



As the end of this period is approaching and the context of our work is constantly changing, PAX in 2023 started a process to review its Strategic Framework, which will be concluded in 2024 and will be translated in a new business plan for 2025-2026.

1.2 Achieving Objectives

We have chosen to explain per theme our objectives, intervention strategies and priority issues. As indicated in the foreword we will then highlight specific cases illustrating our work along the 4 individual PAX themes: Inclusive Peacebuilding, Protection of Civilians, Business, Conflict & Human Rights and Humanitarian Disarmament. Last but not least, you can also read about our work in the Netherlands.

INCLUSIVE PEACEBUILDING

Objectives

- ◆ Civilians have lasting access to decision-making on security, justice and remedy to restore the social contract and strengthen social cohesion.
 - ◆ Civilians—peace activists, peace movements or communities—build bridges and unite to make their voices heard, build resilience and influence decision-making at the local, national or international level.
-

Interventions

- ◆ Capacity development
 - ◆ Facilitating dialogue
 - ◆ Monitoring and research
 - ◆ Advocacy
-

PAX priority issues

- ◆ Nonviolent activism
 - ◆ Female and youth leadership
-

Within the theme Inclusive Peace building, PAX and its partners implement projects in Colombia, South Sudan, the Democratic Republic of Congo, the Sahel region, Lebanon, the Palestinian Territories, Syria, Iraq, the Western Balkans and Ukraine.

The projects are necessarily context specific, but all of them focus on the root causes of conflict, strive for optimal use of civic space and enlarged agency of civilians in their relations with duty-bearers, and aspire to inclusiveness. Inclusiveness refers to participation by women and young people and—depending on the specific situation—may also refer to equal participation of ethnic or religious minorities, different socio-economic groups in society et cetera..

Up to 2025, Inclusive Peacebuilding will be a major theme in the Strengthening Civil Courage programme in alliance with Amnesty International NL, DefendDefenders (Uganda) and ABAAD (Lebanon) and in partnership with the Dutch Ministry of Foreign Affairs. The five-year Strengthening Civil Courage programme helps citizens in 14 countries in Africa and the Middle East to peacefully pursue their rights. It focuses on defending and expanding civic space, transforming conflicts, protecting human rights, pursuing gender equality and mitigating stress factors like the arms trade and the environmental impact of conflicts. The rationale of the Strengthening Civil Courage Alliance is the conviction that the protection of human rights and the transformation of conflicts are closely interlinked issues, and that human rights organisations and peace organisations need to work together. Equally, the Alliance is convinced that inclusive and sustainable peace is not possible without the participation of marginalised groups and addressing their needs. See also <https://paxvoorvrede.nl/wat-wij-doen/themas/inclusieve-vredesopbouw/> and <https://paxvoorvrede.nl/wat-wij-doen/themas/gender-vrede-en-veiligheid/>



Lord's Resistance Army (LRA) rebels and kidnapped women on the way to disarmament. After repatriation, they participated in a reintegration program. Photo credit @PAX

PAX and APRu convinces two factions of LRA rebels to lay down arms

PAX and its Congolese partner APRu took a crucial step in November 2022 by initiating a peace dialogue in the rebel camps with the remaining factions of the infamous Lord's Resistance Army (LRA) in the Central African Republic (CAR). The LRA inflicted severe violence in the 1990s in Uganda, Congo, and the Central African Republic, and the involved rebel groups had been hiding in the jungle since then. Thanks to this dialogue, a significant regional process called Disarmament, Demobilization, Reintegration, Repatriation, and Resettlement (DDRRR) unfolded in 2023.

The effort involved 157 individuals, including 32 male combatants, 38 women and 85 children, leaving their camps behind. What helped was that all of the women had been abducted and entered into forced marriages. During the negotiations in the rebel camps, several women had secretly indicated that they desperately wanted to change their situation.

Months of careful coordination among PAX, APRu, and involved governments resulted in a roadmap signed by several nations in June 2023. This roadmap paved the way for joint efforts between the Ugandan and CAR governments, PAX and APRu, with logistic support of MINUSCA, to disarm, demobilize, and repatriate these individuals.

The first group of 77 people travelled from their camp to a transit camp, where they were disarmed and profiled. A special joint evaluation commission interviewed the 15 Central African women to assess their situation. Some decided to indeed stay in their home country of CAR, whilst others who felt they had been treated well and wanted to stay with their

husbands, elected to repatriate with them to Uganda. However, the road was not without its challenges. A hesitant second faction of the LRA requested to demobilize and repatriate the three highest commanders to Kampala, so the others could observe their reception in Uganda. PAX and APRu continued the dialogue in Mboki and visited the rebel camp to discuss the conditions of the DDRRR. Despite these hurdles, successful disarmament and repatriation were achieved by September 2023.

Now, the 160 returnees, including the new borns, , have begun reintegrating into society. This remarkable progress wouldn't have been possible without support from various entities, including the Dutch Ministry of Foreign Affairs, the Netherlands Embassy in Uganda, the Belgium Peace fund, and, most importantly, the enduring partnership between PAX and APRu.

This development marks a significant step forward in bringing stability and healing to the affected regions. Local communities, long terrorized by the LRA's presence, are reporting improvements in their security. For the formerly abducted individuals, this process offers a chance to rebuild their lives and reunite with their families.

This case highlights the importance of sustained commitment and collaborative partnerships in addressing complex humanitarian challenges. It shows what can be achieved when organizations, governments, and communities come together with a shared goal of peace and reconciliation.



Disarmament of the Lord's Resistance Army (LRA) rebel group in the Central African Republic (CAR). Photo credit @PAX



In the morning of Sunday 24 September 2023, the group left the camp on foot for Mboki village while carrying as many belongings as possible and wading through numerous water pools. Photo credit: @PAX



WARNING:
WITH CREW MEMBERS
ABOARD, THIS DOOR WILL
BE OPENED AND CLOSED
FROM THE INSIDE ONLY
TO OPEN:
TURN HANDLE AND
LET DOOR ROTATE DOWN

LOCKED

OPEN

Former fighters of Lord's Resistance Army (LRA) rebel group and their families disembark from a chartered plane at the Entebbe military airbase, Uganda, July 22, 2023. ANP Photo photo by Samuel Okiror/Xinhua



PROTECTION OF CIVILIANS

Objectives

- ◆ National and international security actors improve the effectiveness of their protection interventions by centring policies and practices on civilians' protection needs and priorities.
 - ◆ Civilians—communities, peace activists and their organisations—effectively influence norms and policies and hold security actors accountable for them.
-

Interventions

- ◆ Monitoring and research
 - ◆ Knowledge development
 - ◆ Facilitating dialogue
 - ◆ Advice and training
 - ◆ Influencing policies
-

PAX priority issues

- ◆ Human Security Survey
 - ◆ Connecting intervention levels
-

The protection of civilians living in conflict is at the heart of our work. To achieve that, PAX conducts research, facilitate inclusive dialogue, influence security policies and provide training and advice to international, national and local security actors. We collaborate closely with local partners and activists, as well as relevant authorities to improve the effectiveness of PoC interventions.

We enable civilians to hold security actors to account, work to equip and motivate those actors to design and implement more inclusive, civilian-centered protection strategies see also:

<https://protectionofcivilians.org/>



Participants of the December 2023 PoC Policy Workshop in Sulaymaniyah, Iraq. Photo credit: PAX

Protecting civilians together with the Iraqi government and society

In 2023, PAX and Iraqi partner the Al-Amal Association took a number of important steps towards a Protection of Civilians (PoC) policy in Iraq. This process presents a strong example where PAX is able to advocate for the protection of civilians both from the bottom up, through the Human Security Survey, and the top down, through engagement at the policy level.

Iraq experienced numerous cycles of violence over the past decades, including Saddam's dictatorship cracking down on opponents, the Iraq-Iran war, the Gulf war, the US led destruction and occupation starting in 2003, and the IS insurgency. Harm to civilians reverberates today and has severely undermined trust among civilians in the intentions and the capabilities of government, military and law enforcement entities. The current government realized that the restoration of trust is essential to break the cycle of violence. PAX and Al-Amal were asked to assist with a number of building blocks towards the development of a PoC policy: a handbook and a draft policy document.

PAX' partnership with the Al-Amal Association goes back some twenty years, including work on the Human Security Survey and a series of PoC trainings in 2022, bringing together different security actors from federal as well as local levels. Based partially on these trainings, we worked on a handbook on Protection of Civilians. As a translated and contextualised version of the NATO handbook, it sets out the tasks and responsibilities for law enforcement agencies with regards to the protection of civilians.

In addition, PAX and Al-Amal worked with the Office of the National Security Adviser and later with the Office of the Prime Minister in the drafting of a PoC policy. The process began

with a guidance document drafted by PAX, including examples of PoC policy development elsewhere. Along the way, a number of meetings were organised to ensure input from a broad array of stakeholders. The process became more and more localised, including detailed discussions pertaining to the Iraqi context, for example around particular wordings and their meaning.

In December 2023, a final three-day workshop brought together academic experts – particularly in International Humanitarian Law and Human Rights Law – with government representatives for a final review of the draft policy. The workshop was attended by key government stakeholders, including from the offices of the Prime Minister and the President of Iraq.

The Iraqi context continues to face different types of security challenges, prompting the Iraqi government to decide on a PoC policy not just for times of conflict, which is usually the case, but for peace time as well. The draft policy is applicable to all security and defence actors, including law enforcement. The long-term engagement of PAX in Iraq, also with regards to its other peace work, has made PAX a trusted organisation and played an important role in enabling this combination of bottom up and top down.



February 2024 Final PoC Policy core group session in Erbil, Iraq Photo credit: PAX



The remains of a bombed church in Mosul's old city (Sept 2021/PAX)



The remains of Al-Jamhuri hospital, Mosul back in Sept 2021.

Photo credit: ©PAX



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BUSINESS, CONFLICT & HUMAN RIGHTS

Objectives

- ◆ Businesses and financial institutions account for their adverse impacts on human rights in conflict-affected areas, and contribute to effective remedies for victims.
 - ◆ Implementation of international standards and norms that prevent business involvement in severe human rights abuses.
-

Interventions

- ◆ Monitoring and research
 - ◆ Knowledge development
 - ◆ Facilitating dialogue
 - ◆ Advice and training
 - ◆ Influencing policies
-

PAX priority issues

- ◆ Support victim communities in utilising judicial and non-judicial mechanisms and processes to claim their rights.
-

PAX is an active member of the Agreements on Responsible Business Conduct, which were made with the Dutch insurance and pension sectors. At the international level, PAX is a member of the Voluntary Principles Initiative on Security and Human Rights. Along with other NGOs, PAX contributed to enhanced guidance on due diligence for institutional investments, with special attention for the production and use of controversial weapons and compliance with regulations on arms trade.

In cooperation with victims' groups in Colombia and South Sudan, PAX is implementing long-term projects that focus on holding oil and mining companies accountable for the social consequences of their behaviour in conflict-affected areas in both countries. See also <https://paxvoorvrede.nl/wat-wij-doen/themas/business-mensenrechten-en-conflict/>



First day of the trial against Lundin Energy, Ian Lundin and Alex Schneider. Photo credit: Pettr Bolme

The Lundin case: start of the trial and admission of complaints against Aker BP

On 5 September 2023, the trial started against Orrön Energy, the new name for Lundin Energy, and Lundin's former executives Ian Lundin and Alex Schneider. Together with communities and partner NGOs, PAX has been working for more than 18 years on research and advocacy to hold the Swedish oil company accountable for its role in the Sudanese civil war, when it exploited oil fields in what is now South Sudan. It is a landmark case because of its importance for the tens of thousands of survivors of the horror of Sudan's oil war, and because it marks a milestone in the global trend towards effective accountability of individual business leaders and corporations for contributions to gross injustices and violence.

The Swedish prosecution presented a large amount of written and audio-visual evidence showing that the suspects had on multiple occasions requested military intervention in order to secure their operations. This while knowing that the Sudanese Government's method of warfare systematically included war crimes. The defence lawyers will present their evidence and arguments until April 2024. After this, South Sudanese plaintiffs and expert witnesses will be called, as well as a number of former employees, former Prime Minister of Sweden and also a former board member of the Lundin oil company. The final ruling after appeal is not expected until 2029.

PAX aims to ensure the right to remedy for the 200.000 South Sudanese victims of war crimes, whose lives have been devastated by the war. Based on its long-standing engagement in South Sudan, PAX maintains close relations with affected communities and consults regularly with their representatives. A series of podcasts in Nuer language is being

developed for local radio stations to inform the communities about the trial in Sweden that they would otherwise not hear about. Together with the Swedish NGO Global Idé, PAX closely tracks developments regarding the case.

Together with seven other organisations, PAX also filed a complaint about the merger between Lundin Energy and the Norwegian company Aker BP in 2022. The merger effectively stripped the entity currently on trial, Lundin Energy, of the financial means to pay its debt to the victims of war crimes. The newly structured business effectively disconnected the wealth of the Lundin family and other shareholders from the trial. The National Contact Point for Responsible Business (NCP) in Norway will now determine whether the companies have been in breach of the OECD Guidelines for Multinational Enterprises, a human rights standard that has been developed for businesses. The decision is expected mid-2024.

The long-term funding PAX has received through successive strategic programmes from the Dutch Ministry of Foreign Affairs has made it possible to pursue remedy for war crimes victims in South Sudan, whilst working towards more accountability and responsible conduct for businesses in conflict areas. This way, PAX can contribute towards systemic changes in these areas.



Wounded man near Rier, May 2002. Photo credit @Sven Torfinn / Unpaid Debt



South Sudan, Western Upper Nile, Rier May 2002 Women carrying some of their belongings on their heads, leaving the area after fightings started between SPLA and GOS (government forces), they are moving to safer places
Photo credit: ©Sven Torfinn / Unpaid Debt



HUMANITARIAN DISARMAMENT

Objectives

- ◆ Stronger norms and regulations on the use of and trade in controversial weapons.
 - ◆ Power-holders adhere to those international rules and are held accountable if they do not.
 - ◆ Victims get compensation for the human suffering and environmental damage resulting from such violations.
-

Interventions

- ◆ Monitoring and research
 - ◆ Advocacy and campaigns
-

PAX priority issues

- ◆ Build international coalitions to amplify civilian voices in public and political debates.
 - ◆ Research the role of financial institutions in arms production and trade, and engage with those financial institutions.
-

PAX works toward a form of disarmament called 'humanitarian disarmament', where the focus is on the human suffering caused by these weapons. PAX is guided in this by international humanitarian law. PAX strives for humanitarian disarmament by working on the improved regulation and/or prohibition of certain weapons, in particular weapons which by their nature, or when used incorrectly, cannot differentiate between civilians and military personnel. This includes nuclear weapons, as well as cluster munitions, anti-personnel mines, depleted uranium and the use of explosive weapons in densely populated areas. PAX is also targeting new weapons technology, such as the increasing use of armed drones or the fully autonomous weapons currently under development, the so-called 'killer robots'.

PAX's monitoring and research cover not only the production and use of these weapons, but also increasingly the investments in them. PAX uses its findings to engage directly with financial institutions and to mobilise consumers, e.g. through the Fair Finance Guide. The Guide informs the general public about how banks, insurance companies and pension funds are performing with regard to human rights, and social and environmental issues. PAX contributes through its research on investments in the arms trade and production. See also <https://paxvoorvrede.nl/wat-wij-doen/themas/humanitaire-ontwapening/>



Palestinian town on the Westbank Photo credit @ AlHaq

Don't Buy Into Occupation, 2023 edition

Financial institutions should end investments in companies active in illegal settlements in the occupied Palestinian territories. People's pensions and savings cannot be invested in companies that run a high risk of contributing to human rights violations.

On 12 December 2023, the international coalition "Don't Buy Into Occupation", of which PAX is a member, published its third yearly report, detailing the financial relationships between European financial institutions and businesses actively involved in the Israeli settlements in the occupied Palestinian Territories. The report has helped PAX to get a seat at the table with financial institutions to discuss what actions they should take to make sure that they aren't supporting human rights violations in occupied territories.

The Israeli settlements in the occupied Palestinian Territories on the Westbank and their maintenance and expansion are illegal under international law. The settlements fragment the West Bank, isolating it from Jerusalem and obstructing socio-economic development for Palestinians. They are part of a regime of apartheid, with Israel effectively administering the territory under two separate institutional systems: a civil administration for the Israeli settlers and a military administration for Palestinians across the occupied territories. Businesses risk contributing to war crimes and severe human rights violations by facilitating the construction, maintenance as well as the economic viability of the illegal settlements. For example, by supplying machinery to demolish Palestinian houses, materials to construct houses and roads, by exploiting stone quarries in the occupied territories, or by offering banking or tourist services in the settlements.

The “Don’t Buy Into Occupation” report is a yearly publication. The 2023 edition shows that, between 2020 and 2023, 776 European financial institutions, including banks, asset managers, insurance companies and pension funds, had financial relationships with 51 businesses actively involved with Israeli settlements. These institutions include the Dutch banks ING, Rabobank and ABN AMRO as well as six Dutch pension funds, two Dutch insurance companies and three asset managers. Of the 51 businesses included two are registered in the Netherlands: Booking.com and CNH Industrial.

PAX, Bank Track and The Rights Forum detailed these Dutch findings in a country brief, calling on the two Dutch companies to stop their roles in any activities in the illegal settlements, and on the Dutch financial institutions to use their influence to do the same, and otherwise disinvest. As in previous years, PAX contacted the institutions and companies on the basis of the report for discussion on their policies and actions regarding these investments. Due to the situation in Gaza, those contacts and conversations were a little easier to organise this year, given the additional spotlight on Palestine, including on developments in the West Bank. Since 2020, several European financial institutions as well as companies have started taking action.





RAMALLAH, WEST BANK - OCTOBER 15: Israeli forces take Palestinians in custody as 3 wounded during Israeli raids on Al Am'ari Camp, Ramallah, West Bank on October 15, 2023.

ANP PHOTO Issam Rimawi / Anadolu



PEACE ACTIVISM IN THE NETHERLANDS

Objectives

- ◆ People in the Netherlands find ways to express their solidarity with people in conflict-affected areas and to improve resilience in the face of polarisation and exclusion in Dutch society.
- ◆ Political and economic duty-bearers act upon the desire for peace expressed by the Dutch public.

Interventions

- ◆ Amplifying local expressions of the desire for peace
- ◆ Campaigns and advocacy
- ◆ Contributing to the public and political debate

Globally we can observe an increase in authoritarian rule and increasing pressure from anti-democratic movements. These movements also push back on progress made around gender issues, environmental sustainability and climate action and human rights. In The Netherlands, social tensions have increased as well. The percentage of Dutch citizens that indicate they trust political parties and government institutions is decreasing. Over recent years we have also observed more surveillance and intimidation of activists, for instance those who participate in protests. Finally, recent elections show that parties that are verbally attacking minority groups in society gain in popularity and that polarisation is increasing. PAX is concerned that all these developments undermine the resilience of Dutch society to maintain peace and security for all and that our rules-based democracy is under slowly increasing tension.

For this reason, PAX has also started to work in The Netherlands. In 2023, the motto of the 56th Peace Week (16 to 24 September 2023) in The Netherlands was: **Dissatisfaction, what now? ((On Vrede, en nu?))** This Peace Week was also very special because PAX was celebrating 75 years as a peace movement.

In cooperation with churches, student groups and more than 80 local PAX Embassies for Peace PAX a large number of activities, varying from a wide democracy survey, lectures, intercultural meetings, workshops, meditation afternoons, theatre performances, the Storytelling Competition 'Embracing Peace' and a Bicycle Puzzle Scavenger Hunt for Peace. This came together in two major events:

1. 'Democracy under pressure' on 22 September 2023 in Amsterdam, an evening full of interactive discussions (panels, debates) on the core of democracy. It revolved around questions such as: "Where do we see in society that democracy is under pressure?", "Why is a 'weak' democracy dangerous?", and "What can we as a society do ourselves?". Participants included Daan Roovers, Dilara Bilgic, Melissa Koutouzis Younes Douari Johan Fretz, Ron van Wonderen, Charley Fiedeldij Dop and Margo van de Linde.
2. Marking our anniversary, on the International Day of Peace 21 September, in a full packed Domkerk (cathedral) in Utrecht, we reflected on 75 years of peace work, our core values of solidarity and human dignity, the current state of peace around the world and our plans for a more peaceful future. Participants included Bishop Ad van Luyn, Tayfun Balçık, Katja Tolstoy and Tineke Strik.





Photo credit: ©Lize Kraan







The outstanding work of others for peace and democracy was also given center stage through the PAX Peace Dove annual awards. The PAX Dove is awarded to citizens who contribute to social cohesion on a large or small scale, or who oppose divisions in society. An independent jury awarded the 2023 Peace Doves to:

- Mpanzu Bamenga, human rights activist
- Sahar Shirzad, co-founder of the Azadi collective
- Bureau Burgerberaad, founded by Eva Rovers
- Rozemarijn van 't Einde, pastor and climate activist

The International Peace Dove was awarded to South Sudanese peace worker John Malith Mabor. See also <https://paxvoorvrede.nl/vredesweek/pax-duiven-2023/juryrapport-pax-duiven-2023/>

PROGRAMME, PARTNERS, COALITIONS AND ALLIANCES

PAX would not be able to achieve its results without cooperating with others: civil society organisations in the programme countries, like-minded organisations in international coalitions and programme-specific alliances. The network of in-country partners consists of local NGOs, community-based organisations, informal groups and individual activists. PAX and its partners cooperate on the ground by implementing projects and programmes. In addition, many local partners receive financial assistance as well as support aimed at developing their capacities. Capacity development is increasingly becoming reciprocal, meaning that PAX and its partners are learning together and from each other. For an example, see the story below about the Joint Learning Pilot on nonviolent activism.

Particularly in the Humanitarian Disarmament programme, working in international coalitions is a central feature of PAX's strategy. Examples are the International Network on Explosive Weapons, the Campaign to Stop Killer Robots, the International Campaign to Abolish Nuclear Weapons (ICAN), the Toxic Remnants of War Network and Fair Finance International. The coalitions enhance effectiveness by pooling expertise, dividing the workload, uniting constituencies, enabling joint advocacy and allowing us to learn from one another. Most of the coalitions are long-lasting partnerships around long-term strategic objectives, which are achieved step by step. We also work with Bellingcat, an investigative journalism group that specializes in fact-checking and open-source intelligence (OSINT).

Programme-specific alliances develop a programme together, acquire financial support and join forces in its implementation. A major binding factor in these consortia is the added value that each of the members brings in realising the programme's objectives. In the 2021 – 2025 plan period three consortia are implementing programmes:

1. 'Strengthening Civil Courage' (led by PAX)
2. 'Al-Thawra Untha' (led by PAX)
3. 'Leaders of Peace' (led by PLAN International Netherlands).

All three are financed by the Ministry of Foreign Affairs within its Strengthening Civil Society policy framework. In 2023 the three programs were fully operational and the consortia consolidated their collaboration and largely achieved planned results.

HOW WE PLAN, MONITOR, EVALUATE AND LEARN (PMEL)

PAX's PMEL system is organised around the impact that projects aim to achieve. Theories of change are developed and include assumptions on how certain interventions (activities) lead to certain outputs, how a mix of certain outputs leads to certain outcomes, and how a mix of the proposed outcomes contributes to the strategic project objectives.

Project monitoring focuses on outcomes. PAX uses 'outcome harvesting' as a way of monitoring outcomes in a gender-sensitive and participatory way. Outcome harvesting is a comprehensive, participatory method that combines the collection, verification, reflection and analysis of outcome data with PAX's partners.

At the end of the most significant projects an evaluation is organised, enabling PAX to account for its programme results and strengthen its future interventions by learning from current interventions.

Projects are evaluated using the criteria of OECD DAC (Organisation for Economic Co-operation and Development's Development Assistance Committee) and are guided by the intended uses of primary stakeholders (e.g. PAX, partners or beneficiaries). Last year, PAX commissioned two Mid Term Reviews, of the Strengthening Civil Courage and The Revolution is Female programmes. Further, the protection of Civilian programme was externally evaluated. All three major programmes funded by the Dutch Ministry of Foreign Affairs.

At PAX, learning takes place in different spaces. Project teams identify learning questions at the start of the year and plan steps to answer these questions. Within projects, PAX and partners reflect together on political developments, project implementation and risks or opportunities, and adapt accordingly. Project teams draw on thematic expertise from within PAX, alliance partners or external partners, including about gender, advocacy, civic space, activism, digital security and dealing with the past. Another space for learning is across projects, sometimes within a region or across regions. These exchanges between projects mostly have a thematic focus and are sometimes supplemented by knowledge transfer.

In 2023, the PAX Academy became fully operational with a well-developed curriculum (evidence-based advocacy, inclusive peacebuilding and nonviolent movement building).

PAX staff and partners participate actively in many different networks. They develop open webinars, organise and give talks at conferences and share their knowledge through various other resources.

WORKING ON OBJECTIVES, IN FIGURES

The chart below summarises the 2023 expenditure per objective. It shows that in monetary terms the 'Inclusive Peacebuilding' programme was by far PAX's largest programme in 2023. Of the total expenditure (€ 18.5 million), 90 per cent was directly related to programmes, 5 per cent was spent on fundraising and 10 per cent on management and administration. In practice, 'Peace Activism in the Netherlands' is interwoven with the thematic programmes.

1.3 Financial Policy and Financial Results

The following is a summary of the financial results for 2023, with the budget for 2023 and the results for 2022 shown for the purpose of comparison.

	ACTUAL 2023		BUDGET 2023		ACTUAL 2022	
	€	%	€	%	€	%
Income	17,667,877	100	19,531,653	100	17,413,669	100
Expenses						
- On the objective	15,965,260	90	17,303,199	89	14,947,782	86
- Fundraising	879,279	5	930,321	6	839,794	5
- Management & Administration	1,681,038	9	1,290,086	7	1,538,927	9
- Financial gain/(loss)	45,395		(5,000)		22,704	
Sum of income and expenses	(812,305)		3,047		109,870	

The financial result of 2023 has been negative. This loss can be linked to a few issues that PAX is addressing as highest priority:

1. High staff turnover and difficulty to attract qualified staff in some key positions of financial administration and management, requiring the hiring of more expensive external consultants and causing a loss of institutional memory, which has made controls more time consuming. This is also the main reason for the delay in the delivery of the annual accounts for 2023 in 2024. Action taken has been recruitment and training of new more qualified staff, where needed with the use of recruitment agencies.
2. Changes in subsidy requirements of the Netherlands government on which PAX heavily depends and similar funding models of other institutional donors. Over the years, the large subsidy frameworks have changed from institutional funding (that contribute to all activities and costs of the organization) to programme funding (earmarked funds that only fund specific activities). At the same time, the subsidy also only covers direct costs that have been made and can be attributed to the programme. These subsidies fail to cover all costs of an organization like PAX, such as management and administrative costs, communication, fundraising, part of the personnel costs, such as training or sick leave. PAX has insufficient other income that can match these subsidies and cover all these costs and has not managed so far, notwithstanding budget cuts, to balance income and expenses

out. Action: balance income and expenses by enhancing efficiency in the organization through upgrading ICT systems, simplify and clarify processes and procedures, address sick leave and staff turnover, increase and professionalize private fundraising (for instance through the introduction of a new CRM system in 2023). Many of these actions however take time to be implemented and pay-off.

3. Inefficient financial and project control, reducing monitoring and steering capacity for management. The complexity of financial systems are another reason for the extended process to close PAX annual accounts. There are two causes for this: an overly complex administrative system and the absence or underutilization of efficient ICT systems. PAX has invested in 2023/2024 in new systems for HR, CRM and programme management and is also restructuring and optimizing the use of its finance system. This will greatly improve management information and control, create efficiency, enhance fundraising and will enhance our accountability. The process of implementing these systems goes hand-in-hand with a process to clarify, streamline and enhance internal processes in the organisation.
4. PAX works in volatile contexts and as a result, it is not always possible to spend funds as planned. Underspending leads to reduced income, because final subsidy amounts are based on actual expenses. This also leads to losses as organisational costs remain constant, even when programme expenses are lower.

While we acknowledge that the loss in 2023 is substantial we do trust that with a new business plan, including a new fundraising strategy – both finalized in 2024 - and with subsequent efficiencies in the organization this will be addressed.

In 2023, the total income was higher than in 2022, roughly € 250,000. In 2023, PAX received roughly €841,000 from individuals, directly in the form of donations and legacies or via our related entities in the form of contributions or church collections. This was almost €127,000 more than in 2022 (€714,000). Our investment in a more personal and professional approach, has, for a second year in a row, resulted in increased income from medium-sized and major donors. An extra emergency fundraising campaign to support Syria after the earthquake on February 6, 2023 also contributed to our growth in income. Income from lottery Organisations unfortunately declined in 2023 (2023: €500,000, 2022: €1,115,000). This was due to the fact that we were unsuccessful to gain new project funding from the lotteries. Income from other non-profit organisations declined also by €500,000 (2023: €1,480,000, 2022: €1,980,000). Especially projects funded by endowment funds gained less income compared to 2022. Grants from governments were almost €1,243,000 higher than in 2022 (2023: €14,847,000 2022: €13,604,000). This difference is mainly caused by an increase in income from Foreign Governments with €316,000 (2023: €1,528,000, 2022: €1,212,000).

Compared to the budget, the actual income was €1.9 million less. Three sources of income in particular accounted for this difference. Grants from governments were €1.6 million lower than budgeted (budget: €16.4 million, actual: €14.8 million). The main reasons were caused by underspending. Income from lottery organisations was equal to budget (budget: €500,000, actual: €500,000) this is fully unearmarked and structural. Income from other non-profit organisations was €418,000 lower than budgeted (budget: €1,897,000, actual: €1,479,000).

In 2023, the share of income accounted for by the Strategic Partnership grants provided by the Ministry of Foreign Affairs was 49 per cent, compared with 50 per cent in 2022. The total income from the Dutch Ministry of Foreign Affairs including Embassy's was 75 per cent (2022: 71 per cent). PAX aims in its fundraising strategy to decrease this dependency and to diversify its Institutional donors. The new strategic partnerships have been contracted for the period 2021-2025, the Protection of Civilians Program has renewed the grant with the Ministry in May 2024 for another 8 years.

In order to reduce dependence on the Dutch ministry, PAX is focusing on fund diversification. A new fundraising strategy has been developed in 2024 for this purpose. Focus also remains on rebalancing earmarked and unearmarked funds. The expenses on fundraising were €51,042 less than budgeted, mainly caused by cost reduction by replacements and the implementation of a new CRM system.

The expenses on management and administration were €391,000 higher than budget. The share of management and administration costs in 2023 was 10 per cent of revenue, roughly the same compared to 2022 (9 per cent).

The net income in 2023 resulted in a negative amount of €812,000 which is of course a big disappointment after all the hard work of all PAX employees in the Netherlands and abroad. The continuity reserve was consequently reduced by €695,000 as part of the operating result was allocated to earmarked funds and reserves. The remaining continuity reserve at the end of 2023 will still be sufficient to cover the calculated risk, taking into account the continuity guarantee issued by IKV and by Stichting Ondersteuning Vredeswerk (STOV). This last mentioned guarantee was previously provided by the Vereniging Pax Christi. See Section 1.4 for a more detailed explanation of the continuity reserve.

Support from individual donors is a valuable source of income for PAX. PAX is deeply rooted in Dutch society and enjoys moral and financial support from donors IKV member churches and Pax Christi members. In order to fulfil PAX's mission, we apply a proactive approach to raise private and institutional funds for our programmes. We are working together with our donors to develop solution-oriented partnerships, build strong networks and ensure sustainability for our programmes. Income from individuals was generated for example through our regular giving programme, direct mailing actions, church collections, our major donors programme, legacies and an emergency campaign to support our partners and our peace work after the earthquake in Syria. For the period 2021-2025, we were awarded the 'Strengthening Civil Courage' and 'AL-Thawra Untha' Strategic Partnerships by the Dutch Ministry of Foreign Affairs. As these programmes will come to an end at the end of 2025 and because not all PAX programmes are funded through these partnerships, diversification is crucial. We continue to focus on forging stronger relationships with like-minded foreign governments as well as developing outreach to national and international foundations, even though 2023 showed that that is not easy in the current context. Considering the financial requirements of these new partnerships, ensuring full cost recovery for every project from 2023 onwards has become essential to our organisation. In this respect too, the annual unearmarked funding from the National Postcode Lottery is very important.

1.4 Risks and Uncertainties

As addressed in the previous chapter, PAX is going through a financially difficult time for a

combination of factors. This has affected our continuity reserves that have been used to compensate for financial losses, which has had a negative impact on our sustainability. At the same time, PAX requires investments to increase fundraising and as a result of that it's continuity. This is even more important as government subsidies from the Netherlands government are insecure for the future. At the end of 2025 the large Strategic Partnership programme will end and the Minister of Development Aid has announced that the subsidy framework will not be extended. Also, it is unsure whether PAX will fulfill requirements for other Dutch subsidies within the new policy context. PAX is therefore developing a new fundraising strategy to attract alternative resources. The low level of financial reserves of PAX does limit our ability to invest in this. At the same time, PAX will assess future scenarios and will have to adjust its organizational size and operations, accordingly, working towards a more efficient and flexible organization.

Risk management is a topic that needs continuous attention from management and other staff. The general risk appetite at PAX is risk averse. Several teams are involved in risk management. The Executive Director oversees this. Because our employees need to travel to conflict zones or live and work in such conflict zones, PAX has a dedicated external security adviser who develops security policies and procedures and provides staff with training and support. Integrity policies and integrity issues are dealt with by an integrity officer in the HR team. See Section 1.5 for more detailed information on integrity. Reputation and reputational risks are handled by the Engagement team. Financial risks are handled by the Planning & Control team and income-related issues are dealt with by the Fundraising team. The Planning & Control team also handles compliance-related risks. ICT and data-related risks are managed by the Facilities & ICT team.

PAX has formalised its risk analysis. The risks are re-assessed every year to take into account current and anticipated changes in the categories discussed below. Based on the risk assessment, the required minimum size of the continuity reserve has been calculated at €1.9 million (2022: €1.7 million). The required amount is, despite the considerable loss in 2023, still more or less in line with the actual size of the continuity reserve (namely €726,000) as per the balance-sheet date plus the guarantee issued by STOV (valued at €435,000), the new guarantee issued by IKV (€200,000) and the earmarked reserves (namely €423,000 see note 9). PAX realizes that the scope of the continuity reserve has become more limited and that efforts need to be made to better ensure its continuity on longer terms. On the other hand PAX managed to gain another Protection of Civilians Partnership Agreement with the Dutch Ministry for another 8 years in May 2024 moreover the quality of PAX fundraising pipeline which are good indications that PAX will be able to cover funding needs and hopefully soon also able to make additions to this reserve.

OTHER RISKS

According to our assessment, our other risks are similar to last year. These risks include:

1. The risk regarding data privacy and data protection. Mitigating measure: devote continuous attention to data security.
2. The risk of fraud and corruption. Mitigating measures: make continuous efforts to raise awareness of potential integrity risks, as well as improve policies and the code of conduct and put checks and controls in place, including regular audits.
3. The risk regarding personnel and the organisation (related to security issues). Mitigating measures: implement security policy and guidelines as well as training activities.
4. The risk of breaching grant conditions regarding the funding of terrorist activities. Mitigating measures: putting additional checks and controls in place, including related clauses in partner agreements.

1.5 Organisation and Governance

LEGAL STRUCTURE

PAX Netherlands Peace Movement Foundation (PAX) is the result of a partnership with a unique structure. It originated from a long tradition of peace activism and was founded in 2006 as a joint organisation by the Pax Christi Netherlands (Pax Christi) Association and the Interchurch Peace Council (Interkerkelijk Vredesberaad, IKV) Foundation.

Pax Christi Netherlands was founded in 1948 as an independent section of the international Pax Christi movement. STOV (Stichting Ondersteuning Vredeswerk) was founded by Pax Christi in 1997. Its role is to manage the Stiltecentrum (Silence Centre) in shopping mall Hoog Catharijne in Utrecht with the mandate of its owners, the Sisters of the Eucharist Congregation, and the PAX office on St Jacobsstraat in Utrecht. The new articles of association of PAX and STOV came into force on 1 January 2022 and STOV became a support foundation under PAX.

OBJECTIVE UNDER THE ARTICLES OF ASSOCIATION

- ◆ The aim of the foundation is to protect civilians from war violence, to end armed conflicts and to help bring about a peaceful and just society, to promote human rights and to contribute to the international rule of law and a culture of peace in the Netherlands and worldwide, as well as everything related or conducive to the foregoing, all in the broadest sense.
- ◆ The foundation sees the traditions of IKV and Pax Christi, which are guided by the Biblical call to peace and justice, as a source of inspiration. Solidarity and human dignity are the core values of the foundation.

DIAGRAM OF LEGAL STRUCTURE AS AT 1 JANUARY 2023



BOARD OF DIRECTORS

PAX's Board of Directors is tasked with managing the organisation, for which it has full administrative responsibility. Each member of the Board of Directors has one vote. The Board of Directors generally makes its decisions based on consensus. The Board of Directors is accountable to the Supervisory Board.

In 2022 the Supervisory Board decided to reduce the three-person Board of Directors under the articles of association to a two-person Board of Directors, consisting of an Executive Director and a Director of Operations. They would jointly bear responsibility for the strategic direction and results of the organisation. This decision took effect on 1 February 2023 with the appointment of a new executive director, Rolien Sasse, and the dismissal of the director of programmes, Miriam Struyk, on the same date. See also Chapter 2, The Report by the Supervisory Board.

In April 2024, Martje van Nes, Director of Operations, left PAX to a new career opportunity. The Supervisory Board decided, following her departure, to reduce the number of directors in the Board of Directors further to one person, the Executive Director, who works closely with a (new) Management Team is steering the organization. The Management Team consists of the Head of Programmes, the Head of Engagement and the Head of Finance and Operations. This change is part of an effort to make the organization more cost-efficient and to enhance management responsibility below director's level.

COMPOSITION OF THE BOARD OF DIRECTORS 2023

NAME	POSITION	PERIOD	ANCILLARY POSITIONS ON 31/12/2023
Rolien Sasse	<ul style="list-style-type: none">• PAX Executive Director• Member of STOV's Executive Board	1 February 2023 – 31 December 2023	<ul style="list-style-type: none">• Board Member Association "Water for Life", Utrecht• Chair of WASTE Association, The Hague (Until 1 November 2023)
Miriam Struyk	<ul style="list-style-type: none">• PAX Director of Programmes• Member of STOV's Executive Board	1 January 2023 – 1 February 2023	None
Martje van Nes	<ul style="list-style-type: none">• PAX Director of Programmes• Member of STOV's Executive Board	1 January 2023 – 31 December 2023	None

*) due to long term absence, as of February 1st Miriam Struyk was no longer in function in the BoD.

Remuneration of senior management

The Supervisory Board determines the remuneration policy, the size of the management fee and the size of the other remuneration components on the advice of the Remuneration Committee. The directors are employed by PAX and receive a salary. There is no separate payment or additional compensation for work done for the benefit of STOV. The Supervisory Board has determined the salary policy and salary levels according to the collective labour agreement (CAO) of the Protestant Church in the Netherlands and the guidelines and certification system of the charity sector Association Goede Doelen Nederland (see www.goededoelennederland.nl).

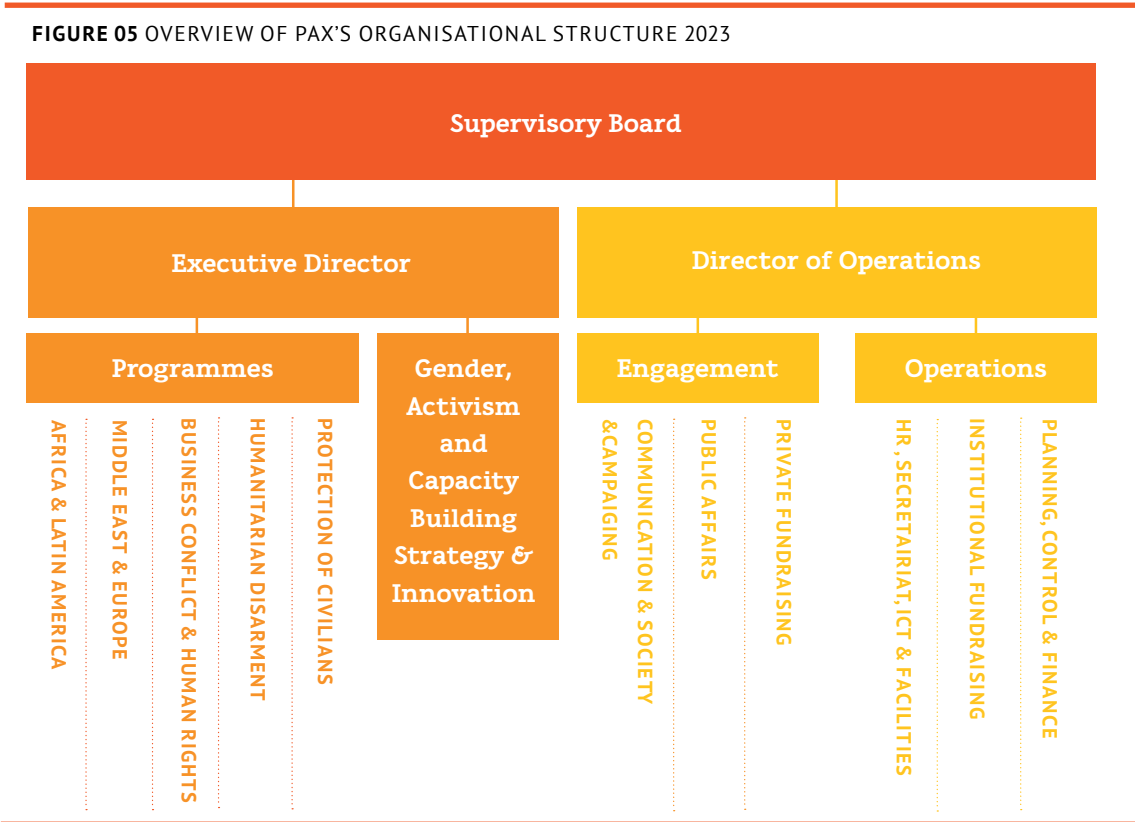
The guidelines consider, among other things, the size and complexity of the organisation, the context of the organisation and the executive board model. They set a standard maximum for the annual income. The weighting of the situation at PAX was carried out by the Supervisory Board's Remuneration Committee in 2020 and is still valid for 2023. This led to a 'BSD' score of 418 points (Executive Director) with a maximum annual income of €134,620 (1 FTE for 12 months) and a 'BSD' score of 384 points (other members of the Board) with a maximum annual income of €120.741 (1 FTE for 12 months). The salaries of PAX Board of Directors were in 2023 well below these maximum amounts. For further details around the annual incomes of directors see Appendix 1 and 2 of Chapter 4. Financial Statements of this report.

GOVERNANCE AND SUPERVISION

Governance and supervision are strictly separate processes at PAX, as has been documented in the articles of association. The Supervisory Board's tasks are to assess whether PAX is fulfilling its mission well and to supervise the policy of the Board of Directors. The Board of Directors is responsible for achieving the strategic objectives in an efficient and effective way. The Supervisory Board monitors the risks and the risk management in the organisation and checks whether there is a safe and healthy social environment. For the work of the Supervisory Board in 2023, please refer to Chapter 2 of this annual report.

ORGANISATION

In 2022, PAX went through a period of reorganisation. This was completed in 2023 and PAX's organisational chart took the following form:



As mentioned above, further organizational changes took place in 2024 upon the departure of the Director of Operations.

PERSONNEL

The staff numbers rose slightly from an average of 97 FTEs for 2022 to an average of 99,51 FTEs for 2023. Several vacancies were difficult to fill and interim consultants were hired, especially in the case of vacancies in financial positions.

In 2023 absenteeism was 5.89 per cent (2022: 9.87 per cent). The decline that set in from mid-2022, clearly continued in 2023. Several interventions led to this turning point:

- training for managers on how to discuss (actual/imminent/frequent) absenteeism with employees,
- meetings of managers with employees who are frequently absent (i.e. 3 times in 12 months or more)
- workshops for staff on recognizing and dealing with (work) stress.

The average reporting frequency (i.e. the number of times on average that a member of staff reports absenteeism each year) was 1.44 (2022: 1.26). Monitoring this is necessary to prevent a further increase, especially because frequent absenteeism increases the risk of long-term absence. The Board of Directors keeps monitoring the improvements in the absenteeism policy and its implementation closely.

We acknowledge that future financial uncertainty and stress caused by continuation and in cases even escalating conflicts in many parts of the world are increasing pressure on staff.

INTEGRITY

We continue to look critically at ourselves and our own policies to ensure that a high standard of integrity is maintained. We realise that improper conduct can happen anywhere at any time, but the risk increases when there are unequal power relations. And norms governing proper conduct erode even more quickly in situations of war and violent conflict. Our integrity policy is supported by an independent external confidential adviser and an internal integrity officer and includes a whistleblower policy. In the first place, this policy aims to prevent incidents from occurring at all, but when they do occur this policy allows such incidents to be reported as easily and safely as possible. We will always thoroughly investigate reports and complaints, communicate them in a transparent way and sanction those involved in a proper manner. Our integrity policy is published on our intranet and on our website: <https://www.paxforpeace.nl/about-us/integrity-policy>. All staff members have signed the code of conduct, as have consultants and freelancers. This is also asked of partner organisations.

In 2023, pre-employment screening is included in the recruitment and selection procedure in the following manner:

The employment contract is concluded under the condition that the candidate will submit a Certificate of Good Conduct (VOG) to HR within 2 months of the effective date of the employment contract. If the employee does not submit the VOG within 2 months of starting employment, the employment contract will end by rule of law. In case the employee does not have the Dutch or European nationality and/or has not lived or worked in the Netherlands or in the European Union, the employee must submit a VOG equivalent from the country where the employee has his main residence for the past four years.

For employees from countries where a VOG or VOG equivalent does not exist, we use other methods to get an impression of their good conduct. These can be:

1. a self-declaration on integrity and behaviour
2. a police report from the country where candidate lives
3. a check of the candidate using the Misconduct Disclosure Scheme.

Any kind of conflict of interest among members of the Supervisory Board or the Board of Directors is forbidden. They provide a written statement confirming this each year. Members of the Board of Directors and Supervisory Board are forbidden to engage in any business relations or relations in the family sphere with the organisation in order to preclude any potential conflict of interest.

In 2023, there were five reports of integrity issues, two of which involved the same issue:

1. PAX received two notifications about (non-sexual) undesirable behaviour by two employees. With the help of mediation, the issues were discussed and resolved to everyone's satisfaction.
2. An employee asked whether it would be advisable to end the collaboration with an alliance because of the inappropriate behaviour of one of its members a (long) time ago. This behaviour was not related in any way to PAX, no PAX employees were harmed or involved, and there is no direct or close collaboration with this person. A risk analysis was done to identify risks for PAX employees and for PAX. The case was discussed in the alliance board and PAX verified that they had sufficiently handled it.
3. PAX received a notification of overdue (salary) payments and suspicion of fraud at a partner organisation. The partner was heard on the suspicions without satisfying result. Payments are suspended and the partner organisation is not included in new fund requests.
4. A staff member of a partner organisation filed a complaint with his/her employer about undesirable behaviour. A coalition partner brought this to the attention of PAX. The Dutch embassy is conducting an investigation. PAX is in close contact with the embassy and the coalition partner. PAX awaits the results of the investigation and will consult the embassy and the coalition partner on follow up.

We have experienced that mediation is helpful to solve issues with employees. And we have learned that it is important to establish at an early stage how PAX relates to the integrity questions being raised: is it an integrity issue or something else? Is PAX or one of its employees involved? This helps determine what steps to take.

We report cases to the Ministry of Foreign Affairs in accordance with the Ministerial Guidelines, to other donors and to the CBF.

COMPLAINTS PROCEDURE

Our complaints procedure is published on our website: <https://www.paxforpeace.nl/contact/complaints-procedure>. A complaint is defined as any statement that has come to the organisation's attention that expresses dissatisfaction with its mode of operation, its message or any of its employees.

In 2023 we received 6 complaints (2022: 18) from members of the Dutch public. 3 were complaints about PAX's political position mainly on the Russian Invasion in Ukraine (2022: 11). 3 complaints were about fundraising letters. All complaints were handled in accordance with the procedure.

COMPLIANCE WITH EXTERNAL SUPERVISION CODES

In addition to internal supervision, PAX is also subject to external supervision, which helps to ensure quality assurance. The diagram below shows the relationship between internal and external supervision at PAX.

ISO Certificate 9001:2015 version 2018

During 2023 PAX had an ISO certificate 9001:2015 according to the Partos standard, version 2018. Partos is the Dutch association for NGOs working in international development. External audits in the framework of ISO certification are conducted on an annual basis by an independent and accredited agency. The 2023 external audit showed no shortcomings that needed to be resolved urgently. Due to capacity constraints in 2024 the ISO audit of October 2024 has been postponed to February 2025. Consequently, the ISO certificate of PAX ends on 14 November 2024. It is expected to be re-issued again in 2025.

CBF accreditation passport

In 2023, the Dutch CBF conducted a full reassessment of our accreditation as a charity organisation. The assessment by the CBF tested PAX on standards within various themes of good governance and supervision. Het CBF decided to renew our accreditation passport for the next years. See also <https://cbf.nl/organisaties/pax>

External accountant

The accountant's audit is carried out by independent registered auditors Forvis Mazars - Audit & Assurance (formerly known as Mazars N.V.) in accordance with the Dutch Accounting Standards Board's RJ650 guideline on annual reporting for charity organisations, as well as the Dutch audit protocol under the Dutch Executives' Pay (Standards) Act.

FIGURE 06 RELATION BETWEEN INTERNAL AND EXTERNAL SUPERVISION

External supervision	Internal supervision	Board of Directors
EXTERNAL ISO AUDITS	SUPERVISORY BOARD	PME (PROGRAMMES)
EXTERNAL ACCOUNTANT		FINANCE CONTROL
CBF CERTIFICATION		INTERNAL ISO AUDITS
ANBI		

Codes and guidelines

PAX is a member of the charity sector association Goede Doelen Nederland and complies with all this association's codes of conduct and guidelines, including:

- ◆ The certification system, which is the hallmark for charities in the Netherlands. The Dutch Central Bureau for Fundraising (CBF) periodically reviews whether PAX is meeting all its quality requirements. See also <https://www.cbf.nl/de-erkenning>
- ◆ Guidelines for the Reserves of Charitable Organisations.
- ◆ The Guideline for the Remuneration of Directors of Charitable Institutions.
- ◆ The ENP-Goede Doelen Nederland Directive on the Settlement of Estates.

- ◆ The Goede Doelen Nederland recommendations on cost allocation management and administration.
- ◆ Practical guide to responsible asset management.

PAX is a member of Partos and adheres to this association's code of conduct (www.partos.nl).

This code covers the fields of:

1. Sustainable development of society;
2. Professional organisation;
3. Communication and fundraising.

Public Benefit Organisation (ANBI)

PAX has been accredited with the ANBI status (i.e. an official Public Benefit Organisation).

1.6 Communication with Stakeholders

Being an NGO, PAX has a number of different stakeholders. The most important are our partners, donors and our supporters in the Netherlands.

Partners

PAX works with:

- ◆ Core partners in conflict areas with whom a long-term relationship is maintained
- ◆ Partner organisations on a project-specific basis.
- ◆ International and national networks for policy influencing and coordination.

PAX and its partners work together as equals. We learn together and invest in each other's capacities. We guarantee transparency and accountability, both reciprocally and to stakeholders (donors and constituencies). In doing so, we need to be constantly aware that there are also obstacles to equal partnership:

- a. Partners are often financially dependent on PAX
- b. Because of the context of repression and violence in many countries where we work, our partners may face specific challenges, that makes them vulnerable to repressive measures and human rights and women's rights abuses. This may have an impact on their ability to be visible and formally institutionalised. They are often confronted with rapidly changing contexts to which they have to adjust. This context also impacts on issues such as transfer of funds.

The processes and structures underpinning projects and programmes are designed in such a way that decision-making power is shared. This leads to frequent intensive contact between PAX project leaders and partners. In addition, because of our core value of solidarity, PAX remains loyal to partners, especially in times of setbacks when violence and repression increase, and direct results fail to materialise. A current example are our partners in the Palestinian occupied territories and Sudan. Where possible there was almost daily contact with partners in urgent needs to monitor their wellbeing.

In The Netherlands PAX collaborates with community groups, called "Peace Embassies". PAX employees had frequent contact with Peace Embassies in 2023 and the activities the embassies organised throughout the year. Thousands of participants attended those events. Besides in-person visits, PAX employees also keep in touch with the Peace Embassies through a monthly newsletter, email and regular calls.



Furthermore, PAX keeps in touch with her supporters base in The Netherlands through our monthly (email based) newsletter and through social media channels. Another way we keep in touch with our supporters is through the PAX magazine, which is published four times a year, and by organising events for the Peace Embassies and other supporters. We also involve student groups in activities and individual students with internships and volunteer jobs during the Peace Week.

IKV and Pax Christi

PAX was founded by the Interchurch Peace Council (IKV) and Pax Christi Netherlands and implements its work partly on behalf of them. PAX thus maintains a special relationship with these associations, which is formalised in a tripartite cooperation agreement. Four times a year the Board of Directors meets with the Members Council to discuss its peace work, new policies and shared activities in The Netherlands. The two associations are a crucial linkage to the associated churches and individual Pax Christi members.

Institutional Donors

While private donations are essential for PAX independence, flexibility and legitimacy, institutional donors provide the major funds that support our programming at scale. We are extremely grateful for these contributions that allow us to work from grassroots to global level on peace, justice and protection.

Most of PAX income is provided by the Netherlands Ministry of Foreign Affairs through several contracts. The Dutch Postcode Lottery is another key donor, especially because of their stable unrestricted funding. PAX is extremely grateful that it has support from a wide range of national and international foundations and foreign governments, who all support specific projects. It is PAX strategy to diversify and expand its donor base to avoid dependence and to be able to sustain its peace work in the future.

Private donors and members

In 2023, PAX continued to be supported by our incredibly committed constituency. We had 8.600 paying supporters – including 1.900 Pax Christi members, allowing us to raise a total of € 841.000 from our individual donors. These funds helped PAX to continue her efforts for peace, justice and security around the world. These private donations are crucial for PAX to maintain our status as an independent civil society organisation, both in terms of independent funding as well as legitimacy through public support.

After earthquakes hit Northern Syria and Turkey in February 2023 and several partner organizations were deeply impacted, we reached out to our supporters for help. Within a few weeks PAX received more than € 85.000 for our partners to provide for housing, food and to be able to continue working for a peaceful, safe and democratic Syria.

In 2023 PAX implemented Salesforce as our customer relationship management system to improve our admin processes, develop more data driven fundraising and support our engagement campaigns. Salesforce helped us to develop a better view of our supporter data. Consequently, we had to adjust the number of supporters in our annual report.

We started the year on January 26 with a new classic: the PAX New Years High Tea. Around fifty people gathered at the PAX office to get to know each other and listen to some inspiring speeches. We gathered new year wishes from PAX partners all over the world.

Interview with Dutch Postcode Lottery



Marieke Rodenhuis - Head of charities at the Dutch Postcode Lottery.

PAX collaborates with citizens, civil society, and partners to foster resilient and inclusive peace. We greatly appreciate the Dutch Postcode Lottery's commitment to peace and security. Could you share what inspires the Lottery to continue supporting organisations focused on these pressing global issues?

The Dutch Postcode Lottery strives to have a positive impact on society by financially supporting charities and social initiatives such as PAX. As one of the largest lotteries in the Netherlands, the lottery feels a responsibility to give back to the community, with a focus on sustainable projects including those focussing on peace and security. The lottery invests in partnerships that can make a long-term difference, not only financially, but also through knowledge sharing. Lottery participants play an important role in this. We often involve them in, inform them about and inspire them with the work of our partners. The sense of community and the realization that their participation contributes to positive change motivates both them and the lottery.

Looking back at the celebration of 75 years of the peace movement in the Netherlands, what has been a particular highlight of the collaboration between PAX and the Postcode Lottery so far?

Through the Lottery's continues annual support to PAX, PAX was able to share personal stories of refugees and increasing understanding and empathy for their situation. Project activities that are wonderful examples and highlights of our partnership. Through this kind of support, the Lottery remains committed to a just and peacefull world.

With the evolving nature of global conflict, for example, the use of new technologies, how does the Postcode Lottery adapt its support for organisations like PAX that are at the forefront of these changes?

The Dutch Postcode Lottery funds flexibly through a unique model that allows lottery players to contribute to charities and their projects. Long-term, trust-based and flexible funding from the Lottery allows its charity partners to adapt and intervene quickly when necessary. It enables its partners, including PAX, to respond rapidly to changing needs and pressing issues world-wide, while pursuing long-term impact.

How does the Postcode Lottery engage with its stakeholders, including donors and the broader public, to raise awareness about its support for peacebuilding efforts with PAX?

The lottery strives to make the work of its partners widely known, creating awareness for important social issues. We use multiple channels to promote the work of our partners including public campaigns, social media and events. Transparency plays an important factor in this. Through our annual reports and financial information we provide insight into the impact of our support to partners.

Looking ahead, how does the Dutch Postcode Lottery envision its role and impact evolving in the nonprofit sector, especially in supporting organisations like PAX that are committed to complex challenges like peace and resilience?

The Dutch Postcode Lottery has a clear strategy for the future, aimed at strengthening its position as a leading lottery with a global impact. Key aspects include international growth and strengthening the position of the Postcode Lottery Group, of which the Dutch Postcode Lottery is part, as an international lottery operator. In this process the Lottery will continue to invest in projects that contribute to sustainability, environment, poverty alleviation and social justice. Awareness raising and continues communication about the work of its partners and the impact they have on the world remains important as well. In short, the future strategy of the Dutch Postcode Lottery includes growth, sustainability and a continued commitment to positive change.

We reinforced our '100 Club': a club of 105 people willing to contribute €1,000 each to our nuclear disarmament project. We managed to reach 105 members of the 100 Club in 2023 and motivated them to donate to PAX on a long-term basis with an exclusive brochure and event. This event took place on May 11. We organized a special PAX Club of 100 event with a keynote speech of former minister Ernst Hirsch Ballin at the PAX office.

In 2023, PAX expanded its network by starting the PAX Alumni network of former PAX colleagues and volunteers. The first PAX Alumni event took place before the PAX 75-year jubilee in the PAX Peace week on September 21, 2023.

Overall, we followed a programmatic approach to get more (major) donors by having meaningful contacts and giving periodic information of our work and results.

Brand Awareness: Traditional Media

In 2023, PAX garnered significant press and traditional media coverage, being featured in no fewer than 168 news articles and mentioned a total of 846 times when including online publications. Notable outlets such as Volkskrant, Trouw, NRC, NOS, Radio 1, and Argos showcased our initiatives. Particularly during the court case against The Netherlands concerning deliveries of F35 parts, our visibility peaked. Additionally, we received extensive coverage in international press, including renowned publications like The New York Times and The Washington Post.

PAX's expertise regarding the war in Ukraine and our involvement in discussions about killer robots and the war's impact on climate garnered considerable attention. Our experts contributed to articles in AD, Parool, Volkskrant, and made appearances on radio programs such as VPRO Buitenland, Nieuwsweekend, and Dit is de Dag.

Brand awareness: Social Media

Beyond traditional media, we actively engage with stakeholders through social media platforms. Our Twitter and LinkedIn accounts primarily target journalists and professionals interested in our work, while Instagram and Facebook serve as channels to share our initiatives with supporters and the broader public.

In the past year, we made deliberate efforts to enhance our online engagement and presence. Adopting a new marketing tool for content scheduling, analysis, and stakeholder interaction, we significantly expanded our online outreach. Our Instagram followers nearly tripled from approximately 3,000 to nearly 9,000, while Twitter and LinkedIn engagement soared by over 1000%. Impressively, our Facebook account reached approximately 2.40 million impressions.

Brand Awareness: Online

In 2023, PAX made substantial strides in website development, transitioning to more flexible and future-proof Content Management Systems (CMS) for paxvoorvrede.nl and paxforpeace.nl. Introducing Salesforce's new Customer Relationship Management (CRM) system marked another milestone, facilitating seamless user interactions on our website while ensuring security and GDPR compliance.

This upgrade enabled us to respond swiftly and accurately to current events, amplifying our impact. For instance:

- ◆ We promptly launched a petition regarding the Israeli response to the 7 October attacks, gathering over 10,000 signatures within days and ultimately reaching 35,000 signees.

- ◆ Following government changes and new elections, we developed an interactive Voting Guide (Stemwijzer) to assist voters in considering our stance on peaceful politics. The Guide garnered thousands of interactions and influenced party positions on various issues.

Although comparing website analytics with previous years is challenging due to the system upgrade, we recorded over 180,000 visitors and 2 million web events, reflecting significant engagement and interest in our initiatives.

1.7 Outlook for 2024

The world is currently in a very volatile geopolitical situation. The amount of conflicts in the world is rising, the state of democracies in the world is threatened internally and externally. Biodiversity loss, environmental threats and climate change could further drive conflicts. PAX is also in a financially difficult situation. While the level of income is expected to remain stable in 2024, PAX will be managing an internal change process with minimum financial capacity to invest, due to a low level of reserves. Both these external and internal developments require a new strategy, defining PAX role in a changing world. While our strategies change, the core of PAX, its mission and values, remain the same. In a rapidly changing world one thing does not change: the courage and resilience of peace activists, often with women and youth in the forefront, to advocate for just peace, freedom and democracy.

The year 2024 is fourth year of our five-year Strategic Framework *Empowering People – Building Peace!* The funding of several programmes in the Middle East and Africa and part of our projects on Humanitarian Disarmament and Business, Human Rights & Conflict is secured until the end of 2025 through the Power of Voices strategic partnership agreements with the Dutch ministry of Foreign Affairs. As said, in 2024 we expect to finalise a new strategic framework and make it operational in a new business plan for 2025-2026. This will be the basis to enhance our impact and added value as PAX. It will also be the basis to secure funding for PAX' work in the coming year. The business plan will integrate programme, fundraising and organisational strategies. A final priority for 2024 will be the strengthening of internal systems and processes, including ICT systems to enhance efficiency and control.

Financial outlook

The 2024 budget outlined below has been approved by the Supervisory Board.

IN € X 1,000	BUDGET 2024		ACTUAL 2023		BUDGET 2023	
	€	%	€	%	€	%
Income	17,211	100	17,668	100	19,531	100
Expenses						
On the objective	15,180	88	15,965	90	17,303	89
Fundraising	816	5	879	5	930	5
Management & Administration	1,131	7	1,681	10	1,290	7
Financial gain/(loss)	0		(45)		5	
Net income	84		(812)		3	

1.8 Corporate Social Responsibility

PAX wants to have a positive impact through its programmes on people, their communities and the planet. We are aware that our activities also entail the risk of negative impacts on the planet and its people. Therefore, we seek to integrate our values and our respect for national and international laws, norms and standards into our way of working and to minimize our negative impacts.

As part of our work, we hold businesses and governments to account for their impact on society and require them to be transparent about that impact. As we want to practice what we preach, we hold ourselves to the same standards that we apply to others. We consciously choose our suppliers and hired services through a procurement policy that incorporates human rights and environmental standards.

As one of the driving forces behind the Fair Finance Guide (<https://eerlijkegeldwijzer.nl/>), we use banks with a high score in the Fair Bank Guide. Exceptions are allowed when this is not possible, for instance for cross-border payments. Our procurement policy considers environmental concerns, for example when we purchase computers, printers and other office supplies. Energy is supplied by Greenchoice, a local energy supplier that provides our office with 100% green energy. We also use Fair Trade products for coffee and tea, for example. Our catering is fully vegetarian. As in previous years, PAX will continue to adhere to the principle that all its employees should commute by public transport in combination with working from home.

Our staff need to travel by airplane to implement projects and work closely with our partners and civilians in conflict and post-conflict areas. However, have a flight policy to reduce the environmental impact:

- ◆ Trips under 750 kilometers (or trips that can be done by public transport with 8 hours) will be done by train. Even if it is more expensive. Exceptions must be discussed, and explicit permission must be given. Travelling by plane to e.g., Berlin is no longer possible. Domestic flights e.g., in South Sudan or Iraq can take place for security reasons.
- ◆ If more than three PAX employees fly to the same meeting, they must give a clear reason for this.
- ◆ We take direct flights whenever possible and when there is not much price difference.
- ◆ We always compensate for CO2 emissions.

Investment policy PAX

Our Statutes allow PAX to acquire, hold and alienate one or more shares in business companies. Shares also include depositary receipts for shares or (other) securities that are traded at an exchange. Our policy is to exercise the rights attached to these shares, including exercising the right to speak and vote in general meetings, with a view to discuss violations of human rights and/or international humanitarian law in shareholder meetings of these business companies. The shares are never acquired with a profit motive or as a (sustainable) investment of assets of the foundation. PAX also does not hold more shares than necessary for the exercise of the rights attached to the shares (shareholders' rights). In 2023, PAX did not hold any shares.

2. Report by the Supervisory Board

MEETINGS OF THE SUPERVISORY BOARD

The Supervisory Board's task is to independently and professionally supervise the policy of the Board of Directors. It is responsible for approving the 2021-2025 Strategic Framework plan, the annual plan and budget, and the annual report and financial statements.

In 2023, the Supervisory Board held six regular meetings. To ensure that the Supervisory Board obtains its information not only from the Board of Directors, additional meetings were held with the Works Council. In 2023, the Supervisory Board particularly focused on:

- ◆ Organisational development;
- ◆ Strategic Planning;
- ◆ Finances;
- ◆ Absenteeism;
- ◆ Governance structure IKV – Pax Christi – PAX;
- ◆ Peace programmes and projects and dilemma's the organisation experiences in these programmes;
- ◆ Composition of the Supervisory Board

SELF-EVALUATION OF THE SUPERVISORY BOARD

The self-evaluation took place in June 2023. In 2022 the online self-assessment tool of the Stichting Intern Toezicht Goede Doelen (Foundation for the Internal Supervision of Charities, <https://www.itgd.nl/>) was used to get a clear insight into areas for discussion and improvement in the professionalism of the Supervisory Board. The 2023 self-evaluation reflected further on this.

The main conclusion were:

1. Recruitment of new management: The Supervisory Board is content with the recruitment and selection process a new PAX board of directors. The new board members will be followed supportively, without losing the critical eye needed.
2. A vision on oversight: Members agree on the importance of having a vision on oversight. During the coming year the Supervisory Board will start working on this.
3. A more distanced role: In 2023, the supervisory board had to pay a lot of attention on necessary improvements of the administration and financial control. However, in time the council wants to resume its more distanced supervisory role.
4. Secretarial support: Secretarial support to Supervisory Board should be strengthened.
5. Meetings: The supervisory board sees its meetings as both productive and enjoyable

THE COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES

Janne Nijman left the Supervisory Board in 2023 on 11th December 2023 and was succeeded by Thea Hilhorst. The composition of the Supervisory Board in 2023 is otherwise unchanged. The Supervisory Board thanks Janne Nijman for many years of dedicated service and for her insights and time commitment, and warmly welcomes Thea Hilhorst. At its December meeting, the supervisory board appointed Joke van Saane as supervisor to succeed Farah Karimi, who will step down on 1 April 2024. The Supervisory Board has an Audit Committee that studies the financial documents and discusses them in detail with the Operational Director and the financial controller, and at set times with the external auditor. The Audit Committee held six meetings in 2023. The findings of the Audit Committee are reported to the Supervisory Board at every meeting. In addition to the Audit Committee, the Supervisory Board also met with the external auditor, accounting firm Mazars, to discuss the financial state of affairs.

The Supervisory Board has a Remuneration Committee that fulfils the obligations of the Supervisory Board as the formal employer of the members of the Board of Directors. The committee mainly conducts annual performance reviews with the individual members of the Board of Directors and gives guidance in case of long-term illness.

MAIN FOCUS POINTS IN 2023

Organisational development

In 2022 the decision was made to restructure PAX as an organisation. As part of this restructuring the Supervisory Board decided to reduce the three-person Board of Directors under the articles of association to a two-person Board of Directors, consisting of an Executive Director and an Operational Director. They jointly bear responsibility for the strategic direction and results of the organisation.

On 1 February 2023, Rolien Sasse joined PAX as Executive Director. This was also when the transition from a three-person Board of Directors under the articles of association to a two-person Board of Directors took place. As a consequence, the director of programmes, Miriam Struyk, was demissioned.

Finances

Through three long-term subsidy contracts with the Dutch Ministry of Foreign Affairs funding for PAX has been guaranteed for 2021–2025 ('Power of Voices' and 'Al Thawra Untha (The Revolution is Female)') and for the period 2023 (Protection of Civilians). The Protection of Civilians programme was extended until April 2024 and a new tender was opened for the period 2024–2031. Fortunately PAX was awarded a new contract, starting in July 2024 and continued the implementation of this programme. The other two programmes will continue until the end of 2025. It is unlikely there will be new openings for subsidy proposals when they end. In particular due to new grant conditions of these existing subsidy contracts compared to previous years, PAX has already faced a financial shortfall since 2021. Key concern has been that these and most other funds that PAX receives consist of restricted funds tied to specific projects or programmes, with limited flexibility and coverage of organisational costs and do not fully cover PAX organisational and engagement costs. Efforts – and progress – have been made to adjust the organisation to this new situation, but this has proven to be a complex process. In addition, ICT systems in the organisations require an upgrade to manage a more complex organisation.

The Supervisory Board and its Audit Committee therefore had several discussions on how to improve PAX's financial structure and processes. The spending of the 2023 financial budget was

also closely monitored. For an explanation of the measures taken in 2023, please refer to the chapter on finances and the financial statements.

Peace programmes and projects

In order to remain well-informed about peace programmes and projects, a project leader is invited at the start of the meetings to give a presentation on specific substantive issues. In 2023, the Supervisory Board received briefings on:

- ◆ Lundin
- ◆ Peace Week 2023
- ◆ Israel/Palestine

Also, each Supervisory Board meeting, the Board of Directors shares a dilemma they face for discussion. Dilemma's discussed centered around:

- ◆ Future work in Colombia and relation to Foundation PAX Colombia
- ◆ Whether or not to engage in service contracts, including with military actors.

Governance structure IKV – Pax Christi – PAX

PAX was founded in 2006 out of the ecumenical Interchurch Peace Council Foundation (IKV) and the Catholic peace movement Pax Christi Nederland. Mutual connection is felt and appreciated. However, in 2022 it was felt that the current design of ownership was outdated. In good consultation between IKV, Pax Christi and PAX, the mandates of both parent organisations were adjusted accordingly. This was further developed in 2023 in, among other things, an amendment to PAX's statutes taking effect in early 2024.

REMUNERATION

The members of the Supervisory Board conduct their tasks on a voluntary basis and do not receive any reward, leave or attendance fee. Expenses, such as travel expenses, are the only expenses that are remunerated, based on the amounts actually incurred.

COMPOSITION OF THE SUPERVISORY BOARD AND THE ROTATION SCHEDULE

On 31 December 2023, the Supervisory Board consisted of the following members. As successors to Janne Nijman with effect from 11 December 2023 and Farah Karami with effect from 1 April 2024, Thea Hilhorst and Joke van Saane were appointed members of the supervisory board.

TABLE: COMPOSITION OF THE SUPERVISORY BOARD ON DECEMBER 31, 2023

NAME	POSITION IN SUPERVISORY BOARD	POSITION/ANCILLARY POSITIONS
T. L. C. M. (Tom) Groot	<ul style="list-style-type: none"> • Member of the Supervisory Board of PAX • Member of the Audit Committee 	<ul style="list-style-type: none"> • Emeritus Professor of Management Accounting, VU University Amsterdam • Chair of the board of directors, Archaeological Institute VU-Hbs • Member of the supervisory board, Reclassering Nederland
T. (Thea) Hilhorst	<ul style="list-style-type: none"> • Member of the Supervisory Board of PAX • Member of the Remuneration Committee 	<ul style="list-style-type: none"> • Professor of humanitarian aid and reconstruction at the International Institute of Social Studies at Erasmus University
E.J. (Elise) Kant	<ul style="list-style-type: none"> • Member of the Supervisory Board of PAX 	<ul style="list-style-type: none"> • Director, Haella Foundation • Chair, Landelijk Fondsen Overleg
F. (Farah) Karimi	<ul style="list-style-type: none"> • Member of the Supervisory Board of PAX • Member of the Remuneration Committee 	<ul style="list-style-type: none"> • Member of the Dutch Senate • Independent Professional on Leadership & Ethics • Member of the supervisory board of NHLStenden, University for Applied Sciences • Chair of the Board of Writers Unlimited
E. A.M. (Eduard) Nazarski	<ul style="list-style-type: none"> • Chair of the Supervisory Board of PAX 	<ul style="list-style-type: none"> • Chair of the board of the Peace Studies Foundation • Member of the board of Goede Doelen Nederland • Member of the oversight board of Musicians Without Borders
D. (Dushica) Naumovska	<ul style="list-style-type: none"> • Member of the Supervisory Board of PAX • Member of the Audit Committee 	<ul style="list-style-type: none"> • Chief Operating Officer, INHOPE International Association of Internet Hotlines

TABLE: ROTATION SCHEDULE

NAME	DATE APPOINTED	APPOINTED BY	END OF FIRST TERM	END OF SECOND TERM
Tom Groot	1 Dec. 2018	Pax Christi	1 Dec. 2022	1 Dec. 2026
Thea Hilhorst	11 Dec. 2023		11 Dec. 2027	
Elise Kant	1 Mar. 2021	IKV	1 Mar. 2025	
Farah Karimi	1 May 2020	IKV	1 April 2024	Not available
Eduard Nazarski	1 May 2021	Pax Christi	1 Mar. 2025	
Dushica Naumovska	1 Mar. 2021	Pax Christi	1 Mar. 2025	
Janne Nijman	1 Jan. 2019	IKV	1 Jan. 2023	11 Dec. 2023
Joke van Saane	1 April 2024		1 April 2028	

NO CONFLICTING INTERESTS

There were no transactions in 2023 involving conflicts of interest on the part of members of the Supervisory Board or Board of Directors. Each year, all members of the Supervisory Board and Executive Board submit a declaration of ancillary positions they hold that could involve potential conflicts of interest for them and their direct family members.

3. Financial Statements 2023

3.1 Balance sheet (after appropriation of result)

		31 December 2023	31 December 2022
		€	€
ASSETS			
Intangible fixed assets	1	137,814	127,440
Tangible fixed assets	2	62,217	33,596
Financial fixed assets	3	399,846	392,006
Total fixed assets		599,877	553,042
Receivables and prepayments			
Receivables from related entities	4	250,443	184,272
Receivables from donors	5	1,743,214	2,280,378
Other receivables and prepayments	6	593,451	422,668
		2,587,108	2,983,658
Cash and cash equivalents	7	6,059,055	5,678,515
Total assets		9,246,040	9,215,215
		31 December 2023	31 December 2022
		€	€
LIABILITIES			
Reserves and funds			
Continuity reserve	8	725,581	1,420,098
Earmarked reserves	9	422,707	500,000
Earmarked funds	10	78,162	118,657
		1,226,450	2,038,755
Long term liabilities	11	-	49,152
Current Liabilities			
Grants received in advance	12	5,223,879	4,059,506
Partner commitments	13	695,947	1,018,894
Accounts payable		383,895	411,715
Other liabilities	14	1,715,869	1,637,193
		8,019,590	7,127,308
Total liabilities		9,246,040	9,246,040

3.2 Statement of income and expenses

		Actual 2023 €	Budget 2023 €	Actual 2022 €
INCOME				
Income from individuals	15	841,271	700,000	714,112
Income from companies	16	150	-	-
Income from lottery organisations	17	500,000	500,000	1,115,209
Grants from governments	18	14,847,143	16,434,378	13,604,483
Funding from other non-profit organisations	19	1,479,313	1,897,275	1,979,865
Sum of income		17,667,877	19,531,653	17,413,669
EXPENSES				
Expenses on the objective	20			
Inclusive peacebuilding		11,669,955	12,285,575	10,689,931
Humanitarian Disarmament		1,324,887	1,429,307	1,198,001
Natural Resources, Conflict & Human Rights		581,641	1,173,524	719,446
Protection of Civilians		2,388,777	2,414,793	2,340,404
Sum of expenses on the objectives		15,965,260	17,303,199	14,947,782
Fundraising	21	879,279	930,321	839,794
Management and administration	22	1,681,038	1,290,086	1,538,927
Sum of expenses		18,525,577	19,523,606	17,326,503
Sum of income and expenses before financial gain/loss		(857,700)	8,047	87,166
Financial gain (loss)	23	45,395	(5,000)	22,704
SUM OF INCOME AND EXPENSES		(812,305)	3,047	109,870
Appropriation of result	24			
Addition to continuity reserve		(694,517)	3,047	(227,486)
Addition to earmarked reserve		(77,293)	-	300,792
Addition to earmarked fund		(40,495)	-	36,564
		(812,305)	3,047	109,870

3.3 Cash flow statement

		2023 €	2022 €
Sum of income and expenses		(812,305)	109,870
Adjusted for:			
Depreciation & amortisation	1,2	96,337	127,730
Net finance costs	23	(37,555)	(15,018)
Changes in Receivables from related entities	4	(66,171)	(81,070)
Changes in Receivables from donors	5	633,504	443,803
Changes in Other receivables and prepayments	6	(170,783)	(71,994)
Changes in Long term liabilities	11	(49,152)	(245,955)
Changes in Current liabilities	12,13,14	892,282	(1,165,938)
Cash flow from operations		486,156	(898,573)
Interest received	23	(2,435)	138
Interest paid	23	48,234	(44,267)
Other finance costs paid		-	(738)
Cash flow from operating activities		531,9545	(943,440)
Investment/desinvestment in intangible fixed assets	1	(78,021)	-
Investment/desinvestment in tangible fixed assets	2	(57,311)	(8,030)
Investment/desinvestment in financial fixed assets	3	(7,840)	(7,686)
Cash flow from investing activities		(143,172)	(15,716)
NET CASH FLOW		388,783	(959,157)
Exchange rate and translation differences on cash and cash equivalents		(8,243)	59,886
CHANGES IN CASH AND CASH EQUIVALENTS	7	380,540	(899,271)

The difference of changes in cash and cash equivalents between 2023 and 2022 is mainly caused by the changes in current liabilities. Consisting of grants received in advance, partner commitments and other liabilities. For details see notes 12, 13 and 14.

3.4 Notes to the 2023 Financial Statements

GENERAL

Stichting Vredesbeweging PAX Nederland (hereinafter referred to as: PAX) is located and has its registered office in Utrecht, St. Jacobsstraat 12 and is registered under number 30214009 001 in the trade register.

PAX works together with involved civilians and partners in areas of war to protect human security, to prevent and end armed violence and to build peace with justice. The activities are carried out both inland and abroad.

Financial reporting period

The financial statements cover the year 2023, which ended at the balance sheet date of December 31, 2023.

Reporting Directive for Fundraising Institutions

The 2023 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations, which is the applicable reporting framework for Dutch fundraising organisations. In addition, the financial statements have as well been prepared in accordance with the Wet Normering Topinkomens.

Group Companies

Stichting Ondersteuning Vredeswerk is a group company with the same supervisory board as Stichting Vredesbeweging PAX. This foundation, however, is not included in the consolidation as referred to under the Annual Reporting Guideline 217.304, as it is immaterial to the group as a whole. Separate financial statements are available.

Going Concern

PAX has faced multiple years of financial losses, reducing its continuity reserve to a critical level. The 2024 budget is balanced, but mandatory salary increases due to the CAO agreement and additional personnel costs continue to exert financial pressure. Furthermore, U.S. subsidies have been suspended as of January 2025, adding further uncertainty.

Cost-cutting measures have been implemented by not renewing contracts and limiting expenses without compromising programs or fundraising efforts. Investments are being made in fundraising and administrative improvements, such as a new CRM, PMS and financial system, to enhance efficiency.

Despite an expected decline in revenue after 2025, fundraising prospects remain positive. Management considers continuity secured until the end of 2025, but further flexibility and downsizing are necessary given political and financial uncertainties.

ACCOUNTING POLICIES FOR THE MEASUREMENT OF ASSETS, LIABILITIES AND THE DETERMINATION OF RESULT

General

Assets and liabilities are measured at historical cost, unless stated otherwise in the further principles. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the foundation and the asset has a cost price

or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the foundation. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the statement of income and expenses.

If assets are recognized of which the entity does not have the legal ownership, this fact is being disclosed.

Income is recognised in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Income and expenses are allocated to the respective period to which they relate.

PRINCIPLES FOR THE TRANSLATION OF FOREIGN CURRENCIES

At initial recognition, transactions denominated in foreign currency are translated into the functional currency of the foundation at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are measured at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Translation gains and losses are recognized in the statement of income and expenses.

In 2023, the currency translation differences recognized in the profit and loss account amounted to EUR -8,243 (2022: EUR 59.886).

USE OF ESTIMATES

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates

and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised in the period in which the estimate is revised.

The following accounting policies are in the opinion of management the most critical in preparing the financial statements and require judgement, estimates and assumptions: Valuations of legacies to be received, provisions and termination benefits.

FINANCIAL INSTRUMENTS

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. The financial statements contain the following financial instruments: Cash items, receivables and payables. The foundation has no (embedded) derivative financial instruments. Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial instruments are initially recognised at fair value, including discount or premium and directly attributable transaction costs. The fair value is based on the estimated present value of the future net cash flows. After initial recognition the financial instruments are measured at amortised costs on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the statement of income and expenses .

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other. The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, including a risk premium for credit and liquidity risks.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics. The accounting principles for the accounting for (reversal of) impairment losses are described under “Impairment of financial assets”.

The fair value of most of the financial instruments recognised on the balance sheet, including receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount.

IMPAIRMENT OF (FIXED) ASSETS

(Fixed) assets are assessed at each reporting date to determine whether there is any indication of

an impairment.

If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is allocated to the assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous year has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognized impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognized in previous years for the asset (or cash-generating unit).

CURRENCY, INTEREST, PRICE, CREDIT, LIQUIDITY AND CASH FLOW RISKS

During the normal course of business, the foundation uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the foundation has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the foundation.

The currency risk for PAX largely consists of positions and future transactions in US dollars or currencies closely related to US dollars. Management has determined that the cost of hedging these currency risks does not outweigh the benefits. PAX has no assets that are specifically sensitive to changes in price levels (such as for instance investments in listed and non-listed equities). Surplus cash is conservatively secured in deposits with low interest risk. PAX has no significant credit risks. Receivables mainly relate to grants from solid governments or multilateral institutions. Given this low risk cash positioning PAX has secured a sound liquidity balance.

OFFSETTING FINANCIAL INSTRUMENTS

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the foundation has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are only recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and

the cost of the asset can be measured reliably. Intangible fixed assets (software and licences) are measured at acquisition cost, less accumulated amortization and impairment losses. Amortisation is calculated according to the straight-line method in 5 years. Expenditures made after the initial recognition of an acquired or constructed intangible fixed asset are included in the acquisition or construction cost if it is probable that the expenditures will lead to an increase in the expected future economic benefits, and the expenditures and the allocation to the asset can be measured reliably. If expenditures do not meet these conditions, they are recognised as an expense in the statement of income and expenses.

Prepayments on intangible fixed assets are valued at cost. Prepayments on intangible fixed assets are not amortised.

TANGIBLE FIXED ASSETS

Tangible fixed assets are recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of that asset can be measured reliably. Tangible fixed assets are measured at acquisition cost, less accumulated depreciation and impairment losses. The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalized when it extends the useful life of the asset. Depreciation is recognized in the statement of income and expenses on a straight-line basis (except for the IT equipment) over their estimated useful economic life time, taking into account any estimated residual value of the individual assets. No depreciation is recognized on land, tangible assets under construction and prepayments on tangible fixed assets. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

The annual depreciation is recognised based on the following structure:

Installations: straight-line method in 10 years

Other fixed operating assets:

IT equipment - first year 40%, second year 30%, third year 20% and fourth year 10%

Furniture and other equipment - straight-line method in 5 years

Renovation (general): straight-line method in 10 years

Renovation St. Jacobstraat (due to rental period): straight-line method in 5 years

Prepayments on tangible fixed assets are valued at cost. Prepayments on tangible fixed assets are not amortised. Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset and/or future performance units regarding the asset. A provision is recognised for expected costs of periodic major maintenance to buildings and equipment.

FINANCIAL FIXED ASSETS

The other receivables included under financial fixed assets include loans and other receivables. These receivables are initially valued at fair value. Subsequently, these loans are valued at the amortized cost. If there is a discount or premium on the granting of loans, this is credited or charged to the result as part of the effective interest during the term. Transaction costs are also included in the initial valuation and charged to the result as part of the effective interest. Impairments are deducted from the statement of income and expenditure.

RECEIVABLES

The accounting policies applied for the valuation of receivables are described under the heading

'Financial instruments'. All receivables have an estimated maturity shorter than one year. The carrying values of the recognized receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognized, if necessary.

RECEIVABLES FROM DONORS

Donor receivables relate to the positive difference between the income recognized related to the granted donor funds and the actual cash disbursements received (by PAX) from the donors as at balance sheet date. The accounting policies applied for the recognition of this income from granted donor funds are described under the headings 'income from Lottery Organisations', 'Grants from governments', and 'funding from other non-profit organisations'. All receivables have an estimated maturity shorter than one year. The carrying values of the recognized receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognized, if necessary.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the Principles for the Translation of Foreign Currencies.

CONTINUITY RESERVE

The continuity reserve is in place to secure PAX to meet its obligations in the long term, in case of stagnated income or after an incident with a major impact on expenses. The target level is determined by de supervisory board. The PAX policy on continuity reserve meets the requirements of the CBF.

EARMARKED RESERVE

Earmarked reserves are formed for special projects whose expenditure is covered from own resources. Earmarked reserves have limited spending options, the allocation is determined by the board when adopting the annual accounts or in the interim when deciding on special projects. Funds from the earmarked reserves are spent as soon as possible, but no later than two years. The basic principle is that the financial resources are quickly spent on the objective. Earmarked reserves must therefore generally be available for spending in the short term.

EARMARKED FUND

Earmarked funds have limited spending options indicated by third parties. Donations with a specific destination cannot always be spent in the same year in which they were received. The term of spending is usually agreed with the donors. With earmarked funds, it is not possible to change the destination without prior approval from the donors.

PROVISIONS

A provision is recognised when the foundation has a legal or constructive obligation, arising from past events, the amount can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are stated at the nominal value of the expenses that are expected to be required to settle the liabilities.

LIABILITIES

The valuation of Liabilities and other financial commitments are described under the paragraph financial instruments. Liabilities related to grants received in advance and contractual obligations to partners (partner commitments) are presented under the current liabilities, except for those that are due or expected to be due after one year, which are presented under non-current liabilities. The accounting policies with regards to the grants received in advance are described under the paragraph grants received in advance and the accounting policies with regards to contractual obligations to partners are described under the paragraph partner commitments.

GRANTS RECEIVED IN ADVANCE

Grants received in advance relates to the negative difference between the actual cash disbursements the donors and the income as recognized in relation with these donor grants as at balance sheet date. The accounting policies applied for the recognition of this income from donor grants are described under the headings 'income from Lottery Organisations', 'Grants from governments', and 'funding from other non-profit organisations'.

PARTNER COMMITMENTS

Partner commitments relate to the difference between the committed contractual amount towards the partner (based on which the expenses are recognized) and the actual distributed cash payments towards these partners as at balance sheet date.

DISTINCTION BETWEEN OPERATING AND FINANCE LEASES

A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form. All lease contracts are operational leases.

Where the foundation acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognized as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognized to the statement of income and expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

INCOME FROM INDIVIDUALS

Income from individuals consists of private fundraising, income from endowment funds and legacies. Donations are recognized in the period in which they are received or have been committed by the donor. Legacies are accounted for as soon as the amount of income can be reliably estimated.

INCOME FROM COMPANIES

Donations from companies are recognized as income in the period that they were received or have been committed by the donor. Grants from companies with a designated purpose and pay-back obligation for the foundation are recognized as income in the same reporting period in which the subsidised eligible expense is recognised.

INCOME FROM LOTTERY ORGANISATIONS

Unrestricted income from lottery organizations is recognised in the period that the donor commits the funds. Grants from lottery organizations with a designated purpose and pay-back obligation for the foundation are recognised as income in the same reporting period in which the subsidised eligible expense is recognised. Amounts received in advance are presented under paragraph grants received in advance.

GRANTS FROM GOVERNMENTS

Grants from governments with a designated purpose and pay-back obligation for the foundation are recognised as income in the same reporting period in which the subsidised eligible expense is recognised. Amounts received in advance (both current as non-current) are presented under deferred income.

FUNDING FROM OTHER NON-PROFIT ORGANISATIONS

Donations from endowment funds, churches and NGO- organisations are recognized in the period in which they are received or have been committed by the donor. Grants from other non-profit organisations with a designated purpose and pay-back obligation for the foundation are recognized as income in the same reporting period in which the subsidised eligible expense is recognised. Amounts received in advance are presented under paragraph grants received in advance.

FINANCIAL GAIN/(LOSS)

Interest income is recognised in the statement of income and expenses in the period to which it belongs, using the effective interest rate method of the related asset. Interest expenses and similar charges are recognised in the period to which they belong.

COST ALLOCATION

Method of allocation of cost

Indirect costs are fully allocated pro rata of directly incurred personnel costs per objective / fundraising / management and administration.

Personnel cost

Salaries and labor conditions of PAX employees are based on the specific employment conditions of the Protestant Church Netherlands (CAO PKN).

Employee benefits during employment

Employee benefits are charged to the statement of income and expenses in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the foundation.

The liability for benefits during employment is measured at nominal value of the expenditure expected to be required to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract).

TERMINATION BENEFITS

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognised as a liability and an expense when the foundation is demonstrably and unconditionally committed to make the payment of the benefit. Termination

benefits are measured in accordance with their nature. Termination benefits are measured at the best estimate of the expenditures required to settle the liability.

SALARIES OF SENIOR EXECUTIVES

Senior executives require explicit reporting according the Dutch WNT guidelines and the Reporting Directive for Fundraising Institutions guidelines (following an additional format).

PENSIONS

Pensions are part of the employees' benefits. The main principle is that the pension charge to be recognised for the reporting period is equal to the pension contributions payable to the pension fund over the period. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

If, on the basis of the administration agreement with respect to the multi-employer plan, there is an obligation at balance sheet date, a provision is recognised when it is probable that the measures, which are necessary for the recovery of the existing funding ratio at balance sheet date, will result in an outflow of resources and the amount thereof can be estimated reliably.

The employees of PAX in the Netherlands have a pension scheme which is administered by pension fund Zorg en Welzijn. This pension scheme is a conditionally indexed average-salary scheme. Entitlements and rights granted are only indexed (adjusted in line with increase in prices) if and to the extent that the pension provider has sufficient resources and has decided accordingly. The board may decide to reduce the entitlements if the pension provider's position so dictates.

The coverage of the sector pension as at December 31, 2023 is stated at 106.3%.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

Foreign currency cash flows are translated into euros using the exchange rates on the date of the transaction. Foreign exchange differences with regard to cash and cash equivalents are presented separately in the cash flow statements.

Receipts and payments of interest are presented within the cash flow from operating activities. Transactions that do not include an exchange of cash and cash equivalents, such as finance leases, are not included in the cash flow statement.

RELATED PARTIES

Transactions with related parties are assumed when a relationship exists between the foundation and a natural person or entity that is affiliated with the foundation. This includes, amongst others, the relationship between the foundation and its affiliated foundations, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

Transactions with related parties (refer to note 3 and note 8 for the identified related parties) are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.

For the remuneration of the board of directors and supervisory board members, please refer to section 1.5 of the management report.

SUBSEQUENT EVENTS

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

Date of preparation of financial statements: 13 February 2024

3.5 Explanation of the balance sheet

	31 December2023	31 December 2022	
	€	€	
1. Intangible fixed assets			
Balance as at 31/12 *			
Software	137,814	127,440	
Licences	-	-	
	137,814	127,440	
Movement in intangible fixed assets:			
	Software	Licences	Total
Balance as at January 1			
Purchase price	277,694	20,865	298,559
Accumulated amortisation	(150,254)	(20,865)	(171,119)
Carrying amount	127,440	-	127,440
Changes in book value			
Investments	78,021	-	78,021
Amortisation	(67,647)	-	(67,647)
Balance	10,374	-	10,374
Balance as at December 31			
Purchase price	355,715	20,865	376,580
Accumulated amortisation	(217,901)	(20,865)	(238,766)
Carrying amount	137,814	-	137,814

*) Software and licences are regular enterprise software and licences..

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2023	31 December 2022	
	€	€	
2. Tangible fixed assets			
Balance as at 31/12			
Renovation	7,132	12,370	
Other fixed operating assets	55,085	21,226	
	62,217	33,596	
Movement in tangible fixed assets			
	Renovation	Other fixed operating assets	Total
Balance as at 1 January			
Purchase price	1,005,430	612,066	1,617,496
Accumulated depreciation	(993,060)	(590,840)	(1,583,900)
Carrying amount	12,370	21,226	33,596
Changes in book value			
Investments *		57,311	57,311
Depreciation	(5,238)	(23,452)	(28,690)
Balance	(5,238)	33,859	28,621
Balance as at 31 December			
Purchase price	1,005,430	669,377	1,674,807
Accumulated depreciation	(998,298)	(614,292)	(1,612,590)
Carrying amount	7,132	55,085	62,217

*) Investments in Juba office Land cruiser vehicle, office equipment, workstations and laptops, renewal and enlargement of server capacity.

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2023	31 December 2022
	€	€
3. Financial fixed assets		
Balance January 1	392,006	384,320
Interest	7,840	7,686
Balance 31 December	399,846	392,006
The loan, in principal €416,000, has a maximum term of 5 years and is valued at the amortized cost on the basis of the effective interest rate of 2%. The loan is accrued annually up to the amount of €416,000		
4. Receivables from related entities		
Stichting Ondersteuning Vredeswerk	209,513	97,489
Fundation Pax Colombia	40,930	86,783
Balance 31 December	250,443	184,272
5. Receivables from donors		
Dutch Embassy Juba - Action Plan for Peace	4,799	96,340
Ministry of Foreign Affairs other subsidy commitments	36,133	-
Bureau of Democracy, Human Rights and Labor	494,603	703,573
Other receivables from donors	1,207,679	1,576,805
Balance 31 December	1,743,214	2,376,718
6. Other receivables and prepayments		
Prepaid salaries and pension contributions	11,716	10,046
Receivables partner commitments	318,606	183,905
Provision for doubtful partner commitments	(124,162)	-
Other receivables and prepayments	387,290	228,717
Balance 31 December	593,451	422,668
7. Cash and Cash equivalents		
Deposits	4,095,657	2,109,698
Credit balances on Dutch bank accounts	1,862,221	3,473,527
Credit balances on foreign bank accounts	40,739	39,993
Cash balances	60,438	55,297
Balance 31 December	6,059,055	5,678,515

With the exception of a bank guarantee of € 27,482, the cash and cash equivalents are immediately accessible.

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2023	31 December 2022
	€	€
8. Continuity reserve		
Balance 1 January	1,420,098	1,647,584
Abstraction on continuity reserve	(694,517)	(227,486)
Balance 31 December	725,581	1,420,098

PAX determines the desired size of its continuity reserve annually based on a risk analysis, which is approved by the Supervisory Board. A recent analysis has shown that a continuity reserve of €1.9 million is required. The current continuity reserve of €725,000 is therefore insufficient. However, when taking into account the net minimum value of the guarantee issued by Stichting Ondersteuning Vredeswerk (€435,000), the guarantee issued by Interkerkelijk Vredesberaad (IKV) (€200,000), and the earmarked reserves (€422,000, see note 9), the total available reserve is close to the required level. PAX acknowledges that the current situation is vulnerable and has therefore taken measures to strengthen its financial position.

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2023	31 December 2022
	€	€
9. Earmarked reserves		
Balance 1 January	500,000	199,208
Addition to earmarked reserve	16,229	500,000
Abstraction on earmarked reserve	(93,522)	(199,208)
Balance 31 December	422,707	500,000

	31 December 2022	Additions 2023	Abstractions 2023	31 December 2023
	€	€	€	€
Earmarked reserve formed to cover deficits on current projects	-	16,229	(16,870)	(641)
Earmarked reserve to cover costs of organisational development	500,000	-	(76,652)	423,348
	500,000	16,229	(93,522)	422,707

The earmarked reserves are available for spending in the short term.

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2023	31 December 2022
	€	€
10. Earmarked funds		
Balance 1 January	118,657	82,093
Addition to earmarked fund	151,861	93,748
Abstraction on earmarked fund	(192,356)	(57,184)
Balance 31 December	78,162	118,657

	31 December 2022	Additions 2023	Abstractions 2023	31 December 2023
	€	€	€	€
Earmarked donations from individuals for Humanitarian Disarmament.	65,759	109,547	(174,915)	392
Earmarked legacy for Palestine.	52,898	42,314	(17,442)	77,770
	118,657	151,861	(192,356)	78,162

The funds will be used in 2022.

	31 December 2023	31 December 2022
	€	€
11. Long term liabilities		
Partner commitments	-	49,152
Balance 31 December	-	49,152

12. Grants received in advance		
Ministry of Foreign Affairs regarding SP	512,595	71,304
Idem, regarding SP Al-thara untha - The Revolution is Female (WPS)	1,249,278	184,104
Bureau of Democracy, Human Rights and Labor	67,320	-
Dutch Embassy Juba - Action Plan for Peace	919,906	739,512
Ministry of Foreign Affairs other subsidy commitments	1,588,003	2,329,591
Payment obligation allotted grants	886,777	734,995
Balance 31 December	5,223,879	4,059,506

13. Partner commitments		
Partner commitments	695,947	1,018,894
Commitments to related entities	-	-
Balance 31 December	695,947	1,018,894

EXPLANATION OF THE BALANCE SHEET (CONT.)

	31 December 2023	31 December 2022
	€	€
Overview of the partner commitments		
Balance as at 1 January	764,889	3,046,661
Contracted	5,209,296	3,888,932
Release commitments	(627,317)	(574,859)
Payments	(5,064,040)	(5,611,556)
Other mutations	53,582	15,711
Balance as at 31 December	336,411	764,889
Receivables from (commitments to) related entities included	40,930	86,783
Other receivables included	318,606	216,374
Partner commitments	695,947	1,068,046
Long term liabilities	-	49,152
Short term liabilities	695,947	1,018,894
Balance 31 December	695,947	1,068,046
14. Other liabilities *)		
Payroll taxes and social security contribution	537,598	183,909
Reservation for leave days and holiday allowance	505,109	591,860
Payable salaries and pension contributions	228,970	209,703
ABAAD alliance partner	172,035	463,358
Commitments to related entities IKV and Pax Christi	22,551	6,466
Other debts, accruals and deferred income	249,606	181,897
*) no other liabilities due after more than one year.		
Balance 31 December	1,715,869	1,637,193

3.6 Off-Balance Sheet Assets and Liabilities

ENTITLEMENTS ARISING FROM DEEDS OF GIFTS

The following amounts were established by means of a notarial deed and/or mutual agreement with the donors as at 31/12/2023.

	2024	2025	2026	2027	2028	>5 years
€	72,137	€ 68,646	€ 59,937	€ 50,042	€ 36,232	30,818

GUARANTEES

PAX has contractually agreed on a bank guarantee of €27,482. PAX has the following guarantees: Issued by Stichting Ondersteuning Vredeswerk (valued at minimum of €435,000), Issued by Interkerkelijk Vredesberaad (IKV) (€200,000).

COMMITMENTS	<1 year	1 – 5 years	>5 years
Lease of equipment	€ 22,481	€ 40,473	€ -
Office rent	€ 378,991	€ 914,936	€ -
Service contracts	€ 6,750	€ 4,590	€ -

SUBSEQUENT EVENTS

On 25 June 2024 The Embassy of the Kingdom of The Netherlands in Juba, South Sudan, issued a forensic audit into the 2022/2023 financial accounts of the PAX - Action Plan for Peace II (APP II) project. The forensic audit identified a number of mistakes that were made in the financial management of the project. The audit did not identify cases of fraud or personal or organizational gain. PAX regrets the mistakes made and has taken measures to address them. The project has been closed in 2025.

On 11 November 2024 PAX received a letter from the Ministry of Foreign Affairs of The Netherlands to inform us that the grant policy frameworks for Strengthening Civil Society in their current form will not be continued as from 2026 and that therefore no new subsidy grants will be issued to PAX under this framework. This is expected to impact PAX income from 2026 onwards

On 24 January 2025 PAX received a letter from DRL to inform us that the current grant is under review (Stop Work Order) and for the next 90 days should be paused. PAX has taken immediate action to minimize the financial consequences of this decision.

3.7 Explanation of the income and expenses account

	Actual 2023 €	Budget 2023 €	Actual 2022 €
15. Income from individuals			
Donations	772,606	650,000	611,674
Legacies	68,665	50,000	102,438
	841,271	700,000	714,112
16. Income from companies			
Donations and charity discounts	150	-	-
	150	-	-
17. Income from lottery organisations			
National Postcode Lottery: regular contribution	500,000	500,000	500,000
National Postcode Lottery: one off additional contribution	-	-	500,000
National Postcode Lottery: Truth & Justice for victims in Colombia	-	-	102,295
National Postcode Lottery: project Story of the Refugee	-	-	12,914
	500,000	500,000	1,115,209
18. Grants from governments			
Ministry of Foreign Affairs, regarding SP Strengthening Civil Courage (PoV)	8,320,136	8,610,036	8,297,675
Idem, regarding SP Al-thara untha -The Revolution is Female (WPS)	306,495	424,540	328,515
Dutch Embassy Serajevo - PMC	-	-	35,028
Dutch Embassy Juba - Action Plan for Peace (4000005984)	901,284	1,335,555	28,371
Other Dutch Government	3,791,400	3,978,499	3,702,154
Foreign Governments	1,527,828	2,085,748	1,212,740
	14,847,143	16,434,378	13,604,483
The Strategic Partnership on Strengthening Civil Courage allocated an amount totaling € 57,024,708 for the Alliance for the period 2021 through 2025. This grant is part of a strategic partnership under Power of Voices partnership fund.			
19. Funding from other non-profit organisations			
Income from related entities	-	95,000	94,623
Joseph Rowntree Charitable Trust	57,731	-	71,669
V-Fonds	10,000	-	35,000
Other endowment funds	191,985	590,755	353,818
Other NGO organisations	1,219,596	1,211,520	1,424,755
	1,479,313	1,897,275	1,979,865

EXPLANATION OF THE INCOME AND EXPENSES ACCOUNT (CONT.)

20. Expenses on the objective

Expenses on the objective were subdivided by project over five categories. All costs were assigned to the programmes. See the table: Itemisation of expenses (Appendix 3).

	Direct costs 2023 €	Release commitm, 2023 €	Indirect costs 2023 €	Actual 2023 €	Budget 2023 €	Actual 2022 €
Programme costs						
Inclusive peacebuilding	10,520,165	(631,082)	1,780,872	11,669,955	12,285,600	10,689,931
Humanitarian Disarmament	944,299	-	380,588	1,324,887	1,429,300	1,198,001
Business, Conflict and Human rights	410,323	-	171,318	581,641	1,173,500	719,446
Protection of Civilians	2,009,463	-	379,314	2,388,777	2,414,800	2,340,404
	13,884,251	(631,082)	2,712,091	15,965,260	17,303,200	14,947,782

Details are shown in Table Itemisation of expenses (appendix 3).

Percentages spent

Sum of expenses	18,525,577	19,523,606	17,326,503
Percentage spent on objective in relation to sum of expenses	86.2%	88.6%	86.3%

21. Fundraising

Cost of fundraising, as percentage of total income	4.7%	4.8%	4.8%
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22. Management and administration

Management and adm. costs, as percentage of total income	9.1%	6.6%	8.8%
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	Actual 2023 €	Budget 2023 €	Actual 2022 €
23. Financial gain/(loss)			
Interest income	48,234	-	138
Interest expenses	(2,435)	(5,000)	(44,268)
Payment charges	-	-	(738)
Exchange differences	(8,243)	-	59,886
Interest loan (agio)	7,840	-	7,686
	45,395	(5,000)	22,704

24. Appropriation of result

On 18 February 2025 the Supervisory Board of PAX Foundation discussed the annual report and the financial statements 2023. In accordance with article 14.3 of the articles of association of PAX, the Supervisory Board adopted the annual report and the annual accounts of PAX, including the proposed appropriation of the result. The members of the Supervisory Board as per July 2024 are E.J.D. Nazarski, T.L.C.M. Groot, E.J. Kant, J.W. van Saane, J.E. Nijman and D.J.M. Hilhorst.

The articles of association provide guidance about the appropriation of the result in stating that the foundation shall not keep more reserves than reasonably necessary for its continuity, as determined by the Managing Director. The loss for the financial year is partly attributable to a one-time administrative cleanup and adjustments in financial reporting.

PERSONNEL COSTS.

	Actual 2023	Actual 2022
Specification of personnel cost		
Gross salaries	5,688,838	5,528,703
Social security contributions	1,103,406	999,276
Pension	579,184	567,489
	7,371,428	7,095,468
Other personnel cost	1,799,346	2,060,604
Total personnel cost	9,170,774	9,156,072
Explanation of changes		
Change in personnel cost	275,960	(227,532)
Change in other personnel cost	(261,258)	841,604
Total change in personnel cost	14,702	614,072
	Actual 2023	Actual 2022
Employees (in FTE)		
Average # of FTEs in the Netherlands	85.6	83.9
Number of FTEs at the end of the year in the Netherlands	84.1	88.0
Average # of FTEs in other countries	28.2	13.1
Number of FTEs at the end of the year in other countries	25.4	15.0
Average # of FTEs Total	113.9	97.0
Number of FTEs at the end of the year Total	109.5	103.0
Change in number of FTEs at the end of the year in the Netherlands	(3.9)	4.9
Change in number of FTEs at the end of the year in other countries	10.4	1.0
Total change in FTEs at the end of the year	6.5	5.9

Only small differences at the personnel cost. There is a shift in FTE towards other countries (than the Netherlands).

Note that the collective increase in salaries on the basis of the CAO PKN amounted an average of 3% in 2023 (2022 2%)

Appendix 1

REMUNERATION OF SENIOR EXECUTIVES (FORMAT GOEDE DOELEN NEDERLAND)

According Dutch reporting standards, the remuneration of senior executives for NGO organisations, has to be drawn up following the legislation WNT. For PAX additionally the branche guidelines Goede Doelen are applicable. Remuneration of PAX senior executives meet both the WNT legislation as the guidelines Goede Doelen Nederland.

NAME Position	R. SASSE Executive Director	M. STRUYK Director	A.M. VAN NES Director
Nature of employment	definit	indefinit	indefinit
Hours	36	36	36
Parttime percentage (1 FTE = 36 hours)	100	100	100
Period	01.02-31.12	01.01-31.12	01.01-31.12
Remuneration (EUR)			
Gross salary	90,377	48,516	84,500
Holiday allowance	2,592	6,149	4,965
Year-end allowance	7,464	3,454	6,976
Total annual income	100,433	58,119	96,442
Pension costs	13,508	8,881	12,327
Total 2023	113,940	67,000	108,768
Total 2022	n.a.	93,592	34,308

Due to the illness absense in whole 2022 and 2023 of one of the directors, the Goede Doelen threshold is calculated for a two-headed BOD. The annual income of the individual members of the Executive Board (employed) remains within the GDN maxima. For R. Sasse, the maximum is EUR 134,620 , on a 11 months basis EUR 123,402, and for A.M. van Nes the maximum is EUR 112,124, According to the 'Regeling beloning directeuren van goededoelenorganisaties', the annual income, the taxed allowances/additions, the pension costs, the pension compensation and the other long-term benefits, all together remain within the maxima per year according the Regeling.

Comparing 2023 to 2022 is difficult; R. Sasse worked 11 month in 2023 (only) while A.M. van Nes worked only 4 months in 2022.

Appendix 2

REMUNERATION SENIOR EXECUTIVES (FORMAT WNT)

The WNT (Wet Normering Topinkomens) is applicable for Stichting Vredesbeweging Pax Nederland. The applicable maximum remuneration for 2023 is €223,000 (general salary ceiling).

Table 1a. Senior executives employed on a labor contract.

AMOUNTS X € 1	R. SASSE	M. STRUYK	A.M. VAN NES
Position	Executive Director	Director	Director
Duration of position in 2022	01.02-31.12	01.01-31.12	01.01-31.12
Size of employment (in FTE)	1,0	1,0	1,0
Contracted employment	Yes	Yes	Yes
Remuneration 2023			
Remuneration plus taxable expenses	€ 100,433	€ 58,119	€ 96,442
Rewards affordable over time	€ 13,508	€ 8,881	€ 12,327
Subtotal	€ 113,940	€ 67,000	€ 108,768
Applicable maximum	€ 204,060	€ 223,000	€ 223,000
-/- Unduly paid and not yet refunded amount	n.a.	n.a.	n.a.
Total remuneration	€ 113,940	€ 67,000	€ 108,768
The amount of the overrun and the reason why the overrun is allowed or not	n.a.	n.a.	n.a.
Explanation of the claim for undue payment	n.a.	n.a.	n.a.
Remuneration 2022		M. Struyk	A.M. van Nes
Duration of position in 2022		01.01-31.12	01.09-31.12
Size of employment (in FTE)		1,0	1,0
Contracted employment		Yes	Yes
Remuneration plus taxable expenses		€ 83,056	€ 30,124
Rewards affordable over time		€ 10,536	€ 4,184
Subtotal		€ 93,592	€ 34,308
Applicable maximum		€ 216,000	€ 72,197
-/- Unduly paid and not yet refunded amount		n.a.	n.a.
Total remuneration		€ 93,592	€ 34,308
The amount of the overrun and the reason why the overrun is allowed or not		n.a.	n.a.
Explanation of the claim for undue payment		n.a.	n.a.

Appendix 2 (CONT.)

Table 1b. Senior supervising and former executives with remuneration of € 1,900 or less.

DATA 2023

Name	Position
E.J.D. Nazarski	chair of the Supervisory Board
T.L.C.M. Groot	member of the Supervisory Board
J.E. Nijman	member of the Supervisory Board
F. Karimi	member of the Supervisory Board
E.J. Kant	member of the Supervisory Board
D. Naumovska	member of the Supervisory Board
T. Hilhorst	member of the Supervisory Board

Supervisory board members do not receive remuneration.

This amount was almost fully compensated for by the UWV in January 2024.

Appendix 2 (CONT.)

Table 2. End-of-employment benefits of senior executives

Amounts x € 1	M. STRUYK
Position	Director
Size of employment (in FTE)	1
Year in which the employment has ended	2023
End of employment benefits	
Agreed end-of-employment benefits	€ 63,896
Total end-of-employment benefits 2023	€ 63,896
Applicable maximum entire period	€ 75.000
Unduly paid and not yet refunded amount	n.a.
The amount of the overrun and the reason why the overrun is allowed or not	n.a.
Explanation of the claim for undue payment	n.a.

After a period of 2 years illness the director did not receive benefits as of mid September 2023. At 31 Dec. 31 the contract was terminated with the mentioned agreed end-of-employment benefit.

3. Other reporting obligations WNT

In addition to the above listed senior executives, there are no other staff members contracted in 2023 who received a remuneration higher than the individual applicable maximum threshold amount.

Appendix 3

TABLE ITEMISATION OF EXPENSES IN €

EXPENSES	EXPENSES ON THE OBJECTIVE			
	Inclusive peacebuilding	Humanitarian Disarmament	Bussiness, Conflict & Human Rights	Protection of Civillians
a Grants and contributions	3,801,630	58,143	322,136	427,173
b Procurement	762,645	51,483	41,300	249,282
c Outsourcing	727,118	90,741	66,749	166,398
d Publicity and promotion	354,525	28,379	10,555	96,319
e Staff expenses	4,972,351	938,008	85,454	1,163,212
f Housing expenses	280,970	53,004	4,829	65,729
g Office and general expenses	718,484	95,276	49,711	208,404
h Depreciation	52,232	9,853	898	12,219
Total	11,669,955 63.0%	1,324,887 7.2%	581,641 3.1%	2,388,777 12.9%

Explanation of to expenses and distribution:

- a Commitments to partner organisations with whom we work when carrying out projects
- b Direct program costs, i.e. purchasing, hiring, travel and accommodation expenses
- c Hiring specialists for research and reporting
- d-h The total cost of the organisation is based on the actually realised personnel costs in 2023, allocated to the above mentioned TOCs (direct) and cost types (indirect)

FUNDRAISING		M & A COST		
Fundraising	Management & Administration	Total 2023	Budget 2023	Total 2022
-	-	4,609,134	4,657,042	3,329,102
6,516	3,221	1,114,447	4,135,742	2,074,453
19,410	45,063	1,115,478	511,544	1,106,708
17,829	2,053	509,659	481,884	319,313
752,010	1,259,739	9,170,773	8,130,684	9,156,072
42,493	71,183	518,208	517,303	467,895
33,122	286,546	1,391,542	788,719	749,256
7,900	13,233	96,335	300,688	123,704
879,279	1,681,038	18,525,577	19,523,606	17,326,503
4.7%	9.1%			

Appendix 4

FORMAT FOR THE FINANCIAL REPORT ON THE NATIONAL CAMPAIGN AND FORMAT FOR THE ANNUAL REPORT

For participants and guest participants



	Boekjaar 2023	Tot en met Boekjaar 2023
Baten		
Baten uit acties van derden	362,737	1,345,401
Rentebaten	-	-
Totaal baten	362,737	1,345,401
Kosten voorbereiding en coordinatie (AKV)		
AKV	10,483	39,191
Totaal beschikbaar voor hulpactiviteiten	352,254	1,306,210
Lasten		
Inzicht in bestedingen ter plaatse		
• Besteding ter plaatse door de uitvoerende organisatie	287,177	610,798
• Besteding ter plaatse door de internationale koepel	-	-
• Besteding ter plaatse door de deelnemer zelf	53,439	111,225
Totaal Bestedingen	340,616	722,023

APPROVAL FINANCIAL REPORT AND APPROPRIATION OF RESULT

Date: 18 February 2025

Supervisory Board

Eduard Nazaraski



Tom Groot



Thea Hilhorst



Joke van Saane



Board of Directors

Rolien Sasse



4. Other Information

4.1 Branches

In 2023 PAX maintained branch offices in Juba (South Sudan) and Erbil (Iraq). Besides these offices and the main office in Utrecht (the Netherlands), we have also staff based in Beirut (Lebanon), Brussels (Belgium) and New York City (USA). A separate legal entity, PAX Colombia, is based in Bogota (Colombia).

4.2 Independent Auditor's Report

During the preparation process of the 2023 financial statements, certain points of attention have arisen that require further investigation and elaboration, related to potential administrative inaccuracies and uncertainties. Clarification of these points is crucial to presenting a complete and accurate picture of the accounts. As a result, the finalization of both the financial statements and the audit opinion has been delayed.

The financial statements without the auditors opinion and the annual report are now available. In the annual report, these points of attention are explained, and it is described how we are addressing them to ensure the quality and accuracy of our financial reporting.

As soon as the auditor's report is completed, we will publish it on our website. We remain committed to transparency and diligence in our financial processes.



Board of Directors

Rolien Sasse



Chair Supervisory Board

Eduard Nazaraski



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