



# ANNUAL REPORT

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# 2015

**MARTTI AHTISAARI**  
CHAIRMAN OF THE BOARD

## A WORD FROM CMI'S CHAIRMAN

**WE LIVE IN A TIME** of intense global change, much of which, sadly, is not for the better. Despite this, like all good optimists I believe that peaceful and positive transformation is possible. It is a question of finding the right combination of political expertise and will. The latter is too often missing among leaders, as their attention spans tend to reach only as far as the next election or quarterly report.

True leadership is difficult, but where it succeeds, it does so because it rests on a solid belief in both the necessity and the possibility of change. It is the big picture that matters; and the ability to see it, and to sustain one's vision of it against the odds, demands a certain kind of courage, the kind that comes with sound moral conviction.

There are many unsolved conflicts that need our moral courage and immediate action. As we well know, violence and instability breed all that is worst in human nature and human existence – further violence, terrorism, refugee flows, poverty, and more. In this light, it is clear that solving conflict wherever it occurs is, or should be, our first priority.

And solving conflict is what CMI does best. I am genuinely proud of all the CMI professionals who work hard to support peace processes around the world.

*“Founding CMI has been one of my life's wisest decisions.”*

Founding CMI has been one of my life's wisest decisions. It requires a variety of skills to be a peacemaker. It suits a person like myself very well, since I enjoy being faced with a wide range of challenges, and I'm often regarded as an odd jobs man. Peacemaking is most certainly challenging, but one is never alone – it is team work through and through, and requires bold and committed people who take risks and excel themselves for a greater good. This is what CMI is about.



Photo: Tuukka Koski

## ALL CONFLICTS CAN BE RESOLVED



CMI staff with President Martti Ahtisaari in April 2016.

**THE CRISIS MANAGEMENT INITIATIVE (CMI)** is an independent Finnish organisation that works to prevent and resolve violent conflicts through informal dialogue and mediation. Nobel Peace laureate and former President of Finland Martti Ahtisaari founded CMI in 2000. Since then, our organisation has grown to become one of the leaders of its field.

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*“Supporting dialogue in closed states and societies is one very cost-effective preventive measure.”*

**TUIJA TALVITIE**  
EXECUTIVE DIRECTOR

# GETTING OUR PRIORITIES RIGHT

**Peaceful resolution of violent conflict requires serious investments of time, goodwill, and professional effort. It requires far less money than you might think, says CMI's Executive Director Tuija Talvitie.**

**PRESIDENT AHTISAARI'S LEGACY** is the bedrock of CMI. He founded CMI because he understood well the urgent need for an organisation that could tackle the root causes of violent conflicts. Understanding what breeds conflicts and wars, and investing in their prevention, is possible only if that is what we choose to do. Martti Ahtisaari's key principles are the driving force of CMI's work: the understanding that peace is a question of political will and skill; the importance of keeping channels of communication open to all parties; the importance of ensuring that women have a strong role in mediation processes; and most of all, the importance of the belief that all conflicts can be resolved.

Conflicts are all about power. We must understand that the most visible actors are not always the ones to make breakthroughs in sensitive negotiations. In cases like Syria, Libya or Yemen, the issues are too charged, and too heavily loaded with high expectations, to be addressed in the global spotlight. Before solutions can be discussed, extensive groundwork under the radar is vital – to build mutual trust, to establish contacts, and to carefully examine all the options. This sensitive and discrete work is what CMI specializes in. Because we are independent of governments we can organize dialogue and mediation support informally without political pressure.

We are trusted precisely because we have no self-serving agenda that would pose a risk for the parties. Our sole interest is in helping to bring about a peaceful resolution and reconciliation. We have a unique freedom to operate in sensitive areas and talk with peo-

ple others cannot or will not meet. This is freedom that money cannot buy. And this is where small is beautiful. This is our smart niche.

The spillover effects of chronic conflict highlight not only the despicable nature of war, but also the failures of warring states to fulfil the expectations of their people for a better tomorrow. Having a vision of a more just society that people can believe in and commit to is important not only in restoring peace today, but also in preventing tomorrow's wars. People's expectations for a better future can be addressed through inclusive societal dialogue, and by building democratic mechanisms to transform these aspirations into broader social commitments. We would do well to seriously invest in preventive engagement, as opposed to last-minute crisis management.

Supporting dialogue in closed states and societies is one very cost-effective preventive measure. But helping others to solve problems that directly affect them requires deep sensitivity to cultural and political conditions. It also demands multilateral cooperation and setting aside self-interested agendas.

The use of force is sometimes unavoidable, but it cannot be an end in itself. More soldiers does not bring more peace. Greater efforts are needed to understand what drives extremism and conflict. Actions to strengthen relations between the state and civil society, to tackle systemic corruption and weak governance, can help build well-functioning societies that serve their citizens, rather than serving any elite.

There are no quick fixes for violent discord, but our key commitments to smart solutions deserve our best efforts. See what you make of this: the global military expenditure now stands at an average of four billion euros – a day. A small fraction of that amount would pay for thousands of rounds of dialogue and peace talks. Food for thought.

# PROGRAMME

**The aim of CMI's programme is to prevent and resolve violent political conflicts. In working towards this ideal we concentrate on peace processes in which our unique character as a Finnish, solution-oriented, independent and unofficial actor gives us the best possible chance of contributing to peace.**

**IN THE FIELD** of international peacemaking, we are privileged to have strong Finnish roots. Coming from a small practically-minded nation with a history of neutrality and without a power-seeking agenda inspires trust in everyone we work with. We talk to all parties, but do not take sides. We encourage strong local ownership of peace processes. We strive to contribute knowledge gained from other processes. In practice, this is clearly evident in the composition of our teams. We maintain a careful balance between CMI's programmatic approach and principles, local knowledge and networks, and experiences from around the world.

Another benefit of our programme is the unofficial nature of our work. We work under the radar and away from the official political sphere, but remain



We work quietly under the radar building channels of communication and trust between key actors. Our Senior Adviser Georg Charpentier (left) at work in Libya.

connected to it where that is feasible and useful. In general, we aim to create spaces where public discourse does not dominate the agenda, and official roles and political bargaining do not limit creative thinking and the search for mutually beneficial solutions to critical problems.

A further strength is our flexibility. Working in volatile, complex and high-risk environments requires adaptability in order to cope and be effective. Our approach to planning, monitoring and evaluation is to see them as interconnected parts of a continuous loop of learning and adjusting. This is at the heart of our nature as a learning organisation.

## Working quietly in the background

Based on the aforementioned strengths, we provide essential building blocks for various peace processes and political settlements. We do not seek the lime-light through leading formal processes. Instead, we work quietly in the background building channels of communication and trust between the key actors. This helps all those involved to think creatively, which is a



CMI's Senior Adviser on Russia and Ukraine Denis Matveev focuses on designing and facilitating confidential dialogue processes between politicians and experts.



Programme Director Ville Brummer gives the microphone to Senior Manager Antonia Potter Prentice who takes part in the staff retreat via Skype. Advisers Elisa Tarnaala and Mohamed Al Ansary in the foreground.

must for any successful peace process. The unofficial nature of our work is particularly important early on in peace processes, and in situations where official processes have become deadlocked.

*The solutions towards peace come invariably from the conflicting parties themselves.*



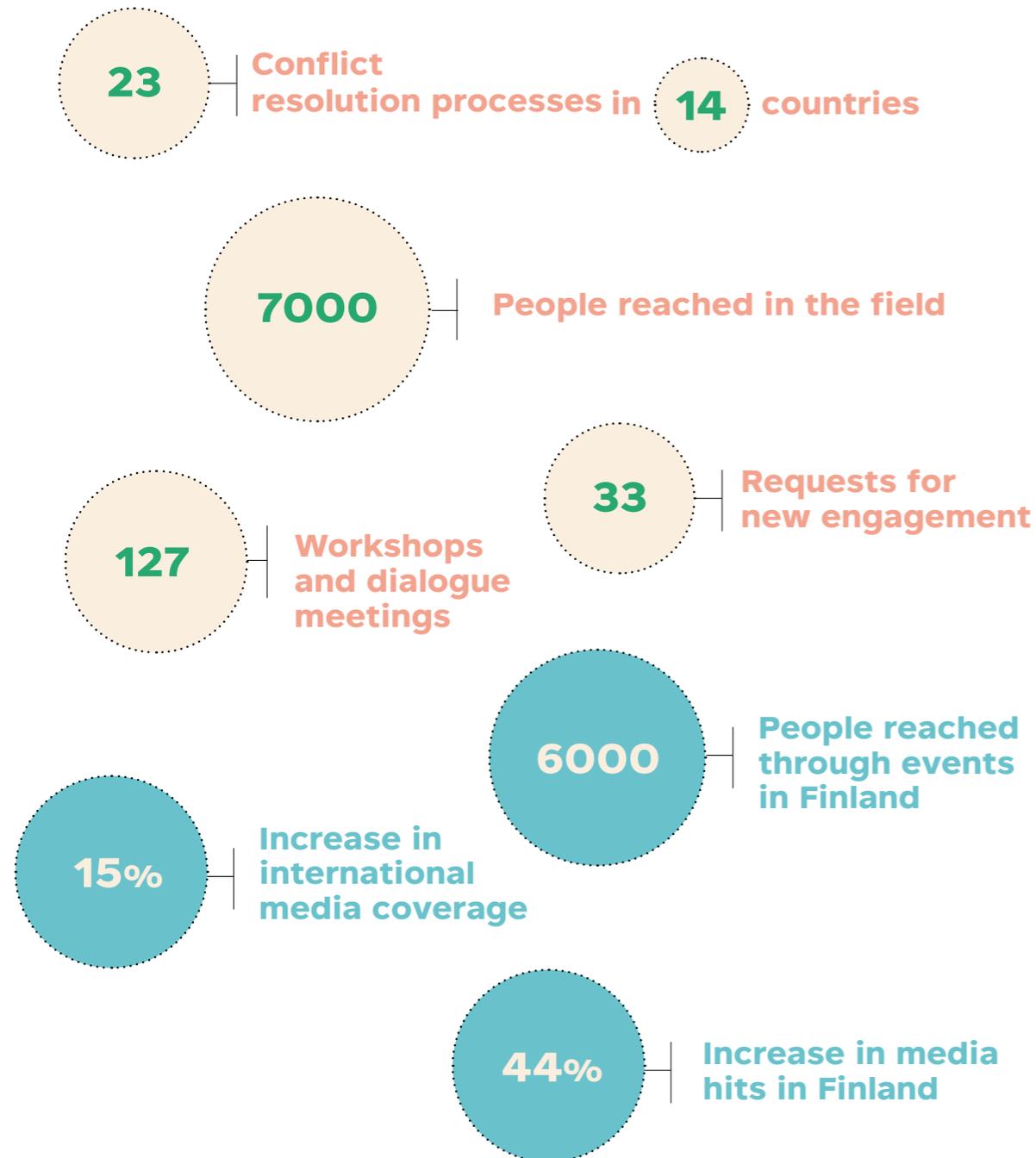
Eemeli Isoaho from the Sub-Saharan Africa team and Emmi Hänninen from the Middle East and North Africa team working together.

The path we take to peacebuilding is far from easy. We support processes that continuously develop, and we support actors who cannot openly admit that they need support. It is challenging to enable processes in situations where few wish to take responsibility for compromises. It is often the case that those involved do not recognize that there should be a process at all, let alone include actors that cannot officially be engaged.

But strong-arming a settlement of any kind is out of the question – we would never do it, nor could we. Due to our principle of encouraging local ownership, and our own neutral approach, the eventual solutions towards peace come invariably from the conflicting parties themselves. What we seek to provide are the essential elements for inclusive, effective, and therefore lasting solutions.

While our approach is not easy, it has proven effective. The circumstances we work in do not allow for easy successes, but nevertheless our results-based approach has begun to show real results. Our work has helped to bring about genuine advances in peace processes, and with others there are encouraging signs. In 2015 we received 33 requests for extended engagement – some of which pertain to the most intractable conflicts around today.

# PROGRAMMATIC DATA 2015



# PROJECTS IN 2015

**In total there were 23 projects for CMI in 2015.**

During the year six projects were closed. These included the regional project in Eastern Europe, the Caucasus and Central Asia, the projects in Afghanistan, Morocco and Liberia, as well as the Methods and Tools project. The Global Coordination and Cooperation project was merged with the Quality Assurance project. Some of these closures had been anticipated for some time, but they also reflect the drastic effect of the funding cuts. In 2015, CMI launched two new projects, in Iraq and Gagauzia (Moldova).



## EURASIA

- Support to the Transnistrian Conflict Settlement
- Moldova: Supporting the Efficient Exercise of Gagauzia's Autonomy
- South Caucasus: Supporting Inclusive Peace Processes
- Ukraine: Support to the Conflict Settlement
- Eurasia: Supporting Regional Mediation Capacities (ended)
- Afghanistan: Unlocking Insider Mediator Potential (ended)

## MIDDLE EAST AND NORTH AFRICA

- Libya: Supporting Dialogue Platforms
- Palestine: Supporting Dialogue and Consensus
- Yemen: Enhancing Inclusiveness of Peace-Making Efforts
- Iraq: Supporting National Reconciliation
- Syria and the Region: Conflict Reduction and Mitigating Regional Spillover

## SUB-SAHARAN AFRICA

- African Union: Supporting Mediation Capacities and Efforts
- Regional Economic Communities: Supporting Mediation Capacities and Efforts
- Great Lakes Region: Advancing Constructive Dialogue
- South Sudan: Sowing the Seeds for Inclusive Political Dialogue

## WOMEN IN PEACEMAKING

- Supporting a Stronger Role for Women in Peace Processes

# MEASURING RESULTS

**CMI's working environment is typically fluid and high-risk. In such circumstances, demonstrating cause and effect in simplistic terms is not the way to go. At the same time, however, there is always a strong public demand for clear results. Given this dilemma, careful but robust approaches are needed. CMI is strongly committed to developing our internal processes to meet these diverse demands.**

**CONFLICTS ARE PRIME EXAMPLES** of 'wicked problems': unique in their characteristics, and impossible to describe definitively. There are no right or wrong answers to such problems, only better or worse. Resolving complex conflicts is itself a complex undertaking, involving a great and often clashing variety of individuals, groups, interests, and risks. Conflicts are invariably characterized by starkly polarised perceptions, and this can lead to narrowed perceptions of the possibilities for peace and of the means to achieving it.

## Results-Based Management (RBM)

At the core of CMI's approach is our system of Results-Based Management (RBM). Incorporating internal planning, monitoring and evaluation processes, risk management and financial monitoring, RBM enables us to contribute to more effective and sustainable peace processes.

Effective implementation requires the continual development and fine-tuning of the appropriate tools and approaches. Capacity-building and quality assurance through strengthened peer-to-peer learning are key parts of our work. We also support cooperation and outreach with peer organisations and others involved in conflict resolution and peacebuilding.

## CMI's programme contributes to peacemaking through five main types of results: Trust, Channels, Capacities, Inclusion and Solutions.

For monitoring and evaluating the CMI programme, these five desiderata form the general types of results – they are the desired changes that CMI can help to bring about, based on the problem analysis of each unique conflict.

**TRUST:** Trust among the conflict parties and in the progress of the peace process is crucial for any peace that can be sustained over the long term.

**CHANNELS:** Channels of communication need to be maintained, and in many cases new ones need to be created. Lack of communication creates misunderstanding and hinders and imperils constructive progress.

**CAPACITIES:** The technical and political capacities of the conflicting parties, mediators and societal actors are essential to peaceful resolution of conflicts.

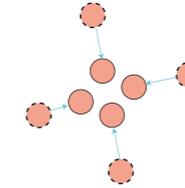
**INCLUSION:** Including all the relevant people, groups and views in the peace process increases the applicability and sustainability of the outcome.

**SOLUTIONS:** Conflict resolution is a cooperative effort to find common solutions to critical issues that cause conflict.

# RESULTS HIGHLIGHTS 2015

## TRUST

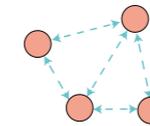
In 2015, CMI helped to build significant trust among key conflict actors (in Yemen and Ukraine) and build conflict parties' willingness to address nationally important issues (in South Sudan and Iraq). In all cases, progress in building mutual trust rests on CMI's impartiality and ability to bring conflicting sides together in a non-threatening manner. Trust is vital for dialogue. In peacebuilding efforts that are at a more advanced stage, CMI has been able to gradually expand the process to include new actors and issues.



to concrete progress at the official level in many cases (in Ukraine, Moldova, and Yemen). CMI also works to improve the capacities of mediation organisations, focussing on the capacities of mandated regional organisations to mediate. These improvements have been achieved through providing direct operational support, and by improving the skills and networks among international mediation actors (African Union, the regional actor ECCAS in Central Africa).

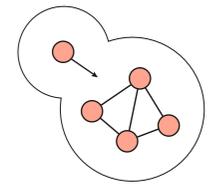
## CHANNELS

As an impartial actor, CMI has greater freedom to explore contacts and engage with actors who are excluded from official political processes and negotiations. In 2015, CMI was able to help in building cooperation among parties that have rarely engaged with each other. These results were especially encouraging in situations where political processes are locked (Yemen, Libya, Moldova) or where some parties are not yet included (Ukraine, Iraq).



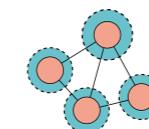
## INCLUSION

In 2015, CMI worked to make peace processes more sustainable and effective by incorporating previously sidelined stakeholders in conflict resolution (in Moldova, Ukraine, South Caucasus, Palestine, and Yemen). Among other means, CMI supports the creation of informal dialogue "core groups" with an inclusive mix of political and societal actors.



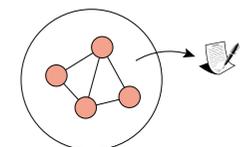
## CAPACITIES

CMI strives to support peacebuilding through improving the capacities of local parties. Our work in 2015 brought improvements in the ability of dialogue "core groups" and related key actors to engage in wider peace processes. This has led



## SOLUTIONS

The cooperative creation of solutions begins with the stakeholders identifying the right problems to solve – that is, identifying problems that can be solved, in order to generate goodwill, trust, and progress towards peace. In 2015, this approach resulted in significant contributions to official peace processes (in South Sudan, Moldova, and the Central African Republic).



# IRAQ

## **CMI supports national reconciliation efforts in Iraq by facilitating informal dialogue and providing expert support.**

**THE DRAWN-OUT** civil war in Syria is seriously harming also the fragile polities and institutions of neighbouring states. CMI has actively sought to ease the regional repercussions of the war. With this approach, in 2015 CMI focused on deepening contacts and relationships among Iraqi actors around the question of national reconciliation.

Consultations and scoping missions conducted as part of the Syria regional project were central in establishing contacts with Iraqi actors from across the political spectrum inside and outside the country. These include the government, civil society and key opposition actors in Iraq and in exile. These efforts were crucial for CMI in testing ideas and assessing possible new ways of contributing to long-term peace and stability in Iraq.

## **Supporting the design of a national reconciliation strategy**

CMI developed a new concept for contributing to the nationally-led reconciliation process in Iraq which we have already secured European Union funding for. Given the drastic development aid cuts by the Finnish Ministry for Foreign Affairs, this was crucial for the continuation of our work in Iraq. There are strong interlinkages between the conflict in Iraq and Syria, so progress towards inclusive reconciliation in Iraq also supports progress on the Syria regional project.

Iraq's troubles are rooted in deeper political and social struggles, which are intertwined with historical grievances and the effects of foreign interventions and past policy decisions. Lack of effective agreement on fundamental concerns risks prolonging instability

and violence by causing increased marginalisation and discord within the political system. However, there is now widespread acknowledgement at all levels of Iraqi society that these obstacles must be tackled vigorously and inclusively.

## **Fostering trusting relationships throughout the political spectrum**

In 2016 CMI continues to support local efforts in Iraq towards reconciliation, peace, and stability through informal dialogue and expert support. CMI's impartial nature makes us accessible to all sides. As a result, we have been able to foster trusting relationships in Iraq throughout the political spectrum.

CMI's work is independent of all official talks and processes, and prioritizes local ownership, which is one of CMI's key principles.

*“In our work we highlight the importance of Iraqis setting their own agenda, visions and strategies.”*

“In our work we highlight the importance of Iraqis setting their own agenda, visions and strategies. We provide the space and opportunity to hold constructive discussions and offer expert advice,” says **Maruan El-Krekshi**, Head of Middle East and North Africa. “The fragility of the overall situation in Iraq during 2016 requires concerted efforts by all Iraqi stakeholders to work towards an inclusive national agenda, with the overall objective of strengthening national unity among the various components of Iraqi society,” El-Krekshi continues.



CMI's Project Manager for the Iraq project Hussein Al-Taei (left) discussing with Senior Adviser Nureldin Satti.



CMI's Head of Sub-Saharan Africa, Itonde Kakoma (left) and Adviser Elisa Tarnaala work together on process design, conflict dynamics analysis and to increase the impact of women's engagement in peace processes.

# SOUTH SUDAN

**A successful transition to peace in South Sudan requires careful and context-sensitive institution building. CMI works to support these developments, which depend on successful implementation of the negotiated peace settlement.**

**IN SOUTH SUDAN**, the world's youngest country, civil war broke out in December 2013. Since then, thousands have died, thousands more have fled the country, and faced the devastating effects of a humanitarian crisis. During 2014 and 2015, CMI supported talks between the leaders of the Sudan People's Liberation Movement (SPLM). From the start, CMI in partnership with CCM, Tanzania's ruling political party, advanced the so-called Arusha process in order to facilitate direct discussions on the reform and the future of the SPLM as the main ruling party of South Sudan. This was deemed crucial, because internal divisions within the SPLM were a major root cause of the war.

## **CMI's aims in South Sudan**

Our work in South Sudan had two main objectives which we achieved: to provide an informal, complementary platform for discussions on the future of the ruling party and political system in general, and to support the advancement of the official peace process. However, different interpretations of these two aims and of CMI's role in achieving them have created difficulties in relation to the official process.

*By working with South Sudan's ruling party, CMI helped to increase trust and improve lines of communication between rival groups.*

By working with the SPLM, CMI helped to increase trust and improve lines of communication between ri-

val SPLM groups. As core members of the Intra-SPLM Dialogue Secretariat, together with the Tanzanian ruling party CCM and the African National Congress, we have had success in enabling frank and constructive dialogue between the SPLM factions. These positive developments contributed to the signing of the party's Reunification Agreement in January 2015, and to the development of the Roadmap later that year. Important steps have since been taken towards implementation of both agreements.

## **Concrete commitment**

As things currently stand, CMI has been able to gradually contribute to the process of re-establishing trust and good-will between the SPLM groups. Sufficient trust is a critical condition for dialogue and cooperation. While the official peace process led to the August 2015 Agreement on the Resolution of the Conflict in South Sudan (ARCISS), the situation remains precarious. However, improved relations within the ruling party, make it much more likely that the Agreement can be successfully and sustainably implemented. Helping to make this happen is now CMI's main goal in South Sudan.

To complement our work to promote dialogue we also work with the Women's Parliamentary Caucus in South Sudan, to help increase the impact of women's meaningful engagement in the peace process. We help them to build a strong connection between these national developments and the everyday struggles of ordinary South Sudanese women in villages and towns across the country.

CMI's Sub-Saharan Africa programme Head **Itonde Kakoma** emphasizes that forming a nationally unified transitional government is the essential first step towards effective implementation of the August 2015 accord.

"For the administration to be functional it must have the trust of all the parties to the Agreement. The real test of any peace deal is in its implementation, and in how it is practically supported both by the conflicting parties and by the general population."

# UKRAINE

**The main obstacles to socioeconomic reforms and conflict resolution in Ukraine are lack of trust and lack of political cohesion. But every small step matters, and CMI is working towards a shared vision.**

**THE SITUATION IN** which Ukraine finds itself is highly complex. Societal divides are not effectively addressed, both centrally and regionally. This has many consequences, including a cross-institutional struggle in delivering new legislation and reforms. Another element complicating Ukraine's peaceful transition is the underlying network of proxy interests shaped by regional actors and local tycoons. Although fundamental for the settlement of the crisis, these aspects are not being sufficiently considered in international political efforts. The official Minsk talks respond to international diplomatic needs, but do not fully address the full depth of the crisis and the real challenges Ukrainian society faces.

## **CMI promotes discussion**

CMI works to create spaces for frank discussion and interaction between the Ukrainian political and intellectual actors. The process that CMI has developed with our local counterparts is designed to build trust between the political actors both inside and outside the official sphere. It promotes dialogue towards a shared vision for Ukrainian society.

***CMI works to create spaces for frank discussion and interaction between the Ukrainian political and intellectual actors.***

Since mid-2014, CMI has supported a high-level Dialogue Group consisting of political, business and so-

cial actors representing a broad spectrum of political and community views across the country. We have worked with the Dialogue Group to build trust through regular workshops, meetings and discussions, to enhance capacities and channels to support conflict settlement in Ukraine. The Group members have developed confidence in the idea of a reintegration and, in the future, a reconciliation process for Ukraine. This is already a very significant degree of progress in comparison to the situation we began with in 2014.

## **CMI opens new channels of communication**

Working with the Group, CMI has supported the capacity of official negotiators of Ukraine in the peace process. Members of the CMI Dialogue Group have contributed to formulating nuanced and informed policy positions on matters being discussed in the official process. In the long run, this helps to improve the overall quality of the official peace talks. In their constituencies and the public at large, Dialogue Group participants have started to promote positions that support the Ukraine peace process.

The Dialogue Group has also activated new channels of communication with Russian experts and EU officials. These channels help deliver more nuanced and multilateral assessments. This improves the understanding of both external and Ukrainian actors of their external environment and of the positions of the various actors. This contributes to remedying a key challenge of the peace process by building a base for consolidated positions inside Ukraine.

According to the CMI Head of Eurasia, **Roxana Cristescu**, "This year CMI's Ukraine work aims to support the official Minsk negotiations in creative ways that make the most of CMI's tailored approach. We hope that our flexible, informal methods will be helpful in addressing the challenges faced by the peace process in and around Ukraine in 2016."



CMI's Senior Adviser Denis Matveev (left) discussing with Head of Eurasia Roxana Cristescu.

# WOMEN IN PEACEMAKING YEMEN

**Despite the collapse of the political process in Yemen, the Women's Forum keeps working, with the help of CMI.**

**AFTER THE FIRST** promising three years of transition in Yemen, a complex conflict broke out paralysing the country's political system and creating a severe humanitarian crisis. Much work remains to return to building the foundations for a peaceful, inclusive society. The solutions developed at the 2013-2014 National Dialogue Conference (NDC) in Sana'a are broadly accepted by Yemeni society, but their implementation cannot succeed as long as the unaddressed issues continue to cause widespread violence.

CMI has been active in Yemen since 2011. In 2013 we began supporting female participation in the National Dialogue Conference. We focused on supporting a diverse group of influential Yemeni women to incorporate questions of gender and women's participation into the NDC outcomes for sustainable conflict resolution and peacebuilding.

## Women's group creates channels of communication

After the collapse of the national dialogue process and with the outbreak of war, this Women's Forum for Dialogue and Peace proved to have also other strengths. The Forum has turned out to be a very effective platform for providing channels between the different Yemeni groups. The group continues to further its goal of supporting women's meaningful participation, and remains unusual in comprising a broad and balanced political and social representation, and in remaining active inside Yemen. Importantly, it also has direct channels to national decision-makers through party allegiances and power relations, which are amplified by the support CMI provides in conveying the messages.



CMI staff and a group of Yemeni women from across the range of political groupings met in Beirut in the spring 2016.



CMI supports the Yemeni Women's Forum to work together across their differences to identify issues of consensus they can bring to the table.

## Helping women make a greater impact in peace processes

CMI's targeted promotion of and support for women's inclusion in ongoing national conflict prevention and peacemaking processes has also created progress in South Sudan, where we support the Women's Parliamentary Caucus. We also make an effort to help regional actors improve their capabilities in gender-sensitive mediation. In 2015, CMI concluded the final phase of the High-Level Seminars on Gender and Inclusive Mediation (GIM). This was a long-term project to build the capacity of senior mediators in gender and inclusion issues.

# ORGANISATION

## Our people

CMI's greatest asset in the demanding work we do is the strength of our expertise. The detailed and versatile know-how of our highly international team forms the very backbone of our organisation. This expertise is central to all the work we do, in a great variety of cultures and political and social circumstances. Our experts often work under intense pressure, but on the positive side the work we do is always people-centred. And our expertise covers a broad spectrum: some have decades of high-level international experience to their credit, and other, younger experts make their mark from disciplinary backgrounds as diverse as politics, mathematics, and anthropology.

CMI currently has a staff of seventy. About half is based at the Helsinki headquarters, and others in Brussels and the countries we work in. CMI went through a series of difficult changes in late 2015 due to funding cuts, but we have continued to maintain our high-quality programme and efficient administrative and other support services.

## Wellbeing

The unexpected circumstances in 2015 made swift organisational changes essential. Throughout these changes special attention was paid to maintaining the high quality of supervisory practices and to staff wellbeing. CMI's working environment can sometimes be hard to cope with, both practically and emotionally. To prevent burnout and extended sick leaves, we further improved our organisational model for early support and intervention.

## President Martti Ahtisaari's Office

Martti Ahtisaari has his personal office in the CMI headquarters in Helsinki. He chairs the board of CMI, thus maintaining a strong link between his office and the organisation. The Ahtisaari staff support all his individual tasks and commitments, and the office works closely with CMI and the other organisations with which he is involved.

## Decision-making

CMI's highest decision-making entity is the annual general meeting, which convenes CMI's (currently 112) members to examine our financial and working plans and reports.

The board of directors is selected at the general meeting. It is ultimately responsible for CMI's long-term strategy, for significant financial decisions, and for the approval of new members and the appointment of the Executive Director.

CMI's Executive Director leads our work and oversees the implementation of our strategy. A leadership team provides support in planning and decision-making.



Board from left: Elina Pirjatanniemi, Johnny Åkerholm, Kirsti Lintonen, Kari Lautjärvi, Martti Ahtisaari (Chairman), Aleks Neuvonen, Kristina Pentti-von Walzel and Juha Rantanen. Gunvor Kronman (Vice-Chair, not pictured).



Leadership team from left: Jaana Seppänen (Director, Finance and Administration), Ville Brummer (Programme Director), Tuija Talvitie (Executive Director), Elina Lehtinen (Head, Communications and Fundraising).

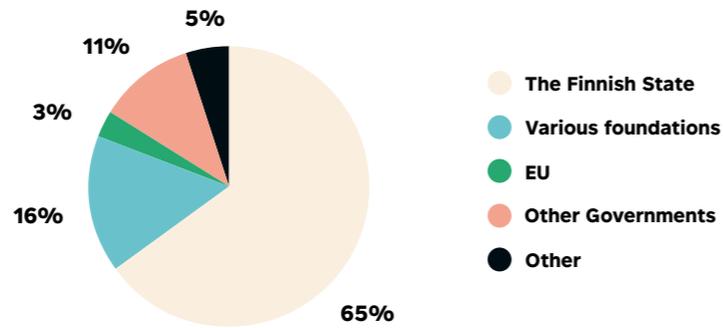
# FINANCE AND ADMINISTRATION

**The cuts to development funding hit CMI this year, and forced us to make various adjustments, such as staff reductions and project downsizing. Nonetheless over the year as a whole CMI continued to keep its finances in good order, and as a result our work in 2016 rests again on a good cash flow.**

CMI's total income in 2015 was 7.5 million, 4% below the previous year. The decrease was caused by savings (staff reductions, scaling down projects, savings on office premises and other overheads). These savings had to be implemented in late 2015 due to the development aid cuts imposed by the new Finnish government in autumn of 2015. The cuts, amounting to 1.7 million euros, took effect at the start of 2016.

Due to the cuts our surplus decreased by 90%, being a total of 13 954 euros in 2015. The surplus was low mainly due to staff layoffs and other related costs. The cuts also forced us to close a number of field offices, in South Sudan, Tanzania, and Jordan. Overall CMI began 2016 with a scaled-back budget, but work is already well underway on building steady growth and a broader funding base for the coming years.

CMI's main funder is the Finnish government, accounting for 65% of total funding in 2015. The second largest funding source is foundations and societies (16%).



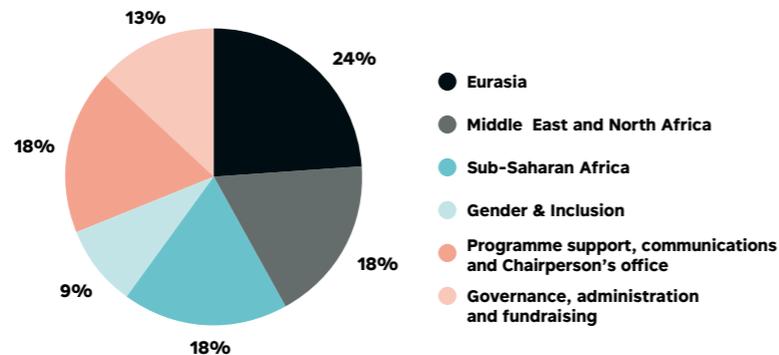
**SOURCES OF FUNDING 2015.** Our main funder continues to be the Finnish government.

2015 was our second year of partnership with the Finnish Ministry for Foreign Affairs (MFA). The MFA-funded programme enables funding allocations between projects, and also allows us to have public funding accepted as matching funding, which is crucial for CMI.

Our fundraising in 2015 was successful, and ensured a good matching funding situation for 2016 as well. Work towards broad-

ening our funding base has already started to pay off, and will continue in the coming years.

The main regions in which CMI worked in 2015 were Eurasia, Sub-Saharan Africa, and the Middle East and North Africa, which also formed the largest parts in terms of CMI's actual expenses. Our administration costs were still only 13% of the total actual expenses. This is due to CMI's thorough monitoring



**ACTUAL EXPENSES 2015.** Eurasia, Sub-Saharan Africa, the Middle East and North Africa form the largest parts in terms of CMI's actual expenses.



Financial Assistant Lauri Pullinen (left) and Assistant Controller Antti Kantokoski. Director of Finance and Administration, Jaana Seppänen in the background.



Jaana Seppänen leads the Finance and Administration team.



Controller Jaana Salminen conducted a finance monitoring trip to South Sudan.

of its costs, with the very generous help of pro bono experts. These partners are e.g. Dittmar & Indrenius, which provides legal advice, MPS, which provides assistance with human resources, and B2B Solutions, which provides ICT services.

## Cashflow remains good

CMI's funding pipeline is prepared monthly, and includes all our projects and all the regions we work in. This ensures that the pipeline is big enough to produce successful funding. Cashflow remains good, and is improving every year. This positive trend is the outcome of our long-term financial controls. During 2015 and 2016 CMI pays special attention to mobile phone costs and to observance of the 7-day rule. This rule requires that flight bookings must be made more than one week before the trip in order to ensure cost-consciousness and allow sufficient time for security analysis.

Our security function was complemented with International SOS, an external service provider. The travel function was decentralized and cost savings follow-up and other travel-related reporting was automated. To meet the support needs of programmatic teams, one assistant controller position was further integrated into financial support for project implementation. CMI will explore the possibility of increasing similar assistant-level positions in programmatic teams.

An internal audit was made with a lawyer from Dittmar & Indrenius, who worked with CMI pro bono one day a week for five months during 2014-2015. In 2015 a special audit relating to Swedish government's grant support was carried out for the Gagauzia project. The feedback from the audit, which was done by KPMG, was highly positive and included praise for CMI's internal processes.

## Finance monitoring

Corporate governance and financial monitoring at CMI is ethically sound, rigorous, and fully transparent. Finance monitoring is an everyday task for our finance personnel. Our finance and accounting team made several monitoring trips during 2015, including to Palestine, Afghanistan, Georgia, South Sudan, and Tanzania. CMI's anti-corruption team, consisting of five staff members from different geographical teams and support functions, launched an anti-corruption training programme. This online programme is available to all our staff.

# FINANCIAL STATEMENT

## INCOME AND EXPENDITURE

INCOME	2015	2014
Governments	5 920 828	5 861 016
Private Foundations and Societies	1 186 760	1 764 336
Private Sector Companies	41 464	27 072
Other	313 058	119 604
<b>TOTAL GRANTS AND DONATIONS</b>	<b>7 462 109</b>	<b>7 772 028</b>
EXPENSES	2015	2014
External Professional Services	1 419 162	1 531 329
Personnel Costs	2 559 504	2 440 003
Other Costs	3 469 489	3 657 206
<b>TOTAL EXPENSES</b>	<b>7 448 155</b>	<b>7 628 539</b>
<b>SURPLUS / DEFICIT</b>	<b>13 954</b>	<b>143 489</b>

## BALANCE SHEET

ASSETS	2015	2014
<b>Non-Current Assets</b>		
Machinery and Equipment	13 396	0
<b>Current Assets</b>		
Project Income Receivables	270 629	507 787
Pre-payments and Deposits	81 652	115 773
Cash and Bank	2 883 679	2 204 790
<b>TOTAL ASSETS</b>	<b>3 249 356</b>	<b>2 828 349</b>
LIABILITIES	2015	2014
Equity	14 223	14 223
Equity Capital	217 316	73 827
Carryforward from Previous Years	13 954	143 489
<b>Surplus/Deficit</b>	<b>245 493</b>	<b>231 539</b>
<b>Short-term Liabilities</b>		
Project Income Advances	2 156 529	1 359 868
Accounts Payables and Other Accruals	847 334	1 236 942
<b>TOTAL LIABILITIES</b>	<b>3 249 356</b>	<b>2 828 349</b>

# Thank you to our partners and donors 2015

Af Jochnick Foundation  
 Ahlström Capital  
 Alfred Kordelin Foundation  
 Anders Wiklöf  
 CMI Corporate partners  
 CMI Premium Donors  
 Danske Bank  
 Dittmar & Indrenius  
 European Commission  
 Eva Ahlström Foundation  
 Fazer  
 Folke Bernadotte Akademi  
 George Russell  
 Government of Finland  
 Government of Germany  
 Government of Great Britain  
 Government of Ireland  
 Government of Sweden  
 Government of Switzerland  
 Isku  
 Jane and Aatos Erkko Foundation  
 Jenny and Antti Wihuri Foundation  
 Kone  
 Konstsamfundet  
 Louise and Göran Ehrnrooth Foundation  
 Lumon  
 Microsoft  
 Miltton Creative  
 Miltton  
 Mo Ibrahim Foundation  
 MPS  
 Niemi  
 Open Society Foundations  
 Peace Nexus  
 Robert Bosch Foundation  
 Rockefeller Brothers Fund  
 Royal Ravintolat  
 Swedish Cultural Foundation in Finland  
 Tiina and Antti Herlin Foundation  
 TT Foundation  
 Unicef  
 Wärtsilä

# CORPORATE PARTNERS



## Other supporters and partners-in-kind

Bain & Company, Boston Consulting Group, B2B Solutions, Cocoa, Esmes, Finnish National Theatre, Franck Media, Helena Åhman D.Sc. (Tech), Hunting Minds, Iittala Group, Johanna Lampinen, Jussi Nyrölä, Kone, Lifestyle Invest, Lucy Loves Stories, Marx Van Ranst Vermeersch & Partners Brussels, Mirum Agency, Shearman & Sterling, Studio Kaarre, Sullivan & Worcester, Welldone L.R.

“As a truly global company Wärtsilä sometimes operates in politically unstable areas. Our area of expertise is in building basic infrastructure and thus supporting economic development, but we also want to promote stability and peace. It is very important for us to see the good that comes from CMI’s work at resolving conflicts.”

- Jaakko Eskola, President & CEO, Wärtsilä Corporation



“At CMI’s Premium Donor events I gained a good understanding of why supporting peace building is vitally important for everybody. Being part of the Club also encourages me to work even harder to reach my goals in my work and leisure time. CMI’s events are also great places for networking – I have met many interesting people there.”

- Esa Niemi, Owner, Niemi Palvelut Ltd, Premium Donor since 2012

# COMMUNICATIONS AND FUNDRAISING

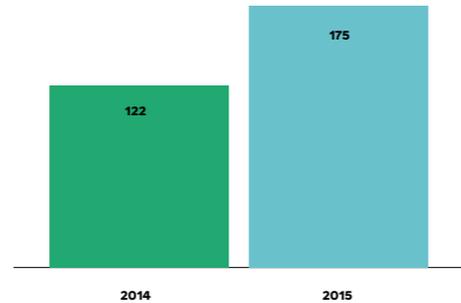
**A mixture of the long-awaited and the unanticipated made 2015 a somewhat ambivalent year for CMI.**

**FOR CMI, 2015 WAS SET** to be a celebration of our first 15 years of conflict resolution. It certainly was that, but late in the year it also brought a drastic reduction in funding as a result of cuts to development aid by the new Finnish government. Another unexpected turn was the scale of the unfolding refugee crisis. As part of the changes we had to make in late 2015, the planned high-level Game Changers anniversary seminar was postponed until spring 2016. The goal of CMI's communications and private fundraising for 2015 was to clarify CMI's brand and mission to numerous audiences, especially in Finland.

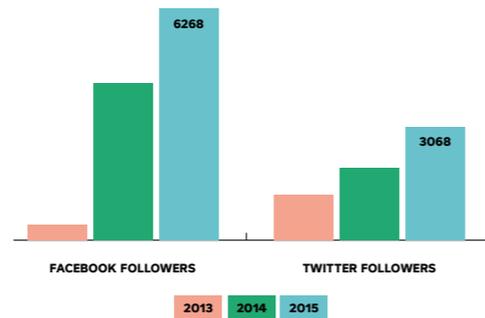
## Media visibility

CMI had two high-visibility advocacy campaigns in 2015. The campaigns summarized the guiding ideas behind CMI's work. These simple but powerful principles are that all parties to a conflict must be brought to the same table, and that negotiation, when done at its best and given the time and resources it needs, can resolve any conflict.

During summer 2015 Finland too was suddenly hit by the European refugee crisis. In CMI the pressure was felt through a large increase in media requests for commentaries. In keeping with our guiding principles, CMI's key messages in commenting on the refugee crisis were the importance of identifying and tackling the root causes of refugee flows, and the far-reaching and cost-effective benefits of negotiated peace. Our key messages are now reaching a wider audience than ever before, since our visibility in Finland in 2015 increased by 44% on the previous year. Our social media presence also increased significantly.



Our visibility in Finnish media in 2015 increased by 44% on the previous year with the total of 175 mediahits.



Our social media presence has increased significantly over the last two years. Besides Facebook and Twitter we launched our Instagram activity in 2015.



As part of communicating our key messages, our film clip Peace table brought out the moral and practical advantages of peacemaking over all forms of aggression.



CMI organised a panel discussion about peace and sports at the Suomi Areena event in Pori in July 2015. Head of Communications and Fundraising Elina Lehtinen gave welcoming remarks.

## A new look

CMI refreshed its brand identity and launched its new website in May 2016. This clearer, user-friendlier version is also ideal for mobile devices. The aim with our new look was to create an attractive and informative site that is up-to-date with the latest technical innovations and trends in media consumption. The changes included a revamped CMI logo and new, clearer and more media-flexible typography with an enriched colour palette. The brand and website renewal were done in cooperation with our partner Milton Creative.

## Global education

One way that CMI puts its funding from the Finnish Ministry of Foreign Affairs to good use is by contributing to global education. The main part of this contribution is the Ahtisaari Days, which are a few days period in early November when CMI professionals and President Martti Ahtisaari himself visit selected Finnish schools to talk about conflict resolution. Although the Ahtisaari Days have a nationwide focus, we highlight one particular Finnish city each year. For 2015, the focus was on Rovaniemi.



Our Lapland-themed, satirical but at the same time serious clip Santa Summit received over 90 000 views, a nice addition to our online visibility.

## Strong support from private donors

CMI was very grateful to have received over half a million euros in private fundraising contributions in 2015. These generous and mostly non-earmarked contributions are vital in enabling us to respond rapidly and effectively to emerging and ongoing conflicts throughout the world. The cornerstones of CMI's private fundraising are:

- **Premium Donors**  
The circle of private donors for whom we organise exclusive events every year
- **Corporate partners**
- **Private foundations**
- **Fundraising events**

The American Friends of CMI (AFCMI) was established in 2013 to coordinate private fundraising and organise policy discussions among decision-makers in the USA.

Read more about our private donors on the previous pages.



Working at CMI is also enjoyable. Elina Lehtinen (left), Head of Communications and Fundraising. Communications and Fundraising manager Laura Seppälä on the right.

# GAME CHANGERS – CMI 15 YEARS

**CMI held an international seminar in Helsinki on 7 April 2016 to mark its 15th anniversary. Over 600 people packed into the Finnish National theatre in Helsinki to hear about new challenges of peace mediation and conflict resolution.**

**THE SEMINAR TACKLED** the changes in the familiar patterns of economic, political and welfare relations that are being radically transformed. It brought together several high-level international experts. The speaker of honour was foreign policy expert and former United States deputy Secretary of State

**Strobe Talbott**, who discussed the challenges faced by the next President of the United States and the relations of the US with Russia. Also speaking were **Abdullahi An-Na'im**, an expert in sharia law who called for the demystification of sharia. Professor **Alex de Waal**, an expert on the crises of Sudan and Horn of Africa discussed the importance of looking into the political funding and finance structures as a key element in conflict resolution efforts. Documentary maker **Abigail Disney** talked about the images of war and peace and pondered how the narratives of peace could be made more appealing. The seminar was chaired by BBC journalist **Emily Buchanan**.



Strobe Talbott spoke on the challenges faced by the next President of the US, as well as US-Russia relations.



Kimmo Pohjonen kicked off the second half of the seminar with an energizing performance.



CMI's Ukraine expert Denis Matveev (right) in the panel discussion. Hussein Al-Taei, CMI's Iraq expert on the left.



The seminar ended with CMI's Executive Director and CMI staff taking the stage and thanking the participants.

# THE BEATING HEART OF CMI

**It's all about people. This is one of CMI's key values.**

CMI staff gathered in Helsinki in April 2016.



Jale Sultanli, Marie-Charlotte Forgeron, Irma Pidtepa, Vasyl Belmega and Lyndon Allin from the Eurasia team pose for the camera.



Project officer Katri Kärkkäinen and Senior Adviser Nureldin Satti.



Eurasia team's Lucile Bardin and Sub-Saharan Africa team's Eemeli Isoaho.



Ambassador Nicolas Bwakira and Sultan Yasin.



Piia Launiainen from the Office Management team and Suvi Tuuli and Laura Seppälä from the Communications and Fundraising team listen to the presentations.



Riikka Marjamäki, Head of the Chairman's Office and Oskari Eronen, Senior Manager.



[www.cmi.fi](http://www.cmi.fi)  
[@cmioffice](https://twitter.com/cmioffice)

