ANNUAL REPORT 2016

CMI
PEACE BROKER

ALL CONFLICTS CAN BE RESOLVED

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, CMI has grown to become one of the leaders of its field.

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CMI staff in February 2017.

CMI IN NUMBERS 2016

6.5 Million € total funding

73 Staff members

16 Projects in **13** countries

987 Meetings with conflict stakeholders

175 Workshops and dialogue meetings

36 Requests for new engagement

6000 People reached in the field

31% Women on average across programmatic activities

MARTTI AHTISAARI
FOUNDER

TRUE PEACE

MORE THAN THE ABSENCE OF WAR

Mediation doesn't take place in a vacuum. We are currently witnessing some very worrying trends that are challenging the political environment for high-quality mediation.

IT IS OBVIOUS that conflict resolution is becoming increasingly complex, whether we are talking about extremism and radicalization, cyber warfare, or terrorism. However, I continue to believe that we can tackle these challenges if we work together in a multilateral way, by believing in our values, and by focusing on solutions rather than problems.

It has taken us more than 70 years to build up an international system with the aim stated in Article 1 of the United Nations Charter: "to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes."

A stable and fair international system, supported by people throughout the world, is the best possible guarantor of peace.

Naturally, the UN cannot do things on its own. It is a sum of its member states, and the main responsibility for fulfilling its mandate lies with the Permanent Five of the Security Council. If the P5 is not able to work together or capable of supporting the Secretary General in a systematic way, the whole organization will be paralyzed.

We have come to understand that the only way to build sustainable societies is by creating what we call positive peace. This entails ensuring the involvement of all citizens and giving them access to opportunities within a society. Increasingly we hear arguments calling for the weakening of such principles, ripping down those institutions and returning to the harsh and austere practices of realpolitik, limiting the idea of peace simply to the absence of war. That is only an illusion of what true peace means. We all know that it is much easier to demolish than to construct. The consequences of such policies can be severe and long-lasting.

Muscular diplomacy by governments means that the space for patient and strategic peace building is shrinking. We have seen indications of policies that focus mainly on hard security measures and the setting up of different kinds of barriers thereby shrinking the resources and political space from conflict prevention, mediation and sustainable development. This is very short-sighted.

Political questions that deal with people's everyday needs and quality of life, must be considered when negotiating and implementing peace.

If we are not ready and prepared to seek for and support peaceful, negotiated solutions to complex conflicts, we are on a dangerous path. Weakening of international systems and standards leads us to a world that is not more secure and balanced. Indeed it leads to the very opposite. It is time for us to stand up and decisively defend the systems we have created. Getting back to silos and bunkers is no solution. A stable and fair international system, supported by people throughout the world, is the best possible guarantor of peace.

Mediation is so much more than just methodologies, coordination, power sharing, and other aspects of this art of building bridges. These are all important, of course. But it is more fundamentally about politics, collective and individual psychologies, egalitarianism, justice, healing, and well-functioning societies at all levels. If one sees conflict resolution and mediation only as the distribution of political and economic powers – as many mistakenly do – then the essence of mediation is completely overlooked. Political questions that deal with people's everyday needs and quality of life must be considered when negotiating and implementing peace. All peace mediators must ensure that peace processes advance these goals. Without legitimate and egalitarian policies, we can never get rid of conflicts.

> “ Muscular diplomacy by governments means that the space for peace building is shrinking. This is very short-sighted.”

Photo: Tuukka Koski

“ Peace is the highest human endeavour, with the highest stakes but also the highest rewards.”

TUIJA TALVITIE
EXECUTIVE DIRECTOR

NO TIME TO WASTE

The year 2017 is a special one for CMI. Our founder, President Martti Ahtisaari, turns 80, and Finland celebrates its centenary.

THESE ARE IMPORTANT MILESTONES. Finland's journey from the poorest country in Europe to one of the most prosperous nations in the world has not been easy. We've endured several conflicts, including a devastating civil war, and have repeatedly experienced first-hand the destructive force of war. Finland's current foreign and security policies are focussed on preventing conflicts at home, and supporting the peaceful resolution of conflicts abroad through dialogue and mediation. In our experience, as the largest Finnish daily newspaper *Helsingin Sanomat* has written, the best way to celebrate our independence is to work to resolve emerging conflicts peacefully.

This has spurred interest in using dialogue and other peaceful approaches to conflict resolution at home too, in Finland's schools, communities, and cities. This interest is also driven by growing distress over the increasing fragmentation and internal strife that Europe is experiencing. These are skills that can be learned. And they should be learned, because they tackle a universal human predicament, the difficulty of negotiating common ground. The principle is clear and simple, and is at the core of CMI's vision - what people have started, people can also bring to an end. But as simple as this principle is, it is exceedingly difficult to live by. Investing in dialogue and negotiation skills would create priceless social capital for any society, just as literacy did.

There's no time to waste. The growing tensions between the major powers, the unpredictability of their leaders, and the weaknesses of the current multilateral mechanisms are a serious threat to peace and development. The way the world is turning gives reason for concern, and for serious rethinking of our methods and approaches as an international community. In the past two years, we have witnessed a serious decline in world peace: the highest number of battle deaths in 25 years, the most refugees since the end of the Second World War, and record levels of terrorism. These phenomena are interlinked.

In 2015, the global economic loss due to violent conflicts has been estimated at $750 billion. This is 14 times Finland's state budget. Meanwhile, the overall investment in building and keeping peace was a mere 2% of that figure.[1] What does that say about our priorities?

CMI's legacy is built on President Ahtisaari's vast experience, and his insight that today's conflict prevention and resolution efforts need different kinds of actors, who can complement each other. Todays' conflicts are highly complex, and involve a multitude of national, regional, and international, generally self-interested actors. In these turbulent circumstances, there are no simple solutions or quick fixes. What is needed is the resolute political will to begin reconciliation processes; steady and patient commitment to these processes; broadly inclusive mobilisation of constituencies to support them; and skilled people and organisations to facilitate the peace efforts. These are the main building blocks for any effective peace process, and they can only be successful through a shared vision. And national ownership of any peace process is vital: outsiders can help, but they cannot, and should not, take the responsibility for a peace deal and its implementation.

When asked to say what a mediator's most important quality is, President Ahtisaari replied, "we have to be as stubborn as mules."

When asked to say what a mediator's most important quality is, President Ahtisaari replied, "we have to be as stubborn as mules." Conflict resolution is not for the hasty or the faint-hearted. It demands patience, resilience, and professionalism. But when it works, it does so because different actors have succeeded in bringing their strengths together in a joint effort. CMI is proud to be part of such efforts, and to maintain and continue the legacy of our founder. Striving to do so will always be worthwhile, because peace is the highest human endeavour, with the highest stakes but also the highest rewards.

1 Institute for Economics and Peace, Measuring Peacebuilding Cost-Effectiveness, 2017

VILLE BRUMMER
PROGRAMME DIRECTOR

NAVIGATING UNCERTAIN WATERS

The year 2016 has been full of surprises, with established political systems and ways of working being challenged by new dynamics and new powers.

BRITAIN'S VOTE IN FAVOUR of leaving the European Union, and the election of Donald Trump as the 45th President of the United States, are just two of the more vivid examples of these emergent phenomena. National political systems and the international system are now challenged by trends that cannot be anticipated through traditional mindsets or shifts in power. We live in a time of more uncertainty than perhaps ever before.

If unpredictability dominates the open and democratic societies, these trends have even greater effects in fragile and conflict-hit settings. Without resilient institutions and functioning state-society relations, these forces further intensify intra-state conflicts. This has serious implications for conflict resolution. Although conflicts typically stem from local grievances and failed political and social transformations, they interact with regional and international dynamics in complex ways. Different levels of conflict become intertwined in a web of dynamics that places severe pressures on all peacebuilding actors.

Yet another element of the uncertainty is the growing amount of linkages between fragile and conflict-affected societies and the more developed societies. Potential instability is "exported" from regions suffering from direct war, refugee flows, and possible extremist activities, and can have a significant impact on strategies and policies in place elsewhere. These "exported" problems can then create vicious circles, along with more familiar difficulties such as unemployment and decreased social cohesion. These latter problems also contribute to much of what is happening now throughout the world: increasing nationalism, a revival of hard security approaches, the rejection of multilateralism, and opportunistic politicians who offer simplistic responses to complex situations.

There are three trends in the field of mediation that characterise most of the conflicts CMI works with:

1. There is a diverse range of actors involved in and influencing conflicts. Increasingly, it is becoming the exception rather than the rule that conflicts involve a constantly changing mix of international, regional, state and non-state actors.

2. Often there is no single peace process, but several international, regional, national and local processes trying to contribute to conflict management in their different ways.

3. The multiplicity of actors and processes in conflict-affected areas make it very difficult to define clear centres of power.

This increasingly volatile and complex operational environment creates a growing need for effective diplomatic actions. Correspondingly, there is an urgent and growing need for agile, low-key, independent actors offering solid conflict analysis, broad networks and access, and extensive experience. This is CMI's niche. As an independent, non-governmental actor, we can work flexibly within and between different processes, and complement broader peacemaking efforts.

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The field of mediation is also affected by the fact that the international environment is becoming increasingly challenging, and increasingly focused on the shorter term. There is less and less belief in long-term political solutions, with a corresponding lack of motivation to work for them. Against this worrying trend, it becomes even clearer that there is an essential role for actors such as CMI. We firmly believe that all conflicts can be solved, and are uncompromisingly committed to political, peaceful solutions.

Some highlights

One of CMI's core principles, **local ownership**, is becoming increasingly important in supporting and complementing the efforts of official actors. This has been the key element that has enabled us to achieve results, for example in **Libya** and **Iraq**. CMI's approach has been well received by the local actors, who do not want external actors to come with ready-made suggestions. Instead, they want help in finding national solutions of their own. In Libya, for example, CMI has helped actors from Southern Libya – who are currently marginalised from the national debate – to work out how they want to contribute to rebuilding the country. To do so, these excluded actors need help in building connections between the local populations and national processes. CMI helps Libyan political movements in formulating some of the core elements of Libya's future political system. This system, to be fair and sustainable, will have to be centrally based on full Libyan ownership. In Iraq, CMI's work included supporting the National Reconciliation commission and the drafting of the reconciliation strategy. The strategy is now being circulated in the Iraqi political system.

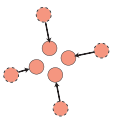
From left: Head for Middle East and North Africa Maruan El-Krekshi together with Sultan Yasin, Project Coordinator for our work in Palestine and Abdussalam El-Belazi, Advisor for Libya activities.

Another core element that currently adds further value to the mainstream approach of the international community is CMI's **long-term commitment** to helping fragile societies. Even if the prospects for breakthroughs are not always apparent, our work can be decisive in opening and maintaining trusted channels of communication across the different conflict divides. In cases such as **Ukraine** or **Moldova**, where the progress of the formal process continues to be hampered by geopolitical tensions, CMI's contribution includes keeping the channels of communication open, and maintaining the ability to advance the peace process, once the international conditions for doing so improve.

The Moldova team from left: Project officers Natalia Djandjgava and Vasyl Belmega with Project Manager Jale Sultanli.

FIVE TYPES OF RESULTS

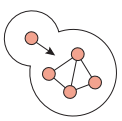
Conflict resolution is a complex affair, involving several different elements coming together for a unified purpose. We at CMI like to call these elements "results baskets" – critical ingredients for creating sustainable, inclusive peace.



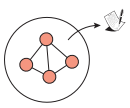
TRUST: Trust among the conflict parties and in the progress of the peace process is crucial for any peace that can be sustained over the long term.

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.

The ability to work well within and between both formal conflict resolution structures and informal power politics is one of CMI's major strengths. And it is a decisive element in our contribution to sustainable peace. In **Sub-Saharan Africa**, CMI works to maintain a balance between national ownership and regional interests. These regional interests are often embedded in the processes led by the regional mediation bodies. In a follow-up to CMI's work in supporting the lead mediator in the Central African Republic in 2014–2015, CMI, together with the secretariat of the Economic Community of Central African States (ECCAS), conducted a joint case study on the application of **the principle of subsidiarity**. Application of this principle is one of the key challenges of any peace process in Africa. This resulted in a joint publication that will be broadly distributed in the African peace and security architecture and throughout the international community.

In all the cases, a crucial element that contributes to the success of CMI's work is **complementarity**. In CMI, this does not only mean avoiding duplication of some process, or implementing efforts designed by others. Rather, we try to identify actions that could leverage the existing work done by the other organisations, and to find things have potential for contributing to systemic changes in the countries and regions affected by conflict.

Senior Advisor Nureldin Satti speaking at CMI staff retreat (right). Senior Advisors play a key role at CMI, providing invaluable insight and connections in the regions we work in.

Women's inclusion

Women's inclusion and active participation in conflict resolution and peacebuilding is a specific priority for CMI. In our programme, we try to find ways in which female participation can bring direct added value to political processes. Our work has shown how even in the absence of effective national structures, or where peace is fragile or fraught with violence, organic women's networks offer an important lateral space for local dialogue. For instance, in Yemen and South-Sudan, we have worked with local women's networks to provide platforms for meaningful dialogue. We work with these women to search for solutions amid difficult situations in the respective countries.

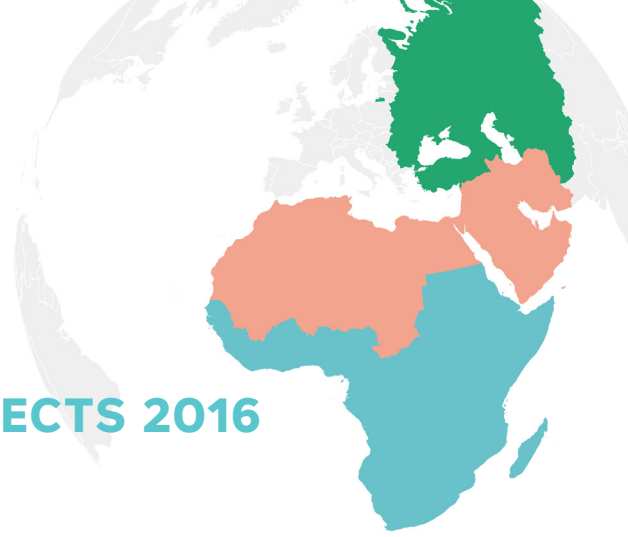
Elisa Tarnaala, Advisor for the Women in peacemaking team in the centre. Women's inclusion in peace processes remains a priority and a cross-organisational theme at CMI.

Demand for CMI's work is growing

CMI's activities are connected to several conflict resolution processes worldwide, ranging from local dialogue to international mediation processes and the demand for CMI's engagement is growing – in 2016 we received 36 credible requests, all of which went through our due diligence process. Among these requests were requests for technical mediation support, establishing confidential channels, and academic contributions. The requests have come from many different kinds of sources, including parties to various conflicts, international organisations, members of parliament in various countries, and from civil society. In carefully considering each request, CMI assesses the added value that our involvement could bring to the situation in question. If we decide that CMI's involvement in the situation is not feasible, we offer advice on other organisations in the field that might be better placed to become productively involved in the situation in question.

In 2016, CMI engaged approximately 6000 people who are influential in various countries, constituencies, and organisations. In our work we promote diversity in political participation, and we engage with political, economic, societal actors both inside and outside the official political system. As part of these diversity-oriented efforts, we try to identify actors who are, or can become, changemakers for conflict resolution. CMI meets its organisational target of at least 30% female representation, but there is still more to do to ensure that this minimum is met across the board.

CMI engages in dialogue in several formats, including workshops, seminars, meetings, and exchanges. In 2016, CMI organised 175 such dialogue events. However, a great deal of engagement with conflict parties takes place outside of the events. CMI held nearly 1000 consultations with conflict parties and stakeholders across the programme. Coordination and complementarity are central principles for CMI. Proof of this is the over 400 meetings with representatives of the international community and peer organisations in conflict resolution.



PROJECTS 2016

EURASIA

- Support to the Transdniestrian Conflict Settlement
- Moldova: Supporting the Efficient Exercise of Gagauzia's Autonomy
- European Partnership for the Peaceful Settlement of the Conflict over Nagorno-Karabakh (EPNK3)
- Supporting Peace Process Competencies of Government Officials in Georgia
- Ukraine: Dialogue in and Around Ukraine

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
- Regional Dialogue on the Syria Crisis

SUB-SAHARAN AFRICA

- African Union: Supporting Mediation Capacities and Efforts
- Regional Economic Communities (ECCAS, ECOWAS, IGAD, EAC): Supporting African Mediation Capacities and Efforts
- Advancing Constructive Dialogue in the Great Lakes Region
- South Sudan: Strengthening the Role of Political Institutions in Conflict Resolution

WOMEN IN PEACEMAKING

- Supporting a Strong Role for Women in Peace Processes
- Working through Women's Agency to Support Peace/Transition Processes

LIBYA

CMI helps Libyans take the initiative for building peace. Peace must be built from the ground up.

"IT'S QUITE NORMAL that we work towards peace. After all, this is about the prosperity of Libya. We want to be like other countries."

Even though Libya is today more polarized and fragmented than ever, its people have not lost their optimism. The above comment by **Elshalfie Elshalfie**, a resident of the city of Misrata, is a good example of this.

With no strong central government in place, the quest for power has brought Libya to the brink of civil war. Political divides are shaped by regional, ideological, economic and social differences.

"Libyans themselves are strengthening the prospects of better future for their country."

Peace is possible only if the continuing grievances at both national and sub-national level are acknowledged and resolved. Many of the important actors in the Libyan society are not involved in the official peace process. This exclusion is one of the core reasons why the process is not going as well as it could if there were genuine inclusiveness.

Advisor Abdussalam El-Belazi (right) at work in consultations in the Fezzan region.

In 2016, CMI helped political parties, civil society actors, and tribal groups to build trust in order to overcome their divisions and jointly tackle the root causes of tension and conflict.

"Libyans themselves are strengthening the prospects of better future for their country. Building truly lasting peace requires a broad involvement within the society," says **Maruan El-Krekshi**, the Head of Middle East and North Africa team.

Paying attention to South Libya

Fezzan, situated in the south of the country, is politically and economically one of the most marginalized regions in Libya. Along with the current fragility of the state, this marginalization has led to a state of lawlessness. This poses increasing risks for Europe as well.

Fezzan is at the core of the smuggling networks that transport arms, drugs, and migrants southward and northward.

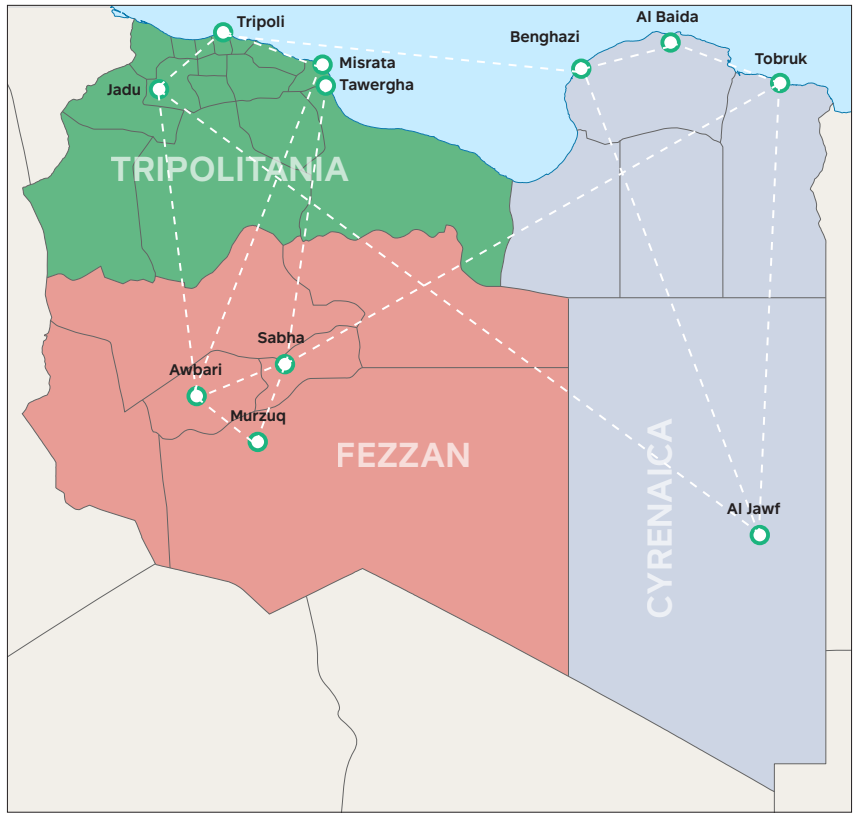
Fezzan links Libya to the Sahel region, which connects the South and North of Africa. Fezzan is at the core of the smuggling networks that transport arms, drugs, and migrants southward and northward. These lucrative illegal operations have led to violent power struggles between the local tribes.

Fezzan was a priority area for CMI in 2016. The work resulted in the establishment of working group that involves a wide-range of key actors both from local and national level, ranging from tribes to politicians and municipal authorities. The members of the group also include two ethnic minorities, the Touaregs and the Tebous.

Advisor Mohamed Al-Ansary (right) leads our work in Fezzan. Advisor Elisa Tarnaala (left) works with women's inclusion in peacemaking also in Libya.

Having identified Fezzan's key priorities as reconciliation, security, and economic development, the group aims at developing recommendations outlining the prerequisites for reconciliation in the South of Libya. In 2016, the Fezzan working group undertook their efforts in close coordination with with key decision makers in the House of Representatives, the Presidential Council, and the High State Council. Key members of the group were also involved in mediation efforts during the Oulad Suleiman-Gdadfa conflict in Sebha. This conflict flared up in November 2016.

"It's extremely important to tackle the tensions in the Fezzan region, whether it's a question of lack of basic services or of strengthening the economy. This would have a major effect on the livelihoods of the local people, but the easing of tensions would also affect the stability of Libya and the Sahel region. More broadly, it would also be significant for the Mediterranean region, including for migration flows to Europe," says El-Krekshi.



CMI has been involved in Libya since 2014. During this period CMI's has incrementally built a nationwide network of influential figures in Libya's three main geographical areas: Tripolitania, Cyrenaica and Fezzan.

"Eventually our people will return to each other"

New momentum for local reconciliation in the west of the country is an encouraging example for peace elsewhere.

In 2011, the military forces of dictator Muammar Gaddafi laid siege to the city of Misrata, one of Libya's rebel strongholds. Gaddafi's forces were partly based in nearby Tawergha. Because of this, Tawerghans were accused of being complicit in the siege.

As the Misrata fighters eventually prevailed, Tawerghans fled the town in fear of reprisals. Many Tawerghans now live in refugee camps, having been denied their basic rights.

In 2016, at the request of the Misrata and Tawergha Municipal Councils and in coordination with the United Nations Support Mission in Libya (UNSMIL), CMI helped advance reconciliation between the two towns. Different workshops involved key representatives from both towns, including women and youth, who are often marginalized.

The workshops managed to build new trust between two communities, and to lay ground for the implementation of the official peace process. Essential to this process is the right of return of the people of Tawergha to their land.

In December, residents Elshalfie Elshalfie and Hajer Al-Mortoja participated in a workshop together. This unity of purpose wouldn't have been possible a few years ago. The two firmly believe that the future will bring reconciliation.

"Eventually our people will return to each other, regardless of the pain we have suffered in the past."

CMI has helped advance reconciliation between the towns of Misrata and Tawergha. Tawerghan Hajer Al-Mortoja and Misratan Elshalfie Elshalfie met in a CMI facilitated workshop in Tunis in 2016.

IRAQ

CMI has actively supported the creation of the National Reconciliation Strategy Draft Document, which envisions a common future for the country.

AS THE TERRORIST ORGANISATION ISIS retreats, Iraq faces a new era. The fight against Isis has united the country's different ethnicities. However, without real reconciliation there's now a risk of new confrontations.

When it comes to laying those foundations for enduring peace, 2016 can be considered a milestone. With CMI's active support, Iraqis drafted the National Reconciliation Strategy Draft Document. For the first time since the end of Saddam Hussein's dictatorship in 2003, Iraqis themselves are shaping a united vision for their country.

The strategy, which is awaiting integration and implementation into the government programme, concentrates on making Iraq a country governed by the rule of law. Such a society is the best security against the emergence and growth of terrorism.

"The goal is that every citizen feels that he or she is being treated equally and fairly in the eyes of the law. This is the only way in which stability can be brought to a country like Iraq in the long run. There is no other way of ensuring that all citizens are committed to a positive shared future together", explains **Hussein al-Taee,** manager for the Iraq project.

"The political path also offers hope"

CMI was asked two years ago by Iraq's Prime Minister's principal advisor to support the reconciliation strategy planning process. This work of CMI is funded by the European Union.

Key areas of the strategy focus on development of the rule of law, constitutional reform, and transitional justice measures. The strategy was drafted in the 2015–2016 period by a group of Iraqi experts. A wider advisory group of Iraqi and international experts and politicians assisted the work throughout the process.

CMI successfully supported the writing process in three key areas. First, CMI pushed for the broadening of the advisory group to include political representation, religious leadership, minorities, and grassroots actors. This helped add further legitimacy to the process. Secondly, CMI helped to steer separate efforts towards reconciliation by facilitating contacts and discussions between the offices of the Prime Minister, the President, and the Speaker of the Parliament. This mediation work led to increased mutual awareness and improved coordination.

Third, CMI ensured that opposition groups that would otherwise be sidelined have been included in the discussions, and that they can have their say in key matters related to the strategy.

"That is how the need for violence and resistance can be reduced, because hope is also to be found through the political path. This realisation is one direct effect of CMI's work", al-Taee remarks.

Strong local ownership at all stages

CMI's work in Iraq is based on strong local ownership, which is one of our key principles. By ensuring local ownership, we help ensure that the eventual resolution to a conflict is fair and sustainable.

The Iraqi National Reconciliation Commission has led the strategy work. CMI has helped to strengthen Iraqi ownership by striving to have all the relevant actors included in the process. This is essential to creating broad support for the strategy throughout Iraqi society.

CMI's approach has resulted in Iraqi ownership of the peace process, which guides the design and implementation of the strategy at all stages.

"Solutions to problems in Iraq can't be brought in from outside. Iraqis themselves have to find ways to strengthen national unity", describes al-Taee.

CMI's impartial nature has made us accessible to all sides in Iraq.

"One can say that CMI has gained a truly unique position in Iraq", says al-Taee.

“Solutions to problems in Iraq can’t be brought in from outside. Iraqis themselves have to find ways to strengthen national unity.”

Hussein al-Taee, Manager for the Iraq Project

What is the National Reconciliation Strategy?

CMI was requested by Iraq’s Prime Minister’s principal advisor to support the reconciliation strategy planning process in 2015.

With CMI’s active support, Iraqis drafted the National Reconciliation Strategy Draft Document in 2016. The strategy is awaiting integration and implementation into the government programme.

The strategy envisions a common future for the country. It focuses, for example, on development of the rule of law, constitutional reform, and transitional justice.

AFRICAN PEACE AND SECURITY ARCHITECTURE

CMI has gained a unique position in strengthening peace mediation support in Africa.

IN RECENT YEARS, Africa has witnessed significant efforts to build and consolidate regional mechanisms for the prevention and resolution of violent conflict. In establishing the African Peace and Security Architecture (APSA), the African Union (AU) has developed a security management system that is responsive to the conflict-related challenges on the continent in a less ad hoc and more systematic manner than its predecessor.

Similarly, the African Regional Economic Communities (RECs) have established mechanisms at the sub-regional level to advance and support peace efforts. Despite these gains in professionalizing conflict prevention and resolution practice, there remain significant threats to the peace and security environment.

Close cooperation with the African Union and regional organisations

The capacity of APSA to foster peace has rapidly grown, as has its interest in supporting effective mediation.

"The ability of the architecture to uphold peace and security also improved in 2016. I believe our work played a part in this", says CMI's Head of Sub-Saharan Africa, **Itonde Kakoma**.

CMI has been at the forefront of this development by working closely with the AU and the RECs to support the architecture. Resulting from formal and informal cooperation with several RECs – including ECOWAS, ECCAS, IGAD, EAC and with the AU – CMI has gained a unique position in contributing to strengthening mediation support in Africa.

As Ambassador **Baudouin Hamuli**, Director of Political Affairs and of the Early Warning at ECCAS (Economic Community of Central African States) has noted "CMI's contribution offers valuable lessons regarding the means by which subsidiarity can be supported. Increasing secretariats' access to expertise, and thereby their role in mediation efforts, reduces the probability off a conflict of intertest without losing the benefit of proximity and legitimacy".

2016 marks eight years of official collaboration with the AU Peace and Security Department, solidified by way of establishing a bilateral Memorandum of Understanding with the AU Commission.

In 2016, CMI worked with the Economic Community of West African States (ECOWAS) on multiple tracks. Among these are the development of mediation guidelines for ECOWAS, and operational support for the mediation process in Guinea-Bissau. CMI also supported the East African Community (EAC) in its mediation efforts in Burundi and assisted IGAD (Intergovernmental Authority on Development) in the development of its regional mediation strategy. Similarly, in 2015 CMI supported ECCAS in the mediation process in Central African Republic, capturing the results of that work in 2016.

These examples illustrate the mix of operational support and institutional capacity building that has become a hallmark of CMI's work in Sub-Saharan Africa.

CMI's study highlights the importance of subsidiarity

One of the core elements of the African peace and security architecture is the principle of subsidiarity. The year 2016 provided CMI with a rare opportunity to further understanding of how the principle of subsidiarity can work in practice.

"If a house in a village is on fire, it's of great interest to the neighbors to ensure that the fire is extinguished rapidly and doesn't spread."

At the core of the principle is the idea that sustainable peace is more likely if conflict resolution efforts are led

CMI works with the African Union and African Regional Economic Communities to foster regional collaboration in the field of peace and security. From left: **Amb. Hamouli Baudouin Kabarhuza**, Director for Political Affairs and Early Warning, ECCAS, **Ms. Stella Sabiiti**, International Consultant and Expert on APSA, **Dr. Aleu Garang Aleu**, Coordinator, IGAD Mediation Support Unit, (in the front) **Amb. Corentin Ki-Doulaye**, CMI Senior Advisor, **Ms. Tuija Talvitie**, Executive Director, CMI, **Mr. Itonde Kakoma,** Head, Sub-Saharan Africa, CMI, **President Catherine Samba-Panza**, Former President of the Central African Republic, **Ms. Laura Salonen,** Programme Management Officer, CMI, **Dr. Alhaji Sarjoh Bah**, AU Peace and Security Department, Head of Division for Crisis Management, Post-Conflict and Reconstruction, **Dr. Brown Odigie**, Program Officer, ECOWAS, **Mr. Eemeli Isoaho,** Programme Management Officer, CMI. Photo taken at the National Dialogues Conference in Helsinki, April 5th 2017.

by actors who are culturally, geopolitically, and/or strategically close to the crisis in question.

As Kakoma remarks, "If a house in a village is on fire, it's of great interest to the neighbors to ensure that the fire is extinguished rapidly and doesn't spread."

In the African context, subsidiarity means that the mediation of a crisis should be supported, and where appropriate it should be led by regional economic communities (RECs). According to Kakoma, the engagement of regional organizations is at the core of the efforts to create African solutions to African problems in conflict prevention and resolution. The effectiveness of such a regional approach requires harmonization of global efforts.

A case study done jointly by CMI and ECCAS examines the role of subsidiarity in the Central African Republic crisis. The study shows how ECCAS played a positive role in the Central African Republic's peace process.

ECCAS took the leading role in resolving the crisis in 2012, after renewed tensions had arisen in the country. CMI supported ECCAS' mediation expertise through capacity building, logistical support, and human resources.

A key contribution of the study is that it highlights the need for sufficient independence of REC secretariats for balancing the interests of the regional member states.

"One of the challenges in putting subsidiarity into practice is the question of state interest. How can a regional economic community maintain sufficient independence while being also an inter-state organization? All regional economic communities face this problem when it comes to resolving a political or violent crisis", says Kakoma.

What is APSA?

The African Peace and Security Architecture (APSA) was established in 2002 by the African Union (AU) in collaboration with Africa's Regional Economic Communities (RECs).

APSA's purpose is to prevent, manage and resolve conflicts. Its core organ is the AU's Peace and Security Council.

CMI works closely with the AU and REC's to support APSA.

GAGAUZIA

New cooperation between legislators has helped ease tensions in Moldova. The improvement in centre-autonomy relations highlights the importance of settling disputes before they grow into open conflicts.

SPRING HAS ARRIVED in Gagauzia. In downtown Comrat, the heart of the autonomous region of Moldova, the sun illuminates the Orthodox Cathedral of St. John the Baptist, making its domes and walls shine in copper and yellow. In the playground, kids scream with joy as swings throw their feet towards the sky.

Gheorghii Leichu sits on the nearby bench to enjoy his lunch break. Leichu is a Member of the Gagauz People's Assembly. He is also Co-Chair of the Working Group that, with the help of CMI, tries to improve relations between the autonomy and the Government of Moldova, which is based in the capital, Chisinau.

Although the spring puts Leichu in a good mood, he also has another reason to be satisfied. After a long period of disputes, relations between Comrat and Chisinau show signs of improvement.

New willingness for dialogue and better governance

As Moldova gained its independence from the Soviet Union in the early 1990s, the question of rights of the Gagauz minority rose to the surface. In 1994, the Government of Moldova established the autonomous region to safeguard these rights.

The autonomy is rooted in the law on the Special Legal Status of Gagauzia. It proclaims the People's Assembly as the representative of the population and the main guardian of their rights, being able to pass normative acts and local laws.

However, being very general, the law provides little guidance on where the rights start and where they end. During the almost quarter-century of autonomy, this has led to many disagreements between Chisinau and Comrat.

Autonomous Territorial Unit of Gagauzia

- Established in 1994 to guarantee the rights of Gagauz minority
- Administrative centre: Comrat
- Official languages: Gagauz, Moldovan and Russian
- Population: 160 000
- Area: 1832 km2

Moldova lies at the crossroads between East and West. As world and regional politics have entered a new phase of tension in recent years, there has been new willingness from Chisinau to engage in dialogue with Comrat.

"I would call this a breakthrough"

In the summer of 2015, CMI, with funding from Sweden, convened legislators from both sides to set up an informal working group to improve the functioning of the autonomy. As a gesture of confidence and following increased attention from international partners to the issue, Moldovan Parliament then initiated and established an official working group involving the Moldovan Parliament and the People's Assembly.
With CMI's support, the inter-parliamentary work has played a vital role in improving in Chisinau-Comrat relations. The official working group is the first permanent

Gheorghii Leichu is a Member of the Gagauz People's Assembly and Co-Chair of the Official Working Group. He feels that, after a long period of disputes, relations between the centre and autonomy are now improving.

group on autonomy issues at the parliamentary level that has become sustainable.

There's increased trust between the group members, and they are more able than before to find solutions to disagreements. Opportunities for fruitful compromise have improved, since both sides have learned to take the other's perspective.

The increased capacity of the two parties to reach consensus has resulted in a number of concrete solutions. For example, the working group has endorsed the much-needed harmonization of national and local legislation, and is currently working to develop a roadmap to carry through these changes. And concrete measures have been taken to improve the implementation of autonomy's rights and the livelihoods of local people.

"I would call this work a breakthrough. Cooperation is taking shape. This group has great potential to achieve good results", says Leichu, Co-Chair of the Official Working Group.

Leichu has long experience in the public of life of the autonomous region. Previously he was Prosecutor of Gagauzia, for over ten years. In 2016, he was elected to the People's Assembly for the second time, as an independent candidate.

In Chisinau, Leichu's positive feelings are shared by his Co-Chair **Elena Bacalu**. As a Member of Parliament, Bacalu represents the ruling Democratic Party. Bacalu considers the group's work exceptional.

In the beginning, the legislators weren't even able to communicate with each other. Voices were raised.

"Now I realise that I have become more moderate myself, too. I couldn't imagine this happening," Bacalu says.

She sees a real momentum to the improvement in relations.

"In the group, we do our best to make things right in the autonomous region. And I know that the leadership in Chisinau is also interested in solving this problem."

CMI: the missing piece of the puzzle

The parliamentary dialogue in Moldova is an encouraging example of conflict prevention. It establishes a mechanism to settle disputes before they can escalate into open conflict. In 2016, the working group became a platform where disagreements between Chisinau and Comrat were often sent.

Official Working Group: Achievements

- The group has become a sustainable platform where contentious issues between the centre and autonomy can be discussed
- Increased trust and improved relationships between decision-makers in Chisinau and Comrat
- Endorsement of much-needed harmonization of national and local legislation
- Action Plan for the Socio-Economic Development of the Gagauz Autonomy for 2016-2019

CMI's Natalia Djandjgava (left) and Jale Sultanli at the first joint meeting of the Parliament of Moldova and the Gagauzia's People's Assembly on 4 February 2016 in Chisinau.
Photo: Parliament of the Republic of Moldova.

The ability to take early action also has clear benefits for conflicts that are already heated. There's more space to tackle the underlying causes of tensions, and to find common ground between the parties.

The complexity of today's conflicts means that it sometimes takes very little to trigger a crisis. This highlights the need to tackle a problem before it becomes major. Considering the possible consequences of escalation, effective conflict prevention clearly saves time and money compared to remedial measures.

New UN Secretary-General **António Guterres** has put conflict prevention high on his agenda. According to Guterres, the world has spent far more time and resources on responding to crises rather than preventing them. Because conflict prevention can raise concerns about national sovereignty, impartial private diplomacy actors like CMI are well positioned to do the work.

In Moldova, both sides feel that CMI's involvement and the support from Sweden to the process have made an important contribution.

According to **Andrian Candu**, Speaker of the Parliament in Chisinau, CMI has been the missing piece of the puzzle.

"Many of the disagreements over legislation have been political in nature. CMI has brought mediation expertise to the table, which has increased our capacity to look at things constructively," he says.

CMI has become a trusted partner both in Chisinau and Comrat. CMI supports the official working group by informally convening its members, assisting in shaping its agenda, brokering agreements on discussed issues and channelling support from other government institutions.

"We've never had a mediator between us before, someone neutral who's interested only in reaching solutions and achieving results. Before it was only the two sides meeting," says Leichu.

However, the cooperative effort is strongly in the hands of both sides. The process couldn't have gone this far without the strong commitment from Chisinau. This strong local ownership of the process makes it far more likely to succeed, and to be sustainable.

"All parliamentary political parties are involved in this process. The engagement from both sides really highlights the importance of this dialogue," Speaker Candu says.

Elena Bacalu is a Member of Parliament of Moldova and Co-Chair of the Official Working Group. “In the group, we do our best to make things right in the autonomous region.”

A plan to improve quality of life

The high-profile parliamentary dialogue has created a more positive political environment and resulted in a number of concrete measures that would improve the quality of life in Gagauzia. In October 2016, the Government of Moldova adopted a four-year action plan for the socio-economic development of the autonomous region.

As the South is one of the poorest regions in Moldova, farmers on horse-drawn wagons are a familiar sight in the countryside. Lada cars, decades past their peak, rattle along the streets of Comrat along with shiny SUVs.

Both Chisinau and Comrat consider the establishment of the Agency for Regional Development to be the main achievement of the action plan. Among the things that the Agency’s funds enable is road building. Infrastructure projects would bring jobs and some much-needed vigour to the local economy.

“Our voices have finally been heard,” Leichu says.

Both sides welcome the reinforcement of learning of the state language, Romanian. There would be three different language groups in kindergartens: Romanian, Gagauz and Russian. Local authorities would be introduced with language courses in Romanian.

An encouraging example

Even though the cooperation is still in its early days, legislators in Chisinau and Comrat are optimistic about the future.

The members of the working group have realised that the dialogue is a long-term process that needs to go on. Both Bacalu and Leichu hope that there will eventually be a permanent platform for resolving disputes between Chisinau and Comrat. This would also help to deal with the more difficult questions that might surface.

For parliamentarians involved in the process, this work is an encouraging example that finding solutions and change through dialogue is possible.

The sunny spring weather also makes itself felt in Chisinau’s central park. Sitting on a park bench, Elena Bacalu smiles at a little girl who passes her on a tricycle.

“I think we’re moving in the right direction. We’re doing this for the best of the Gagauz people.”

AHTISAARI DAYS

RAISING A NEW GENERATION OF PEACE MEDIATORS

CMI's new material package teaches conflict resolution skills at schools.

ALL CONFLICTS CAN BE SOLVED. This is true whether they take place at the highest political level in the most challenging environments from Africa to Eurasia, or in a Finnish high school yard. Wherever conflicts take place, they cannot be solved through further conflict. The only solution is negotiation and dialogue. These are skills that we think every high school student in Finland should have. CMI's global education component, the Ahtisaari Days, has taken on this challenge, and aims to create a new generation of peace mediators.

In 2016, the Ahtisaari Days' approach was sharpened to focus on teachers and students from eight grade up to high school nationwide. We published a new website, with materials for interactive exercises on negotiation and dialogue skills for teachers and students to use. These materials were designed in collaboration with a group of teachers and education professionals to ensure that they are suitable for the purpose and in line with the new curriculum.

Dialogue techniques transferred from international conflicts to the schoolyard

"Schools want to better understand how to prevent and resolve conflicts. Many schools throughout Finland have been interested in CMI's work and working methods for years," says CMI's Head of Communications and Fundraising **Elina Lehtinen**. "With the help of the Ahtisaari Days materials, students and teachers get more information on a very complicated world, and on how conflicts can be resolved through dialogue. The same dialogue exercises work in the schoolyard as in international crises."

"The same dialogue exercises work in the schoolyard as in international crises."

Finland is globally recognized for the quality, efficiency and equality of its schools, and the Finns have also a long and proud pedigree in the field of diplomacy and peace mediation. "The goal of the Ahtisaari Days is to bridge the gap between these two distinctively Finnish strengths by ensuring that our strong experience in solving conflicts is transferred to the new generation through our excellent education system", Lehtinen says.

Eye-opening experiences for students

One of the exercises in the Ahtisaari Days material package is a conflict resolution simulation, created by CMI's Eurasia Programme Advisor **Denis Matveev**. This role playing exercise, inspired by Matveev's long career in dialogue facilitation, allows students to get involved in a realistic conflict situation, where patience, understanding and constructive critical thinking are needed to solve an argument.

CMI's Advisor Denis Matveev piloted the conflict resolution roleplay he has designed in Suomalainen Yhteiskoulu.

Agnieszka Janus-Hiekkaranta from Helsingin Suomalainen Yhteiskoulu is one of the teachers who have helped us create the materials. She was really satisfied with the results of the conflict resolution role simulation, which was carried out in her class also.

"A growing number of conflicts are reshaping our world, so it is essential that students learn to cope with this new reality," Janus-Hiekkaranta says. "This role play exercise encouraged our students to develop skills that would help them to resolve conflicts peacefully. They got more insight into the roles that feelings, reason, and group dynamics play," she says. "The simulation was an eye-opening experience for me and my students."

/ ahtisaaripaivat www.ahtisaaripaiva.fi

Wahid Reza, Barsha Bandari and Nikolas Drosdekin participated in President Ahtisaari's Master Class, where the Nobelist discussed his peacemaking experiences with students. The key peace mediation principles of the Nobel Peace Prize winner will also be part of the Ahtisaari Days material package in 2017.

A group of teachers from Lauttasaaren Yhteiskoulu and Helsingin Suomalainen Yhteiskoulu has helped us to develop the Ahtisaari Days material package. From the left Anna Saurama, Steven Huxley, Mia-Stina Heikkala and Agnieszka Janus-Hiekkaranta.

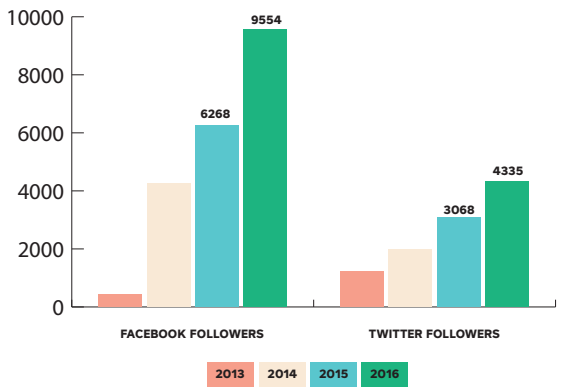
COMMUNICATIONS

CMI has a new look, a renewed website and an engaging social media presence.

WHAT KIND OF BRAND, visual image and website would reflect our work in peacemaking? This and related questions were pondered at CMI in 2016, as we worked to visually re-portray ourselves.

With the help of CMI's advertising agency partner Miltton Creative, our image was extensively updated. The changes included a new website optimised for mobile device browsing both in Finnish and English, and with a shorter version in Arabic. CMI's logo was also revamped, and the new look included an enriched colour palette and a new typography. In 2016, we also launched an extensive pro-bono partnership with the communications group Miltton. We continue to work with Miltton to develop our branding on many different fronts, and we are also planning a joint fundraising effort.

Although websites continue to be the hub of any organisation's online presence, they are losing ground to social media as communication channels. This is why we will continue to direct even more resources in our social media channels to generate awareness and funding. By developing and maintaining an active social media presence with interesting content, we were able to get significantly more followers and widen our reach last year. Video clips and short interviews are for us a new way of communicating our work in a striking way.



Our social media presence and number of followers continue to grow. In 2016 our number of Facebook followers increased by 42%, our Twitter following by 35%, and our Instagram followers by 426%.

Our experts in the media

CMI's media coverage in Finland last year remained at about the same level as in 2015. With the help of the Ministry of Foreign Affairs of Finland, CMI facilitated a visit by an Al Jazeera Arabic reporter to Finland. Al Jazeera made a dozen news stories topics on Finland, covering the country's history, sauna, and Lapland – but also CMI and its founder Martti Ahtisaari. These news clips spread throughout the Arabic region, reaching tens of millions of viewers during prime time.

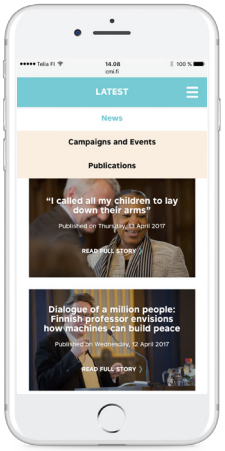
Communications officers Suvi Tuuli (centre) and Antti Ämmälä (right) giving a presentation for CMI Helsinki staff.

In Finland, our experts became regular visitors on radio, television, and panel discussions in 2016, especially on the unrest in the Middle East and the war in Syria. CMI staff received many requests to speak at various seminars and public events. Complex conflicts, polarization, terrorist attacks, rise of populism, and unpredictability in world politics have spurred many people to make a greater effort to understand what is happening around us. The realisation that CMI's work is urgently needed has brought us more private funders and volunteers.

CMI's events, big and small, gathered good audiences in 2016. Our communications team pays close attention to the details that make up a compelling atmosphere. Our five-member communications and private fundraising team enjoys challenges, and is always on the lookout for new channels for making CMI and its work better-known and more widely understood.

A NEW LOOK

In 2016 the new visual look was rolled out across our materials and communication platforms: templates, business cards, social media, a new mobile-friendly website, etc.



KEY MESSAGES VIA VIDEOS

As part of communicating our key messages, our animated clip "Changing the game in conflict resolution" showed how in today's interconnected world, no conflict is only local, making the relatively small costs of peace mediation a smart investment.

The video has garnered almost 30k views.

OUR EXPERTS IN THE MEDIA

Johanna Poutanen, Manager for Women in Peacemaking explains the complex situation in South Sudan in our own video clip. Video clips distributed on our social media channels proved to be a cost-efficient way of showcasing our experts and highlighting important matters.

Hussein al-Taee, Manager for the Iraq project on the Finnish National Television. Hussein was frequently in the Finnish media giving interviews on the situation in the Middle East and terrorist attacks.

Although the income was smaller than previous year, the cashflow of CMI improved. In the coming years, CMI expects steady growth and broader funding base.

JAANA SEPPÄNEN
FINANCE & ADMINISTRATION DIRECTOR

FINANCE & ADMIN

Finance overview

CMI'S TOTAL INCOME in 2016 was 6.5 million, which is 13 % less than in the previous year (7.5m). The decrease was caused by the Finnish Government's development aid cuts of a total of 1.7m euros. Some funding was delayed, and this affected income as well. The surplus decreased by 15 %, for a total of EUR 11,836 in 2016. The surplus was low mainly due to lower income, and due to a number of field offices having being closed due to the cuts in funding.

Broader funding base

Although CMI's income was less than in the previous year, cash flow improved. In the coming years, CMI expects steady growth, and is building a broader funding base. CMI's biggest funder is the Government of Finland, accounting for 53 % of total funding in 2016. The second biggest funders were other governments (16 %), namely Sweden, the Netherlands, Ireland, Belgium, Switzerland, the United Kingdom, and Australia. The share provided by foundations was 14%, and the share provided by the European Union was 7%. The share of funding accounted for by other, mainly private sources, was 10%.

2016 was the third year of CMI's partnership with the Finnish Ministry for Foreign Affairs (MFA). This has given a solid foundation for the whole of CMI's work. CMI succeeded well in fundraising in 2016, and amongst other benefits this ensured a good matching funding situation for 2017.

Financial monitoring

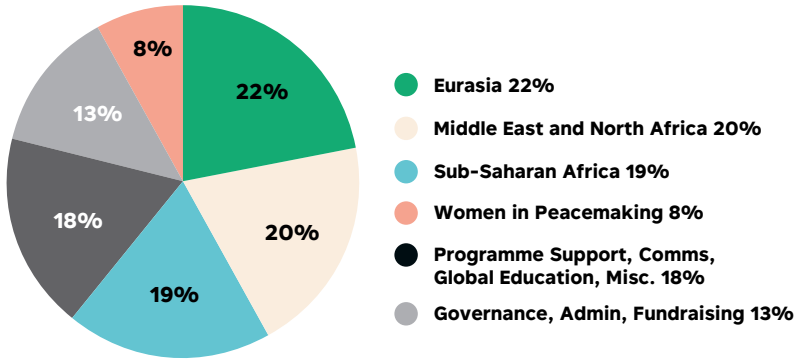
At CMI, corporate governance and financial monitoring must be appropriate, adequate, and fully transparent. Financial monitoring is conducted at the organisational, programme, and project levels. The guiding principle of CMI's financial affairs is to follow all the applicable regulations and laws, and to be as transparent and open as possible. All financial processes are done electronically, and transparency is ensured. Regular monitoring allows CMI to respond swiftly to emerging challenges and to deal effectively with and minimise risks. CMI must monitor its finances with the highest possible degree of correctness and responsibility, so that the qualitative and quantitative expectations of our work are met. CMI's projects are regularly audited according to donors' requirements. In 2016, 9 audits were done (including the statutory audit). The results of all these were excellent, and CMI received high praise for the rigour of its internal monitoring processes.

The finance team continues to produce monthly reporting for all the teams and areas, and indeed for the entire programme. This monthly reporting includes the use of a “traffic light” warning system, which shows immediately if problems arise with actual expenditure compared to the budget and forecast. Financial and substantive reporting is done in four-month periods. This reporting includes financial statements with detailed information, forecasts, and Key Performance Indicators. All teams participate in Finance Review meetings to monitor these results. Staffing and consultation expenditure, a fundraising pipeline, mobile phone usage costs, and all aspects of travel data are also monitored monthly.

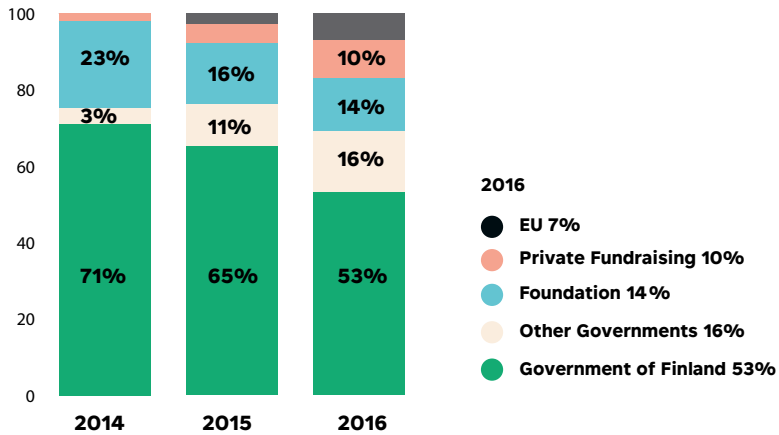
To ensure efficient use of resources, CMI monitors the proportion of administration costs compared to project costs. Administration costs remain only 13% of our overall costs, which is due to savings in general costs and generous pro bono partners in a number of areas, including legal, human resources, and communications matters. Particular attention was paid throughout 2016 to creating savings on mobile phone costs. This resulted in a reduction of these costs by 35 % compared to the previous year. The goal of receiving almost all invoices in electronic (e-invoice) form has been successful, and in addition to cutting costs also enables quicker and more precise payment processes.

CMI’s anti-corruption team, consisting of five staff members from different regional teams and support functions, launched an online training programme on anti-corruption. This is available for all CMI staff. In addition, anti-corruption practices were incorporated in 2016 into our general ethical guidelines (code of conduct).

The F&A team performed several monitoring trips during 2016 to project locations, including to Moldova and the Palestinian Territories. In addition, the F&A team supported regional teams in planning events.



ACTUAL EXPENSES 2016. Eurasia, Sub-Saharan Africa, the Middle East and North Africa form the largest parts in terms of CMI’s actual expenses. Administration costs remain low, at 13%.



FUNDING TRENDS 2014-2016. Our single largest funder has always been the Finnish Government. However, its share of the funding has fallen steadily, whereas the share of funding provided by a number of foreign governments has increased, as has the proportion of private funding. This is a positive trend for CMI, since a diverse and balanced funding base is essential to our work.

FINANCE & ADMIN TEAM. From left: Lauri Pullinen, Finance Assistant; Piia Launiainen, Office Coordinator; Maria Lätti, HR Manager; Satu Lyytinen, Accountant; Johannes Laaksonen, Security Advisor; Jaana Salminen, Controller; Antti Kantokoski, Assistant Controller.

FINANCIAL STATEMENT

INCOME AND EXPENDITURE

INCOME	2016	2015
Governments	4 891 616	5 920 828
Private Foundations and Societies	926 200	1 186 760
Private Sector Companies	5 509	41 464
Other	653 791	313 058
TOTAL GRANTS AND DONATIONS	**6 477 116**	**7 462 109**

EXPENSES	2016	2015
External Professional Services	1 467 097	1 419 162
Personnel Costs	1 975 325	2 559 504
Other Costs	3 022 858	3 469 489
TOTAL EXPENSES	**6 465 280**	**7 448 155**
SURPLUS / DEFICIT	**11 836**	**13 954**

BALANCE SHEET

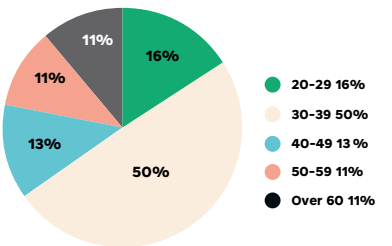
ASSETS	2016	2015
Non-Current Assets		
Machinery and Equipment	27 433	13 396
Current Assets		
Project Income Receivables	31 530	270 629
Pre-payments and Deposits	335 895	81 652
Cash and Bank	2 917 092	2 883 679
TOTAL ASSETS	**3 311 950**	**3 249 356**

LIABILITIES	2016	2015
Equity		
Equity Capital	14 223	14 223
Carryforward from Previous Years	231 270	217 316
Surplus/Deficit	11 836	13 954
Total Equity	257 329	245 493
Short-term Liabilities		
Project Income Advances	2 117 458	2 156 529
Accounts Payables and Other Accruals	937 163	847 334
TOTAL LIABILITIES	**3 311 950**	**3 249 356**

OUR PEOPLE

Personnel structure

CMI embraces diversity everywhere. More than 70 committed professionals of different nationalities and educational backgrounds work for CMI. 51 % of our professionals are female. Equal treatment is CMI's main principle in all its human resources policies and practices. Because our biggest asset is our people, we value an atmosphere of continuous learning and development, and work to promote and maintain this atmosphere.



AGE DISTRIBUTION AT CMI. Although most of CMI's staff are in their thirties, the overall age distribution is wide.

During autumn 2015, CMI had to reduce its number of employees due to funding cuts. For that reason, the number of recruitments for 2016 was modest, and most of these were replacements.

However, due to emerging needs, some new positions have also been created. To improve human resources support for the overall organisation, a full-time human resources manager was recruited in late 2016. The HR manager will coordinate HR support excercises during 2017. Our use of the HR software system Sympa will also be continued and improved.

Wellbeing

A welfare at work survey was conducted in 2016. According to this survey, CMI's main strengths as an employer are the general working atmosphere, and the social support and services offered by the organisation. The lowest ratings were received for

communications and information, organisation of work, and balance between work and leisure time. Compared to the results of the previous such survey, which was done in 2014, the overall level of the results was higher this time. The results of the survey provide the foundation for our personnel strategy, and for yearly actions plans to ensure job satisfaction across the organisation.

Staff wellbeing is a priority for CMI. CMI acknowledges that sometimes the working environment itself can be hectic and stressful, and emotionally challenging. Our supervisors follow the wellbeing of their people and take action in accordance to our model for early support and intervention if needed.

Premises

The Helsinki office is CMI's headquarters. Minor renovations of the Helsinki office were done in 2015, and since then a special focus has been put on ergonomic furniture, such as standing tables. Our Brussels office moved to smaller premises two years ago.

Security and safety

CMI works in some of the world's most challenging environments. Operating in unpredictable contexts, CMI remains absolutely dedicated to providing its staff with reliable safety and security services. This is evident in the rigorous implementation of security and safety measures across all our work, and in the implementation of all our projects. Security risks to our staff, assets, and operations is minimized through a process of constant evaluation and re-evaluation. CMI employs a dedicated security advisor who manages risk and implements relevant security controls in all aspects of our work.

DECISION-MAKING AT CMI

CMI'S HIGHEST DECISION-MAKING ORGAN, the **General Meeting**, convened twice in 2016. The first meeting was in May, to approve the annual report (financial and narrative). The main purpose of the second meeting, in November, was to select the board members and to approve the annual budget and work plan. CMI currently has 115 members.

CMI's **Board of Directors** is ultimately responsible for our long-term strategy and significant financial decisions, for the approval of new members, and for the appointment of CMI's Executive Director. Former President of Finland Martti Ahtisaari is the Chairman of the Board. The Board currently consists of eight ordinary board members, all of whom are selected by CMI members for a two-year period.

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

CMI's **Executive Director**, Tuija Talvitie, leads the execution of CMI's mission and implementation of CMI's strategy. **The Leadership Team** supports the Executive Director in planning and decision-making. It consists of the Executive Director, Programme Director, Director of Finance and Administration, and Head of Communications and Fundraising. The Leadership Team and area Heads meet every second month to discuss current and programme-related matters.

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

PRIVATE FUNDRAISING

As CMI continues with its familiar fundraising efforts, it also launched a new donor network, Ladies for Peace.

CMI GETS FUNDING from public and private sources. A broad funding base ensures our impartiality, flexibility, and ability to react rapidly to situations. Private funding – both Finnish and foreign – accounts for around one quarter of CMI's total funding.

CMI's private fundraising in Finland is based on four donor pillars: private individuals, corporate partnerships, foundations, and donations through our website, social media, and campaigns. We attract private individuals to our circle of major donors, whom we call Premium Donors. Premium Donor membership is 2000 euros per person annually. This circle of donors has now about 70 members. In 2016, we established the Ladies for Peace network, for our female donors.

In addition to these, CMI also annually receives smaller donations from individuals through our website and social media campaigns. Besides company partnerships, CMI is also very grateful to our pro bono partners, who make a very important contribution to our work. CMI continuously explores new and innovative fundraising methods, channels and partnerships.

In the Ladies for Peace network, our female donors hear presentations from some of our conflict resolution experts. The network was founded with the help of two of our donors, Maria Bondestam and Vladimira Therman.

PREMIUM DONOR VLADIMIRA THERMAN:

"PEACE IS EVERYONE'S CONCERN"

" **I SEARCHED AND AGONISED** a long time over what might be the best way for me to make a difference. There are many good causes to donate to, such as bottlenose dolphins and children in need. But in my mind I kept coming back to the question of what is the root cause of the world's problems. Then in spring of 2016, everything fell into place. I was sitting in a small independent cinema watching the documentary *Hyväntekijät,* which focused on Finnish individuals who work for good causes. Among those featured in it were CMI's long-time supporter Maria Bondestam, CMI's founder Martti Ahtisaari, and Executive Director Tuija Talvitie. As I listened to her speak, I felt like I was being pulled down strongly into my seat. My heart was pounding. It had just dawned on me: everything depends on peace.

"My heart was pounding. It had just dawned on me: everything depends on peace. "

Soon after that, my husband and I became Premium Donors. We also began working with Maria Bondestam to create the Ladies for Peace network for CMI's female donors. The network has got together twice already. What makes me especially happy is to see young people getting involved. Peace is everyone's concern. Caring about our common future is the responsibility of people of all generations, both the young and the old. CMI has given my life further meaning, an additional sense of purpose. I can sleep soundly at night knowing that I am doing my small part for our shared world."

THANK YOU TO OUR PARTNERS AND DONORS

Af Jochnick Foundation
Ahlström Capital
Alfred Kordelin Foundation
Anders Wiklöf
Batofin
CMI Premium Donors
Danske Bank
Dittmar & Indrenius
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Rotaryklubi Salo
Royal Ravintolat
Savoy
Swedish Cultural Foundation in Finland
Tiina and Antti Herlin Foundation
TT Foundation
Vanajanlinna Group
Wärtsilä

CORPORATE PARTNERS

"As a pro bono service provider for CMI we have been engaged in developing CMI's communication, brand and fundraising together with their team. It has given us an insight into CMI's world. A world full of complex situations, brilliant people and a burning desire to make the world a better place. A world of values, that the increasingly international **Miltton Group** shares."

Fredrik Heinonen, Senior Partner, Miltton Group

"We at **Danske Bank** highly value CMI's efforts in creating stability in the society. In CMI's work we can see the values that we follow in our own business: integrity, responsibility and collaboration. Therefore our cooperation is all more than natural for us."

Risto Tornivaara, CEO, Danske Bank Plc

"**Lumon** is proud to be involved in supporting Finnish peace mediation. In today's global economy, the business world cannot afford to turn its back on what's happening in the world."

Tapani Kinnunen, Chairman of the Board, Lumon

Other supporters and partners-in-kind

B2B, Cocoa, Esmes, Finnish National Theatre, HundrED, Iiitala Group, Kone, Lifestyle Invest, Marx van Ranst Vermeersch & Partners Brussels, MTV3, Studio Kaarre, Sullivan & Worcester, Suomi100, City of Tampere

CMI
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