

Institute for Security
& Development Policy

ANNUAL REPORT *2011*

CONTENT

LETTER FROM THE DIRECTORS	3
ISDP PROGRAMS	6
ISDP INITIATIVES	7
GUEST RESEARCHER PROGRAM	8
CONFERENCES	9
EVENTS	10
ACTIVITIES	11
PUBLICATIONS	13
PERIODICALS	15
FINANCIAL SUMMARY	16
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	17
BALANCE SHEET	18
FIVE-YEAR FINANCIAL OVERVIEW	19
STAFF DEVELOPMENT	20
SPONSORS	23
RESEARCH COOPERATION	24
ISDP BOARD	27
DIRECTORS	27
CONTACT INFORMATION	27

LETTER FROM THE DIRECTORS

Dear friends and colleagues,

This year marked the fifth anniversary of the founding of the Institute for Security and Development Policy (ISDP). As ISDP is coming of age, the Institute is also changing. In 2011, ISDP appointed a Board of Directors to oversee the Institute's operations. Roger Svensson was appointed the Chairman of the ISDP Board. Mr Svensson joins ISDP after a distinguished career in research and education, most prominently as the founder, and president for 15 years, of the Swedish Foundation for the Internationalization of Higher Education and Research.

In 2011, the Asia Program's activities were particularly focused on the Korean Peninsula, Sino-Japanese relations, relations across the Taiwan Straits, China, Myanmar, and ethnic relations in South Asia. In April and November 2011, delegations from ISDP visited the Democratic People's Republic of Korea (DPRK), visits that were reciprocated by a visit from the DPRK's Institute for Disarmament and Peace (IDP) to ISDP in August. The existing cooperation was further strengthened by scholarly exchange when four guest researchers from IDP completed one-month research stays at ISDP, resulting in four publications presenting the North Korean perspective on the reunification issue and the prospects of a peace treaty on the Korean Peninsula.

The China Initiative continued to prosper and in 2011 ISDP signed a Memorandum of Understanding with the China Institutes of Contemporary International Relations (CICIR) and with the Foreign Affairs University (FAU) in Beijing. These MOUs formalized the long-standing cooperation between the institutes, which includes regular exchanges of delegations, visiting scholars, collaboration on publications and other activities. Further, the fourth Annual ISDP-Academy of Military Science (AMS) conference on "The Situation in West Asia and North Africa and its Impact on International Strategic Configuration" was held in September 2011 to great success. ISDP welcomed two delegations from the AMS and CICIR during 2011 and reciprocated by sending two delegations to CICIR and the AMS. ISDP welcomed six guest researchers from China this year, in line with the Institute's belief that such exchanges are essential not only for strengthening understanding between Sweden, Europe and China but also enhancing the knowledge of the Institute at large. The Institute moreover had the pleasure of accepting two guest researchers from Myanmar and one from South Korea.

The Silk Road Studies Program's main focus remained on the South Caucasus and the Black Sea Region. The year saw the release of Svante Cornell's book *Azerbaijan since Independence*. Through its Joint Center with the Central Asia-Caucasus Institute at Johns Hopkins University's School of Advanced International Studies, the Silk Road Studies Program continued to publish the *Central Asia-Caucasus Analyst* and the *Turkey Analyst*, widely read bi-weekly publications on the region. The Program's activities on Georgia continued to be prominent, involving both publications and activities. Among others, ISDP hosted Georgia's Minister of Foreign Affairs Grigol Vashadze as well as Georgia's Deputy Prime Minister and State Minister for Reintegration, Ekaterine Tkeshelashvili.

ISDP's activities concerning organized crime continued to grow. ISDP started a cooperation project with the International Institute for Democracy and Electoral Assistance (International IDEA) on political corruption and the linkages between organized crime and political elites in Estonia, Latvia and Lithuania. Further, it started a project regarding Russian organized crime and its influence on the Baltic countries and in Sweden. A new project focusing on the prevention of cannabis was also initiated. In March ISDP participated in a high-level expert workshop and organized a workshop on "Russian Organized Crime and its influence on the Baltic Sea Region" with Professor Yakov Gilinskiy.

ISDP greatly appreciates its partnerships in Sweden and around the world, and the support we received in 2011. We are looking forward to continuing and expanding on existing cooperations, as well as starting new initiatives, receiving your comments about our work, and meeting you at our events or in different contexts in the coming year.

Svante E. Cornell and Niklas Swanström, Directors of ISDP

December 2011

MANAGEMENT REPORT

The Institute for Security and Development Policy, a Stockholm-based independent and non-profit research and policy institute, was founded in 2007.

ISDP BOARD

In 2011 the Institute changed its organizational structure and a new Board was appointed. The founding members of the Board were Per Unckel, Jan Nygren, Per Storm and Stein Tønnesson. The Chairman of the Board is Roger Svensson, with Jan Nygren as the Vice Chairman. The Board is elected for a term of one year. Upon the passing of Per Unckel in September 2011, Gunnar Hökmark was elected to succeed him.

AUDITOR

The auditor of ISDP is Ernst & Young and its accountant is Wällstedts Revisionsbyrå AB.

ISDP OFFICE

Niklas Swanström and Svante Cornell are directors of the Institute. Irma Nilsson is the office manager.

MISSION

The Institute is dedicated to expanding understanding of international affairs, particularly the interrelationship between conflict, security, and development. The geographic focus of the Institute is Asia, the wider Black Sea region, and the Baltic Sea region. Activities take place mainly within three focus areas: the Asia Program, the Silk Road Studies Program and the Transnational Organized Crime Initiative. Together with the Central Asia-Caucasus Institute at Johns Hopkins University's School of Advanced International Studies, the Silk Road Studies Program constitutes a Joint Transatlantic Research and Policy Center. ISDP engages in a wide range of disciplines in the social sciences and humanities, dealing primarily with issues of conflict, security and development. The thematic areas include: Conflict Management and Mediation; Security and Political Violence; State Building; Governance and Human Rights; Narcotics and Organized Crime; Energy; and European and American Policies toward its focus areas. The Asia Program encompasses Northeast, Southeast and South Asia, including the Korean Peninsula and Japan. The Silk Road Studies Program covers Turkey to Western China, including the Caucasus and the Black Sea-Caspian Sea basin. The Transnational Organized Crime Initiative covers the Baltic Sea region and the European Neighborhood, including Russia.

ISDP PROGRAMS

The Asia Program



The Asia Program undertakes research and analysis focusing on security and development challenges in Asia, with an emphasis on active conflicts. The Program centers specifically on Northeast Asia, Southeast Asia and South Asia. The main objectives are to bridge the gap between academia and policy and to provide timely information, analysis and recommendations. This is achieved through five main channels: impartial research; publications and newsletters; workshops and conferences; teaching and training; and formal and informal discussions.

During 2011 the Program conducted several activities in Asia and had successful informal meetings, which are continuing into 2012. The Program monitors the changing situation in Myanmar and the situation in DPRK. In 2011 the Program secured funding from the Swedish International Development Cooperation Agency (SIDA) to run a project on Vietnam over a two year period together with the Copenhagen Business School (CBS), Lund University and the Hanoi-based Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD). Further, the Program signed a Memorandum of Understanding with the Institute for Defence Studies and Analyses (IDSA) in New Delhi, the China Institutes of Contemporary International Relations (CICIR, 中国现代国际关系研究院) and the Foreign Affairs University (FAU) in Beijing to collaborate on issues of mutual interests.

The Silk Road Studies Program

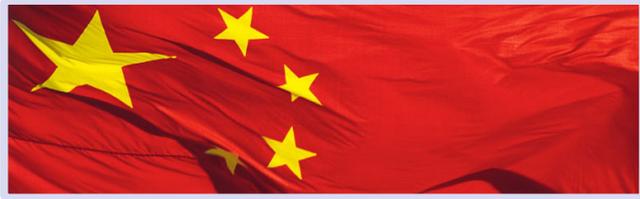


Through its Silk Road Studies Program, ISDP runs a Joint Transatlantic Research and Policy Center with the Central-Asia Caucasus Institute at Johns Hopkins University's School of Advanced International Studies, Washington D.C. The Program focuses on the western part of Eurasia, Central Asia, the Caucasus, Turkey, and Eastern Europe. The main activities and research are on state-building and political development, security and conflict, as well as the relationships between the regions and the West. The rapid change in the region stretching from Turkey and the Caucasus to China has left a knowledge gap in many Western countries that academia and government are quickly trying to correct. The Program publishes books and conference reports as well as the Central Asia-Caucasus Analyst, the Turkey Analyst, and the Silk Road Papers series. The Central Asia-Caucasus Analyst completed its twelfth year of publication, and provided new coverage of the deteriorating security situation in the North Caucasus; as well as the emergence of continental transport and trade initiatives across the region. Its Turkey Analyst provided continued coverage of Turkey's contentious domestic politics including its June 2011 elections, as well as the country's efforts to cope with the fallout from the Arab Awakening, which challenged its foreign policy strategy of "zero problems with neighbors."

Additionally, the Silk Road Studies Program arranged successful activities and informal meetings in 2011 which were carried into 2012. It focused on the political situation in the South Caucasus, especially Georgia, as well as in Turkey and Central Asia, particularly Kyrgyzstan. Further, ISDP hosted a roundtable discussion with the Deputy Prime Minister and State Minister for Reintegration, Ekaterine Tkeshelashvili, and hosted Georgia's Minister for Foreign Affairs, Grigol Vashadze.

ISDP INITIATIVES

The China Initiative



Understanding China, its domestic development and its international role, is a prerequisite for any analysis of China as a rising power and its impact on developments in Asia and the world. The purpose of the China Initiative is to provide strong and independent analysis on recent developments in the country. It brings together the best analytical and policy expertise available to produce useful policy and operational recommendations. The Initiative was launched in response to this particular challenge and tackles problems in five major areas: foreign relations, military build-up, domestic development, human security and Sino-European dialogue. Subprojects of the China Initiative include: China's Military Modernization, Cross-strait relations, China Foreign Relations and China's Domestic Development.

For more information about the China Initiative please visit www.isdp.eu.

Organized Crime around the Baltic Sea Region

Transnational organized crime is to be regarded as one of the greatest global threats to human security and the development of open and democratic societies. Actors engaged in organized crime are able to use their profits from illegal activities to make re-investments into the legal economy. This has a serious impact on society and leads to the growth of corruption and public mistrust in political actors. ISDP has, for several years, built a network of researchers and representatives of law enforcement agencies in the Baltic Sea region. The aim of the Initiative is to raise the public awareness and stimulate a debate on the negative societal effects of transnational organized crime. The work is done in close cooperation

with academics, practitioners and policy-makers in the field and the results are disseminated in reports, articles and open seminars.

For more information about the Transnational Organized Crime Initiative please visit www.isdp.eu.

The Turkey Initiative



The main aim of the Turkey Initiative is to function as a nexus for expertise, knowledge and information on Turkish politics, society and foreign relations. Turkey is a country crucial both to Europe and the United States, as well as to the region. Through its analyses the institute contributes to the understanding of the political development in Turkey. The Initiative also identifies processes for how to strengthen democratic forces and maps women's active role and representation in the public sector/society at large. The expertise, knowledge, analyses and information is published through the *Turkey Analyst*.

For more information about the Turkey Initiative please visit www.isdp.eu.

GUEST RESEARCHER PROGRAM

ISDP regularly invites distinguished guest researchers to undertake research at the Institute. The Guest Researcher Program provides a unique opportunity for professional development and networking in Sweden for scholars and other specialists. The aim of the program is to foster the exchange of ideas, enrich research and encourage participation in activities. During their visits, the guest researchers conduct research on topics related to the Institutes core areas, produces a paper and present their findings at a seminar. The papers are subsequently published either under the Asia Paper series or the Silk Road Paper series. By continuing to tie experts and distinguished researchers to its various endeavors, ISDP maintains its expertise on contemporary security issues.

As such in 2011 the Institute had 14 visiting fellows and guest researchers from China, DPRK and Myanmar. During their stay they focused on the topics of: Asian security issues; Asian regional cooperation; China's military modernization; Chinese sea power; the conclusion of the peace treaty on the Korean Peninsula; inter-Korean relations; international politics; modern defense systems; the Northern Limit Line; emerging powers and their effects; the reunification of Korea; the succession of North Korean Politics; the Taiwan strait crises; and the Sino-US military relations.

Aye Aye Soe

Deputy Director

International Organizations and Economic Department, Ministry of Foreign Affairs, Myanmar

Jiao Liang

Major

Department of World Military Studies, Academy of Military Science, PLA, China

Lee Seung Yeol

Senior Research Fellow

Ewha Womans University Institute for Unification, South Korea

Lu Jinghua

Lieutenant Colonel

Academy of Military Science, PLA, China

So Kwang Yong

Researcher

Institute for Disarmament and Peace, DPRK

Choe Chang Man

Senior Researcher

Institute for Disarmament and Peace, DPRK

Ki Sok So

Director

Division of External Affairs, Institute for Disarmament and Peace, DPRK

Liu Yu

Assistant Professor

Institute of World Politics Studies at CICIR, China

Niu Zhongjun

Associate Professor

Department of Diplomacy and Foreign Affairs Administration, China Foreign Affairs University, China

Wang Xinjun

Senior Colonel

Department of War Theories and Strategic Studies, PLA, China

Hak Rim Ho

Researcher

Institute for Disarmament and Peace, DPRK

Kyaw Moe Tun

Deputy Director

Ministry of Foreign Affairs, Myanmar

Li Yan

Associate Research Fellow

Institute of American Studies, CICIR, China

Shi Xiaoqin

Lieutenant Colonel

Academy of Military Science, PLA, China

CONFERENCES

Each year ISDP hosts a number of public, as well as closed door, conferences. The conferences run from one to three days, to which ISDP invites policy-makers, government officials, academics and professionals.

Transnational Organized Crime Conference

On April 28, 2011, the Transnational Organized Crime team arranged a conference on “Organized Crime and the Financial Crises” in St. Petersburg, together with Yakov Gilinsky, from the Herzen State Pedagogical University of Russia. Participants came from Russia, Estonia, Latvia, Lithuania, Poland and Sweden.

The ISDP–AMS Annual International Conference

On September 16–17, 2011, ISDP arranged its fourth ISDP-AMS conference, held in Beijing. The topic for the conference was “The Situation in West Asia and North Africa and its Impact on the International Strategic Configuration.” Speakers came from military, government and academic backgrounds from China, Sweden, Denmark and the United Kingdom.

The aim of the ISDP-AMS Annual Conference is to enable a forum for leading experts to discuss current security issues. The conference also allows international experts the opportunity to meet Chinese scholars, researchers and high-level military officers engaged in forming future Chinese policies. The first conference took place in 2008.

EVENTS

Each year ISDP hosts forums with leading policy-makers, academics and specialists. The forums are part of several series, including the ISDP Forum, the Asia Forum, the Silk Road Forum, and the Transnational Organized Crime Forum series, which invite speakers from various disciplines and in-house experts to discuss topics of importance.

During 2011, ISDP hosted over 30 seminars out of which five were co-hosted with other organizations, such as: the Swedish Defence Research Agency (FOI); International IDEA; the German Marshall Fund of the United States (GMF); the Swedish National Bureau of Investigation; and Stockholm University. Among other topics were: “Approaching and Counteracting Contemporary Organized Crime”; “Nuclear Proliferation Concerns in Asia”; “The Arab Spring and its Implications for Israel”; and, “The Turkish Foreign Policy in a New Mediterranean Environment.”

The speakers at the forums in 2011 came from various disciplines and backgrounds. They included: Adjunct Professor Klas Eklund, Senior Economist, SEB Bank, Sweden; Dr Yakov Gilinskiy, Head of Criminal Law Department, Herzen State Pedagogical University of Russia; Mr Hirsch Goodman, Senior Research Fellow, Institute for National Security Studies, Tel Aviv University, Israel; Dr Manpreet Sethi, Project Leader, Centre for Air Power Studies, New Delhi, India; Dr RR. Subramanian, Executive Member, Indian Pugwash Society, New Delhi, India; Mr Scott Taylor, Editor and Publisher of Esprit De Corps; Professor Dr Gert Vermeulen, Professor, Institute for International Research on Criminal Policy, Ghent University, Belgium; H.E. Ambassador Selim Yenel, Deputy Undersecretary, Bilateral Political Affairs, Public Diplomacy and Policy Planning, Ministry of Foreign Affairs, Turkey.

For more information and details about the Forum series please visit www.isdp.eu/events.

ACTIVITIES

In 2011, ISDP arranged and participated in numerous high-level delegation meetings, lectures and presentations, hosted roundtable discussions and undertook various research trips. All these activities are part of ISDP's regular work and are undertaken in its different programs and initiatives.

For the full list of ISDP's activities during 2011 please visit www.isdp.eu/news.

High-Level Delegation Meetings

ISDP has received and participated in several high-level delegation meetings during 2011. Some of the most notable meetings included that with the Minister of Foreign Affairs of Georgia, Mr Grigol Vashadze in May 2011, in which Mr Vashadze discussed the situation in Georgia and its neighborhood with Swedish parliamentarians, media and government agencies. In August 2011, a research team headed by Deputy President Kim Yong Guk from the IDP, in Pyongyang, DPRK, visited ISDP. During this meeting, matters related to security and peace on the Korean Peninsula were discussed. In November 2011, ISDP received a high-level delegation from four Russian cities: Surgut, Nizhnevartovsk, Nyagan and Khanti-Mansiysk. The delegation was in Sweden to learn about Swedish experiences in drug prevention.

Research Trips

Several research trips to Asia and the Caucasus Region were carried out in 2011 to deepen the Institute's understanding of the regions. Among the many research trips the following were notable. In March, ISDP experts travelled to Xinjiang to meet high-level officials from the AMS and to enhance its knowledge and understanding of the security situation in northwestern China. In August and September, an expert team from ISDP travelled to Tbilisi, Georgia, in preparation for an upcoming seminar in Sweden. The team met with high-level officials and members of the opposition and conducted research and interviews for upcoming publications. Experts from ISDP also travelled to Fujian, China, to study recent developments in cross-strait relations. Another expert team visited the Baltic States of Estonia, Latvia and Lithuania, to gather information for the project "Protecting Legitimacy in Politics." Research trips were also undertaken by experts from ISDP to Azerbaijan, DPRK, Japan, South Korea, Taiwan and Turkey.

Lectures & Presentations

ISDP's experts are regularly asked to hold presentations at conferences, seminars, forums and meetings around the world. In 2011, ISDP researchers held 15 presentations on topics of its expertise in countries such as Bulgaria, Czech Republic, Estonia, Georgia, India, Latvia, Republic of China, Russia, Switzerland and Taiwan.

ISDP was invited to, and participated in, the Asian Security Conference 2011 in New Delhi, India, which was arranged by the Institute for Defence Studies and Analyses (IDSA), and held a presentation on the topic of "Globalization and the rise of Asia." Furthermore, ISDP was invited to, and held a presentation on "China and Central Asia" at the International Security Forum (ISF) in Zurich, Switzerland, which was arranged by the Swiss Federal Institute of Technology (ETH). ISDP participated in the 8th International Conference on "Georgia's European Way" in Batumi, organized by the Office of the State Minister on European and Euro-Atlantic Integration. Additionally, ISDP also presented its paper "Japan's foreign policy in a multi-polarizing world" at the 13th Conference of European Association for Japanese Studies in Tallinn, Estonia and made a presentation on the "Role of ROC in Maintaining Regional Security" at the 2011 Defence Forum on Regional Security organized by the Ministry of National Defence, Republic of China.

In Sweden, ISDP held seminars and workshops during the Almedalen Week, an annual event during which political parties and parliamentarians meet in Gotland to discuss current affairs. ISDP also participated in the Expert Working Group Consultation "Protecting Legitimacy in Politics," which was arranged by International IDEA in Stockholm, Sweden.

Roundtables

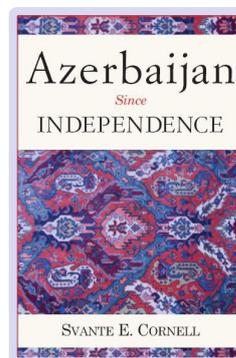
ISDP also hosts roundtable discussions with various guests and dignitaries. During 2011, ISDP arranged a number of roundtables, out of which the most notable was with Laura Jewett, Regional Director for Eurasia at the National Democratic Institute (NDI). The roundtable discussion was co-organized with Swedish civic organizations on democratic development in the former Soviet Union.

PUBLICATIONS

ISDP issues a wide range of publications, from shorter Policy Briefs to longer books and monographs. The Institute's paper series include *Asia Papers*, *Silk Road Papers* and *Stockholm Papers*. ISDP publishes between four to six books and monographs per year, and fifteen to twenty papers in the *Asia Papers*, *Silk Road Papers*, and *Stockholm Papers* series. The Institute also publishes a policy brief every fortnight on current topics and events. The Institute's experts also write op-eds, analyses and commentaries in daily newspapers and journals. Frequently, the Institute's experts are invited to write chapters in external publications on the topics of their expertise.

Books

In January, Svante Cornell published his book on *Azerbaijan since Independence*. The book offers a comprehensive introduction to modern Azerbaijan, a country of great importance due to its strategic location at the crossroads of Europe and Asia, its energy wealth, and its historical experience as an early modernizer in the Muslim world.



AZERBAIJAN SINCE INDEPENDENCE
Svante Cornell
January 2011, pp. 483.

In April, Bert Edström published his book on *Japan's Foreign Policy in Transition: The Way Forward for Japan as an International Actor in a World in Flux*. The book is based on a workshop organized by ISDP in February. The book presents shared views on the foreign policy of Japan and its evolution.



JAPAN'S FOREIGN POLICY IN TRANSITION: THE WAY FORWARD FOR JAPAN AS AN INTERNATIONAL ACTOR IN A WORLD IN FLUX
Bert Edström
April 2011, pp. 73.

In June, Walter Kegö, Erik Leijonmarck and Alexandru Molcean published a multi-authored book titled *Organized Crime and the Financial Crisis: Recent Trends in the Baltic Sea Region*. The book presents analyses by leading criminologists on how organized crime groups have been able to take advantage of the financial crises. Using a wide range of information and statistical data, the six case studies reveal the extent to which organized crime groups have infiltrated societies and pose a severe threat not only to individuals but also to the state.



ORGANIZED CRIME AND THE FINANCIAL CRISIS: RECENT TRENDS IN THE BALTIC SEA REGION
Walter Kegö, Erik Leijonmarck and Alexandru Molcean (eds.)
June 2011, pp. 151

ISDP Papers Series

The ISDP Paper Series consists of the Asia Papers, Silk Road Papers and Stockholm Papers. In 2011, ISDP published over 20 titles in the series. These are research papers conducted by in-house staff, guest researchers and associated fellows, and provide an excellent overview for policy-makers, academics and intellectuals on a specific topic or region. The topics range from the *Political Developments in Myanmar*, to *Dispute Resolutions and Cross-Border Cooperation in Northeast Asia* to *Roadmap for Afghanistan* to *International Law and Post-2008 Status Quo in Georgia* to *Russian Speaking Organized Crime Groups in the EU*.

For details please visit www.isdp.eu/publications.

Conference Reports

Two conference reports were published by ISDP in 2011. The first conference report was published in February 2011, and was a report on the discussions held in Singapore at the Conference on “Regional Environmental cooperation in the EU and ASEAN: Lessons from Two Regions.” The conference was organized by ISDP and the ASEAN Studies Centre. The second conference report was published in September 2011, and was based on the discussions at the third ISDP-AMS Annual International Conference on the topic “A New Strategic Landscape: Changes, Challenges and Consequences.”

For more information please visit www.isdp.eu/conference-reports.

Articles

ISDP’s experts are frequently invited to contribute with articles to various journals. Experts from ISDP published journal articles in *Current History*, the *ISPI Studies*, the *Journal of International Security Affairs*, the *Diplomat* and the *Proceedings of the Royal Swedish Academy of War Sciences*.

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For more information please visit www.isdp.eu/journal-articles.

Policy Briefs

ISDP continues to publish its Policy Briefs every fortnight on varied topics such as “Sanctions in Myanmar,” “Europe and Afghan Heroin,” and “Belarus Arms Trade” to mention a few. The popular policy briefs are published on ISDP website and at www.europeworld.org.

For more information please visit www.isdp.eu/policy-briefs.

Commentaries and Op-Eds

Staff members at ISDP regularly write commentaries and opinion-editorial (op-eds) in various newspapers. These are generally shorter commentaries on a current topic or a contribution to an ongoing debate. During 2011, ISDP’s staff were published in *East Asia Forum*, *Svenska Dagbladet* [Swedish Daily Newspaper]; *Sydsvenskan* [Swedish Daily Newspaper] and *The World Politics Review*.

For more details please visit www.isdp.eu/commentaries-and-analyses.

PERIODICALS

Turkey Analyst

The *Turkey Analyst* is a publication of the Central Asia-Caucasus Institute & Silk Road Studies Joint Center, and is designed to bring authoritative analysis and news on the rapidly developing domestic and foreign policy issues in Turkey. It is published weekly, and includes a topical analysis, as well as translations and summaries of selected Turkish news reports. Its Managing Editor is Halil M. Karaveli.

For more information please visit www.silkroadstudies.org/new/turkey.

Central Asia-Caucasus Analyst

The *Central Asia-Caucasus Analyst* is an English language global Web journal devoted to the analysis of current issues facing the Central Asia-Caucasus region. It serves to link the business, governmental, journalistic and scholarly communities and is the global voice of the Central Asia-Caucasus Institute and the Silk Road Studies Program. Established in 1999, the *Central Asia-Caucasus Analyst* has established itself among the world's most authoritative sources of analysis and information on the region.

The Central Asia-Caucasus Analyst is published on a fortnightly basis, and is freely available at <http://www.caciana-lyst.org>. Its Editor is Svante E. Cornell, with Niklas Nilsson serving as Associate Editor. Each issue of the *Central Asia-Caucasus Analyst* contains four analytical articles, four field reports and a news digest.

FINANCIAL SUMMARY

The total revenue for the fiscal year 2011 amounted to 13 677 830 SEK and the total expenditure amounted to 13 729 701 SEK. The final result of operations thus indicates a deficit of 51 871 SEK, relative to the total turnover, which should be regarded as modest, while also taking into account that the Institute does not generate profit.

In comparison with 2010, the deficit for 2011 was higher than the previous year. This is partly due to the fact that the Institute has a higher amount of depreciation for the fiscal year of 2011. In fact, the net result (EBITDA) of the Institute for 2011 was higher than for 2010.

Throughout 2011, the Institute focused on lowering its costs. The total personnel costs at the Institute have decreased relative to 2010, and the Institute has successfully reduced costs for both office premises and maintenance. Furthermore, the Institute managed to cut its costs for computers and IT services by 45 percent from 2010.

A major part of the Institute's core activities are its travel and conference activities. The cost has increased marginally in 2011 (17 percent of the total budget) compared to 2010 (16 percent of the total budget). In addition, the Institute continues to publish all its publications online as well as its printed, or hard-copy, circulation, however the latter has decreased in number since 2010.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

INCOMING RESOURCES	2011	2010
Revenue	2 540 954	2 001 415
Government grants	11 136 876	14 508 112
Other grants	0	153 107
TOTAL SUM	13 677 830	16 662 634

RESOURCES EXPENDED	2011	2010
Personnel costs	7 469 600	9 230 801
Office Premises	1 493 174	1 749 816
Office Equipment	177 354	0
Computers and Supplies	444 282	804 753
Publishing and Literature	265 921	388 105
Office Supplies and Stationary	132 845	367 063
Telephone and Mobile phone solutions	368 468	324 844
Travel and Conferences	2 384 660	2 649 260
Marketing and Representation	230 872	290 629
Honorariums and Consultancy fees	649 959	847 051
Other costs (including bank fees and VAT)	22 896	9 153
TOTAL SUM EXPENDED	13 640 031	16 661 475

RESULT (EBITDA)	37 799	1 159
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RESULT (EBIT)	-32 569	-27 807
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RESULT		
Financial revenue and costs	-14 268	9 822
Appropriations	8 684	2 530
Tax	-13 718	-9 081
REPORTED RESULT	-51 871	-24 536

BALANCE SHEET

ASSETS	2011-12-31	2010-12-31
<i>FIXED ASSETS</i>		
Inventories	0,00	70 370
Total fixed assets	0,00	70 370
<i>CURRENT ASSETS</i>		
Account receivables	204 412	667 692
Tax receivables	58 687	32 158
Current receivables	493 203	732 313
Liquid assets	619 845	1 868 420
Total current assets	1 621 117	3 300 584
TOTAL ASSETS	1 621 117	3 370 954

EQUITY AND LIABILITIES	2011-12-31	2010-12-31
Equity	211 590	159 719
Total Equity	211 590	159 719
Untaxed reserves	0,00	-8 684
Total untaxed reserves	0,00	-8 684
<i>CURRENT LIABILITIES</i>		
Tax liabilities	-336 376	-388 414
Current liabilities	-1 793	0,00
Accrued cost and prepaid income	-1 399 666	-3 014 018
Total current liabilities	-1 832 707	-3 521 989
TOTAL EQUITY AND LIABILITIES	-1 621 117	-3 370 954

FIVE-YEAR FINANCIAL OVERVIEW

Below is an overview of the incomes and expenses for the past five years. The decline in this year's income was expected, and adjusted for in budget planning by streamlining the organization and making the administrative office more effective. Income is expected to stay at this level for the next couple of years.

YEAR	2007	2008	2009	2010	2011
Income*	6 733 761	14 849 961	17 640 684	16 662 635	13 677 830
Expenses**	6 732 620	14 904 657	17 722 313	16 687 171	13 729 700
Reported Result	1 141	- 54 696	- 81 629	- 24 536	- 51 870

*Incoming Resources include Revenue, Government Grant and Other Grants

**Resources Expended include Result (EBIT), Financial Revenue and costs, Appropriations and Tax

STAFF DEVELOPMENT

Staff

Ambassador Per Eklund joined ISDP as a Senior Fellow with its Silk Road Studies Program. He recently retired from his position as head of the European Commission Delegation to Georgia. Ambassador Eklund joined the European Commission in 1997. Besides Georgia, his missions have included Guyana, Suriname, Trinidad and Tobago, the Netherlands Antilles and Aruba. Initially, he worked with EU assistance to Russia, which was later extended to all former Soviet states.

Ambassador Lars-Erik Lundin joined ISDP as a Senior Fellow. He joined the Institute in October 2011 after retiring from his position as head of the European Union Delegation to the international organizations in Vienna. He was previously, inter alia, Deputy Political Director of the European Commission and Ambassador in the Swedish Ministry for Foreign Affairs. He holds a Ph.D. in political science/international relations. His main field of interest is security policy.

Alexandru Molcean joined ISDP as a Junior Research Fellow in 2011. Prior to his work at ISDP, he worked as the Head of the International Legal Cooperation Division within the Ministry of Justice of the Republic of Moldova. He has also worked as a legal adviser to other governmental institutions such as the Ministry of Finance and Customs Service. He has been a member of the Council of Europe's Committee of Experts on the Operation of European Conventions in the Penal Field and has co-authored, among others, a handbook on mutual legal assistance aimed to enhance the cooperation of relevant Moldovan authorities within their foreign partners. He holds a B.A. in International Public Law from Moldovan State University and a M.A. in Public Administration from the Academy of Public Administration of the Republic of Moldova.

David Mulrooney joined ISDP as a Research Fellow in 2011. Mr Mulrooney graduated with a first class honors bachelor's degree in English Studies and a Master of Arts degree from Trinity College, Dublin. He pursued graduate studies in the United States as a Fulbright scholar and earned a Master of Arts degree at Harvard University, where he was a Teaching Fellow in the Humanities, a Research As-

sociate at Harvard Business School and Editor-in-Chief of the Harvard Asia Quarterly. He studied Mandarin at Tsinghua University as a Chinese government scholar. During 2011, he was also writing his Harvard doctoral dissertation on the representation of ethnic identity in literature by colonial officials in Malaysia.

Ebba Mårtensson joined ISDP as an Administrator and Outreach Coordinator in 2011. She holds a LL.M degree from Lund University in Swedish and International Criminal Law. She has previously worked as a Programme Officer at the Commonwealth Human Rights Initiative (CHRI) in New Delhi, India, and as a Research Assistant at Lok Satta in Hyderabad, India. She has also worked on a short-term contract as a Law Clerk at the International Criminal Court in The Hague, the Netherlands, and as an intern at the Swedish Embassy in Pretoria, South Africa. Her main interest is the rule of law and security sector reforms in the South Asia region.

Anna von Wachenfelt rejoined the Institute as a Junior Research Fellow in 2011. She holds a M.Sc. in Comparative Politics Asia from London School of Economics (LSE), and a M.A. in International Relations from University of St. Andrews in U.K. Her main areas of interest include Asian security politics and development policies.

Interns

Each semester ISDP accepts four to six interns to assist in the work of ISDP and with the aim to cultivate important contacts with young talents within the field of security and development. The ISDP internship program offers the interns work experience in an international environment. During 2011, the following young talents were part of the internship program:

Alexandre Autrand was an intern from February to July in 2011. Mr Autrand has a Master degree in International Relations from the Institute for Political Studies (Institut d'Études Politiques) of Aix-en-Provence (France). In 2008–09, he spent one year in New Zealand at the University of Canterbury in Christchurch. His fields of interests are conflict management and prevention, and the Caucasus region.

Stina Bergman started her internship at ISDP in September 2011. She holds a bachelor's degree in Political Science and during her B.A. studies she spent one semester at the Humboldt University of Berlin, Germany. Currently she is studying the Master's Program in Politics and International Studies at Uppsala University. Her main area of interest is mechanisms of regime change and stability in the East Asian region.

Elliot Brennan started his internship at ISDP in September 2011. He holds a Masters in European and International Studies from Monash University, Australia. He has studied at Science Po (Institut d'Études Politiques) Paris and Université de Lyon III. During the past four years, Mr Brennan has worked as a journalist across five continents specializing in political economy and energy in emerging economies. His work has allowed him to interview and meet with government officials, ministers, ambassadors and leading CEOs across Asia, the Gulf and Middle East, Europe and the Americas.

Zhou Hang started his internship at ISDP in September 2011. He is currently a second-year Master student of Peace and Conflicts Studies in Uppsala University. He holds a double degree in Bachelor of International Politics from Sichuan University (Chengdu, P.R. China) and in Bachelor of Political Sciences from Université de Paris-X Nanterre La Défense. His main academic interests are ethnic conflicts and Chinese involvement in Africa. During his internship at ISDP, he worked mainly with the Asia Program.

Tina Kavadze worked as an intern at ISDP between November 2010 and May 2011 while completing her Master's degree in Eurasian Studies at Uppsala University. Ms Kavadze holds a B.A. degree in International Relations and Politics from the University of Westminster (U.K.) and has fulfilled her primary studies in College de Nicolas Bouvier (Switzerland). Her academic interests are energy security and more specifically pipeline politics in Europe and Central Asia.

Özgecan Kesici worked as an intern from February to June 2011 at ISDP. Ms Kesici holds a M.A. degree in Political Science, Economics, and Law from Ludwig-Maximilians-Universität (Munich, Germany). During her studies, she spent one year at Sciences Po (Paris, France) and attended the 2009 Summer University at the German-Kazakh University (Almaty, Kazakhstan). Her academic focus lies on

nation-building and identity issues and her regional specialization covers Central Asia and Turkey.

David Nises started his internship at ISDP in September 2011. He completed his B.A. degree in Security, Terrorism and Counterterrorism from Murdoch University (Perth, Australia). His main fields of interest include ethnic and religious conflicts and political aspects of terrorism and counterterrorism.

Erica Ohene-Bekoe worked as an intern from August to November 2011. She holds a Dual Degree Master of Arts in International Relations and International Law, and Bachelor of Arts in Political Science and a minor in Philosophy. She acquired her joint degree studies at C.W Post College of Long Island University (U.S.) and a Study Abroad Program at the Regents British-American University of London (U.K.). As part of her International studies, she interned as a journalist for the United Nations Department of Public Information; and worked as an International Business Coordinator for an International Export/Import Company. Her academic focus lies on war crimes in South-East Asia and the Pacific.

Niels Selling worked as an intern at ISDP between February to July 2011. He has a B.A. degree in political science from Uppsala University. He has also spent one year at the University of Michigan, Ann Arbor, and has taken courses at Stockholm University, Södertörn University College, and Ramapo College, New Jersey (U.S.). Mr Selling's main areas of academic interests are in the fields of development, resource management and sustainability. He has a particular focus on social networks and leadership and how these interact to shape the way communities take action. The focus on rural communities in developing countries stems from a belief that actions related to development and environment have, in many instances, the most desired impact when initiation and ownership are at a local level.

Olof Staaf worked as an intern February to June 2011 at ISDP. Mr Staaf holds a B.A. in History and a M.A. in Political Science from Uppsala University. He has spent two semesters at the Russian State University for the Humanities in Moscow and his main area of interest is security issues in the Northern Caucasus.

Christina Wenngren started her internship at ISDP in August 2011. She holds a M.A. in Political Science from Lund University, Sweden, with focus on International Relations and International Criminal Policy. As part of her studies she spent one semester in Ghent, Belgium, where she studied International Criminal Law, and one semester in Ghana writing her Master's thesis. As part of her M.A. studies she had an internship at the International Organization for Migration (IOM). During her internship at ISDP she worked in the field of organized crime.

Natalie Verständig started her internship at ISDP in August 2011. She recently graduated with her B.A. degree in International Relations and Middle Eastern Studies from the Interdisciplinary Center (IDC) in Herzliya, Israel. Her fields of interest include politics and security in Israel and the Middle East. At ISDP Natalie worked mainly with questions regarding the Middle East and the Silk Road Studies Program.

Gustaf Åhman worked as an intern January to June 2011 at ISDP. He holds a B.A. degree in Political Science from Uppsala University and received his MA in political Science and International Affairs from Uppsala University in the spring of 2011. He has during his studies spent one year respectively at the Swedish National Defense College and at Seoul National University. His main academic interests are security and defense policy with a special focus on East Asia. During his internship at ISDP, Mr Åhman mainly contributed to the Institute's Asia Program.

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Svante E. Cornell heads the Institute's Silk Road Studies Program. He is a specialist in security issues and political development in Eastern Europe and Central Asia, particularly the Caucasus and Turkey.

Niklas L.P. Swanström

Niklas L.P. Swanstrom heads the Institute's Asia Program. He is a specialist in conflict management, security issues, and negotiations in Central and Northeast Asia, particularly Chinese foreign policy.

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