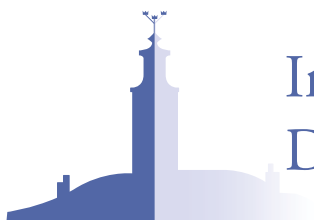




INSTITUTE FOR SECURITY & DEVELOPMENT POLICY
ANNUAL REPORT
2015



Institute for Security &
Development Policy

DEAR FRIENDS AND COLLEAGUES,

In 2015, ISDP continued working towards its core mission of contributing to global peace, security, and stability, and expanding understanding of international affairs.

The Institute hosted a significant number of guest researchers, visiting scholars, and delegations, who contributed to ongoing policy debate both in Sweden and internationally with their knowledge and expertise. In addition, ISDP continued to conduct workshops and seminars, both in Stockholm and in the Institute's countries of research.

The Asia Program maintains a strong focus on China, Myanmar, and the Korean Peninsula. Due to increased funding from the European Union, the Myanmar Project in particular has grown considerably over the last year. ISDP has also increased its attention on Japan, which we hope to continue in 2016. Throughout the year, ISDP has implemented a range of activities within the Asia Program, which still functions as a network hub bridging the gap between academia and policy and providing timely information, analyses, and recommendations to the international policy community.

The Silk Road Studies Program maintains the core of its activities in the South Caucasus, the Black Sea Region, and Central Asia, with

Georgia, Turkey, and Kazakhstan being the main focus countries in 2015. The program closely observes and assesses local developments and their implications with the ambition of remaining at the forefront of analysis on international affairs. The program's articles have been published in leading analytical outlets in international affairs around the world, where they have been highly sought after and widely read.

The Transnational Threat Initiative continues to monitor organized crime in the Baltic Sea Region. In addition, the initiative implemented "No Green Drugs," a project funded by the Public Health Agency of Sweden examining the environmental consequences of drug production.

ISDP greatly appreciates its partnerships in Sweden and around the world and the support we have received in 2015. Our main goal for the next year is to further strengthen our expertise in our countries of research.

We look forward to expanding on existing co-operation with our partners, as well as starting new initiatives, receiving your comments about our work, and meeting you at our events and seminars in the coming year.



Svante E. Cornell and Niklas Swanström
Directors of ISDP
December 2015

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

The ISDP Board consists of high-level professionals and convenes three to four times a year. Chairman of the Board is Roger Svensson, a Senior Research Fellow at ISDP and former Founding Director of the Swedish Foundation for the Internationalization of Higher Education and Research. The other members of the board include Per Storm, Managing Director of Kopparberg Mineral AB, Thommy Svensson, Professor Associate of the Nordic Institute of Asian Studies, Per Eklund, Senior Fellow at ISDP, and Karlis Neretnieks, Board member of the Royal Swedish Academy of War Sciences.

Mr. Roger Svensson

Chairman of the Board

Senior Fellow, ISDP

Dr. Per Storm

Managing Director, Copperstone Resources AB

Maj. Gen. (Ret.) Karlis Neretnieks

Board member of the Royal Swedish Academy of War Sciences

Dr. Thommy Svensson

Professor Associate of the Nordic Institute of Asian Studies

Amb. (Ret.) Per Eklund

Senior Fellow, ISDP



AUDITOR

The auditor of ISDP is Ikon Hedefalk at Ernst & Young.

ISDP OFFICE

Niklas Swanström is Executive Director and Svante Cornell is Director of the Institute. Timjan Neander is the Financial Officer. ISDP's main office is located on Västra Finnbodavägen 2 in Nacka, Stockholm.

Niklas Swanström

Niklas Swanström is the Executive Director and 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.

Svante E. Cornell

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.

ORGANIZATIONAL STRUCTURE

ISDP operates through two principal and permanent programs: the Asia Program and the Silk Road Studies Program, which are the Institute's primary units. In addition, ISDP incorporates the cross-cutting Transnational Threat Initiative, which straddles the two programs.

Within the framework of these two principal programs, work at ISDP is organized in Initiatives and Projects. Initiatives have a long-term scope and focus on larger thematic areas and key countries that are central to the Institute's work, whereas Projects are established to deliver specific outputs with a deeper and narrower focus, within a short-term framework.

WWW.ISDP.EU

WWW.SILKROADSTUDIES.ORG

ISDP AT A GLANCE

REGIONAL FOCUS, GLOBAL COVERAGE

ISDP's work benefits from the Institute's exceptionally strong and unique network in its focus regions. These networks enable ISDP to conduct research and analysis at the forefront of its field, and to connect academia and decision-makers in the west with their regional counterparts.

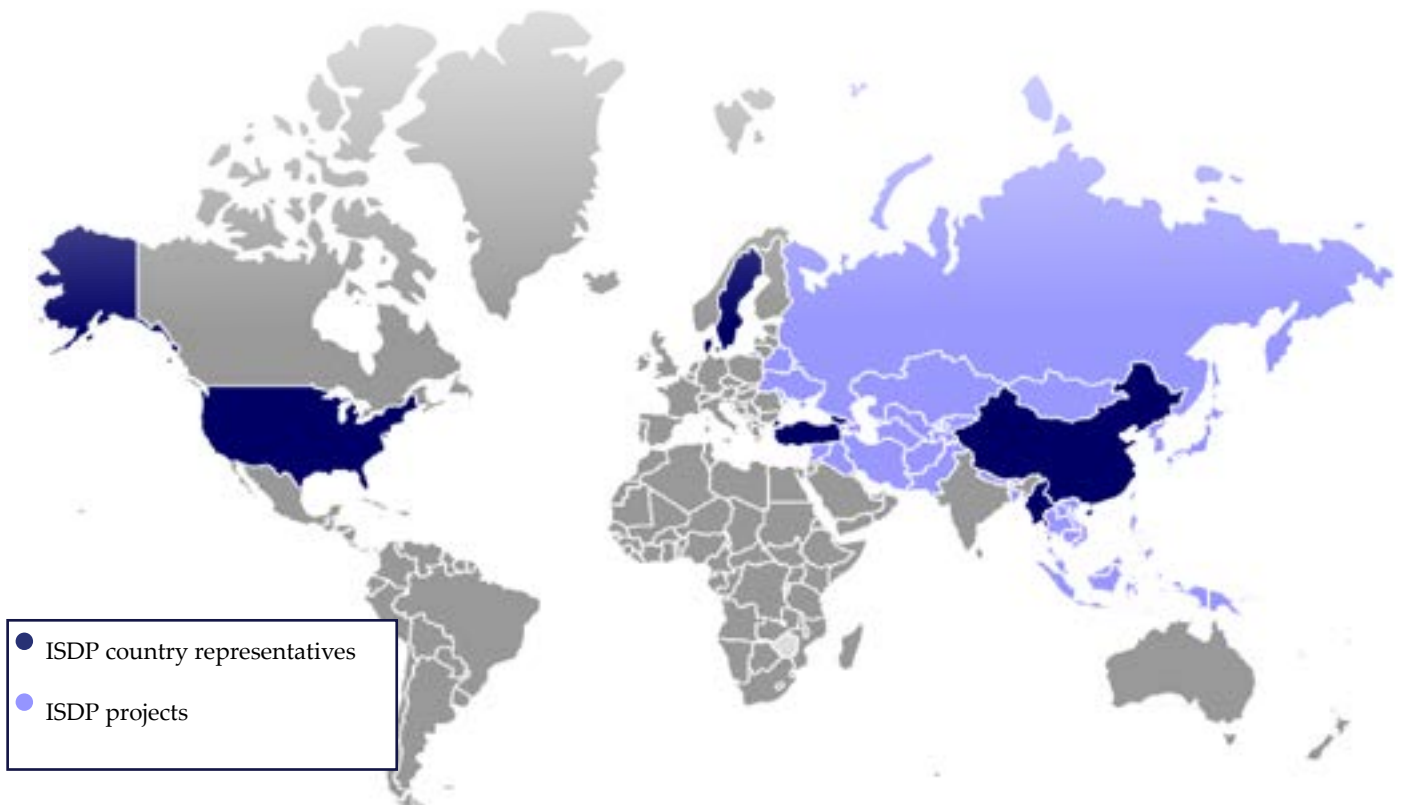
The Asia Program conducts research into security and development challenges in the Asian region with a focus on the sub-regions of Northeast, Southeast, and South Asia. As such, it carries out policy-oriented and practical research, facilitates confidence-building exercises, and organizes conferences and seminars. The main objectives are not only to be a bridge between academia and policy but also to provide strategic insights and policy recommendations to decision-makers in governments, international institutions, and the private sector.

The Silk Road Studies Program runs a Joint Transatlantic Research and Policy Center with the Central-Asia Caucasus Institute at Johns Hopkins University's School of Advanced International Studies, Washing-

ton 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 Transnational Threat Initiative aims to raise public awareness and stimulate a debate on the negative societal effects of transnational organized crime. Transnational organized crime is regarded as one of the greatest global threats to human security and it undermines the development of open and democratic societies. ISDP has, over several years, built up a network of researchers and representatives of law enforcement agencies.

The Institute's main office is situated in Stockholm, Sweden. ISDP also has representatives in Ankara, Turkey; Chengdu, China; Copenhagen, Denmark; Tbilisi, Georgia; Washington D.C., USA; and in Yangon, Myanmar.



STOCKHOLM - WASHINGTON D.C. - YANGON



Picture credit: Eva Garmendia, sourced from Flickr Creative Commons

MISSION

ISDP's mission is to expand understanding of international affairs in its areas of focus, concentrating on the inter-relationship between security, conflict, and development, and to work to further security and development through its analysis as well as practical activities aimed at promoting dialogue.

Since 2007, the Institute has worked towards its goal of providing independent analysis to policy makers and the analytical community on questions regarding security, conflict, and development. The Institute functions as a focal point for academic, policy, and public discussion of its focus areas through applied research, publications, research cooperation, public lectures, and seminars. ISDP strives to work closely with governments and independent organizations located in the regions of study and to pursue extensive collaborative projects, such as through exchanges of researchers and the organizing of joint conferences.

ISDP's work aims at providing strategic analysis and practical solutions to assist decision-makers

in both public and private sectors to achieve their goals. ISDP holds firm to the conviction that an understanding of international affairs requires a deep and comprehensive knowledge of the culture and history of regions and countries under study, and continuous interaction with a broad cross-section of these societies.

ISDP seeks to achieve its aims through the publication of its research and analysis in formats accessible to a broad audience, as well as through practical steps to promote dialogue.

"ISDP holds firm to the conviction that an understanding of international affairs requires a deep and comprehensive knowledge of the culture and history of regions and countries under study..."

CHINA

INTERNATIONAL ASPIRATIONS

CHINA AS A RISING POWER

Understanding China, its domestic development and 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 developments in the country as well as utilize its exclusive in-country network to stimulate dialogue and exchange. The Initiative addresses issues in five major areas: foreign relations, military build-up, domestic developments, human security, and Sino-European dialogue. Sub-projects of the China Initiative include: China's Military Modernization, Cross-strait Relations, China's Foreign Relations, and China's Domestic Development.



Photo credit: Brian Hillegas, Flickr Creative Commons

Every year, ISDP holds a joint conference with the People's Liberation Army's think tank, the Academy of Military Science. The 8th annual conference held in Beijing in May 2015 was entitled "'The Islamic State' and the Situation in the Middle East," which brought together noted experts from Europe and China to exchange insights.

The disorder in the Middle East and the rise of Islamic State (IS), which has seen it control large parts of Iraq and Syria, is a pressing security and humanitarian concern not only for the region but the international community as a whole. This year's conference sought to understand the emergence of IS within a

broader context and to appraise the effectiveness of strategies to counter it.

Together with the Chinese Embassy in Sweden, ISDP furthermore organized the seminar "The Belt and Road Initiative - Opportunities for the next 65 years of China-Sweden Relations." The seminar marked the 65th anniversary of the establishment of diplomatic relations between the two countries, and brought together experts from China and Europe with the aim of exploring opportunities and challenges associated with the Belt and Road Initiative, as first proposed by President Xi Jinping in September 2013. [For a full report from the seminar, follow this link](#)

In addition to these activities, the China Initiative has published analyses both within ISDP's own publications series, as well as in external outlets, received numerous delegations, conducted several research trips, and continuously worked to maintain and expand its wide and exclusive in-country network.

The purpose of the China Initiative is to provide strong and independent analysis on recent developments in the country.



Ed. Alec Fors

8TH ISDP-AMS JOINT CONFERENCE, "THE ISLAMIC STATE" AND THE SITUATION IN THE MIDDLE EAST

Conference Report, June 30 2015

[Read the report here](#)

MYANMAR

PEACE EDUCATION IN A DEVELOPING DEMOCRACY



Photo credit: Freedom House, Creative Commons

Myanmar is an area of interest in international relations to both academic and policy circles. Recent developments in the country and the positive reactions by the international community allow for cautious optimism. Myanmar has in the fall of 2015 seen two pivotal moments in the signing of the nationwide ceasefire agreement and the general elections. However, many questions still beg for answers, and as a result, ISDP is intensifying its efforts in research and engagement with various stakeholders to assist the ongoing policy review process and whatever is to follow, all the while realizing that a lack of understanding has hindered policymaking toward Myanmar in the past.

ISDP has been involved in the analysis of Myanmar affairs for a decade. During this period, the Institute has developed a wide network of local contacts ranging across all states and regions in Myanmar, and from all levels of society. Thanks to funding from the European Union and the Swedish Ministry of Foreign Affairs, ISDP was in 2015 able to boost its local presence, and continue working towards its aim of social and political development in the country by supporting the peace and transition processes. This

ISDP's capacity-building workshops now engage more than 1,500 local actors.

can only be achieved by joint efforts involving all actors in Myanmar, and for this reason ISDP actively offers contextually appropriate training on key topic areas, and facilitation of related conversations to key actors; including research bodies, civil society, political parties and government.

Amongst other activities in 2015, ISDP continued its series of capacity-building workshops entitled "Peace Education Trainings." By implementing this method of "training the trainers," the program has been able to reach more than 1,500 individuals from civil society and political parties, within an 18 month period. Geographically, this program is implemented in 7 states and 3 regions and targets those af-

ected by conflict. They trainings aim to share knowledge and information on key aspects of the peace process, including the structure of Myanmar's peace process and on the upcoming national political dialogue.

Finally, the Myanmar Project continued to expand its Guest Researcher Program, which accepts between 2-6 researchers every year. The program is more thoroughly described on page 28.

The project aims to contribute to peace building in Myanmar in support of socioeconomic development and political reconciliation.

ISDP
MYANMAR'S NATIONWIDE CEASEFIRE AGREEMENT
Backgrounder, October 2015

[Read the report here](#)



TURKEY

TOWARDS AUTHORITARIANISM?

ANALYSIS OF A COUNTRY IN TRANSITION

Geopolitical developments in the Middle East and the Black Sea region, Turkey's relations with the European Union, and the political evolution of Turkey - from being an experiment in democratic politics in a Muslim society to an increasingly authoritarian regime - all make Turkey a crucial country to both Europe and the United States, as well as to the region in which it is located. However, Turkey is generally treated peripherally within academic as well as bureaucratic institutions - on the edge of either Europe or Asia - but it is seldom taken as a focal point. The Turkey Initiative aims to fill a vacuum in this regard.



Photo credit: Simon Q, Flickr Creative Commons

The Turkey Initiative of the Central Asia-Caucasus Institute & Silk Road Studies Joint Center was launched in 2006 and functions as a nexus for expertise, knowledge, and information on Turkish politics, society, and foreign relations. The main outlet of the Initiative is the Turkey Analyst, designed to provide authoritative analysis and news on the rapidly developing domestic and foreign policy issues in Turkey. It is published bi-weekly, and includes summaries of selected commentaries in the Turkish media. This section, named "What the columnists say" conveys a

sense of the issues that are being debated, and of how they are being discussed by commentators in Turkey. This adds a complementary "local" color to the analytical articles predominantly authored by external analysts.

In 2015, ISDP's experts also engaged in a joint project with the Bipartisan Policy Center, with the purpose of investigating the background of Turkey's dramatic turn toward authoritarianism and Islamization in the past several years. The outcome of the project, the report entitled "Turkey Transformed: The Origins and Evolu-

tion of Authoritarianism and Islamization under the AKP," was published in November. See more details below.

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.



Eric Edelman, Svante Cornell, et. al.

TURKEY TRANSFORMED: THE ORIGINS AND EVOLUTION OF
AUTHORITARIANISM AND ISLAMIZATION UNDER THE AKP
Bipartisan Center, Report, October 29, 2015

[Read the report here](#)

THE CAUCASUS REGION

LINKING EAST AND WEST RE-ENGAGING A CRUCIAL REGION



Photo credit: Christopher Rose Flickr Creative Commons

From a Western perspective, the Caucasus is far more important than its size alone would suggest. Its significance to the United States and Europe lies in its crucial geographical location, at the point of intersection between the key Eurasian powers of Russia, Iran and Turkey, and its central role in the burgeoning east-west transport corridor connecting Europe to Central Asia and beyond. The Caucasus is therefore key to any Western efforts to shape future interactions between Europe and the Middle East, and to Western commercial and strategic interests in Eurasia.

The project aims to support the region's Euro-Atlantic integration process by publishing timely analysis, implementing seminar activities, and working with capacity building with local actors.

The Joint Center publishes the Central Asia-Caucasus Analyst, a biweekly English web journal devoted to the analysis of the current issues facing the Central Asia-Caucasus region. For more than seventeen years, it has provided extensive coverage on the security situation in the Caucasus, as well as on the emergence

of continental transport and trade initiatives across the region. This year's Analyst saw contributions

The Central Asia-Caucasus Analyst the business, governmental, journalistic and scholarly communities and is the global voice of the Central Asia-Caucasus Institute & Silk Road Studies Program

from prominent analysts and commentators on topics such as

Russia's Syria initiative, Islamic State, and relations with Europe.

ISDP has over the course of 2015 also issued in-depth research reports aimed at increasing awareness both in the region and in the West on issues relating to development processes in the South Caucasus. Notably, Svante Cornell, Mamuka Tsereteli and S. Frederick Starr published the paper "A Western Strategy for the South Caucasus," which has been highly influential in shaping the debate about the shortcomings of Western policy towards the region.

WWW.TURKEYANALYST.ORG

WWW.CACIANALYST.ORG

TRANSNATIONAL THREAT INITIATIVE

COUNTERING EMERGING THREATS IN A CONNECTED WORLD

The threats that the world faces today are transnational in nature, and the traditional understanding of security has to be broadened and deepened in order to reflect this global change. As such, the current definition of security includes non-state and non-military threats, ranging from terrorism and environmental degradation to global epidemics and organized crime.



Photo credit: Matt Zimmerman, Flickr Creative Commons

The Transnational Threat Initiative is ISDP's response to this evolving concept of security. Its mission is to conduct in-depth analysis of new security threats in close cooperation with academics, practitioners, and policy-makers in the field. The results of the Initiative are then disseminated to the public in reports, articles, and open seminars.

In 2015, the Transnational Threat Initiative continued working on the project No Green Drugs, aimed at highlighting the environmental consequences linked to drug production. The goal of the project is to research what is a relatively little known and un-

derstudied aspect of drug production and, in so doing, raise awareness among both law enforcement bodies as well as the general public. In particular, the project this year resulted in two main outcomes: an educational brochure targeting teenagers between the ages of 13 and 16, and a smartphone quiz app called Pugs Not Drugs. Both tools are meant to complement each other in the discussion of drugs at school and outside the classroom.

Separately, the Initiative also produced a report investigating cigarette smuggling from Latvia to Sweden, with the aim of providing a comprehensive overview of

the issue and associated policy recommendations for the Swedish National Association of Tobacco Professionals.

The aim of the Initiative is to raise public awareness and stimulate a debate on the negative societal effects of transnational organized crime.



Transnational Threat Initiative

KNARK - EN MILJÖKATASTROF (DRUGS - AN ENVIRONMENTAL DISASTER)

Informational Brochure, December, 2015

[Read the report here](#)

THE KOREAN PENINSULA

A LACK OF TRUST

CONFIDENCE BUILDING ON THE PENINSULA



Photo credit: (stephan), Flickr Creative Commons

The Korean Peninsula remains one of the main international hotspots with North Korea's nuclear development posing a potential threat to regional security. With inter-Korean relations continuing to be marred by distrust and the breakdown of the Six Party Talks failing to resolve nuclear dilemma, efforts to enhance peace and stability are sorely needed. ISDP's research on the Korean Peninsula Issue focuses on examining regional security and analyzing confidence building measures regarding issues on the Korean Peninsula. Additionally, the project analyzes the prospects for a reunification on the Korean Peninsula by focusing on the differences in attitudes and perceptions between North and South Korea.

The Korea Project aims to contribute to peaceful development and reunification on the Peninsula.

In 2015, ISDP continued working to contributing to the confidence-building process between the two Koreas by conducting bilateral meetings with both countries, and with other parties concerned by the conflict, such as the United States, Japan, and China. By gaining a comprehensive view of all actors' stances, ISDP is able to thoroughly analyze the situation, as well as provide useful analyses and guidelines for Korean policy makers in dealing with the inter-Korean peace process

ISDP disseminates its findings in publications, public seminars and in a weekly newsletter summarizing recent events on the Peninsula. As an example, ISDP published an Asia Paper by Dr. Park Chang-

kwoun, formerly guest researcher at the Institute, focusing on outlining a roadmap to North Korea's denuclearization. This paper gave a domestic perspective to an issue which was previously covered by ISDP's own researchers, notably in the paper "Toward a Roadmap for Peace and Stability on the Korean Peninsula: Steps and Perspectives," which was published in 2014. Also noteworthy was the seminar "The Perils of North Korean Collapsism," during which Jong Kun Choi, Associate Professor of Political Science & International Studies at Yonsei University, Seoul, problematized the narrative of awaiting North Korea's collapse, arguing that it would only aggravate Pyongyang's threat and justify its motives for continuing its nuclear program.

ISDP also continued im-

plementing its guest researcher program, with the aim of shortly re-instating the effort of simultaneously accepting researchers from both North and South Korea. In 2015, Woosuk Jung from the Ministry of Environment, South Korea, started a two-year stint as a visiting researcher. ISDP aims to also be able to accept a researcher from North Korea working on similar issues, with the aim of finding synergies for environmental cooperation between the two Koreas.

The Korea Project aims to contribute to a trust-building process, leading to peaceful development and reunification on the Korean Peninsula

[SUBSCRIBE TO THE KOREAN PENINSULA PROJECT NEWSLETTER HERE](#)

PUBLICATIONS

ISDP issues a wide range of publications from analytical and action-oriented policy briefs, published every two to three weeks, to its occasional paper series of Asia and Silk Road Papers that constitute more comprehensive studies. Other papers include the Focus Asia series, designed primarily for the Institute's visiting researchers to provide their perspective and analysis of the contemporary challenges facing their countries and regions. In addition, the Institute occasionally publishes longer books and monographs, typically edited volumes. Apart from in-house publications, the Institute's experts write op-eds, analyses, and commentaries in well-reputed newspapers and journals. The Institute's experts are also frequently invited to write chapters in external publications on topics of their expertise.



POLICY BRIEFS

ISDP regularly publishes Policy Briefs, which provide informed, accessible analysis on current and hot topics. Below are two examples of the topics covered by the Policy Brief series during 2015; for the full list please visit ISDP's website.



Ba Hamzah

AVERTING CRISIS IN THE SPRATLYS

As China bolsters its claims over the Spratly archipelago in the South China Sea, incidents between navies have the potential to spiral into more dangerous escalations.

To avert crisis, more needs to be done to promote crisis management and confidence-building through the establishment of a Regional Naval Forum

[Read the policy brief here](#)

Christopher O'Hara and Johan Krom

MYANMAR AND THE CASE FOR UN RESOLUTION 1325

From sexual violence to socio-economic hardships, women have borne a disproportionate share of the burden in Myanmar's decades-long civil war. As the country undergoes a protracted peace process, more needs to be done to address the plight of conflict-affected women and ensure that women play a greater role in peacebuilding efforts. UN Security Council Resolution 1325 is instrumental to such efforts.

[Read the policy brief here](#)

116 MEDIA QUOTES - 55 COMMENTARIES OP-EDS & JOURNAL ARTICLES - 21 POLICY BRIEFS

ASIA AND SILK ROAD PAPERS

The ISDP Occasional Paper Series consists of Asia Papers and Silk Road Papers published by ISDP's two respective programs. These consist of more comprehensive research papers conducted by in-house staff, guest researchers, and associated fellows.

Park Chang-kwoun

RETHINKING NORTH KOREA'S DENUCLEARIZATION

Asia paper

The North Korean nuclear issue has become increasingly intractable. In a situation of deadlock, is there still a chance for negotiations to succeed? What kind of roadmap to denuclearization can be drawn? This paper provides valuable addition to the debate on how to realize the elusive goal of peace and stability on the Korean Peninsula.

[Read the paper here](#)



Svante E. Cornell, S. Frederick Starr and Mamuka Tsereteli

A WESTERN STRATEGY FOR THE SOUTH CAUCASUS

Silk Road Paper

The Caucasus is key to Western commercial and strategic interests in Eurasia and the Middle East. This paper calls for a new Western strategy toward the Caucasus, involving an increased cooperation in defense and security, while anchoring the Caucasus states in Western partnerships and initiatives.

[Read the paper here](#)

Johanna Popjanevski

RETRIBUTION AND THE RULE OF LAW: THE POLITICS OF JUSTICE IN GEORGIA

Silk Road Paper

Over the last several years a gradual politicization of justice in Georgia has put into question the country's democratization progress. This policy of selective justice has resulted in domestic as well as international criticism and raised important questions on the current state of the rule of law in Georgia.

[Read the paper here](#)



Wu Xin

THE PLA'S EVOLVING GLOBAL ROLE AND NEW SECURITY INITIATIVES

Asia paper

The emergence of new security challenges have cast the Chinese military in a new light, and the People's Liberation Army has become an important actor in international security affairs. Today, the PLA takes part in a variety of international and regional security initiatives, thus reshaping the Chinese national security concept.

[Read the paper here](#)

7 PAPERS - 4 FOCUS ASIA - 2 BACKGROUNDEERS - 2 CONFERENCE REPORTS

FOCUS ASIA

The Focus Asia Series provides insightful analysis of the contemporary challenges facing Asia in the twenty-first century. It also serves as a forum for the Institute's visiting researchers to provide their viewpoints on the security and development issues affecting their countries, which add a much needed Asian perspective to the policy and research debate.

Bernt Berger

SOUTH KOREA: A DRIVER FOR COOPERATIVE SECURITY IN NORTHEAST ASIA?

With regional security trends in Northeast Asia tending towards rising uncertainty and risk, the region is urgently in need of a new security model. This paper outlines why South Korea must assume a pivotal role in engaging regional actors and actively shaping the security architecture towards a more cooperative approach.

[Read the report here](#)



Phyu Phyu Mar

HARNESSING FDI AND ENABLING MYANMAR'S BUSINESS ENVIRONMENT

As its economy opens, Myanmar needs to fully benefit from foreign direct investment to secure its economic growth. This paper outlines some of the necessary steps and actions the government should take to create a better enabling environment for FDI in the country.

[Read the report here](#)

EXPERT INTERVIEWS

In 2015, ISDP continued to publish its Expert Interview series. The format involves posing five questions to an expert on a topical subject concerning Asian affairs.

Niklas Swanström

CHINA'S MILITARY PARADE

Seventy years since the end of World War Two, much attention was focused on China's military parade and what it signaled regarding China's military capability and President Xi Jinping's intentions. ISDP's Director Niklas Swanström gives his take on the parade.

[Read the interview here](#)

"The parade is a classic power display whereby China wants to show that it can no longer be pushed around, but it is also designed to show to a domestic audience that China is a great power"

Elliot Brennan

THE EAST ASIA SUMMIT AND ADDRESSING SOUTHEAST ASIA'S MIGRANT CRISIS

While much attention is accorded to Europe's refugee crisis, Southeast Asia has also experienced large flows of migrants which led to crisis earlier this year when tens of thousands of economic migrants and Myanmar Muslims boarded vessels for neighboring countries. In this interview, Elliot Brennan sheds light on the pressing issue of irregular maritime migration.

[Read the interview here](#)

BACKGROUNDERS

ISDP Backgrounders seek to give objective context to the headlines by providing key information and facts on topical issues and events.

MYANMAR'S NATIONWIDE CEASEFIRE AGREEMENT

This backgrounder seeks to provide an accessible overview of the complex negotiations, actors, and issues framing Myanmar's Nationwide Ceasefire Agreement, a negotiated settlement between the government of Myanmar and non-state ethnic armed organizations.

[Read the backgrounder here](#)



MYANMAR'S 2015 GENERAL ELECTIONS

All eyes were on Myanmar on November 8 as the country staged multiparty general elections to its legislative assemblies. With domestic and international expectations high regarding the outcome, ISDP issued a backgrounder to provide key facts ahead of the election.

[Read the backgrounder here](#)

ARTICLES, COMMENTARIES & OP-EDS

ISDP's experts are frequently invited to contribute articles to various journals and to write commentaries and opinion-editorials, op-eds, in various newspapers. The articles and commentaries are usually longer, in-depth pieces on a current issue, while Op-Eds are generally a shorter contribution to an ongoing debate.

In 2015, ISDP analysts were active in the international debate on questions such as the implications of Turkey's shifting political climate, with analyses published in the Wall Street Journal, American Interest, and Foreign Affairs which were widely read. A further example of the work of ISDP's Turkey Initiative includes Halil Karaveli's analyses in publications such as the New York Times and Foreign Affairs. Among the latter, perhaps the leading analytical outlet in international affairs, several of Karaveli's analyses remained among the top five most read articles for several days.

The Asia Program contributed articles on the security situation on the Korean Peninsula, China's Belt and Road Initiative, and dispute management in the South China Sea, with articles by amongst others, Niklas Swanström, Sangsoo Lee, Bernt Berger and Ramses Amer published in outlets such as The Diplomat, East Asia Forum and Dragonnews.

For a full list, please visit [commentaries & op-eds](#), [journal articles](#) or [ISDP in the media](#)

EVENTS

In 2015, ISDP has organized over 20 conferences, seminars and forums on a wide range of topics. These events aim to promote discussion and enhance knowledge and expertise on current security and development topics. The events are attended by policy-makers, researchers and representatives from civil society. Guest speakers included leading policy-makers, academics, specialists, and in-house experts. Below is a selection of forums during 2015.



Will tensions in East Asia increase? How will the development affect the international business and investment climate? What is the risk of political and military tensions having a negative impact on free trade negotiations in Asia?

ISDP posed these questions to **Hitoshi Tanaka**, formerly Deputy Foreign Minister of Japan, **Kristina Sandklef**, independent China economist, and **Lars Vargö**, Distinguished Fellow at ISDP, during the seminar **"A Changing Security Situation – Effects on the East Asian Business & Investment Climate"**, which was co-organized by the Sweden-Japan Foundation.

[Follow this link for a summary of the event](#)



Cao Yuanzheng, Chief Economist of Bank of China, delivering his remarks during the joint seminar **"The Belt and Road Initiative - Opportunities for the next 65 years of China-Sweden Relations"**. This seminar, co-organized by the Embassy of China and ISDP, marked the 65th anniversary of the establishment of diplomatic relations between the two countries. Cao Yuanzheng was accompanied in the panel by **Svante Cornell**, Director of ISDP, and **Sofia Birkestad Svingby**, Director Operations, International Council of Swedish Industry.

[For a full report from the seminar, follow this link](#)

Falling oil prices deeply affect oil-producing countries in Russia, Central Asia and the Caucasus. In addition, sanctions against Russia impact these countries directly or indirectly. Additionally, Russia's economic crisis reduced remittances sent home to Central Asia and the Caucasus by laborers working in Russia. Taken together, these factors create new economic and political dynamics in the region.

Torbjörn Becker, Director of the Stockholm Institute of Transition Economics (SITE) at the Stockholm School of Economics, discussed the issue during the ISDP Forum **"The Falling Oil Prices - Implications for Russian Economy"**.

[For more information, follow this link](#)



To include a gender perspective in peace negotiations is essential to broaden the security and disarmament analysis, and to be able to reach the goals of peace and disarmament.

Petra Tötterman Andorff, Deputy Secretary General at Kvinna till kvinna, and **Malin Nilsson**, President for the Swedish section of Women's International League for Peace and Freedom (WILPF), during the ISDP Forum **"Women, Peace & Disarmament"**.

[For a report from the seminar, follow this link](#)



How can NATO be of use for the East Asian countries and what is the best format for cooperation with NATO when East Asian nations look for a useful partnership?

Alexander Vershbow, Deputy Secretary General of NATO, discussed the question during the ISDP Forum **"NATO Goes East - Possibilities for East Asian Security Cooperation"**. For a full report from the seminar, follow this link.

[For a summary of the event, follow this link](#)



VISIT WWW.ISDP.EU TO SIGN UP FOR UPDATES ON
UPCOMING FORUMS AND EVENTS

ACTIVITIES

In 2015, 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 a part of ISDP's regular work and are undertaken under the different programs and initiatives. Below are a selection of activities in 2015.



VISITING DELEGATIONS

In 2015, ISDP received a high number of visiting delegations from established and new research partners. The China Institute for Contemporary International Relations, led by Professor Feng Zhongping, visited ISDP in May 2015, for discussions on Sino-European Relations and the security situation in East Asia. Furthermore, a delegation from the Academy of Military Science visited ISDP in November. During their visit, the delegation which was led by Sr. Col. Chang Wei, participated in discussions on China's Belt and Road Initiative and U.S. strategy in Asia. Additionally, **Toshiro Iijima**, Ambassador in charge of Policy Planning and International Security Policy from the Ministry of Foreign Affairs of Japan, (Pictured) held a presentation at a roundtable discussion focusing on Japan's role in global peace, stability, and security.

ISDP was honored to welcome Her Imperial Highness, Princess Ayako of Takamado, and a delegation of students from Josai International University in Togane, Japan.

Dr. Lars Vargö, ISDP Distinguished Fellow and former Swedish Ambassador to Japan and South Korea, gave a lecture on the Swedish Social Welfare System. The lecture was part of a four-day study tour for students to enable them to engage with local authorities and non-profit organizations dealing with social welfare issues and policies in Stockholm and Sweden.



PRESENTATIONS

ISDP's experts hold presentations around the world. This year, they visited countries such as Italy, Belgium, the Netherlands, the United States, China, Myanmar, Turkey and Iceland, to mention but a few.



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ISDP Directors Svante Cornell and Niklas Swanström testified before the United States House of Representatives and the United States Congressional Commission respectively.

Dr. Swanström presented on "China's Security Engagement in Central Asia and the Question of Afghanistan" during the hearing "Looking West: China and Central Asia." He was joined by Head of ISDP's Advisory Council, Dr. S. Frederick Starr, who participated in the hearing as a speaker on the panel "China's Silk Road Policy." Dr. Cornell testified at a hearing of the Subcommittee for Europe, Eurasia, and Emerging Threats, at the U.S. House of Representatives Committee on Foreign Affairs.

Furthermore, Walter Kegö of ISDP's Transnational Threat Initiative held several presentations during the year, notably at the Almedalen political week on the topic of the environmental impact of cannabis production.

ROUNDTABLES

ISDP arranged several roundtables during the course of the year. To name but a few, Bernt Berger led a delegation of European experts on Iran to Beijing for discussions about Iranian politics, the regional situation, and the nuclear deal. Furthermore, ISDP held several roundtables on topics such as European Politics and the Ukraine Crisis on the occasion of a visit from the China Institutes for Contemporary International Relations in May, 2015. Additionally, following the launch of the Silk Road Paper "Asserting Statehood: Kazakhstan's Role in International Organizations", ISDP arranged a dinner discussion, which was attended by policy makers, government representatives and diplomats.



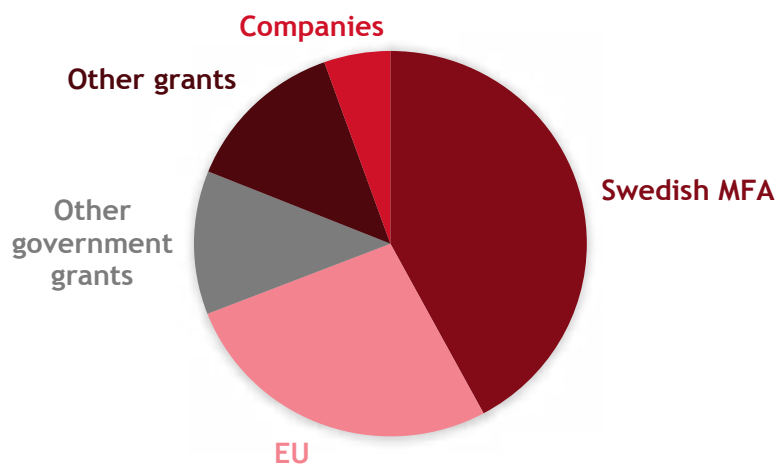
VISIT WWW.ISDP.EU FOR MORE EVENTS, ACTIVITIES
AND NEWS

FINANCIAL REVIEW

INCOME

The Institute has successfully diversified its operations, and consequently reduced the risk linked to a high dependency on the Institute's main funder, the Swedish Ministry for Foreign Affairs. The total revenue in 2015 was significantly higher than the previous year, amounting to 18,2 MSEK. At the end of 2014, ISDP signed a two-year contract worth 2,000,000 EUR with the European Union starting in March 2015. This, together with continued funding from among others the Swedish Ministry for Foreign Affairs, the Swedish Board of Health and Telia Sonera, led to increased financial and organizational stability. Income from the Institute's main funder, the Swedish Ministry for Foreign Affairs, accounted in 2015 for 42 percent of total income.

INCOME STATEMENT



COSTS

During 2015, the main focus has been on continued cost control. Cost savings yielded from downsizing the Institute's office space in 2014 resulted in reduced rental costs with 37 percent, saving over 400 000 SEK.

However, in order to attain ISDP's goals and create long-term organizational stability, some investments were made during the year. A new website and new computers were deemed necessary in order to ensure high quality output and efficient dissemination of the Institute's work and activities.

The successful implementation of the new EU-project rendered an increase in terms of some costs. The newly opened office in Myanmar is mainly manned by consultants, which led to increased consultancy fees.

RESULT

The result in 2013 resulted in a negative equity. This was mainly due to a lower income than expected, combined with the time it takes to adapt cost structure to a new level of turnover. The same year, ISDP management drew up a plan to restore equity together with the Board. The positive result of 282 TSEK in 2015 is in line with that plan, which shows that the cost savings and efficiency measures taken place have had effect.

LOOKING AHEAD

The Institute's long-term budget and prognosis indicate that activities can carry on with continued good quality. The same prognosis estimates positive results in 2016 and 2017 as well as a restored equity in 2018. ISDP will continue to focus on diversifying funding and creating long-term, stable relationships with all stakeholders, as well as consistently aim to achieve high-quality outputs. Contracts with the European Union and Telia Sonera among others, will be ongoing in 2016.

INCOME STATEMENT

INCOME	2015	2014
Revenue	992 720	995 991
Government grants	9 836 029	12 176 315
Other grants	7 327 970	569 228
TOTAL INCOME	18 156 719	13 741 534

COSTS

Personnel costs	9 411 981	8 278 970
Honorariums and consultancy fees	3 305 016	666 388
Office equipment	95 495	38 236
Office premises	1 259 312	1 373 812
Computer and supplies	373 733	212 123
Service and support	181 231	179 649
Telephone and mobile phone solutions	198 942	189 037
Conferences	949 389	844 639
Representation	179 437	147 696
Guest researchers	63 256	239 511
Publishing and literature	267 259	188 134
Transportation	1 063 717	863 348
Hotel	528 290	280 161
Per Diem	55 755	42 257
Bad debt loss	0	113 776
Other costs including bank fees	54 817	15 466
TOTAL COSTS	17 987 631	13 673 203

RESULT (EBITDA)	169 088	68 331
Depreciation	-28 061	-15 709
RESULT (EBIT)	141 027	52 622
Interest, interest cost etc	70 391	3 448
Appropriations	0	0
Tax	70 538	-11 314
NET RESULT	281 956	44 756

BALANCE SHEET**2015-12-31****2014-12-31****ASSETS***Fixed Assets*

Inventories	125 444	47 128
Total Fixed Assets	125 444	47 128

Current Assets

Account receivables	1 623	459 788
Other receivables	1 477 132	24 478
Prepaid expenses and accrued income	1 368 638	562 660
Liquid assets	6 389 194	891 382
Total current assets	9 236 587	1 938 308

TOTAL ASSETS	9 362 031	1 985 436
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LIABILITIES AND EQUITY*Current Liabilities*

Accounts payable	514 542	466 415
Tax liabilities	1 797	15 961
Prepaid income	7 900 762	1 080 381
Other current liabilities	496 180	524 666
Interim liabilities	1 300 282	1 031 501
Total current liabilities	10 213 563	3 118 924

Equity

Equity	-851 532	-1 133 488
Total Equity	-851 532	-1 133 488

TOTAL LIABILITIES AND EQUITY	9 362 031	1 985 436
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FIVE YEAR FINANCIAL OVERVIEW

	2011	2012	2013	2014	2015
Income*	13 677 831	13 737 273	15 279 506	13 741 534	18 156 719
Expenses**	13 729 702	13 525 347	16 458 085	13 696 778	17 874 763
REPORTED RESULT	- 51 871	211 926	-1 178 579	44 756	281 956

**Incoming Resources including Revenue, Government Grant and Other Grants*

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

ORGANIZATION

CORE FUNDER

Ministry for Foreign Affairs, Sweden



FUNDERS IN 2015

Bipartisan Policy Center

- U.S

Ministry of Foreign Affairs

- Kazakhstan

Ministry of Foreign Affairs

- Norway

Ministry of Foreign Affairs

- South Korea

European Council on Foreign Relations

-Germany

External Action Service

- European Union

Josai International University

- Japan

Korea Foundation

- South Korea

Legacy Capital Investments

- United States of America

Oskar & Maria Ekmans donationsfond

- Sweden

Public Health Agency

- Sweden

School of Advanced International Studies, Johns Hopkins University

- U.S.

Stockholm International Water Institute

- Sweden

TeliaSonera

- Sweden

The European Azerbaijani Society

- Azerbaijan

The Georgian Institute for Strategic Studies

- Georgia

Tobaksleverantörsföreningen

- Sweden

NEW RESEARCH COOPERATION

Myanmar Institute for Strategic and International Studies (MISIS)

- Myanmar

Sichuan University

- China

ORGANIZATIONAL DEVELOPMENT

Boris Ajeganov

- Junior Research Fellow

Per Eklund

- Board Member

Torbjörn Lodén

- Non-resident Senior Fellow

Timjan Neander

- Financial Officer (Substitute for Malin Almquist, on maternity leave during 2015)

Thommy Svensson

- Board Member

INTERNS AND TRAINEES

Each semester ISDP accepts six to eight interns or trainees from all over the world to assist in the work of ISDP, with the aim of cultivating important contacts with young talented researchers within the field of security and development. The ISDP internship program offers the interns work experience in an international environment, encourages them to write and publish policy briefs with staff members, and shoulder progressive responsibilities within the organization. During 2015 the following individuals enrolled on the internship program:

Erik Olsson

- Uppsala University, Sweden

Gabriella Hillgren

- London Metropolitan University, UK

Gaël Chataignere

- Sciences Po Lille, France

Ipek Velioglu

- University of Florence, Italy

Johan Klaas Krom

- Lund University, Sweden

Josefin Ljungblom

- Linneus University, Sweden

Lilibeth Back

- University of Wollongong, Australia

Natasha Ikners

- Sidney University, Australia

Nicole Karlsson

- Södertörn's University College, Sweden

Philippe Schennach

- University of Vienna, Austria

Razmik Krikorian

- Belarus State University, Belarus

Scott Sutherland

- Lund University, Sweden

Simone Cappati

- University of North Carolina, U.S.A.

GUEST RESEARCHER PROGRAM

ISDP regularly invites guest researchers to undertake research at the Institute. The Guest Researcher Program provides unique opportunities for professional development to scholars and other specialists and networking opportunities in Sweden. The aim of the program is to foster the exchange of ideas, enrich the research and participate in activities.

During the visit, the guest researcher conducts research on a topic related to the Institute's core areas, produces a paper and presents the findings at a seminar. The paper is subsequently published either under the Asia Paper series, Focus Asia Series, or the Silk Road Paper series. All guest researchers participate in a training program at ISDP on writing skills and research methodology. Additionally, all guest researchers are offered a number of courses in crisis management, dialogue techniques, security studies, gender in conflict, energy security, or other topics upon request of the researchers themselves. By continuing to tie experts and distinguished researchers to its various endeavors, ISDP maintains its expertise on contemporary security issues.

GUEST RESEARCHERS IN 2015

Ding Jianjun

Sichuan University, China

- China-Pakistan cooperation in the post-war reconstruction of Afghanistan

Liu Minru

Central Compilation & Translation Bureau of the Communist Party of China

- Political parties and party systems of transitional nations including China, Russia, as well as Central- and Eastern European countries

Phyu Phyu Mar

Myanmar Development Resource Institute

- Tackling Myanmar's Skills Gap by Improving Education

Phyu Phyu Win

Myanmar Development Resource Institute

- Harnessing FDI and Enabling Myanmar's Business Environment

Quansheng Zhao

American University, Washington D.C.

- U.S. Strategy Towards East Asia

Sunul Chay

South Korea

- Energy security in Northeast Asia

Woosuk Jung

Ministry of Environment, South Korea

- Formulating an effective management system to protect human health and wealth as well as the environment from the hazard of chemicals, with a focus on security



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