

Financial Statements

INSTITUTO IGARAPÉ

December 31st 2019 and 2018

with a Report from the Independent Auditors

SÃO PAULO

Alameda Rio Negro, 503
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RIO DE JANEIRO

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São Paulo, April 16th, 2020.

To the members of the board and management of

INSTITUTO IGARAPÉ
A/C Mrs. Ilona Szabó
Rua Visconde de Caravelas, nº 14
Pavimento Quinta Parte
Botafogo – Rio de Janeiro
Postcode: 22.071-022

Re.: Independent Auditor's Report on the Financial Statements

Dear Sirs and Madams,

We hereby submit to your care Independent Auditor's Report of the Financial Statements for the year ended on December 31st 2019 and 2018 of **INSTITUTO IGARAPÉ**.

Yours Truly,

AUDISA AUDITORES ASSOCIADOS

('AUDISA ASSOCIATED AUDITORS')

(Regional Accounting Board No) CRC/SP 2SP "S" "RJ" 024298/O-3

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INSTITUTO IGARAPÉ

Financial Statements

December 31st 2019 and 2018

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INSTITUTO IGARAPÉ
(“IGARAPÉ INSTITUTE”)

CNPJ (Legal Entity Registration No.) : 14.051.935/0001-01

“INDEPENDENT AUDITORS’ REPORT OF THE FINANCIAL STATEMENTS”

Report on the Financial Statements

We have audited the accompanying financial statements of **INSTITUTO IGARAPÉ**, which comprised the balance sheet as at 31 December 2019, and the corresponding statements of income, changes in net assets, and of cash flows, for the financial year then ended, as well as the accompanying notes, including the summary of the significant accounting policies.

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Entity as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with accounting standards and practices generally accepted in Brazil.

Basis for Opinion on Financial Statements

Our audit was conducted in accordance with Brazilian and International audit standards. Our responsibilities, under such standards, are described in the section “Auditor’s responsibilities for the audit of the financial statements”, below. We are independent with relation to the Entity, in accordance with the applicable ethical principles of the Accountant’s Professional Code of Ethics (‘Código de Ética Profissional do Contador’) and professional standards issued by the Federal Accounting Board (‘Conselho Federal de Contabilidade’), and we comply with the other ethical requirements of these standards. We believe that the audit evidence that has been obtained is a sufficient and appropriate basis for our opinion.

Management’s responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices accepted in Brazil, and for such internal controls it has deemed necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Entity's capacity to continue operating, disclosing, when appropriate, issues related to its operational continuity and the use of that assumption as an accounting basis for the preparation of the financial statements, unless management intends to liquidate the Entity or to cease its operations, or does not have any realistic alternative to avoid the end of operations.

The individuals responsible for the Entity's management are those with responsibility for the supervision of the preparation of financial statements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable confidence that the financial statements, taken as a group, are free of material distortion, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable confidence is a high degree of confidence, but not a guarantee that an audit carried out in line with Brazilian and International audit standards always detects material distortions that may exist. Distortions may result from fraud or error, and are deemed material when, individually or as a group, they may reasonably influence economic decisions based on the financial statements.

As part of the audit that was carried out, in line with Brazilian and international audit standards, we exercised professional judgement and maintained professional skepticism throughout the audit. In addition to this:

- We identified and assessed risks of material distortion in the financial statements, whether caused by fraud or error; planned and executed audit procedures in response to such risks; and obtained appropriate and sufficient audit evidence on which to base our opinion. The risk of not detecting material distortion resulting from fraud is greater than that resulting from error, as fraud can involve deliberate circumvention of internal controls, collusion, forgery, omission or intentionally false representation.
- We obtained an understanding of the internal controls that were relevant to the audit, to plan audit procedures that were appropriate in the circumstances, but not with the objective of expressing an opinion on the efficacy of the Entity's internal controls.
- We assessed the adequacy of the accounting policies used and the reasonableness of the accounting estimates and the corresponding disclosures made by management.

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- We reached a conclusion on the adequacy of management's use of the accounting basis of operational continuity and, based on audit evidence obtained, whether there is material uncertainty with relation to events or conditions that may raise significant doubts regarding the Entity's capacity to continue operating as a going concern. If we conclude that there is material uncertainty, we must draw attention in our audit report to the corresponding disclosures in the financial statements, or, if the disclosures are inadequate, qualify our opinion. Our conclusions are based on the audit evidence obtained until the date of our report. However, future events or conditions may cause the Entity to cease operating.
- We evaluate the overall presentation, structure and content of financial statements, including disclosures and whether the financial statements represent the corresponding transactions and events in a manner consistent with the objective of adequate presentation.

We communicated with management regarding, among other topics, the planned reach, the period of the audit and the significant audit findings, including possible significant deficiencies in internal controls identified during our work.

São Paulo - SP, April 16th, 2020.

AUDISA AUDITORES ASSOCIADOS
("AUDISA ASSOCIATED AUDITORS")
(Regional Accounting Board No.) CRC/SP 2SP "S" "RJ" 024298/O-3

Alexandre Chiaratti do Nascimento
Accountant
(Regional Accounting Board no) CRC/SP "S" "RJ" 187.003/ O-0
CNAI – SP – 1620

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O(s) nome(s) indicado(s) para assinatura, bem como seu(s) status em 08/05/2020 é(são) :

- Alexandre Chiaratti Do Nascimento (Signatário) - 147.823.488-19
em 08/05/2020 10:58 UTC-03:00

Tipo: Certificado Digital



Balance Sheet on 31st December of:

(Values in US\$)

Assets	Accompanying Note	2019	2018
Current			
Cash and equivalents	5	610.342	691.359
Project resources - to receive	6	692.021	194.693
Other current assets		78.691	19.875
		1.381.054	905.927
Non-Current			
Property & Equipment	7	18.054	15.659
Intangibles	7	22	143
		18.076	15.802
Total Assets		1.399.130	921.729
Liabilities			
Current			
Tax and social obligations	8	9.586	12.946
Suppliers	9	-	3.741
Project resources - to undertake	10	1.132.750	548.429
Provisions	11	66.862	69.215
		1.209.198	634.331
Net Assets			
Contributed capital		276.282	410.723
Deficit for the year	12	(86.349)	(123.325)
		189.933	287.398
Total Liabilities and Net Assets		1.399.130	921.729

The accompanying notes are an integral part of the financial statements.

INSTITUTO IGARAPÉ
ILONA SZABÓ DE CARVALHO

GISELE DE OLIVEIRA
CRC-RJ 119178/O-8

Income Statement for the Year ended 31st of December of:
(Values in US\$)

	NOTE	2019	2018
OPERATING REVENUES			
Restricted			
Project Revenue		1.331.846	1.437.955
Revenue for Services Rendered		(48.354)	(4.895)
		<u>1.283.492</u>	<u>1.433.060</u>
OPERATING REVENUES			
Unrestricted			
Donation Revenue		218.203	286.408
		<u>218.203</u>	<u>286.408</u>
Net Revenue from Social Assistance Activities		<u>1.501.696</u>	<u>1.719.468</u>
OPERATING COSTS AND EXPENSES			
General project costs		(1.533.839)	(1.791.183)
General and administrative		(59.513)	(62.012)
Taxes and fees		(383)	(250)
Financial expenses		(4.640)	(6.131)
Depreciation and amortization		(5.209)	(7.308)
		<u>(1.603.584)</u>	<u>(1.866.884)</u>
Operating Deficit		(101.888)	(147.416)
Revenue from Other Activities		1.896	-
Voluntary work revenues		1.419	985
Financial revenue		12.224	23.106
Gross Non-Operating Revenue		<u>15.539</u>	<u>24.091</u>
Deficit for the Year		<u>(86.349)</u>	<u>(123.325)</u>

Statement of Comprehensive Income for the year ended 31st of December of:
(Values in US\$)

	2019	2018
Deficit for the Year	(86.349)	(123.325)
Total comprehensive result	<u>(86.349)</u>	<u>(123.325)</u>

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Equity on December, 31 2019 and 2018
(Value in US\$)

	CONTRIBUTED CAPITAL	SURPLUS (DEFICIT) FOR THE YEAR	NET ASSETS
Balance on December,31 2017	364.491	116.607	481.098
Incorpporation of 2017 Surplus	116.607	(116.607)	-
2018 Deficit	-	(123.325)	(123.325)
Translation Difference	(70.375)	-	(70.375)
Balance on December,31 2018	410.723	(123.325)	287.398
Incorpporation of 2018 Deficit	(123.325)	123.325	-
2019 Deficit	-	(86.349)	(86.349)
Translation Difference	(11.116)	-	(11.116)
Balance on December,31 2019	276.282	(86.349)	189.933

The accompanying notes are an integral part of the financial statements.

INSTITUTO IGARAPE
ILONA SZABÓ DE CARVALHO

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Statement of Cashflows for the Year Ending on 31st December of:

(Values in US\$)

	Accompanying Note	2019	2018
Cashflows from Operating Activities			
Deficit for the Year		(86.349)	(123.325)
Adjustment for non-cash revenues and expenses			
Depreciation and Amortization		5.209	7.308
Provisions		324	(4.788)
		<u>(80.816)</u>	<u>(120.805)</u>
Reduction (increase) in operating assets			
Project resources - to receive		(504.859)	558.663
Other current assets		(59.585)	2.240
Increase (reduction) in operating liabilities			
Tax and social obligations		(2.859)	(7.161)
Suppliers		(3.596)	(10.701)
Project resources - to undertake		605.532	(377.776)
		34.634	165.265
Net cash (employed) generated in operating activities		<u>(46.182)</u>	<u>44.460</u>
Cashflows from investing activities			
Acquisition of property & equipment		(8.095)	8.286
Net cash (employed) generated in investing activities		<u>(8.095)</u>	<u>8.286</u>
(Decrease) increase in cash and equivalents		<u>(54.277)</u>	<u>52.746</u>
Cash and equivalents at the beginning of the year		664.619	638.614
CASH AND EQUIVALENTS AT THE END OF THE YEAR	5	<u>610.342</u>	<u>691.360</u>

The accompanying notes are an integral part of the financial statements.

INSTITUTO IGARAPÉ
ILONA SZABÓ DE CARVALHO

GISELE DE OLIVEIRA
CRC-RJ 119178/O-8

Accompanying Notes to the Financial Statements of December 31st, 2019

1 Operating Context

INSTITUTO IGARAPÉ ('IGARAPÉ INSTITUTE') is a NOT-FOR-PROFIT ASSOCIATION, a private legal entity, with activities in social fields. The Institute was founded in 2011, with the objective of improving the efficacy of public policy and social action, by creating synergy between several themes, sectors and actors involved in research and implementation of public policy and local development projects.

It focuses on integrating safety and development agendas. It proposes alternative solutions to complex social challenges, through research, public policy formulation and organization.

Our approach is to diagnose challenges through cutting-edge research, encourage debate geared towards the formulation of public policy and the organization of support for such policy in the public and private arenas, and to design solutions that are targeted and people-centered. Instituto Igarapé currently works on three high-level themes: national and global drug policy; the prevention and reduction of violence; and international assistance.

The Institute is a point of reference for governments, the private sector, international agencies, non-government organizations and the media. It is headquartered in Rio de Janeiro and has representation in Brasília and São Paulo. It has partnerships and projects in Brazil, Colombia, Haiti, Mexico, Guatemala, the United States, Africa and Europe.

In accordance with its bylaws and as shown by its expenses and equity investments, the Entity has applied all its resources to its institutional purposes.

2 Presentation of the Financial Statements

In the elaboration of the accounting statements of 2019, the institution adopted Law n. 11.638/2007, Law n. 11.941/2009, which changed articles in Law n. 6.404/1976 regarding the elaboration and publication of the financial statements.

The accounting statements were prepared in accordance with the accounting practices established in Brazil, qualitative characteristics of the accounting information, CFC Resolution N. 1.374/2011 (NBC TG), regarding the Conceptual Structure for the Elaboration and Presentation of the Accounting Statements, CFC Resolution n. 1.376/2011 (NBC TG 26), regarding the Accounting Statement Presentation, Deliberations of the Securities Commission (CVM) and the Rules issued by the Federal Accounting Council (CFC), especially regarding CFC Resolution N. 1.409/2012 for Nonprofit Organizations, which establishes specific criteria and procedures for the evaluation, recording of components and equity variations, and of the structure of the accounting statements, and the minimum information to be publicized in an explanatory note of the nonprofit organizations.

3 Formal Bookkeeping Compliance - CFC Resolution Nº 1330/11 (ITG 2000)

The institution maintains a uniform bookkeeping system of its administrative acts and facts, through an electronic process. The accounting records contain the identification number of the entries related to the respective document of external or internal origin or, when there is not any, there are elements that can prove or show facts and the practice of administrative activity. The accounting statements, including explanatory notes, elaborated by legal and statutory provisions, will be transcribed in the General Ledger of the institution.

Accompanying Notes to the Financial Statements of December 31st, 2019

The accounting documentation of the Institution is composed of all documents, books, papers, records and other pieces that support or compose the bookkeeping.

The accounting documentation is apt having the essential intrinsic or extrinsic characteristics defined by law, in accounting procedures or accepted by “uses and customs”. The institution maintains its accounting documents in good order.

4 Main accounting practices

The main accounting practices adopted by the Entity are:

Functional and Presentation Currency:

Items included in the Financial Statements are measured using the currency of the main economy in which the Entity is active (“functional currency”). The Financial Statements are presented in Brazilian Reals, which is the functional currency of the Entity and, also its presentation currency.

Cash and Equivalents:

In accordance with CFC Resolution N^o 1.296/10 (NBC –TG 03) – Cashflow Statements, and CFC Resolution N^o 1.376/11 (NBC TG 26) – Presentation of Financial Statements, values included in this sub-group include physical cash and current accounts. Cash equivalents are financial investments with maturity of less than 90 days from the date of investment. These are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

Cash equivalents are kept for the payment of short term cash commitments and not for investment or other purposes.

Investments with Immediate Liquidity:

Financial investments in accordance with the investment policy approved by the Fiscal Council, are stated at the original invested amounts in CDB plus pro-rata interest until the date of the balance sheet.

Project Resources:

The Institute receives financial resources from Donations, Agreements or Partnership Terms, maintained with National and Foreign Private Entities, in order to operationalize predetermined projects and activities, in accordance with the legal instrument entered into.

The contracted amounts of projects and activities are initially recorded under the caption “Project resources receivable” as opposed to the item “Project resources to be realized”. As funds are received, the write-off of the amount receivable is recorded. Also, as the projects and activities for which they are contracted are executed, the amount to be realized is written off against the Project Revenue item in the income statement.

From time to time, the Entity reports to interested parties on the entire financial and operational flow of the projects and activities for which it has been hired, and the respective documentation is available for any inspection.

Accompanying Notes to the Financial Statements of December 31st, 2019

When there is a possibility of non-receipt of contractually due amounts of the Partnership Terms and / or Agreements, a provision for estimated losses (Allowance for Doubtful Account) is constituted.

	Revenue		Costs	
Donors - Person and Company	\$	26,416	\$	193,861
Company	\$	198,845	\$	196,849
Government/Bilateral	\$	198,364	\$	210,371
Institute/Foundation	\$	908,222	\$	932,757
Total	\$	1,331,846	\$	1,533,839

Fixed Assets:

Property, plant and equipment items are stated at historical acquisition cost less depreciation and unrecoverable loss, if applicable.

Depreciation is calculated using the straight-line method over cost less the residual value of the asset over its useful life, which is estimated as follows:

Machinery and equipment - 10 years
 Vehicles - 5 years
 Furniture and fixtures - 10 years
 Computers and peripherals - 5 years.

An item of property, plant and equipment is written off when sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the derecognition of property, plant and equipment (calculated as the difference between the net sale value and the book value of the asset) is included in the income statement when the asset is written off.

In order to assess the consequences of any changes in economic, operational or technological circumstances that may indicate impairment or impairment of its assets, the Entity periodically reviews its net book values in relation to their fair value.

During the years ended December 31, 2019 and 2018, the Entity did not verify the existence of indicators that certain property, plant and equipment could be above recoverable value, and consequently no provision for impairment of property, plant and equipment was required.

The residual value and useful life of assets and depreciation methods are reviewed at the end of each year and adjusted prospectively, as appropriate.

Current Liabilities:

Current liabilities are stated at known or calculable values, including, when applicable, accrued interest up to the date of the balance sheet. When applicable, current liabilities are registered based on interest rates that reflect the maturity, currency and risk of each transaction.

Accompanying Notes to the Financial Statements of December 31st, 2019

Provisions:

A provision is constituted when a legal or presumed obligation resulting from a past event can be reliably estimated and it is probable that an economic resource shall be required to liquidate the obligation. Provisions are based on the best estimates of the risk involved and of expected future cash flows.

A provision for risks is constituted based on evaluation and quantification of lawsuits whose likelihood of loss is deemed probable in the opinion of Management and its legal advisors.

Measurement of Surplus or Deficit:

Revenues, expenses and costs that comprise the result were calculated on the accrual basis. Project revenues are measured by fair value (as contracted – values received or receivable) and recognized when it is deemed probable that future economic benefits will flow to the entity and can thus be reliably measured. Income and expenses accruing to the Assets and Liabilities are recognized in the surplus or deficit.

Accounting Estimates:

The preparation of financial statements in accordance with accounting practices adopted **note 2** requires that the Entity's Management rely on judgement in making accounting estimates.

The liquidation of transactions involving such estimates may result in values that are different from those estimated, as a result of imprecisions that are inherent to the estimation process. The Entity revises estimates and assumptions at least annually.

5 Cash and Equivalents

	<u>2019</u>	<u>2018</u>
Cash and Equivalents	48	2
Current Accounts	34	32
Financial Investments	<u>610,260</u>	<u>691,326</u>
Total	<u>610,342</u>	<u>691,359</u>

Accompanying Notes to the Financial Statements of December 31st, 2019

6 Project Resource – to received

	2019	2018
Canada África Project	-	41,061
Copcast SC Project	-	27,520
FCO 2018 Project	-	990
Uber Project	-	96,565
ONU Women Project	-	10,091
Australia Project	-	18,465
Telmex Project	195,449	-
Holanda Project	6,424	-
Adelphi 2 Project	1,954	-
Adelphi 3 Project	6,742	-
FCO 2019 Project	1,522	-
FCO Cyber Project	105,992	-
Uber 2019 Project	31,704	-
Instituto República Project	14,886	-
Noruega Amazônia Project	327,348	-
Total	692,021	194,692

7 Fixed Assets and Intangibles

		Correted Cost	Depreciation	Net Value	
	Rate			2019	2018
FIXED ASSETS					
Machinery & Equipment	10%	10,215	(2,382)	7,833	3,076
Furniture & Utensils	10%	13,877	(6,147)	7,731	9,528
IT Equipment	20%	24,005	(21,514)	2,491	3,056
Total Fixed Assets		48,097	(30,042)	18,054	15,659

		Correted Cost	Depreciation	Net Value	
	Rate			2019	2018
INTANGIBLES					
Software	20%	577	(555)	22	143



Accompanying Notes to the Financial Statements of December 31st, 2019

8 Tax and Social Obligations

These correspond to taxes and obligations related to payroll and contractors, that the Entity only collects and forwards to Government Bodies.

	<u>2019</u>	<u>2018</u>
INSS a Recolher	3,457	6,209
INSS de Terceiros a Recolher	255	-
FGTS a Recolher	1,100	2,089
ISS S/ Receita Própria a Recolher	3	45
IRRF a Recolher (COD 1708)	656	336
PIS/COFINS/CSLL – LEI 10.833	2,030	1,114
IRRF (COD 3208)	-	840
IRRF S/ Folha a Recolher (COD 0561)	1,658	1,930
COFINS S/ Receita Própria a Recolher	54	98
PIS/ Folha a Recolher	137	261
ISS Terceiros	237	24
Total	9,586	12,946

9 Short-term obligations

This group is stated at original, nominal, value and represents amounts owed to suppliers in general and other obligations.

Accompanying Notes to the Financial Statements of December 31st, 2019

10 Project resources – to undertake

	2019	2018
Canada África Project	-	48,428
Copcast SC Project	2,419	94,531
Hot Spot Project	-	10,116
Omidyar Project	142,648	25,460
FCO 2018 Project	-	990
OSF Grant Project	-	22,307
Telmex Project 2018/19	-	111,859
Telmex Project 2019/20	162,794	-
Uber Project	418	96,565
ONU Women Project	-	17,909
Porticus Project	21,171	101,799
Australia Project	-	18,465
Holanda Project	6,501	-
Tinker Project	15,540	-
Global Innovation Fund Project	31,441	-
Lafer Execução Penal Project	2,644	-
Alemanha Project	3,005	-
Adelphi 2 Project	1,954	-
Parceiros 2019 Project	29,248	-
Adelphi 3 Project	6,742	-
FCO 2019 Project	1,522	-
FCO Cyber Project	105,992	-
Australia 2020 Project	34,733	-
Instituto República Project	20,840	-
Controle Social 4.0 Project	23,321	-
Noruega Amazônia Project	424,101	-
Uber 2019-2020 Project	31,704	-
Uber Algoritmo Project	64,011	-
Total	1,132,750	548,429

11 Provisions

	2019	2018
Vacation Provisions and Charges	8,095	8,084
Provision for contract termination	58,767	61,131
Total	66,862	69,215

Accompanying Notes to the Financial Statements of December 31st, 2019

12 Net Assets

	<u>2019</u>	<u>2018</u>
Contributed capital	276,282	410,723
Deficit for the Year	(86,349)	(123,325)
Total Net Assets	189,933	287,398

13 Resources employment

The Entity invested all its resources in its institutional purposes, in accordance with its Bylaws demonstrated by its expenses and equity investments.

General administrative
Taxes and fees
Financial expenses
Depreciation and amortization

14 Deficit for the Financial Year

The 2019 deficit will be incorporated to Contributed Capital in accordance with legal and statutory requirements and as determined by CFC Resolution Nº 1.409/2012 that approved ITG 2002, especially in regard to item 15, which states that the surplus or deficit of Not-For-Profit Entities shall be incorporated to their Contributed Capital.

15 Statement of Cashflows

The Statement of Cashflows was prepared in accordance with CFC Resolution Nº 1.152/2009 that approved NBC TG 13 and, also with CFC Resolution Nº 1.296/2010 that approved NBC TG 03 – Cashflow Statements. The Entity chose to prepare its cashflow statement using the indirect method.

16 Tax Immunity

INSTITUTO IGARAPÉ is a tax-immune entity under article 150, item VI, sub-item “C” and paragraph 4, and article 195, paragraph 7 of the Federal Constitution of 5th October 1988.

In accordance with the relevant legislation, the Institute complies with all requirements for the enjoyment of tax immunity.

The only Complementary Law that establishes requirements for tax immunity is the National Tax Code (‘Código Tributário Nacional – CTN’).

Article 14 of the National Tax Code establishes the requirements for enjoying tax immunity. These are included in the Entity’s bylaws and compliance with them can be proved by its accounting documents (Financial Statements, Daily Ledger and Ledger), namely:

- No part of its net assets or income is distributed for any reason (article 4, paragraph 1 of the Bylaws)

Accompanying Notes to the Financial Statements of December 31st, 2019

- Its resources are fully employed, within the country, in line with its institutional objectives (article 30, paragraph 2 of the Bylaws);
- It maintains formally compliant accounting of its revenues and expenses that adequately ensures its precision (article 35 of the Bylaws).

17 Insurance coverage

In order to comply with preventive measures adopted permanently, the Entity takes out insurance in an amount considered sufficient to cover possible losses, and thus mainly complying with the Accounting Principle of Continuity.

The insured values are defined by the Entity's Administrators according to the market value or the value of the new asset, as the case may be, and are defined in Policy 5264719, Itaú Seguradora.

18 Voluntary

During the year of 2012, the Federal Accounting Council approved ITG 2002 which mentions the need for accounting for "voluntary services" using the criterion of recognition of the fair value for providing the service as if the financial disbursement had occurred.

During the year of 2019, the entity measured the cost of the voluntary work of the Directors in order to consider what would actually be a financial disbursement based on the Minutes of the meetings, recorded in a compensatory income / expense account.

19 Formalization of social project

"I'd like to congratulate you on your fantastic, thorough, and policy-relevant work on crime and violence prevention and reduction in the Latin American region. My desk is quite literally covered with your articles and studies right now." Stephanie Molina, Democracy and Governance Specialist at USAID.

The world faced considerable turbulence and volatility in 2019. Around the world, protests over climate change gathered pace. Tensions between major powers rattled global markets. Faith in democratic institutions reached record-lows, including in mature democracies. Latin America's political environment was marked by deepening polarization. Brazil's new ultra-right conservative administration was quick to sharpen political and cultural divides. In spite of these many challenges, the Igarapé Institute continued to deliver high quality evidence-based research.

The Institute focused on five core priorities in 2019 - citizen security, digital safety, safe cities, peace and security, and environmental security. The team managed a portfolio of over two dozen major projects throughout the year, including data visualizations tracking violence against women and girls, crime forecasting platforms to support data-driven policing, cyber security governance consultations with public, private and non-profit representatives, and police, criminal justice and prison reform assistance. The Institute also expanded its work on mapping environment crime in the Amazon and the risks of climate change, food insecurity and violence in Africa's hot spots.

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Citizen security

Regional commitments to homicide reduction

Latin American and Caribbean countries and cities have the highest absolute number and prevalence rates of homicide in the world. The Institute continues to maintain the largest repository of publicly available data on lethal violence – the Homicide Monitor. What is more, as part of its coordination efforts leading the Instinct for Life violence reduction campaign, the Institute has worked with the Organization for American States on a newly established homicide reduction commission. The Institute has also joined forces with Pathfinders for Peaceful, Just and Inclusive societies to launch a global initiative to reduce violence by 50% before 2030.

Preventing violence against women

Violence against women and girls is a significant, yet invisible, challenge in the Americas. To shine a light on the issue the Institute launched EVA – Evidence on Violence and Alternatives for Women and Girls – a data visualization platform focusing on tracking femicide in Brazil, Colombia and Mexico. EVA was featured hundreds of times by the Brazilian, Colombian and Mexican media. It was also cited by leading commentators and politicians in these same countries.

Reducing recidivism in prisons

Brazil has the third largest prison population in the world. It also has one of the highest numbers of women in prison. To encourage their integration back into society and reduce recidivism, the Institute launched the Sócios da Liberdade (Freedom Partners) initiative. The program identified opportunities for gainful employment for inmates as well as best practices to ensure successful transition from prison life. The initiative drew praise from state penitentiary officials across Brazil and was featured in mainstream economic journals and media outlets.

Evidence-based approaches to firearms regulation

Brazil's newly elected government issued no less than nine separate bills to expand firearm availability and carrying in 2019. In response, the Institute worked with hundreds of political leaders and civil society groups to highlight the real risks such measures pose to public safety. For example, the Institute supported 14 state governors and 11 former justice ministers to advocate for responsible firearms regulation. Likewise, the Institute launched the We Are Not Targets (Não Somos Alvo) campaign reaching hundreds of thousands of viewers.

Building partnerships for better public security

Brazilians are divided about what works to achieve lasting public security. Some are convinced that more police repression is needed while others are convinced that prevention is essential. In order to encourage more comprehensive approaches based on evidence, the Institute established a consultative group composed of former ministers, public prosecutors, public defenders, penal system courts and criminal lawyers to formulate smart data-driven policy recommendations. Throughout 2019, the group issued public statements, technical notes and provided inputs to federal representatives.

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Shaping progressive public security narratives

In Brazil, and around the world, there is a dangerous return to repressive public security policies. To counter these narratives, the Institute started a new radio series with CBN to discuss what works (and what does not), reaching up to 87 million listeners. The Institute also issued 8 technical notes through official media channels and delivered them to executive, legislative and judicial branches of government. What is more, the Institute launched a new report with Carnegie Endowment for Peace (launched by Hillary Clinton) and a new documentary series with PBS's Nova (with Steven Pinker).

New insights on drug policy

Many Latin American countries are stalling when it comes to legalization and decriminalization efforts. The Institute has continuously supplied hard evidence of effective strategies to reduce harms associated with drugs. In 2019, the Institute supplied information to the Brazilian Supreme Court and Congress to accelerate drug policy reform efforts. The Institute's outputs reached hundreds of parliamentarians across all parties as well as the Minister of Justice and Ministers of the Supreme Court.

Safer cities

Reviewing technology for urban security

Cities everywhere are acquiring new technologies to help deliver safety and security. In order to support the adoption of effective and accountable security tools, the Institute works with city networks and urban authorities to provide technical advice. For example, the Institute prepared several articles in 2019 highlighting the pros and cons of predictive analytics, biometric surveillance and other data-driven tools. In 2019, the Institute partnered with APolitical and the World Economic Forum to disseminate insights and findings to urban decision-makers and practitioners around the world.

Reinforcing city solidarity

At their best, inter-city networks can allow cities and urban leaders to pool resources and expand their influence on the global stage. The Institute supported several city coalitions in 2019, including the Global Parliament of Mayors. The Institute's research director has served as co-chair of the Parliament's advisory committee since 2017. In this capacity, the Institute supported the annual summit in Durban and the scaling-up of its virtual platform to promote deliberative democracy. A key outcome of the Durban event was a joint declaration committing 50 cities to halve violence by 2030.

Accelerating city soft power

The Institute continued to influence global debate on urban diplomacy and crime prevention around the world. For example, the Institute was a keynote at the Pritzker Forum on Global Cities (Chicago), the World Governance Summit (Dubai), the World Economic Forum's Asia Summit (Dalian) and the TED Summit (Edinburgh). The Institute's directors also delivered keynotes at the World Economic Forum's annual summit in Davos in 2019 (which was highlighted in the "Best of Davos" series). The Institute's research on cities was also featured by the BBC, BuzzFeed, CNN, the Financial Times and other outlets.

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Cybersecurity

Reviewing cyber governance in Brazil

A major priority for governments around the world is ensuring a comprehensive, coherent and coordinated approach to cyber security. In Brazil, the Institute is working with the country's CD-Ciber, Cyber Command, the national development bank (BDNES), as well as regulators and digital rights groups to help strengthen cyber-security norms in a manner that respects and protects data rights and associated legislation. The Institute also published articles on Brazil's cyber security and data protection priorities with Americas Quarterly, the Council on Foreign Relations, and other outlets.

Shaping debate on the future of AI

One of the key questions facing governments and private companies everywhere is how to manage and regulate AI. Throughout 2019, the Institute was involved in a host of global and national initiatives related to the future of these new technologies. For example, the Institute supplied technical inputs to the national SINESP Big Data and AI Initiative led by Brazil's National Secretariat for Public Security. The Institute also participated in panels on the future of AI and security at events from New York to Dalian. The Institute also published several reports on AI and public security, all of which were featured in English, Portuguese and Spanish media outlets.

Debating cybersecurity

The scope and scale of cyber threats are still poorly understood. To fill this knowledge gap, the Institute accelerated its public speaking engagements in major international fora in 2019. Examples include the CYBERSEC Summit – the largest gathering of industry experts in Europe. The Institute also contributed to United Nations deliberations on cyber security, including the open-ended working group and group of governmental experts on cyber norms and resilience. Institute researchers were invited to present related research to the EU External Action Service, KAS, and the Organization of American States, among others.

Deepening research on digital surveillance

There are growing concerns that surveillance platforms – including facial recognition and other biometric data collection tools – are undermining civil liberties. In order to help shape awareness of these issues in Brazil, the Institute launched a new infographic tracking facial recognition deployment across Brazil. The Institute also initiated a new initiative with Essex University to track the ways in which such technologies are being deployed by law enforcement agencies across the country. Initial findings were reported by Agência Brasil, Brazil Report, CanalTech, CBN, Jota, Medium, Mundo Mais Tech, and the Seipod podcast.

Building Peace

Empowering forced migrants with new technologies

There are roughly 26 million refugees and over 40 million internally displaced people around the world in 2019. A key challenge for many is accessing basic services. To help empower people on the move, the Institute designed and launched a new mobile phone app to geolocate basic services. Designed and built with refugees from the Democratic Republic of the Congo, Syria, and Venezuela, OKA was presented at the 2019 Paris Peace Forum. The app is operational in Brazil and was downloaded thousands of times since going live. The Institute is expanding to Colombia and Ecuador with support from Tinker Foundation in 2020.

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Supporting Brazil's female peacekeepers

At least two decades have passed since the first United Nations resolution on women, peace and security (YPS). Yet the organization continues to lack adequate female representation in peace support operations around the world. In 2019, the Institute conducted a large-scale survey of female Brazilian peacekeepers. The results were published as infographics and publications and shared with experts across the Americas and in the United Nations.

Climate security

Clarifying the climate-security nexus

There are still acrimonious disagreements in the United Nations Security Council and General Assembly over the relationships between climate change and insecurity. The Institute is working with a number of partners to help bridge these gaps with the use of scientific research and data visualization tools. In 2019, the Institute also spoke at the Climate Summit (COP25) in Madrid and launched a new report with the Institute for Climate and Society (ICS) detailing the challenges in Latin America and the Caribbean.

Mapping illegal gold mining in the Amazon

Illegal gold mining is expanding across the Amazon and this is undermining environmental protection efforts. Throughout 2019, the Institute expanded field research on wildcat mining, including relationships with organized crime and drug trafficking groups. The Institute mapped out mines using satellite imagery and published findings in partnership with the Financial Times, Folha de São Paulo, Project Syndicate, and the World Economic Forum's Agenda. The Institute also released an animated story about illegal mining with Earthtime which was reproduced in multiple media outlets.

Tracking Amazon fires

The rapid escalation of intentional fires in the Amazon triggered a global outcry in 2019. The Institute worked with governments, universities and environmental NGOs to publicize both challenges and potential solutions. The Institute circulated widely read publications with the Agenda, Foreign Policy, and foreign outlets and reached out to AFP, Bloomberg, Channel 4, Deutsche Welle, New York Times, Wall Street Journal and the Washington Post. In total, the Institute generated over 1,000 stories and launched a mini documentary with the Financial Times – This is the Amazon – reaching hundreds of thousands of people on social media.

In social media

Opinion piece cited by Gilmar Mendes, Brazil's Supreme Court Minister on Twitter.

Homicide Monitor mentioned by Enrique Peñalosa, mayor of Bogotá on Twitter.

Article on arms and ammunition control quoted by Gleisi Hoffmann, PT president, on Facebook.

Book referenced by Zuenir Ventura, Brazilian columnist, in O Globo.

Newsletter featured by Jen Stirrup, Microsoft's regional director, on Twitter.

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Research on prison populism highlighted by Rio de Janeiro's former mayor, César Maia, on Twitter.

Studies on homicide reduction praised by former Brazilian Justice Minister, Raul Jungmann, in public events and opinion articles.

Opinion article on Haiti shared by US Senator Barbara Lee on official Twitter and Facebook pages.

Research on peacekeeping included as a question in the Instituto Rio Branco diplomatic exam.

Article on city soft power shared on TED's official Facebook page.

Affiliations and awards

Igarape Institute researchers are regularly invited to join international and national networks and organizations. In 2019, Institute researchers were approached by foreign policy think tanks, top-ranking universities, and international organizations to serve as fellows or join their boards. A shortlist of nominations in 2019 is included below.

Nominations

- Americas Quarterly (Board member)
- Brazilian Center for International Relations (Cebri) (Counsellor)
- Canadian Global Affairs Institute (Fellow)
- Chicago Council for Global Affairs (Fellow)
- Columbia University, SIPA Lemann Fellowship (Fellow)
- Global Council on Sustainable Development Goal 11, Smart Dubai (Associate)
- RESOLVE Network (Board member)
- Small Wars Journal (Fellow)
- World Economic Forum Council on the Future of Cities and Urbanization (Associate)
- World Economic Forum's Global Risk Report (Advisor)

Awards

- Top Social Policy Think Tank in the World, Prospect magazine
- 100 Best NGOs in Brazil, Instituto Doar
- Faz a Diferença Award (Nomination), Globo
- Listed among Latin America's Top NGOs, Go to Global Think Tank Index
- 2019 Claudia Awards (nominated)

OUTREACH

In 2019, The Igarape Institute produced a wide range of strategic articles, strategic notes and academic publications in 2019. On the academic front, the Institute's publications are featured on the JSTOR platform, an online library of academic publications. They are also featured by the World Economic Forum's information platforms, UN libraries, and multiple university sites.

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The Igarape Institute seeks to engage the wider public through strategic media outreach. The Institute influenced opinion shapers and decision makers through opinion articles in selected news platforms. In 2019, the Institute's research was featured in the BBC, CNN, El Pais, El Tiempo, Estadão, Financial Times, Folha de São Paulo, Foreign Policy, Globo, Guardian, New York Times, Wall Street Journal, Washington Post, and many others.

Publications

The Institute produced 36 publications in 2019. These include 13 reports and articles and another 23 co-published with partners. The Institute's researchers also produced several chapters and peer-review articles in peer-review journals and reported more than 400 citations by Google Scholar in 2019. Knowledge products generated by the Institute were downloaded almost 260,000 times in 2019, a significant improvement on 2018.

Most downloaded publications

26,698 - Brasil e o Sistema das Nações Unidas
19,653 - Citizen security in Latin America: Facts and Figures
12,310 - The Handbook of Conflict Prevention

Events

Igarape Institute personnel were involved in a wide range of events around the world in 2019. In some cases they were keynote presenters, panellists, and participants. In total, staff participated in 178 events in 24 countries. Highlights include:

Amazonian Leapfrogging: Long-term Vision of the Amazon for Brazil and the Planet (Princeton)
Brazil Conference (Boston)
Brazil Forum UK (Oxford)
Café Literário, Bienal (Rio de Janeiro)
Carbon Investment Forum (Ouarzazate)
COP25 (Madrid)
Cybersec (Katowice)
Festival Geração do Amanhã (Rio de Janeiro)
13º Fórum Brasileiro de Segurança Pública do Brasil (João Pessoa)
Global Parliament of Mayors (Durban)
Paris Peace Forum (Paris)
Pritzker Forum on Global Cities (Chicago)
Smart Cities Expo (Doha)
TED Summit (Edinburgh)
World Economic Forum (Davos)
World Economic Forum Annual Meeting of the New Champions (Dalian)
World Economic Forum Summit (New York)
World Government Summit (Dubai)

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Media

The Institute generated 7,945 media citations in 2019. This represents a 75 percent increase on 2018. The advertising expenditure to generate equivalent profile is estimated to be US\$ 60 million. Media stories were generated in over 114 countries, a 35 percent increase on 2018. The Institute also generated more than 290 opinion articles across 145 media outlets in 12 languages.

The Institute has also attracted considerable viewers to its site and social media profiles. The organization received over 330,000 page views in 2019 and more than 1.6 million people interacting on its social networks. The Institute generated a strong partnership with the Financial Times in 2019, as well as stories in Fantástico and Jornal Nacional. Many of its opinion editorials were ranked among the most read with Americas Quarterly, Foreign Policy and Project Syndicate.

Rio de Janeiro, December 31, 2019

**INSTITUTO IGARAPÉ
ILONA SAZABÓ DE CARVALHO**

**GISELE DE OLIVEIRA
CRC – RJ11917808**