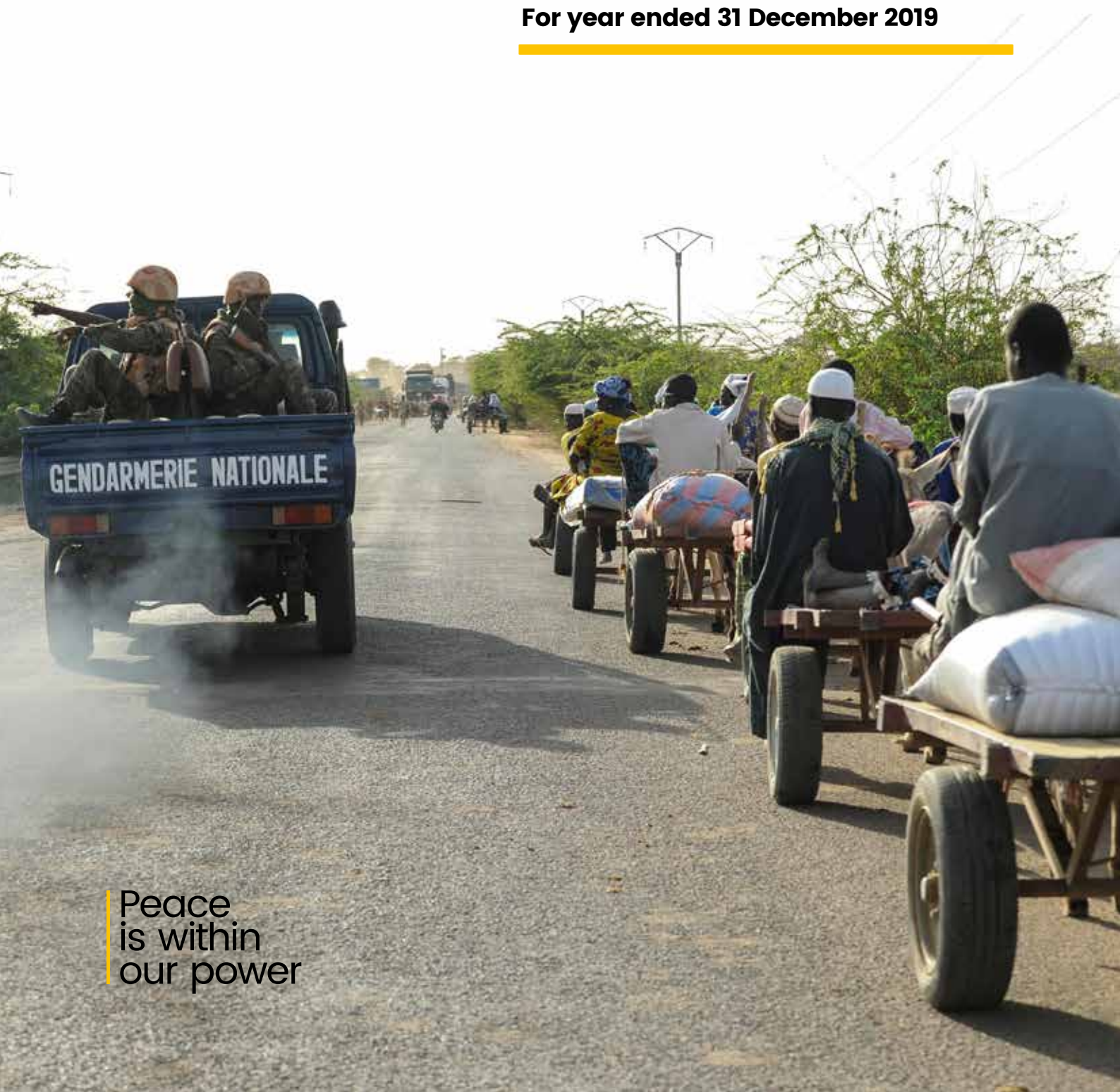




international
alert

Annual Report and Accounts

For year ended 31 December 2019



Peace
is within
our power

About International Alert

International Alert works with people directly affected by conflict to build lasting peace.

We focus on solving the root causes of conflict with people from across divides. From the grassroots to policy level, we bring people together to build sustainable peace.

www.international-alert.org

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Organisational details

Trustees (also directors of the company)	Ambassador (retired) Carey Cavanaugh (US) – Chair Gregor Stewart* (UK) – Honorary Treasurer Carol Allen-Storey (US) (resigned 14 May 2019) Hans Bolscher (Netherlands) Christopher Deri (US) Abir Haj Ibrahim (Syria) Padma Jyoti (Nepal) Oliver Kemp* (UK) (resigned 9 March 2020) Dr Alaa Murabit (Libya/Canada) (resigned 14 May 2019) Lisa Lynn Rose (US/Northern Ireland) Erin Segilia Chase* (UK)
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** Denotes member of Management Advisory Committee in 2019*

Principal officers	Harriet Lamb, Chief Executive Officer (until 30 April 2019) Michael Young, Chief Executive Officer (from 2 September 2019) Susan McCready, Chief Operating Officer, Company Secretary (until 13 March 2020) Jessica Banfield, Director of Programmes (from 1 April 2019) Mohsin Baluch, Chief Finance Officer (until 14 April 2020)
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Auditors	Haysmacintyre LLP 10 Queen Street Place, London, EC4R 1AG, UK
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Bankers	National Westminster Bank PO Box 35, 10 Southwark Street, London, SE1 1TT, UK
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Solicitors	YESS Law (employment legal advice) New Wing, Somerset House, London, WC2R 1LA, UK Clarkslegal (immigration legal advice) 12 Henrietta Street, London, WC2E 8LH, UK
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Status	Company limited by guarantee without share capital, governed by Memorandum and Articles of Association, incorporated on 6 August 1987, registered as a charity on 24 September 1987
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Registered office	346 Clapham Road, London, SW9 9AP, UK
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International Alert is a registered charity (registration number 327553) and a company limited by guarantee (registration number 2153193) in England and Wales.

Message from the Chair of our Board of Trustees

This report comes at a time of great uncertainty. Violence and poverty sadly remain endemic and social division is on the rise. Questions are being raised about the benefits of wider international cooperation. Now the deadly coronavirus disease (COVID-19) pandemic is spreading across the globe with an ever-climbing death toll. This virus has reshaped everyday life: sharply diminishing economic activity, heightening unemployment, and bringing international migration and travel to a near standstill. While much is unknown about what lies ahead, one thing is certain: the programmes and activities carried out by International Alert and our partners in the peacebuilding sector are needed now more than ever.

In May last year, we adopted an ambitious five-year strategy – *Breaking cycles of violence, building cycles of peace*. Its strategic ambitions for peacebuilding remain equally relevant today: to strengthen communities' voices and capacity; to harness the power of the private sector; to help foster just, inclusive and accountable governance; to ensure citizens' priorities are reflected in peace processes; and to champion gender and conflict sensitivity in ways that contribute to peace. This annual report is peppered with examples of how we are furthering the goals laid out in our new strategy. From Mali to Afghanistan to the Philippines, our teams – working directly with our partners and local communities – are helping promote peace not only at the grassroots level, but also nationally, regionally and globally.

We faced two key personnel changes in 2019. Our previous CEO, Harriet Lamb, unexpectedly decided to leave in early 2019, with her replacement, Michael Young, only coming on board in September. Mike brings to the role decades of success in the peacebuilding sector, having held senior positions at Mercy Corps and the International Rescue Committee, coupled with considerable field work in the Middle East, Africa and south Asia. We also had turnover with our Director of Programmes, with Jessie Banfield returning to the organisation from the United Nations Development Programme, bringing

back her considerable experience of Alert. We stayed focused on delivering our mission and maintaining steady operations despite these changes, thanks to our peerless team across programmes, finance and operations in London and worldwide, and steady engagement, guidance and support from our Board of Trustees.

We believe COVID-19 will engender greater social unrest, violence and conflict. Where it has spread unchecked, it is impacting minority and marginalised communities the hardest. As the majority of the world's poor already live in fragile and conflict-affected states, this pandemic will demand greater engagement by the peacebuilding sector. It will also require us to continually adjust and adapt our strategy, tactics and operational structure to succeed in this changed environment. We are already taking steps to bolster our resilience and expand our capacity to maintain our vital mission. We are especially grateful for the continued support of our strategic donors – the Dutch, Irish and Swedish governments – during this time.

In my home state of Kentucky in the United States, the COVID-19 mantra is 'We are all in this together; we are all on one team'. As a global community, we must not lose sight of the importance of global solidarity in the face of today's manifold challenges. Peacebuilding focuses on increasing understanding, trust and social cohesion. We are committed to striving in partnership to safeguard and build upon the development gains and steps towards peace realised to date and to ensure that peacebuilding is an integral part of global efforts to respond to the pandemic.

We will get through this together.



Carey Cavanaugh

US ambassador (retired), Chair of International Alert

Annual Report

**Trustees' and
strategic reports**

About us

International Alert works with people directly affected by conflict to build lasting peace.

We focus on solving the root causes of conflict with people from across divides. From the grassroots to policy level, we bring people together to build sustainable peace.

Peace is just as much about communities living together, side by side, and resolving their differences without resorting to violence, as it is about people signing a treaty or laying down their arms. Peace is when you can walk your children to school in safety, feed your family or make a living, no matter who you are.

That is why we bring people together to inspire and amplify our voice for peace. In collaboration with local communities, partners, businesses and policy-makers, we turn our in-depth research and analysis into practical solutions that make a difference on the ground.

Vision

Our vision is that people and their societies can resolve conflicts without violence, working together to build sustainable and inclusive peace.

Mission

Our mission is to break cycles of violence and to build sustainable peace through:

- working with people directly affected by violent conflict to **find lasting solutions**;
- shaping policies and practices to reduce and prevent violence, and to **support sustainable peace**; and
- collaborating with all those striving for peace to **strengthen our collective voice and impact**.

Our work in 2019

In 2019, we ran projects in **21 countries and territories**, with training, research or one-off consultancies and business partnerships in a further 18. In total, we implemented **114 projects**, 21 of which took place in multiple regions.

Activities

Throughout the year, together with our partners, we engaged and supported **276,301 people** through dialogue, training, advocacy, accompaniment, research and outreach activities.

Of these, **52% were women and 47% were men**, with just under 1% of people identifying as 'other' or preferring not to reveal their gender identity.



335
dialogue
meetings

27,301 people
12,538 women
14,059 men
704 other



263
trainings,
capacity-
building and
mentoring

20,232 people
10,922 women
9,268 men
42 other



116
advocacy and
outreach

206,348 people
112,063 women
92,977 men
1,308 other



109
other
activities

22,420 people
8,095 women
13,938 men
387 other

Changes

Our teams record the ways in which their work effects change by tracking project data and using outcome-harvesting techniques.

These results reflect the changes that take place in individuals, institutions and societies following our engagement – whether directly or indirectly.



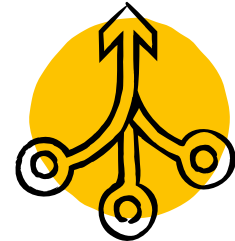
**Changes in
knowledge and
attitudes**

**41%
of results**



**Changes in
behaviour and
processes**

**41%
of results**



**Changes in
conditions
(e.g. policies,
structures, etc.)**

**18%
of results**

Where our intervention achieved multiple changes – for example, changing a person's attitude and behaviour – we categorise it by the most relevant.

We continuously improve our process for collecting and documenting results, and in 2019 began facilitating reflection sessions for each programme and country team.

This has improved the quality of our documented results and enabled a greater understanding around monitoring and evaluation and project impact among our staff.

Locations

What we worked on

-  Arts and culture
-  Building capacity in peacebuilding methods
-  Citizen-state relations/Governance
-  Conflict sensitivity
-  Crime, violence and instability
-  Economic development and livelihoods
-  Gender
-  Human rights
-  Inter-/Intra-community relations
-  Media
-  Refugees and displacement
-  Security
-  Women's empowerment
-  Youth

Tunisia

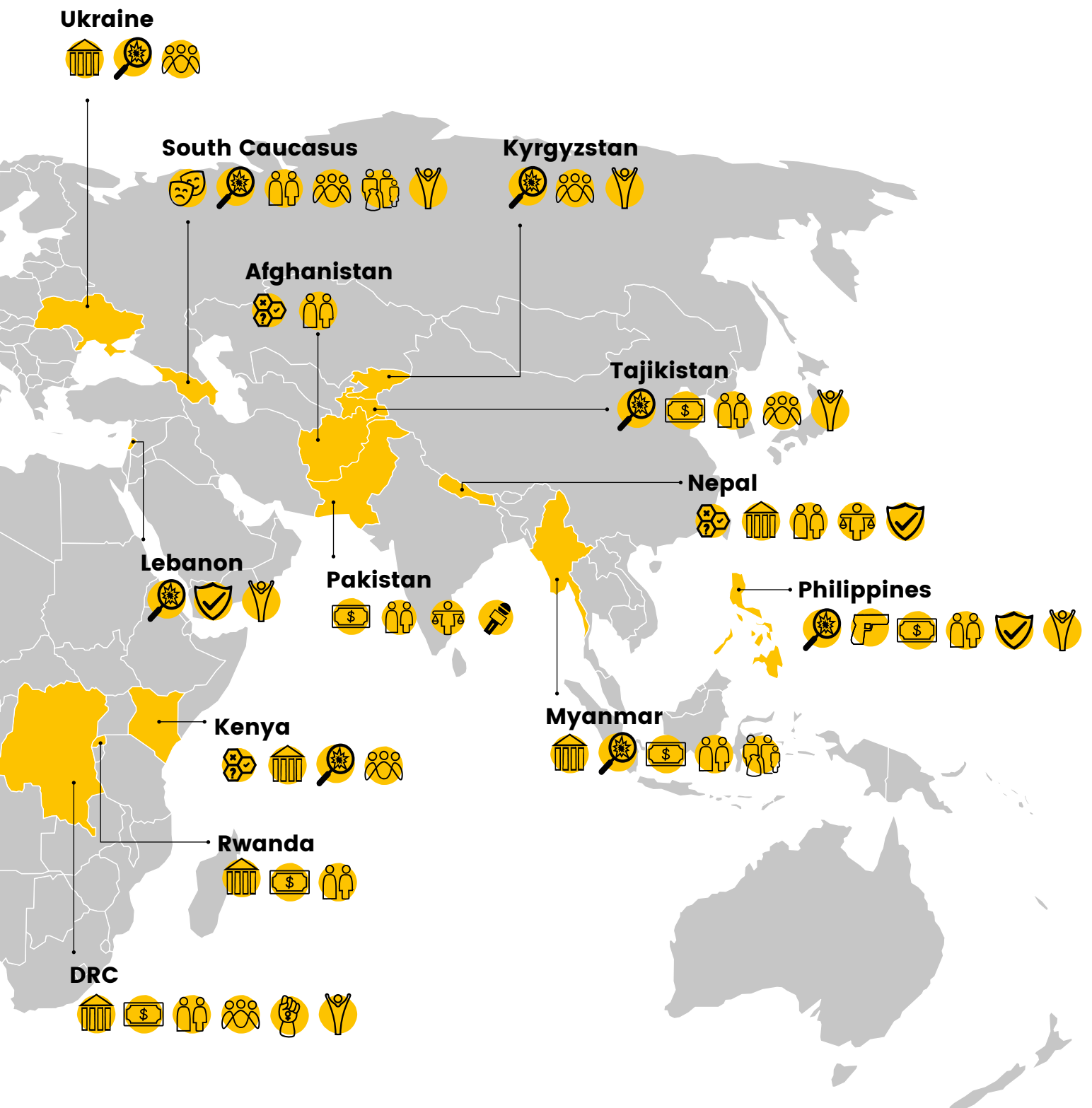


Mali



Nigeria





Progress against our goals in 2019

Every quarter, our management team reported to the Board of Trustees or its sub-committee, the Management Advisory Committee (MAC), on progress against our organisational and programme objectives.

A review of performance against these objectives took place at the December meeting of the Board, when objectives for the coming year were also discussed and established based on earlier reflection by the Senior Management Team (SMT), programme managers and staff.

We also report separately to the donors who fund specific projects.

In the following sections, we outline our progress against our organisational and programme goals in 2019.

Organisational goals

1. Roll out our 2019–23 strategy and accompanying processes

Our new organisational strategy was launched in May and reflects our signature approaches to peacebuilding around the world. With the arrival of our new CEO, work started from September to operationalise the strategy, focusing on four key areas: impact, influence, income and infrastructure. In December, our Global Leadership Team gathered to discuss this process and to identify ways for sharing and deepening our expertise across key thematic areas and ways of working. Simultaneously, we delivered an extensive gender mainstreaming review, resulting in an action plan for 2020–21 to ensure gender is fully mainstreamed throughout our organisation and peacebuilding programming (read

more in Snapshot 1). This laid the ground for a similar ongoing exercise looking at conflict sensitivity.

2. Build our capacity to influence

We developed a strategic framework to guide the expansion of our policy influence, including setting out tangible steps for strengthening the capacity of our global team in this area. We identified two key cross-organisational themes around which to leverage our influence: making the case for peacebuilding, and gender dynamics in peace and conflict. To this end, we plan to mark the 20th anniversary of United Nations Security Council Resolution 1325 on women, peace and security by gathering lessons of our own 20-year organisational contribution to the adoption and implementation of the resolution, and to use this to drive forward discussions with practitioners and policy-makers to enhance the delivery of this agenda (read more in Snapshot 1). We also continued to play an active part within the global peacebuilding sector, including collaborating with UK-based peers to host a festival celebrating the International Day of Peace on 21 September and further leveraging our Peace Perceptions Poll 2018 with a launch and policy dialogue in the German parliament.

3. Develop our work with all those affected by violence

We continued to roll out our toolkit, *Improving the impact of preventing violent extremism programming*, in partnership with the United Nations Development Programme, from Ethiopia to Jordan to Kyrgyzstan. We launched new projects advancing accountability and trust in security provision at the interface between security forces, armed groups and communities in the Democratic Republic of Congo (DRC), Mali, Nepal and Nigeria. We also continued our work fostering dialogue across conflict divides, from Rwanda to the South Caucasus to Ukraine.

Snapshot 1: Our gender focus in 2020

This year marks 20 years since the adoption of United Nations Security Council Resolution (UNSCR) 1325 on women, peace and security.

We have been working on issues relating to women, peace and security since the 1990s and led the global advocacy campaign 'From the Village to the Negotiating Table' in 1999 that helped to successfully influence the passage of the UN resolution.

Since the adoption of UNSCR 1325, and the approval of 10 further resolutions, we have been running projects designed to monitor, advocate for and implement this critical agenda in conflict-affected countries.



Our now Head of Gender Ndeye Sow meets a women's group in the 1990s in South Kivu, DRC

This has included grassroots work in Afghanistan, Burundi, DRC, Guinea, Liberia, Nepal, Pakistan, Sierra Leone and Somalia. We have helped shape the policies of the governments of Ireland, the Netherlands, Norway and the UK by inputting on their National Action Plans for implementing UNSCR 1325. We have also contributed to the global UNSCR 1325 high-level review process.

Understanding and seeking to change gender norms and gendered power dynamics more broadly has

been a core part of our work in this area and is central to our approach to peacebuilding.

We will be marking the anniversary of the adoption of UNSCR 1325 by looking back at our own experience and lessons learned from its implementation and the challenges faced, which we will share with key institutions and governments working on this issue globally.

We will also share our analysis of how we think governments, institutions and the humanitarian, development and peacebuilding sectors could improve uptake of the resolution and move the women, peace and security agenda forward over the next decade.

This is part of our own ongoing efforts of self-reflection and progression as an organisation, which in 2019 saw us deliver a gender mainstreaming review led by an external gender expert. The review looked at our current approach to and global work on gender and gender mainstreaming, but also our internal structures and ways of working.

The recommendations formed the basis of an action plan on gender mainstreaming across the organisation that is now being finalised. The plan includes a comprehensive list of activities for 2020–21 to ensure gender is fully mainstreamed throughout our organisation and peacebuilding programming. These activities fall under five main areas: organisational culture; programming; staff capacity and knowledge management; human resources and organisational policy; and resourcing.

Simultaneously, we will be reviewing our work on masculinities and engaging men, to understand our successes, any challenges and opportunities for future programming. We will then use this learning to develop guidelines and best practices for our teams on how best to work on issues of men's vulnerability and patriarchy.

Our UNSCR 1325 review is funded by UK aid from the UK government as part of the Peace Research Partnership project. The organisational gender review was funded by our strategic grant from the Swedish International Development Agency. ●

Credit: © International Alert

4. Develop and roll out new business and financial models and systems

During 2019, we launched a new business diversification strategy to strengthen four key income streams: strategic funding, grants, commercial contracting and major giving. We also switched to and rolled out new finance software to enhance our oversight of this changing financial model. As part of our commitment to investing in our staff capacity, we developed new in-house online inductions on peacebuilding, monitoring and evaluation, cybersecurity, safeguarding and the EU General Data Protection Regulation (GDPR).

Programme goals

Under our current strategy (2019–2023), our programme results are reported against five thematic goals.

Assessing trends and commonalities across geographical regions and themes helps us to understand our wider peacebuilding impact.

Here are some key highlights of our impact during 2019.

1. To strengthen communities' voices and their capacity to reduce violence, in particular by working with disadvantaged women and young people

Our engagement with communities is the bedrock of all our work. In 2019, we worked with 260,710 community members in fragile and conflict-affected states across the globe to help combat marginalisation, strengthen intra- and inter-community relations, and promote higher levels of trust.

In **Rwanda**, our collaboration with the National Unity and Reconciliation Commission and local districts led to the mainstreaming of reconciliation and conflict sensitivity among local government actors. Following their participation in our activities, the authorities in seven districts increased their budget for reconciliation programmes and included

reconciliation into district performance contracts (*imihigo*). We directly supported the strengthening of relationships and trust at the community level, resulting in the creation of 855 spaces for dialogue in communities and schools to address barriers to reconciliation, which were attended by 25,650 people. This led to the establishment of permanent, locally owned mediation spaces in numerous communities.

In **Nigeria**, we continued to implement our flagship programme on social reintegration for women and girls held in captivity by Boko Haram. Drawing on lessons learned since 2016, we expanded into new locations and built in more systematic economic and psycho-social support for dialogue participants. This included support sessions for 2,020 survivors of sexual and gender-based violence (SGBV) to discuss their experiences, which most said helped build their emotional strength. These activities also included other women and girls and 417 family members of survivors of SGBV, to help nurture their understanding and sympathy. We also produced and broadcast 77 radio programmes to help reduce the stigma faced by survivors of SGBV and support the reintegration of women and girls among a wider audience.

In eastern **DRC**, we helped put in place mechanisms for reducing conflicts over land. In Kitshanga in North Kivu province, for instance, we helped develop a sustainable and community-based strategy to secure land access for landless farmers. And in South Kivu province, we facilitated a participatory process to create 13 land use maps by community leaders and local authorities to clarify and resolve disputes over boundary lines. Since then, local authorities in the Ruzizi Plain area have reported a considerable drop in the number of cases of land disputes they have been asked to resolve. The cases of farmer–herder conflicts during the seasonal movement of livestock, for example, were down to four in 2019 compared to 50 in the previous year, in large part due to the opening of 19 agreed 'cattle corridors' negotiated through the project.

In **Ukraine**, we continued to strengthen the capacity of local civil society. This included training over 60 new organisations in conflict analysis and conflict sensitivity, as well as in project planning, monitoring and evaluation, and proposal writing. We trained 50 organisations in mobile journalism and filming. And we funded 20 organisations – five of them existing

partners and 15 new – to implement small grassroots projects focusing on areas such as youth engagement, providing opportunities for disabled people (including ex-combatants), and on participatory context analyses and conflict resolution. These activities have also helped build and strengthen civil society connections across the country.

2. To harness the private sector to support inclusive peace

Our work with the private sector seeks to address the economic drivers of peace and conflict. In 2019, we organised 231 activities with 219,501 people, mostly from the private sector, on this issue. This included engaging with private sector actors from the local to global level to promote gender- and conflict-sensitive business practices and economic development for peace. And we continued to deepen and expand our work to mitigate the conflict impacts of extractive industries by strengthening communications between communities, companies and authorities.

In **Kenya**, we helped facilitate the increased flow of information between communities, the local government and an oil company around oil extraction in Turkana county. This enabled a series of disputes between communities and the company to be resolved peacefully through dialogue rather than protests. For example, when locals in three areas were unhappy with the implementation of water distribution commitments by one of the company's subcontractors, the oil company itself stepped in and resolved the issue.

In **Kyrgyzstan**, we convened a business forum to foster more open communication between communities, the state and mining companies in order to help tackle the bouts of violence and simmering grievances around people's economic and environmental concerns over mining. This, combined with training and small grants for further grassroots discussions, has enabled local communities to better understand the laws and business processes around mining and become more confident in engaging with the mining sector.

We continued to support greater stability and social cohesion for women small-scale traders working across the borders of **Burundi, DRC** and **Rwanda**, by bringing them together to advocate for regional economic integration and tackling corruption. This was complemented by economic literacy and

financial management sessions for 196 women traders, and awareness-raising sessions for 228 women on trade and border legislation and their rights and duties. We also trained 117 border officials on conflict- and gender-sensitive communication, and their roles and responsibilities in implementing the new Simplified Trade Regime between the three countries. This led to border agents between DRC and Rwanda no longer charging an illegally inflated fee for crossing the border. In addition, we helped set up 32 dialogue groups of 25 women traders each, 16 groups for spouses of women traders made up of 30 men each, and a further 32 groups of 15 women traders plus their spouses to meet monthly to conduct community-level analyses of social cohesion, especially with the neighbouring countries. The mixed groups started meeting earlier this year.

At the policy level, we continued our engagement with the Voluntary Principles on Security and Human Rights (VPSHR), as an active member of the VPSHR Steering Committee. We also leveraged our existing partnerships with industry associations, including the International Petroleum Industry Environmental Conservation Association (IPIECA) and the International Council on Mining and Metals (ICMM), to influence corporate practices.

3. To promote fairness, inclusion and justice in national governance systems (including security), to support peace and to address the root causes of conflict (including structural inequalities)

Our governance work contributes towards stronger relations between citizens and states to reduce instability and inequality. In 2019, we organised 429 activities with participants from local, national and international governmental institutions. We worked with security forces and justice systems, municipal authorities, religious leaders, community groups and civil society to find common ground to reduce violence and promote peace and inclusion. We also deepened our support to stakeholders engaged in peaceful natural resource governance.

Meanwhile, in **Mali**, the deteriorating security situation in the north and centre of the country highlighted the ongoing need for our work on security governance (read more in Snapshot 2).

(Continues on page 15)

Snapshot 2: Strengthening security governance in Mali

Mali has suffered eight years of insecurity and violence due to fighting between secessionist and Islamist militant groups and the central government, which in turn has left a security vacuum in which long-standing and deep-rooted intercommunity conflicts have also worsened.

During this time, trust in the state has been hugely undermined by a combination of neglect and accusations of extrajudicial killings, kidnappings, torture and arbitrary arrests of suspected jihadists by both the national security forces and ethnic 'self-defence groups'. This has exacerbated fear and suspicion within and across communities, with deep divisions along ethnic lines.

Since 2016, together with our national partner the Association Malienne pour la Survie au Sahel (AMSS), we have been supporting an initiative to improve trust and strengthen accountability among communities, local authorities and the security and defence forces (SDF) in the northern and central regions of Mopti, Segou and Timbuktu.

Our aim is to develop sustainable, locally owned strategies for tackling and reducing violent conflict and instability, through a combination of dialogue,

training and supporting grassroots peacebuilding initiatives.

As of the end of 2019, we had helped set up and accompanied 25 community dialogue forums – 20 local and five regional – that had run a total of 215 dialogue sessions (attended by 6,740 people: 37% women, 63% men). We had run 18 training sessions (attended by 767 people: 34% women, 66% men) on topics including conflict analysis, conflict and gender sensitivity, women's empowerment, peacebuilding methods and advocacy. And we had accompanied and financially supported 24 locally led peacebuilding initiatives.

Those involved in the programme and other community members have reported a reduction in the number of conflicts within and between communities, and between communities and the state. They have also observed increased collaboration in conflict resolution between community members and the SDF, and higher perceptions of safety among local populations.

"The security situation is better than last year due to the good relationship created between the SDF and the population thanks to the project," said one



© Dagamaissa Alhatikou/International Alert

Security forces and civil society members discuss community security issues in Mopti, Mali

beneficiary. Another person reflected that “the new FAMA [the national army] troops who are not imbued with the project activities do not interact with communities like those who benefited from the project”, highlighting both an achievement of the programme but also a need for further support of this kind.

A significant outcome for the programme has been the acceptance of female mediators in communities where women typically have little or no role in decision-making. In one instance in 2018 in Borem-Inaly, in the Timbuktu region, a local women’s dialogue forum that received training and funding successfully mediated a peaceful resolution to a long-standing dispute between two male leaders over who should be entitled to the traditional village chieftdom.

The fact that the women felt empowered to take on the responsibility to resolve the issue, as well as that the leaders in the community afforded them the space to do so in a traditionally very conservative and male-dominated society, is a sign that our dialogue initiatives have helped transform perceptions not just on how conflicts should be resolved, but also on who should be involved in the process.

“It is the very first time in the history of our town or even the Timbuktu cercle [an administrative level below the region] that women are involved in problems that traditionally are always managed by men,” said one of the women mediators.

Those communities benefiting from the dialogue forums have also seen traditional and religious leaders, many of whom had lost their influence and credibility due to the spiralling violence, re-engage and resume their roles as local peacebuilders, while other members of society have begun to play a more active role in municipal activities.

We have since been building on these successes and innovating further, including creating women-only dialogue forums at the regional level.

This programme, which is made up of four projects, has been funded by the Canadian government through Global Affairs Canada, the Ministry of Foreign Affairs of the Netherlands, the UN Interregional Crime and Justice Research Institute (UNICRI) and the UN Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). ●

In **Kyrgyzstan**, we continued to support dialogue on the role of religion and democracy in the country as a means of promoting greater tolerance and social cohesion (read more in Snapshot 3).

In **Tunisia**, we have been working with young people from marginalised regions to undertake participatory analyses of their health, education and cultural needs and priorities. This has provided evidenced recommendations for local and national policy-makers. Those who took part reported an increased understanding of their municipalities and relevant laws, for example those governing access to information and civil society. They also described having a greater sense of belonging, value and confidence in their ability to effect change, reducing their vulnerability to resort to negative coping strategies such as violence.

Throughout 2019, we also continued to advocate for environment and climate change considerations

to be factored into peacebuilding policies and practices. This included raising awareness of the rising conflict risks related to access and control over water resources and protection of water ecosystems globally, as well as specifically in Mali, through our membership in the Water, Peace and Security Partnership. We represented the partnership at the Paris Peace Forum in November, where we were interviewed by France24, and, following the launch of the partnership’s early warning tool on water-related conflicts, we gave interviews to the **Guardian** and **Thomson Reuters**.

As part of the Peace Research Partnership (PRP) funded by the UK government, we continued to generate analysis and actionable recommendations for policy-makers and practitioners across Whitehall and beyond on how to support peaceful, inclusive change. Led within Alert by our Peacebuilding Advisory Unit, the research drew on expertise

(Continues on page 17)

Snapshot 3: Increasing dialogue on religion and democracy in Kyrgyzstan



© Alpen Zhanyzakova/International Alert

A Youth Discussion Club brings together community members in Talas to discuss issues relating to religion and democracy, Kyrgyzstan

Since its independence in 1991 following the dissolution of the Soviet Union, Kyrgyzstan has witnessed a revival of religious groups and denominations. This has unfortunately been accompanied by increased polarisation and politicisation of religious issues and a rise in radical and extremist movements.

Since 2017, together with our national partner the Fund for Development of Spiritual Culture 'Iyman', we have been supporting an initiative to open public debate on the role of religion and democracy in the country.

Our aim is to promote greater tolerance and social cohesion by ensuring more people can constructively and peacefully challenge and resist extreme religious and secular narratives and policies that fuel suspicion, mistrust and conflict.

A key element of this was the creation of the Advisory Working Group on Religion and Democracy as well as the Dialogue Platform on Religion and Democracy, which comprise of representatives of all the major faith groups, academia, youth groups, civil society, journalists, security and law enforcement and government.

The two groups serve as a bridge between religious and secular parts of society, providing a space to raise and discuss important issues affecting peace and stability in the country, and to find common ground between the various religious faiths.

"It gives an opportunity to hear first-hand the opinions of representatives of different faiths; the opportunity to explain, to be heard, understand and accept," said one working group member. "And all these opportunities allow for ongoing communication."

Through this engagement, the groups could directly interact with government officials, including from the State Commission on Religious Affairs and other relevant agencies and ministries. Members also collectively drafted recommendations and influenced decisions on government policies around religion and democracy, such as the programme on countering terrorism and preventing violent extremism, and the law on religious organisations and freedom of religion.

To complement this work, we provided training to imams in critical skills for reaching out to their own and neighbouring communities, including in conflict

sensitivity, tolerance, gender and human rights and civic education. By the end of the project, we had held 18 trainings for 1,500 imams. Of those interviewed following the training, more than 70% said they still use the training materials in their daily work and the trainers have observed an increase in demand for training among imams.

“We have a better understanding of tolerance for peaceful coexistence with representatives of other faiths and ethnic groups,” said one of the imams.

Another key target group identified for training were young people. Poor inclusion of young people in decision-making in society as well as a lack of employment opportunities leaves them feeling marginalised and ignored, making them more susceptible to criminal groups and radical religious movements.

To help address this, we created nine Youth Discussion Clubs in universities and regional youth centres across the country and trained 16 ‘youth peer mentors’ in skills such as facilitation, leadership, civic activism and conflict management. The peer mentors then used this training to organise 90 discussion sessions (10 per club) on issues

ranging from early marriage to domestic violence to radicalisation. The sessions were attended by around 3,000 people, including students, scholars, civil society members, religious leaders and government officials alike.

“I and other discussion club participants have become more tolerant,” said one young person. “I can resolve conflicts through dialogue, as we practised such exercises.”

We also trained 28 junior researchers in critical thinking and research practices, which they used to carry out research and produce policy briefs on a range of important issues around religion and democracy that fed into the discussions and advocacy of the working group and dialogue platform.

Since the project began, government officials in Kyrgyzstan have begun releasing more public statements on the importance of tolerance, most notably by the Head of the State Commission on Religious Affairs, who praised “principles of tolerance, good neighbourliness and peacefulness”.

This project was funded by the European Union and ran from February 2017 to March 2020. ●

throughout the organisation, spanning the Horn of Africa, Mali, Myanmar, Syria and Ukraine, with gender mainstreamed throughout. The initiative was a partnership with fellow peacebuilding organisations Conciliation Resources and Saferworld.

4. To support inclusive peace processes and wider peacebuilding initiatives

We work across both formal and informal peace processes. In 2019, we supported the active involvement of diverse voices in different levels of peace processes and governance initiatives across a range of conflict contexts. We also organised 306 activities around peacebuilding methods, reconciliation and transitional justice with 215,668 people.

In **Nepal**, we have been supporting the country’s transition to federalism, which is a key step in the

peace process and implementation of the 2015 federal constitution. We have increased awareness among minority groups in target communities about the public services available to them and among local authorities about the challenges facing these groups in accessing public services. We have also helped improve participation by minority groups – including women – within governance structures. These changes have enabled minority groups to better participate in local development planning and processes and access justice, increasing their confidence in the federal system. In doing so, we hope to make the federal system more inclusive and reduce potential grievances with federalism that might undermine the outcomes of the peace process.

In the **Philippines**, we have been using our Critical Events Monitoring System (CEMS) – an SMS- and high-frequency-radio-based reporting



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Early Response Network members in Lanao del Sur province attend an orientation workshop on our Critical Events Monitoring System, the Philippines

system – to capture conflict incidents and tensions in communities. The system is used by the Early Response Network (ERN) in the Bangsamoro region to share real-time information and work with local governments, key agencies, the security sector, and religious and traditional leaders in coordinating quick and context-specific responses to tensions, violent conflicts, disasters and displacement as they happen. Through the data and analysis in our monthly CEMS bulletins and annual Conflict Alert report, we have helped inform the strategies and programming of local and regional authorities in the Bangsamoro, national agencies, legislators, the security sector and our peers. We also advocated for measures to be put in place before the withdrawal of martial law in the region, to prevent a possible resurgence in the flow of weapons, the resumption of armed and/or extremist groups' operations and the region's return to a state of violence.

5. To champion gender and conflict sensitivity in ways that contribute to peace, including in our own work

We provide gender- and conflict-sensitivity support at the local, national, regional and international level. In

2019, we organised 634 activities around gender and conflict sensitivity with 264,602 people.

In **Lebanon**, we trained and accompanied 95 volunteer community workers and health and protection professionals in delivering medical and social services in a conflict-sensitive way. The learnings from this support have been documented in a toolkit and guidance released this year on integrating conflict sensitivity and social stability in development and humanitarian service delivery. This integrated health, protection and social stability model has also recently helped partners responding to COVID-19 in accessing some of the most vulnerable communities and using established networks to disseminate information and key messages.

During the year, we carried out a range of activities in support of conflict-sensitive journalism, to improve reporting practices in social and traditional media.

In **Afghanistan**, we supported the increased representation of female journalists in the media (read more in Snapshot 4).

In **Pakistan**, we supported local civil society organisations to accompany and train a diverse group of senior media professionals in setting up

(Continues on page 20)

Snapshot 4: Supporting female journalists in Afghanistan

The last few years have been some of the deadliest for journalists in Afghanistan since the fall of the Taliban regime in 2001. They are subject to constant violence and threats by the Taliban, the Islamic State, warlords and corrupt political officials.

According to the campaign group Reporters Without Borders, “women journalists are a favourite target, and are especially vulnerable in those regions where fundamentalist propaganda is heeded”.¹

This is in addition to the already high social and cultural barriers to women’s participation in journalism, and the continued harassment and discrimination they face in the workplace that so hinders their careers.

Since 2018, together with our national partner the Afghan Women’s Educational Center (AWEC), we have been supporting 24 recent graduate and early career female journalists as part of our ‘She Writes’ project.

The project, which is based in the four main regional media hubs in the country: Balkh, Herat, Kabul and Nangrahar, provides the women with a comprehensive training, mentorship and work placement scheme. Training covered topics such as responsible and objective reporting, conflict- and gender-sensitive and ‘do no harm’ principles, security and safety, and CV writing and presentations.

“I am a journalism graduate, but the things I learned with She Writes were new to me,” explained Samira,² who was in her fourth year of university when joining the scheme. “I learned new methods of reporting, presentation, journalism and many practical approaches related to journalism.”

The participants were also connected with established and renowned – mostly female –

journalists as part of a six-month online mentorship scheme. These mentors were a crucial source of practical insights, learning and advice for the women, and could help them build contacts within the media sector.

Without industry experience and connections, many journalism graduates struggle to find work in the sector. So, to ensure that the women could utilise the skills and knowledge they had learned, we helped them find work placements, where they could gain hands-on experience of journalism to help launch their careers.

Samira, for instance, was able to transition from her three-month internship to a full-time daily on-air position at a local television station in her home province.

We hope that, by equipping and getting young women into journalism in Afghanistan, this will help to slowly change attitudes and ultimately behaviours within the media sector towards female journalists. In turn, it can demonstrate to the families and relatives of aspiring female journalists that the media is a safe industry for women to work in.

This is also vital in ensuring that the country’s media better represents women in its coverage, accurately and effectively reporting on their lives and holding authorities accountable for the discriminatory treatment women continue to face in society.

This is certainly a goal for Samira, who wants to serve as a role model for women in her province and to share their voices far and wide.

This project began in October 2018 and runs until October 2020. ●

1. Afghanistan country profile, Reporters Without Borders, <https://rsf.org/en/afghanistan>

2. Not her real name

a network to promote more inclusive, objective and responsible mainstream news media. The network will work towards building the capacity of their colleagues and advocate for better working conditions and more gender sensitivity and inclusivity in media workplaces. This is part of a wider effort to increase media coverage of vulnerable communities in the country. Last year, coverage of vulnerable communities increased by more than 31% among the media outlets we helped support (up from 1.6% in 2018 to 2.1% in 2019).

And in the **South Caucasus**, we facilitated 70 journalists from Armenia, Azerbaijan and Nagorno Karabakh to jointly produce media outputs highlighting the cost of conflict in the region, supporting the journalists with training, mentorship and accompaniment. This is the only such initiative to bring together journalists from all sides of the conflict context, in a region where there is little interaction across the conflict divides.

In **Tajikistan**, we began building on the success of the first phase of our Zindagii Shoista (Living with Dignity) project, which concluded in mid-2019 and had seen a 50% drop in incidents of violence against women and girls (VAWG) in the families we worked with. Having previously identified women with disabilities and those parenting children with disabilities as a particularly vulnerable – and often overlooked – group affected by VAWG, we researched the links between disability and violence. These insights have helped us make this group one of the key targets of our future work in this area, including in scaling up our work in the Khatlon oblast (region). A number of national and international organisations working on VAWG have also expressed interest in adopting the methodology we used – which combines social and economic empowerment of women.

In **Myanmar**, we strengthened the understanding of various national and international organisations on gender issues. For example, we supported the Netherlands embassy by training senior staff from nine of its local partner organisations on preventing sexual harassment, exploitation and abuse in the workplace. We trained the local SGBV project staff of an intergovernmental organisation on gender and conflict sensitivity. And we conducted gender analyses for two internationally funded development projects: one on employment skills for internally

displaced people in the conflict-affected northern Shan state and another on agricultural diversification in southern Rakhine state. The latter included training their project staff on how to analyse and respond to gender dynamics in their future programming.

We also helped shape policy and policy frameworks relating to gender, peace and conflict with a range of governments and international bodies. This included consulting on the Irish National Action Plan on women, peace and security, conducting a gender analysis for the Finnish Ministry of Foreign Affairs, and producing a toolkit on security sector reform and gender for the Geneva Centre for Security Sector Governance, the Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights, and UN Women.

Additionally, during the year, we provided strategic capacity-building and accompaniment support on conflict sensitivity to the Netherlands Ministry of Foreign Affairs. This comprised of 22 assignments, including a review of the Dutch Addressing Root Causes Fund, a conflict analysis for agribusiness partners in Ethiopia, and the production of a conflict-sensitivity guide for decision-makers, programme managers and implementers worldwide. We also provided training on conflict sensitivity to headquarters and embassy staff.

Priorities for 2020

1. Ensure the organisation is resilient to the impact of COVID-19

The COVID-19 pandemic currently unfolding across the world has profound meaning for peacebuilding. It may spark new opportunities for progress on peace; it may also inflame the social fractures that drive violence and conflict in fragile states. As we approach the mid-point of 2020, it is also evident that the cost of countering the pandemic among the top donors for peacebuilding will have a significant knock-on effect on aid budgets over the next few years. At the time of preparing this annual report, we are in the midst of a comprehensive scenario planning process that will culminate in a Resilience Plan 2020–21, which aims to map the decisions and actions we must take to July 2021 in order to remain a viable, relevant and impactful actor for peace at a time when our mission, expertise and knowledge are needed more than ever.

2. Plan for regrowth in the post-pandemic world

Prior to the onset of the pandemic, we were in the middle of formulating a new Growth Plan 2020–22, designed to maximise our impact, strengthen our influence, grow and diversify our income, and build our infrastructure – all in order to deliver our mission and an ambitious strategic plan. As noted above, the impact of the pandemic means we must review these commitments. The Resilience Plan 2020–21 will set out a process by which to refresh our strategic plan through to 2023 – making sure its ambitions and goals remain fit for purpose in a changed world – and put in place the structures and resources necessary to recommit to greater impact and influence in future years.

3. Ensure organisational learning on gender and conflict sensitivity

The extensive gender mainstreaming review completed in 2019 revealed the need for a similar exercise looking at conflict sensitivity. This will formalise decades of experience into a robust,

shared knowledge base and internal community of practice across the organisation, enhancing the quality of our peacebuilding programming and impact. This remains highly relevant going forward. Simultaneously, we will continue to roll out our gender mainstreaming action plan for 2020–21.

4. Develop a research strategy

Research has long been a core component of our methodology, providing robust evidence and analysis upon which to base our peacebuilding programming and advocacy. While we are proud of the research we have produced, we believe it could have an even greater impact on shaping policy decisions on peace, conflict and security. This strategy will help guide the research we undertake and the ways in which we use the findings to influence policy change, translating evidence into impact. Evidence-based programming and advocacy will be at a premium among the uncertainties and complexities generated by the COVID-19 pandemic.

5. Help shape international action on UNSCR 1325

During 2020, we will deliver our strategy for shaping international action on UNSCR 1325 on women, peace and security in the lead-up to the 20th anniversary of the resolution in October. The objectives of our strategy are twofold: to improve implementation of the resolution by the international community; and to improve our own practice on the resolution. A research report reflecting on our past practice will form the centrepiece for internal efforts to increase our focus on UNSCR 1325, while a policy brief and series of policy dialogues with key stakeholders will help shape the discourse in the lead-up to the UN Security Council Annual Open Debate on the Women, Peace and Security Agenda in October.

Strategic Report

Structure, governance and management

Organisational structure

International Alert is a UK-based NGO, registered with Companies House and the Charities Commission. The charity is a company limited by guarantee and has no share capital.

We are governed by a Board of Trustees (Board). The Board has a sub-committee, the Management Advisory Committee (MAC), which advises on and monitors the work of the Executive Team. The MAC comprises of the Treasurer and two further trustees.

During the reporting period to which this Annual Report and Accounts relates, our senior management team comprised of the Chief Executive Officer (CEO), the Director of Programmes, the Chief Operating Officer and the Chief Finance Officer. In 2020, we moved to an Executive Team, which comprises of the CEO, the Director of Programmes, the Director of Finance and Operations, the Director of Resource Development, and the Director of Advocacy and Communications.

There are around 230 staff based in London and our 13 offices around the world, including a team of thematic peacebuilding experts. The programmes' work is supported by administrative, financial, fundraising, human resources, IT, and advocacy and communications teams.

International Alert UK is affiliated with International Alert Europe, which is registered as a *stichting* (foundation) in the Hague, the Netherlands.

Decision-making

The Board meets four times a year and is responsible for governance, establishing the organisation's strategic framework and annual objectives, and agreeing the annual budget.

The trustees are directors of the organisation for the purposes of company law and, in line with that responsibility, oversee the financial reporting and ensure that proper financial statements are made for each financial year to give a true and fair view of the organisation's financial activities and its financial position at the year end.

The MAC meets at least three times a year and is the key committee of the Board. The MAC has been entrusted with the more detailed oversight of key areas of the charity, including finance and all budgetary issues, fundraising, security and human resources issues.

The CEO is accountable to the Board for all the organisation's work, and the other members of the Executive Team report to the CEO. The Executive Team reports to each Board and MAC meeting on the organisation's work, activities and finances, presenting progress in relation to the budget, annual objectives and strategic framework.

Board of Trustees

The Board may consist of 3 to 15 members. Generally, the number has ranged between 9 and 13 members. The Board is international, to reflect the diversity of the organisation's work.

New trustees are elected at the Annual General Meeting or by the Board at a regular meeting and serve for a period of three years. Trustees may be re-elected for one further term of three years. Before a decision is taken to appoint a trustee, meetings are arranged for the potential new trustee with the CEO and one or two senior Board members, normally including the Chair. On appointment, new trustees receive a full induction on their responsibilities under company law and charity law, and on the organisation. The process includes both a pack of relevant documentation and a series of meetings with senior and middle management.

During 2019, two trustees either completed their term or resigned. We ended 2019 with a total of nine trustees (three women and six men), five of whom



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GPS data collection for creating land use maps to clarify and resolve disputes over boundary lines in South Kivu, DRC

are based outside the UK, including two from two of the main geographic areas in which we work (Asia and the Middle East).

Trustees' responsibilities

The Board, as directors of the organisation for the purposes of company law, is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year that give a true and fair view of the charity's state of affairs and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including the Financial Reporting Standard (FRS 102), have been followed, subject to any material departures disclosed and explained in the financial statements;

- state whether a SORP applies and has been followed, subject to any material departures, which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The Board is responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and that enable the Board to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps to prevent and detect fraud as well as other irregularities.

Insofar as the Board is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial review

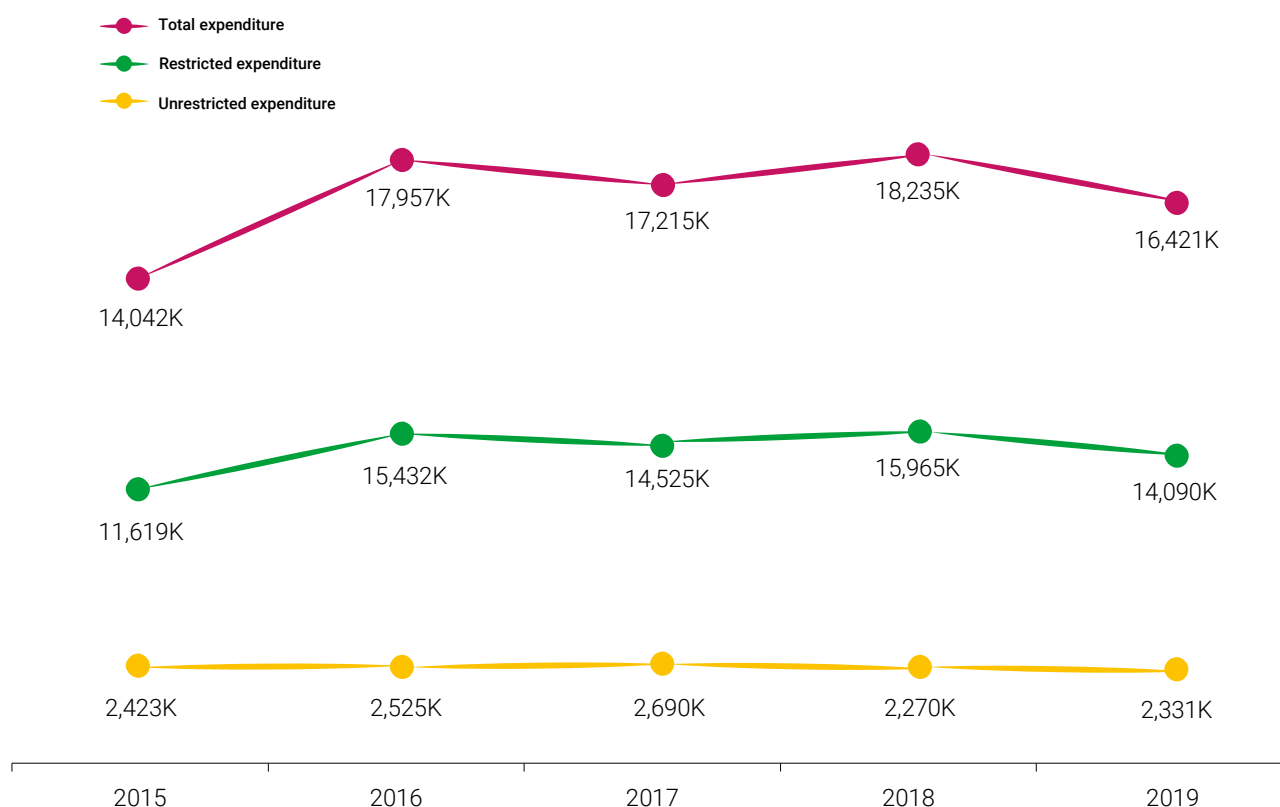
Over the past five years (2015–2019), our expenditure has grown by over 17%. However, 2019 has been a challenging year and, as shown in the chart below, there has been a decrease of 10% (£1.82 million) in expenditure in 2019 as compared to 2018.

This has been due to slower project expenditure in DRC, Kyrgyzstan, Mali and Ukraine, while expected funding in Afghanistan, Myanmar and Pakistan did not materialise. The gaps in senior and middle management positions across programmes also contributed to slower fundraising, resulting in lower expenditure.

Yet, it should be noted that we grew by almost 17% over the past five years – averaging an annual growth of 3.4%, which is a very good achievement in a difficult funding environment.

With sound financial management systems, effective fundraising and robust management, we emerged in a positive financial position (in terms of unrestricted reserves) at the end of 2019:

- **Our total income in 2019 was £16.68 million** (compared to £18.16 million in 2018).
- **Our total expenditure in 2019 was £16.42 million** (down by 10% from £18.24 million in 2018).
- **Our unrestricted income in 2019 was £2.33 million** (compared to £2.46 million in 2018) and our total unrestricted expenditure was £2.33 million (compared to £2.27 million in 2018) – comprising of £1.90 million on charitable activities and £0.43 million on raising funds. The balance of unrestricted funds at year end was £1.94 million (compared to £2.23 million in 2018).
- **Our restricted income in 2019 was £14.35 million** (compared to £15.70 million in 2018) and our total restricted expenditure was £14.09 million (compared to £15.97 million in 2018). The balance of restricted funds at year end was £2.86 million (£2.69 million in 2018). We expect to utilise this balance on programmes during 2020.



The breakdown of our total expenditure of £16.42 million in 2019 was as follows:

- **Mission goal 1:** Working with people directly affected by violent conflict to find lasting solutions: £10.46 million (compared to £12.84 million in 2018).
- **Mission goal 2:** Shaping policies and practices to reduce and prevent violence, and to support sustainable peace: £4.52 million (compared to £4.54 million in 2018).
- **Mission goal 3:** Collaborating with all those striving for peace to strengthen our collective voice and impact: £1.02 million (compared to £0.42 million in 2018).
- **Raising funds:** £0.43 million (compared to £0.44 million in 2018).

Our Reserves Policy requires that General Unrestricted Reserves, excluding any part that represents the book value of fixed assets and designated funds, should be sufficient to cover two months of unrestricted expenditure and programme employment costs in order to cover core contractual obligations to staff and for rent, leases and associated costs. The General Unrestricted Reserves at year end was in line with this policy, standing at £1.50 million. In addition, we designated, in an Organisational Investment Fund, a further £0.15 million to support investment needs – for example, to develop new programming ideas. The Reserves Policy is subject to annual review by the Board.

At the year end, £0.29 million remained in a Designated Fund for Development. This will provide much-needed flexibility to meet our objectives and unforeseen expenses in 2020, particularly relevant now due to the greater degree of uncertainty expected in the wake of COVID-19.

Unlike in 2018, we suffered substantial exchange rate losses of £0.37 million in 2019 (compared to a £0.03 million gain in 2018) due to foreign exchange movements. The losses made during 2019 fully utilised the balance (£0.28 million) brought forward from 2018, hence the balance on the Designated Fund for Foreign Exchange was nil at the year end.

A sum of £0.26 million was brought forward from 2018 in an Organisational Investment Fund. Of this, £0.11 million was invested in programme and

organisational development activities during 2019. The balance at year end amounted to £0.15 million.

Total unrestricted funds, including General Unrestricted Reserves, were £1.94 million by year end (compared to £2.23 million in 2018).

Building on a stable financial picture at the end of 2019, the overall funds being carried forward to 2020 are £4.80 million (compared to £4.92 million carried forward to 2019). This is split between unrestricted funds of £1.94 million and restricted funds of £2.86 million. This level of unrestricted funds provides us with stability and the ability to invest in future development and the 2020 budget. Restricted funds held at year end due to the timing of the receipt of funds will be spent on specific projects in 2020 in line with commitments to funders.

Our balance sheet at the end of 2019 reflects this relatively secure position. We are hopeful, depending on funding support, that we will sustain this financial picture in 2020. However, with COVID-19, there looms a greater uncertainty across the globe. Like others, we are therefore closely monitoring our finances and placing more emphasis on continuity after the pandemic.

Risk management

The Board is responsible for overseeing global risk management, assisted by the Executive Team in implementation. Risk management priorities are assessed and agreed at quarterly Board meetings. A risk management report was also presented at three MAC meetings during the year, and experience during the year is assessed at the December Board meeting as part of the basis for preparing the next year's priorities. The Board recognises that risk is relative, that the organisation works in conflict zones and that systems can provide reasonable but not absolute assurance that major risks are adequately managed. In 2019, as well as monitoring risk areas around safeguarding, fraud and programme security, we identified and acted upon cybersecurity as a developing risk area for the organisation. The Board is satisfied that the risk management process established is identifying the material risks and allowing these to be managed. The Executive Team will continue to update the trustees on contingency plans as and when risks change significantly. This is especially important in relation to COVID-19.

Remuneration policy

Our Salary Policy aims to adhere to quality standards that will ensure that its implementation will be fair, open, objective, responsible and effective. The policy is implemented through clearly defined salary procedures. The policy aims to reflect good practice, including:

- a clear policy on salaries, which is linked to organisational objectives, with the Executive Team taking responsibility for the review and implementation of the policy; and
- guidelines for the impartial review of jobs and a process for making valid and reliable market comparisons.

Senior executive remuneration

In deciding remuneration for senior executives, the charity considers the potential impact of remuneration levels and structures on the wider workforce, as well as the following additional principles:

- to ensure we can access the skills, experiences and competencies needed in senior executives, the specific scope of these roles in the charity and their link to pay; and
- the nature of the wider employment offer made to senior executives, where pay is one part of a package that includes personal development, personal fulfilment and association with the public benefit delivered.

Grant making

Over 22% of our annual expenditure is passed on as grants to partner organisations. In some cases, this is because we lead a consortium, while in other cases the project involves building the capacity of a specific recipient organisation, or our learning from them. In addition, a number of NGOs receive small grants for their own specific projects.

We conduct due diligence to ensure that our charitable purposes and aims will be furthered by the grant, and to establish that the grant is in line with the agreed strategy for the particular programme of work within which it falls. Before any grant is agreed, we ensure that we are able to monitor the use of the

grant, that the required work is carried out and that the funds are properly managed and spent for the purposes intended.

Fundraising activities

We receive most of our funds in the form of restricted (project) or unrestricted (general support) grants from institutional funders – primarily governments, together with some charitable trusts and foundations. To diversify our financial base, in recent years we have begun exploring fundraising from private individuals and companies. In 2019, the charity raised £0.002 million from donations and gifts from sponsored activities and corporate funding.

Although raising funds from the public still represents a small percentage of our income, we are compliant with the Charities (Protection and Social Investment) Act 2016, including the guidance outlined by the Charity Commission for England and Wales (CC20 and CC15d) regarding trustee duties and reporting, respectively. We have never received a complaint regarding our fundraising approach from the general public or any corporates, institutions or foundations with whom we engage. All staff or others working on our behalf follow the Code of Fundraising Practice as outlined by the UK's Fundraising Regulator. We do not employ any third-party organisation to conduct fundraising activities on our behalf.

All corporate partnerships are agreed after a full due diligence and conflict of interest check has been passed, and the relationship is based on a contract stipulating clear monitoring and reporting requirements.

We annually review and update all our fundraising systems and approaches to ensure that they are fully compliant with the European Union's General Data Protection Regulation 2016/679 (GDPR).

Factors affecting performance

The following four key factors affect our performance and the degree to which we can control each one varies. Regular reporting on our risk management forms the framework within which we assess and respond to these factors.

Stability of income

Much of our income is derived from eight government donors, as well as the European Union and the United Nations. Our activities are therefore dependent on their policy decisions, including major changes such as the UK's move to leave the European Union. We work closely with our major donors to ensure the best possible communication and mutual understanding, and to ensure that we receive the earliest possible indications of potentially relevant policy changes. We continue to run our new European headquarters in the Hague so that we can better maintain our close policy and funding links with the European Union. We are engaged in a long-term effort to diversify our funding base to ensure that we do not become reliant on single sources of income.

Operating environment

The environments in which we work around the world are often volatile and, even when not actively hostile or dangerous, are consistently complex and difficult. We maintain close communications between country and headquarters staff, constantly monitoring security issues and the local political environment. We select staff who are capable of working in such environments and they develop a network of local contacts for implementing their tasks and staying abreast of developments. The Executive Team regularly reviews the security situation in our programme countries as well as the security plans and preparations of our country offices.

Organisational structure

In 2019, we designed and implemented new finance software to fit in with our new structures and ways of working. We continued to seek opportunities for reorganisation to improve our effectiveness and efficiency, which helped to further reduce our cost base. And we continue to review and improve our systems for managing and reporting on compliance (safeguarding, dishonest practices, anti-terrorism, GDPR and whistleblowing) in a globally dispersed organisation.

Quality of staff

We are always seeking to improve our recruitment, training, performance management and development of high-quality staff at all levels within the organisation. With Brexit, we may face recruitment and retention challenges among EU citizens, who have historically held many key roles within the organisation. However, our new office in the Hague should help offset some of those risks.

The Board of Trustees of International Alert present this report for the year ended 31 December 2019 for the purposes of Section 162 of the Charities Act 2011 and Section 415 of the Companies Act 2006.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Financial Reporting Standard (FRS 102).

The Board has also complied with Section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission. In particular, the Board considers how planned activities will contribute to the aims and objectives set for 2020.

The report was approved by the Board on 15 June 2020 and signed by the Chair on its behalf.



Carey Cavanaugh

Chair, Board of Trustees

Acknowledgements

Donors

We would like to thank our strategic donors:



Ministry of Foreign Affairs of the
Netherlands



Irish Aid
Department of Foreign Affairs
An Roinn Gnóthaí Eachtracha



Sweden
Sverige

We would also like to thank our project donors:

Institutions

Agence Française de Développement

Australian Department of Foreign Affairs and Trade
(Australian Aid)

Austrian Development Agency

British Council

Conflict, Stability and Security Fund, UK

Department for International Development, UK

Department of Foreign Affairs and International
Trade, Canada

Department of Foreign Affairs and Trade, Republic of
Ireland

Deutsche Gesellschaft für Internationale
Zusammenarbeit

Embassy of France, Nigeria

European Commission

Federal Department of Foreign Affairs, Switzerland

Foreign and Commonwealth Office, UK

Ministry of Foreign Affairs, Denmark

Ministry of Foreign Affairs, Netherlands

Ministry of Foreign Affairs, Norway

Swedish International Development Corporation
Agency

Swiss Development Corporation

Trans-Sahara Counterterrorism Partnership –
Embassy of the United States, Nigeria

United Nations Development Programme

United Nations Educational, Scientific and Cultural
Organization

United Nations Entity for Gender Equality and the
Empowerment of Women

United Nations International Children's Emergency
Fund

United Nations Interregional Crime and Justice
Research

United Nations Peacebuilding Fund

United States Agency for International Development

United States Department of State

World Bank Group

Foundations, trusts and other organisations

Bonn International Center for Conversion
Durham University
Finnish University Partnership for International Development
Helvetas Swiss Intercooperation
Institut für Auslandsbeziehungen – Zivik
International Development Law Organization
King's College London
Nordic International Support Foundation
Norwegian People's Aid
Oleoducto Central SA
Oxford Policy Management
Pickwell Foundation
Save the Children
SOAS University of London
Stichting Netherlands Institute
Stichting the Network University
Street Child
Terre Des Hommes
The Morel Charitable Trust
UnionAID
Voluntary Service Overseas
World Vision

Companies and private individuals

Adam Smith International
Anglo American Services Ltd.
Cerrejón Mining Company
German Technical Cooperation Agency
Givewith
Gran Tierra Energy Inc.
International Petroleum Industry Environmental Conservation Association
TradeMark East Africa
Trans Adriatic Pipeline AG
Turcan Connell

Partners

+Peace Coalition
Action pour la Solidarité et la Paix
Action pour le Développement des Populations Défavorisées
Action pour le Développement et la Paix Endogènes
Afghan Women's Education Center
Aide et Action pour la Paix
Alliance for Peacebuilding
Appui au Développement de l'Enfant en Détresse
Association de la Jeunesse pour la Promotion des Droits de l'Homme et Développement
Association for Repatriated Women in Burundi
Association Malienne pour la Survie au Sahel
Association Modeste et Innocent
Association Paysanne pour le Développement Integral
Association Rwandaise des Conseillers en Traumatisme
Basmeh and Zeitooneh
BBC Media Action
Benishyaka Association
Bilozerka Center for Regional Development
Bureau pour le Volontariat au Service de l'Enfance et de la Santé
Caritas Développement Uvira
CDA Collaborative Learning Projects
Centre for Cultural Relations – Caucasian House
Centre for Social Cohesion, Peace and Empowerment
Child Smile
Chuhuvivska Pravozakhysna Hrupa
Collectif Alpha Ujuvi
Commission Épiscopale Justice et Paix du Rwanda
Committee of Voters of Ukraine
Conciliation Resources
Crisis Management Initiative
Crisis Media Center Siverskyi Donets
Damma Foundation
Deltares
Equal Opportunity Space
Faith Victory Association

Farodis	Maksym Serhiyovych Ieligulashvili
Federation of Nepali Journalists	Mariupol Youth Union
Focus on Arid Land and Integrated Development	Mercy Corps
Forum for Women, Law and Development	MSI Worldwide
Fund for Development of Spiritual Culture 'Iyman'	Myanmar Centre for Responsible Business
Fund for Social and Cultural Initiatives	Nepal Madhesh Foundation
Gender Equality, Peace and Development Centre	Open Society NGO
Ghamkhori	PeaceNet Kenya
Go Group Media	Phan Tee Eain
Green Concern for Development	Pole Institute
Groupe Milima	Public Journalism Club
Grow Strong Foundation	Rabobank
Guichet d'Économie Locale du Sud-Kivu	Regional Analytical Center Ukraine
Hope and Peace Foundation	Réseau d'Innovation Organisationnelle/Centre Régional de Paix
Horn of Hope Vision for Peace and Community Development of Nigeria	Saferworld
I Change	Samagra Jan-Utthan Kendra
IHE Delft Institute for Water Education	Solidarité des Femmes Activistes pour la Défense des Droits Humains
Info Change Pvt Limited	Solidarité des Femmes de Fizi pour le Bien-Être Familial
Innovation et Formation pour le Développement et la Paix	Solidarité des Volontaires pour l'Humanité
International Alert Europe	Station Kharkiv
International Association of Business and Parliament	Support Nepal
Inyenyeri Itazima	TASBIKKa, Inc.
Iryna Brunova-Kalishetska	The Center for Cultural Relations
Jana Jagaran Youth Club	The Lebanese Women Democratic Gathering
Kachinland Research Centre	Thomson Media
Kairos Sri Lanka	Union des Groupes d'Actions Fitz-Itombwe
Kaputir Resource Management Organisation	United Youth Community Nepal
Karitas Sambirsko-Drohobyskoi Yeparkhii	University of Notre Dame
Kaw Lah Foundation	Voluntary Service Overseas
Kharkiv Region Association of Community Initiatives	Western Mindanao State University
Kharkiv Volunteer Center	Wetlands International
Kings N Queen	World Resources Institute
Kishimi Shelter and Care Foundation	Za Pravo na Zhyttya
Kvinna till Kvinna	
Laissez L'Afrique Vivre	
Landell Mills Ltd.	
Legal Aid and Consultancy Centre	
LINKS	
Lupah Sug Bangsamoro Women Association	
Madhes Human Rights Home	

Accounts

**For the year ended
31 December 2019**

Independent auditor's report to the members of International Alert

Opinion

We have audited the financial statements of International Alert for the year ended 31 December 2019, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and

we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which includes the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report or for the opinions we have formed.



Murtaza Jessa

Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP,
Statutory Auditors
10 Queen Street Place, London, EC4R 1AG, UK

19 June 2020

Financial statements

Statement of financial activities (including income and expenditure account)

For the year ended 31 December 2019

	Unrestricted funds	Unrestricted funds	Restricted funds	Restricted funds	Total	Total
	2019	2018	2019	2018	2019	2018
Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and legacies						
Institutional grants	1,147	1,263	-	-	1,147	1,263
Donations	2	18	-	-	2	18
Charitable activities						
Working with people directly affected by violent conflict to find lasting solutions	707	693	9,595	11,688	10,302	12,381
Shaping policies and practices to reduce and prevent violence, and to support sustainable peace	412	425	3,641	3,920	4,053	4,345
Collaborating with all those striving for peace to strengthen our collective voice and impact	59	58	1,090	85	1,149	143
Investments	2	5	23	3	25	8
Total income	4 2,329	2,462	14,349	15,696	16,678	18,158
Expenditure on:						
Raising funds	427	443	-	-	427	443
Charitable activities						
Working with people directly affected by violent conflict to find lasting solutions	918	820	9,543	12,015	10,461	12,835
Shaping policies and practices to reduce and prevent violence, and to support sustainable peace	703	698	3,817	3,838	4,520	4,536
Collaborating with all those striving for peace to strengthen our collective voice and impact	284	309	731	112	1,015	421
Total expenditure	2 2,332	2,270	14,091	15,965	16,423	18,235
Net income/(expenditure)	(3)	192	258	(269)	255	(77)
Transfers between funds	86	(170)	(86)	170	-	-
Exchange rate gain/(loss)	(373)	29	-	-	(373)	29
Net movement in funds	(290)	51	172	(99)	(118)	(48)
Total funds brought forward at 1 January	2,230	2,179	2,685	2,784	4,915	4,963
Total funds carried forward at 31 December	1,940	2,230	2,857	2,685	4,797	4,915

The Statement of Financial Activities includes all gains and losses recognised in the current and preceding year and has been prepared on the basis that all operations are continuing operations.

The notes on pages 37–52 form part of these financial statements.

Balance sheet

At 31 December 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	10	56	23
Current assets			
Debtors	11	955	649
Cash at bank and in hand		5,966	6,825
		6,921	7,474
Creditors			
Amounts falling due within one year	12	2,180	2,582
		2,180	2,582
Net current assets		4,741	4,892
Total net assets	14	4,797	4,915
Funds			
Unrestricted			
General funds		1,500	1,500
Designated Fund for Foreign Exchange Movement		-	279
Designated Fund for Development		290	193
Designated to Organisational Investment Fund		150	258
		1,940	2,230
Restricted		2,857	2,685
	15	4,797	4,915

Approved by the Board of Trustees and authorised to issue on 15 June 2020 and signed on its behalf by:

Carey Cavanaugh

Carey Cavanaugh
Chair of Trustees

Gregor Stewart

Gregor Stewart
Honorary Treasurer

Company Registration Number 2153193

The notes on pages 37–52 form part of these financial statements.

Statement of cash flow

For the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash (utilised)/provided by operating activities	16	(841)	1,779
Cash flows from investing activities:			
Interest from deposits		25	8
Purchase of tangible fixed assets	10	(43)	(31)
Net cash provided by investing activities		(18)	(23)
Change in cash and cash equivalents in the reporting period		(859)	1,756
Cash and cash equivalents at the beginning of the reporting period		6,825	5,069
Cash and cash equivalents at the end of the reporting period		5,966	6,825

The notes on pages 37–52 form part of these financial statements.

Notes to the financial statements

1. Accounting policies

- a) These financial statements are prepared on a going concern basis, under the historical cost convention, modified to include certain financial instruments at fair value. The financial statements are prepared in Pound sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound. The principal accounting policies adopted are set out below.

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) (FRS 102). The charitable company is a public benefit company for the purposes of FRS 102, and the charity has also prepared its financial

statements in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS 102 (Charities SORP, second edition, effective 1 January 2019), the Companies Act 2006 and the Charities Act 2011.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern, including the impact of the COVID-19 pandemic. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment

income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

In preparing financial statements, it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements and no estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

- b) Income is accounted for when receivable. Grants receivable are credited to the Statement of Financial Activities as soon as the conditions of receipt have been satisfied. Deferred income is recorded when funds are received from the donor but relate to activities of future years. Income is classified under two principal categories of 'grants and donations' and 'charitable activities'. Incoming resources for charitable activities are analysed using the same categories as those used for expenditure.
- c) Restricted funds are grants received for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to these funds. Funds unspent at the year-end that will be spent in future accounting periods are carried forward as restricted funds.
- d) Unrestricted funds are funds that can be freely used in accordance with International Alert's charitable objectives at the discretion of the trustees. Organisational Investment Funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects. A Designated Fund for Development has been created to set aside funds for development work for the charity's objectives during 2019.
- e) Grants to partner organisations are included in the Statement of Financial Activities when payment is incurred, as defined in the terms and conditions for the grant.

- f) Depreciation is provided in order to write off the cost of the assets over their estimated useful lives on a straight-line basis as follows:

- office equipment and computers over three years;
- property improvements over seven to ten years; and
- motor vehicles over three years.

Assets over a capitalisation limit of £1,500 are treated as fixed assets. Those not over £1,500 are written off to expenditure. Assets purchased from donor funding are written off to expenditure when acquired.

- g) Expenditure is classified under the two principal categories of 'raising funds' and 'charitable activities'. Costs of raising funds comprise salaries, direct costs and overheads of staff engaged in fundraising.

Charitable activities are all the resources expended on programme and project work that is directed at the achievement of its charitable aims and objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken. Direct project costs have been allocated in accordance to resources expended against the stated activities.

Support costs have been apportioned on a reasonable, justifiable and consistent basis to each of the activity cost categories being supported. Support costs have been allocated either on the basis of time spent on the activity or on the basis of usage – that is, on the same basis as expenditure incurred directly in undertaking the activity.

Expenditure is accounted for on an accruals basis. Irrecoverable VAT is included with the item of expense to which it relates.

- h) Transactions in foreign currencies are translated into sterling at the rates of exchange published on a monthly basis. Assets and liabilities at the year-end are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are accounted for in the Statement of Financial Activities. We have segregated foreign exchange gains and losses in separate designated funds, as shown in Note 15.

- i) No provision has been made for taxation, since all income is charitable and charitable status was obtained following incorporation.
- j) The charitable company as an employer contributes 10% of basic salary to the personal pension plans of its employees on the UK payroll who choose to take advantage of this scheme.
- k) Rentals payable under operating leases where substantially all the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities in the period in which they fall.
- l) Other financial instruments:
 - Cash and cash equivalents: Cash and cash equivalents include cash at banks and cash

in hand and in short-term deposits with a maturity date of three months or less.

- Debtors and creditors: Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

2. Total expenditure

Activity or programme

Raising funds

Working with people directly affected by violent conflict to find lasting solutions

Shaping policies and practices to reduce and prevent violence, and to support sustainable peace

Collaborating with all those striving for peace to strengthen our collective voice and impact

Activities undertaken directly	Direct staff costs	Grant funding of activities	Support costs	2019 total
£'000	£'000	£'000	£'000	£'000
301	91	-	35	427
3,609	3,018	2,692	1,142	10,461
1,562	1,688	767	503	4,520
406	220	190	199	1,015
5,878	5,017	3,649	1,879	16,423
		(Note 6)	(Note 3)	

Activity or programme

Raising funds

Working with people directly affected by violent conflict to find lasting solutions

Shaping policies and practices to reduce and prevent violence, and to support sustainable peace

Collaborating with all those striving for peace to strengthen our collective voice and impact

Activities undertaken directly	Direct staff costs	Grant funding of activities	Support costs	2018 total
£'000	£'000	£'000	£'000	£'000
133	276	-	34	443
3,579	3,577	4,513	1,166	12,835
1,461	1,739	790	546	4,536
50	80	51	240	421
5,223	5,672	5,354	1,986	18,235
		(Note 6)	(Note 3)	

3. Support cost breakdown by activity

Support cost	Raising funds	Working with people directly affected by violent conflict to find lasting solutions	Shaping policies and practices to reduce and prevent violence, and to support sustainable peace	Collaborating with all those striving for peace to strengthen our collective voice and impact	2019 total	Basis of allocation
	£'000	£'000	£'000	£'000	£'000	
Management	3	36	32	26	97	Time
Finance	6	230	74	12	322	Usage
Information technology	5	202	70	16	293	Usage
Human resources	5	155	67	24	251	Usage
Facilities	9	362	121	22	514	Usage
Communications	7	157	139	99	402	Time
	35	1,142	503	199	1,879	

Support cost	Raising funds	Working with people directly affected by violent conflict to find lasting solutions	Shaping policies and practices to reduce and prevent violence, and to support sustainable peace	Collaborating with all those striving for peace to strengthen our collective voice and impact	2018 total	Basis of allocation
	£'000	£'000	£'000	£'000	£'000	
Management	3	60	52	43	158	Time
Finance	8	213	69	11	301	Usage
Information technology	6	229	79	17	331	Usage
Human resources	3	136	62	25	226	Usage
Facilities	6	334	112	22	474	Usage
Communications	8	194	172	122	496	Time
	34	1,166	546	240	1,986	

4. Total income

	2019 £'000	2018 £'000
Institutional funding		
Agence Française de Développement	(3)	34
Australian Department of Foreign Affairs and Trade (Australian Aid)	829	1,158
Austrian Development Agency	65	-
British Council	212	213
Conflict, Stability and Security Fund, UK	439	828
Department for International Development, UK	4	370
Department for International Development, UK – Global Security Rapid Analysis/Peace Research Partnership project	317	450
Department of Foreign Affairs and International Trade, Canada	327	533
Department of Foreign Affairs and Trade, Republic of Ireland – Core grant	133	132
Deutsche Gesellschaft für Internationale Zusammenarbeit	62	76
European Commission	778	2,328
Federal Department of Foreign Affairs, Switzerland	479	740
Foreign and Commonwealth Office, UK	907	605
Ministry of Foreign Affairs, Denmark	(2)	(37)
Ministry of Foreign Affairs, France	-	250
Ministry of Foreign Affairs, Netherlands	2,399	1,030
Ministry of Foreign Affairs, Norway	4	5
Swedish International Development Corporation Agency – Core grant	1,096	1,277
Swedish International Development Corporation Agency – Earmarked gender	165	86
Swedish International Development Corporation Agency – Earmarked other grants	145	-
Swedish International Development Corporation Agency – Restricted	565	794
Swiss Development Corporation	13	-
United Nations Development Programme	3,421	3,891
United Nations Entity for Gender Equality and the Empowerment of Women	152	-
United Nations International Children's Emergency Fund	66	503
United Nations Interregional Crime and Justice Research	148	-
United Nations Educational, Scientific and Cultural Organization	45	-
United States Agency for International Development	1,117	920
United States Department of State	1,062	763
World Bank Group	307	153
	15,252	17,102
Foundations, trusts and other organisations		
Bonn International Center for Conversion	8	-
Catholic Agency for Overseas Development	-	6
Conciliation Resources	-	1
Durham University	8	-
Finnish University Partnership for International Development	10	-
Global Center on Cooperative Security	-	2
Global Giving Foundation	-	2
Helvetas Swiss Intercooperation	3	-
Institut für Auslandsbeziehungen – Zivik	(1)	-
International Development Law Organization	6	-
King's College London	10	26
Nordic International Support Foundation	1	159
Norwegian People's Aid	5	-
Norwegian Refugee Council	-	17
Oleoducto Central SA	26	-
Open Society Foundations	-	130

Oxfam	-	8
Oxford Policy Management	8	16
Pickwell Foundation	10	-
Saferworld	209	-
Save the Children	6	-
Search for Common Ground	-	4
SOAS University of London	(5)	17
South African Medical Research Council	-	101
Stichting Netherlands Institute	1	-
Stichting the Network University	3	-
Street Child	4	-
Terre Des Hommes	(3)	-
UnionAID	37	-
United States Institute of Peace	-	64
Voluntary Service Overseas	400	-
World Vision	181	-
	926	553

Corporate and private individuals, bank interest and other donations/income

Adam Smith International	13	-
Anglo American Services Ltd.	195	54
Bank interest	25	8
Cerrejón Mining Company	48	-
German Technical Cooperation Agency	23	-
Gran Tierra Energy Inc.	29	-
International Petroleum Industry Environmental Conservation Association	4	-
Other donations/income	29	137
The Body Shop	-	247
TradeMark East Africa	88	-
Trans Adriatic Pipeline AG	45	57
Turcan Connell	1	-
	500	503

Total income	16,678	18,158
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5. Staff numbers and costs

The average numbers of employees during the year were as follows:

	2019	2018
	No.	No.
Raising funds	3	6
Charitable activities – direct	37	45
Charitable activities – support	22	20
Overseas staff	178	168
	240	239

Staff costs during the year were as follows:

	2019	2018
	£'000	£'000
Salaries	2,926	3,457
Employer's National Insurance contributions	275	321
Pension costs	302	356
Overseas staff cost	3,254	3,156
	6,757	7,290

During the year, redundancy payments made amounted to £51,451 (2018: £67,122) as a result of a restructuring of the Charity.

The numbers of employees receiving emoluments in the following ranges were:

	2019	2018
	No.	No.
Between £60,000 and £69,999	3	7
Between £70,000 and £79,999	1	1
Between £80,000 and £89,999	2	2
£90,000 and above	-	1

Pension contributions amounting to £49,298 were made during 2019 for employees whose emoluments for the year exceeded £60,000 (2018: £78,007).

Key management personnel include the Chief Executive Officer and Principal Officers reporting directly to the Chief Executive Officer. The total employee remuneration of the charity for 2019 for key management personnel was £289,077 for National Insurance contributions (2018: £348,656) and £25,714 for pension contributions (2018: £30,974).

6. Grants funding of activities – Grants to partners

	2019	2018
	£'000	£'000
Actif pour les Valeurs Démocratiques	-	14
Action pour la Solidarité et la Paix	104	76
Action pour le Développement des Populations Défavorisées	12	20
Action pour le Développement et la Paix Endogènes	168	244
Afghan Women's Education Center	54	-
Afia Mama	-	8
AGAPE Hauts-Plateaux	-	4
Aide et Action pour la Paix	66	60
Alliance for Peacebuilding	-	5
Amaliyot Taraqqiyot Obodoni	-	2
Appui à la Promotion de l'Entrepreneuriat Local au Kivu	-	12
Appui au Développement de l'Enfant en Détresse	94	23
Arc en Ciel	-	90
Areg Balayan	15	1
Armine Vanyan	4	-
Artsakh Volunteer Union	5	-
Artsakhertum Youth NGO	6	-
Association de la Jeunesse pour la Promotion des Droits de l'Homme et Développement	77	104
Association des Démobilisés pour le Développement	-	2
Association des Femmes des Médias du Sud Kivu	-	7
Association des Femmes pour le Développement de Médias	-	2
Association des Jeunes d'Itombwe pour la Paix	-	2
Association for Repatriated Women in Burundi	25	25
Association Malienne pour la Survie au Sahel	51	61
Association Modeste et Innocent	2	-
Association Paysanne pour le Développement Integral	92	192
Association pour la Promotion des Jumelages et de l'Amitié Entre les Peuples	-	2
Association pour le Développement des Communautés Rurales	-	2
Association Rwandaise des Conseillers en Traumatisme	36	41
Azat Adamyan	6	-
Basmeh and Zeitooneh	25	142
BBC Media Action	273	215
Benishyaka Association	4	5
Bilozerka Center for Regional Development	4	-
Brigade des Jeunes Leaders Intercommunautaires	-	2
Bureau pour le Volontariat au Service de l'Enfance et de la Santé	75	-
Caritas Développement Uvira	95	129
Caucus Bukavu	-	12
Caucus des Femmes du Sud-Kivu	-	23
CDA Collaborative Learning Projects	49	16
Center for Civilian Initiatives	-	15
Center for International Private Enterprise	-	21
Centre for Cultural Relations – Caucasian House	6	33
Centre for Humanitarian Programme	-	40
Centre for Social Cohesion, Peace and Empowerment	29	-

Cesvi Foundation Onlus	-	23
Child Smile	6	-
Chuhuivska Pravozakhysna Hrupa	4	-
Civil Society Institute	-	5
Club Dufatanye Kubaka Amahoro	-	2
Collectif Alpha Ujuvi	23	10
Collectif des Associations Féminines	-	11
Commission Diocésaine Justice et Paix	-	5
Commission Épiscopale Justice et Paix du Rwanda	21	-
Committee of Voters of Ukraine	4	-
Conciliation Resources	144	345
Congo Men's Network	-	19
Coopérative des Agriculteurs Moderne de Murori	-	1
Coopérative des Riziculteurs dans le Marais de Rurambi	-	1
Crisis Management Initiative	12	150
Crisis Media Center Siverskyi Donets	4	-
Damma Foundation	2	3
Department of Foreign Affairs and International Trade, Canada	(4)	4
Dorcas Legacy Organisation	-	4
Equal Opportunity Space	5	-
European Movement in Artsakh	(8)	7
Faith Victory Association	27	-
Farodis	-	3
Federation of Muslim Women's Associations in Nigeria	-	171
Federation of Nepali Journalists	1	5
Fityanul Islam of Nigeria	-	3
Focus on Arid Land and Integrated Development	20	-
Fund for Development of Spiritual Culture 'lyman'	8	85
Fund for Social and Cultural Initiatives	9	-
Gayane Hambardzumyan	-	1
Gender Equality, Peace and Development Centre	24	-
Globally Connected	-	9
Go Group Media	11	16
Groupe Milima	155	143
Guichet d'Économie Locale du Sud-Kivu	31	109
Harmony NGO	6	-
Health Care Development Focus Initiative	(4)	155
Herwa Community Development Initiative	-	105
Hope and Peace Foundation	2	2
I Change	11	11
Ihuriro Ryamakoperative Ahinga Imyumbati Ya Bugese	-	1
Imbaraga	-	2
Info Change Pvt Limited	19	-
Initiative pour la Promotion de la Famille et du Genre	-	2
Innovation et Formation pour le Développement et la Paix	184	191
International Alert Europe	58	-
International Association of Business and Parliament	3	-
Inyenyeri Itazima	2	1
Irina Gabrielyan	5	-
Jeunes Méthodistes	-	2

Journalists for Democracy and Human Rights	-	120
Kachinland Research Centre	1	25
Kairos Sri Lanka	1	-
Kaputir Resource Management Organisation	84	-
Karitas Sambirsko-Drohobyskoi Yeparkhii	4	-
Karuna Mission Social Solidarity	-	13
Kaw Lah Foundation	31	10
Kharkiv Region Association of Community Initiatives	7	-
Kharkiv Volunteer Center	4	-
Koperative Giringufu Muhinzi Wa Kawa	-	1
Koperative Isano mu Kwigira	-	2
Koperative Y' Abavomerera Imyaka Gashora Na Rilima	-	1
Kristina Alahverdyan	5	-
Kvinna till Kvinna	6	129
Laissez L'Afrique Vivre	17	-
Legal Aid and Consultancy Centre	136	33
Levon Arshakyan	4	-
Liberia National Law Enforcement Association	-	- 1
LINKS	23	168
Lower	-	26
Lupah Sug Bangsamoro Women Association	26	25
Madhes Human Rights Home	63	- 2
MAGIRIRANA Development for Peace	-	2
Maksym Serhiyovych Ieligulashvili	13	8
Manoilenko Hanna Konstyantunivna PE	-	6
Mariupol Youth Union	6	-
Mayrutyun NGO	5	-
Mindanao Business Council	-	3
Mindanao State University – Iligan Institute of Technology	-	4
Muslim Sisters' Organization	-	3
Nepal Madhesh Foundation	37	19
Nune Tovmasyan	4	-
Observatoire de la Parité en RDC	-	8
Open Society NGO	6	6
PeaceNet Kenya	17	-
Phan Tee Eain	1	8
Pole Institute	5	180
Pro-Femmes Twese Hamwe	3	49
Public Journalism Club	3	6
Regional Analytical Center Ukraine	5	-
Réseau d'Innovation Organisationnelle/Centre Régional de Paix	125	153
Réseau des Associations des Femmes Juristes de l'Est	-	1
Réseau des Femmes pour un Développement Associatif	-	29
Rwanda Organization for Development Initiatives	3	-
Saferworld	225	320
Samagra Jan-Utthan Kendra	74	-
Services au Développement des Associations	-	2
Shalom Community Organization	-	2
Solidarité des Femmes Activistes pour la Défense des Droits Humains	92	-
Solidarité des Femmes de Fizi pour le Bien-Être Familial	16	14

Solidarité des Volontaires pour l'Humanité	122	345
Station Kharkiv	4	-
Stepanakert Press Club	-	8
Strategic Capacity Group	-	18
Sushan Ghahriyan	10	3
Synergie Paroisse Mater Dei Minembwe et Groupement	-	2
TASBIKka, Inc.	37	57
THRD Alliance	8	45
The Lebanese Women Democratic Gathering	2	5
The Story Kitchen	5	5
Thingaha Gender Organization	-	10
Thomson Media	118	-
Truth Hounds	-	17
UMUCYO	-	1
Union des Coopératives Agricoles Intégrées	-	1
Union des Coopératives de Producteurs du Riz de Bugesera	-	1
Union des Coopératives Rizicoles de Huye	-	2
Union des Groupes d'Actions Fitz-Itombwe	97	156
Union des Jeunes Leaders Intercommunautaires	-	2
United Nations Development Programme	(1)	1
United Youth Community Nepal	-	12
University of Notre Dame	16	4
Vector Youth	6	-
Western Mindanao State University	6	15
Women of the Orient	-	2
Yelena Sarkisyan	5	-
YMCA Nagorno-Karabakh	-	15
TOTAL	3,649	5,354

7. Trustees' remuneration

Trustees received no remuneration in 2019 (2018: nil). In 2019, costs of travel, accommodation and related expenses reimbursed to seven trustees amounted to £15,085 (in 2018, nine trustees received £20,559).

8. Trustees' liability insurance

The cost of trustees' liability insurance for 2019 was £4,200 (2018: £1,662).

9. Included in the income and expenditure are:

	2019 £'000	2018 £'000
Statutory audit fees	(13)	(11)
Audit fees – other services	(11)	-
Project audits	(82)	(73)
Depreciation	(10)	(8)
Defined benefit pension scheme contributions	(302)	(356)
Foreign exchange gains/(loss)	(373)	29

10. Tangible fixed assets

	Property improvements £'000	Office equipment and computers £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2019	286	134	93	513
Additions	-	43	-	43
At 31 December 2019	286	177	93	556
Accumulated depreciation				
At 1 January 2019	286	134	70	490
Charge for year	-	2	8	10
At 31 December 2019	286	136	78	500
Net book values				
At 31 December 2019	-	41	15	56
Net book values				
At 31 December 2018	-	-	23	23

11. Debtors

	2019 £'000	2018 £'000
Grant income	696	486
Receivable from associated charity	116	-
Prepayments	91	157
Sundry debtors	52	6
	955	649

12. Creditors

	2019	2018
	£'000	£'000
Trade creditors	31	633
Taxation and social security	152	94
Accrued expenditure	265	118
Deferred income	1,534	1,533
Pension creditors	186	182
Sundry creditors	12	22
	2,180	2,582

Note 12.a

12a. Deferred income

	2019	2018
	£'000	£'000
Opening balance	1,533	1164
Less: Realised during the year	(1,533)	(1,164)
Add: Deferred income during the year	1,534	1,533
	1,534	1,533

Deferred income relates to grants received in 2019 for 2020 projects.

13. Commitments

At 31 December 2019, International Alert was committed to making the following payment under non-cancellable operating leases in the year to 31 December 2020.

Operating leases which expire

	Land and buildings		Other	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Within one year	207	173	13	17
Within two to five years	356	469	-	11
Over five years	-	-	-	-

14. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	2019	2019	2019	2018	2018	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	56	-	56	23	-	23
Current assets	3,386	3,535	6,921	3,949	3,525	7,474
	3,442	3,535	6,977	3,972	3,525	7,497
Less: Creditors	1,502	678	2,180	1,742	840	2,582
	1,940	2,857	4,797	2,230	2,685	4,915

15. Movement on funds

The overall movement on funds is shown below. The restricted funds comprise unexpended balances of grants held on trust to be applied for specific purposes.

	At 1 January 2019 £'000	Movements between funds £'000	Income £'000	Expenditure £'000	Other transfers	At 31 December 2019 £'000
Restricted funds*						
Africa	982	-	9,192	(7,715)	-	2,459
Asia	21	-	3,197	(3,250)	-	(32)
Europe, Middle East and North Africa	1,210	-	915	(2,220)	-	(95)
Peacebuilding Advisory Unit/Global Issues	472	(86)	1,045	(906)	-	525
	2,685	(86)	14,349	(14,091)	-	2,857
Unrestricted funds						
General unrestricted funds	1,500	293	2,329	(2,332)	(290)	1,500
Designated Fund for Foreign Exchange Movement**	279	94	-	(373)	-	-
Designated Fund for Development***	193	(193)	-	-	290	290
Designated Organisational Investment Fund****	258	(108)	-	-	-	150
	2,230	86	2,329	(2,705)	-	1,940
Total funds	4,915	-	16,678	16,796	-	4,797

* Restricted funds: The restricted balance of £2.86 million includes expenditure totalling £1.81 million that has not been reimbursed by donors. This is in line with project activities and the funds in this regard will be forthcoming from donors in 2020.

** Designated Fund for Foreign Exchange Movement: This fund denotes net gains and losses made on foreign currency accounts. During 2019, the company made exchange losses aggregating £373,000, bringing the balance to a deficit of £94,000. A transfer was made from the Designated Fund for Development to bring the balance to nil at the end of 2019.

*** Designated Fund for Development: As planned, £193,000 was transferred from the Designated Fund for Development to the General Unrestricted Fund for organisational development and operations (£99,000) and the Designated Fund for Foreign Exchange Movement (£94,000). Due to positive results at the end of 2019, £290,000 was transferred from the General Unrestricted Fund to the Designated Fund for Development. These funds will be utilised during 2020 and beyond.

**** Designated Organisational Investment Fund: During 2019, £108,000 was drawn from the Organisational Investment Fund and transferred to the General Unrestricted Fund to support organisational development and operations. The balance on the fund will allow the charity flexibility towards programme investment and organisational growth during 2020 and 2021.

	At 1 January 2018 £'000	Movements between funds £'000	Income £'000	Expenditure £'000	Other transfers	At 31 December 2018 £'000
Restricted funds*						
Africa	1,253	142	7,792	(8,205)	-	982
Asia	(325)	-	3,726	(3,380)	-	21
Europe, Middle East and North Africa	1,243	18	3,386	(3,437)	-	1,210
Peacebuilding Advisory Unit/Global Issues	613	10	792	(943)	-	472
	2,784	170	15,696	(15,965)	-	2,685
Unrestricted funds						
Unrestricted funds	1,500	-	2,462	(2,270)	(192)	1,500
Designated Fund for Foreign Exchange Movement**	250	-	29	-	-	279
Designated Fund for Development***	129	(128)	-	-	192	193
Designated to Organisational Investment Fund****	300	(42)	-	-	-	258
	2,179	(170)	2,491	(2,270)	-	2,230
Total funds	4,963	-	18,187	(18,235)		4,915

* Restricted funds: The restricted balance of £2.69 million includes negative balances aggregating £1.18 million at the end of 2018. These balances are in line with the project activities. Funds are forthcoming in 2019 to recover the deficit in all projects.

** Designated Fund for Foreign Exchange Movement: This fund denotes net gains and losses made on foreign currency accounts. During 2018, the company made exchange gains aggregating £29,000, bringing the balance to £279,000, which will be used for exchange losses during 2019 and beyond.

*** Designated Fund for Development: As planned during 2018, £128,000 was transferred from the Designated Fund for Development to restricted funds and used for programme development and operation. £192,000 was transferred from the General Unrestricted Fund to assist with organisational development and operations, in line with the charity's objectives during 2019. These funds will be utilised during 2019 and beyond.

**** Organisational Investment Fund: During 2018, £42,000 was drawn from the Organisational Investment Fund and transferred to restricted funds to support project work being undertaken. The balance on the fund will allow the charity flexibility towards programme investment and organisational growth during 2019 and 2020.

16. Notes to the cash flow statement

Reconciliation of net income to net cash flow from operating activities

	2019	2018
	£'000	£'000
Net income for the period	255	(77)
Interest from deposits	(25)	(8)
Depreciation	10	8
Exchange rate (loss)/gain	(373)	29
(Increase)/decrease in debtors	(306)	912
(Decrease)/increase in creditors	(402)	915
Net cash (outflow)/inflow from operating activities	(841)	1,779

17. Related party transactions

- (i) A trustee and members of key management personnel are on the Board of Trustees of Stichting International Alert in the Netherlands.
- (ii) During 2019, International Alert donated £46,000 to its affiliate Stichting International Alert.

18. Post balance sheet events

The COVID-19 pandemic has affected our operations in varying ways in the countries where we operate. At this stage, the total impact on our charity and results is limited. Our aim remains to formulate an organisational 'resilience strategy' that will set out what decisions and actions International Alert must take over the coming 12 months in order to make it as resilient as possible to straitened funding circumstances and a challenging operating space due to the pandemic.

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