PATHWAYS TO PEACE
Annual Report 2015
About International Alert

International Alert helps people find peaceful solutions to conflict.

We are one of the world’s leading peacebuilding organisations, with 30 years of experience laying the foundations for peace.

We work with local people around the world to help them build peace, and we advise governments, organisations and companies on how to support peace.

We focus on issues that influence peace, including governance, economics, gender relations, social development, climate change, and the role of businesses and international organisations in high-risk places.

www.international-alert.org

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INTRODUCTION

With stories of rising tensions and global instability dominating the headlines, it can be easy to overlook the continued progress being made on the path to peace.

The paths to peace are varied and often challenging. But we believe progress can always be made – even in the midst of war. And as we look at our work in over 25 countries around the world in 2015, it is clear that great strides are being made to build peace every day. From continuing to inspire reconciliation in Rwanda, to working with marginalised young people in Tunisia, to tackling violence against women in Nepal.

In this annual report, you can follow the seven paths by which we strive to influence the opportunities for peace globally and read about some of the exciting progress we have made in supporting peace at all levels of society – from communities and businesses, to governments and global institutions.

As we look back at 30 years of building peace this year, we look forward to continuing this journey with all of you. Thank you to our dedicated partners and generous supporters and donors for making our work possible.

To find out more, visit www.international-alert.org
**Gender**

Gender relations play a vital role in shaping peace around the world. We have been working with numerous governments, United Nations agencies, leading academic institutions as well as local and global charities to help them integrate our innovative ‘gender relational’ approaches into their design, monitoring and evaluation processes for peacebuilding interventions, through trainings, advice and accompaniment.

**Climate change**

In June 2015, the foreign ministers of the G7 nations endorsed our co-authored report on the ways in which climate change is affecting, and will continue to affect, peace and security globally. Following the release of the report and extensive advocacy throughout 2015, United States Secretary of State John Kerry announced a new task force to integrate climate change and human security issues into US foreign policy, as recommended by the report.

**Mali**

In Timbuktu, we supported 103 economic projects designed to help mitigate local conflicts, including over land and resources. To help tackle frequent conflicts between fishers, for example, one project set up a cooperative to buy fishing equipment and train fishers in improving yields and managing their finances, leading to increased productivity.

*“The project has brought together the members and improves relationships between people working in fishery sector. A lot of fishermen from other villages want to join us.”*

Ibrahim, cooperative worker

**Democratic Republic of Congo**

We believe that a more inclusive society leads to more sustainable peace. Our support of community dialogue groups in Congo contributed to the emergence of new local female leaders; four women who took part in the groups are now standing in the provincial elections, three have joined a local security council, one became a village chief and others are taking part in market management committees.

**Economic development**

Investment and trade can generate wealth and help support positive social development. However, it can also have adverse effects on local communities. Understanding this, we worked with a major international energy company on implementing the Voluntary Principles on Security and Human Rights. As a result of our support and guidance, the company has revised its global corporate security structure, changing its company procedures and appointing a worldwide representative to ensure greater collaboration, consistency and compliance across the company’s operations – including among its subsidiaries.

**Tunisia**

Youth marginalisation is one of the most important, yet challenging issues facing Tunisia today. We supported the engagement of 30 young people from deprived suburbs of Tunis in local decision-making processes. Using a collaborative mapping tool, they identify areas that require basic services, such as rubbish collection, and help shape public investment in their communities, while increasing their sense of belonging.

**Liberia**

The Lomas and Mandigos ethnic groups in Lofa county used to coexist peacefully. But during the civil war, they supported separate warring factions, which left deep divisions between the two communities. Now, following our dialogue sessions on reconciliation, the groups have begun to respect each other again and participate in joint cultural events, including rehabilitating a town hall damaged during the civil war. There has even been intermarrying between the two groups, which would have been unthinkable before.

**Arts and culture**

We engaged thousands of people around the world in conversations about peace and conflict, with a month-long series of cultural events in September to mark the International Day of Peace. The Talking Peace Festival spanned eight countries, featuring pop-up cafés, a global collaborative music project, five peace-themed hackathons, photo exhibitions and an urban art project.
**Tajikistan**

The role of civil society in advancing peace and development in Tajikistan has diminished significantly over the last decade. To help address this, we trained 17 civil society members in research and conflict analysis, which they used to study local conflict issues. The resulting research on labour migration has successfully expanded the space for debate and dialogue on this issue and strengthened relations between civil society, local communities and authorities in the country.

**Nagorny Karabakh**

The long-standing conflict over Nagorny Karabakh has deepened divisions between Armenians and Azeris, resulting in biased and inflammatory media coverage. In 2015, we helped an additional 35 journalists to establish professional relationships across the conflict divide as part of our Unheard Voices project, enabling them to share resources, check facts and ensure more balanced reporting on the conflict – which has endured despite the recent military escalation in 2016.

“My opinion [of the other side] has changed, in a good way. There is more and more evidence that we are not that different to each other.”
Unheard Voices journalist

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**Rwanda**

Based on our success in promoting reconciliation of survivors, former prisoners and ex-combatants from the 1994 genocide in parts of Rwanda, the National Unity and Reconciliation Commission (NURC) has recommended that other local authorities adopt our holistic approach of dialogue, psychosocial support and economic empowerment in addressing the deep-rooted and lasting effects of the genocide. We are now working with the NURC to incorporate this approach into local government programmes.

**Somalia**

Following our work on the prevalence of sexual and gender-based violence in Mogadishu, local communities have begun discussing and addressing the causes and historical cases of such violence for the first time. We also helped to mobilise community support for a new Sexual Offences Bill in the country.

**Philippines**

An online system we created for tracking conflict incidents in the Muslim Mindanao (or Bangsamoro) region, called the Bangsamoro Conflict Monitoring System, helped inform national discussions on a proposed law for establishing a new autonomous political entity in the region – a critical part of the peace deal. The Citizens’ Peace Council on Bangsamoro drew heavily from the data in their submission to the president, Benigno Aquino III, and the House of Representatives used the data in their resolutions on the matter.

**Uganda**

The discovery of oil has the potential to boost economic development in Uganda, but also risks exacerbating tensions if not managed well. We have therefore been helping to improve relations between communities, authorities and oil companies. This has included supporting ‘gender champions’ in Hoima and Buliisa districts to represent the views of women in these areas.

“I have been able to mobilise some community members to form a group … [which] supports households affected by oil and gas activities through counselling and advocating for timely and fair compensation, and also creating a platform for the affected communities to dialogue with government officials and oil companies.”
Esther, gender champion, Hoima district

**Lebanon**

Many citizens feel inadequately represented in local or national decision-making processes in Lebanon. Our Citizens’ Agenda project, in which people from across the country came together to identify and advocate on issues affecting their daily lives, will now be piloting a citizen-led mechanism for informing policy-making – so citizens’ views can be adequately discussed and represented in parliament.

**Nepal**

Access to justice is a fundamental human right and basic state service. So we have supported local initiatives in Nepal to help victims of sexual and gender-based violence, including public service announcements aired on six local radio stations to publicise the support services available to victims of such violence. This helped ensure, for example, that 10 received medical treatment, 101 received psychosocial counselling and 59 received legal aid.

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THE YEAR IN NUMBERS

PROJECTS BY REGION

Africa 25
Caucasus and Central Asia 11
Europe 5
Latin America 1
Middle East and North Africa 5
Multiple regions 9
South and Southeast Asia 21

RESULTS ACHIEVED

knowledge and attitudes 126 projects
behaviours and processes 88 projects
conditions 27 projects

MEN AND WOMEN

SUPPORTED

Dialogue meetings
Women 8,282 Men 18,066
Trainings
Women 8,231 Men 9,709
Trauma healing
Women 564 Men 444
Advocacy
Women 195,954 Men 36,366

PROJECTS BY STRATEGIC PATHWAY

Citizen–state relations 21
Climate change 5
Crime, violence and instability 8
Economic development for peace 12
Gender relations 12
Natural resource management 1
Relations within and between communities 18

TOTAL PROJECTS 77
WE HELD
914 TRAINING EVENTS

WE HELD
1,137 DIALOGUE MEETINGS

WHO WE SUPPORTED

Academic institutions: 7
Diaspora groups: 1
Donors: 4
Intergovernmental organisations: 1
International business groups: 0
International NGOs: 7
Local communities: 19
Local NGOs: 18
Media groups: 7
MPs/Political parties: 5
National business groups: 3
National governments: 8
Non-state armed groups: 2
Refugees/Displaced communities: 1
Sub-national governments: 12
Think tanks: 3
Women’s groups: 17
Youth groups: 16

WHO WE SUPPORTED

Academic institutions: 49
Diaspora groups: 3
Donors: 38
Intergovernmental organisations: 12
International business groups: 10
International NGOs: 79
Local community groups: 646
Local NGOs: 152
Media groups: 50
MPs/Political parties: 46
National business groups: 13
National governments: 33
Non-state armed groups: 2
Refugee/Displaced communities: 1
Sub-national governments: 121
Think tanks: 25
Women’s groups: 49
Youth groups: 83

1,412 GROUPS THROUGH GUIDANCE AND ADVICE
Continuing the trend of recent years, with sound financial management systems, effective fundraising and robust management, we emerged in a robust financial position at the end of 2015. Total income for the year ended 31 December 2015 was £15.12 million (£14.78 million in 2014). Total expenditure in 2015 was £14 million, a decrease of £0.2 million on 2014.

Unrestricted income in 2015 was £2.41 million (£2.75 million in 2014). Unrestricted expenditure was £2.38 million (£2.62 million in 2014) and comprised of £2.2 million (£2.42 million in 2014) on charitable activities and £0.18 million on generating funds (£0.21 million in 2014). The balance of unrestricted funds at the year-end was £1.97 million (£2.06 million in 2014).

The balance of restricted funds at the year-end was £4.12 million. This is £1.2 million more than at the end of 2014 and mainly due to timing of receipts for project activities continuing into 2016. Restricted funds are carried forward each year in respect of planned project expenditure.

International Alert’s 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 addition, the charity has designated, in an Organisational Investment Fund, a further £0.5 million to further support the investment needs of the charity. The Reserves Policy is subject to annual review.

General Unrestricted Reserves (excluding designated funds and fixed assets) at 31 December 2015 were £1.47 million (compared to £1.36 million at 31 December 2014) reflecting a contribution of £0.11 million to reserves in 2015. Total unrestricted funds, including General Unrestricted Reserves at 31 December 2015, were £1.97 million (compared to £2.06 million at 31 December 2014). A sum of £0.06 million was brought forward in the Designated Fund for Development from 2014. As planned, this was fully utilised on designated development expenditure towards the development of organisational objectives during 2015.

A sum of £0.6 million was brought forward in the Organisational Investment Fund from 2014. As planned, £0.09 million was invested in programme development activities during 2015. The balance in the Organisational Investment Fund amounted to £0.5 million at the year-end.

Building on a stable financial picture at the end of 2015, overall funds being carried forward to 2016 are £6.09 million (£4.98 million in 2015), split between unrestricted funds of £1.97 million and restricted funds of £4.12 million. This level of unrestricted funds provides International Alert with stability and the ability to invest in future development. As highlighted earlier in the report, restricted funds held are mainly due to timing of receipt of funds. Funds held at the year-end will be spent on specific projects in line with commitments to funders during 2016.

Unrestricted funds are further split into General Unrestricted Reserves and the Designated Organisational Investment Fund. General Unrestricted Reserves are held in line with International Alert’s Reserves Policy and the Designated Organisational Investment Fund is held primarily as a contingent buffer that can be used to provide a degree of stability in an uncertain economic climate or a period of adverse funding. They also enable International Alert to make long-term investments in staff and new programmes, to fund fixed assets, manage fluctuations in cash flow or to respond rapidly to opportunities that may present themselves. In order to prepare in the current funding climate, we plan to spend £0.35 million from the Designated Organisational Investment Fund on programme development during the two-year period of 2016 to 2017.

International Alert’s balance sheet and cash flow at the year-end are secure. We are optimistic that we will have a continued period of financial growth in 2016, notwithstanding the current economic climate. The Summary Financial Statements contain information from the Statement of Financial Activities and the Balance Sheet for the year ended 31 December 2015, but are not the full Report and Financial Statements. The full Report and Financial
Statements approved by the Trustees on 26 May 2016 have been submitted to Companies House and will be submitted to the Charity Commission with the Annual Return. The auditor has issued an unmodified report on the full Report and Financial Statements and on the consistency of the Trustees’ Report, which includes the Strategic Report with the Report and Financial Statements. Their report on the full Report and Financial Statements contained no statement under sections 498 (2) (a), 498 (2) (b) or 498 (3) of the Companies Act 2006. The Summary Financial Statements do not contain sufficient information to allow for a full understanding of the financial affairs of the charity. The extra details are to be found in the full Report and Financial Statements referred to above. Copies of the full Report and Financial Statements, including the Trustees’ Report, may be obtained from International Alert’s website at www.international-alert.org/our-finances.

Gregor Stewart
Honorary Treasurer
International Alert

Independent Auditor’s Statement to the Trustees of International Alert

We have examined the Summary Financial Statements for the year ended 31 December 2015 set out on pages 8 and 9.

Respective responsibilities of the Trustees and the Auditor

The Trustees are responsible for preparing the Summary Financial Statements in accordance with applicable United Kingdom law and the recommendations of the Financial Reporting Standard 102 (effective 1 January 2015).

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statements with the full Report and Financial Statements.

We also read the other information contained in the Summary Financial Statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statements. The other information comprises only The Treasurer’s Report and two pictorial representations of income and expenditure.

Basis of opinion

We conducted our work in accordance with Practice Note 11 issued by the Auditing Practices Board. Our report on the company’s full Report and Financial Statements describes the basis of our opinion on those Financial Statements.

Opinion

In our opinion the Summary Financial Statements are consistent with the full Report and Financial Statements of International Alert for the year ended 31 December 2015.

30 June 2016

Neil Finlayson
Senior Statutory Auditor
for and on behalf of Kingston Smith LLP,
Statutory Auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD
Balance sheet at 31 December 2015

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<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
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<td>£’000</td>
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<td>Tangible assets</td>
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<td>Amounts falling due within one year</td>
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<td>984</td>
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<td>1,078</td>
<td>984</td>
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<td>Net current assets</td>
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<td>4,943</td>
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<td>Total net assets</td>
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<td>4,982</td>
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Funds

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<td>Unrestricted</td>
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<td>1,400</td>
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<td>Designated to Organisational Investment Fund</td>
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<td>596</td>
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<td>1,977</td>
<td>2,060</td>
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<td>Restricted</td>
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<td>4,121</td>
<td>2,922</td>
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Our income

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<th>2012</th>
<th>2013</th>
<th>2014</th>
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<td>£9,902,000</td>
<td>£13,028,000</td>
<td>£12,979,000</td>
<td>£12,962,000</td>
<td>£14,784,000</td>
<td>£15,118,000</td>
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</table>

How we spent your money in 2015

Africa programme 48%
Asia programme 14%
Eurasia programme 13%
Middle East and North Africa programme 12%
Peacebuilding issues programme 9%
Emerging programmes 3%
Fundraising 1%

Note: Programme costs include a pro-rata allocation of central costs.
Statement of financial activities (including income and expenditure account) for the year ended 31 December 2015

<table>
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<tr>
<th></th>
<th>Unrestricted Funds</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Restricted Funds</th>
<th>Total</th>
<th>Total</th>
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<td>£’000</td>
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<td>£’000</td>
<td>£’000</td>
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<td><strong>Income from:</strong></td>
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<td>Institutional grants</td>
<td>1,379</td>
<td>1,588</td>
<td>-</td>
<td>-</td>
<td>1,379</td>
<td>1,588</td>
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<tr>
<td>Donations</td>
<td>108</td>
<td>187</td>
<td>-</td>
<td>-</td>
<td>108</td>
<td>187</td>
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<td>Working with people to make a positive difference for peace</td>
<td>668</td>
<td>719</td>
<td>9,606</td>
<td>8,879</td>
<td>10,274</td>
<td>9,598</td>
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<td>Improving international policies that affect the prospects for peace</td>
<td>226</td>
<td>230</td>
<td>2,873</td>
<td>2,928</td>
<td>3,099</td>
<td>3,158</td>
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<td>Strengthening the peacebuilding sector</td>
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<td>20</td>
<td>230</td>
<td>229</td>
<td>255</td>
<td>249</td>
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<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>4</td>
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<td><strong>Total income</strong></td>
<td>2,407</td>
<td>2,747</td>
<td>12,711</td>
<td>12,037</td>
<td>15,118</td>
<td>14,784</td>
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<td><strong>Expenditure on:</strong></td>
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<td></td>
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<tr>
<td>Raising funds</td>
<td>182</td>
<td>206</td>
<td>-</td>
<td>-</td>
<td>182</td>
<td>206</td>
</tr>
<tr>
<td><strong>Charitable activities</strong></td>
<td></td>
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<td>Working with people to make a positive difference for peace</td>
<td>1,238</td>
<td>1,402</td>
<td>8,714</td>
<td>8,468</td>
<td>9,592</td>
<td>9,870</td>
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<tr>
<td>Improving international policies that affect the prospects for peace</td>
<td>658</td>
<td>711</td>
<td>2,652</td>
<td>2,878</td>
<td>3,310</td>
<td>3,589</td>
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<tr>
<td>Strengthening the peacebuilding sector</td>
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<td>303</td>
<td>253</td>
<td>231</td>
<td>558</td>
<td>534</td>
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<td><strong>Total expenditure</strong></td>
<td>2,383</td>
<td>2,622</td>
<td>11,619</td>
<td>11,577</td>
<td>14,002</td>
<td>14,199</td>
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<tr>
<td>Net income before transfers</td>
<td>24</td>
<td>125</td>
<td>1,092</td>
<td>460</td>
<td>1,116</td>
<td>585</td>
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<tr>
<td>Transfers between funds</td>
<td>(107)</td>
<td>-</td>
<td>107</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Net income/(expenditure)</strong></td>
<td>(83)</td>
<td>125</td>
<td>1,199</td>
<td>460</td>
<td>1,116</td>
<td>585</td>
</tr>
</tbody>
</table>

Total funds brought forward at 1 January 2015

|                      | 2,060  | 1,935  | 2,922  | 2,462  | 4,982 | 4,397 |

Total funds carried forward at 31 December 2015

|                      | 1,977  | 2,060  | 4,121  | 2,922  | 6,098 | 4,982 |
WITH YOUR SUPPORT, WE CAN HELP MORE PEOPLE BUILD PEACEFUL LIVES.

intalert.org/donate

Thank you!