



international
alert

Annual Report and Accounts

For year ended 31 December 2021



“There comes a point where we need to stop just pulling people out of the river. We need to go upstream and find out why they’re falling in.”

Late patron Archbishop Desmond Tutu (1931–2021)

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Layout: D.R. ink

Cover image: Elders engage in dialogue over grievances arising from oil operations in Turkana county, Kenya.

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Organisational details

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| Trustees (also directors of the company) | Ambassador (retired) Carey Cavanaugh* (US) – Chair Richard Langstaff* (UK/US) – Honorary Treasurer Hans Bolscher* (Netherlands) Emine Bozkurt (Netherlands) Nina Caspersen (Denmark/UK) Christopher Deri (US) Abir Haj Ibrahim (Syria/UAE) Lisa Lynn Rose* (US/Northern Ireland) Erin Segilia Chase* (US/UK) |
|--|--|

* Denotes member of the Strategy, Risk and Audit Committee

| | |
|---------------------------|--|
| Principal officers | Michael Young, Chief Executive Officer (until February 2021) Nic Hailey, Executive Director (from September 2021) Senait Fassil, Director of Finance and Operations, and Interim Co-Executive Director (March–September 2021) Kathryn Tomlinson, Interim Director of Programmes (from February 2021) and Interim Co-Executive Director (March–September 2021) Liz Dobson, Director of Resource Development (on maternity leave from August 2021) Richard Ashiagbor, Interim Director of Resource Development (from July 2021) Julian Egan, Director of Advocacy and Communications (until October 2021) Mark Nowotny, Interim Director of Policy, Advocacy and Communications (from October 2021) |
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|---------------|--|
| Status | Company limited by guarantee without share capital (registration number 2153193) in England and Wales, governed by Memorandum and Articles of Association, incorporated on 6 August 1987, registered as a charity on 24 September 1987 (registration number 327553). |
|---------------|--|

| | |
|--------------------------|---------------------------------------|
| 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.

Foreword from the Chair of our Board of Trustees

The world today yearns for peace. As war rages in Ukraine, newspapers and television around the world report daily on the slaughter of civilians and destruction of cities. Sadly, Ukraine is only the latest nation to be suffering: 2021 saw significant bloodshed in Afghanistan, Ethiopia, South Sudan, Syria and Yemen, and increased conflict and instability in dozens more countries.

Conflict and fragility today blight the lives of over two billion people. Prior to this year, one in 95 people globally had fled their homes due to violence or disaster. Ukraine has now added millions more internally displaced people and refugees to their ranks, straining the ability of international institutions and host nations alike to accommodate their needs.

In our interconnected world, increasingly all conflict has global ramifications. Ukraine provides a perfect case in point. While we are all witnessing the horrific human toll of fighting between Russia and Ukraine, the political and economic impacts of this conflict have only begun to be felt. As governments reallocate budgets to meet new demands and increased defence concerns, which important domestic and international programmes will go under-funded? Will the essential political cooperation needed to tackle pressing global issues, such as nuclear arms control and the climate crisis, be possible in this new political environment?

Economically we have seen turbulent stock markets worldwide and rising grain, energy and fertiliser prices. Indeed, given Ukraine and Russia's leading role as suppliers of wheat (together they provided over 25% of global exports), countries in north Africa and the Middle East to south and southeast Asia now face food insecurity and, due to potential supply shortages, social unrest.

The need to promote peace and peacebuilding has never been greater. International institutions and nation states have the lead role here, establishing ceasefires, crafting diplomatic approaches and supplying emergency relief. Yet, as a former peace mediator, I also know sustainable peace requires direct engagement with local communities on cooperation and reconciliation. This is where organisations like International Alert and our colleagues in the peacebuilding sector perform essential roles.

In 2021, Alert supported peace across the globe. We used conflict data to influence key legislation in the Philippines, supported water diplomacy and dialogue in Mali and Kenya, improved religious leaders' understandings of gender-based violence in Kyrgyzstan and supported violence prevention for children in Lebanon, to name but a few examples. Internally, Alert created a Conflict Hub to strengthen our expertise in conflict sensitivity and conflict analysis, established a Gender, Diversity, Equity and Inclusion Steering Committee to drive forward change in the organisation and expanded our European headquarters in the Hague to increase our partnerships with European institutions and interactions with donors.

Whether you wish to see progress on reducing poverty and inequality, on the climate crisis, on gender equality or on the Sustainable Development Goals, ending cycles of violence remains paramount for success and Alert stands ready to help.



Carey Cavanaugh

US Ambassador (retired),
Chair, Board of Trustees

Foreword from our Executive Director

Three months ago I met a woman and the man who tried to kill her. The rest of her family was murdered in the genocide against the Tutsi, but she managed to hide. He found out and went back to get her; she managed to escape again.

He murdered many others, was caught and spent years in jail. She suffered decades of grief and severe post-traumatic stress. She was convinced he would come back at any time to kill her.

A short time back she joined a local peace club to get psycho-social support and counselling. For the first time since the genocide, she felt she was healing.

Then he was released from jail and joined the peace club too. She almost quit. But he too got help and started to heal. He asked for and received her forgiveness.

They now embrace when they meet.

Through the peace club, they work together with around 30 others from Gasabo district – survivors, perpetrators, orphans. They run a village savings and loan scheme to which they all contribute: it has allowed every member to buy livestock and also provides a common fund for emergencies. They've founded a basket-weaving cooperative. They're healing and starting to prosper together.

Amid a global crisis of conflict and fragility, there are thousands of stories like this that prove peace is possible and changes lives. Thank you for your support and partnership as we work together for peace.



Nic Hailey
Executive Director

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 the 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 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.

Locations

Africa

Mali

We work to strengthen security governance, improve trust and collaboration between citizens and the state, and manage natural resource and water-related conflicts.

Niger and Chad

We produce conflict analysis and support partners to embed conflict and gender sensitivity into resilience programming in border communities.

Rwanda

We support societal healing through peaceful reintegration and reconciliation of survivors, perpetrators, ex-combatants and young people affected by the genocide and its consequences and other emerging conflicts.

Nigeria

We contribute to greater social cohesion and increase the capacity of communities to prevent and manage conflict, specifically relating to the reintegration of women and girls held captive by Boko Haram.

Kenya

We support conflict-sensitive management of natural resources, increasing inclusive and participatory political governance, and championing gender justice and equity.

DRC

We contribute to increasing inclusive peace processes and building social cohesion, including working to reduce natural resource management-related conflict, strengthen regional social cohesion through cross-border trade and engage the private sector in promoting peace and equitable economic development.

Burundi

We support women cross-border traders to engage constructively with their peers at home and in neighbouring countries on social and economic issues of mutual interest and to challenge harmful gender norms.

Europe and Central Asia

Ukraine

Before the 2022 crisis, we focused on increasing the capacity of civil society to contribute to social cohesion within their communities, building nationwide informal networks and fostering constructive engagement with local authorities.

South Caucasus

We work with young people, journalists and activists to promote shared identities, social change and local agency across the region.

Kyrgyzstan

We facilitate multi-stakeholder policy dialogue on issues including natural resource management and the relationship between the state and religion, as well as working to strengthen civil society and prevent gender-based violence and election-related violence.

Tajikistan

We help people to find peaceful solutions to conflict by focusing on the issues that influence peace, including promoting more equitable gender relations to reduce the levels of violence against women and girls.

Asia

Nepal

We work to strengthen the citizen–state relationship for open, inclusive and accountable federal governance, including tackling harmful social and gender norms and enhancing access to justice and public services.

Myanmar

We work to reduce sexual and gender-based violence by using more inclusive and comprehensive approaches to integrating gender into peacebuilding and strengthening community-based conflict monitoring.

Philippines

We focus on addressing rebellion-related, community-level conflicts and emerging threats of violence in Mindanao through research and analysis, advocacy, capacity building and facilitation of multi-stakeholder processes.

Middle East and North Africa

Tunisia

We support the democratic transition process and human rights by promoting the inclusion of disadvantaged groups – particularly young people and women in marginalised areas – in authorities' decision making on public policies and in access to health, water and education through participatory local democracy.

Syria

We support local and international peace processes, focusing on the meaningful participation of civil society, women, young people and other marginalised groups in the process.

Lebanon

We work with community leaders, authorities and local women's and youth networks to help address the priorities of communities and build safer and more stable communities, and support national and international partners to integrate conflict sensitivity and social stability into their development and humanitarian work.

Our work in 2021

How we build peace

We use a variety of methods to support people to address conflicts without the use of violence, through analysing the drivers of conflict, supporting civil society and government actors to use peaceful tools including dialogue to resolve conflicts, and enabling the delivery of aid in ways that do not increase the risk of violent conflict.

Partnerships

We believe that peaceful solutions to conflict can only be found by involving those who are directly affected by the conflict, and this often requires systematic, societal change. Therefore, partnerships with organisations in the countries in which we work is essential to achieving peacebuilding change. In 2021, we collaborated with **132 partners** around the world. We work hard to develop and cultivate partnerships over many years, to help ensure our efforts have a greater and more lasting impact. These partnerships shape our work, locally and globally. Together with our partners, last year we engaged and **supported 98,440 people**, of whom 54% were women, 45% were men and 1% identified as 'other' or preferred not to reveal their gender identity.

Research and analysis

Working to bring about peace requires first an understanding of what is causing the violence. That is why all our work begins with research and analysis of the conflict in question, including investigating what drives the conflict and who is involved. This analysis forms the bedrock of our programming efforts to address the drivers of conflict and enables us to adapt effectively to changing dynamics.

In the **Philippines**, we gather, analyse and share conflict data to support the prevention, resolution and restitution of violent conflict. Since 2013, the conflict monitoring system 'Conflict Alert' has recorded the incidence, causes and human costs of violent

conflict in the Philippines' Bangsamoro Autonomous Region in Muslim Mindanao. We gather data on conflict incidents from reputable sources, encode it, have it validated by community stakeholders and experts, then analyse and disseminate key findings through targeted briefings, policy briefs, analytical pieces in the media and an annual report. The data and analyses we produce are used by government agencies, legislators, the diplomatic community, local and international scholars, media and other entities interested in understanding and averting violent conflict and addressing its key drivers.

Alongside this, our Critical Events Monitoring System (CEMS) receives real-time reports on emerging conflict threats and potential violent flashpoints via SMS and two-way radio from our community-based Early Response Network (ERN) in conflict hotspots. Our ERN shares these alerts to members of local disaster risk reduction offices, government agencies and traditional and religious leaders who can provide appropriate responses to avoid further escalation. For example, in April, an armed clash between the military and the National People's Army in a remote area in Lanao del Sur province displaced hundreds of people. The incident was reported via the CEMS, prompting our ERN members to coordinate with local agencies and deploy immediate response. As a result, the Department of Social Welfare and Development arrived the next morning with relief for the displaced people. The remoteness of the region means that the government response would otherwise have taken much longer.

In 2021, local, national and international level discussions, planning processes and strategy development were aided by Conflict Alert and CEMS, notably on issues affecting the Bangsamoro region's ongoing political transition. Our work influenced key pieces of legislation. We strengthened support among legislators from the Senate and Congress for the Marawi Compensation Bill (to provide compensation to those who lost loved ones or whose homes and property were destroyed during the 2017 siege), which was signed into law in April 2022; we

prompted the filing of a Congressional Resolution to protect and promote indigenous people's rights in the Bangsamoro Autonomous Region in Muslim Mindanao in June 2021; and we contributed to the passage of the Equality and Non-Discrimination on Race, Ethnicity, and Religion Act in February 2021 through advocacy, provision of data to consultations, technical working groups and committee hearings, and participating as resource persons in legislative hearings and deliberations.

In **Ukraine**, we analysed perceptions of peacebuilding efforts by local, national and international actors in relation to the armed conflict in the Donbas region. This showed that peacebuilding in and around the Donbas has been defined by donor-driven project activities that focus predominantly on the conflict's consequences, rather than being driven by a vision and strategies to address the conflict's root causes. The cumulative effect of these shortcomings has been disillusionment and burnout within the sector, sceptical attitudes both towards and from external actors (donors and policy-makers) and a shared feeling of unmet expectations. In the report, published in August 2021, we advocated for the reform of conceptual, methodological and structural approaches to peacebuilding in the Donbas context, and in Ukraine more broadly.

Dialogue

We enable people directly affected by conflict to build peace by promoting dialogue, connecting people across conflict lines. Dialogue is the bringing together of people involved in a conflict to improve relationships and build trust. By creating a space for understanding one another's different perspectives where each feels heard, dialogue provides people and groups with the chance to communicate constructively about conflict issues. This could be to resolve a particular dispute, for example over access to water or land. Or it could be about creating a safe space for ongoing communication, for example to reduce tensions and misconceptions, and to create a shared vision for change. Dialogue is a central tool in our peacebuilding. As well as facilitating dialogue directly ourselves, we support partner organisations and community members to convene and facilitate dialogue between conflict parties. In 2021, Alert and our partners facilitated **758 dialogue meetings**,

bringing a total of 46,993 people (54% women, 45.5% men, 0.5% other) together to talk.

In Migori county, **Kenya**, Alert and our partner PeaceNet supported local peace actors to use dialogue to address community conflicts. The theft of cattle is a key driver of the conflict between pastoralist Kuria and Masai communities, who rarely engage in structured forums to address the problem. We supported the formation of local peace committees in both communities. Their regular dialogues have resulted in a reduction of cattle theft, the return of stolen cattle and the prevention of revenge attacks, as well as the resolution of decades-old land disputes and a government amnesty resulting in the handover of weapons. As well as reducing violence and deaths in the communities, this has built trust and encouraged communities to interact more, increasing trade and other exchanges.

While most of our dialogue work focuses on community and sub-national conflicts, in **Syria** we have worked at multiple levels. Alert and our partners created safe spaces for diverse Syrians based in multiple countries to meet and discuss key issues related to the peace process and the future of their country. Participants stated that it is crucial to create bridges between Syrians everywhere and that this work has fortified their sense of belonging. We also facilitated a series of dialogues with national actors to support the development of a roadmap for negotiations in the Syrian political process, using security sector transformation as an entry point. The adoption of the roadmap suggests a readiness to explore alternative negotiating strategies and to develop a more comprehensive and robust negotiating agenda that factors in the 'frozen conflict' reality and a deadlocked UN political process. The outlining of this agenda – which focuses on creating a 'safe, calm and neutral environment' as a conducive environment for future political talks towards a ceasefire and political settlement – was the main output of our work.

Training, capacity building and mentoring

We support partners and others to learn about peacebuilding approaches and develop the skills needed to address conflict and support peace.

In 2021, we ran **317 training, capacity building and mentoring** activities, involving 17,034 people (54% women, 43% men, 3% other). Whether we are working at a local or international level, with individuals, organisations or governments, we root our training in our direct experience of peacebuilding and the successes and challenges this involves. We are always context-specific, tailoring our approach to the context and to the needs and nature of learners. As well as supporting communities and local and national partners to increase their peacebuilding skills and experience, we support the wider aid sector to ensure that development initiatives do not inadvertently exacerbate conflict. The establishment last year of our Conflict Hub, as a focus for **conflict sensitivity** and conflict analysis expertise, was a key aspect of this work. We have also developed an online conflict sensitivity training to be launched with the Netherlands Ministry of Foreign Affairs.

In **Lebanon**, 2021 was a year of continued economic, political and security turmoil, worsened by the pandemic. Relations between Lebanese of different backgrounds deteriorated significantly along with relations between Lebanese and refugees. The economic downturn and the devaluation of the lira has pushed more than 50% of the population below the poverty line, with an estimated 90% of Syrian refugees living in extreme poverty. Our Lebanon team has continued to implement direct peacebuilding interventions, but also recognised that influencing institutional and material change relies on partnerships with large humanitarian and development actors. We therefore worked to inform donor and international partner policies and programming through consortia and working groups. With the UN Development Programme (UNDP) and House of Peace, we provided practical training on conflict-sensitive procurement – a particularly sensitive issue in Lebanon – to more than 60 representatives of local and international NGOs. Our formal and informal advice and feedback on policy documents and in trainings with such actors has helped maintain space for practical and adaptable models of conflict sensitivity.

We also seek to advise on effective – and ineffective – peacebuilding strategies. We saw an increased uptake of our approach, lessons and evidence for taking a peacebuilding and conflict-sensitive approach to

preventing violent extremism. We provided capacity building in monitoring, evaluation and learning as well as advisory services. We shared best practice from our work with UNDP's Regional Bureau for Arab States and in the Philippines at the third Oslo Global Preventing Violent Extremism Conference, attended by over 1,500 participants. We also provided conflict sensitivity advisory support to Save the Children's Sahel offices (Niger, Burkina Faso, Mali and Nigeria) through training and accompaniment.

Influencing

We seek to shape policies and practices to reduce violence and prevent conflict by better addressing the root causes and influencing structural change in favour of peace. To do this, we draw on our own experience, research and analysis. But we also depend on the knowledge of our partners and local peacebuilders, ensuring their voices are heard by decision-makers. In 2021, we undertook **162 advocacy and outreach activities** to influence change or raise awareness, directly reaching 20,294 people (53% women, 46% men, 1% other). Our **communications** – from radio plays and documentaries to webinars and opinion pieces – ensured our messages on key issues affecting peace and conflict reached over 750,000 more people indirectly around the world.

The factors that promote peace

We believe that peace is more than just the absence of violence. While the period after the fighting stops and a return to normality is welcome, stability frequently masks the reality that grievances or other causes of conflict have not been addressed and may erupt again. We therefore work to support 'positive peace': people anticipating and managing conflicts without violence and engaging in inclusive social change processes that improve the quality of people's lives. This involves addressing issues of power, income, security, justice and wellbeing within society. We therefore also work to support people to achieve positive changes in these 'peace factors', to ensure the ongoing conditions for peaceful change.

Power

How power is exercised is by far the greatest factor that contributes to conditions for peace. Much conflict is the result of two or more parties competing for power: how governance and leadership are exercised, how people interrelate, and how they and others identify that they belong. We work to ensure that power, and the associated conflict, is exercised inclusively, fairly and without use of violence.

Participation in governance

People should have influence over the choice of those who provide them with leadership and over the directions and conduct of such leaders. They also need to be able to voice their impressions of whether or not the system of governance itself is working well, or if it needs adjusting. In many of the countries in which we work, we seek to enable greater participation of people in the decisions that affect them, both by supporting increased engagement between citizens and government officials, and by advocating for national changes based on what we and our partners have learned working at a community level.

In **Mali**, violent conflict often takes place at the local level, where state authorities and government forces may be absent. Our interventions have created safe spaces for community dialogue and engagement with government officials to address governance issues and other root causes of conflict. Training on conflict analysis and advocacy methods have also allowed participants to understand and assess conflict dynamics and the actions they can take to influence decision-making. Through the dialogue forums established by Alert, local community leaders have resolved long-standing disputes over succession rights. Community members and youth advocated to the local mayor to introduce a joint patrol with security forces and local youths to help reduce livestock theft and civil society members have successfully advocated to the national authorities for a reduction in the costs of identity cards. These forums have improved trust and collaboration by demonstrating to participants that their collective, organised efforts can be transformative and by

providing the space for conflicting groups to come together to work for the benefit of their communities.

Social cohesion

Strong relationships within a community, particularly between people from different groups, is essential in preventing conflict escalating into violence. Such relationships are also important in bringing those who have been at conflict back into a more normal and stable social interaction. Much of Alert and our partners' work is focussed on strengthening this social cohesion – the relationships and sense of connectedness among members of a community.

This was a particular focus of our work in northeast **Nigeria** in 2021, where we work with communities affected by the Boko Haram insurgency. Recognising that it takes many actors and many approaches to build and maintain a cohesive community, we worked with community and religious leaders, youth, women and girls who survived Boko Haram captivity and other community members. Our partners worked with relevant stakeholders to support the reintegration of those associated with Boko Haram. Community members suggested culturally and socially accepted activities such as cooking competitions, community theatres and football matches as ways to create bonds between them and isolated survivors of Boko Haram and their children. Some decided to start the bonding process by visiting returnees to apologise for their poor behaviour towards them after their return.

Our work resulted in significant shifts in attitudes: 99% of community participants in our reintegration socio-cultural activities reported that the programme had positively impacted their attitudes towards other social groups and 93% of women and 100% of girls participating felt less marginalised in their community. Meanwhile, 98% of children reached by peer-to-peer peace club activities in primary schools reported more positive attitudes towards children who had been associated with armed groups. In Yobe state, our work changed community members' perceptions of returnee women, resulting in 16 women being accepted back into their families, having previously been rejected. Trained community leaders and social welfare officers were active in identifying survivors, facilitating support sessions



A training session in mediation and conflict and gender sensitivity for women in Borno state, northern Nigeria, to help improve conflict resolution and security locally. © International Alert

and conducting follow-up monitoring, where they had previously stigmatised the survivors. Survivors have testified that the rejection led them to want to return to Boko Haram. The increased acceptance led not only to improved wellbeing for returnees, but also improved community social cohesion. The leadership of community members is also a good sign for the sustainability of the efforts, as they will be equipped with the skills and experience to continue the work.

In **Nepal**, we work to make the transitional justice process following the civil war of 1996–2006 more responsive to the victims and to increase local and provincial government engagement with those victims. As a result of our work, local governments allocated budget to support conflict-affected groups. Fifty-year-old Mangati Tharu and her son and daughter have had no news from or about her husband since he was arrested by security forces in 2001. Mangati has suffered physically and mentally since her husband's arrest, experiencing irritability, frustration, loss of appetite, loneliness, headaches and chest pain, and feels she has no-one with whom to share these feelings. She and her children participated in our family-centred programming, including a 10-week social and gender empowerment

training and five-week economic empowerment training. She learned how to better manage her family's money and has been motivated to rear goats to increase the family's income. In addition, she has received psycho-social counselling and her mental health symptoms are gradually subsiding. She said, "Now I have started paying attention to how and where the family expenses are going and focusing more on saving than spending money on useless matters. I now have the knowledge about how I can take my business forward and improve it."

The implementation of programmes to address the needs of conflict victims, 15 years after the end of the war, is a significant change. It is resulting in economic and wellbeing improvements, as well as helping the victims to feel more secure. Civil society actors have collaborated to continue such work. The District Transitional Justice Network (DTJN) in Dang organised several advocacy meetings with the local government, seeking to secure scholarship support for conflict-affected children in the Belwa area. Officials coordinated with a local school and provided scholarship to eight conflict-affected children, from grades 1 to 9. Pramod Chaudhary, who lost his parents during the armed



The youth dialogue group in Bekaa do an assessment of a site selected for 'placemaking', which is about reimagining and reinventing an existing public space. © Ghina Kanawaty/Catalytic Action

conflict, said, "I was always worried about my school fees due to lack of money. But now I have a scholarship to continue my studies. I can study with more confidence. Thank you to DTJN for advocating with the local government and school for our rights."

Inclusion of young people

While people in any society will have differing amounts and types of power, a peaceful society is one that does not exclude sections of its population from power on account of their membership of a particular group or identity, such as sex, age, ethnicity or religion. A society that structurally excludes some of its members is a society that is failing to resolve conflicts and is thus prone to violence. We therefore work to support the inclusion of people of all groups in decision-making in society. We have a particular focus on youth inclusion.

Socio-economic and political exclusion of young people can be a driver of conflict. But young people can also be active peacebuilders, helping directly to resolve conflicts as well as working to improve the factors that lead to a more cohesive, resilient and prosperous society.

In **Lebanon**, we worked with local authorities and young people to undertake an analysis of the conflict dynamics in central Bekaa, an area which hosts a large concentration of Syrian refugees. We identified the need to address conflict between young people in Bekaa and improve linkages between youth networks and local authorities. Participants were keen to open spaces for dialogue within and between communities. Lebanese youth welcomed Syrians in these dialogues and together they had open discussions. With the youth dialogue group, we used 'placemaking' (reimagining and reinventing an existing public space in their village) as a way to support and coach them to implement their own community initiative. One participant said:

"Peace is there within us, hidden within everyone. It is time to get off our family or political affiliations and have a new blood, a new generation participating in such youth groups, which aim to work for the village."

In Tripoli, we established a new youth dialogue group that is extremely dynamic and leading local peacebuilding initiatives. Diverse youth are engaging outside of the Alert sessions and proactively

proposing shared priorities. Young people in Tripoli, many for the first time, are meeting across neighbourhoods, nationalities, socio-economics, gender and other dividing lines. In doing so, they are strengthening the bonds between different groups, increasing social cohesion and making their communities more resilient to violent conflict.

We have been excited to see young people in many contexts in which we work also taking the lead in this way. In the **South Caucasus**, we have been supporting young people to increase their understandings of the influence of conflict on their societies. Young people's motivation for civic activism increased through implementing small initiatives within our project. Despite the pandemic and the deteriorated political situation, we maintained dialogue among key local partners, both online and in-person. Grassroots, youth-led organisations are now empowered to operate in a region where civil society space is shrinking, including on difficult topics such as ethnic minorities, violence against women and girls, and disabilities.

Gender

Gender refers to the socially-constructed roles and expectations that are attributed to men, women, girls and boys on the basis of their sex. Gender is one of the factors that influences, positively and negatively, the ability of societies to manage conflict without resorting to violence. Norms that promote narrow, uncompromising and violent identities for boys and men are an important underlying cause of high levels of violence throughout society. Individuals who have the courage to break prevailing gender norms and stand up against violence risk losing fundamental rights and endangering their own safety. Violent conflict is a driver for changes in gender relations. Women often take on a broader range of economic and societal roles in times of conflict, but conflict can also give rise to more rigid gender stereotypes that men and women are expected to fulfil. We aim to make use of positive changes in gender relations during conflict to promote more peaceful and inclusive societies.

In **Myanmar**, we worked with communities in Yangon and Rakhine to improve family communication and reduce gender-based violence, increasing

understandings of gendered power dynamics. We saw improved communication skills among participants, including active listening, improved self-confidence, greater understanding of others, and being patient and less aggressive. Some families reported improved relationships, fewer arguments and less domestic violence as a result of our work. Male and female participants shared learning from the training with others. For example, an older man from Mingalardon said he shared the learning with his wife, stopped beating his child and treated his wife with respect after attending the dialogue meetings. These changes are significant because enhanced communication skills contribute to more cohesive families and communities. This is especially important now, at a time of increased violence and militarisation in the country, when there is a heightened risk of a breakdown of gendered relations and entrenchment of everyday violence and insecurity for women. Our dialogue activities have contributed to men's increased understandings of gender relations, and particularly of harmful norms, behaviours and attitudes. Enhanced communication is essential for maintaining connections amid conflict and providing critical alternatives to violence at all levels, which benefit women and gendered relations.

In **Tajikistan**, we worked to support reduction in stigma and violence towards young women, including those living with disabilities. The data we collected from isolated areas where there have been no previous interventions suggests a common experience of violence among women with disabilities. Feedback from the women with whom we work indicates they have seen a shift in their families' attitudes towards them, including a reduction in the violence they have experienced and an increase in opportunities to participate in family economic life. For many, this was their first experience of working outside of their houses, which has had a profound effect on their own outlook and helped to challenge societal stereotypes, prejudices and ableism. Local partners reported a noticeable increase in non-violent communication, both in target families and in the community, demonstrating that work in households can contribute to broader social cohesion.

In Wajir county, **Kenya**, prevalent social and cultural norms have limited women's access to decision-making and political space. As a result, women were

never considered for elective political positions by the Council of Elders, known as 'Sultans', who play a key role in endorsing political aspirants in an election. With Alert's support, our partners Focus on Arid Land and Integrated Development and Maendeleo Ya Wanawake Organization held consultative meetings to revive the women's movement. This included establishing a joint forum of key women, the Wajir County Council of Women, which successfully advocated for women's inclusion in elective political positions. After facilitated discussions and consultative sessions, the Council of Elders endorsed two women aspirants to run for Member of the County Assembly, making headlines across local and international media. Following the media coverage, UN Women promised financial support for the Wajir County Council of Women. The two organisations have achieved a milestone in the political history of the region. Despite traditional practices excluding women from politics, there is now recognition and acceptance of their role by the traditional Council of Elders, county government and the general public. Women can now participate in leadership in Wajir county.

Media

A free and independent media is an essential component of any peaceful society. As well as enabling all members of society to access, share and debate information, the media plays an important role in holding those in power to account, monitoring and reporting on their actions. It also provides a public space for dialogue between citizens and government. Restrictions on media freedom threaten the open exchange of views within society and hence the ability of members of that society to resolve conflicts peacefully. The way in which the media reports can either inflame or reduce conflict. As a journalist in Migori county, **Kenya** noted, "If I report in that way, people in this community could get hurt." We work to hold open the space for a free media and to support journalists to work in a conflict-sensitive way.

In **Nepal**, we support the media to be more professional and independent and increase state accountability. We trained emerging journalists, from women's and other marginalised groups, to undertake professional and accountable journalism.

We held a seven-day training for 331 journalists, covering journalism fundamentals, gender equality, the journalist code of conduct and conflict-sensitive reporting. Of this group, 83 have since begun evidence-based reporting to make the state more accountable towards its citizens. Goma Dhungana, a young journalist from Biratnagar, who has worked at the online media organisation Sangalo Khabar for two years, said:

"I have never been part of any training on journalism before. Prior to this I wrote news based on inadequate information. Now I make sure to verify information with multiple sources before publishing it. My knowledge about journalism has increased immensely and the training has allowed me to be better at my job. I am now better able to investigate news content and publish news with in-depth information, which makes the state more accountable. This skill also helps to avoid misinformation in the news. This kind of support to journalists is immeasurable."

We also strengthened the capacity of the Federation of Nepali Journalists to advocate for media-friendly policies at the local, provincial and federal level, through forming 11 Free Media Networks. With our support, the Federation of Nepali Journalists influenced one federal and four provincial legislative processes, undertaking timely advocacy using policy analysis papers on the draft communication bills. Three provincial chief ministers committed to making the bills more media friendly, and one province has already changed the contested provisions in the laws after the project's advocacy. These activities have resulted in a less restrictive environment for journalism and greater freedom of expression enshrined in law.

Income and assets

Everyone needs to be able to make a living, to provide for themselves and their families. Ensuring fair and inclusive economic opportunities is a key factor in developing a peaceful society. If people are financially excluded on the basis of some aspect of their identity, there is a risk of increased social tension and potentially violence.

Trade

Working with 6,000 women small-scale traders across the **Burundi, Democratic Republic of Congo (DRC)** and **Rwanda** borders, we have built social cohesion and enhanced livelihoods. For example, 99% of the participants said they would be open to one of their children marrying someone from another ethnic group, up from less than half of participants at the beginning of the project. As we reported last year, when the coronavirus disease (COVID-19) pandemic closed borders, participants felt able to collectivise their trade through a group purchasing scheme, trusting they would get the proceeds back once their goods were sold. This system persists even as borders reopen and has led to an increase in profits, as women are more informed and strategic about what they sell on either side of the border. Twice as many participants are now able to pay medical and school fees compared to at the start of the project, and three times as many of their husbands/partners now help with household chores. We have since been asked to join the regional governmental committee on cross-border trade, which allows us to support women's voices and needs to be recognised by authorities responsible for developing regional trade agreements.

Globally, we have worked with the Voluntary Principles Initiative (VPI) to support the implementation of the Voluntary Principles on Security and Human Rights. The VPI involves governments, international NGOs and companies that extract, harvest or develop natural resources and energy, strengthening members' capacities to address security issues and ensure human rights are represented in business operations. Focused on avoiding individual human rights abuses, VPI's current tools do not take sufficient account of the risks of business operations creating new or exacerbating existing conflicts. We helped VPI members to develop a new conflict sensitivity tool that is being piloted by two corporate members. This paves the way for us to engage bilaterally with companies to ensure they are applying these tools successfully.

Natural resource management

People need fair and well managed access to the resources on which they depend to earn a living.

Therefore, governance and income are closely interlinked. We work extensively to support the peaceful management of natural resources, particularly water and land, in order to enable people to earn an income.

Eastern **DRC's** rich mineral resources have long funded non-state fighters and fuelled corruption within the Congolese military. The 3Ts (tungsten, tantalum and tin), along with gold, are listed by both the European Union and United States as conflict minerals, meaning they can only be legally exported from DRC if the supply chain can be certified as disconnected from armed groups. Until recently, such certification has been near impossible for small-scale mines. But in November 2021, after advocacy from civil society, Alert and our partners, the country's Minister of Mines signed into law the blue mines certification mechanism. Previously only mining sites validated 'green' (certified) or qualified 'yellow' (requiring a corrective measure) by joint validation teams of government officials and international partners were allowed to export minerals. But these processes have been slow and expensive, with unqualified mine sites often facing long waiting periods for visits by the validation teams. This left thousands of artisanal mines as de facto illegal, despite their aspiration for formalisation. The blue mine status allows a registered mine site to exploit and export minerals while officially waiting for its validation status, with the exporter responsible for publishing a risk assessment of the mining site. Alert and our partners the International Peace Information Service, Observatoire Gouvernance et Paix, Justice Plus and European Network for Central Africa have accompanied the Ministry of Mines throughout 2021 to enable the blue mine status to be established in law, with its final text mirroring much of the language we proposed in our technical meetings and roundtable discussions with officials.

We have also been working with the government, civil society and private sector in DRC to develop seven local security plans, outlining intercommunity priorities around mines. Cutting across political, ethnic and economic divides, these allow mining monitoring committees to identify problems and intervene before conflicts escalate. This led to timely interventions by Ministry of Interior mediators in conflicts among community leaders in the Fizi and Shabunda areas of South Kivu province.



A dialogue forum bringing together water users and authorities to discuss and address key issues affecting water, peace and security in Djenne, Mali. © Ousmane Makaveli

Access to, and control of, water is another driver of conflict that we work to manage, along with our partners and local authorities. We are part of the innovative Water, Peace and Security partnership, which brings together academics, international NGOs and the private sector to develop and test new tools to support policy-makers to identify and reduce the risks of water-related conflict. We are leading on strengthening processes of peaceful conflict resolution through water diplomacy and dialogue in **Kenya** and **Mali**. We also support other consortium partners and the Netherlands government with training on peacebuilding and conflict sensitivity in relation to water security. Our dialogue activities helped strengthen the ability of water users and authorities in the central Delta region of Mali to analyse the threats to effective management of this essential natural resource, as well as provide tools to help the government and communities manage water access and usage without violent conflict. Our conflict analysis findings have been used by our partner Deltares to develop a model for Inner Niger Delta communities and leaders on how flood variation can lead to inter-community clashes. Their scientific local model predicts changes of behaviour of agricultural

communities, herders and fishers in relation to changes in the flood of the Bani and Niger rivers.

We are also working on water management in **Tunisia**, particularly in the border governorate of Kasserine, where access to clean potable water is a challenge. We undertook analysis and training to advocate for citizens' access to water. In partnership with the Tunisia Water Observatory, we have brought together key stakeholders in water management, including the local farmers union and the local branch of the Ministry of Agriculture, as well as affected residents of rural and urban areas in the region, for a training on the complex reality of water governance and legislation. As part of our [#Access_to_water_is_a_constitutional_right](#) awareness campaign, we produced a 12-minute documentary film about access to water in Kasserine (which reached 300,000 people on Facebook), as well as two animations about water governance and the legal frameworks guaranteeing citizens' access to water in the governorate. These videos have generated wide media coverage of the issues and are being used by civil society, universities and thought leaders as a tool for advocacy and learning.



Police officers being trained to be trainers in the use of our Community Score Card in Lumbhini province, Nepal.
© Nepal Police

Justice and safety

Effective laws reduce the ability of people to use violence and protect human rights. In addition to fair laws, a peaceful society needs effective mechanisms to enforce those laws, ensuring that they apply to everyone in society. Such mechanisms enable prevention, protection and punishment, and enable justice not only to be done, but to be seen to be done. In addition, in a peaceful society everyone can live their lives in security without undue fear of physical or psychological threat. A society in which violence against others is commonly used to resolve personal or local conflicts is a society that legitimises violence and is more likely to resort to violence as a solution to political or other conflicts. Police, security forces and others with the power and responsibility to provide security services need to have the trust of the societies they are recruited to protect and the skills and capacity to protect. Both justice and security are usually, but not always, provided by state institutions in a peaceful society. Therefore, peacebuilding work on these two peace factors often involves engagement between communities and government actors.

In **Nepal**, we have been working with the police in 33 local authorities to strengthen relationships with communities, in order to increase the public's confidence in reporting a case or complaint to the police. We introduced a tool called the Community Score Card, a systematic process of non-confrontational dialogues designed to improve collaboration and mutual accountability between the community and police. The Community Score Card guides the development of joint indicators for good performance, accountability standards and a common scoring process. The collaboration fosters stronger ownership of the processes and generates a greater sense of responsibility between the community and police towards each other and the mutually beneficial goal of better community security and justice. The community became more positive towards the police and the 'trust deficit', previously identified as a marker of people's sense of insecurity and marginalisation, has been lessened. As a result of 113 actions jointly planned and implemented by the police and community members, the police saw a 19% increase in 'first information reports' (initial incident reports completed by police). Crime reporting increased and evidence collection and investigation became

easier, especially for incidents of gender-based violence.

In **Nigeria**, we also worked to increase trust, collaboration and accountability between civilians and formal and informal security actors. Lack of trust had led to ineffective security force operations in communities affected by violence, while lack of accountability fuelled abuses and further conflict. Addressing these issues means both improving the likelihood of successful security operations and reducing the risk of harmful behaviour on both sides. The evaluation of this work showed a 23% increase in the number of community members feeling formal security forces were effective and a 61% increase in those saying security forces were accountable. Meanwhile, there was a 33% increase in security forces who said they saw community members as valuable partners in dealing with security matters.

Wellbeing

Another factor in ensuring the conditions for a peaceful society is people's mental and physical wellbeing. This includes how people's mental and physical wellbeing are maintained and their aspirations are considered. This requires health and education to be accessible to all and that services provided are of a quality that allows people to live in dignity. The way in which education is provided should support children to grow up with the desire and the ability to resolve conflicts without violence. Religion can play a significant role in people's mental wellbeing, as well as influencing their values, including about the role of violence in their lives. For others, the quality of their environment, access to leisure opportunities and whether they feel they can follow their aspirations affect their wellbeing and hence their individual and collective ability to live well without conflict and violence. Peaceful societies enable individuals and groups to feel respected and to experience their contribution to social change being valued.

Health

Last year we described the work we did to support responses to the COVID-19 pandemic. Similar work continued in 2021, including providing evidence-

based analysis on the effects of COVID-19 in the **Philippines**, informing pandemic recovery plans and broader emergency responses and protocols to promote inclusive policies and responses and help ensure these did not trigger conflict and violence.

In **DRC**, we worked with joint health structures to bring advocacy priorities to the attention of provincial authorities, including conflict at the border with Burundi over differing costs of COVID-19 tests for cross-border traders. These joint health structures managed to lobby effectively for a standardisation of costs of COVID-19 tests at the border and practical protocols for regular border users.

We also increased our focus on mental health and psycho-social support, both for the people we work with and for our partners and staff working under difficult circumstances. In **Tunisia**, we undertook quantitative research on young people's mental health, with 1,250 respondents. The findings provided unprecedented knowledge around marginalised young people's access to physical and mental health services, which was especially critical during the period of the combined pressures of the pandemic and political crisis. Over two-thirds of respondents reported that their psychological wellbeing was 'very bad' and one in four confirmed the need to visit a psychiatrist in the last year, while over 80% identified stigma as a barrier to accessing counselling. The research also examined violence, addiction and other at-risk behaviours, and included young people in prisons, to understand their psycho-social needs.

Following the second Nagorny Karabakh war in 2020, societies in **Armenia, Azerbaijan** as well as **Nagorny Karabakh** continue to be traumatised, and violent rhetoric – including at the state level – is frequently employed. We pioneered 'trauma-aware' approaches, by increasing local journalists' trauma-sensitive reporting and self-awareness on mental health issues, opening up a taboo topic. Additionally, we provided direct psychological support to individuals affected by the war, particularly journalists and young people.

Education

Schools are centres of learning but unfortunately they can also be centres of learning about violence.



A training for members of the Interfaith Working Group and representatives of religious communities on the prevention of violence against women and girls, Bishkek, Kyrgyzstan. © Iuliia Babiuk/International Alert

In **Lebanon**, we undertook research that showed a high prevalence of violence and acceptance of violence towards children, with 87% having witnessed violence. We worked to improve violence prevention for younger children in three schools and six learning centres. We have engaged over 6,000 community members in preventing violence against children in non-formal education activities, including 562 caregivers and 1,457 children (820 female, 637 male). Among the activities were peace education lessons, community-led initiatives including a library visit, a football game organised by a scout troop, and a 2,500-person gathering to discuss preventing violence against children. As a result of our work, 80% of educators and staff members reported increased knowledge and skills and 88% of children demonstrated improved understanding of preventing violence against children. Additionally, community outreach engaged a wider range of leaders, including faith leaders and municipal representatives, who have influence and legitimacy to challenge perceptions and norms around violence against children. These achievements are important in helping to raise young people to live without the expectation of violence.

We have also supported women traders in the Great Lakes to learn to read and write. Levels of literacy among women cross-border traders in the region are very low – many have never been to school or were forced to drop out after a few years of primary schooling to support their families. As a result, women traders face many challenges in trying to get their small businesses up and running. For example, they are vulnerable to fraud, cannot read tax and legal notices, and struggle to keep track of profit and savings. Our Mupaka Shamba Letu project seeks to strengthen regional cohesion among border communities in **Burundi, DRC and Rwanda** through cross-border trade. We realised early on that our project would only have limited results if we couldn't support women traders to have a voice and strengthen their businesses through literacy. Our partner Collectif Alpha Ujuvi has designed basic literacy programmes appropriate to the lives and needs of women cross-border traders. The women learn how to read, write, calculate and formulate arguments in local languages. Their assessments include essays on subjects important to them, such as the price and origins of local vegetables, the impact of COVID-19 on trade and balancing work and family life. The women study for approximately nine

hours per week over a six-month period. Madame Rachel, one of the women trader students, says:

"It's a lot of time to put to one side when you have to wake up at 5am to feed the family, make sure the children get off to school, and get to the market – especially during COVID times. But it opens a whole new world. I feel much more confident in my business, I can engage better with traders on the other side of the border and it makes me feel proud."

We work with 6,600 women cross-border traders at 12 border crossing points across Burundi, DRC and Rwanda, about 25% of whom benefit from literacy support. The women we have equipped with skills and confidence to advocate for reform of government regulations have put these skills to good use too. In 2021, a group of the women in Kamanyola, DRC, convinced the customary leader to include support for their cooperative in the chiefdom's 2022 budget. In Rubavu, Rwanda, the 30-women cooperative COAGUGI advocated successfully for the exemption of tax worth \$2,000 for the importation of fabrics from Goma, DRC.

Religion

In **Kyrgyzstan**, we worked with religious leaders to increase their understandings of gender and supported them to play an active role in preventing gender-based violence. We began by undertaking research on how gender, masculinities and femininities are perceived in Islamic conservative communities. A team of linguists then designed a gender lexicon in the Kyrgyz language, referring to Kyrgyz history and culture. By grounding gender concepts in accessible language, we promoted improved understanding of these terms and reduced the perception of them as imported 'western values'. We then conducted gender-sensitisation workshops in six different religious communities: Islamic (Sunni), Russian Orthodox, Baha'i, Protestant, Tengri and Roman Catholic. Faith representatives described how equality and domestic violence are addressed in their scriptures, resulting in practical mutual exchange on how they are working on preventing domestic violence and how to advance this work. Finally, we convened an Interfaith Working Group to enable the religious community to contribute to the new National Strategy and National Action Plan

for Gender Equality. At a two-day workshop, leaders of most Kyrgyzstan faiths, the State Commission on Religious Affairs and gender activists developed recommendations to address the needs of women and girls from religious communities. This was the first time that consultations have been held with the religious community to discuss strategic documents on gender, and it has become a precedent for their participation in legislative development.

Progress against our

organisational priorities in 2021

In 2020, we developed a Resilience Plan for investment in structural changes, people and resources to make us more resilient, impactful, influential and competitive. The 10 change commitments in our Resilience Plan formed our organisational priorities for 2021.

1. Build an organisation that is greener and more diverse, equitable, accountable and inclusive

We undertook an organisational eco-audit, as part of our drive to become a nature-neutral organisation and drive down our carbon emissions. Our Gender, Diversity, Equity and Inclusion (GDEI) Steering Committee was established, comprising of 20 staff from across the organisation. The Steering Committee held a series of structured conversations with staff and undertook a review of human resource policies, which will contribute to a GDEI Charter to be launched in 2022. We also established a Global Staff Council, with representatives of each country Staff Council, to enable staff to come together to discuss common concerns.

2. Resolve how we raise and distribute unrestricted core and overheads

Having evaluated our cost base and funding sources, we developed and rolled out a new Resource Allocation Model, to work towards full cost recovery of our operating costs within restricted grants and increase transparency of internal allocation of unrestricted funds.

3. Boost our capacity to identify, track and generate funding

Building on country teams' fundraising support needs, we recalibrated and expanded our Resource Development team, developing clear guidance and processes for donor and partner engagement and bid development. We established a business development function to expand HQ donor connections, reviewed our systems and refreshed our major giving programme.

4. Refocus on four cornerstones and a keystone of policy and practice

We revitalised our Peacebuilding Advisory Unit as a focal point of knowledge and good practice in peace economies, gender, and climate change and natural resource management. We also established the Conflict Hub as a focal point for conflict analysis and sensitivity expertise. By integrating the Peacebuilding Advisory Unit with our Advocacy and Communications team, we increased mutual planning for greater influencing impact.

5. Build up advocacy and communications for reach and strategic influence

While some of our plans to boost our capacity to identify and act on key policy issues were hampered by recruitment challenges, we revised our media strategy and developed and launched our new website, resulting in a marked increase in media coverage in the second half of the year.



Pascal was part of a mob that killed Primitiva's children during the genocide against the Tutsi in Rwanda. Today, they have reconciled through our dialogue groups. © International Alert

6. Position ourselves to promote peacebuilding in COVID-19 responses

Following the publication of the paper, *How do we build peace during a pandemic?* we pivoted to focus on other influencing priorities, particularly climate and conflict, given the shifting donor landscape and other dominating issues in 2021.

7. Define, structure and staff Alert Europe

We recruited our Alert Europe Director in 2021. Our Alert Europe office has expanded and established itself as a European base, enabling increased partnerships and profile raising with EU institutions and other European donors.

8. Sharpen strategic focus and support for country programme impact

In seeking to ensure our HQ support and management structures aligned with country programme needs, we undertook two surveys and a consultative online workshop with country

directors over two weeks. As a result, we refocused our regional support teams and recruited two new regional directors to manage the renewed structures. We also ran competitive processes to allocate investment and innovation funding to enable country teams to sharpen their strategic focus.

9. Build up our organisational infrastructure

We recruited additional IT and risk and security staff, initiated a review of systems across the organisation, launched a new intranet and internal filing structure, and established a dedicated Risk and Security Unit to support organisational and operational risk and security management.

10. Strengthen commitment to and resources for partnerships and alliances

After exploration, we decided not to pursue merger opportunities at this stage, but collaborated with peer organisations on joint projects and expanded our networking with potential partners. Our exploration of our local partnerships approach was postponed until 2022, enabling us to build on the GDEI Charter.

Our organisational priorities for 2022

Our peacebuilding intentions for 2022 vary by country, but all contribute to breaking cycles of violence and building sustainable peace. In order to support the achievement of these programmatic aims, we have agreed the following organisational priorities for the coming year.

1. Peacebuilding quality – impact, learning and partnerships

Continue to improve the quality of our peacebuilding by establishing a new results framework, implementing our learning review and delivering a partnership engagement review.

2. Connections, collaborations and coalitions for impact – including inside Alert

Ensure that we create and maintain connections, collaborations and coalitions to reflect the organisation's aims of becoming more horizontally connected and inclusive.

3. Advocacy – changing people's minds through clarity, engagement and thought leadership

Raise our profile through a synchronised advocacy and communications plan, and delivering advocacy plans on climate and gender that join up with our programming ambitions.

4. Strong systems to manage delivery and governance, money, knowledge, relationships and risk

Ensure that our systems continue to support and manage through an improved systems approach across the board.

5. Fundraising and cost recovery

Deliver the fundraising actions plan and Resource Allocation Model to underpin and support all of our activities.

6. Gender, diversity, equity and inclusion

Implement the GDEI Charter and review HR policies on recruitment, with a focus on localisation and shifting power.

7. Efficiency – a lean cost structure

Orchestrate an office move and deliver plans to reduce cross-organisational overheads.

8. A nature-neutral Alert

Develop and deliver the greening initiative initiated in 2021 in our efforts to become a nature-neutral organisation.

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 Strategy, Risk and Audit Committee (SRA), which advises on and monitors matters of organisational strategy, risk management and relevant audits. The SRA comprises the Chair, the Treasurer and two further trustees.

The Executive Team, responsible for strategic and operational leadership of the organisation, comprises the Executive Director, the Director of Programmes, the Director of Finance and Operations, the Director of Resource Development and the Director of Policy, Advocacy and Communications. We have 238 staff based in our 15 offices around the world, including a team of thematic peacebuilding experts. Our programmatic 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 *stitching* (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 SRA meets on a quarterly basis and is the key committee of the Board. The SRA has been entrusted with the more detailed oversight of key areas of the charity, including finance and all budgetary issues, risk and security, and organisational strategy. The Executive Director is accountable to the Board for all the organisation's work and the other members of the Executive Team report to the Executive Director. The Executive Team reports to each Board and SRA 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 three to 15 members; we currently have nine trustees. 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 Executive Director 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 2021, there were no changes to the trustee body; we ended the year with a total of nine trustees (five women and four men), five of whom are based outside the UK.

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 situation 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.

Public benefit statement

The Board has 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 the impact achieved in 2021 and planned activities and objectives set for 2022 contribute to public benefits.

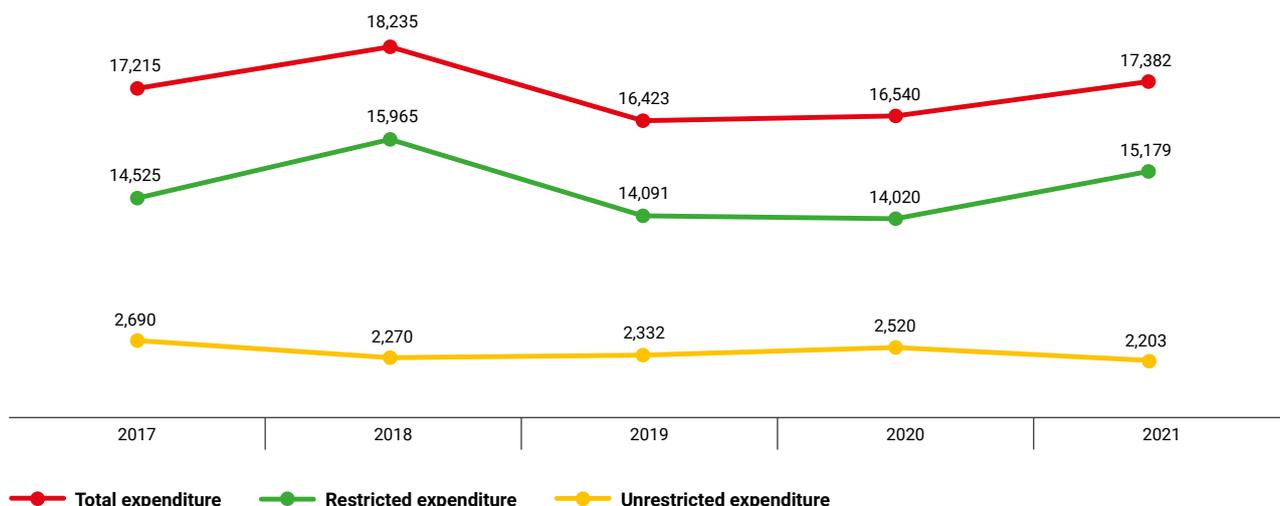
Financial review

The outbreak of COVID-19 was a challenge to International Alert, slowing our work in 2020 and continuing to influence our work in 2021. This was compounded by the reduction in grants from several of our institutional donors, making it difficult to raise money for crucial peacebuilding work.

Against all these challenges, we ended 2021 with a total income of £19.37 million (up from £17.65 million in 2020). Most of these increases come from our restricted income, which increased to £17.37 million (£15.39 million in 2020).

Unrestricted income in 2021 was £2 million (£2.26 million in 2020). Unrestricted expenditure in 2021 was £2.2 million (£2.52 million in 2020) and comprised £1.96 million on charitable activities and £0.25 million on the cost of raising funds. The balance of unrestricted funds at year-end was £1.04 million (£1.68 million in 2020).

Restricted income in 2021 was £17.37 million (£15.40 million in 2020), whereas the total restricted expenditure was £15.18 million (£14.02 million in 2020). The balance of restricted funds at year-end was £6.86 million (£4.28 million in 2020).



Note: We use expenditure as a measure to record growth.

The breakdown of total expenditure of £17.37 million in 2021 was:

- **Mission goal 1:** Working with people directly affected by violent conflict to find lasting solutions: £10.71 million (£9.80 million in 2020)
- **Mission goal 2:** Shaping policies and practices to reduce and prevent violence, and to support sustainable peace: £4.91 million (£4.86 million in 2020)
- **Mission goal 3:** Collaborating with all those striving for peace to strengthen our collective voice and impact: £1.51 million (£1.50 million in 2020)
- **Raising funds:** £0.24 million (£0.37 million in 2020)

Over the past five years (2017–2021), our expenditure has been between £16 million and £18 million. Despite the global pandemic affecting most of 2020, we had an increase of 0.3% in expenditure. Although activities slowed in many of our projects, we secured extra funding for work in DRC, Lebanon, the Philippines and Rwanda. The focus for Alert in 2021 was to continue managing the situations created by COVID-19 and to set ourselves up for investment in delivering the commitments outlined in the Resilience Plan from 2021.

With sound financial management systems, effective fundraising to raise more funds to support the organisation through the pandemic and robust

management, we emerged in a positive financial position and maintained our reserves just below the minimum limit at year-end.

Reserves

In 2020, the Board approved a change in the Reserves Policy and this was reviewed and approved in 2021 to have a lower and upper limit.

- **Upper limit:** When considering the upper limit, Alert will take a view that all unrestricted funds are not renewed, giving a loss of unrestricted income (currently £2m based on two major donors and excluding earmarked funds on three years average). In the short term, we will consider 75% of our unrestricted income at the beginning of the year, which will allow approximately nine months to replenish or to take corrective action, and work on having reserves that amount to 75% of the total unrestricted income, currently giving an upper limit of £1.5m.
- **Lower limit:** This will be based on several scenarios where levels of risks materialise that have a financial impact on the organisation. We would not expect all scenarios to crystallise at the same time. We would then assess this based on likelihood and impact and attach a risk level.

The General Unrestricted Reserves at year-end were in line with this policy (upper limit and lower limit), standing at £1 million. In addition, we designated, in

an Organisational Investment Fund, a further £0.37 million to support investment needs – for example, to develop new programming ideas. The Reserves Policy is subject to annual review by the Board.

Total unrestricted funds, including General Unrestricted Reserves, at year-end were £1.04 million (compared to £1.68 million in 2020). This was in line with the investment to our fundraising efforts as agreed by the Board.

Building on a stable financial picture at the end of 2021, overall funds being carried forward to 2022 are £7.90 million (£5.97 million in 2020), split between unrestricted funds of £1.04 million and restricted funds of £6.86 million. This level of unrestricted funds provides us with stability and the ability to invest in future development and the 2022 budget. Restricted funds held are due to the timing of receipt of funds. Restricted funds held at year-end will be spent on specific projects, in line with commitments made to funders in 2021.

Our balance sheet at the end of 2021 reflects this secure position. We are hopeful, depending on funding support, that we will sustain this in 2022. As we recover from the effects of the pandemic, the Ukraine conflict will bring new challenges, but we are confident that we have built the resilience to maintain and improve the financial position of the organisation.

Risk management

In a changing social and economic climate, achieving our strategic objectives and goals would be impossible without taking and managing risk within an acceptable appetite. Risk management is essential for Alert at all levels. It also helps the Board and Executive Team in maximising possibilities by allowing for more informed decision-making while providing assurance that Alert stays within its risk appetite.

The Executive Team plays a critical role in identifying and managing risk throughout the organisation, acting as the escalation route for programme, project and operational risks to the Board and SRA. Through the rigorous analysis of Alert's risks, both emerging and continuing, the Board and SRA contribute

important and valued external challenge and advice to ensure that its risk appetite is appropriate.

The Board and SRA have supported and challenged the Executive Team on the critical risks to Alert over the past year. The following are the top risks that the organisation faces:

- the risk that Alert is unable to raise enough money to maintain its operations and structure, or if it loses core funding, it will shrink its functions and capacity to achieve peacebuilding impact;
- the nature of its work, operating in dangerous places, presents the risk that Alert's employees, volunteers and associates are injured or killed while on duty;
- the increased risk of cyber-attack requires ongoing management, through the implementation of adequate safeguards and recommended practices to protect Alert's data, while also maintaining its capacity to function remotely and deliver impactful programmes;
- the need to stay competitive and to retain and attract skilled personnel and expertise to maintain its role as a leading peacebuilding organisation and deliver effective programmes; and
- the need to diversify its sources of funding against an uncertain landscape for funding from its traditional and largest sources in a post-pandemic and post-Brexit environment.

Alert will continue to evolve its Risk Management Framework in support of continued improvement in risk insight, accountability and the future evolution of the organisation.

Remuneration policy

Our Salary Policy aims to adhere to quality standards that will ensure that its implementation is 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.

The Board of Trustees of International Alert presents this report for the year ended 31 December 2021 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 2022.

The report was approved by the Board on 20 June 2022 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:

Agence Française de Développement

Allan and Nesta Ferguson Charitable Trust

Australian Department of Foreign Affairs and Trade

Durham University

European Commission

European Union

Federal Department of Foreign Affairs, Switzerland

Foreign, Commonwealth and Development Office, UK

Global Affairs Canada

Helvetas

King's College London

London Metropolitan University

Ministry of Foreign Affairs, Denmark

Ministry of Foreign Affairs, Netherlands

Municipality of the Hague

Organisation for Economic Co-operation and Development

PeaceNexus Foundation

Robert Bosch Foundation

Rosa Luxemburg Foundation

Safe to Learn Global Initiative, hosted by the End Violence Partnership

Swedish International Development Cooperation Agency

Swiss Agency for Development and Cooperation

Swiss embassy, Kyrgyzstan

UnionAID

United Nations Children's Fund

United Nations Development Programme

United Nations Entity for Gender Equality and the Empowerment of Women

United Nations Food and Agriculture Organization

United States Agency for International Development

United States Department of State

World Bank Group

Partners

We would like to thank our project partners:

Africa

Action pour le Développement et la Paix endogènes
African Youth for Peace Development and Empowerment
Aide et Action pour la Paix
Appui au Développement de l'Enfant en Détresse
Association des Femmes Rapatriées du Burundi
Association Modeste et Innocent
Association Rwandaise des Conseillers en Traumatisme Associations des Commerçants Transfrontaliers du Burundi
Benishyaka Association
Bureau pour le Volontariat au Service de l'Enfance et de la Santé
CDA Collaborative Learning Projects
Célébrons le Courage de la Femme
Centre for International Private Enterprise
Centre for Social Cohesion, Peace and Empowerment
Collectif Alpha Ujuvi
Commission Épiscopale Justice et Paix du Rwanda
Cooperative d'Épargne et de Credit de CAHI
European Network for Central Africa
Faith Victory Association
Focus On Arid Land and Integrated Development
Fongim, Mali
Green Concern for Development
GreenCode
Grow Strong Foundation
Guichet d'Économie Locale du Sud Kivu
Horn of Hope Vision for Peace and Community Development in Nigeria
Justice Plus
Kaputir Resource Management Association
Kishimi Shelter and Care Foundation
Laissez l'Afrique Vivre

Maendeleo Ya Wanawake Organization
Observatoire Gouvernance et Paix
Pamoja for Transformation
Peace Actors Forum
PeaceNet Kenya
Pole Institute
Réseau d'Innovation Organisationnelle/Centre Régional de Paix
Réseau des Institutions de Microfinance au Burundi
Réseau pour le Plaidoyer et la sécurisation Foncière, Mali
Rutengroc
Sociétés de Microfinance Congolais
Solidarité des Femmes de Fizi pour le Bien-Etre Familial
Solidarité des Volontaires pour l'Humanité
Taimako Community Development Initiative
Umoja In Action
World Vision
Youth Association for Human Rights Promotion and Development

Asia

AboitizPower
Afghan Women's Educational Center
Antenna Foundation Nepal
Dansalan College Foundation
Early Response Network
Federation of Nepali Journalists
Federation of Sexual and Gender Minorities, Nepal
Forum for Women, Law and Development
Institute of Human Rights and Communication Nepal
Kings N Queens
Legal Aid Consultancy Centre
Lupah Sug Bangsamoro Women's Association

Madesh Human Rights – Mahuri Home
Maranao People Development Center
Notre Dame University
Nuri Naw
Phan Tee Eain
Samagra Jan-utthan Kendra
Sustainable Development Policy Institute
TASBIKKA, Inc.
Timuay Justice and Governance
Transcultural Psychosocial Organization Nepal
United Youth Community Nepal
Western Mindanao State University
Yaung Chi Thit

Europe and Central Asia

Bond
Centre for Cultural Relations – Caucasian House
Civil Society Development Association ARGO
Conciliation Resources
Cordaid
Deltares
Development Policy Institute
European Peacebuilding Liaison Office
Farodis
Fund for Social and Cultural Initiatives
Gamkhori
Gender Action for Peace and Security
Go Group Media
GreenCode
IHE Delft Institute for Water Education
International Alert Europe
International Peace Information Service
Internews
Interpeace
Media Initiatives Center
Mines Advisory Group
National Mediation Center
Nordic International Support Foundation
Open Society NGO
Palladium

Peace Direct
Public Journalism Club
Saferworld
Save the Children
State Commission on Religious Affairs of the Kyrgyz Republic
The Hague Centre for Strategic Studies
Thomson Media
Voluntary Service Overseas
Wetlands International

Middle East and North Africa

Amel Association
Ana Aqra Association Génération Anti Marginalisation
Basmeh and Zeitooneh
British Council
Centre for Lebanese Studies
Conflict Mediation Solutions
Damma Foundation
DARB
Globally Connected
Jouri Research and Consulting
Kiron Open Higher Education
Mobaderoon
Norwegian Refugee Council
Sawa for Development and Aid

North America

Alliance for Peacebuilding
CDA Collaborative Learning Projects
Center for International Private Enterprise
DAI
Fund for Peace
Management Systems International
Notre Dame University
Search for Common Ground
Women for Women International
World Resource Institute
World Vision

Accounts

**FOR THE YEAR ENDED
31 DECEMBER 2021**

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 2021, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated 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 group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's and parent 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 group, in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including

the FRC'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates 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 parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 27–28, 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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which

our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, Charities Act 2011, payroll tax and sales tax, and local laws in which International Alert operates.

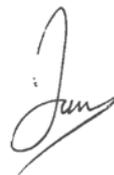
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- review of minutes of meetings to identify expected material amounts of voluntary income;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates, including review of how grant income has been recognised at the year end.

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.

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 Auditor
10 Queen Street Place, London, EC4R 1AG

28 June 2022

Financial statements

Group statement of financial activities (including income and expenditure account)

For the year ended 31 December 2021

| Notes | Unrestricted funds £'000 | Restricted funds £'000 | 2021 total £'000 | 2020 total £'000 |
|---|--------------------------------|------------------------------|------------------------|------------------------|
| Income and endowments from: | | | | |
| Donations and legacies | | | | |
| Institutional grants | 911 | | 911 | 1,246 |
| Donations | 7 | | 7 | 3 |
| Charitable activities | | | | |
| Working with people directly affected by violent conflict to find lasting solutions | 717 | 10,696 | 11,413 | 10,165 |
| Shaping policies and practices to reduce and prevent violence, and to support sustainable peace | 327 | 5,373 | 5,700 | 4,817 |
| Collaborating with all those striving for peace to strengthen our collective voice and impact | 34 | 1,305 | 1,339 | 1,411 |
| Investments | 0 | 1 | 1 | 15 |
| Other income | | | | |
| Total income and endowments | 1,996 | 17,375 | 19,371 | 17,657 |
| Expenditure on: | | | | |
| Raised funds | | | | |
| | 247 | 0 | 247 | 373 |
| Charitable activities | | | | |
| Working with people directly affected by violent conflict to find lasting solutions | 1,024 | 9,686 | 10,710 | 9,804 |
| Shaping policies and practices to reduce and prevent violence, and to support sustainable peace | 656 | 4,258 | 4,914 | 4,862 |
| Collaborating with all those striving for peace to strengthen our collective voice and impact | 276 | 1,235 | 1,511 | 1,501 |
| Total resources expended | 2,203 | 15,179 | 17,382 | 16,540 |
| Net (outgoing)/incoming resources before transfers | | | | |
| | (207) | 2,196 | 1,989 | 1,117 |
| Transfers between funds | (440) | 440 | 0 | 0 |
| Exchange rate gain/(loss) | 0 | (60) | (60) | 54 |
| Net income/(expenditure) | (647) | 2,576 | 1,929 | 1,171 |
| Total funds brought forward at 1 January 2021 | 1,684 | 4,284 | 5,968 | 4,797 |
| Total funds carried forward at 31 December 2021 | 1,037 | 6,860 | 7,897 | 5,968 |

Group balance sheet

At 31 December 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 10 | 13 | 33 |
| Current assets | | | |
| Debtors | 11 | 1,193 | 1,353 |
| Cash at bank and in hand | | 8,488 | 6,599 |
| | | 9,681 | 7,952 |
| Creditors | | | |
| Amounts falling due within one year | 12 | 1,797 | 2,017 |
| | | 1,797 | 2,017 |
| Net current assets | | 7,884 | 5,935 |
| Total net assets | 14 | 7,897 | 5,968 |
| Funds | | | |
| Unrestricted | | | |
| General funds | | 1,000 | 1,500 |
| Designated Fund for Development | | 37 | 34 |
| Designated to Organisational Investment Fund | | | 150 |
| | | 1,037 | 1,684 |
| Restricted | | 6,860 | 4,284 |
| | 15 | 7,897 | 5,968 |

The surplus of the parent charity was £1,778k

Approved by the Board of Trustees and authorised to issue on 20 June 2022 and signed on its behalf by:



Carey Cavanaugh
Chair



Richard Langstaff
Honorary Treasurer

Company Registration Number 2153193

The notes on pages 42 to 56 form part of these financial statements.

Charity balance sheet

For the year ended 31 December 2021

| | Notes | Charity 2021 £'000 | Charity 2020 £'000 |
|---|-------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 13 | 33 |
| Current assets | | | |
| Debtors | 11 | 1,366 | 1,347 |
| Cash at bank and in hand | | 8,078 | 6,517 |
| | | 9,444 | 7,864 |
| Creditors | | | |
| Amounts falling due within one year | 12 | 1,797 | 2,017 |
| | | 1,797 | 2,017 |
| Net current assets | | | |
| | | 7,647 | 5,935 |
| Total net assets | | | |
| | 14 | 7,660 | 5,968 |
| Funds | | | |
| Unrestricted | | | |
| General funds | | 997 | 1,465 |
| Designated Fund for Foreign Exchange Movement | | - | - |
| Designated Fund for Development | | 37 | 34 |
| Designated to Organisational Investment Fund | | - | 150 |
| | | 1,034 | 1,649 |
| Restricted | | | |
| | | 6,626 | 4,231 |
| | 15 | 7,660 | 5,881 |

Approved by the Board of Trustees and authorised to issue on 20 June 2022 and signed on its behalf by:



Carey Cavanaugh

Chair



Richard Langstaff

Honorary Treasurer

Company Registration Number 2153193

The notes on pages 42 to 56 form part of these financial statements.

Statement of cash flow

For the year ended 31 December 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|---|-------|---------------|---------------|
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | 16 | 1,888 | 618 |
| Cash flows from investing activities: | | | |
| Interest from deposits | | 1 | 15 |
| Purchase of tangible fixed assets | 10 | | |
| Net cash provided by investing activities | | 1 | 15 |
| Change in cash and cash equivalents in reporting period | | 1,889 | 633 |
| Cash and cash equivalents at the beginning of the reporting period | | 6,599 | 5,966 |
| Cash and cash equivalents at the end of the reporting period | | 8,488 | 6,599 |

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 sterling, which is the functional currency of the group. 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 Applicable in the UK and the Republic of Ireland (FRS 102). The charitable company is a public benefit company for the purposes of FRS 102, and the group has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (The FRS 102 Charities SORP), 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 group to continue as a going concern. 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 group'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 group has adequate resources to continue in operational existence for the foreseeable future. The group 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) Incoming resources are accounted for when receivable. Grants receivable are credited to the Statement of Financial Activities as soon as the conditions of receipt have been satisfied. 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 used for resources expended.

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 of the group's objectives during 2021.

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 to five years, depending on local legislation.

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 with 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 leaser 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.
- m) The group financial statements consolidate those of the charity and its subsidiary undertakings as well as branches up to 31 December 2021.

2. Total resources expended

| Activity or programme | Activities undertaken directly | Direct staff costs | Grant funding of activities | Support costs | 2021 total |
|---|--------------------------------|--------------------|-----------------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Raising funds | 233 | 0 | - | 14 | 247 |
| Working with people directly affected by violent conflict to find lasting solutions | 4,630 | 2,421 | 2,485 | 1,174 | 10,710 |
| Shaping policies and practices to reduce and prevent violence, and to support sustainable peace | 2,425 | 997 | 935 | 557 | 4,914 |
| Collaborating with all those striving for peace to strengthen our collective voice and impact | 654 | 148 | 484 | 225 | 1,511 |
| | 7,942 | 3,566 | 3,904 | 1,970 | 17,382 |
| | | | (Note 6) | (Note 3) | |

| Activity or programme | Activities undertaken directly | Direct staff costs | Grant funding of activities | Support costs | 2020 total |
|---|--------------------------------|--------------------|-----------------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Raising funds | 226 | 113 | 0 | 35 | 374 |
| Working with people directly affected by violent conflict to find lasting solutions | 3,191 | 2,961 | 2,539 | 1,112 | 9,803 |
| Shaping policies and practices to reduce and prevent violence, and to support sustainable peace | 1,703 | 1,672 | 995 | 492 | 4,862 |
| Collaborating with all those striving for peace to strengthen our collective voice and impact | 543 | 327 | 431 | 200 | 1,501 |
| | 5,663 | 5,073 | 3,965 | 1,839 | 16,540 |
| | | | (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 | 2021 total | Basis of allocation |
|------------------------|---------------|---|---|---|--------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Management | 1 | 78 | 69 | 49 | 197 | Time |
| Finance | 1 | 187 | 67 | 12 | 267 | Usage |
| Information technology | 1 | 227 | 81 | 15 | 324 | Usage |
| Human resources | 1 | 158 | 66 | 21 | 246 | Usage |
| Facilities | 2 | 353 | 123 | 20 | 498 | Usage |
| Communications | 8 | 171 | 151 | 108 | 438 | Time |
| | 14 | 1,174 | 557 | 225 | 1,970 | |

| 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 | 2020 total | Basis of allocation |
|------------------------|---------------|---|---|---|--------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Management | 6 | 59 | 51 | 43 | 159 | Time |
| Finance | 5 | 199 | 63 | 9 | 276 | Usage |
| Information Technology | 5 | 202 | 69 | 14 | 290 | Usage |
| Human Resources | 4 | 142 | 58 | 19 | 223 | Usage |
| Facilities | 9 | 360 | 118 | 21 | 508 | Usage |
| Communications | 7 | 149 | 133 | 94 | 383 | Time |
| | 36 | 1,111 | 492 | 200 | 1,839 | |

4. Total incoming resources

| | 2021 | 2020 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Institutional funding | | |
| Agence Française de Développement | 258 | 11 |
| Australian Department of Foreign Affairs and Trade (Australian Aid) | 1,098 | 733 |
| Austrian Development Agency | 0 | 35 |
| British Council | 220 | 135 |
| Conflict, Stability and Security Fund, UK | 0 | 1,011 |
| Department of Foreign Affairs, Republic of Ireland – Core grant | 153 | 128 |
| Deutsche Gesellschaft für Internationale Zusammenarbeit | 0 | 210 |
| European Commission | 1,634 | 2,004 |
| Federal Department of Foreign Affairs, Switzerland | 492 | 154 |
| Foreign, Commonwealth and Development Office, UK | 974 | 571 |
| Global Affairs Canada | 0 | 446 |
| Helvetas Swiss Intercooperation | 1 | 0 |
| Ministry of Foreign Affairs, Netherlands – Core grant | 1,400 | 1,400 |
| Ministry of Foreign Affairs, Netherlands – Restricted | 2,207 | 1,103 |
| Swedish International Development Cooperation Agency – Core grant | 997 | 1,059 |
| Swedish International Development Cooperation Agency – Earmarked gender | 168 | 168 |
| Swedish International Development Cooperation Agency – Earmarked other grants | 595 | 202 |
| Swedish International Development Cooperation Agency – Restricted | 2,581 | 1,586 |
| United Nations Development Fund for Women | 205 | 0 |
| United Nations Development Programme | 880 | 2,229 |
| United Nations Educational, Scientific and Cultural Organization | 0 | 72 |
| United Nations Entity for Gender Equality and the Empowerment of Women | 0 | 66 |
| United Nations Food and Agriculture Organization | 40 | 0 |
| United Nations International Children's Emergency Fund | 195 | 591 |
| United States Agency for International Development | 1,021 | 329 |
| United States Department of State | 1,035 | 1,346 |
| United States Institute of Peace | 0 | 16 |
| Women for Women International | 12 | 0 |
| World Bank Group | 507 | 193 |
| | 16,673 | 15,798 |
| Foundations, trusts and other organisations | | |
| Bonn International Center for Conversion | | |
|)Durham University | 8 | (8) |
| IHE Delft Institute for Water Education | 250 | 54 |
| Intergovernmental Authority on Development | 0 | 62 |
| International Rescue Committee | 0 | 20 |
| Interpeace | 14 | 0 |
| King's College London | 10 | 10 |
| Landell Mills | 0 | 77 |
| London Metropolitan University | 1 | 1 |
| Mines Advisory Group | 22 | 0 |
| Municipality of the Hague | 15 | 0 |
| Nordic International Support Foundation | 126 | 190 |
| Norwegian People's Aid | 0 | 4 |

| | | |
|--|--------------|--------------|
| Open Society Foundation London | (8) | 0 |
| Organisation for Economic Co-operation and Development | 85 | 38 |
| Oxford Policy Management | 0 | 166 |
| Peace Direct | 1 | 0 |
| PeaceNexus Foundation | 27 | 0 |
| Pickwell Foundation | 0 | 14 |
| Rosa Luxemburg Foundation | 32 | 0 |
| Saferworld | 144 | 96 |
| Save the Children | 701 | 6 |
| The Allan and Nesta Ferguson Charitable Trust | 150 | 0 |
| UnionAID | 32 | 36 |
| Voluntary Service Overseas | 177 | 479 |
| World Vision | 39 | 104 |
| | 1,826 | 1,348 |

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

| | | |
|---------------------------------------|---------------|---------------|
| Aboitiz Power Corporation | 59 | 0 |
| Anglo American Services Ltd. | 0 | (3) |
| Bank interest | 0 | 14 |
| Development Alternatives Incorporated | 313 | 65 |
| Management Systems International | 455 | 345 |
| Other donations/income | 42 | 63 |
| Palladium | 3 | 0 |
| Thomson Media | 0 | 2 |
| Trans Adriatic Pipeline AG | 0 | 25 |
| | 872 | 511 |
| Total income | 19,371 | 17,657 |

5. Staff numbers and costs

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

| | 2021 | 2020 |
|---------------------------------|------------|------|
| | No. | No. |
| Raising funds | 5 | 5 |
| Charitable activities – direct | 38 | 39 |
| Charitable activities – support | 23 | 21 |
| Overseas staff | 191 | 190 |
| | 257 | 255 |

Staff costs during the year were as follows:

| | 2021 | 2020 |
|---|--------------|-------|
| | £'000 | £'000 |
| Salaries | 3,018 | 3,031 |
| Employer's National Insurance contributions | 276 | 277 |
| Pension costs | 305 | 305 |
| Overseas staff cost | 3,467 | 3,260 |
| | 7,066 | 6,873 |

During the year, redundancy payments made amounted to £19,583 (2020: £182,107) as a result of a restructuring of the charity.

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

| | 2021 | 2020 |
|-----------------------------|------|------|
| | No. | No. |
| Between £60,000 and £69,999 | 8 | 8 |
| Between £70,000 and £79,999 | 1 | 2 |
| Between £80,000 and £89,999 | 0 | 0 |
| £90,000 and above | 0 | 1 |

Pension contributions amounting to £59,256 were made during 2021 for employees whose emoluments for the year exceeded £60,000 (2020: £75,387).

Key management personnel include the Chief Executive Officer/Executive Director and Principal Officers reporting directly to the Chief Executive Officer/Executive Director. The total employee remuneration of the charity for 2021 for key management personnel was £358,366 (2020: £371,358) and pension was £31,624 (2020: £33,118).

6. Grants Funding of Activities – Grants to Partners

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| African Youth for Peace Development and Empowerment | 104 | 23 |
| Association des Femmes Rapatriées du Burundi | 129 | 73 |
| Association Rwandaise des Conseillers en Traumatisme | 67 | 9 |
| Basmeh and Zeitooneh | 76 | - |
| Benishyaka Association | 60 | 1 |
| Centre for Social Cohesion, Peace and Empowerment | 74 | 128 |
| Collectif Alpha Ujuvi | 79 | 40 |
| Commission Épiscopale Justice et Paix du Rwanda | 119 | 41 |
| Faith Victory Association | 106 | 56 |
| Focus On Arid Land and Integrated Development | 110 | 29 |
| GreenCode | 106 | - |
| Guichet d'Économie Locale du Sud-Kivu | 74 | 53 |
| International Peace Information Service | 159 | 109 |
| Justice Plus | 222 | 66 |
| Laissez l'Afrique Vivre | 73 | 54 |
| Legal Aid and Consultancy Centre | 65 | 102 |
| National Mediation Center, Kyrgyzstan | 55 | - |
| Observatoire Gouvernance et Paix | 504 | 32 |
| PeaceNet Kenya | 165 | 56 |
| Réseau des Institutions de Microfinance du Burundies | 75 | - |
| Sawa for Development and Aid | 53 | 78 |
| Solidarité des Femmes de Fizi pour le Bien-Etre Familial | 65 | 55 |
| Taimako Community Development Initiative | 76 | 22 |
| Thomson Media | 65 | 82 |
| Umoja In Action | 70 | 46 |
| Others | 1,153 | 2,809 |
| Total | 3,904 | 3,965 |

For a full list of our partners, see pages 33–34.

7. Trustees' remuneration

Trustees received no remuneration in 2021 (2020: nil). In 2021 costs of travel, accommodation and related expenses reimbursed to four trustees amounted to £5,948 (in 2020, nine trustees received £1,415).

8. Trustees' liability insurance

The cost of trustees' liability insurance for 2021 was £6,006 (2020: £4,702).

9. Included in the income and expenditure are:

| | 2021 £'000 | 2020 £'000 |
|--------------------------------------|---------------|---------------|
| Statutory audit fees | (15) | (14) |
| Audit fees – other services | (7) | (6) |
| Project audit fees | (74) | (53) |
| Depreciation | (21) | (23) |
| Defined pension scheme contributions | 462 | 393 |
| Foreign exchange gains/(loss) | (60) | 54 |

10. Tangible fixed assets

| | Property improvements £'000 | Office equipment and computers £'000 | Motor vehicles £'000 | Total £'000 |
|--------------------------|-----------------------------------|---|-------------------------|----------------|
| Cost | | | | |
| At 1 January 2021 | 286 | 177 | 93 | 556 |
| Additions | - | - | - | |
| At 31 December 2021 | 286 | 177 | 93 | 556 |
| Accumulated depreciation | | | | |
| At 1 January 2021 | 286 | 150 | 86 | 523 |
| Charge for year | - | 14 | 6 | 21 |
| At 31 December 2021 | 286 | 165 | 92 | 543 |
| Net book values | | | | |
| At 31 December 2021 | - | 12 | 1 | 13 |
| Net book values | | | | |
| At 31 December 2020 | - | 27 | 7 | 33 |

11. Debtors

| | Group | Group | Charity | Charity |
|------------------------------------|--------------|-------|----------------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Grant income | 1,030 | 1,164 | 465 | 1,158 |
| Receivable from associated charity | 11 | 50 | 11 | 50 |
| Prepayments | 103 | 99 | 103 | 99 |
| Sundry debtors | 49 | 40 | 50 | 40 |
| Intercompany | | | 739 | |
| | 1,193 | 1,353 | 1,368 | 1,347 |

12. Creditors

| | Group | Group | Charity | Charity |
|------------------------------|--------------|-------|----------------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade creditors | 22 | 29 | 22 | 29 |
| Taxation and social security | 95 | 97 | 95 | 97 |
| Accrued expenditure | 242 | 123 | 242 | 123 |
| Deferred income | 1,249 | 1,535 | 1,249 | 1,535 |
| Pension creditors | 183 | 171 | 183 | 171 |
| Sundry creditors | 6 | 62 | 6 | 62 |
| | 1,797 | 2,017 | 1,797 | 2,017 |

Note 12.a

12.a Deferred income

| | Group | Group |
|--------------------------------------|--------------|---------|
| | 2021 | 2020 |
| | £'000 | £'000 |
| Opening balance | 1,534 | 1,533 |
| Less: Realised during the year | (1,534) | (1,533) |
| Add: Deferred income during the year | 1,249 | 1,534 |
| | 1,249 | 1,534 |

Deferred income relates to grants received in 2020 for 2021 projects.

13. Commitment

At 31 December 2021, International Alert was committed to making the following payment under non-cancellable operating leases in the year to 31 December 2022.

| Operating leases which expire | Land and buildings | | Other | |
|-------------------------------|--------------------|-------|-------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Within one year | 149 | 207 | - | - |
| Within two to five years | 0 | 149 | - | - |
| Over five years | - | - | - | - |

14. Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Total funds | Unrestricted funds | Restricted funds | Total funds |
|-----------------|--------------------|------------------|-------------|--------------------|------------------|-------------|
| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | 13 | - | 13 | 33 | - | 33 |
| Current assets | 2,419 | 7,262 | 9,681 | 3,183 | 4,764 | 7,946 |
| | 2,432 | 7,262 | 9,694 | 3,216 | 4,764 | 7,979 |
| Less: Creditors | 1,395 | 402 | 1,797 | 1,471 | 541 | 2,012 |
| | 1,037 | 6,860 | 7,897 | 1,745 | 4,223 | 5,967 |

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 2021 | Movements between funds | Incoming resources | Outgoing resources | Other transfers | At 31 December 2021 |
|--|-------------------------|-------------------------------|-----------------------|-----------------------|--------------------|---------------------------|
| | £'000 | £'000 | £'000 | £'000 | | £'000 |
| Restricted funds* | | | | | | |
| Africa | 2,847 | | 9,151 | (8,402) | | 3,594 |
| Asia | (217) | 440 | 3,884 | (2,490) | | 1,617 |
| Europe, Middle East and North Africa | 894 | | 2,268 | (2,356) | | 806 |
| Peacebuilding Advisory Unit/Global Issues | 706 | | 2,072 | (1,931) | | 847 |
| Designated Fund for Foreign Exchange Movement** | 54 | | | (60) | | (6) |
| | 4,284 | 440 | 17,375 | (15,239) | | 6,857 |
| Unrestricted funds | | | | | | |
| Unrestricted funds | 1,500 | (256) | 1,996 | (2,203) | (37) | 1,001 |
| Designated Fund for Development*** | 34 | (34) | - | - | 37 | 37 |
| Designated to Organisational Investment Fund**** | 150 | (150) | - | - | | |
| | 1,684 | (440) | 1,996 | (2,201) | | 1,037 |
| Total funds | 5,968 | | 19,371 | (17,442) | | 7,897 |

* Restricted funds: The restricted balance of £6.86 million includes expenditure totalling £2.83 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 2022.

** Designated Fund for Foreign Exchange Movement: This fund denotes net book gains made on foreign currency accounts. During 2021, the company made exchange losses aggregating £60,000. Part of this was covered by a balance of £54,000 carried from 2020.

*** Designated Fund for Development/Contingencies: As planned, £34,000 was transferred from the Designated Fund for Development to the General Unrestricted Fund for organisational development and operation. Due to positive results at the end of 2021, £37,000 was set aside in the fund surplus to sustain the organisational development and operations, in line with the charity's objectives during 2021. These funds will be utilised during 2022 and beyond.

**** Designated Organisational Investment Fund: As planned, £150,000 was transferred from the Designated Fund for Development to the General Unrestricted Fund for organisational development and operation.

| | At 1 January 2020 | Movements between funds | Incoming resources | Outgoing resources | Other transfers | At 31 December 2020 |
|---|----------------------------------|--|-------------------------------|-------------------------------|----------------------------|------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | | £'000 |
| Restricted funds* | | | | | | |
| Africa | 2,459 | | 8,503 | (8,115) | | 2,847 |
| Asia | (32) | | 2,893 | (3,078) | | (217) |
| Europe, Middle East and North Africa | (95) | | 3,070 | (2,081) | | 894 |
| Peacebuilding Advisory Unit/Global Issues | 525 | | 927 | (746) | | 706 |
| Designated Fund for Foreign Exchange Movement* | | | | 54 | | 54 |
| | 2,857 | | 15,393 | (13,966) | | 4,284 |
| Unrestricted funds | | | | | | |
| Unrestricted funds | 1,500 | | 2,264 | (2,520) | 256 | 1,500 |
| Designated Fund for Foreign Exchange Movement* | | | - | - | | |
| Designated Fund for Development** | 290 | | - | - | (256) | 34 |
| Designated to Organisational Investment Fund*** | 150 | | - | - | | 150 |
| | 1,940 | | 2,264 | (2,520) | | 1,684 |
| Total funds | 4,797 | | 17,657 | (16,486) | | 5,968 |

* Restricted funds: The restricted balance of £4.3 million includes expenditure totalling £2.14 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 2021.

** Designated Fund for Foreign Exchange Movement: This fund denotes net book gains made on foreign currency accounts. During 2020, the company made exchange gains aggregating £54,000. These funds will be used for exchange rate losses during 2021 and beyond.

*** Designated Fund for Development/Contingencies: As planned, £186,000 was transferred from the Designated Fund for Development to the General Unrestricted Fund for organisational development and operation. Due to positive results at the end of 2020, £104,000 was set aside in the fund surplus to sustain the organisational development and operations, in line with the charity's objectives during 2020. These funds will be utilised during 2021 and beyond.

**** Designated Organisational Investment Fund: During 2020, no funds were drawn from the Organisational Investment Fund. These funds will be used in 2021 to support organisational development and operations.

16. Notes to the cash flow statement

Reconciliation of net income to net cash flow from operating activities

| | 2021 | 2020 |
|--|--------------|------------|
| | £'000 | £'000 |
| Net income for the period | 1,988 | 1,117 |
| Interest from deposits | (1) | (15) |
| Depreciation | 21 | 23 |
| Exchange rate gain/(loss) | (60) | 54 |
| (Increase)/decrease in debtors | 160 | (398) |
| Increase/(decrease) in creditors | (220) | (163) |
| Net cash inflow/(outflow) from operating activities | 1,888 | 618 |

Analysis of changes in net debt

| | At 1 January 2021 | Cash flows | At 31 December 2021 |
|----------------------------------|----------------------|--------------|------------------------|
| | £'000 | £'000 | £'000 |
| Cash and cash equivalents | | | |
| Cash | 6,599 | 1,889 | 8,488 |
| Total | 6,599 | 1,889 | 8,488 |

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 2021, International Alert donated to its affiliate Stichting International Alert £67,743.

18. Post-balance sheet events

The COVID-19 outbreak has continued to affect our operations in varying ways in the countries where we operate. At this stage, the total impact on our charity and results is limited.

19. Subsidiary entity included in the group-consolidated result

Stichting International Alert is a foundation incorporated under the laws of the Netherlands, having its corporate seat in The Hague, the Netherlands and its address at Fluwelen Burgwal 58, 2511CJ The Hague, the Netherlands, registered with the Dutch Chamber of Commerce under number 69358621 (the "Foundation"). It is controlled by International Alert through Stichting International Alert's Board Composition.

| | |
|--------------------------------------|---------|
| Total net assets at 31 December 2021 | £238k |
| Income for the year | £1,268k |
| Expenditure for the year | £1,118k |
| Surplus for the year | £150k |

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