



international
alert

Annual Report and Accounts

For year ended 31 December 2020

About International Alert

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

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

www.international-alert.org

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Organisational details

Trustees

(also directors of the company)

Ambassador (retired) Carey Cavanaugh* (US) – Chair
 Gregor Stewart (UK) – Honorary Treasurer (until 30 June 2020)
 Richard Langstaff* (UK/US) – Honorary Treasurer (from 1 November 2020)
 Hans Bolscher* (Netherlands)
 Emine Bozkurt (Netherlands) (from 14 September 2020)
 Nina Caspersen (Denmark/UK) (from 1 September 2020)
 Christopher Deri (US)
 Abir Haj Ibrahim (Syria/UAE)
 Padma Jyoti (Nepal) (until 30 April 2020)
 Oliver Kemp (UK) (until 9 March 2020)
 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 26 February 2021)
 Mohsin Baluch, Chief Finance Officer (until 14 April 2020)
 Jessica Banfield, Director of Programmes (until 22 January 2021)
 Liz Dobson, Director of Resource Development (from 16 March 2020)
 Julian Egan, Director of Advocacy and Communications (from 4 May 2020)
 Senait Fassil, Director of Finance and Operations (from 27 July 2020)
 Susan McCready, Chief Operating Officer, Company Secretary (until 13 March 2020)

Auditors

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG, UK

Bankers

National Westminster Bank, PO Box 35, 10 Southwark Street, London, SE1 1TT, UK

Solicitors

YESS Law (employment legal advice), New Wing, Somerset House, London, WC2R 1LA, UK
 Clarkslegal (immigration legal advice), 12 Henrietta Street, London, WC2E 8LH, UK
 Status
 Company limited by guarantee without share capital, governed by Memorandum and Articles of Association, incorporated on 6 August 1987, registered as a charity on 24 September 1987.

Registered office

346 Clapham Road, London, SW9 9AP, UK

International Alert is a registered charity (registration number 327553) and a company limited by guarantee (registration number 2153193) in England and Wales.

Message from the Chair of our Board of Trustees

We remain in the midst of an unfolding tragedy, with more than 157 million people in nearly 200 countries having been infected by the coronavirus disease (COVID-19), resulting in over three million deaths.

COVID-19's impact has been staggering, shuttering cities and nations, crippling economies and transforming everyday life for billions of people. The unprecedented success in rapidly developing several highly effective vaccines means there is promising light at the end of the tunnel, but significant hurdles remain to manufacture, distribute and administer sufficient vaccines to protect the entire planet. As London, New York and Paris begin to reopen, Brazil, India and Nepal are now seized with significant outbreaks and some fear that large parts of Africa could be next – vaccine rollout there under the COVAX initiative only began on 1 March 2021.

What COVID-19 did not shut down in 2020 was conflict and war. United Nations Secretary-General António Guterres' call for a global ceasefire went unmet – fighting continued in Afghanistan, Iraq, Syria and Yemen; major hostilities erupted between Armenia and Azerbaijan over Nagorny Karabakh; and violent insurgency was endemic from the Maghreb to Congo to the Horn of Africa. For many, especially women, COVID-19 also resulted in a 'shadow pandemic' of domestic violence. The strains that COVID-19 placed on basic services such as healthcare and education revealed chronic needs, and the rollout of mass vaccination campaigns brought the disparities between the global north and south into even starker contrast. Peacebuilding work is needed now more than ever.

The issue facing the global community today is not simply how do we emerge from this devastating pandemic intact, but how do we enhance international cooperation to better respond to such threats and build more equitable, just and peaceful societies. For peacebuilding, humanitarian and development organisations, this is tied to another

critical question: How do we ensure that our actions live up to our ideals of fostering inclusive and sustainable change?

Like many organisations, International Alert spent much of 2020 unable to work in the ways to which we have become accustomed: large gatherings were prohibited, international travel curtailed and most direct contact replaced by remote communication. The intimate face-to-face engagement that is so fundamental to peacebuilding was simply not possible. This necessitated new innovative approaches from our headquarters and country teams – our people responded to the challenge with conviction and creativity. Our teams in Kyrgyzstan, Nigeria and the Philippines designed new projects to actively address unique conflict dynamics caused by COVID-19; others, such as our DRC and Lebanon teams, adapted their existing work to take account of this new context. Their hard work and dedication let International Alert continue to deliver high-quality peacebuilding across Africa, Asia, Europe, the Middle East and North Africa.

Last year, as COVID-19 seemed certain to disrupt not only our traditional methods of operations, but also the level of governmental funding provided for peacebuilding and humanitarian activities, we developed a Resilience Plan to adjust to this new reality and build a better version of ourselves in the years ahead. This plan contains several bold aspirations (you can read about them on page 22), but chief among them is a commitment to making International Alert a more diverse, equitable and inclusive organisation. To that effect, we are now partnering with PeaceNexus (a Swiss foundation dedicated to supporting peacebuilding institutions) to help make that goal a reality in 2021.



Carey Cavanaugh

US Ambassador (retired), Chair of International Alert

Annual report

Trustees' and strategic reports

About us

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

We focus on solving the root causes of conflict with people from across divides. From the grassroots to 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.

Summary of our work in 2020

In 2020, we ran projects in **21 countries and territories**, with training, research or one-off consultancies and business partnerships in a further 15. In total, we implemented **76 projects**, 15 of which took place in multiple regions.

Despite the challenges brought about by the COVID-19 pandemic, we were able to continue delivering high-quality peacebuilding across Africa, Asia, Europe, the Middle East and North Africa.

Highlights

Here are some key highlights of our impact during 2020:

- We successfully adapted our programming approaches to respond to COVID-19, including developing pandemic-specific workstreams, analysis and research, and maintaining our peacebuilding work on the ground despite ongoing restrictions. (See page 16 for more.)
- We continued to develop our approach to cooperation between those working on humanitarian relief, long-term development and peacebuilding (known as 'the triple nexus'). We are bringing good peacebuilding practice and conflict sensitivity approaches that go beyond the basic 'do no harm' principle to building positive peace in resilience programmes in Nigeria and expanding into Chad and Niger, both new countries of operation for us.
- In the Middle East and North Africa, we stepped up our work on access to essential services for marginalised groups and improving participatory governance, to help address the root causes of conflict in the region. This included the publication of insights from our partnership with Lebanese NGO Amel around improving social stability by providing services in a conflict-sensitive way, and the campaign 'Health is a constitutional right' led by our Tunisia team. COVID-19 put a spotlight on the central role of healthcare, as well as water, sanitation and



Young people taking part in our project to ensure more youth-friendly healthcare services in Tunisia. The initiative includes using an interactive mobile app to assess healthcare facilities.

hygiene health (WASH) and other services, as potential conflict drivers but also possible entry points to help mitigate conflict.

- We continued to address the role played by print and social media in conflict in various countries. This included training journalists in Nepal on conflict-sensitive reporting, increasing representation of female journalists in Afghanistan through a training and mentorship programme and working with media houses in Pakistan to address issues of inclusion and the lack of reporting on women and minorities. In the Caucasus, we worked with young people to help them successfully navigate fake news on social media. We harnessed the power of social media to extend key peacebuilding messages through anti-violence campaigns in Myanmar and Tunisia (see pages 17 and 12) and a campaign celebrating the resilience of the people of Marawi in the southern Philippines, three years on from an extremist takeover of the city.

- Our Water, Peace and Security partnership won the Luxembourg Peace Prize for Outstanding Environmental Peace. The partnership, led by IHE Delft Institute for Water Education and supported by the Dutch Ministry of Foreign Affairs, is pioneering the development of innovative tools and services that help identify and address water-related security risks. This complements our programming on issues relating to natural resource governance and/or climate crisis in Kenya, Kyrgyzstan, Lebanon, Mali and Myanmar.
- We marked the 20th anniversary of the United Nations Security Council Resolution (UNSCR) 1325 on women, peace and security (WPS) with a series of roundtable events with representatives from UN member states, to present our findings from our years of field experience implementing WPS programming. We called for an increased focus on non-violent expectations of men's behaviour ('masculinities') and addressing harmful patriarchal norms.

Activities

Throughout the year, together with our partners, we engaged and supported 187,230 people through dialogue, training, advocacy, accompaniment, research and outreach activities.

Of these, 47% were women and 50% were men, with 3% of people identifying as 'other' or preferring not to reveal their gender identity.



314 dialogue meetings

28,779 people

15,031 women

13,708 men

40 other



258 trainings, capacity-building and mentoring activities

33,311 people

17,387 women

15,916 men

8 other



170 advocacy and outreach activities

73,234 people

27,188 women

39,910 men

6,136 other



342 other activities

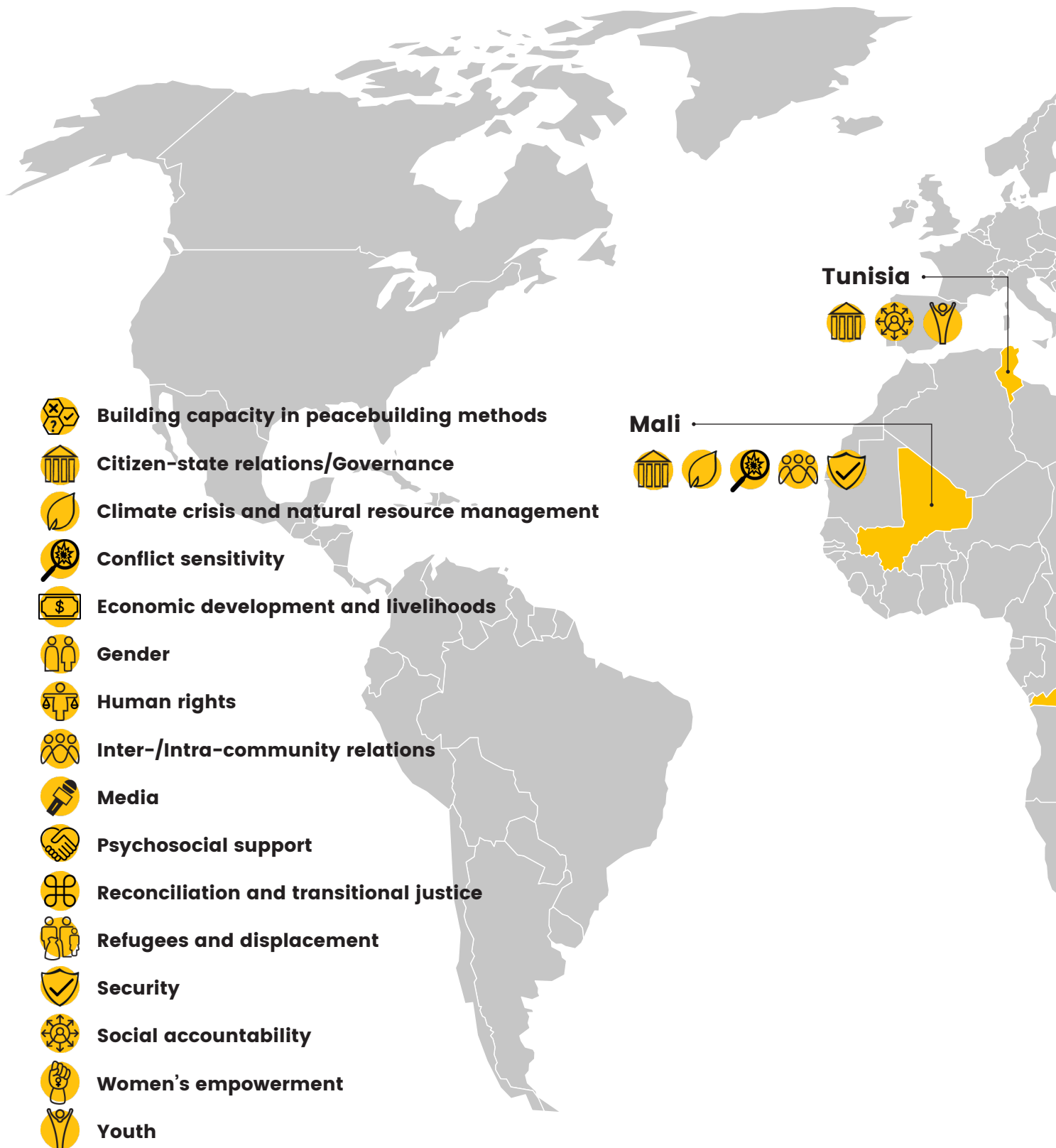
51,906 people

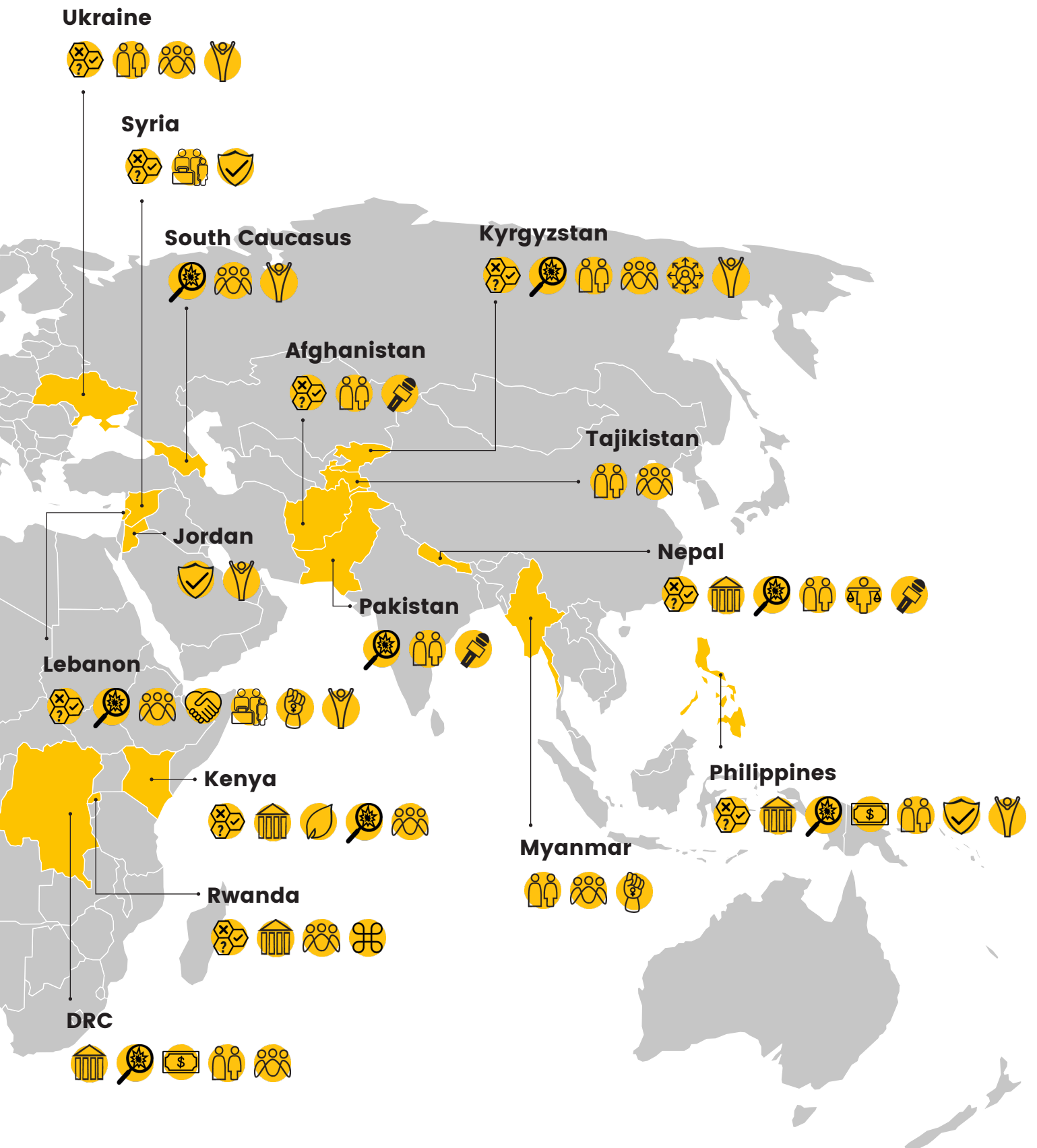
27,965 women

23,890 men

51 other

Locations





Progress against our goals in 2020

In 2020, we continued to deliver our current strategy (2019–2023), which sets out five ambitious goals for our peacebuilding.

Goal 1: Strengthen communities' voices and their capacity to reduce violence, in particular by working with disadvantaged women and young people

Engagement with communities is the bedrock of all our work. Last year we worked with 121,668 community members in fragile and conflict-affected contexts across the globe to help combat marginalisation, strengthen relations within and between communities, and promote collaboration.

In the **Democratic Republic of Congo (DRC)**, we continued to support mechanisms in the eastern provinces of North and South Kivu for addressing local conflicts before they escalate, helping to build trust and encouraging social cohesion. This included

271 community members participating in dialogue sessions to tackle issues such as land disputes and gender and ethnic discrimination. Thanks to the effectiveness of these conflict-resolution structures, local leaders reported a reduction in both the number of small-scale conflicts between communities and the time taken to address these disputes. Our work has helped to relieve pressure on the over-burdened justice system and prevent local grievances from escalating into violence.

In **Nigeria**, we have continued to support community-owned dialogue and decision-making platforms for addressing conflict. We brought together a variety of community members (including women and young people, who are often excluded from such discussions) to better understand the causes of conflict and to assist them in developing strategies for building sustainable peace. This work has improved the ability of communities and government to address conflict issues more effectively. We trained 58 community and religious leaders to run reconciliation and mediation sessions and have



The recording of a radio programme in Nigeria to disseminate messages of tolerance and patience during the pandemic, using community and religious leaders to counter false information and stigmatisation.

increased the integration of 250 vulnerable women and girls, including survivors of sexual and gender-based violence and young people who are vulnerable to recruitment by armed organised groups, through socio-economic activities.

In the **Caucasus**, we have been working with young activists to transform discourse around conflict. Our approach is to encourage open dialogue and analysis, to empower young people to navigate issues relating to propaganda, prejudice and misinformation, and build bridges across conflict divides. We ran 34 youth discussion clubs for 768 young people to discuss youth activism and previously taboo subjects such as disabilities and violence against women and girls, using different formats such as podcasts and online forums. There is greater awareness among young people of their role in promoting social change and we are seeing a generational transfer of social power to young people.

Goal 2: Harness the private sector to support inclusive peace

This work addresses the economic drivers of peace and conflict. This included engaging with private sector actors from the local to global level to promote gender- and conflict-sensitive business practices and economic development that supports peace. We continued to deepen and expand our work to mitigate the conflict impacts of extractive industries by strengthening communication between communities, companies and authorities.

In **Kenya**, we facilitated multi-stakeholder dialogue on conflict and governance issues related to the oil industry in Turkana county in the northwest of the country. Local communities now have a better understanding of the oil sector, some of its positive impacts and how they can engage public authorities and commercial entities to advocate for their rights and interests. For example, the Twiga community secured safer disposal of hazardous waste from an oil company using information gained through a cross-learning exchange visit to Hoima in Uganda. This led to the construction of a site for the safe disposal of hazardous waste, peacefully addressing a long-standing grievance with a sustainable solution developed by the communities themselves.

Despite COVID-19 restrictions to cross-border trade, we were able to continue supporting greater stability and social cohesion for women small-scale traders across the borders of **Burundi, DRC and Rwanda**. Cross-border traders' cooperatives were supported to start group trading – a requirement to continue trading amid COVID-19 restrictions – which made transactions easier, allowed traders to continue earning a livelihood and helped increase social cohesion. We also cooperated with the Ministry of Trade in South Kivu province, DRC to reduce taxation and improve application of the new rules. This promoted regional interdependence and economic exchange, and reduced the risks of conflict related to economic hardship. Due to its success, the project approach is being replicated by 17 cooperatives across the region.

At the policy level, we served as a member of the Steering Committee of the Voluntary Principles Initiative, which promotes the implementation of a set of principles that guide companies on how to respect human rights in the management of the security of their operations. We joined the Conflict Working Group of the initiative to ensure a deeper engagement with companies on enhancing their contribution to peace. And we provided various companies with technical advice and practical tools for embedding peace-conducive practices. This included supporting companies like Tullow Kenya Business Ventures and Trans Adriatic Pipeline to implement the Voluntary Principles on Security and Human Rights and the Principles on Business and Human Rights, through training and reviews of internal policies and practices.

Goal 3: Promote fairness, inclusion and justice in national governance systems, including security, to support peace and to address the root causes of conflict, including structural inequalities

This work strengthens relations between citizens and the state to reduce instability and inequality. We worked with security forces and justice systems, municipal authorities, religious leaders, community groups and civil society to find common ground to reduce violence and promote peace and inclusion.



© International Alert

One of four short films recorded with marginalised young people in Tunisia as part of an anti-violence awareness campaign.

We also deepened our support to those engaged in peaceful natural resource governance.

In **Mali**, the lack of trust in security forces and the state is a key driver of violence among young people. Addressing this is therefore vital to tackling the root causes of conflict in the country. Our security governance work has strengthened inclusive dialogue, trust and collaboration between communities and state authorities, including security forces. We ran 56 dialogue forums to address concerns between communities and authorities, and facilitated small-scale peacebuilding initiatives developed by the forums. For example, in the southern region of Ségou, communities organised an awareness-raising campaign to prevent the enrolment of youth into armed groups, a key point of tension with security forces.

In **Tunisia**, our research found that 17% of 18–34-year-olds had been arrested or jailed in 2019. To reduce tensions, we are working to increase inclusion of marginalised young people in local decision-making and social and economic initiatives. As part of this work, 20 young people produced anti-violence and COVID-19 awareness videos, which were viewed over 104,000 times. One participant commented: “In our neighbourhood, we rarely have

the opportunity to share our experiences. But we cannot remain silent about the violence our friends, families and neighbours face. We made these films to help others understand that the law gives us the right to protection from violence and that we must stand up for that right.”

In **Nepal**, we supported local collaborative dialogue, including building relationships and trust between the community and police. A Community Score Card system was introduced to over 1,100 community members for use in planning and evaluating local initiatives and has been used to help define 396 such initiatives, with local governments now adopting the system. As a result, we have seen increased support towards police investigations, increased reporting of cases of gender-based violence and improved law enforcement through COVID-19 lockdowns. The dialogue sessions also directly contributed to the development of a three-year police strategy to strengthen community–police partnerships.

In **Ukraine**, we created a network of 60 civil society organisations to improve collaboration, share knowledge and increase their capacity to better serve and advocate for their constituents. We supported 30 civil society-led projects, hosted 30 training events and assisted six advocacy campaigns in the

process. By engaging local authorities, we were also able to demonstrate the added value of civil society organisations and operationalise existing mandated processes for including civil society in policy-making.

In **Myanmar**, we continued to engage on the issue of natural resource management as a driver of conflict in the country through the publication of important and relevant research on women's involvement in forest management issues in Karen areas. Delivered through our **Peace Research Partnership** with our peer organisations Conciliation Resources and Saferworld, funded by UK aid from the UK government, our report **Rooting out inequalities** showed a potential resurgence of forestry programming as a means to create dialogue around peacebuilding in conflict-affected areas.

Also through the Peace Research Partnership, we published **Maintaining peace and stability in Mali's Sikasso region**, which looked at strategies for containing land-related conflicts in the country. The research informed our development of dialogue forums in **Mali** as a platform for managing local conflict, particularly regarding natural resources. Through the forums, herders and farmers in the northern region of Timbuktu collaborated on these issues for the first time and developed and adopted a convention to improve peaceful coexistence around land use. While in the Ségou region, women began to participate in the local conflict-prevention and management committee, significantly improving inclusivity and representing an important shift in gender norms to consider the perspectives of women affected by conflict.

Goal 4: Support inclusive peace processes and wider peacebuilding initiatives

This work supports the active involvement of diverse voices at different levels of formal and informal peace processes and governance initiatives across a range of conflict contexts.

In **Rwanda**, persistent trauma from the genocide is an ongoing challenge to healing and long-term peace. To combat this, we supported 162 dialogue sessions to address some of the psycho-social impacts of the

genocide and, in so doing, helped to reduce mutual suspicion and increase collaboration among victims and perpetrators. As well as reducing marginalisation and stigmatisation among participants, the sessions helped them to establish joint livelihoods initiatives such as village savings and loan groups. We also worked with the National Unity and Reconciliation Commission and state and non-state partners to inform and improve the implementation of the National Policy on Unity and Reconciliation, utilising the national reconciliation policy guidelines we had previously developed.

In the **Philippines**, we have been working to reduce tensions and reinforce non-violent and conciliatory measures through a restorative justice approach that uses dialogue and conflict resolution. This included piloting a justice model for women reintegrating from the Marawi siege of 2017 and the development of alternative approaches for rebuilding trust and relationships within communities affected by violence. We also strengthened our existing mechanisms like the Marawi Reconstruction Conflict Watch, which tracks government rehabilitation efforts and provides reliable data on emerging threats and issues.

In **Nepal**, we have strengthened the Transitional Justice Networks to advocate for local reconciliation, raise victims' voices and to adapt to the changing needs following COVID-19. This included providing relief support to 622 families of victims in the four project districts during lockdown, in coordination with local governments and other stakeholders. The project also provided psycho-social, legal and health support during lockdown, and 402 people engaged in local or district-level discussions on justice issues.

Goal 5: Champion gender and conflict sensitivity in ways that contribute to peace, including in our own work

We promote and mainstream gender and conflict sensitivity through a diverse portfolio of activities, including: conflict analysis and conflict sensitivity guidance; training and capacity-building, such as the development of a conflict sensitivity online training platform (to be launched in 2021); research and

awareness campaigns around sexual and gender-based violence; and analysis and programming on the women, peace and security agenda, including work on masculinities. Internally, last year we launched our Gender Action Plan and we are in the process of establishing a Steering Committee on Gender, Diversity, Equity and Inclusion to ensure that our internal policies and governance structures epitomise our values.

In **Lebanon**, we have increased outreach and influence on health and social stability by sharing lessons on how to ensure that provision of health services does not cause or exacerbate conflict, including launching and disseminating research to over 75 public health, NGO and donor representatives. Stakeholders used the findings to inform their own analysis and approaches, and local partners have taken learnings from our training on conflict sensitivity and applied the community-based approach to new programming in healthcare and education.

In **Nigeria**, we are part of a consortium delivering an integrated humanitarian, development and peacebuilding ('triple nexus') programme to strengthen economic development, social cohesion and resilience among 8,000 vulnerable households in the northeastern state of Yobe. Our research revealed gendered factors such as social stigma, unequal economic opportunities and perceived victimhood are challenges to reintegrating people formerly affiliated with armed organised groups like Boko Haram. We have helped address these issues by providing over 100 psycho-social support sessions for victims and dialogue sessions for 960 family and community members.

We are also delivering a capacity-building programme in Nigeria for our consortium partners and key policy-makers aimed at fully integrating gender and conflict sensitivity across programme implementation and policy development. This has reshaped the intervention strategy, as partners have a better understanding of conflict-sensitive



© Afghan Women's Educational Centre

Training young female journalists in Afghanistan as part of a comprehensive training, mentorship and work placement scheme to increase the number of women in the media.

programming that goes beyond the 'do no harm' humanitarian principle to using approaches that build positive peace. This should have a multiplier effect, benefiting organisations and the communities they reach through improvements in how the project is delivered, how policy is crafted and how partners carry the approaches into other programmes.

In 2020, we continued a range of interventions in support of conflict-sensitive journalism, to improve reporting practices in social and traditional media. In **Nepal**, we provided journalists with mentorships and developed and delivered training on conflict-sensitive reporting and inclusive and independent journalism. We also formed Free Media Networks in all seven provinces and four strategic cities. Totalling 13,000 members from the media, civil society, community groups, security forces and local government, the networks aim to help address challenges to press freedom, media security and professionalism.

In **Pakistan**, we improved understanding of the economic, social and political power relations within

media houses that enable systematic exclusion on the basis of gender and religion. Lessons from our programming were disseminated online and we reached 1,478,724 unique users and engaged 45,840 users in direct communication (e.g. comments and dialogue). This helped influence donor policies and funding commitments on promoting media freedom and freedom of expression through online media in the country. We have also seen evidence of improved inclusivity in media spaces, with reports in mainstream news media on women, transgender and religious minority communities increasing by 23.5% following our intervention.

In **Afghanistan**, our work to increase representation of female journalists in the private media sector continued, with two cohorts of women journalists graduating from our training programme to enjoy meaningful careers within print media. More than 50% of participants found placements within the media sector due directly to the contacts they had made and experience they had gained during the project.

The impact of COVID-19 on our work

The COVID-19 pandemic and the global response to it have had a profound impact on International Alert – on our staff, our partners, the communities we serve and the peacebuilding sector as a whole. Traditional peacebuilding methodologies, which are reliant on face-to-face interactions, have had to be revised; the fragility and poor infrastructure of many of our countries of operation has been brought into sharp focus, along with clear north–south power divides; and we’re seeing newly emerging conflict trends induced by the social, political and economic impacts of the pandemic.

Our country teams have witnessed first-hand the interplay of the virus with conflict. In the **Great Lakes region** of Africa, border closures created additional pressures for women cross-border traders, including loss of income and reduced customers and supplies. In **Tunisia**, the pandemic served to heighten regional disparities, social inequalities and the depletion of health services, culminating in escalating tension and unrest. In **Kyrgyzstan** and **Myanmar**, as in numerous other contexts, the secondary impacts of the virus prompted severe increases in violence against women and girls. While our team in **Lebanon** noted how strains on public health and welfare

services contributed to increased animosity towards Palestinian and Syrian refugee communities, fracturing existing societal faultlines.

These shifts represent just a fraction of COVID-19’s wider repercussions on peace and security around the world, with many of the longer-term implications yet to be seen.

Our COVID-19 peacebuilding response

In the initial months of the pandemic, we conducted an extensive scenario planning process and early contextual analysis of emerging conflict trends, drawing upon the skills, knowledge and expertise of our local staff and long-term peacebuilding partners. This process enabled us to develop tools and policies to build support for peacebuilding at this critical time, as well as design an effective peacebuilding response to the pandemic.

Taking as a starting point that incorporating a peacebuilding approach in pandemic responses is essential to ensuring the success of public health



An animation for a digital messaging campaign in Myanmar advocating for self-control instead of violence, to counter rising rates of gender-based violence in the wake of COVID-19 stay-at-home orders.

Reducing the vulnerability of religious communities in Kyrgyzstan

COVID-19 split society in Kyrgyzstan along many different faultlines – economic, political, religious and social. There was a real risk of the messaging around the pandemic response inflaming divisions between religious communities and not reaching the most vulnerable in society. We helped bring together a diverse range of institutions and communities from across the country to develop sensitive messaging and to help mitigate tensions between different religious and non-religious groups in virtual spaces. This Interfaith Working Group enabled representatives from different religious groups and denominations to collaborate with the Ministry of Health to promote tolerance and understanding of religious diversity. The group developed joint resolutions and held collective dialogue sessions to address existing and potential community conflicts caused by the pandemic.

With the support of the State Commission on Religious Affairs, the group also developed conflict- and gender-sensitive pandemic communication materials for religious influencers to use to counter misinformation and support social cohesion. These were coupled with conflict sensitivity guidelines for the government and media, to ensure that COVID-19 responses and news coverage do not exacerbate tensions. Project participants felt that the working group played an important role in mitigating the social and political turbulence of the country during the pandemic.

interventions, to mitigating emerging conflict trends and to taking advantage of opportunities to comprehensively address the structural drivers of violence, we identified five programming areas to strengthen prospects for a positive and sustained peace:

- using evidence to inform short- and long-term responses to COVID-19 and conflict;
- supporting conflict-sensitive public health and humanitarian responses, alongside long-term recovery interventions;
- countering divisive narratives and building bridges across divides;
- (re)building trust and accountability between citizens and states; and
- reducing gender inequalities through responding to COVID-19 and its impacts.

Pandemic programming

Our country teams have been working across these programming areas over the last year, designing new projects to actively address COVID-19 conflict dynamics, pivoting existing programmes to account for newly emerging trends and adapting long-term

programmes to continue providing impact during the pandemic.

In northeast **Nigeria**, we worked with the Centre for Social Cohesion, Peace and Empowerment to adapt their successful media peacebuilding work to counter false information and stigmatisation. Using local radio programmes, this restored public confidence in health directives and elevated community voices on the disproportionate impacts of the pandemic on vulnerable groups.

To counter rising rates of gender-based violence in **Myanmar**, together with our partners Phan Tee Eain, we conducted a men-focused digital messaging campaign to advocate for self-control instead of violence. This included producing a video featuring five popular musicians and an animation, which reached five million viewers in the first three months.

In the **Caucasus**, the Youth Dialogue for Civic Action project held virtual discussion clubs over the summer to ensure the continuation of a safe space for young people to discuss issues relating to their everyday lives and opportunities for local partners to maintain contact across regional conflict lines during a time of distance.



© PDRMO Lanao del Sur

The Provincial Disaster Risk Reduction and Management Office of Lanao del Sur in southern Philippines uses our general reference maps in planning and coordinating their COVID-19-prevention activities in the province.

Supporting conflict-sensitive responses to COVID-19 in the Philippines

At the onset of the pandemic, our Philippines team expanded the thematic and geographical scope of their Critical Events Monitoring System to include the effects of government COVID-19 responses on peace and human security within and beyond the Bangsamoro region. This included tracking pandemic-related tensions and key events such as access to relief; application of quarantine rules and use of excess force, bullying and intimidation; and cultural sensitivity in protocols such as treatment of sick people and handling of the deceased. This enabled quick mobilisation to address urgent issues. For example, the team were able to advocate for inclusion of respect to religious and cultural practices in a national directive following identification of incidents of discrimination against Muslim communities.

The team also provided printed and digital maps to local government units in the provinces of Maguindanao and Lanao del Sur at the start of the country's first hard lockdown, allowing the authorities to visualise potential flashpoints and better craft conflict-sensitive COVID-19 responses. A feature of the digital maps was information on geohazards and conflict incidents, which have been gathered over a 10-year period via our Conflict Alert monitoring system. The local government units have used the information to develop monitoring, isolation, testing, contact tracing and relief distribution strategies, making sure the processes do not exacerbate existing conflict or lead to new conflicts.

Publications, research and communications

Alongside our peacebuilding programmes, we developed analysis and tools and advocated for the importance of peacebuilding and conflict sensitivity in COVID-19 responses and recovery more broadly.

Our report ***Peace is the cure***, demonstrates how Sustainable Development Goal 16 on peace, justice and strong institutions can unlock progress across the 2030 Agenda in the wake of COVID-19, particularly in fragile and conflict-affected contexts, which have borne excessive impacts of the pandemic. Alongside this, we published ***Realising the potential of social media as a tool for building peace***, which reflects on the ways in which social media can be positively harnessed in peacebuilding.

COVID-19 has had a profound impact on the very means of building peace: bringing people together face-to-face. Our report ***Can we build peace from a distance?*** examines how the move to online makes it difficult to create safe spaces to discuss sensitive issues and jeopardises trust-building in peace mediation and dialogue over the long term.

The consequences of inequitable access to the digital world have meant that some now hold a new form of power, while further marginalising others, potentially aggravating grievances and conflict. The evolving global context and changing practice of peacebuilding have, however, opened the space to consider exactly how the localisation agenda can finally be realised, with the possibilities of transferring project implementation and service delivery to local staff or commissioning new partners. Yet, the sector must work together to navigate challenges such as the transfer of risks and fluctuating donor support to make this a reality.

Our teams have also continued to undertake important research that explores the far-reaching impacts of the pandemic. ***Gender-based violence in Tajikistan in the context of COVID-19*** presents the findings of research carried out in two districts in the southwest of the country and offers recommendations to prevent gender-based violence in the short, medium and long term, while ***Prospects for peace in crises*** provides a comprehensive context analysis of Lebanon in the midst of its interrelated crises, to guide peacebuilding and development programmes and identify spaces for strengthening civic activism and political dialogue.

COVID-19 peace and conflict analysis

The impact of COVID-19 has been most acutely felt in divided, fragile and conflict-affected contexts, reinforcing the importance of high-quality analysis underpinning our understanding of shifting conflict dynamics in the countries where we work. Over the last year, our Peacebuilding Advisory Unit (PAU) concentrated its efforts to enhance our conflict sensitivity support and assist peace and conflict analysis, combining 30 years of producing bespoke peace and conflict analysis with consultation with colleagues from around the world.

The result is a step-by-step manual that is rooted in who we are as a peacebuilding organisation and the way we work. The manual offers guidance for staff and partners seeking to design their own peace and conflict analysis processes, providing six clear steps to enable exploration of how key peace factors interact within a conflict context and form a strong foundation upon which to build peacebuilding interventions.

The guide is accompanied by a COVID-19-specific companion guide, which offers our country teams and partners a framework to support them to understand the ways in which the pandemic has impacted peace and conflict dynamics in different contexts, such as security and governance, violence against women and girls, economic employment and livelihoods, and cross-border trade. It offers specific guidance to ask COVID-19 questions rather than general conflict analysis questions, and to ensure that analyses integrate gender dimensions and are carried out in a gender-sensitive and conflict-sensitive way.

Progress against our organisational priorities in 2020

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

The COVID-19 pandemic has had, and continues to have, a profound impact on conflict and peacebuilding. It has inflamed social fractures and citizen–state divides, but also given new opportunities for peace and consideration of conflict-sensitive pandemic responses. However, among the top donors for peacebuilding, the cost of countering the pandemic will have a significant knock-on effect on aid budgets and programming priorities over the coming years. Through in-depth scenario planning, flexible and adaptive programming, and our committed partnerships with our core donors and strategic partners (the Swedish International Development Cooperation Agency, the Dutch Ministry of Foreign Affairs and the Irish Department of Foreign Affairs), we have been able to enter 2021 in a strong position.

Plan for regrowth in the post-pandemic world

The launch of our Resilience Plan provides the operational framework for International Alert to remain a viable, relevant and impactful actor for peace at a time when our mission, expertise and knowledge are needed more than ever. The Resilience Plan sets out the structures and resources necessary to recommit to greater impact and influence in future years. The plan includes 10 change commitments cutting across all areas of our work (see page 22), building up from a foundational commitment to strengthening organisational approaches to gender, diversity, equity and inclusion. Through a series of strategic investments, we aim to become a better version of ourselves, with stronger internal systems and processes, greater programming impact, and better able to project the voices from our work on the ground into the global arena.

Ensure organisational learning on gender and conflict sensitivity

Based on a programmatic needs assessment, we conducted an organisation-wide conflict sensitivity review, drawing on our extensive expertise to create a robust and shared knowledge base for our staff and partners. Building on the findings of this review, we are launching a Conflict Hub to provide high-quality and innovative guidance on how to undertake gender and conflict analysis, as well as how to ensure programmes are gender and conflict sensitive. We have also developed a comprehensive peace and conflict analysis guide for our staff and partners, with a companion guide specifically focused on COVID-19. Both guides have gender mainstreamed throughout and will be tested and rolled out during 2021.

We have developed an institutional Gender Action Plan, based on our 2019 organisational gender review. In direct response to the COVID-19 pandemic, the Resilience Plan committed to establishing a Steering Committee on Gender, Diversity, Equity and Inclusion, which will take forward the plan to ensure that our internal policies and governance structures epitomise our values.

Help shape international action on UNSCR 1325

October 2020 marked the 20th anniversary of the landmark United Nations Security Council Resolution (UNSCR) 1325 on women, peace and security (WPS). We have been involved in the WPS agenda since the outset, leading projects designed to advocate for, implement and monitor UNSCR 1325 at the local, national and global levels. As part of our wider policy engagement on UNSCR 1325, we produced a policy paper, **Twenty years**



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A presentation by young people in Kyrgyzstan on the dangers of early marriage, as part of a locally led initiative supported by International Alert aimed at reducing the number of early marriages.

of implementing UNSCR 1325 and the women, peace and security agenda: Lessons from the field, drawing on our extensive experience, which was presented to numerous donor governments. We also convened a donor roundtable event in advance of the UN Security Council Open Debate on Women, Peace and Security. This enabled us to advocate the need for the WPS agenda to focus on addressing patriarchal gender norms, engaging men and masculinities, and push to re-politicise the agenda. Internally, we are leveraging the UNSCR 1325 anniversary to start reframing and making linkages between our work with masculinities and our work on women's empowerment, which will become more explicit in our organisational gender strategy moving forward.

Our approach to research

Research has long been a core component of our approach, providing robust evidence and analysis from which to develop our peacebuilding programming and advocacy. In this regard, 2020 was no different, as demonstrated by the varied research we undertook in relation to peacebuilding and COVID-19 (see page 19). We had anticipated developing a rigorous research strategy to enable our work to have an even greater impact on shaping policy decisions on peace, conflict and security. As a result of the unanticipated extent of the pandemic, this focus has been postponed to next year, while we implement our Resilience Plan in 2021. In the meantime, we will continue to develop and deliver high-quality research, drawing on our practical peacebuilding experience.

Our organisational priorities for 2021

In 2020 we developed a rigorous 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 form our organisational strategic objectives for 2021.

- 1. Build an organisation that is greener and more diverse, equitable, accountable and inclusive:** We will drive forward progress on gender, diversity and inclusion, and become more responsive to the climate emergency. In addition, we will be developing a more decentralised model for our global presence and management.
- 2. Resolve how we raise and distribute unrestricted core funds and overheads:** We will review our cost structures and business model and redesign our systems and processes to reflect more realistic expectations and more transparent and inclusive use of the funding available to us.
- 3. Boost our capacity to identify, track and generate funding:** We will invest in people, resources and systems to better understand funding markets, identify opportunities and deepen relations with existing and potential core and strategic donors.
- 4. Refocus on four cornerstones and a keystone of policy and practice:** We will define four cornerstones of policy and practice, alongside conflict analysis and sensitivity – delivered through our new Conflict Hub – as a keystone that underpins all our work. We will examine how policy interacts with our programming and influencing and reboot our technical assistance resources and structures.
- 5. Build up advocacy and communications for reach and strategic influence:** We will boost our capacity to identify and act on key policy issues. This will help connect best practice and evidence



Our training in business skills such as entrepreneurship, management and gender equality helped cross-border traders in Rwanda like Julliene overcome some of the barriers to running a business, even during the pandemic.

in our country programmes with influencing and high-level networking.

6. Position ourselves to promote peacebuilding in COVID-19 responses: We will develop and refine our peacebuilding approaches to COVID-19 to position ourselves as an adaptive and innovative organisation. This will include building our COVID-19 programming where appropriate and articulating a policy voice on how COVID-19 impacts peace and conflict.

7. Define, structure and staff Alert Europe: We will focus our Hague office on fundraising, donor relationship management and profile building with EU institutions and other European donors.

8. Sharpen strategic focus and support for country programme impact: We will realign HQ support and management structures to maximise our country programme impact and invest in strategic and innovative country funding

needs. We intend to sharpen our strategic focus at the regional and country levels on impact, programme innovation and development, and regional influence.

9. Build up our organisational infrastructure: We will revamp and invest in our resources and systems for our staff, IT, grants and contracts administration, and risk management. Our operational support services will be client-focused and model best practice.

10. Strengthen commitment to and resources for partnerships and alliances: We will review our partnership practice and boost our capability for accompaniment. As part of this work, we will define values of and parameters for meaningful partnerships with local, national and regional peacebuilders, as well as build strategic alliances with international humanitarian and development NGOs. Finally, we will be exploring the potential for mergers and acquisitions.

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. In 2020, we restructured our Senior Management Team into an Executive Team, responsible for strategic and operational leadership of the organisation. The Executive Team comprises the CEO, the Director of Programmes, the Director of Finance and Operations, the Director of Resource Development and the Director of Advocacy and Communications. We have 230 staff based in our 14 offices around the world, including a team of thematic peacebuilding experts. The programmes' work is supported by administrative, financial, fundraising, human resources, IT, and advocacy and communications teams. International Alert UK is affiliated with International Alert Europe, which is registered as a *stichting* (foundation) in the Hague, the Netherlands.

Decision-making

The Board meets four times a year and is responsible for governance, establishing the organisation's strategic framework and annual objectives, and agreeing the annual budget. The trustees are directors of the organisation for the purposes of company law and, in line with that responsibility, oversee the financial reporting and ensure that proper financial statements are made for each financial year to give a true and fair view of the organisation's financial activities and its financial position at the year-end. The 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 CEO is accountable to the Board for all the organisation's work, and the other members of the Executive Team report to the CEO. The Executive Team reports to each Board and 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 CEO and one or two senior Board members, normally including the Chair. On appointment, new trustees receive a full induction on their responsibilities under company law and charity law, and on the organisation. The process includes both a pack of relevant documentation and a series of meetings with senior and middle management. During 2020, three trustees either completed their term or resigned, and three new trustees joined the Board. We ended 2020 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 2020 and planned activities and objectives set for 2021 contribute to public benefits.

Financial review

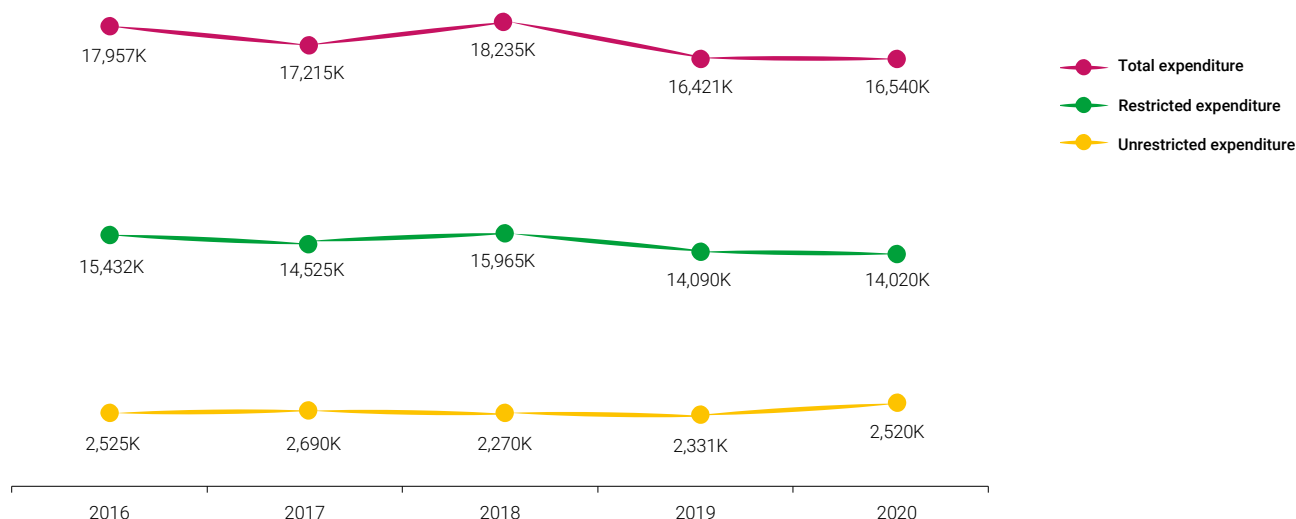
Against the challenging year of 2020, we achieved a total income for the year ending 31 December 2020 of £17.66 million (£16.68 million in 2019), a small increase. On the other hand, the total expenditure in 2020 was £16.54 million (£16.42 million in 2019).

Restricted income in 2020 was £15.40 million (£14.35 million in 2019), whereas the total restricted expenditure was £14.02 million (£14.09 million in 2019). The balance of restricted funds at year-end, after transfer between funds, was £4.28 million (£2.86 million in 2019).

Unrestricted expenditure in 2020 was £2.52 million (£2.33 million in 2019) and comprised £2.15 million on charitable activities and £0.37 million in the costs of raising funds. The balance of unrestricted general reserves at year-end was £1.68 million (£1.94 million in 2019).

The breakdown of total expenditure of £16.54 million in 2020 was:

- **Mission goal 1:** Working with people directly affected by violent conflict to find lasting solutions: £9.80 million (£10.46 million in 2019)
- **Mission goal 2:** Shaping policies and practices to reduce and prevent violence, and to support sustainable peace: £4.86 million (£4.52 million in 2019)
- **Mission goal 3:** Collaborating with all those striving for peace to strengthen our collective voice and impact: £1.50 million (£1.02 million in 2019)
- **Raising funds:** £0.37 million (£0.43 million in 2019)



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

Over the past five years (2016–2020), our expenditure has been between £16 million and £18 million. Despite the global pandemic affecting most of 2020, we had an increase of 1% in expenditure. Although there was slow activity in most of our projects, we secured extra funding for work in DRC and the Philippines. The focus for the organisation in 2020 was to manage the situations created by COVID-19 and look 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 within the upper limit at the end of 2020.

Reserves

In 2020, the Board approved a change in the Reserves Policy that introduced a range of lower and upper limits rather than spot point:

- **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 £2 million, based on two major donors and excluding earmarked funds on three years average). In the short term, we will consider 75% of our unrestricted funds at the beginning of the year, which will allow approximately nine months to replenish or to take corrective action,

and work on having reserves of 75% of the total unrestricted income, currently giving an upper limit of £1.50 million.

- **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 their likelihood and impact and attach a risk level.

The General Unrestricted Reserves at year-end was in line with this policy (Upper limit), standing at £1.50 million. In addition, we designated, in an Organisational Investment Fund, a further £0.15 million to support investment needs to develop new programming ideas. The Reserves Policy is subject to annual review by the Board.

By the end of 2020, £0.03 million remained in a temporary Designated Fund for Development. This will provide much-needed flexibility to meet our objectives and unforeseen expenses, particularly due to the need to manage recovery in 2021.

A sum of £0.15 million was brought forward in an Organisational Investment Fund from 2019. This was not invested in 2020, but plans are in place to invest it in 2021 in the Programmes Innovation Fund (PIF).

Total unrestricted funds, including General Unrestricted Reserves, at year-end were £1.68 million (£1.94 million in 2019).

Building on a stable financial picture at the end of 2020, overall funds carried forward to 2021 were £5.97 million (£4.80 million in 2019), split between unrestricted funds of £1.68 million and restricted funds of £4.28 million. This level of unrestricted funds provides us with stability and the ability to invest in future development and the 2021 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 during 2020.

Our balance sheet at the end of 2020 reflects this secure position. We are hopeful, depending on funding support, that we will sustain in 2021. However, with COVID-19, there looms a greater uncertainty across the globe, hence like others we are closely monitoring our finances and placing more emphasis on continuity after the pandemic.

Risk management

The Board is responsible for overseeing global risk management, assisted by the Executive Team in implementation. Risk management priorities are assessed and agreed at the quarterly Board meetings. A risk management report is also presented at two SRA meetings a year, while experience during the year is assessed at the December Board meeting as part of the basis for preparing the next year's priorities.

The Board recognises that risk is relative, that the organisation works in conflict zones and that systems can provide reasonable but not absolute assurance that major risks are adequately managed. In 2020, as well as monitoring risk areas around safeguarding, fraud and programme security, we identified and acted upon cybersecurity as a developing risk area for the organisation.

Looking forward, as with many organisations impacted by COVID-19, we identified the following additional risks:

- Funding cuts by institutional and other major donors will pose a high risk to our financial sustainability. To mitigate this risk, in 2021 we began reviewing our full cost recovery practices.
- We are still exposed to a high risk of delays to our projects due to COVID-19. To mitigate this risk, we

continue to deliver impactful programmes online and, where possible, in person by observing the appropriate COVID-19 protocols.

The Executive Team will continue to monitor risks and update the Board on contingency plans as and when risks change significantly.

Remuneration policy

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

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

The Board of Trustees of International Alert presents this report for the year ended 31 December 2020 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 2021.

The report was approved by the Board on 24 May 2021 and signed by the Chair on its behalf.



Carey Cavanaugh
Chair, Board of Trustees

Acknowledgements

Donors

We would like to thank our strategic donors:



Ministry of Foreign Affairs of the
Netherlands



Irish Aid
Department of Foreign Affairs
An Roinn Gnóthaí Eachtracha



Sweden
Sverige

We would also like to thank our project donors:

Institutions

Agence Française de Développement
Australian Department of Foreign Affairs and Trade
(Australian Aid)
Austrian Development Agency
British Council
Conflict, Stability and Security Fund, UK
Department of Foreign Affairs and Trade, Republic of
Ireland
Deutsche Gesellschaft für Internationale
Zusammenarbeit
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 Association for Repatriated Women in Burundi
 Association Malienne pour la Survie au Sahel
 Association Modeste et Innocent
 Association Paysanne pour le Développement Integral
 Association Rwandaise des Conseillers en Traumatisme
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 Dnipro League of Social Workers
 Duhuzintego Bahimba
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 European Network for Central Africa
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 Federation of Muslim Women's Associations in Nigeria
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 Irina Gabrielyan
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 Kaw Lah Foundation
 Kenya Muslim Youth Alliance
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 Kvinna till Kvinna
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 Madhes Human Rights Home
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 Mindanao Business Council
 Nepal Madhesh Foundation
 Nune Tovmasyan
 Observatoire Gouvernance et Paix
 Open Society NGO
 Otava
 Peace and Durable Development
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 Phan Tee Eain

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Solidarité des Volontaires pour l'Humanité
Station Kharkiv
Strong Community
Support Center of Young Women
Sushan Ghahriyan

Taimako Community Development Initiative
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The Hague Centre for Strategic Studies
The Lebanese Women Democratic Gathering
The Story Kitchen
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THRD Alliance
Transcultural Psychosocial Organization Nepal
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United Nations Development Programme
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Vector Youth
Viktoria
Western Mindanao State University
Wetlands International
Women of Western Donba
World Resources Institute
Yaung Chit Thit
Yelena Sarkisyan
Youth Dnepr

Accounts

**For the year ended
31 December 2020**

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 2020 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 charitable company's ability to continue as a going concern for a period of at least twelve 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 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 charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement (see page 24), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 charitable company 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.

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
UK

28 May 2021

Financial statements

Statement of financial activities (including income and expenditure account)

For the year ended 31 December 2020

	Notes	Unrestricted funds 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2020 £'000	Restricted funds 2019 £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:	4						
Donations and legacies							
Institutional grants		1,246	1,147	-	-	1,246	1,147
Donations		3	2	-	-	3	2
Charitable activities							
Working with people directly affected by violent conflict to find lasting solutions		623	707	9,542	9,595	10,165	10,302
Shaping policies and practices to reduce and prevent violence, and to support sustainable peace		341	412	4,476	3,641	4,817	4,053
Collaborating with all those striving for peace to strengthen our collective voice and impact		48	59	1,363	1,090	1,411	1,149
Investments		3	2	12	23	15	25
Total income		2,264	2,329	15,393	14,349	17,657	16,678
Expenditure on:							
Raising funds		373	427	-	-	373	427
Charitable activities							
Working with people directly affected by violent conflict to find lasting solutions		1,117	918	8,687	9,543	9,804	10,461
Shaping policies and practices to reduce and prevent violence, and to support sustainable peace		730	703	4,132	3,817	4,862	4,520
Collaborating with all those striving for peace to strengthen our collective voice and impact		300	284	1,201	731	1,501	1,015
Total expenditure	2	2,520	2,332	14,020	14,091	16,540	16,423
Net income/(expenditure)		(256)	(3)	1,373	258	1,117	255
Transfers between funds			86		(86)		
Exchange rate gain/(loss)			(373)	54		54	(373)
Net movement in funds		(256)	(290)	1,427	172	1,171	(118)
Total funds brought forward at 1 January		1,940	2,230	2,857	2,685	4,797	4,915
Total funds carried forward at 31 December		1,684	1,940	4,284	2,857	5,968	4,797

Balance sheet

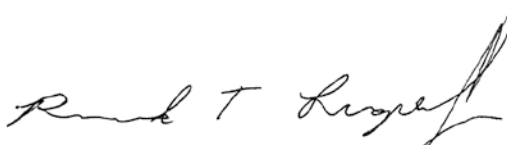
At 31 December 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	10	33	56
Current assets			
Debtors	11	1,353	955
Cash at bank and in hand		6,599	5,966
		7,952	6,921
Creditors			
Amounts falling due within one year	12	2,017	2,180
		2,017	2,180
Net current assets		5,935	4,741
Total net assets	14	5,968	4,797
Funds			
Unrestricted			
General funds		1,500	1,500
Designated Fund for Foreign Exchange Movement			
Designated Fund for Development		34	290
Designated to Organisational Investment Fund		150	150
		1,684	1,940
Restricted		4,284	2,857
	15	5,968	4,797

Approved by the Board of Trustees and authorised to issue on 24 May 2021 and signed on its behalf by:



Carey Cavanaugh
Chair



Richard Langstaff
Honorary Treasurer

Company Registration Number 2153193

The notes on pages 38 to 52 form part of these financial statements.

Statement of cash flow

For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	Note 16	618	(841)
Cash flows from investing activities:			
Interest from deposits		15	25
Purchase of tangible fixed assets	Note 10		(43)
Net cash provided by investing activities		15	(18)
Change in cash and cash equivalents in reporting period		633	(859)
Cash and cash equivalents at the beginning of the reporting period		5,966	6,825
Cash and cash equivalents at the end of the reporting period		6,599	5,966

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 charity. Monetary amounts in these financial statements are rounded to the nearest pound. The principal accounting policies adopted are set out below.

The financial statements have been prepared in accordance with the Financial Reporting Standard 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 charity 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 (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 charity 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 charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

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

in the financial statements and no estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

- b) 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 charity's objectives during 2020.
- e) Grants to partner organisations are included in the Statement of Financial Activities when payment is incurred, as defined in the terms and conditions for the grant.
- f) Depreciation is provided in order to write off the cost of the assets over their estimated useful lives on a straight-line basis as follows:
 - office equipment and computers over three years;
 - property improvements over seven to ten years; and
 - motor vehicles over three years.

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

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

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

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

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

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

- i) No provision has been made for taxation, since all income is charitable and charitable status was obtained following incorporation.
- j) The charitable company as an employer contributes 10% of basic salary to the personal pension plans of its employees on the UK payroll who choose to take advantage of this scheme.
- k) Rentals payable under operating leases where substantially all the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities in the period in which they fall.
- l) Other financial instruments:
- Cash and cash equivalents: Cash and cash equivalents include cash at banks and cash in hand and in short-term deposits with a maturity date of three months or less.
 - Debtors and creditors: Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

2. Total resources expended

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	-	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)	

Activity or programme

	Activities undertaken directly	Direct staff costs	Grant funding of activities	Support costs	2019 total
	£'000	£'000	£'000	£'000	£'000
Raising funds	301	91		35	427
Working with people directly affected by violent conflict to find lasting solutions	3,609	3,018	2,692	1,142	10,461
Shaping policies and practices to reduce and prevent violence, and to support sustainable peace	1,562	1,688	767	503	4,520
Collaborating with all those striving for peace to strengthen our collective voice and impact	406	220	190	199	1,015
	5,878	5,017	3,649	1,879	16,423
			(Note 6)	(Note 3)	

3. Support cost breakdown by activity

	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
Support cost	£'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	

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

4. Total incoming resources

	2020 £'000	2019 £'000
Institutional funding		
Agence Française de Développement	11	(3)
Australian Department of Foreign Affairs and Trade (Australian Aid)	733	829
Austrian Development Agency	35	65
British Council	135	212
Conflict, Stability and Security Fund, UK	1,011	439
Department for International Development, UK	328	4
Department for International Development, UK – Global Security Rapid Analysis/Peace Research Partnership project		317
Department of Foreign Affairs and Trade, Republic of Ireland – Core grant	128	133
Deutsche Gesellschaft für Internationale Zusammenarbeit	210	62
European Commission	2,003	778
Federal Department of Foreign Affairs, Switzerland	154	479
Foreign and Commonwealth Office, UK	245	907
Global Affairs Canada	446	327
Ministry of Foreign Affairs, Denmark		(2)
Ministry of Foreign Affairs, Netherlands – Restricted	1,103	999
Ministry of Foreign Affairs, Netherlands – Strategic Partnership	1,400	1,400
Ministry of Foreign Affairs, Norway		4
Swedish International Development Corporation Agency, Sweden – Core grant	1,059	1,096
Swedish International Development Corporation Agency, Sweden – Earmarked gender	168	165
Swedish International Development Corporation Agency, Sweden – Earmarked other grants	202	145
Swedish International Development Corporation Agency, Sweden – Restricted	1,586	565
Swiss Development Corporations		13
United Nations Development Programme	2,228	3,421
United Nations Educational, Scientific and Cultural Organization	72	45
United Nations Entity for Gender Equality and the Empowerment of Women	66	152
United Nations International Children's Emergency Fund	591	66
United Nations Interregional Crime and Justice Research		148
United States Agency for International Development	329	1,117
United States Department of State	1,346	1,062
United States Institute of Peace	16	
World Bank Group	193	307
	15,798	15,252
Foundations, trusts and other organisations		
Bonn International Center for Conversion		8
Durham University	(8)	8
Finnish University Partnership for International Development		10
Helvetas Swiss Intercooperation		3
Institut für Auslandsbeziehungen – Zivik		(1)
Intergovernmental Authority on Development	62	
International Development Law Organization		6
International Rescue Committee	20	
King's College London	10	10
Landell Mills	77	
London Metropolitan University	1	
Nordic International Support Foundation	190	1
Norwegian People's Aid	4	5
Oleoducto Central SA		26

Organisation for Economic Cooperation and Development	38	
Oxford Policy Management	166	8
Pickwell Foundation	14	10
Saferworld	96	209
Save the Children	6	6
SOAS University of London		(5)
Stichting IHE	53	1
Stichting the Network University		3
Street Child		4
Terre des Hommes		(3)
UnionAID	36	37
Voluntary Service Overseas	479	400
World Vision	104	181
	1,348	927
Corporate and private individuals, bank interest and other donations/income		
Adam Smith International		13
Anglo American Services Ltd.	(3)	195
Bank interest	14	24
Cerrejón Mining Company		48
Development Alternative Initiative	65	
German Technical Cooperation Agency		23
Gran Tierra Energy Inc.		29
International Petroleum Industry Environmental Conservation Association		4
Management Systems International	345	
Other donations/income	63	29
Thomson Media	2	
TradeMark East Africa		88
Trans Adriatic Pipeline AG	25	45
Turcan Connell		1
	511	499
Total income	17,657	16,678

5. Staff numbers and costs

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

	2020	2019
	No.	No.
Raising funds	5	3
Charitable activities – direct	39	37
Charitable activities – support	21	22
Overseas staff	190	178
	255	240

Staff costs during the year were as follows:

	2020	2019
	£'000	£'000
Salaries	3,031	2,926
Employer's National Insurance contributions	277	275
Pension costs	305	302
Overseas staff cost	3,260	3,254
	6,873	6,757

During the year, redundancy payments made amounted to £182,107.31 (2019: £51,451) as a result of a restructuring of the charity.

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

	2020	2019
	No.	No.
Between £60,000 and £69,999	8	3
Between £70,000 and £79,999	2	1
Between £80,000 and £89,999	0	2
£90,000 and above	1	0

Pension contributions amounting to £75,387 were made during 2020 for employees whose emoluments for the year exceeded £60,000 (2019: £49,298).

Key management personnel include the Chief Executive Officer and Principal Officers reporting directly to the Chief Executive Officer. The total employee remuneration of the charity for 2020 for key management personnel was £371,358 (2019: £289,077) and pension was £33,118 (2019: £25,714).

6. Grants funding of activities – Grants to partners

	2020 £'000	2019 £'000
Aboitiz Power		
Action pour la Solidarité et la Paix	140	104
Action pour le Développement des Populations Défavorisées	(6)	12
Action pour le Développement et la Paix Endogènes	21	168
Afghan Women's Education Center	63	54
African Youths for Peace Development and Empowerment Foundation	23	
Aide et Action pour la Paix	75	66
Antenna Foundation Nepal	2	
Appui au Développement de l'Enfant en Détresse	127	94
Areg Balayan		15
Armine Vanyan		4
Artsakh Volunteer Union		5
Artsakhertum Youth NGO		6
Artsvit Gallery	4	
Association de la Jeunesse pour la Promotion des Droits de l'Homme et Développement	50	77
Association for Repatriated Women in Burundi	73	25
Association Malienne pour la Survie au Sahel	26	51
Association Modeste et Innocent	1	2
Association Paysanne pour le Développement Integral		92
Association Rwandaise des Conseillers en Traumatisme	9	36
Associations des Commerçants Transfrontaliers du Burundi	4	
Azat Adamyan		6
Basmeh and Zeitooneh	60	25
BBC Media Action	152	273
Benishyaka Association	1	4
Bilozerka Center for Regional Development		4
Bureau pour le Volontariat au Service de l'Enfance et de la Santé	122	75
Bwishyaza Coffee cooperative	4	
Caprocyu cooperative	4	
Caritas Byumba	4	
Caritas Développement Uvira		95
CDA Collaborative Learning Projects	123	49
Célébrons le Courage de la Femme	17	
Center for International Private Enterprise	109	
Centre for Cultural Relations – Caucasian House	44	6
Centre for Lebanese Studies	33	
Centre for Social Cohesion, Peace and Empowerment	128	29
Child Smile	1	6
Chuhuvivska Pravozakhysna Hrupa		4
Cofar	4	
Collectif Alpha Ujuvi	40	23
Commission Épiscopale Justice et Paix du Rwanda	41	21
Committee of Voters of Ukraine	4	4
Conciliation Resources	35	144
Cooperative d'Épargne et de Credit de CAHI	6	
Cooperative pour la Valorisation des Marais de Burera	4	
Coribaru cooperative	4	
Crisis Management Initiative	81	12
Crisis Media Center Siverskyi Donets		4

Damma Foundation	2	2
Department of Foreign Affairs and International Trade, Canada		(4)
Dnipro League of Social Workers	4	
Duhuzintego Bahimba	4	
Equal Opportunity Space	1	5
European Movement in Artsakh		(8)
European Network for Central Africa	15	
Faith Victory Association	56	27
Farodis	18	
Federation of Muslim Women's Associations in Nigeria		
Federation of Nepali Journalists	26	1
Focus on Arid Land and Integrated Development	29	20
Fund for Development of Spiritual Culture 'lyman'		8
Fund for Social and Cultural Initiatives	48	9
Gamkhori	15	
Gender Club Dnipro	4	
Gender Equality, Peace and Development Center	59	24
Go Group Media		11
Groupe Milima		155
Grow Strong Foundation	49	
Guichet d'Économie Locale du Sud-Kivu	53	31
Harmony NGO		6
Health Care Development Focus Initiative		(4)
Hope and Peace Foundation	1	2
Horn of Hope Vision for Peace and Community Development in Nigeria	74	
I Change		11
Indatwa-Kayonza cooperative	4	
Info Change Pvt Limited	6	19
Innovation et Formation pour le Développement et la Paix		184
Institute of Human Rights Communication Nepal	16	
International Alert Europe		58
International Association of Business and Parliament		3
International Peace Information Service	109	
Inyenyeri Itazima	2	2
Irina Gabrielyan		5
Journalists for Democracy and Human Rights		0
Justice Plus	66	
Kachinland Research Centre		1
Kairos Sri Lanka		1
Kaputir Resource Management Organisation	86	84
Karitas Sambirsko-Drohobytskoi Yeparkhii	5	4
Kaw Lah Foundation	(1)	31
Kenya Muslim Youth Alliance	1	
Kharkiv Regional Association of Community Initiatives	4	7
Kharkiv Volunteer Center		4
Kishimi Shelter and Care Foundation	33	
Koaiga Imitoma cooperative	4	
Kristina Alahverdyan		5
Kvinna till Kvinna	60	6
Laissez l'Afrique Vivre	54	17
Legal Aid and Consultancy Centre	102	136
Levon Arshakyan		4
LINKS		23
Lupah Sug Bangsamoro Women Association	8	26

Madhes Human Rights Home	169	63
Maksym Serhiyovych Ieligulashvili		13
Mariupol Youth Union	6	6
Mayrutyun NGO		5
Mindanao Business Council		
Nepal Madhesh Foundation	11	37
Nune Tovmasyan		4
Observatoire Gouvernance et Paix	91	
Open Society NGO		6
Otava	4	
Peace and Durable Development	4	
PeaceNet Kenya	56	17
Phan Tee Eain	23	1
Pole Institute	114	5
Pro-Femmes Twese Hamwe		3
Public Journalism Club		3
Regional Analytical Center Ukraine	5	5
Réseau d'Innovation Organisationnelle/Centre Régional de Paix	13	125
Rivets Learning	27	
Rutengroc	3	
Rwanda Organization for Development Initiatives	6	3
Saferworld	271	225
Samagra Jan-Utthan Kendra	89	74
Sawa for Development and Aid	78	
Sociétés de Microfinance Congolais	14	
Solidarité des Femmes Activistes pour la Défense des Droits Humains	(2)	92
Solidarité des Femmes de Fizi pour le Bien-Être Familial	55	16
Solidarité des Volontaires pour l'Humanité	68	122
Station Kharkiv		4
Strong Community	4	
Support Center of Young Women	4	
Sushan Ghahriyan		10
Taimako Community Development Initiative	22	
TASBIKka, Inc.	18	37
The Lebanese Women Democratic Gathering	1	2
The Story Kitchen		5
Thomson Media	82	118
THRD Alliance		8
Transcultural Psychosocial Organization Nepal	7	
Umoja in Action	46	
Union des Groupes d'Actions Fitz-Itombwe		97
United Nations Development Programme		(1)
University of Notre Dame	1	16
Vector Youth		6
Viktoria	4	
Western Mindanao State University		6
Women of Western Donba	4	
Yaung Chit Thit	18	
Yelena Sarkisyan		5
Youth Dnepr	4	
	3,965	3,649

7. Trustees' remuneration

Trustees received no remuneration in 2020 (2019: nil). In 2020, costs of travel, accommodation and related expenses reimbursed to nine trustees amounted to £1,415 (in 2019, nine trustees received £15,085).

8. Trustees' liability insurance

The cost of trustees' liability insurance for 2020 was £4,702 (2019: £4,200)

9. Included in the income and expenditure are:

	2020 £'000	2019 £'000
Statutory audit fees	(14)	(13)
Audit fees – other services	(6)	(11)
Project audit fees	(53)	(82)
Depreciation	(23)	(10)
Defined benefit pension scheme contributions	(5,870)	(302)
Foreign exchange gains/(loss)	54	(373)

10. Tangible fixed assets

	Property improvements £'000	Office equipment and computers £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2020	286	177	93	556
Additions	-	-	-	-
At 31 December 2020	286	177	93	556
Accumulated depreciation				
At 1 January 2020	286	136	78	500
Charge for year	-	14	8	23
At 31 December 2020	286	150	86	523
Net book values				
At 31 December 2020	-	27	7	33
Net book values				
At 31 December 2019	-	41	15	56

11. Debtors

	2020 £'000	2019 £'000
Grant income	1,164	696
Receivable from associated charity	50	116
Prepayments	99	91
Sundry debtors	40	52
	1,353	955

12. Creditors

	2020	2019
	£'000	£'000
Trade creditors	29	31
Taxation and social security	97	152
Accrued expenditure	123	265
Deferred income	1,535	1,534
Pension creditors	171	186
Sundry creditors	62	12
	2,017	2,180

Note 12.a

12.a Deferred income

	2020	2019
	£'000	£'000
Opening balance	1,534	1,533
Less: Realised during the year	(1,534)	(1,533)
Add: Deferred income during the year	1,535	1,534
	1,535	1,534

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

13. Commitments

At 31 December 2020, International Alert was committed to making the following payment under non-cancellable operating leases in the year to 31 December 2021.

Operating leases which expire

	Land and buildings		Other	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Within one year	207	207	-	13
Within two to five years	149	356	-	-
Over five year	-	-	-	-

14. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	2020	2020	2020	2019	2019	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	33	-	33	56	-	56
Current assets	3,183	4,764	7,946	3,386	3,535	6,921
	3,216	4,764	7,979	3,442	3,535	6,977
Less: Creditors	1,471	541	2,012	1,502	678	2,180
	1,745	4,223	5,967	1,940	2,857	4,797

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 2020 £'000	Movements between funds £'000	Incoming resources £'000	Outgoing resources £'000	Other transfers	At 31 December 2020 £'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: £256,000 was transferred from the Designated Fund for Development to the General Unrestricted Fund for organisational development and operations. Due to positive results at the end of 2020, £34,000 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 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.

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

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

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

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

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

16. Notes to the cash flow statement

Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£'000	£'000
Net income for the period	1,117	255
Interest from deposits	(15)	(25)
Depreciation	23	10
Exchange rate gain/(loss)	54	(373)
(Increase)/decrease in debtors	(398)	(306)
Increase/(decrease) in creditors	(163)	(402)
Net cash inflow/(outflow) from operating activities	618	(840)

17. Analysis of changes in net debt

	At 1 January 2020	Cash flows	At 31 December 2020
	£'000	£'000	£'000
Cash and cash equivalents			
Cash	5,966	633	6,599
	5,966	633	6,599

18. 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 2020, International Alert donated to its affiliate Stichting International Alert £103,464 (2019: £46,000).

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