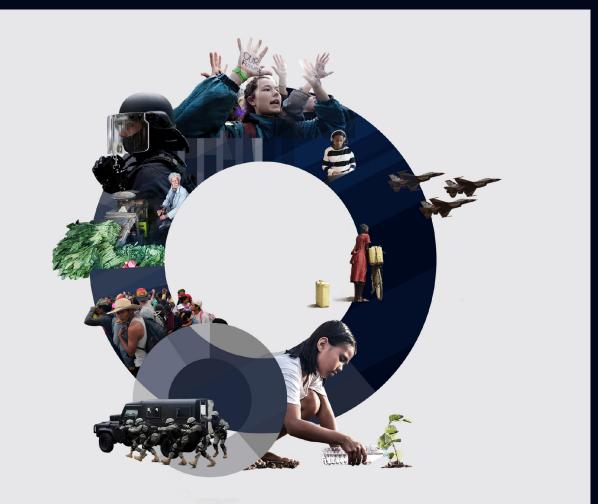
ANNUAL REPORT 2021

Creating a paradigm shift in the way the world thinks about peace





overview.

Our Annual Report provides an overview of the work of the Institute for Economics & Peace (IEP) from 1 July 2020 – 30 June 2021.

It aims to satisfy accountability responsibilities to our stakeholders, partners and supporters. It has been prepared with the intention of informing and demonstrating the ongoing activities of the Institute for Economics and Peace.

board.

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chairman's report.

For many organisations 2021 has been a challenging year, however I am pleased to say that it was a good year for the Institute for Economics and Peace with strong growth in the consultancy portfolio, an increasing uptake in Positive Peace and an expanding research portfolio.

IEP has continued to maintain a strong balance sheet, increasing overall assets and now more than a year's operational expenses in reserve.

Like many organisations IEP has done limited travel. I have not been out of Australia for two years due to the border closures however, it has provided the opportunity to give many more remote presentations. Over the last year IEP has presented at over 240 conferences and events. The largest reach was 380,000 views for the launch of the 2021 Ecological Threat Report with Lord Alderdice.

Probably the most impactful finding during the year was how strong the relationship is between ecological degradation and conflict. Eleven of the 15 countries with the worst scores are currently in conflict and the other four are on our watch list. These countries also suffer from huge population growth, weak governance, refugees, poor business environments, and water and food shortages, highlighting the significance of the systemic nature of the problems and the need for systemic solutions. Probably the most disturbing finding was that 2.3 billion people are food insecure, an increase of 44 per cent since 2014, with two thirds of the people in sub-Saharan Africa being food insecure.

IEP's media reach last year was impressive with over 26 billion impressions, including 1.6 billion social media impressions, from over 14,000 articles. The institute has now trained over 3,000 IEP ambassadors with the largest intakes coming from Ethiopia and Nigeria.

The institute also released a new product called Future Trends which highlights global media stories that gives insight into the future and covers politics, conflict, social, economic and development. It has been well-received and started with 14,000 subscribers and grown to over 40,000 and we aim to finish the year with 100,000 subscribers.

IEP's partners and networks keep expanding with over 300 partners the institute is currently engaged with. Our Rotary relationship keeps expanding as does the partnership with Religions for Peace. Other notable partners IEP has concluded agreements with are World Vision and the World Trade Organisation.

Our work around Positive Peace keeps expanding especially the interlinkages between Positive Peace, resilience, the economy and aspects of a flourishing society. This has led to more research and a deeper understanding of the systemic nature of how societies operate. This has culminated in the development of a unique modular framework for analysing the systemic operations of societies. IEP will be operationalising in the coming year. It is our understanding that unless systemic dynamics of a society can be understood creating desirable change is difficult.

I have also released a book titled Peace in the Age of Chaos which is selling very well. Podcasts are proving to be extremely successful in the marketing of the book, where we are recording one to two per week. The book covers the work of IEP, as well as my personal stories from the developing world related to the work of IEP and the entrepreneurial journey in creating a world class research institute.

IEP's consulting portfolio was one of the standout successes for last year, increasing revenue by over 200 per cent and we are expecting solid growth again this year.

Steve Killelea

Steve Killelea, A.M. Founder & Executive Chairman

At the Institute for Economics & Peace, we are working towards a paradigm shift in the way we develop our societies, shifting them towards peace.

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about us.

The Institute for Economics & Peace aims to create a paradigm shift in the way the world thinks about peace as a positive, tangible and achievable measure of human well-being and development. It does this by shifting the lens through empirical research away from the negative to the positive aspects that create the optimal conditions for societies to flourish.

IEP's research on Positive Peace, combined with its unique approach to understanding societal systems, provides a new transformational approach for understanding the dynamics that not only influence peace but also the advancement of human societies.

The institute has a broad range of services, ranging from consulting to online and in-person training, to an IEP ambassador program, to media outreach to propagate its messages and research. It also has a strong partnership program and is engaged with over 200 partners.

Headquartered in Sydney, IEP has developed into global operation, with offices in New York, Mexico City, Brussels, IEP's media impact is global also, with publications and outlets including the Guardian, the Economist, Deutsche Welle, Al Jazeera and Russia Tonight regularly featuring IEP's research.

IEP works alongside a range of multilateral partners, ranging from the United Nations and World Bank, to Lloyds Foundation the Australian Department of Foreign Affairs (DFAT) and more. Alongside our sister organisation The Charitable Foundation, which has completed over 220 developmental projects with 3.6 million beneficiaries, IEP is making a difference in the world every day.

approach.

IEP's approach to research is empirical, mathematical, useful and ever evolving.

In 2007 IEP launched the Global Peace Index, the first study to rank countries around the world, from Algeria to Zimbabwe, according to their peacefulness and, more importantly, to identify the key drivers of peace. It covers 99.7 per cent of the world's population, using 23 qualitative and quantitative indicators from highly respected sources.

It has since developed numerous innovative products, including the first study on the cost of violence to the global economy, the Global Terrorism Index, the Ecological Threat register, the relationship between religion and peace, country risk assessment methodologies, how societal systems function, and more.

IEP aims to use quantitative techniques wherever possible, combined with world class skills in mathematics, statistics, economics and peace to provide its research. Many of its employees also have practical skills in peacebuilding, policing and the military to provide a fully rounded team of international experts.

This product innovation and product refinement will continue in the coming year.

partners.



reports.

The variety of reports developed by IEP each year continues to grow, as our initiatives expand. Our reports aim to provide policymakers, researchers, the media and the interested public with reliable insight, analysis and recommendations.



IEP

IEP

yearly published

reports

IEP

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Measuring peac a complex w

The Global Peace Index (GPI) is composed of 23 qualitative and quantitative indicators from highly respected sources, and now ranks 163 independent states and territories, covering over 99 per cent of the world's population.

2-19 CE

The index gauges' global peace using three broad themes: the level of safety and security in society; the extent of domestic or international conflict; and the degree of militarisation. The most recent edition of the GPI found that over the past ten years the overall levels of peace had slightly deteriorated, with the level of political and civil unrest continuing to rise around the world. It also drew on data from the Lloyd's Register Foundation World Risk Poll, to examine trends in perceptions of risk and safety prior to the COVID-19 pandemic. The 2021 GPI received a high level of domestic and international media coverage as well as being the subject of a large number of launch events hosted around the globe. Notable press coverage included, Financial Times, Reuters, The Guardian, BBC, The New York Times and Bloomberg. 500 MEDIA REACH

152 COUNTRIES

NEWS ARTICLES



COVID-19CE

STRENGTHE

1,8

SUSTAL M

> 5 COUNTRIES

> > **NEWS ARTICLES**

IC THE IMPACT

MEA

RISM

IEP

The next iteration of the Global Terrorism Index will be released in March 2022. This will mark the first time that the GTI will use data from Dragonfly's Terrorism Tracker database.

This will allow for IEP to undertake near real-time analysis of emerging threats from terrorism, and ensure that all GTI releases contain the most up to date data, trends, and analysis. The next GTI will focus on the continued growth of terrorism in the Sahel, further extending the analysis that was a key part of the 2021 Ecological Threat Register.

The second edition of the Ecological Threat Register (ETR) identifies countries at the highest risk of ecological threats. The report focuses on the problem of resource scarcity and natural disasters and their impact on peacefulness.

Analysis from the ETR allows for the identification of countries and regions where ecological crises are more likely to occur and have a severe impact on populations residing in those areas.

The ETR count represents the number of threats a country faces such as water and food risk and natural disasters. Key findings from the report demonstrate the important nexus between peace and resource scarcity threats, and projecting 30 years into the future. By 2050, the ETR found that 80 per cent of the world's population will live in countries that are in the bottom half of the Global Peace Index rankings.

The ETR was well received, with three billion media impressions, and was the subject of many webinar events hosted by IEP around the globe. Notable press coverage included BBC World, Time Magazine, Reuters and The Daily Telegraph. 3bn MEDIA REACH



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1,200 News Articles

innovation.

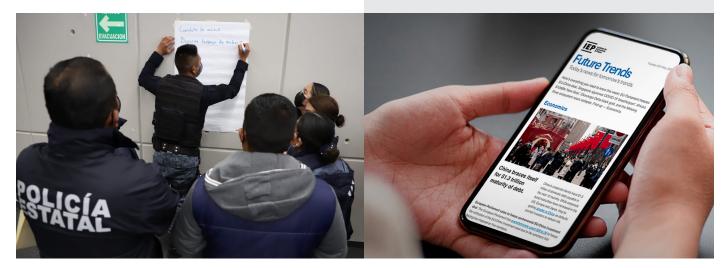












events.



impact.

As we grow so too does the impact and reach of our work, we endeavour to become a catalyst for positive change. We seek to develop a legacy of information, which informs and educates the maximum number of people possible.

Through exposure to our publications and media we hope that people around the world will develop informed opinions through which they themselves enact and seek to become more peaceful societies. In addition to the release of the Global Peace Index and our other core research products, last year we conducted Positive Peace workshops in Ethiopia, Uganda and the Middle East, as well as increasing our through the Rotary International Peace Academy and the IEP Peace Ambassador programme a year of strong engagement with the Positive Peace Course, with the aim of training 100,000 people in 2022.

snapshot.



highlights.

In addition to producing a number of reports, IEP undertook a number of other engaging projects and forged new collaborative relationships during a time when COVID-19 presented new and unprecedented working challenges for organisations around the world.

IEP AMBASSADOR PROGRAMME

Delivered online, the programme has enabled global participants to continue learning about Positive Peace and provides them with a framework for activating Positive Peace in their communities. In 2021 IEP delivered a bespoke Ethiopian Ambassador programme with over 350 participants who delivered over 120 Positive Peace projects and presentations. Overall the IEP Ambassador programme saw a record number of participants with over 600 applications in 2021.

ROTARY INTERNATIONAL & IEP

IEP strengthened its partnership with Rotary International by training over 50 Rotary Activators across North America and Latin America with the intention of implementing Positive Peace projects and making the Positive Peace framework more tangible for Rotarians committed to peacebuilding. IEP continued its momentum with Rotary by continuing the Rotary Activators programme with an additional 25 Activators trained in Europe, with 40 Activators planned for the Asia cohort in early 2022. The partnership also saw its first Rotary Positive Peace workshop in Europe, with sessions in France and Portugal through the IEP EU/ MENA office.

PARTNERSHIPS

The Partnerships portfolio has continued to work with external organisations seeking to promote Positive Peace, with the last year bringing in new partnerships both internationally as well as domestically. Some partnerships of note are projects with Multicultural NSW through the COMPACT program, Pax Et Bellum, World Vision and Makerere University (Rotary peace Center). Partnerships were also able to deliver a number of face to face, hybrid and online workshops – in Australia, Myanmar, Uganda, France and the USA.

ETHIOPIA

Helped create a 130 peace projects

This online Positive Peace workshop was launched shortly after the outbreak in violence in Ethiopia's Tigray region. The conflict between federal and regional forces that began in November 2020 has pushed tens of thousands of refugees into neighbouring Sudan and has developed into a humanitarian crisis. The free programme was launched in February 2021, and attracted local Rotarians, business people, artists and entrepreneurs, and members of the Ethiopian Reconciliation Commission.

PHILIPPINES

Helped end an insurgency

The Paquibato district of Davao City in the Philippines has suffered violence for decades as communist rebel groups sought to overthrow the government. In 2019, Davao City mayor formed the Davao City Advisory Committee on Peace and Development to







respond to the issue through local peacebuilding. The committee consulted with the 14 barangays, or villages, to listen to the concerns of the community to discover that locals were hungry and fearful. Using a Positive Peace frame work the committee launched an emergency response to address these immediate issues, and subsequently labelled the programme Peace 911. Nine months after the program, the district was declared clear of insurgents.

UGANDA

Created a 146.2% increase in school enrolment in the area

Jude Kakuba, a Rotarian from Uganda had been trying to improve levels of literacy in a school in Kampala for two years, with little success. After attending a Positive Peace workshop, Jude decided to look at his own project through the lens of Positive Peace. He identified a number of ways to address his project in a systemic way and engaged his local Rotary club in supporting a new initiative focusing on activating all the Pillars of Positive Peace, including education.

HIROSHIMA

Strengthened academic research into sustainable peace

Dahlia Simangan, Assistant Professor, Hiroshima University and IEP Ambassador alongside colleagues at the Network for Education and Research on Peace and Sustainability (NERPS) at Hiroshima University compiled a systematic review of literature on the peacesustainability nexus. The project mapped the scientific literature interaction between the Pillars of Positive Peace and the various dimensions of sustainability, inclusive of the United Nations' Sustainable Development Goals.

consulting partners.

The Institute for Economics and Peace provides a range of consulting services with a focus on generating and analysing data in order to better understand the various elements of peace.

As an organisation that produces innovative methodologies to quantify elements of human development and progress, the Institute uses in house expertise to produce custom research for a number of different clients. Our key areas of expertise include quantitative research, data generation, index development, statistical analysis and communicating data driven research within the field of peace, conflict and development.

The variety of projects and clients the Institute for Economics and Peace has worked for reflects the diversity of our expertise and our dedication to producing research that informs a more peaceful future. We have worked for intergovernmental organisations, NGOs, not-for-profits and businesses around the world.



Our research is having an impact, and our reach is increasing. We are adapting to a rapidly changing world and we are expanding our work to match the changes we see in the world.

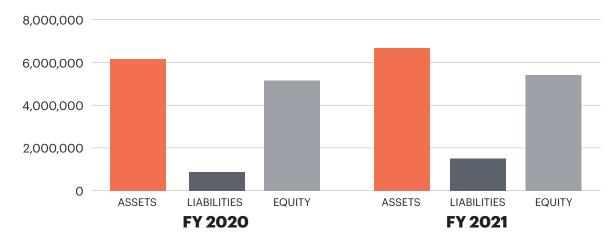
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financials.

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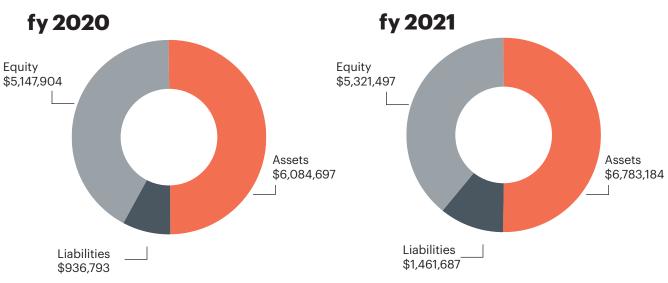
IEP produces audited financial statements each year which are available on the ACNC website. The Institute for Economics and Peace (USA) is a tax-exempt charitable organisation approved by the Internal Revenue Service under category 501(c)(3). Its audited financial statements are available on request.

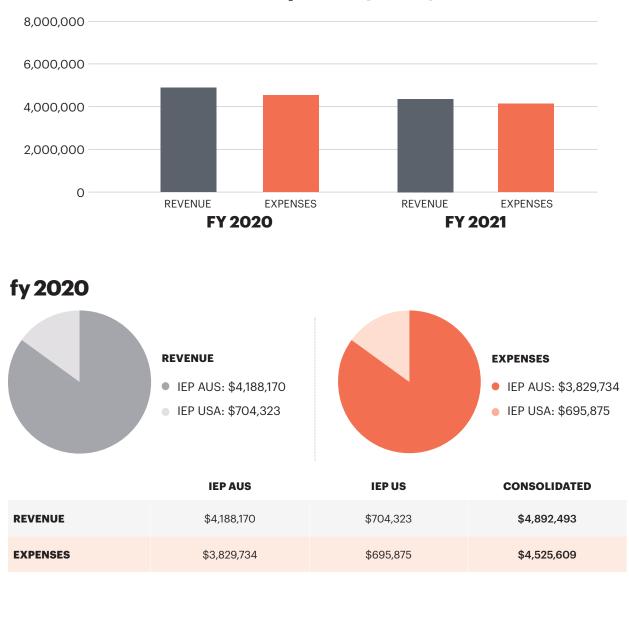
The following graphs and figures show the consolidated balance sheet, revenue and expenses for both entities for the financial year July 2020 to June 2021.



2020 + 2021 balance sheet (\$AUD)

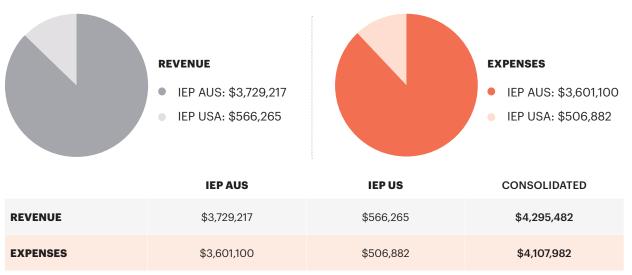
Balance sheet components





2020 + 2021 revenue and expenses (\$AUD)





partners.

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Director of the Oxford Poverty and Human Development Initiative

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