

IIED Board response to the External Review recommendations

Institutional Governance and Strategic Guidance

As the Board of IIED, we greatly welcome the report from the External Review Team. It is valuable to be reviewed by people who know and understand the environment in which we operate, and the kind of institutional and political space we occupy. Their views on the relevance of the organisation's current strategy and priorities are much appreciated, and their assessment of IIED's strengths and weaknesses are well-judged. It is good to get recognition from the External Review Team (ERT) of the considerable progress made in institutional systems and strategic development since the last review 2006-07. IIED management and board accept and will implement the large majority of recommendations stemming from the current review.

In particular, the ERT encourages us to take our global responsibilities further, by becoming more vocal and ambitious on the international sustainable development stage. IIED's "Fair Ideas" platform at the Rio+20 summit has shown our ability to convene and speak out, drawing on the extensive web of people, partner organisations, ideas, experience and evidence from what works for sustainable development at local level. Achieving greater visibility and voice for IIED should build on the strong embedded activities each group has underway in a range of different regions and at global level. The organisation's strategy should also strengthen further the "bridge" function IIED plays so well, linking global and local, environment and development, research and action, government and non-state actors. We endorse the ERT's conclusion that IIED is particularly well-placed to play an important role in global debates to build a green economy because of its rootedness in community-level perspectives and priorities, and its emphasis on local poverty and livelihood issues. Our challenge is to build stronger bridges between this work and the institute's participation in big sustainable development debates. In framing our next strategy, we will build an umbrella programme of work to make these connections and assist this larger orientation and influence.

The context for our institutional ambitions for Rio and beyond is the commitment by governments in the summit outcome document to design a set of global sustainable development goals (SDGs) by 2015. Over the next 2-3 years, we therefore plan to work on informing government, business and civil society arenas involved in the SDGs, in ways that draw from grounded experience and help push forward a collective vision for a fairer more sustainable planet. The Board fully supports IIED's role with the Independent Research Forum, and its aim to feed insights into the post-2015 panel, and the SDG design process, following Rio+20. IIED clearly has a central role to play, given that the need to bridge environment and development objectives has been central to our work for more than 40 years. Connecting with the priorities of the Least Developed Countries group will be a major emphasis in our positioning on the SDGs.

The Board recognises the unique value of IIED's framework agreement, and compliments the Donor Group for its commitment and generosity. Board members

would welcome other governments to join this group. Despite IIED's success in maintaining fund levels to date, the future financial environment will have its challenges. The Board acknowledges the ERT's comment on the absence of a formal revenue generation strategy, though recognises much successful fund-raising has been achieved at team, group and institute levels. We will focus on helping Management to address the reduced availability of frame funds, and need for an explicit fund-raising strategy, with well-identified responsibilities at the group, objective team and individual level. An explicit fundraising policy and set of targets will be developed over the next 6 months.

Relevance and Quality of Research Programmes

We welcome the strong endorsement of our current programme of work and accept the challenges to further improve our focus and resilience. The Board are pleased to hear of the value placed by donor governments on the evidence, ideas and insights which IIED generates, and their relevance to current policy debates. Reductions in flexible frame funding will require us to consider ever more carefully how to use resources in the most strategic way – which may entail disinvesting from some areas of our programme, and placing greater emphasis on capacity in our choice of partners. But we will also look to retain support for areas that are highly significant strategically but which are difficult to fund. The ERT recognises that the continuous improvement of research quality must be seen as an investment process, achieved through supporting and enabling the Institute's staff in their research activities. As the 'core text' on research excellence (developed through a series of Institute-wide discussions) has clearly indicated, research quality contains a range of attributes that include scientific rigour, rootedness, policy impact and academic merit. But for IIED's work, we also need to include assessment of the 'effectiveness' of our research and the value for money we offer.

Monitoring, Evaluation (M&E) and Learning

The ERT has outlined much of the progress that we have made in promoting M&E since the last external review and their recommendations will help us to develop further our thinking in this area, particularly in providing a better overview of M&E activities at the project level and in ensuring stronger compliance with the review process and recommendations.

We agree that self-reflection should be practiced more widely across the Institute and we intend to use this method more systematically especially prior to developing our next institutional strategy and before the next external review. An area we feel needs further work, that the team did not reflect on, is how best to support our partners in their M&E efforts. While we have made progress in embedding new ways of managing for results and learning in IIED, we believe a similar effort is needed with some of our key partners to develop their skills in this area. Over the next six months, we will start putting this into practice.

Communications

The Board are pleased that the ERT acknowledges the importance of IIED's communications work, and the relevance of a global influencing strategy to ensure IIED maintains its reputation and global visibility. Their clear support for the strategy paper 'Punching Above our Weight: Increasing Influence and Impact' was noted. The proposal by the ERT for an 'external positioning group' is also very welcome and clearly supports a more organised and targeted approach to Institutional

Communications around key themes and messages that bring together the wealth of experience and knowledge housed in IIED.

Investment in communications is increasingly challenging with the decrease in frame funding and we must address potential tension around support for communications and other core services, versus funding of research group activity.

Human Resources

The report usefully highlights where further improvements in the HR processes are required and the main findings are congruent with the 2010 Employee Survey results and two internal audit reports on HR controls / management that were carried out in early 2012. We accept the recommendations, and will ensure further investment is made in this area.

Financial Management and Revenue Generation

The Board is committed further to improve organisational standards generally and continued controls over contracts and payments. We acknowledge the need to explicitly relate budget planning, monitoring and reporting to progress against strategic objectives and will ensure new systems contribute to this. Preparation of the Business Plan has provided a valuable means to test out different financial models, and ways to increase resilience. This will include: analysis of funding sources, trends in fund availability, techniques for accessing different sources of funding, and training and support for staff.

Overview of other Institute-wide Systems

The Cross Organisational Systems Group has been working for 18 months to ensure congruence and connection between the different IT, communications, database, finance, and reporting systems developed in-house. There is clearly an appetite for improvements in their alignment and connection, due to the cycle of time-hungry systems, inefficiency and staff stress from which we need to break out.

IIED Board and management do not favour the option of moving staff from Edinburgh (as recommended by the ERT), particularly while we have a business plan which identifies steady growth as the preferred plan, and in the knowledge that it would lose several invaluable staff members. But we recognise we should ensure the Edinburgh office remains cost effective and efficient, and maximise the benefit from our presence in Scotland.

In conclusion

As the Board of IIED, we feel both satisfied with the in-depth, rigorous assessment carried out by the External Review Team, and ready to take forward the valuable recommendations made. We will agree a timed schedule for the implementation of such recommendations, alongside attributed responsibilities, resources to be invested and indicators of progress.

Maureen O'Neil
IIED Board Chair
London October 2012