
International Institute for Environment and Development

**Trustees' report and accounts
for the year ended 31st March 2013**

Registered company number: 2188452

Registered charity number: 800066

Registered OSCR number: SC 039864



July 2013

Reference and administrative details of the charity, its trustees and advisers

Trustees

The following were the trustees of the charity during the year ended 31st March 2013 and to the date of signing of the accounts.

Maureen O'Neil (Chair)	
Julio Berdegú	(retired 3 July 2012)
Lisa Beauvilain	
Filippa Bergin	(appointed 19 November 2012)
Soomsook Boonyabanha	(appointed 19 November 2012)
Alastair Da Costa	(appointed 1 July 2013)
Teresa Fogelberg	
Laila Iskandar	(retired 2 July 2013)
Alan Jenkins (Vice Chair)	
Frank Kirwan (Treasurer)	
Anna Maembe	(retired 2 July 2013)
Pancho Ndebele	
Sheela Patel	(retired 3 July 2012)
Lorenzo Rosenzweig	(appointed 19 November 2012)
Francisco Sagasti	
Ian Rushby	
Min Tang	

The trustees are the directors of the company under the Companies Act.

Director

Dr Camilla Toulmin

Registered office

The registered office of the company is at:

80-86 Gray's Inn Road
London
WC1X 8NH
United Kingdom

Charity Registered number: 800066

Company Registered number: 2188452

OSCR Registered number: SC 039864

Auditors

Crowe Clark Whitehill LLP
St. Bride's House
10 Salisbury Square
London
EC4Y 8EH

Solicitors

Bates, Wells and Braithwaite LLP
2-6 Cannon Street
London
EC4M 6YH

Banker

Barclays plc
Level 27
1 Churchill Place
London
E14 5HP

Trustees' Report

The trustees present their report and the audited consolidated accounts for the year ended 31st March 2013. This Report and the Accounts have been prepared in accordance with the Companies Act 2006 the company's Articles of Association and the Statement of Recommended Practice: "Accounting and Reporting by Charities" (2005).

Structure, governance and management

Charitable status

The company is registered in England and Wales as a charity (registered charity no. 800066), and in the USA as a publicly supported organisation exempt from federal income tax. The company is registered in Scotland as a charity (OSCR registration number SC 039864).

The company is registered in the UK as a company limited by guarantee (registered no. 2188452) and its activities are governed by the Memorandum and Articles of Association (dated 9.11.98).

The Memorandum of Association restricts the company's activities to those which are exclusively both charitable and educational. In addition, the Memorandum of Association allows the company to invest funds not immediately required whilst complying with the laws and restrictions governing the investment powers of charities.

In the event of winding up of the company each member undertakes to make a contribution up to a maximum of £1.

Trustee appointment

The names of the trustees are shown on the opening page.

Trustees retire by rotation; six years' service (3+3) is the maximum unless allowed exceptionally by the board.

New trustees are nominated annually by the board and the staff of the institute, via a nominations sub-committee, and appointed by the board. Trustee vacancies are advertised on IIED's website and UK vacancies are advertised on free UK charity trustee websites.

Trustees attend an induction programme before appointment to familiarise themselves with the operational activities and day to day management of the institute which have a bearing on the trustee roles and responsibilities.

Organisational structure

IIED board meets in full twice a year, and twice a year as Executive Committee. Any board member may attend the Executive Committee either by conference call or in person. The Executive Committee meetings focus on the company business, both the routine work of the programmes and the review of the management accounts and risk management reported by the Finance, Audit and Risk Assessment sub-committee. The Executive Committee consists of the honorary officers, the vice chair, the treasurer and such other members who may be able to attend.

The Finance, Audit and Risk Assessment sub committee meets quarterly to review financial performance and risk management at IIED. It reports to the board and the Executive Committee. It comprises of a minimum of four board members, the Director and the Chief Operating Officer.

Each year, the board reviews and approves the strategy and rolling business plan.

The day to day running of the institute is delegated to the Director who is supported by a Management Team and Strategy Team. IIED administrative and management decisions are the responsibility of a staff management group (Management Team) and policy and strategy is reviewed and agreed by a staff strategy group (Strategy Team). Both of these key groups are supported by ad hoc working groups.

IIED has an agreement with the trade union Unite.

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Risk

The staff and board have put in place a framework for evaluating risk, which considers major, medium and low risks, under the following categories: finance, information technology, human resources, office and programmes. The major risk thus identified, are prioritised and reviewed annually by the Finance, Audit and Risk Assessment sub-committee and steps are taken to mitigate those risks.

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IIED is a policy and action research organisation working to promote sustainable development and improve the livelihoods of all, but especially the poor, in ways that protect the environments on which these are built. Based in London and working on five continents, we specialise in linking local priorities to global challenges. In Africa, Asia, Latin America, the Middle East and the Pacific, we work with some of the world's most vulnerable people to ensure they have a say in the decision-making arenas that most directly affect them — from village councils to international conventions. We believe in working, often in partnership, with local people and their organisations — this has long been central to our way of working.

Established in 1973, IIED has made important contributions to many major milestones of sustainable development, from the Brundtland Commission of 1987 and the 2002 World Summit on Sustainable Development in Johannesburg, to the annual meetings of the UN Framework Convention on Climate Change (UNFCCC) and the Rio+20 summit in 2012.

Our longstanding body of research and communications work has consolidated IIED's reputation at the cutting edge of environment and development. Together with our broad-based network of partners, we aim to shape a future where people and planet can thrive.

In setting our programme each year, we take account of the Charity Commission's general guidance on public benefit. Our trustees aim to ensure that the programmes we undertake are in line with our charitable objectives and aims, promoting sustainable and equitable development for the public benefit.

2012–2013 was the penultimate year in our current five-year strategy, and particularly saw us responding to the external review of 2011–12.

How we make a difference: delivering 'public benefit'

Our work combines research, advice and advocacy. Like an academic institute, we often publish in peer-reviewed journals. We value our independence and our high standards of research. Almost all our reports are available free on our website. Like a consultancy company, we often provide international development agencies with advice on specific projects, policies or issues. And like an advocacy organisation, we often focus on particular issues and promote them in the public policy arena. In all we do, we focus on equitable and enduring solutions, built in collaboration with partners at the grassroots. We aim to serve the public benefit in a number of ways, including working in partnerships, researching and analysing evidence on which decisions for the public good can be taken, communicating what we do and what we produce by way of data and analysis as widely as possible, and building bridges between groups and organisations which might not otherwise come together. Further details are as follows:

Partnerships with people at all levels are crucial to our effectiveness. They let us co-generate ideas and co-produce evidence and new thinking. Partnerships create space for building trust between different interests and groups, and for key actors to learn together and work out what they think. For example, our three-year project on small-scale farming in Africa, Asia and Latin America, co-led with Hivos (the Humanist Institute for Cooperation), which came to a close in November 2012, called for a major rethink of development and business interventions. The project's final output reflected much work undertaken by a learning network of farmer leaders, business people, researchers and civil society that spanned Central America, the Andes, East Africa, India and Indonesia. It emphasised the advantages of the informal economy in giving small-scale farmers market access, flexibility and even market power, and pointed to several cases where combining formal and informal market structures and opportunities are already working well.

We work to generate and use **evidence**, because we understand the need for evidence-based decision making, and how new ideas can transform how people look at the world. New ideas open up the possibility of 'thinking and doing' differently. People, whether in government, business or citizen groups, can often get stuck in routine approaches and 'conventional wisdom'. We particularly seek to challenge

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misconceptions by generating credible evidence that allows new policy responses. For example, this year our peer-reviewed journal *Environment and Urbanization* which continues to rank among the world's most cited and widely read urban journals, included a range of papers showing how organisations of the 'illegal' urban poor have made themselves matter to city governments by mapping and documenting their informal settlements and the people and businesses operating within them.

Another example of our focus on evidence is the Tracking Adaptation and Measuring Development framework. Working with policy and research partners in Africa and South Asia, we have developed a framework and tools that enable governments and development agencies to assess whether climate adaptation projects enhance or compromise development. We are now tailoring the framework for five pilot countries (Ghana, Kenya, Mozambique, Nepal and Pakistan) and testing it at national and subnational levels.

Through a range of dialogues, events, participatory research and publications, we have helped galvanise interest in the idea of investing in locally controlled forestry, and have set out guidelines for how to do this successfully. Our toolkit for international donors, NGOs, national government agencies and extension workers who support small and medium forest enterprises was more than two years in the making. Published in May 2012, it provides step-by-step guidance alongside practical tips and 60 case studies, and shows how the tools have already been used to provide a 'health check' in China, improve market information flows in Ethiopia, and support forest product development in Nepal.

Excellent communications put IIED on the 'front foot', keeping us proactive on the web and in social media, as well as in the press and on TV. IIED has a reputation for tight well-crafted briefing papers and for knowledgeable opinion pieces (now mostly published as blogs and op eds). In April 2012 more than 300 climate change specialists from 60 countries gathered in Hanoi, Vietnam for IIED's 6th Conference on Community-Based Adaptation to Climate Change, which took communication as its theme, offering sessions on subjects such as blogging, working with the media, and using games to communicate the concept of risk.

In June 2012 our Fair Ideas conference, held immediately before the Rio+20 Earth Summit, provided a space for people directly and indirectly involved in the summit negotiations to share information and ideas on cutting-edge research and policy approaches. Around 1,000 attendees over the two days heard from more than 150 speakers about exciting innovations in sustainable development, ranging from glimpses of a green economy to community-designed urban spaces, and from social enterprises to policies that reduce inequality. We streamed sessions live over the internet and made connections with media worldwide, achieving 150 mentions in 34 countries. And in November we worked with Internews to co-host a climate communications day at the UN climate talks in Doha, Qatar, where more than 120 journalists, scientists, activists and communications experts exchanged experience on how best to communicate climate-related issues.

We recognise the importance of **building bridges** within IIED, both with our broad set of outside partners, and with other actors. Collaboration generates insights and synergies across sectors, levels, and methods of work. For example, we have effective internal forums on investment, food and agriculture, and energy, which bring together staff from across IIED to make connections. And through participatory research and stakeholder engagement in the Caspian region, we have revealed a number of ways in which the international Extractive Industries Transparency Initiative can help reduce poverty, improve lives and ensure that extractive industries operate in a more sustainable, environmentally responsible way.

This year we also reviewed progress against the agenda laid out by the ground-breaking report of the Mining, Minerals and Sustainable Development project, which ten years ago sat mining companies down with environmentalists to talk about sustainability. There have been important achievements — for example, establishing the International Council on Mining and Metals to improve understanding of sustainable development. But some areas, including corporate engagement with community

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development and artisanal mining, remain neglected and underfunded. Looking ahead, we have begun a programme of work on artisanal mining to help bridge this gap.

Delivering 'public benefit' remains a driving force for IIED, and this year, in response to the 2011 external review, we have established a new internal monitoring and evaluation group to ensure institute-wide ongoing improvement, to address issues flagged by the external review, and to maintain the positive momentum that the reviewers noted.

Our strategic approach

At IIED we undertake research, engagement and communication work to generate the ideas and evidence that enable us to deliver our mission. This is the penultimate year of our five-year strategy (2009–2014), which covers seven main themes, made up of four 'principal goals' and three 'institutional priorities':

Principal goals:

1. Tackling the 'resource squeeze'
2. Demonstrating climate change policies that work for development
3. Helping build cities that work for people and planet
4. Shaping responsible markets

Institutional priorities:

5. Communicating and influencing at all levels
6. Governance for sustainable development
7. Investing in institutional performance

These seven themes each have a set of objectives (see below). All themes are interlinked and require a mix of skills, approaches and people.

IIED's Strategy Team is responsible for delivering this strategy by overseeing the four principal goals above, and the cross-cutting institutional priority on governance for sustainable development. Our Management Team has responsibility for the organisational systems essential for delivering our strategy. Each of the more detailed objectives (see below) is led by a 'team leader'. The Strategy Team holds meetings every six months with team leaders throughout the institute to talk through progress in meeting individual objectives, and plans for taking these forward.

Results-based management

We set out the context, activities and milestones for work towards each goal, objective and rising priority in an annual Workbook. At the end of each financial year, we produce a Results Report, alongside a revised Workbook for the forthcoming 12 months. These documents serve two audiences. They give staff a clear sense of our overall portfolio of activities, and show an external audience of close partners and funders how we are turning our five-year strategy into activities that can be measured and judged.

Goals and objectives: plans, progress and priorities

1. Tackling the 'resource squeeze'

Escalating competition for natural resources continues to reshape patterns of investment, production and consumption among countries and social groups, and between cities and rural areas. Although resource scarcity can encourage many useful innovations, it also generates macroeconomic, equity and

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environmental problems that markets and governments are unable or unwilling to resolve. Poor producers too often lose access to resources, and poor consumers are unable to afford life's necessities. Ecosystems and biodiversity are under huge pressure and suffering major erosion. New solutions and fresh resolve are needed to tackle scarcity, insecurity and unsustainability. As the synergies and interconnections between the issues we work on grow, so too must our response and the solutions we seek.

Our goal is to encourage and shape fairer, more sustainable governance of natural resources by generating the evidence, argument and leverage needed to improve institutions, policies and legal frameworks. So, in collaboration with partners, we are working towards these objectives:

1.1 Stronger land rights for local people so as to improve their livelihoods and their ability to get a better deal from incoming investors.

1.2 Greater local control and resilience built into agricultural and food systems so as to improve livelihoods and withstand shocks and stresses from climate change, peak oil, water shortages and other crises.

1.3 Securing livelihoods, justice and sustainability in flourishing forest-linked communities that are able to meet changing needs and shape key policies and institutions.

1.4 Realising the multiple values of biodiversity for local livelihoods, poverty alleviation and adaptation to climate change, and protecting its integrity more widely through mechanisms that support governance and social justice.

1.5 Water-dependent goods and services are more equitably allocated and better governed as demands increasingly compete and climate changes.

In line with our 'future focus' from last year's report, a sixth objective on energy systems was transferred to Goal 4 in 2012.

Progress

As proposed last year, we have successfully established a cross-institute 'Forum on Food and Agriculture' which met five times (see also objective 6.5). To explore and develop more international momentum for inclusive land use investments we ran two major events: in London, with agribusiness, financiers, industry consultants, farmer associations, governments, bilateral and multilateral organisations; and in Bangkok, with practitioners who defined legal empowerment approaches that work in Southeast Asia. We also targeted key publications and communications around these events.

We started a major new initiative this year on smallholder innovation for resilience with partners in China, India, Kenya and Peru. We published a much-downloaded multimedia e-book, *Virtuous Circles: Values, Systems, Sustainability*, on how small-scale producers can enhance their autonomy through agroecology and new social models. Volume 65 of Participatory Learning and Action covered *Biodiversity and Culture: exploring community protocols, rights and consent*. We also launched a website, www.bioculturalheritage.org, which builds on much past work with our partners on protecting community rights over traditional knowledge.

The Forest Team commissioned independent evaluations of its Forest Connect and Growing Forest Partnerships initiatives, and both were judged to have had a strong impact. Forest Connect is moving into a new phase, while a new Farm and Forest Facility, which we are helping the Food and Agriculture Organization (FAO) manage, is taking up the outcomes from Growing Forest Partnerships. These initiatives helped us to develop our guidance on investing in locally controlled forestry and we published three key products: a pocketbook; a review of nine detailed in-country dialogues; and a guide for investors and enterprises.

With partners we developed a tool that helps policymakers assess how well biodiversity and development objectives are integrating into mainstream national-level decision-making (and any

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constraints to further and more effective integration). The tool was tested in Botswana, Namibia, the Seychelles and Uganda. It has been translated into French and Spanish and disseminated for feedback, alongside a detailed review of different types of 'mainstreaming' experience, to all focal points for the Convention on Biological Diversity (CBD). The test results were also presented at the CBD's 11th Conference of the Parties.

We have established a new body of work on water governance and agriculture within the Global Water Initiative (which we have jointly managed for several years). This includes work by our Food and Agriculture team on innovation in irrigated farming systems. It also draws in IIED's Climate Change Group to look at the policy frameworks for adaptation in West Africa, and especially at how far governments and donors see large-scale irrigation as a key to food security.

Finally, we continue to develop our work on how China's rise within the international development sector is affecting natural resource issues. We published a policy briefing separating the facts from the hype on China's role in 'land-grabbing' ([Chinese agriculture goes global: food security for all?](#)) and the report [Narrative of China–Africa cooperation for agricultural development: new paradigms](#).

With partners, we continue to:

- Invest in legal tools to support innovation and empower local people to resist 'land grabs' and strengthen their rights and influence in policy processes.
- Analyse the economics, geo-politics and impacts of volatile markets for food and raw materials, focusing on low-income countries and some key middle-income countries, notably China.
- Develop the economic and political arguments for national governments and donor agencies to invest in more resilient natural resource management.
- Support networks and learning groups to improve knowledge, innovation and outcomes for forest governance and small enterprises, and to support local food systems, pro-poor conservation and water resources development.
- Support local organisations to shape key policies and institutions relating to natural resource rights, food systems, urban–rural interactions, climate resilience, science and innovation.

Looking ahead

We will continue to strengthen our forums for sharing knowledge, and to look for context-specific tactics that help us go beyond generating evidence: proactively convening policy dialogue, stimulating better decision-making and strengthening local people's capacity to get a better deal. For example, in our Legal Tools for Citizen Empowerment initiative, we are now moving beyond developing new tools with local partners towards documenting and sharing implementation lessons.

Increasingly, we have seen how investing in locally controlled forestry (ILCF) offers opportunities for inclusive, integrated, intensified and climate-smart land use. ILCF is highly relevant to donor priorities such as REDD+ and Forest Law Enforcement, Governance and Trade (FLEGT), so it will be built into our three themes of forestry work on just forest governance, locally controlled forest enterprise, and inclusive environmental investment.

Next year, the Forest Team will invite two further independent evaluations — of the Forest Governance Learning Group and The Forests Dialogue.

After an internal review, we also anticipate an independent evaluation and options analysis for our series *Participatory Learning and Action*, and have put it on hold until we receive its recommended actions

And we have begun to gather scenarios and future forecasting models produced by a range of organisations to use as inspiration for our next strategy (2014–19). They reveal how much of the

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language of our 'resource squeeze' goal and objectives now resonates with future scenarios, showing that we are on the right track, but that there is much still to do.

2. Demonstrating climate change policies that work for development

Limited dialogue between those most responsible for climate change and those most likely to suffer its worst consequences hampers the chances of creating fair policies. And there is growing concern that climate change impacts will derail poverty reduction programmes. In the medium term, the world must help least-developed countries address climate change impacts, adapt to changes and adopt low carbon development. And we must ensure rich countries comply with their commitments on emission cuts and funding.

IIED sees three sets of obstacles to fairer policies. The first are the wider drivers of change, including world trade policies, multi-national market interests, regional insecurity and conflict. The second relates to the politics of climate change at global-to-national scales where multi-lateral agencies and donors fail to address the concerns and priorities of poorer and less powerful countries. The third set of obstacles is in reconciling local and national interests, including the insufficient accountability by governments to their citizens, civil society's inability to drive equitable bottom-up engagement with government and the private sector, ineffective institutional frameworks, and failure to recognise and use local knowledge.

Our goal is to help bring about an equitable and integrated global, national and local regime that addresses climate change effectively. The regime will combine ambitious, practical mitigation targets with adequate, appropriate support for adaptation by the poor in low- and middle-income countries. It will also include mechanisms for engaging business, civil society and government in delivering a climate-resilient future. Our earlier objectives 2.1 and 2.2 are now closed. With partners, we are working towards:

2.3 Building capacity to act on the implications of climate change for equitable and climate-resilient development in the drylands.

2.4 Achieving more equitable climate change negotiations by engaging in different arenas and processes in support of vulnerable developing countries.

2.5 Supporting public policy responses in delivering climate-resilient development outcomes for the most poor.

Progress

Our support for the Least Developed Countries Group (LDC Group) during 2012—13 helped it increase its proactive and progressive interventions and submissions to the UNFCCC to unprecedented levels. And when the Chair of the group passed from the Gambia to Nepal, the incoming chair requested continued IIED support.

In northern Kenya, we helped establish a devolved fund to support people in adapting their local economies and livelihoods to cope with an increasingly variable climate. With national partners, including government agencies, we have helped channel funds from the UK International Climate Fund towards locally-identified adaptation priorities in the new Isiolo County. The model will soon be ready for scaling-up across large areas of dryland Kenya and further afield.

We have established a new action-research objective (2.5 above) to examine different aspects of how countries respond to climate change by developing and implementing public policy. With governments and other partners, we are examining how climate can best be integrated into mainstream planning, how low-carbon strategies contribute to socioeconomic development, and how well global climate programmes align with national development objectives, and help achieve these. And we have developed a framework for Tracking climate Adaptation interventions and Measuring their Development outcomes at different scales and in comparative ways. This [TAMD framework](#) is now being roadtested in Ghana, Kenya, Nepal, Mozambique and Pakistan.

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With partners, we continue to:

- Build capacity to articulate a vision of change among those who have less knowledge, power, or 'powerful knowledge', for example, among communities and their advocates. This vision will be based on their own priorities, in a language that can be understood by others, to challenge prevailing paradigms and to participate more effectively in shaping the policies and practices that affect their livelihoods and adaptive capacity.
- Improve decision-makers' knowledge and understanding of the rationale, dynamics and adaptive qualities of local livelihood systems, and build their capacities to use this 'improved' understanding to design policies and programmes that support adaptive planning.
- And we are using 'action research' to help overcome the obstacles to achieving an equitable climate change regime in three areas:
 - in understanding the drivers of change, particularly at the macro and global level, including world trade policies, multi-national market interests, regional insecurity and conflict
 - in the political economy of climate change at global to national scales; and
 - in reconciling local and national interests, including through downward accountability of government to citizens, through improving civil society's capacity to drive 'bottom up' processes, through effective institutional frameworks and through recognising and using local knowledge.

Looking ahead

We are experimenting with how to link our work across our climate change objectives. Our 'action research' cycle has three phases: research, capacity development and policy influence. As we move from one phase to another there are opportunities to integrate new knowledge between our objectives. So we have revised Goal 2 in order to: (i) have the three phases of the action–research cycle represented in each project and in each objective; (ii) make explicit how we draw upon the legacy of our now-concluded drylands programme (which had a retrospective review last year); and (iii) use the action–research approach to investigate how public policy is addressing climate change challenges.

3. Help build cities that work for people and planet

At the 2012 Rio+20 conference on Sustainable Development, cities were one of seven areas needing priority attention. Yet ideas on what needs to be done remain diverse and contradictory. Cities are often treated as economically beneficial but socially and environmentally destructive. Even successful, locally driven social and environmental initiatives face difficulties gaining international support. But despite the challenging political complexity, urbanisation and urban development can be forces for social and environmental improvement. Getting urbanisation right, tackling urban poverty, getting cities to start adapting to climate change, and improving urban–rural linkages (our aims under this goal) are key to shifting the world's economic dynamics so that they 'result in improved human wellbeing and social equity, while significantly reducing environmental risks and ecological scarcities' — UNEP's definition of a green economy. In this way, our work on human settlements links with work under our other goals, particularly with that of the Climate Change Group and with IIED's internal fora on Food and Agriculture and on Investment.

Our goal is to work with partners to establish better-governed, more sustainable cities in low- and middle-income nations, able to offer secure shelter, access to services, reduced vulnerability to environmental hazards and a smaller ecological footprint. So we are working towards:

3.1 Recognition of the environmental and social potential of urbanisation by governments and others, and more actions taken to tap this potential.

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3.2 Higher priority given by governments and international agencies to poverty reduction in urban areas through, among other things, engagement with and support for the organisations and federations of the urban poor.

3.3 A better basis for designing and implementing urban climate change adaptation programmes that build resilience to current and future impacts of climate change, are pro-poor, and complement local development.

3.4 Policies and institutions are identified that help create positive synergies between urban and rural areas, and promote sustainable flows of people, remittances, water, waste and food.

Progress

For our urbanisation objective, work has now been undertaken and published on all of the BRICS countries (Brazil, Russia, India, China and South Africa). International policymakers and urbanisation practitioners from around the world discussed the work and the lessons for other urbanising countries have been synthesised and discussed at an international meeting in South Africa.

We launched the book *Urban Poverty in the Global South: Scale and Nature*, bringing together many years of research on the topic at an international meeting in London. A companion book on how to address this poverty will soon follow. Work has also progressed on using local funds to help support grassroots initiatives by organisations of the urban poor, in particular Slum Dwellers International and the Asian Coalition for Housing Rights.

Cities and climate change is a hot topic internationally, but despite all the attention, urban adaptation to climate change is not getting the international support, or local action, it needs. Our work continues to provide solid evidence, not only of urban hazards and vulnerabilities, but also of urban opportunities to adapt and to become more resilient to disasters. Our active involvement with the Intergovernmental Panel on Climate Change provides opportunities to get this evidence better known, as do our publications, including our journal *Environment and Urbanization*. Our active engagement with local adaptation planning in a range of countries in the global South provides some vital realism in this sometimes overheated area.

Food security is now seen as one of the challenges of the century, but most policy prescriptions are limited to rural production. Urbanisation will turn more and more people into net food buyers, often living in informal settlements where inadequate infrastructure and housing contribute directly and indirectly to food insecurity. In the past year, our work on rural–urban linkages has developed alliances with local partners and a wide range of institutions to document these trends and engage with local and international policy debates.

With partners, we continue to:

- Work with local partners, researchers, civil society and local governments to understand, document and support community-driven initiatives in urban areas.
- Engage with international agencies to help shape the global policy debate in a way that recognises and addresses the needs of low-income communities.
- Produce high-quality research that is recognised in academic circles and contributes to educational materials for urban planners and other development professionals and practitioners.

Looking ahead

While the opportunities of urbanisation are now more widely acknowledged, there is still much to learn on how to make it work in a way that is socially and environmentally sustainable, and that explicitly aims to extend these benefits to low-income groups. As we approach the deadline for the Millennium Development Goals in 2015, this year will be of critical importance for the international community in establishing how best to recognise and integrate an urban dimension in the next generation of Goals. Our research engages with and documents local action and achievements, and contributes high-quality

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and recognised knowledge. Our ongoing challenge is to ensure that it also improves international policy debates. Building more sustainable and equitable cities in the global South is central for sustainable development — global poverty reduction, climate change adaptation and building a green economy all depend on it.

4. Shaping responsible markets

Markets can improve the lives of poor people and provide environmental sustainability. But there is no guarantee this will happen, unless markets are deliberately structured and shaped for this purpose. Already, major international initiatives are promoting 'green growth' through high-tech, large-scale greenhouse gas abatement projects. These projects do not necessarily respond to the varied and unique needs of developing countries. So it was helpful that last year's Rio+20 summit, although recognising the inadequate consensus on what a green economy should be, concluded that the green economy agenda should shift to countries themselves.

Many OECD firms view emerging economies as promising for future commercial growth, and have been attempting 'inclusive' trading arrangements with small-scale producers to secure new sources in the face of tight supplies and climate change. Yet from a small-scale producer's perspective, globalisation has not swept aside informal markets.

Modern markets are only one (and not always the most rewarding) option for sustainable development — informality and domestic markets have real potential, too.

While governments pursue climate change, they also need to promote energy access to deliver development benefits and improve the resilience of the poorest communities to climate change and other shocks. While seeking to reduce dependence on fossil fuels, they need to be aware of the continued dominance of the oil and gas industry, and help to reduce the risks and maximise the benefits to local communities. And while renewable energy poses huge opportunities, there are also social risks associated with some large-scale renewable energy industries in hydropower, biofuels and biomass. So, in practice, multiple trade-offs between energy options and other sustainable development needs have to be made by developing countries, which is why IIED's unusually comprehensive approach to energy strategy is well placed.

Our goal is to support the design of markets that promote, rather than undermine, sustainable development at local and global levels by addressing issues of market structure, environmental externalities, power, access and rules of operation. So, with partners, we are working towards the following objectives:

4.1 Business models that create value for small-scale producers. Our work emphasises helping producers shape a 'pro-poor market' agenda, and working with individual companies and policy institutions that set the terms for business.

4.2 Promoting equitable and resilient global and local energy systems; responsible practices in the energy industry; and local access to affordable, efficient and clean energy services to deliver development benefits, especially for the poorest.

4.3 Better recognition and quantification of market failures that affect the environment, and incentive mechanisms that are designed to correct adverse social and environmental outcomes.

4.4 Identifying what determines long-term sustainable investment flows into key sectors, and promoting these factors.

4.5 Broader debate on sustainable consumption that is integrated with equity and development concerns.

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4.6 Stronger capacity in developing countries for environmental economics methods, especially for climate change adaptation at community level, that are practical and influential, aimed particularly at improving adaptation decisions in agriculture and water.

Progress

In 2012 we consolidated much of our analysis on inclusive business models and producer agency, generating valuable evidence and ideas at a time when governments and donors have been betting heavily on large-scale formal business. Our analyses link insights from agrifood, energy, mining and environmental services. We published a series of papers on 'linking worlds' (of big and small market players), including work on how to measure fairness in trading relationships, and a reflection on how 'ethical agents' can build capacity and align business models. We completed the knowledge programme *Small Producer Agency in the Globalised Market* with a book launch and regional analyses from our learning network.

Our work on governance of the oil and gas industry has been informing government and business operating in the Caspian region. This year we focused on Turkmenistan and transparency, examining the potential of the Extractive Industries Transparency Initiative and informing the Publish What You Pay network. We began advising a new initiative to improve the petroleum industry's corporate responsibility and community relations in northern Norway and Russia. This is an unusual geography for IIED, but our reputation in these areas is also helping to grow IIED's energy influence in Africa. The Sustainable Utilisation of Nigeria's Gas and Renewable Energy Resources project (SUNGAS) is linking policy actors with field demonstrations of corporate–community partnerships that improve access to new energy sources. A key objective of the project, which runs up to 2014, is to put in place a 'Gas to Power' unit, which converts excess gas from oil extraction into electricity in the Niger delta area. This component has been affected by delays in identifying suitable solutions and IIED has been working closely with its partners and the project donors to overcome these operational issues. This year SUNGAS has influenced Nigeria's power regulator to engage better with civil society on power sector reforms. To support the new Sustainable Energy for All Initiative, we ran and published a consultation on how business can help energy delivery models — linking low-income communities to energy markets.

Over the past year we stepped up our work on payment for ecosystem services (PES) and other green incentives. At Rio+20, our analysis of participation in the long-standing Costa Rica PES scheme influenced policy towards social targeting. Our pilot 'choice experiment' survey and analysis of participants in the well-known Bolsa Floresta scheme in Amazonas have identified adjustments to make the scheme more responsive to poor, marginalised communities — ideas that can inform the spiraling number of other REDD schemes. And our work on pollination, pastoralism and artisanal fisheries is pushing boundaries in examining the value of ecosystem services to local livelihoods and developing new participatory tools.

We are focusing on 'quality investment' to counter a predominant move in developing countries to seek quantity. We have produced 'thought pieces' on what quality investment looks like in energy, forestry and agriculture, and guidance on how to attain it. We are increasingly identifying and using key points of influence to promote quality investment — notably investment fora, in-country policy reviews and model contracts. Internally, IIED has set up a lively Investment Forum to pool ideas and thinking.

We have supported dialogues on green economy in the Amapa state of Brazil, the Caribbean, Cambodia, Ethiopia, Himalayan region and Kazakhstan this year. Almost without exception, these countries call for a more inclusive approach to green economy than government and international initiatives have been promoting, and for approaches based on natural resource potentials and not only on greenhouse gas abatement. With ten dialogues to date, we can now offer a participation/diagnosis model to help all stakeholders to tailor green growth paths in a low-cost way. Our investment in supporting the Green Economy Coalition (GEC) is now paying off (see Goal 6.3). It is already the world's largest civil society platform on green economy, welcoming evidence and ideas from many

Trustees' Report (continued)

other players. The GEC played a key role at Rio+20 in ensuring the next steps on green economy are a matter of national consensus rather than international definitions.

We have started to redefine Stern's model of the economics of climate change by including the positive contribution of adaptation strategies. To support analysis and case-making on adaptation and resilience by poor groups, we developed a practical stakeholder's cost–benefit analysis methodology, testing it in Bangladesh, Bolivia, Malawi, Morocco and Nepal, and began a participatory assessment of the total economic value of pastoralist systems in Africa. Our evaluation of the International Air Passenger Adaptation Levy (IAPAL) proposal, conducted to support the Least Developed Country (LDC) Group in its climate change negotiations, and presented at the Doha 18th Conference of the Parties, showed that the likely benefits in raising funds from adaptation will significantly outweigh the costs in terms of, for example, reduced visitor numbers.

Our flagship Shaping Sustainable Markets research and knowledge management project assesses the impacts of the full range of market governance mechanisms that foster sustainable development, and offers a platform for new ideas. In 2012–13 the project produced several peer-reviewed assessments of market governance mechanism experience and innovation.

Finally, new scoping research identified how information and communication technologies (ICTs) in the global South, particularly mobile phones and their applications, are expanding rapidly as, even for the poorest, ICTs form an integral part of competition in today's world.

With partners, we continue to:

- Engage with alliances and communities of practice to seek changes in business, market and economic paradigms — helping to bridge markets–rights, environment–development, South–North, corporate–community, and other divides.
- Research market failures, market incentives and governance mechanisms, business models and economic methods, validating those that work for sustainable development — this covers a mix of desk and action research, including with small-scale producers and businesses in energy, food, forestry, mining and other markets.
- Provide top-class information and communications for a wide range of market players, development assistance agencies and International NGOs — notably through the Green Economy Coalition, and developing the Shaping Sustainable Markets community.
- Bring our knowledge together, especially as we near the end of the 2009–14 strategy, with focal themes of 'green economy', 'green incentives' and 'inclusion and informality' providing useful coherence across our six sustainable market objectives and other IIED initiatives.

Looking ahead

To help shape the 2014–19 strategy, we will be conducting two strategic exercises. First, we will review our economics work in relation to rapidly changing economic challenges. Second, we will finalise our private sector review and strategy. In addition, we will explore four themes for potential inclusion in the next strategy: ICTs, development assistance and business, extractive sectors, and fisheries and coastal economics.

Trustees' Report (continued)

Our three institutional priorities

To meet our four principal goals, we continue to develop our expertise in two key areas: communications and governance, and to invest in institutional performance — our skills, expertise and ideas.

5. Communicating and influencing at all levels

It is crucial in communications work to get to the heart of 'impact' — how we communicate, with whom we are engaging, and when we communicate all make a big difference for research uptake, for policy influence, and for encouraging and supporting good governance and democracy. There is an appetite for hearing about our work, and all the key themes that engage us are important on a global stage, as well as deeply felt within the countries in which we work. Our communications work aims to reflect this need. A global 'conversation' is increasingly important, played out through social media and the blogosphere, so a mix of tools and approaches is a vital part of our strategy.

Our priority is to become a leading institution in sustainable development communications, complementing our leading role in research. So, with partners, we are working towards these objectives:

- 5.1 A stronger shared understanding, both internally and externally, on what makes good research communications, how to develop and improve communications strategies and how effective communication underpins good governance.
- 5.2 An IIED website that increases engagement, influence, accessibility and visibility of our work among priority audiences.
- 5.3 A higher profile for environment–development links among policymakers, academics, the media, the private sector and general public achieved by supporting journalists worldwide in a broad range of media to report relevant topics more often and more accurately.
- 5.4 Influential and informative writing that is lucid, to the point and best adapted to the needs of targeted readerships.
- 5.5 Increased awareness, dissemination and impact of IIED publications among priority audiences through specific targeted outputs and marketing.
- 5.6 Increased readership and influence of IIED's range of distinct, groundbreaking 'flagship' publications.

Progress

In 2012, we recruited an Audience Development Manager — the 'missing piece' in our central communications team. The recruitment is allowing much greater targeting of key contacts and better relationship-building with stakeholders. Our central communications team is also working closely with our research groups to better target our outputs and their accessibility, and we undertook a brand audit, and agreed a brand strategy, which will ensure we are effective and consistent in how we present material.

During this year, we managed the Fair Ideas event at the Rio+20 Summit on Sustainable Development. This was a highly ambitious event that gave delegates opportunities to share information and ideas on cutting-edge research and policy approaches. We undertook all the marketing, publicity, web presence, media work, written materials and audio-visual work. This was a momentous achievement, which used the skills and capacity of our team to the full. We were pleased with what we were able to do, and we also learnt a lot of lessons. Fair Ideas was just one of the events that our marketing team supported — the IUCN four-year convention and the 18th UNFCCC Conference of the Parties in Doha were two other places where IIED's strategic presence was important.

Trustees' Report (continued)

We have done some interesting media work, including an excellent media assessment across three countries looking at how pastoralists are perceived, and we have produced a publication on social learning with the Institute of Development Studies and the University of York for the Consultative Group on International Agricultural Research (CGIAR) research programme on Climate Change, Agriculture and Food Security (CAAFS).

We have put a lot of work into our internal information portal, and its strategic role in communications. And we are working closely with IIED's new chief operating officer's strategy for streamlining organisational systems, which will help our effectiveness.

Our social media and restructured website are also big hits for this year. We have increased the number of our followers on Twitter from 1,000 to 7,000. We have received good feedback on our new-look website and we are regularly blogging as part of our strategy for ensuring IIED is sharing its knowledge and experience in response to external 'conversations'.

With partners, we continue to:

- Base our communication efforts on four key values: engagement, influence, accessibility and visibility.
- Target five priority audience groups: policy, media, academia and research, private sector and philanthropists, and the informed general public.

Looking ahead

We continue to strengthen our skills and capacity to be a leading communicator in sustainable development. So we will be looking at how we can add further value by working more closely as a team to target and position our communications. We will focus our comprehensive media work more around feature pieces than purely press release work. Our social media strategy is designed to bring people into our refreshed website, which focuses on end-user needs. The IIED 'conversation' that we have through this more strategic approach will be more in-depth and show us to be accessible and thoughtful in our key areas of expertise. We will also examine our communications work as an integral part of IIED's value-for-money — and where we might improve.

Our focus will be on much greater integration, strategic communications thinking and skills sharing across the organisation. Our 'brand refresh' audit and strategy will streamline and improve the materials we share externally and the way we produce them internally.

6. Governance for sustainable development

A number of our activities on governance for sustainable development cut across the institute's work and highlight particular characteristics of our approach. IIED's governance work stands out because it acknowledges and pays attention to marginalised actors, particularly the poor, and to 'marginalised' governance models — those that get little attention in governance interventions. We aim to make governance more socially and environmentally just (justice both for people and the environment). This tall order cannot be achieved without improving the basis for making good decisions. The IIED approach has an underlying assumption that both justice and sound decisions are improved through stakeholder participation in governance arrangements (the equity dimension) and through generation of high-quality evidence and analysis. In working on issues of governance, donors and states tend to start with the assumption that the government framework is central, with other governance arenas (local, markets, global) being 'pinned on to that'. IIED constantly 'pushes back' on this assumption, while not overlooking central government actors. Much of our work focuses on working with state and other actors to improve national level governance, while fostering links with the private sector, civil society, sub-national and local levels, and so on as both suppliers and demanders of better governance.

Our work on governance encompasses three aspects: discrete bodies of work addressing particular contexts and audiences (including our work on environmental mainstreaming, and China); work that

Trustees' Report (continued)

cuts across IIED's activities and engages staff throughout the institute (for example on local organisations or global governance); and learning lessons from across IIED's work, and also from our partnerships.

Our priority is to help secure accountable, transparent, equitable and effective governance for sustainable development at all levels, by generating evidence of processes and institutional structures that work and showing how roles, responsibilities and means of engagement can best be improved. So, with partners, we are working towards the following objectives:

(6.1) An understanding of the important factors that underpin good governance. (This is integrated into our thinking across all our principal goals, and is no longer reported as an individual objective.)

6.2 Integration of environmental concerns in development planning (known as environmental mainstreaming) at national to local levels.

6.3 Contributing to debate on the framework for development cooperation beyond 2015, and what should follow the Millennium Development Goals (MDGs), for example, a transition to global Sustainable Development Goals.

6.4 Documenting the crucial roles played by local organisations in delivering environmental goods and services, so as to increase recognition from other actors of their vital contributions to fairer, more sustainable practices and help strengthen the voice of such organisations when decisions are being made at national and international levels.

6.5 Developing a coherent, flexible and substantive programme on food and agriculture that draws on IIED's experience and expertise across groups and builds external partnerships, thus optimising IIED's international influence. (This year this objective has merged with objective 1.2.)

(6.6) (Our objective on documenting partnerships has been completed and is closed.)

6.7 Fairer, more sustainable global development in collaboration with colleagues from China, achieved by generating evidence about how environmental issues are being addressed in different regions of China, from which others can learn, and increasing the capacity to influence engagement by Chinese actors on forestry, agriculture, business and investment choices, especially in Africa.

6.8 Documenting changing gender and generational relations and the implications for understanding poverty and sustainable development priorities.

Progress

We produced an influential review of how Nepal is integrating environment and development issues. '[Safeguarding Shangri La](#)' presents key findings of the Nepalese national Learning Group. The group identified 13 priorities and recommendations for improving environmental mainstreaming, some of which are now being acted upon by the appropriate government departments.

IIED organised a Fair Ideas event (see also section on communication) at the UN Summit on Sustainable Development in June 2012. It attracted around 1,000 participants and was widely publicised through online web streaming and media coverage.

We have made strong contributions in several contexts to thinking on the proposed Sustainable Development Goals post-2015. These include engagement with UNICEF, United Cities and Local Governments, and Slum/Shack Dwellers International and producing a number of policy briefs and blogs, which are influencing debate and thinking.

Our new Forum on Food and Agriculture (FoFA) met five times during the year and made significant progress in mapping IIED's portfolio of work against a shared understanding of the broader food and farming context. The forum will help us make future strategic choices and will help researchers in different parts of the organisation interact with each other more effectively.

Trustees' Report (continued)

We initiated a new China–Africa Forest Governance Learning Group with an international event in Beijing, hosted by the Chinese Academy of Forestry and approved by the State Forestry Administration, providing strong support for ongoing collaboration.

We have produced a range of publications that integrate a gender perspective into key areas of IIED focus. These include a special issue of the journal *Environment and Urbanization* on gender and urban change (published April 2013), an assessment of how integrating gender perspectives can improve effectiveness of REDD+ forest programmes, and on mainstreaming gender and climate change in Nepal.

With partners, we continue to:

- Consider strategies to take environmental mainstreaming to decentralised authorities, the private sector and civil society, and to facilitate partnerships.
- Invest effort upfront in explaining the purpose and value of mainstreaming to a broad range of development actors and decision-makers, securing their genuine commitment to the process.
- Address the challenges of poor environmental awareness, skills and capacity among all development actors.
- Continue to examine our own environmental mainstreaming, building on success stories and identifying opportunities and challenges.
- Work closely with the collective concerns of the LDC Group, while continuing our strong focus on the needs and priorities of marginalised groups within countries, and on local level governance.
- Shift IIED from a UK-based organisation speaking on behalf of the global South, to an organisation that can engage strategically and horizontally in a global alliance of UK and emerging economies (especially China) moving together to achieve sustainable development.
- Consolidate and disseminate gender- and generation-related work across the Institute.

Looking ahead

In recent years we have run an internal reflection on governance in sustainable development and workshops focused on climate change governance issues and on the role of sustainable markets (and how they are governed) in development. Subject to available funding, we will run further workshops in 2013–14 so we can deepen our shared learning and analysis and start scoping our future work on governance for the next five-year strategy. This strategy will aim to address lessons and principles for use in communication and advocacy at both institutional and programme level.

7. Investing in institutional performance

IIED continues to grow, facilitated by the opportunity of our new office, our continued donor support, and by the stimulus of the new DFID Accountable Grant, which achieved full pace during the year. Through the DFID Accountable Grant (£17.7M over four years up to 2016) IIED will look to achieve a range of impacts in the four main areas of our strategy: tackling the 'resource squeeze', climate change policy, building sustainable cities, and shaping responsible markets. In addition, we will work on cross-cutting sustainable development issues, particularly horizon scanning. During the year IIED made progress on and completed over 270 research and communication outputs through the Accountable Grant, addressing these areas, investing £4.4M.

Set against this, our flexible 'frame' support, which helped us innovate, has fallen from £4.8m in 2009–10 to £2.3m in 2012–13, a reflection of the current climate of austerity amongst the relevant governments.

We are aware that donor expectations, both in the quality of our research work and in accountability (financial and technical), have increased. This challenges us to up our game. Our staff are meeting new

Trustees' Report (continued)

targets, managing new systems and have worked extremely hard. In investing in our institutional performance we aim to improve further the quality of our research, ensure that the knowledge generated has an impact, and to measure that impact and learn lessons from our progress. We also recognise the potential effects of work-related stress, and are working to better manage pressure on our staff. Our business plan has been in place for a year, giving clarity to our operations and finances, and stimulating further growth and financial planning.

Our priority is to build IIED's institutional capacity, continuously improve our systems so that we are fit for purpose, cohesive, consistent, resilient and efficient in meeting our mission and can deliver our goals, while retaining our principles in responsible (social and green) operations. So we are working towards the following objectives:

- Core competence of IIED staff and partners in relevant disciplines and methodologies. Improved intelligence, resilience and adaptability within IIED, notably in horizon-scanning and keeping track of emerging problems.
- Continual improvement of IIED's research capability and impact, through enhancing the research skills of IIED staff, working internally and with partners to develop frameworks for measuring research quality, and documenting these processes.
- Clear evidence of outcomes and impacts from our activities for donors, partners, users and beneficiaries of our work; and investment in organisational learning, monitoring and evaluation, and knowledge management systems to ensure that we can meet this objective.
- Responsible operations.
- Evaluation of all objectives within our institutional strategy for their effect on core functions, and investment of resources accordingly, so the objectives and workplans for information technology, office services, finance, partnerships and human resources are aligned to support the overall delivery of the strategy in a timely, cost-effective manner.
- Using independent evaluation of IIED's work (last carried out in 2011) to drive improvements. A strong set of cross-organisational systems that support the business of IIED.

Progress

During the year IIED appointed a Chief Operating Officer to strengthen its institutional capacity, particularly to provide leadership for the core service functions of Finance, HR, Facilities Management and Information Technology, to strengthen the provision and analysis of management information systems, to take responsibility for the risk environment and compile the risk register, and to provide a robust control environment. The Board made the decision in the context of the demands arising from the growth of the Institute in recent years, the increasing sophistication and complexity involved in operational management, together with increasing external accountability demanded in the sector.

The Human Resources team has worked with staff to prepare a new appraisal system, which we started using from March 2013, and to implement a new competency framework to strengthen the appraisal process. The Finance team has developed and implemented the multi-year budget templates and applied these successfully to administering the DFID accountable grant. Our IT team has delivered fully on all plan targets following the move to Gray's Inn Road, supporting the new infrastructure and systems, implementing the service desk and replacing the email system. Office Services have drawn up a business plan for the best use of our facilities at Gray's Inn Road, including hosting of external events.

We launched three cross-organisational systems: the IIED Portal (the intranet); as well as the travel database, which supports expenses reporting; and 'HR Online', a system providing employees with access to benefits and personal data.

Two other highlights have been the publication of [Our thinking Towards excellence: policy and action research for sustainable development](#), our 'core text' on research excellence, and a joint two-day

Trustees' Report (continued)

workshop held with Tanzania Natural Resources Forum (TNRF) in Arusha in February 2013 on research excellence and on monitoring and evaluation.

We have also developed policies on value for money and evaluation at IIED.

With partners, we continue to:

- Encourage knowledge sharing at all levels, within IIED and with partners.
- Develop a framework for assessing and ensuring high-quality, policy-relevant, sustainable development research.
- Strengthen IIED's internal capacity to conduct research. This includes developing mechanisms for staff to track and access recent publications, and 'master-classes' on particular skills (including publishing, analysis and research ethics).
- Document IIED's research methods and strengths.

Looking ahead

As part of IIED's DFID accountable grant, the innovation and research quality team will monitor the 'quality of IIED research as assessed by key stakeholders'. This will build on previous work to design rigorous criteria for assessing 'quality' that are acceptable to DFID (and, in due course, other donors), and to design a process to measure those criteria.

A team of independent consultants will review how effectively IIED has used environmental economics in exploring sustainable development issues over the past 10 years and how economics might be used in the future.

In our Core Services we aim to obtain ISO14001 certification in environmental management. This will let us set annual targets for carbon impact and our organisational footprint. The main thrust of our work on Cross-Organisational Systems will be to integrate better business process systems for IIED.

Finance review

Expenditure and activities decreased by 7 per cent from £17.6M to £16.3M, mainly attributable to a fall in Grant Management project expenditure, excluding which project expenditure increased from £11.8M to £13.6M. Payments to organisations for work on collaborative projects represented 35 per cent of the overall charitable expenditure for 2012–13. Expenditure on grant management activities, the Pro-Poor Cities project funded by the Bill and Melinda Gates Foundation (which is now phasing out), and the Global Water Initiative funded by the Howard G Buffett Foundation (which entered a new phase as a policy development rather than a field implementation project), fell significantly from £5.6M in 2011–12 to £2.4M.

Overall, unrestricted reserves, including designated reserves, reduced from £2.7M to £2.6M, but this was after a £175K reduction in the Building and Capital Fund designated reserve, which tracks the value of leasehold improvements over the remaining lease period on the Gray's Inn Road site. The unrestricted reserves are the equivalent of 16 per cent of expenditure for 2012–13.

Reserves policy

During 2012, the Trustees, having carried out an impact assessment of possible adverse financial events, agreed a reserves policy to protect the organisation and its charitable programme against the risks of funding loss through income shortfalls and other unexpected financial losses. This establishes an appropriate target range of free reserves of between £2.2M and £2.8M.

The free reserves of IIED, excluding the net value of Leasehold Improvements, and comprising its Unrestricted Reserves and Group Funds, stand at £1.3M (£1.2M in 2011/12) and thus fall beneath this range. The trustees continue to implement plans to build IIED's reserves towards the appropriate level over a five-year period from 2012.

Trustees' Report (continued)

The Policy will be reviewed annually to reassess the risks, and changes in IIED's income, financial obligations and expenditure.

Investment policy

Reserves were invested in a combination of high interest cash deposits and Fixed Term Treasury Deposits during the year 2012–2013. This policy produces an acceptable rate of return whilst allowing flexibility in accessing funds.

Related party

Some IIED Trustees are also Trustees of other Charities or Directors/Senior Officers in other organisations with whom IIED works as a normal part of its research activities. Where payment is involved for such work, arm's length contracts are entered into. Payments related to these contracts are detailed in the notes to these accounts.

Grant making

IIED is not principally a grant-making institution. However, much of IIED's income is shared with collaborating organisations in joint project activities, identified at the proposal stage (i.e. before contract with the donor). These are generally long-term relationships to which IIED's published codes of conduct apply. All such payments to other organisations and arm's length consultancies valued above £5,000 have a formal contract in place. Lesser sums are covered by an exchange of letters, or memorandum of understanding.

Trustees' Report (continued)

Glossary

BRICS Brazil, Russia, India, China and South Africa

CBD Convention on Biological Diversity

CCAFS Climate Change, Agriculture and Food Security of the CGIAR

CGIAR Consultative Group on International Agricultural Research

DFID Department for International Development

FoFA Forum on Food and Agriculture

FLEGT Forest Law Enforcement, Governance and Trade

GEC Green Economy Coalition

HIVOS Humanistisch Instituut voor Ontwikkelingssamenwerking (the Humanist Institute for Cooperation)

IAPAL International Air Passenger Adaptation Levy

ICTs Information and Communication Technologies

IIED International Institute for Environment and Development

ILCF Investing in Locally Controlled Forestry

IUCN International Union for Conservation of Nature

LDCs Least Developed Countries

MDGs Millennium Development Goals

PES Payments for Ecosystem Services

REDD+ Reduced Emissions from Deforestation and Forest Degradation + social considerations

Rio+20 United Nations Conference on Sustainable Development, held in Rio, June 2012

SUNGAS Sustainable Utilisation of Nigeria's Gas and Renewable Energy Resources project

TAMD Tracking climate Adaptation interventions and Measuring Development

TNRF Tanzania Natural Resources Forum

UNFCCC UN Framework Convention on Climate Change

UNEP United Nations Environment Programme

UNICEF The United Nations Children's Fund

Trustees' Report (continued)

Statement of Trustees responsibilities

The trustees (who are also directors of the International Institute for Environment and Development for purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors is unaware; and
- the trustees have all taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Crowe Clarke Whitehill have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

By the order of the board

.....
Alan Jenkins
Vice Chair

Date:

18 July 2013

Independent auditors' report to the members of the International Institute for Environment and Development

We have audited the financial statements of International Institute for Environment and Development for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's trustees and 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 company's members as a body, for our audit work, or for the opinions we have formed.

Respective responsibilities of the trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company's law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have appointed as auditor under Section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and

Independent auditors' report to the members of the International Institute for Environment and Development (cont.)

- have been prepared in accordance with requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulation 2006.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from the branches not visited by us; or
- the 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.

.....*N. Hashemi*.....

Naziar Hashemi
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

Date: 23 July 2013

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31st March 2013

	Note	Unrestricted funds		Restricted funds		IIED total	
		General	Designated	Core activities	Grant management	2013	2012
		£	£	£	£	£	£
Incoming resources							
<i>Incoming resources from generated funds</i>							
Voluntary Income		-	-	-	-	-	21,280
Investment Income	2	17,061	-	916	6,311	24,288	28,318
		17,061	-	916	6,311	24,288	49,598
<i>Incoming resources from charitable activities</i>							
Commissioned studies and research	3	3,866	1,635	13,861,809	2,386,208	16,253,518	16,945,294
Publications		-	-	12,835	-	12,835	13,554
		3,866	1,635	13,874,644	2,386,208	16,266,353	16,958,848
<i>Other incoming resources</i>		2,845	-	7,497	-	10,342	35,487
Total incoming resources		23,772	1,635	13,883,057	2,392,519	16,300,983	17,043,933
Resources expended							
<i>Charitable activities</i>							
Commissioned studies and research	4	38,327	229,986	13,530,940	2,393,539	16,192,792	17,310,531
Publications		-	-	87,847	-	87,847	222,452
<i>Governance costs</i>	5	98,945	-	-	-	98,945	113,830
Total resources expended		137,272	229,986	13,618,787	2,393,539	16,379,584	17,646,813
Net income/ (expenditure) for the year before transfers		(113,500)	(228,351)	264,270	(1,020)	(78,601)	(602,880)
Transfers between funds	11	(1,563,834)	1,827,084	(264,270)	1,020	-	-
Net movement in funds		(1,677,334)	1,598,733	-	-	(78,601)	(602,880)
Funds brought forward at 1st April 2012		2,270,918	450,942	-	-	2,721,860	3,324,740
Funds carried forward at 31st March 2013	11	593,584	2,049,675	-	-	2,643,259	2,721,860

All amounts relate to continuing operations. There are no other recognised gains and losses other than those shown above.

Balance sheet as at 31st March 2013

		IIED 2013 £	IIED 2012 £
	Note		
Fixed assets			
Tangible fixed assets	7	1,598,049	1,840,095
Current assets			
Debtors	8	4,645,036	3,033,283
Cash at bank and in hand		5,670,597	5,142,681
		10,315,633	8,175,964
Liabilities			
Amounts falling due within one year	9	(1,315,916)	(1,025,033)
Deferred revenue		(7,954,507)	(6,269,166)
		(9,270,423)	(7,294,199)
Net current assets		1,045,210	881,765
Net assets	10	2,643,259	2,721,860
Funds			
Unrestricted reserves		593,584	2,270,918
Designated reserves	11	2,049,675	450,942
Total funds	10	2,643,259	2,721,860

Approved by the Board of Trustees on:

18/7/13

and signed on its behalf by:

Frank Kirwan *F. X. Kirwan*

Treasurer

Cash flow statement for the year ended 31st March 2013

	IIED 2013 £	IIED 2012 £
Net incoming resources	(78,601)	(602,880)
Interest received	(24,288)	(28,318)
Depreciation	324,143	163,742
Loss on disposals of tangible fixed assets	-	74,239
Increase / (decrease) in deferred revenue	1,685,341	(667,678)
(Increase) / decrease in debtors	(1,611,753)	(839,112)
Increase / (decrease) in creditors	290,883	360,237
Net cash inflow from operating activities	585,725	(1,539,770)
Returns on investments		
Interest received	24,288	28,318
	610,013	(1,511,452)
Capital Expenditure		
Purchase of tangible fixed assets	(82,125)	(1,910,951)
Disposal of tangible fixed assets	28	-
	527,916	(1,910,951)
Increase in cash during the year	527,916	(3,422,403)

Analysis of changes in cash during the year

	1 April 2012 £	Change in year £	31 March 2013 £
Cash at bank and in hand	2,857,947	(1,558,848)	1,299,099
Short term deposits	2,284,734	2,086,764	4,371,498
	5,142,681	527,916	5,670,597

Notes to the financial statements for the year ended 31st March 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, including the Statement of Recommended Practice (SORP 2005) on Accounting and Reporting by Charities and the Companies Act 2006.

Income recognition

All incoming resources becoming available to the Institute are recognised in the Statement of Financial Activities on the basis of entitlement. In respect of unrestricted income and restricted income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related grant or long term contract income, income entitlement is considered to be conditional upon the delivery of a specified level of service, in accordance with FR5 and the Charities SORP. Income is therefore recognised to the extent the charity has delivered the service or activity. The time or expenditure incurred to date, as appropriate, is used as a reasonable estimate or approximation of the charity's performance and so income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet to reflect the matching of such income with future activities.

Incoming resources subject to restrictions

Grants and donations given for specific purposes are credited to a restricted fund, against which expenditure for that purpose is charged. Expenditure includes direct staff costs, other direct costs and, by agreement with the donors, an allowance for overheads calculated as a percentage of direct staff costs. The element of the overhead allowance that represents running costs which cannot be separately identified to a specific piece of work is credited to unrestricted funds in the Statement of Financial Activities (see note 8).

Grant management

In addition to IIED's research based activities, two large new projects began in 2007/08, funded separately by the Howard G Buffett Foundation and the Bill and Melinda Gates Foundation. Both projects have their origins in IIED project activities and networks which have evolved into large-scale grant management projects. The Trustees have decided that the scale and nature of these projects warrants their separate identification in the published accounts.

Expenditure

All expenditure is accounted for on an accruals basis.

Resources expended on charitable activities comprises all expenditure directly relating to the objects of the Institute and includes the cost of supporting charitable activities and projects.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. These activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity.

Support costs include the costs of the central office functions of finance, human resources, information technology and premises costs. The basis of the cost allocation has been explained in note 6 to the accounts.

Notes to the financial statements for the year ended 31st March 2013 (continued)

Fixed assets

Tangible assets are stated at cost less depreciation. Depreciation is provided using the straight line method over the following estimated useful lives:

Leasehold improvements: Remaining period of lease

Office furniture and equipment: 5 years

Computer hardware: 3 years

Additions below £500 are taken straight to the Statement of Financial Activities under support costs.
Exchange rates

Assets and liabilities are translated at the appropriate exchange rates ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the rates prevailing at the transaction date. Any exchange adjustments arising are dealt with in the appropriate fund.

Leases

Rental payments under operating leases are charged against income on a straight line basis over the period of the lease.

Funds

Unrestricted funds are available to be spent on any purpose within the Institute's overall charitable objectives. Within unrestricted funds, designated funds are those set aside by the trustees to meet a specific need or fund particular activities.

2. Investment income

	2013	2012
	£	£
Bank interest	24,288	28,318

3. Commissioned studies and research

Commissioned studies and research income was received in the following areas of activity:

	2013	2012
	£	£
Grant management	2,386,208	5,541,338
Natural resources	4,209,238	3,549,678
Sustainable markets	1,899,716	2,447,016
Human settlements	2,165,321	833,946
Climate change	3,132,464	2,249,694
Governance	135,483	308,485
Partnerships and development	1,513,394	1,005,670
Communications and publications	807,066	954,790
Core development	4,628	54,677
	16,253,518	16,945,294

Notes to the financial statements for the year ended 31st March 2013 (continued)

4. Analysis of total resources expended

	Programme costs	Payments to collaborating entities	Support costs (Note 6)	2013 total	2012 total
	£	£	£	£	£
Charitable activities					
<i>Commissioned studies and research</i>					
Grant management	139,539	2,145,781	108,218	2,393,538	5,557,191
Natural resources	1,999,590	1,501,168	648,866	4,149,624	3,805,543
Sustainable markets	1,120,455	328,095	429,519	1,878,069	2,514,852
Human settlements	739,469	1,126,131	283,745	2,149,345	887,895
Climate change	2,050,012	608,098	407,115	3,065,225	2,284,630
Governance	96,339	-	22,464	118,803	339,875
Partnerships and development	1,093,353	12,940	388,719	1,495,012	1,062,506
Communications and publications	520,745	6,716	207,910	735,371	777,681
Core development	189,261	18,544	-	207,805	80,358
	7,948,763	5,747,473	2,496,556	16,192,792	17,310,531
<i>Publications</i>	76,374	2,494	8,979	87,847	222,452
	8,025,137	5,749,967	2,505,535	16,280,639	17,532,983
Governance costs (Note 5)	-	-	98,945	98,945	113,830
	8,025,137	5,749,967	2,604,480	16,379,584	17,646,813

Resources expended include operating lease rentals of £319,622 (2012 - £354,613).

5. Governance costs

	2013	2012
	£	£
Audit fees		
Statutory audit	22,040	29,000
Prior year statutory audit adjustment	(2,965)	5,325
Grant audit	19,475	6,377
Other services	5,630	14,313
Trustees meetings	54,765	58,815
	98,945	113,830

Notes to the financial statements for the year ended 31st March 2013 (continued)

6. Support costs

	2013	2012
	£	£
Premises	654,983	648,442
Finance	470,361	465,311
Director's office/ Trustees	234,462	209,992
IT services	490,709	599,590
Human resources	381,779	404,115
Systems development	115,265	47,421
Management	157,976	77,940
	2,505,535	2,452,811

Support costs are allocated to activities as follows:

Programme costs: on the basis of staff time spent on each activity

Publications: on the basis of staff time spent on each activity

Payments to partners: a % based on the size of the payment

Governance costs: on the basis of staff time

Management costs: on the basis of staff time

7. Tangible fixed assets

	Leasehold improvements	Furniture and fixtures	Office and computer equipment	Total
Cost	£	£	£	£
At 1st April 2012	1,550,766	150,655	322,053	2,023,474
Additions	20,379	-	61,745	82,124
Disposals	-	-	(28)	(28)
At 31st March 2013	1,571,145	150,655	383,770	2,105,570
Depreciation				
At 1st April 2012	51,165	17,577	114,637	183,379
Charge for year	174,909	30,131	119,102	324,142
Disposals	-	-	-	-
At 31st March 2013	226,074	47,708	233,739	507,521
Net book value				
At 31st March 2013	1,345,071	102,947	150,031	1,598,049
At 31st March 2012	1,499,601	133,078	207,416	1,840,095

Notes to the financial statements for the year ended 31st March 2013 (continued)

8. Debtors

	2013	2012
	£	£
Less than one year		
Restricted grants receivable	1,158,007	543,799
Accrued income	3,316,533	2,043,464
Other debtors	57,384	104,680
Prepayments	113,112	341,339
Total debtors	4,645,036	3,033,283

9. Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	548,356	625,094
Accruals	120,568	167,920
Other creditors	462,647	109,046
Social security and other taxes	184,345	122,973
	1,315,916	1,025,033

Deferred Revenue	1st April 2012	Incoming resources	Resources expended	31st March 2013
	£	£	£	£
Deferred Revenue	6,269,166	17,671,017	15,985,676	7,954,507

10. Analysis of net assets between funds

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Tangible fixed assets	252,978	1,345,071	-	1,598,049
Debtors	30,666	-	4,614,370	4,645,036
Cash	530,246	704,604	4,435,747	5,670,597
Creditors	(220,306)	-	(1,095,610)	(1,315,916)
Deferred income	-	-	(7,954,507)	(7,954,507)
Net assets	593,584	2,049,675	-	2,643,259

Notes to the financial statements for the year ended 31st March 2013 (continued)

11. Designated reserves

	1st April 2012	Income	Transfers	Resources expended	31st March 2013
	£	£	£	£	£
Building and capital fund	-	-	1,519,722	(174,651)	1,345,071
Group funds					
Natural resources	32,696	1,543	189,044	(46,879)	176,404
Sustainable markets	134,417	-	43,763	(4,781)	173,399
Human settlements	79,530	92	16,683	(3,924)	92,381
Climate change	90,970	-	65,582	2,059	158,611
Governance projects	14,997	-	18,526	(1,805)	31,718
Partnerships and development	68,257	-	(26,392)	-	41,865
Communications	30,075	-	156	(5)	30,226
	450,942	1,635	1,827,084	(229,986)	2,049,675

Building and capital fund: In the year, a transfer has been made from unrestricted reserves to designated funds representing the net book value of the improvements made to the Gray's Inn Road leasehold.

Group funds: The Trustees have designated amounts from unrestricted funds for Group development allowing sufficient funds to initiate new projects or fund posts in new areas of work. The transfers into Group designated funds represent the balance on the recharge of time to restricted project.

12. Employees

	2013	2012
	No.	No.
Average number of employees during the year	92	83
Number of part time employees in above	32	29
Aggregate remuneration paid to employees	£	£
Wages and salaries	4,005,335	3,639,121
Social security costs	445,983	405,061
Other pension costs	275,083	254,709
	4,726,401	4,298,891
Number of staff whose remuneration fell within each of the following bands		
£100,000 - £109,999	1	-
£90,000 - £99,999	-	1
£80,000 - £89,999	-	1
£60,000 - £69,999	15	9

Notes to the financial statements for the year ended 31st March 2013 (continued)

13. Trustees and Director

During the year no trustee received remuneration (2012: £nil). Where claimed, expenses incurred on the Institute's business were reimbursed. The total claimed during the year was £54,765 (2012: £58,815). The number of trustees claiming expenses was 13 (2012: 13).

Payments in respect of project work made to other charities and non profit making organisations, of which certain trustees were employees or trustees, were £206,700 (2012:£99,592). The full amount relates to Sheila Patel who served as a Trustee of IIED during the Financial Year (retiring on 3 July 2012) and Shack Dwellers International, a non for profit making organisation.

Payments were made in respect of Director's expenses incurred for the management of the charity of £12,350 during the year (2012: £16,907)

14. Pensions

No company pension scheme existed at 31st March 2013. Contributions are paid on behalf of employees to independently administered money purchase plans. The cost to the Group during the year was £275,082 (2012 - £254,709).

15. Commitments

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	Other
	£	£
Operating leases which expire in less than one year	-	1,888
Operating leases which expire within one to five years	-	208,387
Operating leases which expire over five years	1,688,800	-

IIED had commitments on contracts to partners of £3 million at the year end (2012 £1.3 million)

IIED holds a lease on a property in Gray's Inn Road, London WC1 with a term of 10 years terminating 31 October 2020 at an annual rental of £200,000.

IIED rent Edinburgh office premises under a lease agreement which has been extended for a period of 5 years terminating in 2016. The annual rent is £14,000.

16. Specific donor disclosure

UK government Department for International Development: Provision of thematic analysis and advice
Component Code 202384-101

"The Charity received and accrued income, and spent GB£ 4,416,696 from the UK government's Department for International Development as a grant for the provision of thematic analysis and advice. The project started on 1 March 2012 and runs until 1 March 2016."

Appendix A: IIED donor support 2012/13

		2013	2012
		£	£
Government and Government Agencies			
AGENCE FRANCAISE DE DEVELOPPEMENT	FRANCE	74,015	21,397
DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS (DEFRA)	UK	286,922	107,904
DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID) ACCOUNTABLE GRANT	UK	2,494,938	245,115
DFID OTHER	UK	523,268	510,066
DFID (via HTSPE LTD)	UK	105,803	183,119
DFID (via HARWELLE INTERNATIONAL LTD)	UK	27,008	-
DEPARTMENT OF ENERGY AND CLIMATE CHANGE	UK	65,842	24,237
FINNISH MINISTRY FOR FOREIGN AFFAIRS	FINLAND	73,997	
FOREIGN & COMMONWEALTH OFFICE	UK	-	48,993
IRISH AID, DEPARTMENT OF FOREIGN AFFAIRS	IRELAND	476,689	480,681
JAPANESE INTERNATIONAL COOPERATION AGENCY	JAPAN	-	55,906
MINISTÈRE DES AFFAIRES ÉTRANGÈRE	FRANCE	-	103,107
NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION (NORAD)	NORWAY	378,614	808,092
NORWEGIAN EMBASSY MOZAMBIQUE	NORWAY	262,429	225,268
NORWEGIAN MINISTRY OF ENVIRONMENT	NORWAY	-	245,115
ROYAL DANISH MINISTRY OF FOREIGN AFFAIRS	DENMARK	555,141	587,535
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (SIDA)	SWEDEN	1,343,217	1,349,907
Amounts less than £10,000		10,761	31,372
Total Government and Government Agencies		6,678,644	5,027,814
International and Multilateral Agencies			
EUROPEAN COMMISSION		947,187	-
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)		-	58,922
ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)		65,380	24,990
UN ENVIRONMENT PROGRAMME (UNEP)		136,751	53,230
UN FOOD AND AGRICULTURE ORGANISATION (FAO)		61,876	34,827
UN HABITAT		-	26,428
UN INTERNATIONAL STRATEGY FOR DISASTER RISK REDUCTION		24,709	-
UN OFFICE FOR PROJECT SERVICES (UNOPS)		-	73,386
UN POPULATION FUND (UNFPA)		73,669	38,708
WORLD BANK GROUP		130,256	588,421
Amounts less than £10,000		11,664	15,035
Total International & Multilateral Agencies		1,451,492	913,947

		2013	2012
		£	£
Foundations and NGOs			
AECOM	UKRAINE	12,464	-
THE ASAHI GLASS FOUNDATION	JAPAN	15,000	-
ARCUS FOUNDATION	UK	-	61,663
ASIA FOUNDATION	USA	12,815	14,765
AFRICAN WILDLIFE FOUNDATION	KENYA	12,807	-
HOWARD G BUFFETT FOUNDATION	USA	1,308,173	1,714,387
CLIMATE CHANGE AND AGRICULTURAL FOOD SECURITY	DENMARK	44,091	-
CDKN	UK	44,776	-
CENTRE FOR DEVELOPMENT RESEARCH (CEDEAO)	BURKINA FASO	11,859	-
CGIAR	USA	34,566	-
COMIC RELIEF	UK	376,760	50,000
CORDAID	NETHERLANDS	282,617	199,867
DANISH 92 GROUP-FORUM 4 S/DEVL	DENMARK	103,877	17,500
ECOSYSTEMS SERVICE FOR POVERTY ALLEVIATION	UK	49,609	10,658
FORD FOUNDATION	USA/ CHINA	-	249,144
GERMANWATCH	GERMANY	137,279	26,736
HIVOS	NETHERLANDS	46,347	513,523
INTERNATIONAL COUNCIL ON MINING AND MINERALS	UK	15,000	-
INSTITUTE OF DEVELOPMENT STUDIES	UK	10,141	12,174
INTERNATIONAL DEVELOPMENT RESEARCH CENTER	CANADA	11,643	300,318
INTERNEWS	FRANCE	2,484	-
IUCN	SWITZERLAND	-	24,114
KARUNA	UK	-	19,710
LONDON SCHOOL OF HYGIENE AND TROPICAL MEDICINE	UK	476,031	294,438
NATURE CONSERVANCY	UK	-	11,268
NATURAL ENVIRONMENTAL RESEARCH COUNCIL (NERC)	UK	10,000	21,191
OVERSEAS DEVELOPMENT INSTITUTE	UK	-	11,939
NINA POLICYMIX	NORWAY	50,160	-
OXFAM NOVIB	NETHERLANDS	79,936	-
OXFAM	UK	47,415	180,790
PLAN INTERNATIONAL INC	UK	9,461	27,975
PRACTICAL ACTION	UK	17,373	57,456
PYOE PIN	MYANMAR	16,980	-
RAINFOREST ALLIANCE	USA	-	155,150
RENEWAL ENERGY AND ENERGY EFFICIENCY	AUSTRIA	50,513	-
ROCKEFELLER FOUNDATION	USA	644,076	1,582,203
SAVE THE CHILDREN	UK	11,074	-
SLUM DWELLERS INTERNATIONAL	SOUTH AFRICA	2,405	12,000
SNV	DENMARK	-	27,054
THE BILL & MELINDA GATES FOUNDATION	USA	3,893,964	2,364,990
THE CHRISTENSEN FUND	USA	3,148	46,948
TIDES FOUNDATION	USA	-	34,453
TANZANIA NATURAL RESOURCE FORUM	TANZANIA	49,411	78,956
TUFTS UNIVERSITY	ETHIOPIA	40,662	130,822

		2013	2012
		£	£
Foundations and NGOs (continued)			
TELEVISION FOR THE ENVIRONMENT (TVE)	UK	29,171	-
US FISH AND WILDLIFE SERVICE	USA	30,068	-
UNIVERSITY COLLEGE LONDON (UCL)	UK	5,630	29,950
UNIVERSITY OF COPENHAGEN	DENMARK	29,469	-
WORLDAWARE	UK	27,835	-
WORLD RESOURCES INSTITUTE	USA	28,904	-
WORLDWIDE FUND FOR NATURE	UK/SWITZERLAND	5,000	22,762
Amounts less than £10,000		41,954	228,021
		8,132,948	8,532,924
Corporate			
GREEN PARK CONSULTANTS	UK	15,471	-
PRICE WATERHOUSE COOPERS SERVICE	UK	374,622	546,089
Amounts less than £10,000		12,609	5,771
Total Corporate		402,702	551,860

Summary donor support

		2013	2012
		£	£
Donors			
Government and Government Agencies		6,678,644	5,027,814
International and Multilateral Agencies		1,451,492	913,947
Foundations and NGOs		8,132,948	8,532,924
Corporate		402,702	551,860
Donor income received		16,665,787	15,026,545
Other income			
Miscellaneous donations less than £1,000		-	21,280
Interest receivable		24,288	28,318
Trade income		12,835	13,557
Royalties		840	916
Other Income		9,505	91,895
Sub-total		47,468	155,965
Total		16,713,255	15,182,510
Add: Income deferred from prior year		6,269,166	6,936,844
Less: Income due to prior year		(2,043,464)	(849,719)
Add: Income due from next year		3,316,533	2,043,464
Less: Income deferred to next year		(7,954,507)	(6,269,166)
Total Incoming Resources		16,300,983	17,043,933

Appendix B: Payments to collaborating organisations and individuals

		2013
		£
ASIAN COALITION FOR HOUSING RIGHTS	THAILAND	1,252,059
SPARC	INDIA	678,033
THE UTSHANI FUND	SOUTH AFRICA	330,243
IUCN SWITZERLAND	SWITZERLAND	258,728
CARE INTERNATIONAL MALI	MALI	211,219
SHACK DWELLERS INTERNATIONAL	SOUTH AFRICA	206,700
RESOURCE ADVOCACY PROGRAMME	KENYA	140,523
INDEPENDENT UNIVERSITY BANGLADESH	BANGLADESH	117,454
IUCN BURKINA FASO	BURKINA FASO	115,143
CARE INTERNATIONAL NIGER	NIGER	107,885
TANZANIA NATURAL RESOURCE FORUM	TANZANIA	98,186
ONEWORLD SUSTAINABLE INVESTMENT	SOUTH AFRICA	91,697
NORWEGIAN UNIVERSITY OF LIFE SCIENCE	NORWAY	81,534
INSTITUTE OF GEOGRAPHIC SCIENCE	CHINA	78,356
FUNDACAO MICAIA	MOZAMBIQUE	78,000
ACODE	UGANDA	70,677
ANDES	PERU	68,844
ONG AMEDD	MALI	59,670
GLOBAL ENVIRONMENTAL INSTITUTE	CHINA	58,127
CARIBBEAN NATURAL RESOURCES INSTITUTE	TRINIDAD & TOBAGO	57,751
TUFTS UNIVERSITY ETHIOPIA	USA	57,354
LOK CHETNA MANCH	INDIA	56,491
SOKOINE UNIVERSITY	TANZANIA	52,669
RECOFTC	THAILAND	46,786
PUSAT PENGEMBANGAN SUMBER DAYA	INDONESIA	44,158
HAMILTON RESOURCES AND CONSULTING	GHANA	43,411
SAHEL ECO BUREAU NATIONAL	MALI	43,069
INSTITUTE OF TROPICAL FOREST CONSERVATION	UGANDA	42,278
CENTRO MAINUMBY NAKURUTU	BOLIVIA	40,991
STAKEHOLDER DEMOCRACY NETWORK	UK	40,394
CENTRO TERRA VIVA	MOZAMBIQUE	37,776
LAND RESOURCE MGMT CENTRE	GHANA	34,574
FUNDACAO AMAZONAS SUSTENTAVEL	BRAZIL	32,602
MAKERERE UNIVERISTY	UGANDA	32,602
SNV VIETNAM	VIETNAM	32,602
KALAHARI CONSERVATION SOCIETY	BOTSWANA	32,569
CHIMPANZEE SANCTUARY WILDLIFE	UGANDA	31,313
JOHCATA AGENCIES	KENYA	30,321
KEFRI	KENYA	29,364
WORLD CONSERVATION MONITORING CENTRE	UK	25,364
ASIAN NETWORK FOR SUSTAINABLE AGRICULTURE AND BIORESOURCES	NEPAL	24,869
YALE UNIVERSITY	USA	24,463
ENVIRO LEGAL DEFENCE FIRM	INDIA	24,272

Appendix B Payments to collaborating organisations and individuals (continued)

		2013
		£
GERDSA	MALI	21,278
UNIVERSITY OF SOUTHAMPTON	UK	21,250
CENTER FOR THE COMMUNITY HEALTH	VIETNAM	17,850
ASIAN CENTRE FOR ENVIRONMENTAL MANAGEMENT	NEPAL	17,812
UNIVERSIDADE EQUARDO MONDLANE	MOZAMBIQUE	16,475
KENE CONSEILS	MALI	16,208
HUE UNIVERSITY	VIETNAM	15,805
IIED AMERICA LATINA	ARGENTINA	15,556
INSTITUTE FOR SUSTAINABLE DEVELOPMENT AND INTERNATIONAL RELATIONS	FRANCE	14,174
CENTRE FOR DEVELOPMENT MANAGEMENT	MALAWI	13,809
INSTITUTE OF LOCAL GOVERNMENT	GHANA	13,500
ASSOCIATION DES USAGERS FLEUVE NIGER	MALI	12,940
CIVIC RESPONSE	GHANA	12,738
CATHOLIC RELIEF SERVICES	GHANA	12,330
INDIAN INSTITUTE FOR HUMAN SETTLEMENTS	INDIA	12,321
PROFOREST LTD	UK	12,321
UNIVERSITY OF KENT	UK	12,000
TROPENBOS GHANA PROGRAMME	GHANA	12,000
LUMANTI SUPPORT GROUP FOR SHELTER	NEPAL	10,954
PRACTICAL ACTION	UK	10,450
AGELESS CO. LTD	VIETNAM	10,378
INSTITUTE FOR SOCIAL & ENVIRONMENT TRANSITION	NEPAL	10,223
IED AFRIQUE	SENEGAL	10,000
MICOA-GEF	MOZAMBIQUE	10,000
MINISTRY OF ENVIRONMENT & ENERGY	NAMIBIA	10,000
NORTH RUPUNUNI DISTRICT DEVELOPMENT BOARD	GUYANA	10,000
NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY	UGANDA	10,000
ECOSYSTEM CONSERVATION & COMMUNITY DEVELOPMENT INITIATIVE	MYANMAR	10,000
UNIVERSIDAD RAFAEL LANDIVAR	GUATEMALA	10,000
Payments less than £10,000		203,359
Total payments to organisations		5,625,533
Payments to individuals		124,434
Total payments		5,749,967