

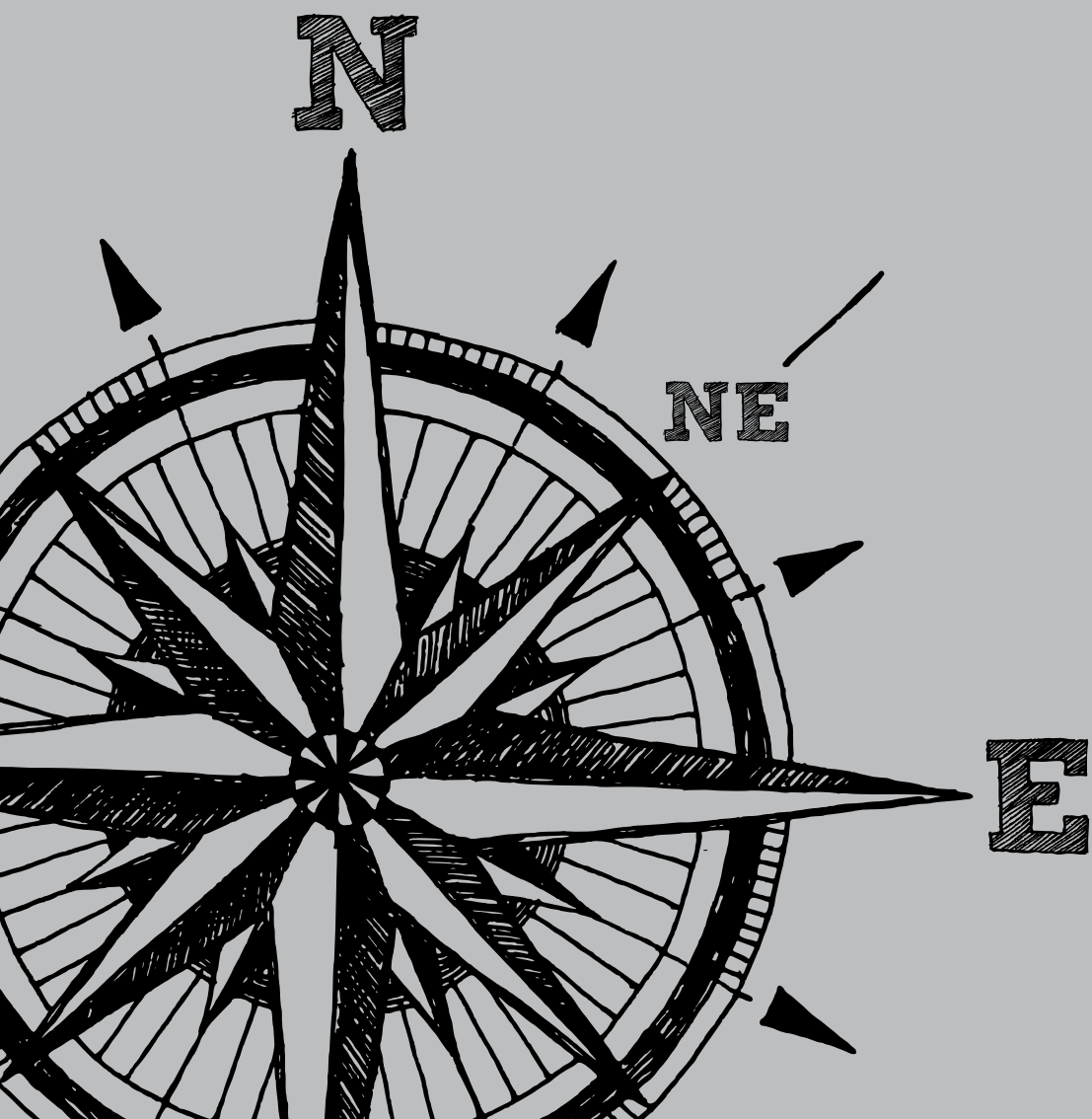
W

SW

A sense of direction
Annual Report
2008/9

S

iiied



An eye to the future

We are all time travellers now, intent on becoming past masters at seeing the future. As the last 12 months saw the economic systems we rely on threaten to topple like some vast house of cards, horizon-scanning skills became more valuable than ever. The International Institute for Environment and Development was already on the look-out.

For a research body like IIED, mapping the future is essentially another form of research. Even more pertinently, the field of sustainable development that we have helped to pioneer is defined by the long view – by concern for future as well as present generations, and for living within the planet's projected limits. We use what we know to predict the unpredictable, whether that is the behaviour of rainfall or of financial markets.

It's now nearly 50 years since US sociologist Alvin Toffler wrote *Future Shock* – a book about 'too much change in too short a period of time'. In a world where the bottom can drop out of a global system almost overnight, this view still has resonance. But we – agencies, societies, countries, regions – are learning. And as we pull together out of collapse and towards greener growth, two perspectives give us that crucial thing, a sense of direction.

One is from the people who, over decades, have recognised that sustainable development is the only road to a viable future. The other is from the villagers and slumdweller who, on every continent, fight for a future against often staggering odds. Both views have shaped IIED, and both remind us that humanity is nothing if not resilient and resourceful.

Contents

2 From our director / 3 From our chair / 4 IIED in brief / 10 Outlook: seven leading minds on the shape of things to come / 26 Grounded growth: a first look at the year's projects / 44 Global trends: taking stock, looking ahead / 46 IIED in depth / 66 Bright futures / 68 Staff list and International Fellows / 70 Trustees and donors / 72 Financial summary / 74 How to contact us

From our director



Camilla Toulmin

The winds of change are blowing with a vengeance all over the world, and we are weathering rough seas. Climate change, deforestation and pollution continue to damage the planet, while the global economy has taken a beating. Yet IIED's commitment to addressing poverty, environmental issues and injustice stands firm.

We have spent the last 12 months asking ourselves where best to focus efforts now and in the future, given this rapidly changing world. What role is there for a research organisation like IIED in this setting, and how best to operate in an increasingly volatile and unpredictable world?

We believe that ideas, backed by practical findings from the grassroots, can transform how people look at the world and act on those new perceptions and insights. But ideas need effective communication if they are to anchor in people's hearts and minds.

Our new five-year strategy gives us a compass to sail by as we navigate the changes and frame our messages for new audiences.

The financial meltdown of 2008/9 has taught us harsh lessons. When banks fall into crisis, vast funds are found to bail them out. Our global ecosystem has fewer rich and powerful friends. So far, governments have mobilised close to US\$10 trillion to avoid a banking collapse; yet the comparatively small sum needed to invest in a sustainable economy cannot be found.

We ignore Earth's natural capital at our peril. If it suffers, all those bailed-out banks will stand empty and useless. Governments may own the majority share in many financial institutions, but most lack the confidence to strike a deal that respects collective rather than private interests.

How can we build a more sustainable global economy now, for coming generations? Changing our behaviour will be key. Putting a price on scarce resources is also a vital step. But there is no one big solution. We'll be using all our navigational tools to reach those new horizons.

Our new five-year strategy gives us a compass to sail by as we navigate the changes and frame our messages for new audiences

Camilla Toulmin

From our chair



Maureen O'Neil

The last 12 months have sent seismic shocks – and aftershocks – through human and natural systems round the globe, from ecosystems to the economy. The challenges are immense.

That has meant that IIED's core issues have never been more centre stage: the institute has made major contributions in many key arenas, whether adaptation to climate change, urbanisation, pressures on natural resources, governance or markets.

The scramble for land and water is a case in point. IIED has shown how the rapid boom and bust of oil, food and commodity prices have left a strong sense in major food-importing countries of their vulnerability to further price volatility.

Among their responses were land grabs – a phenomenon with serious implications for the future. This year IIED published landmark reports showing how biofuels, large-scale agricultural investors and deforestation payments all risk displacing smallholders in developing countries from their land.

But it does not have to be like this. If small farmers and forest-dependent communities get a chance to shape the terms of investment deals,

sustainable solutions that benefit both people and the environment can be worked out.

IIED's work in the climate change negotiations has focused on getting adaptation firmly into the global agreement we hope is reached at Copenhagen in December 2009. IIED's third international workshop on community-based adaptation to climate change in Bangladesh showed the challenges of adaptation in practice. And our review of the Least Developed Countries Fund for adaptation under the UN Framework Convention on Climate Change provides key lessons for design of a new fund for adaptation. Meanwhile, work with parliamentarians in East, West and Southern Africa has started to get political debate around climate change underway.

What will the near future hold? After the Copenhagen conference, the international landscape will shift. New opportunities will open up for organisations like IIED, who understand the local level and how international frameworks can help or hinder sustainable solutions.

New opportunities will open up for organisations like IIED, who understand the local level and how international frameworks can help or hinder sustainable solutions.

Maureen O'Neil

IIED in brief

How to use this book

In this section you'll find essential information on IIED: who we are, what we do, our mission, our ways of working, and the basics of our new five-year strategy. Overleaf you'll find 'snapshots' of the year's highlighted projects, treated more fully in 'Grounded growth' and 'IIED in depth' (see below).

As this report brings us up to the start of our 2009-2014 strategy, our focus this year is foresight and horizon-scanning.

'Outlook', starting on page 10, delves into near-future possibilities and probabilities, outlined by seven guest experts.

'Grounded growth' on page 26 brings together shorter pieces on a range of the year's projects, organised to show how they embody our ways of working.

'Global trends' on page 44 reminds us of our international 'forward planning' agreements and projections, such as the Millennium Development Goals.

'IIED in depth', page 46, chronicles the big projects at IIED this year.

'Bright futures', on page 66, showcases the personal experiences of three young people who – as scholars, interns or fellows – worked with IIED and its legal subsidiary FIELD (see opposite) this year. In this section you can also see our staff list, trustees and donors, and finally, on page 72, our financial summary for the year.

Once you've read this report you might want to know more about the projects outlined in it. To find links to background material and longer treatments, see www.iied.org/general/about-iied/annual-report/2009.



Why we're here, what we do

The International Institute for Environment and Development is a policy research organisation based in London and working on five continents.

Launched in 1971 by economist Barbara Ward, IIED has played a shaping role in the milestones of sustainable development, from the Stockholm Conference of 1972 and the Brundtland Commission of 1987 to the 2002 World Summit on Sustainable Development in Johannesburg. The institute has been a key contributor to many other international policy processes and frameworks, such as the Intergovernmental Panel on Climate Change (IPCC), the Millennium Ecosystem Assessment (MEA), and the UN conventions on climate change, desertification and biological diversity. This deep involvement has consolidated IIED's reputation as an institute at the cutting edge of environment and development work.

Through research and action on climate change, human settlements, natural resources, sustainable markets and the threads that run through them all, such as governance, IIED – with its legal subsidiary FIELD and its broad-based network of partners – is making a future where people and planet can thrive.

To find out more about IIED in general, see www.iied.org.

FIELD
Foundation for International
Environmental Law and Development

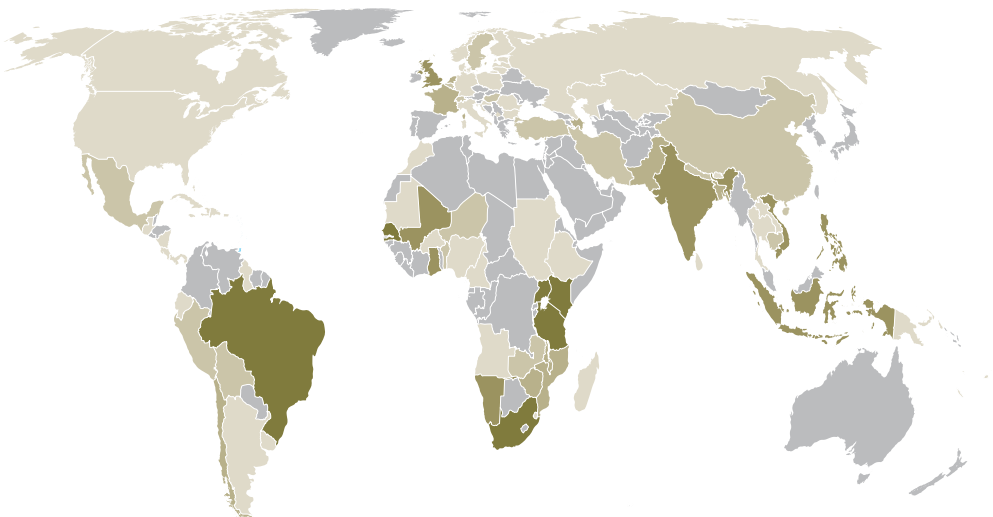
The Foundation for International Environmental Law and Development (FIELD) is an independent IIED subsidiary staffed by a group of public international lawyers.

Our mission

To build a fairer, more sustainable world, using evidence, action and influence in partnership with others.

Number of IIED research groups active in this country

1 2 3 4 5



How we work

IIED's work takes three forms: research, advice and advocacy.

IIED publishes in journals and maintains high research standards, like an academic institute; advises government, business and development agencies, like a consultancy; and argues for change in public policy, like an advocacy organisation.

Three core principles guide our work:

A focus on 'local to global', bottom-up solutions ensures the concerns of poor, vulnerable and marginalised people are heard by international policymakers.

An openness to flexible, adaptable solutions means we approach challenges with the necessary mix of perspectives and expertise.

A tradition of challenging conventional wisdom through original thinking has helped to reframe issues and prompted healthy debate.

The importance of partnerships

Partnerships are key to the way IIED works. By forging alliances with individuals and organisations ranging from urban slum dwellers to global institutions, IIED ensures that national and international policy better reflects the agendas of poorer countries and communities.

Our partners range from individuals working in other NGOs, academia, indigenous people's groups, international organisations and multilateral agencies such as the UN. Others are alliances IIED either steers or works closely with, such as Shack/Slum Dwellers International (SDI), a network of urban poor federations and NGOs in Africa, Asia and Latin America. And IIED plays an active part in international networks such as the International Union for Conservation of Nature (IUCN).

Our 2009-2014 strategy

In 2008/9 IIED formulated its new five-year strategy, focused on four major trends and associated challenges. You can see these below and overleaf.

At the end of this period, in 2014, we will be at the brink of the target year for achieving the Millennium Development Goals (MDGs). A new consensus on global priorities, institutions and frameworks will need to be forged by 2015. Our four strategic challenges have been identified with this coming responsibility in mind.

To find out more about our 2009-2014 strategy, see www.iied.org/pubs/pdfs/G02532.pdf

Our four goals:



Tackling the 'resource squeeze'

Snapshots of project highlights through the year

Use this subsection as a miniguide to the year's project reports, organised by relevant IIED research group. The 'Crosscuts' subsection gathers together projects that are collaborations among researchers in different IIED groups.

Climate Change

Crunching numbers for better adaptation *page 31*

Adaptation is an urgent need for vulnerable countries at the climate battlefield. But to be effective, it demands number-crunching to assess 'who pays and who benefits'. IIED supports this process in Africa's and South Asia's least developed countries through collaborative work on adaptation economics.

Tackling global climate inequities *page 60*

Climate change is effectively a burden on the poor, who have least historical responsibility for it and least capacity to cope. To redress the balance, IIED continues to back vulnerable countries

in the global climate talks, and work closely with communities on adaptation strategies that build on their own resilience and knowhow.

Governance/FIELD

Rebalancing environmental decision-making *page 32*

Environmental decisions – on pollution cleanups or access to water, for instance – often fail to factor in consultation with local communities. FIELD has assessed international legal frameworks in this area and whether they're working for people in Uganda. Their reports are helping civil society bodies and others lobby governments for better public access to information.

Embedding eco-issues at government's core *page 52*

Environmental 'mainstreaming' integrates green issues into the workings of government – a key move in curbing cumulative planetary damage. IIED supports this process in a number of developing countries, and with UN agencies and others is producing a common sourcebook of cases and guidance.

Enabling inclusive global climate debates *page 64*

From polar tundra to tropic coasts, climate change is inexorably altering the lives and livelihoods of indigenous peoples. To help them navigate international fora such as the climate talks and biodiversity convention, FIELD has published a briefing clarifying key avenues for their input.

Human Settlements

Laying foundations for urban transformation *page 35*

In tomorrow's cities, will all have a place at the table? IIED supports an initiative driven by poor urban communities across Asia, and led by the Asian Coalition for Housing Rights network. Together, they are transforming urban development to reflect real needs of neglected citydwellers.

Rebuilding cities' green credentials *page 41*

Urban centres have been vilified as the high-consuming culprits driving environmental destruction. IIED research challenges this view. Cities, it finds, emit less greenhouse gas than commonly thought, and are only one in a range of factors raising food prices.



Demonstrating climate change policies that work for development

Highlighting how local governance affects migration
page 58

The search for better jobs, livelihoods and lifestyles can lead people in low-income countries to take to the road; once they resettle, their remittances can have a positive impact on development. But through research in 18 small cities throughout Africa, Asia and Latin America, IIED has shown that ignoring local governance leads to a one-dimensional view of this complex moving target.

Natural Resources

Cultivating connections between small forest enterprises
page 29

Battling interests are blighting the world's forest frontiers – lifelines for more than a billion of the poor. Small-scale forestry offers a tested way to avoid deforestation while reducing poverty. Through Forest Connect, IIED is helping such enterprises succeed in a number of developing countries.

Creating an e-feast of local food systems
page 30

Heralded as a new publishing paradigm, IIED's e-book *Towards Food Sovereignty* offers a wide-ranging analysis of how poor communities benefit from controlling their own food systems, seed to plate. Through grassroots perspectives and scholarly analysis, the book highlights issues and needed policy reversals.

Protecting traditional knowledge holistically
page 40

Patents and other Westernised intellectual property rights offer poor protection for the traditions, ideas, genetic resources and other elements that make up traditional knowledge. With partners, IIED has amply shown how customary laws and practices already governing this knowledge ensure its sustainability.

Priming the pump, reflowing benefits
page 50

West Africa's water supply is at risk: up to 40 per cent of its rural boreholes have failed. A 10-year, IIED-steered programme ensures access to the region's most marginalised. The institute is also working on community compensation from a dam project in Niger, and best practice on sustainable village water supply.

Spreading the word on REDD
page 62

Reduced emissions for deforestation and (forest) degradation (REDD) is emerging as an approach with potential to halt wholesale felling while supporting livelihoods. Through work with a top Brazilian forestry expert and grassroots programmes in Southern Africa, IIED is helping map out REDD rollouts in different contexts.

Sustainable Markets

Reforging global food chains, link by link
page 36

Can we bridge the worlds of Southern smallholders and Northern markets to forge a viable global food chain? IIED has launched two partnered initiatives to answer this question: one on business models for sustainable trading relationships, the other on a global peer-to-peer learning network.

Offsetting biodiversity to balance development
page 37

Business can threaten biodiversity, but voluntary biodiversity offsets offer a balance between impacts and conservation. Working with the broad-based Business and Biodiversity Offset Programme, IIED has written guidelines on costs and benefits, and best practice in stakeholder participation.



Helping
build cities
that work
for people
and planet

Communications

Listening in to the global forest community *page 56*

Forest governance is often power play. To develop a 'people's forestry' managed from the bottom up, IIED is helping to catalyse the Growing Forest Partnerships initiative – and has now launched a film series, *Canopy of Friends*, to promote it. By capturing the multiple perspectives of the forest community, *Canopy* has become both sounding board and baseline for monitoring change.

Crosscuts

Easing sustainable oil investment in Kazakhstan *page 34*

Dramatic contrast is the norm in Kazakhstan, an oil and gas-rich giant with developing-nation issues. Building on earlier groundbreaking work, IIED and FIELD are now – with full backing from the UK government – analysing how fossil fuel investment here can bolster sustainable development.

Unearthing the truth about Chinese farming in Africa *page 39*

China's phenomenal growth has meant a national push for natural resources. But when media reported the country as buying up swathes of Africa to feed its people, IIED researchers from several groups revealed very different findings – and pointed to the innovative potential of Chinese farming experience in the region.

Bridging the gaps in transnational accountability *page 42*

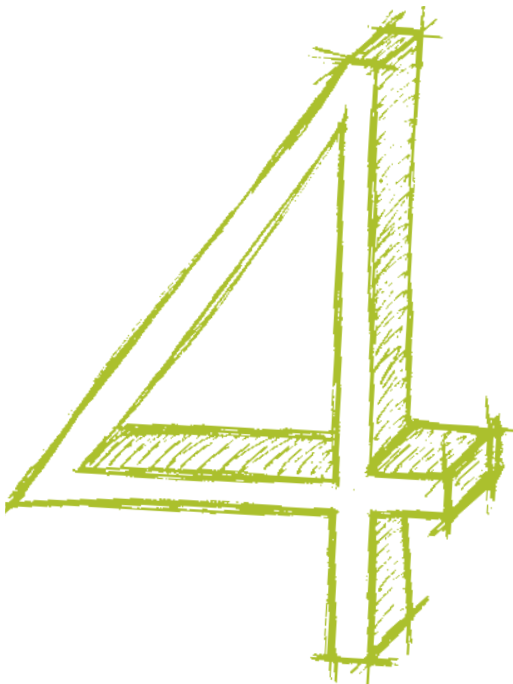
Poor nations with mineral or fossil wealth frequently rely on outside interests to support their fledgling industries. Company accountability to local communities often occupies last place. With FIELD, IIED has shown that transnationals in certain sectors are themselves setting up grievance and redress mechanisms, with some success.

Sizing up the real deal in African land acquisitions *page 48*

A sudden interest in African, Asian and Latin American land from international investors emerged in 2008/9. In 2009, a group of IIED researchers coauthored the first detailed study on key trends and drivers in sub-Saharan African land acquisitions, revealing the importance of both domestic and foreign investors.

Shifting perceptions on profits from pastoralism *page 54*

Many governments see pastoralism as irrelevant. By assessing its total economic value, IIED has reframed this ancient livelihood for the 21st century – as one ideally adapted to climate change and worth many millions in Africa alone.



Shaping
responsible
markets

Outlook

Seven leading minds on the
shape of things to come

Prediction can be a perilous business. Yet foresight — researching and postulating the possible and the probable — is key to our very survival. From our shamanistic forebears to the government ministers and media busy charting trends, those who can analyse what might be round the corner give us something precious: time to get ready, time to change. As the African proverb has it, ‘Tomorrow belongs to the people who prepare for it today.’

IIED asked seven leading minds in some of today’s crucial fields to gaze into the near future. What will the next decade bring for the world economy, Africa, China, biodiversity, cities, climate change, water? What are the challenges, the pitfalls, the bottlenecks, the safe harbours, the opportunities, the necessary steps that we all face?

The results are a bold take on the shape of things to come.



Global economy

Transforming finance
for a sustainable future

by **Nick Robins**
Head, HSBC Climate Change
Centre of Excellence

Two years into the current economic crisis, one of the few bright spots on the financial horizon is the apparently irresistible rise of sustainable investment.

The failure of mainstream financial theories, systems and strategies is accelerating the shift towards a new culture and practice guided by long-term economic, social and environmental imperatives.

US corporate giant General Electric concludes, for instance, that financial markets 'must be reset to enable long-term sustainable performance in the real economy'. What could this 'reset' look like?

The first shift is recognising that strong environmental and social performance is crucial for business success. Sustainable and responsible investing (SRI) funds are ahead of the pack here: SRI assets under management now account for US\$5 trillion. This is expected to exceed US\$26 trillion by 2015, driven by mounting concerns over climate change and peak oil, tightening regulation and increasing demand from investors such as pension funds.

The second imperative is to bring economic and financial theory into the 21st century, drop the mechanistic metaphors and recognise the fundamental importance of human and environmental values in determining wealth creation. Behavioural finance has a huge amount to offer, highlighting both the broader range of human motivation beyond maximising self-interest and the systemic biases that can constrain our actions.

The third priority is to confront the 'missing planet' problem in financial markets. Asset prices on the world's stock markets still do not 'tell the ecological truth'. The costs of carbon, for example, have yet to be fully integrated into the way shares are valued. The rules, norms and incentives of the world's capital markets need to be brought up to date to end these system-wide failures, and prevent a financial reckoning that could dwarf the credit crunch.

Finally, financial innovation needs to be directed to help solve the big issues. Creative ways of paying for up-front capital costs of sustainable enterprise and green technology lie at the heart of efforts to tackle climate change. New-generation 'climate bonds', for example, could be issued to finance energy efficiency, sustainable forestry and other priority areas, providing patient capital for developers and steady returns for savers.

The apprenticeship is over. The time has come for sustainable investment to become the new mainstream.

Sustainable and responsible investing (SRI) funds are ahead of the pack: SRI assets under management now account for US\$5 trillion. This is expected to exceed US\$26 trillion by 2015.

China

Finding a way to crack
the energy puzzle

by **Christine Loh**
CEO, Civic Exchange, Hong Kong

If any single question frames China's future, it's this: can the country decouple economic growth and environmental degradation, and embark on a development path that is low-carbon and environmentally sustainable?

Environmental degradation in China is well publicised. The World Bank's estimate of China's annual health damage from air pollution could amount to 3.8 per cent of GDP; for rural water pollution the figure is 1.9 per cent of rural GDP. The story of how it got there is familiar too – 30 years of rapid, high resource use and increasingly energy-intensive growth has led to the current state of unsustainable development.

But it is accepted wisdom among Chinese policymakers today that 'business as usual' is not an option. The challenge is to find another path that allows the country to eradicate poverty and for its citizens to enjoy a level of comfort that has already been achieved in places like Shanghai and Hong Kong.

The transformation is starting with energy efficiency, where there are set targets for industry to meet. China may well hit those targets by 2010 in light of the current economic downturn; more importantly, this 'crisis' may provide a much-needed space to rethink how to realign future investments in the energy sector.

Efficiency is the cheapest and most effective path for China, and the 'leapfrog' technology should be renewable power. China has good wind resources in the north and solar resources in the south. While carbon capture technology needs research, the frameworks for efficiency and renewables are already there. Judicious adjustments in financial incentives favouring them will be necessary. China knows that cracking the energy nut is what will make it an economic power of the future.

The vision of the 'good life' needs to be reframed. The Chinese consuming class is following that of the West. A new green economy is one based on services rather than 'things', where investments in education is vital. This will require a mindset change in China – and indeed, around the world.

Efficiency is the cheapest and most effective path for China, and the 'leapfrog' technology should be renewable power.

Climate change

Readiness for the road
beyond Copenhagen

by **R. K. Pachauri**
Chair, Intergovernmental Panel
on Climate Change (IPCC)

The year 2009 can truly be regarded as the year of climate change. Expectations are high that the 15th Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) in Copenhagen this December will result in an agreement leading to global action in meeting this challenge.

Climate change is also now very much on decision-makers' radar. Since the 2007 Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), awareness of the scientific realities of climate change has grown, and is now clearly a basis for action.

The current economic downturn has temporarily distracted decision makers and forced them into 'firefighting' mode to revive the economy. But here again, leaders like US President Barack Obama are working towards that goal by advocating green jobs creation and green technology investment. It is likely that with some economic recovery, the global community will focus more purposefully on climate action.

That action must be urgent. If mitigation is not carried out effectively at the global level, the impacts of climate change will eventually become so severe that societies and communities will be unable to adapt to them.

Those impacts could result in growing stress in availability of water and reduced agricultural yields. Increased floods, drought, heatwaves and extreme precipitation events could have serious implications for health, quite apart from any direct damage caused. The pressures could spark conflict: the Nobel committee rightly saw the link between climate impacts and maintaining peace when they awarded the 2007 Nobel Peace Prize to the IPCC and climate campaigner Al Gore.

Mitigation is critical for another reason. The IPCC has clearly established that action on mitigation is low cost and carries a range of associated benefits, such as higher energy security, lower local air pollution, rising employment and improved agricultural productivity. Consequently, ambitious action on mitigation can actually be taken at negative cost in a number of cases.

Overall, widespread awareness of these issues is the best assurance for action on dealing with the challenge of climate change.

Action must be urgent. If mitigation is not carried out effectively at the global level, the impacts of climate change will eventually become so severe that societies and communities will be unable to adapt to them.

Water

How feeding the world
will empty local wells

by **Fred Pearce**

Science writer; *New Scientist*
environment consultant, UK

Water is the ultimate local resource. It is heavy stuff, and moving it around is expensive. That is why droughts are such a disaster for local communities.

But in future, water crises will quickly go global, thanks to the international food trade.

In much of the world, water rather than land is the limiting factor in farming. Modern 'green-revolution' crops are often inefficient users of water. In the past 40 years the world has doubled food production – but tripled consumption of water to grow that food.

Agriculture takes two-thirds of the world's water. Demand is so great that major rivers like the Yellow River in China, the Indus in Pakistan, the Rio Grande on the US-Mexican border, the Murray in Australia and even the Nile in Egypt no longer reach the sea for much of the year.

Increasingly, the crops irrigated with the water from these rivers are traded internationally. Economists sometimes call this, which amounts to a trade in irrigation water, the 'virtual water' trade. It keeps many countries fed, including Europe and most of the Middle East; every year, for instance, the United Kingdom imports about 40 cubic kilometres of virtual water in the form of food.



Running dry

But the virtual water trade creates a new vulnerability in the world food system. In 2007 and 2008, a massive drought in Australia halved its crop exports and helped trigger soaring global food prices. It will happen again and again. As demand for water to irrigate crops continues to grow. As more and more rivers run empty. As underground water reserves are pumped dry (a quarter of India is fed from underground water not being replaced by the monsoon rains). And as climate change makes water supplies much less predictable.

The virtual water trade will turn local droughts into a global food crisis.

The virtual water trade creates a new vulnerability in the world food system. In 2007 and 2008, a massive drought in Australia halved its crop exports. It will happen again and again.

Africa

Fifty-three countries
becoming a region

by **Hadeel Ibrahim**
Executive Director, Mo Ibrahim
Foundation UK

Africa needs a strong regional strategy to withstand the shocks ahead. In the whirlwind of 2008/9, development funding and discourse were thrown into huge disarray.

The period of plenty underpinning commitments to the Millennium Development Goals and the 2005 G8 summit at Gleneagles came to an abrupt end. With it went the near-orthodoxy that wealthy countries should support their less developed counterparts with consistently increasing flows of aid.

Yet there has been no new, creative thinking in response to this challenge. That sub-prime mortgages in the United States could directly affect the citizens of Djibouti has highlighted our global interdependence. But just as, post-crisis, financial institutions reverted to 'business as usual', many developed countries retreated from global imperatives towards national self-interest. We have missed a big opportunity to rethink from top to bottom what we do and how we do it.

The Obama administration is focusing on governance and civil society. That will help build greater accountability, transparency and effective leverage of non-governmental actors across the continent – whether by donors or their African partners. In the downturn, donor country taxpayers demand greater value for money from development initiatives.

Development aid must deal in outcomes, not inputs. We must shift the measure of success from how many hospitals are built, say, to how many people are receiving better access to health services. This is currently impossible to do with any rigour, given the scant reliable statistics. How can we judge whether it's possible to reach the MDG of halving the number of people facing extreme poverty when the most recent robust data for Niger

relates to 1993? Improved statistical data collection is unglamorous, but without it there can be no real drive towards more effective development.

Regional integration must go forward. The 53 nations of Africa – even with accountable, transparent, engaged governments – cannot compete economically, nor meet the big global challenges. Greater regional integration could cut bureaucracy and promote cross-continental economic links and trade. And as resource scarcity leads increasingly to security – consider water politics in the Nile basin – designing water projects and basin management with an eye to regional implications, rather than national significance, is vital.

A focus on governance and civil society will help build greater accountability, transparency and effective leverage of non-governmental actors across the continent....

Cities

Bottom-up imperatives
in an urbanising world

by **Sheela Patel**

Founder/Director, Society for the Promotion
of Area Resource Centers (SPARC), Mumbai

In the next few decades, the way urban growth is managed will have planetary implications for development and ecological sustainability.

Almost all low- and middle-income nations are urbanising: most new economic activities are in urban-based industries and services. The UN suggests this urbanisation will account for almost all the world's population growth for the next few decades – including over 2 billion new town and city dwellers between 2010 and 2040.

One of the biggest questions is this: will most of this growth be accommodated in slums or informal settlements lacking water, sanitation, drainage, secure tenure and government services, as at present?

Alternatives exist. Residents of many slums or informal settlements are organised into savings groups that federate and offer governments partnerships. In more than 30 countries, slum or shack dwellers are actively doing so; in 15, they have formed their own national federations of slum/shack dwellers; and in 10 of those

nations, governments now work with them. Here, for the first time, city-wide and nation-wide urban poverty reduction can be centred on the needs, priorities and capacities of the urban poor.

Without this, urbanisation will continue to generate the poverty and exclusion that underpin conflict and development failure.

There is also the issue of whether those driving this vast urban expansion have thought through the serious threat posed by climate change to low-income urban dwellers. Hundreds of millions of them are at risk not only from more frequent or intense floods, storms and heatwaves, but also from climate-related disease outbreaks and water shortages. It is the greenhouse gas emissions of high-income groups, mostly in high-income nations, that are causing these risks.

Will urban expansion take place in ways that help protect these urban dwellers and their homes and assets? There is little sign of governments or international agencies taking this seriously. Will that expansion keep down greenhouse gases? There are precedents showing that healthy, successful, high-quality cities can also keep down greenhouse gas emissions, but not much evidence of governments applying this.

Bringing the ingenuity and capacity of the urban poor into urban development can transform living conditions – and, perhaps, can also support less carbon-intensive cities.

Bringing the ingenuity and capacity of the urban poor into urban development can transform living conditions and, perhaps, can also support less carbon-intensive cities.

Bio- diversity

Fighting a ‘triple whammy’
of destructive biases

by **Pavan Sukhdev**

Head of Green Economy Initiative, UN Environment
Programme (UNEP); Study Leader, The Economics
of Ecosystems and Biodiversity (TEEB) Initiative

Society's dominant economic model today rewards more rather than better consumption, and favours private wealth over public wealth creation, and man-made capital over natural capital.

This triple whammy of destructive biases now frames the human relationship with ecosystems and their resident biodiversity. We must evolve beyond these three biases.

But what if we don't? In the absence of valuation, natural capital will decline: our forests, rivers, lakes, wetlands, mangroves, coral reefs will degrade, and with that, their ability to deliver ecosystem services. If we do not outgrow our naive infatuation with private ownership and free markets, and recognise that public benefits (such as clean and breathable air, adequate and regulated freshwater and a liveable climate) are valuable too, we are deluded.

Natural capital is highly productive stock – think of oxygen produced by photosynthesis. But we are running a deficit. By some measures, we consume 30 to 40 per cent more than the Earth's biocapacity. And yet, we do not pour trillions of dollars into rebuilding or maintaining our natural capital, although we managed this feat late last year in the rush to rebuild our banks' financial capital.

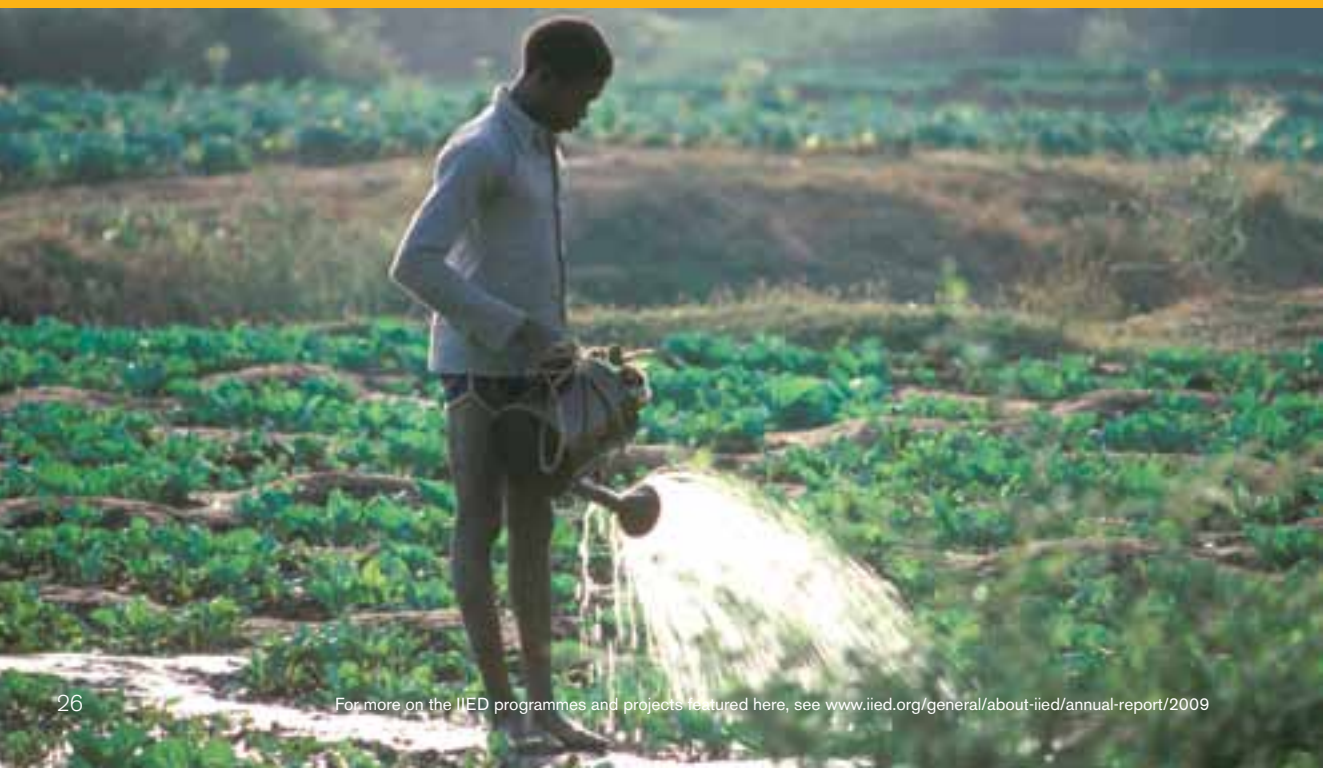
Lastly, if we produce more intelligently and consume more wisely, we could achieve not just 'factor-4', but 'factor-10', reductions in our ecological footprint – that is, the extent to which we directly or indirectly contribute to ecosystem and biodiversity loss.

We need to remember that a loss of biodiversity is a loss of all its attributes, from genetic variety and species richness (and the sheer appeal, to humanity, of rare and beautiful species) to biomass quantity and primary productivity.

The good news is that, like most other human illogic, our three biases can be reversed – through wider education, public policy and its incentives and disincentives, and adequate investment. If we can make this paradigm shift and live in harmony with nature, we face a future of abundance: biodiversity is the living fabric of this earth, and the building block of natural capital. The alternative is a barely imaginable poverty.

If we produce more intelligently and consume more wisely, we could achieve not just 'factor-4', but 'factor-10', reductions in our ecological footprint – that is, the extent to which we contribute to ecosystem and biodiversity loss.

Grounded growth: a first look at the year's projects



A smallholder ploughing a furrow. A poor city dweller raising the panel of a new house. Both rely on tradition, local innovation and a weather eye for change.

Both understand that for future food and shelter to rise from bare ground, what's needed are thorough preparation and good use of scant resources.

Sustainable development is predicated on present solutions that foster future viability, and on the wise use of what Earth has to offer. At a time when peak oil, water wars and land grabs are endlessly debated and climate change tops global agendas, the planetary limits are becoming frighteningly real.

Decades ago IIED's founder, the economist Barbara Ward, prepared the ground for our growing awareness of those limits by popularising a then-futuristic idea, 'Spaceship Earth': 'Alone in space, alone in its life-supporting systems, powered by inconceivable energies...' Ward's visionary view of the biosphere was matched by her belief that humanity can crew the ship – but must learn to do it more effectively.

In the following pages we look at how human energy and invention – enabled by IIED and its partners – tackle issues ranging from deforestation and local water crises to sustainable oil and gas production. These stories show how IIED continues to shape futures by linking grassroots concerns to international fora and frameworks; by favouring fresh approaches that offer a 'good fit' over unworkable theory; and by trusting facts and experience over received wisdom.



Spanning local to global

What links the life of an Inuit in Canada's far north or a Mumbai slumdweller with that of a climate negotiator doing the rounds of international conventions? In the new global realities — from the climate crisis to yo-yoing markets — worlds converge. Collective challenges of such magnitude demand collective responses.

But the poor live all too often at the hard edge of environmental devastation, bureaucratic indifference and poor governance. If they're to join in, their concerns need to inform decisions at the top, and they must

have the capacity to change. The lessons learned from their resilience also need to be shared.

IIED is a 'local-to-global' specialist. We listen to local people, disseminate their views, inform them of their rights and help them enter the stream of national and international debate. We ensure community concerns reach the right ears. And we link up Northern policymakers with our Southern partners, whose grasp of issues at the grassroots is immense. In all these ways, we work towards a fairer future, connected in ways that count.



Forest Connect: sustainable enterprise at the forest frontier

At many of the world's remaining forest frontiers, pitched battles for profit from farming and forestry are playing out. Forests generally lose: some 130,000 square kilometres still disappear yearly. Meanwhile, an estimated 1.6 billion of the world's poorest people depend on those frontiers. Solutions that both avoid deforestation and reduce poverty are urgently needed.

Of the few that have emerged, sustainable forest enterprises are one of the most promising. Generally small-scale, local and informal, these have massive potential, as market demand for forest products grows and the need for local income remains pressing. But with governments often rigging forest rights in favour of big corporations and rarely providing support for small-scale forest business, small enterprises face big hurdles.

To secure local rights, profitability and responsible practice for these enterprises, IIED co-manages the international alliance Forest Connect with the Food and Agriculture

Organization of the UN and a multi-institutional steering committee.

Forest Connect links sustainable small forest enterprises to each other, and to markets, service providers and policy processes such as National Forest Programmes. The alliance is made up of partners in Burkina Faso, China, Ethiopia, Ghana, Guatemala, Guyana, India, Laos, Malawi, Mali, Mozambique and Nepal, and has a network of supporters in 58 countries linked by online social networking site <http://forestconnect.ning.com>. Two years on from its launch, demand for involvement in Forest Connect is huge and growing.

Forest Connect funds practical action to build business know-how, with substantial progress in Africa, Asia and Latin America. It runs national diagnostics that foster understanding of the scale and makeup of related subsectors and potential service providers.

In some cases, national facilitators have catalysed collective action within producer associations and identified, benchmarked and organised service provision. For example, Guyanese Amerindian forest enterprises are bringing in Brazilian craft designers



Forest craft in Laos

to help them tap into the Brazilian market. Forest Connect also boosts market information through media from newsletters to mobile phone updates and trade fairs.

Sustainability in forest production is a key concern for national partner institutions: Nepal, for instance, is looking at paper certification. Forest Connect also promotes justice in allocating forest rights and law enforcement. Guatemala, for example, is making real progress in forest governance, while national steering committees with new systems monitoring such aims are emerging in Ghana and Malawi.

Small forest enterprises have massive potential, as market demand for forest products grows and the need for local income remains pressing.

Reclaiming autonomy from plot to plate

Just as agriculture is intertwined with ecology, it is also linked to the journey food takes from field to table. Food systems cover an enormous spectrum. At one end are the globalised 'food chains' of the North, where farmers in South America or Africa grow vegetables or flowers destined for supermarkets half a world away. At the other are local and indigenous systems where the plot-to-plate cycle may take place within a square kilometre.

That kind of local system is integral to daily life for many of the world's rural poor, who include more than 2.5 billion small-scale producers. The ability to control the process of seed-gathering, growing, harvesting, marketing and consuming, and freely use long-evolved local knowledge on and expertise in crop and livestock diversity, sustains both communities and the resources they depend on. Known as food sovereignty, this has been a focus of IIED's work for many years.

IIED's online book *Towards Food Sovereignty* chronicles all this and more. Heralded as a new publishing paradigm, this multimedia feast uses

an interactive mix of text, photos, video clips, animations and audio recordings, information and research to communicate with audiences ranging from policymakers, donors, scholars and students, to young people, producers' organisations and civil society bodies.

The book describes the ecological basis of food and agriculture, the social and environmental costs of modern food systems, and the policy reversals needed to democratise food systems. The roles of farmers, pastoralists, indigenous peoples, fisherfolk, food workers and consumers in maintaining food sovereignty are all made graphically clear.

An aim of *Towards Food Sovereignty* is to clarify the different dimensions of this kind of system, and think through the implications for policy and practice. Local perspectives and voices of food providers and consumers are combined with scholarly analyses to explore themes such as the right to food, the necessary transformation and reorientation of agricultural research, agro-ecological approaches to designing resilient food systems, gender issues in property rights,

rethinking trade and economics, ensuring citizens' voices are heard, and framing policies for food and agriculture.

One of IIED's most popular downloads, the book has attracted major interest from a number of peer organisations as a new way forward for publishing.



At IFAD we were particularly impressed by the innovative publishing paradigm adopted by IIED, which has produced such an appealing and functional e-book.



Roxanna Samii
Manager, Web, Knowledge and
Distribution Services, International Fund
for Agricultural Development (IFAD)



Adaptation economics: the cost/benefit equation

In 2009, a small Pacific community adapted to climate change the extreme way: exodus. Papua New Guinea's Carteret Islanders left their ancestral home to the encroaching sea and moved to nearby Bougainville.

The case of the Carterets underlines the high cost of climate change for the lives and livelihoods of marginalised people, as well as the limits to adaptation.

Planning effective adaptation is a difficult balancing act that demands pinning down both the scale of costs and benefits and how they will be distributed – who pays and who receives. This 'number-crunching' is the essence of a doable, realistic adaptation rollout.

This is why IIED supports work on the economics of adaptation in the poorest, least developed countries in Africa and South Asia. Successful pilots of appropriate economic methods make it possible to cost what climate impacts mean for, say, farmers in Africa. In Namibia and Tanzania, IIED and partners have estimated the impact of future climate change

on the economy and income distribution. This study has been extended to Bangladesh, Malawi, Senegal, Sudan, Uganda and other countries to widen the evidence base and provide cogent information for adaptation planning.

In each country, IIED teams up with civil society groups and academics to help build capacity in bottom-up economic analysis, in ways appropriate to the national skills and information base. Based on the analyses, IIED discusses adaptation priorities with a range of stakeholders. The Ugandan focus, for instance, is villages self-sufficient in food, while in Zambia the concern is helping communities build resilience against floods and droughts. These priorities complement those already identified by the national adaptation planning process. Through this work IIED, with the Stockholm Environment Institute (SEI), is enabling African economists to better assess adaptation needs.

IIED is also peer reviewing a related World Bank adaptation costs project. And it is contributing to a UN Framework Convention on Climate Change technical review of adaptation costs and benefits, and a related study coauthored by climate scientist Martin



Adapting in Bangladesh: floating crops

Parry, *Assessing the Costs of Adaptation to Climate Change*. Throughout, IIED ensures findings reflect realities on the ground, particularly of groups usually excluded by conventional economic approaches.



The people principle: a local say in environmental decisions

Uganda's forests are lifelines for small farmers – precious stores of firewood for everything from cooking to charcoal burning. They are also key biodiversity hotspots. But deforestation in this East African country has accelerated as big industry, such as palm oil and oil companies, muscles in. People are being forced off the land they farm. Local consultation simply doesn't happen.

Poor environmental decision-making – whether it concerns pollution, infrastructure or access to natural resources – rides roughshod over human rights. The Rio Declaration, hammered out at the 1992 UN Conference on Environment and Development, is intended as a counterweight, articulating public access to information and participation in decision-making as key to good environmental governance. But how effective is it on the ground?

A major part of IIED legal subsidiary FIELD's work is looking at international legal frameworks like Principle 10, and assessing whether they work for

local people. To support Irish Aid's work on sustainable development and good governance, FIELD researched participation in environmental decision-making in Uganda and Ethiopia. In collaboration with partners such as the Ugandan advocacy organisation ACODE, FIELD lawyers analysed national laws and practices related to public participation in different natural resource management sectors.

While on paper the law requires the involvement of local communities and indigenous peoples, large gaps remain in practical implementation. Environmental impact assessment is relatively rare throughout Africa, for instance. So FIELD aims to identify the main barriers to effective participation – such as weak laws and a scarcity of officials to gauge on-the-ground realities – and to develop law and policy recommendations for national governments.

FIELD's report, *Access to Environmental Information in Uganda*, and paper in IIED's Gatekeeper series, *Public Participation and Oil Exploitation in Uganda*, add to a growing body of work under the auspices of the global Partnership

for Principle 10. Disseminated by different development research institutes, they were reported in national media and have helped civil society organisations, lawyers and other stakeholders lobby their governments for better access rights.



Your work on environmental rights is now the major reference, especially among civil society organisations. You brought new meaning to environmental research in just a few months.



Frank Tumusiime
Research Fellow, African Institute for
Energy Governance (AFIEGO)



Finding solutions that fit

In a complex world experiencing major flux, building a future is a complex task. A varied set of seasoned tools is key for keeping pace with the vast array of 21st-century challenges.

Over nearly four decades, IIED has built up expertise in areas ranging from advocacy to research — hands-on fieldwork to academic fact-crunching. A diversity of skills and experience means we can offer richer solutions better tailored to specific contexts, whether that is a Kazakh boardroom or a Kenyan beanfield.

The collaborative work among our researchers also makes for creative, synergistic thinking across our four primary areas of study. This wide-ranging body of thought is hugely enhanced by the work of our partners. From government advisors to indigenous people's organisations, they continue to relay a wealth of perspectives from five continents that keep our work true to on-the-ground realities and real needs.



Kazakhstan at a crossroads: towards a sustainable oil industry

A thinly populated giant of a country, Kazakhstan contains desert, steppes, taiga, snowcapped peaks and a border on the Caspian Sea. Its socio-economic landscape is as full of contrasts. With literacy rates over 90 per cent, widespread poverty, significant mineral and fossil fuel reserves – and a legacy of top-down governance stemming from its Soviet past – this Central Asian country is emerging into modern times with a number of developing-country issues.

Kazakhstan's oil and gas reserves – the 11th largest in the world – have attracted billions of dollars' worth of foreign investment since 1993. The country is urgently seeking to broaden its economic base, and build in pathways towards a low-carbon economy. Wise and sustainable investment in oil and gas is also part of Kazakhstan's future.

The laws governing the country's oil and gas industry are undergoing major change, an upheaval that offers local and national government, NGOs,



Big country, big changes

science, industry, local businesses and the Kazakh parliament a real chance to communicate their concerns. So IIED and its legal subsidiary FIELD are working with a range of experts to improve the long-term economic, environmental and social stability of oil and gas investment in the country.

This new initiative builds on preparatory field work from 2006 to 2008, which found ongoing dialogue across interest groups key to awareness raising and capacity building. The round table discussion convened by IIED in 2007 was a catalyst bringing together vice-ministers, senators, oil company representatives, oil and gas lawyers, NGOs and academics.

Their dialogue formed the basis of the initiative, launched in 2008. Through it, Kazakh and international experts are exploring how the terms and conditions of oil and gas investment contracts – such as those ensuring a country gets a fair share of revenues – can contribute to sustainable development.

With full backing from the UK government, this international research team is now analysing the legal, economic and wider socio-economic relationship between oil and gas activity and sustainable development in Kazakhstan, drawing on international trends and experience. Workshops and high-level meetings maintain the dialogue.

By 2011, the basics of a good practice manual for drafting and implementing the next generation of investment in fossil fuels should be in place – contributing hugely to Kazakhstan's efforts to ensure its oil and gas sector helps shape a sustainable future.



Better built: Asia's blueprint for sustainable cities

To a growing degree, the future is urban. Humanity crossed the line in 2008, when the balance of people living in towns and cities tipped over the halfway point. But what kind of urban environments are we creating?

In the long term all people, not just the elite or the educated in cities, have to be part of that urban future – with viable livelihood opportunities, basic shelter, and a real voice in how their city is managed. The reality now is something quite different. Some 900 million people lack safe and secure homes, are denied a recognised place in their own city, and experience life as a daily reinforcement of unequal citizenship. From Hong Kong and Mumbai to Rio and Nairobi, the urban poor are increasingly frustrated, conscious of their capacities and abilities but denied a place at the table.

Transformation requires structural and systemic change. And to make change on the scale required, as cities and populations rise and the squeeze on

Earth's resources tightens, we need a range of replicable models and a critical mass of committed changemakers.

A three-year, US\$7 million project is doing just that for Asia's urban poor, by laying a basis for the transformation of development options. Led by the Asian Coalition for Housing Rights (ACHR) – a network of grassroots community organisations, NGOs and professionals throughout Asia, focused on development for the urban poor in regional cities – the initiative is supported by IIED and funded by the Bill and Melinda Gates Foundation.

Since January 2009, the project has already catalysed 160 small upgrading projects – from walkway construction and water provision to electricity, toilets and community centres – in 29 cities across 12 Asian countries. Five hundred community improvements and 50 larger housing projects will demonstrate how change can happen and build the support needed for bottom-up development practice.

Groups in these cities and eight more are beginning joint citywide activities, including community surveys, networking, building partnerships with



Roofs of Jakarta

city governments, dealing with eviction problems, building capacity for community savings and strengthening organisations.

The ACHR is working with its key national partner groups to ensure these interventions build effective, pro-poor partnerships, driven by poor communities, within the cities. And it will link them with existing initiatives to form a visible, large-scale, region-wide demonstration of alternative practice, replicable at scale, to change discourse and practice across Asia.

A three-year, US\$7 million project in Asian cities is laying a basis for the transformation of development options for the urban poor.

Relinking the food chain: forging new business models

Getting small farmers' harvests onto Northern tables has become something of a development mantra. As a result, major food companies and retailers have begun exploring ways of opening up their supply chains to Southern smallholders as partners in development.

But all this begs a tough question that IIED and its partners are now trying to answer. Can the worlds of smallholders and agribusiness – which differ so hugely – really be spanned by anything other than small 'boutique' projects focusing on corporate responsibility?

On the one hand are numerous widely dispersed producers operating in informal economies, with poor access to services, finance and market information; on the other, modern agribusiness operating in a concentrated, formal economy, with large-scale, standardised, risk-averse procedures. Trade credit was already tight and world food prices volatile before the global economic crisis. Now, global food chains seem even

less of a sure bet for smallholders. An important point of leverage is the business model. The way a firm organises itself and its relationships to create and capture value is crucial to whether it can contribute to sustainable development. So over the past year IIED has been working on new business models for sustainable trading relationships with a consortium led by the Sustainable Food Lab – a US-based body focused on making all links in the food chain sustainable – and supported by the Bill and Melinda Gates Foundation.

With a major UK retailer, IIED is testing core business model principles for inclusive, equitable trade with small-scale suppliers. The project is not focusing on philanthropy or corporate social responsibility. Instead it is aiming to spark change from the inside out to produce commercially viable business ideas that also help to achieve the Millennium Development Goals. In future, the debate over smallholders and global markets must widen beyond the narrow development community. Small-scale farmers need information and capacity to gain bargaining power in the face of a complex global agenda.

Together with Netherlands-based organisation HIVOS, a knowledge programme, Small Producers Agency in the Globalized Market, has been set up around a global peer-to-peer learning network.



A global learning network convened by a global group of innovators who work with, or are, small producers, is going to create an interesting scenario, bringing a wealth of experiences and perspectives to the core issues facing smallholders in markets.



Diego Muñoz
IIED International Fellow and convenor,
Small Producers Agency in the
Globalized Market

Biodiversity offsets: balanced development for communities and conservation

Can we plug the global drain in biodiversity? The Red List – the International Union for Conservation of Nature inventory of at-risk species – reveals an extinction crisis in mammals, and alarming losses in other groups. The need to conserve life on Earth is increasingly urgent.

The challenge lies in pinning down new sources of finance for the task, and developing two-way strategies – conserving endangered species and habitats on the one hand, and enhancing livelihoods for people living close to land, sea and forests on the other. As an advisor to the Business and Biodiversity Offsets Programme (BBOP) – a consortium of companies, governments, financial institutions and NGOs – IIED is exploring a promising avenue: voluntary biodiversity offsets.

With this approach, a loss of species in one area is balanced by conservation action in another. In wetland mitigation banking, for example – widely used in the United States – developers meet

their legal obligation to offset unavoidable impacts on wetlands by buying credits from organisations that restore these habitats.

Many countries lack such regulatory requirements and institutional frameworks, but increasingly, some companies voluntarily seek ways of conserving biodiversity. To support these, BBOP has been developing best practice on biodiversity offsets and testing it in selected sectors. Its Ankerana pilot in Madagascar, for instance, offsets the operations of the Ambatovy nickel mine – set in an area rich in species including lemurs – by protecting an 11,600-hectare endangered forest.

Offsets are deceptively complex to design and implement. It can be challenging to work out equivalents to the biodiversity lost – and equally tough to enlist the support of local stakeholders. The net benefits, particularly for local and indigenous communities, must be clear; the design process, participatory.

To help companies and offset designers through this socioeconomic maze, IIED has developed guidelines with BBOP. IIED's paper on stakeholder participation sets out best practice



Offset beneficiary: lemur of Madagascar

on engaging with local communities. *The Biodiversity Offset Cost Benefit Handbook* meanwhile explains how to use economic tools to analyse the biodiversity-related impacts of offsets on local stakeholders and compare those with costs and benefits.

In this way IIED is working to ensure that companies eager to offset really offer livelihood-enhancing options based on sustainable use of resources, rather than close off access to them in the name of conservation.



Challenging conventional wisdom

‘The important thing is never to stop questioning.’ Albert Einstein had a point. As an organisation that has always questioned the expected and the predigested, IIED has retained a fresh and independent way of thinking. Every issue and argument has many facets, and as a research institute we work hard at turning those that show real promise to the light.

So when we investigated China’s involvement in African ‘land grabs’, we came to conclusions very different from those that hit some headlines. We have exposed exaggerated claims about urban greenhouse gas

emissions, and shown how mining companies in the developing world are working towards local accountability.

Coming at issues with a healthy scepticism means we can get to the heart of the matter speedily. And avoiding theoretical ‘blind spots’ allows us to build up an honest picture of problems and issues, and pinpoint solutions that actually work.

We are at home with the unexpected. And that, coincidentally, is a prerequisite for building successful futures.

Seeding innovation: Chinese farmers in Africa

A fifth of the world's people and 7 per cent of available arable land: China clearly faces a steep challenge in feeding its population. But does this make the country a culprit in the international land grabs now much in the news?

There is an assumption in the media, and even among research commentators, that the world's top 'dragon economy' – having negotiated numerous investment agreements for oil and minerals in Africa – is now rapidly acquiring substantial chunks of the continent for farmland. Through scoping research on China's engagement with land, food and agriculture in Africa, IIED has revealed a more complex reality.

In *Land Grab or Developing Opportunity?* (see also page 48), IIED shows that China does grapple with serious agricultural challenges, from water shortages in the north to growing demand for animal feed imports to serve an expanding livestock industry. The government's

policy on self-sufficiency in grains adds to the pressure – and is a tough stance to maintain, with China already importing 40 per cent of the world's soya.

But at the moment, the government has stated it is not acquiring land in Africa for food, and appears to be holding to it. IIED has found that the large land concessions China has acquired in parts of Africa – Zambia and Congo, for example – are for biofuel feedstock.

IIED's recent fieldwork in Zambia suggests, too, that the Chinese farms springing up in the country are – far from a response to a food security agenda – operations run by entrepreneurial migrants taking advantage of business opportunities. Their size is nowhere near the tens or hundreds of thousands of hectares of headlined land acquisitions. Chinese agribusiness in Zambia is also producing almost exclusively for local markets, not export.

Along with setting the record straight on China's agricultural presence in Africa now, IIED's work points to a potential future role for Chinese farmers in the region – as sources



Transplanted expertise

of agricultural innovation. China is introducing 'agricultural demonstration centres' across the continent to distil and disseminate ideas and experience gleaned from its wealth of agricultural traditions and recent transformations.

If African policymakers and citizens buy into them, and Chinese farmers gain a thorough grasp of local contexts, the centres could contribute significantly to food security and sustainable agricultural development in the region at a key moment in its development.



Protect and survive: customary safeguards, traditional knowledge

In thousands of rural communities from Bolivia to Bangladesh, traditional knowledge makes up the living core of culture. Bound up with local livelihoods and biodiversity, it forms a holistic system precisely tailored to local needs and environmental capacity. Its evolution over time and through shifting conditions ensures traditional practices are robust and adaptable to climate change.

Such treasured knowledge needs protection from outside interests eager to monopolise control over it. But intellectual property rights such as patents are commercially oriented and ignore collective rights. Forcing traditional societies to realign their practices according to such internationally imposed Western systems can ultimately destroy them.

The 'customary' laws already governing traditional knowledge, on the other hand, ensure it is used and maintained sustainably. Any new national and international mechanisms for protecting traditional rights need to



Seed safekeeping in Kalimpong, India

be based on them. So IIED is revealing how customary laws and practices work through research with indigenous communities and local partners in China, India, Kenya, Panama and Peru.

Partners identify, plan and conduct research fitted to local contexts; IIED develops the overall approach, funding and other support, and helps disseminate findings to policymakers.

At community level, IIED and partners found people holding traditional knowledge can best protect it through tools rooted in strengthening community organisations and resource management systems. One such tool is collective rules for access to genetic resources and equitable sharing of benefits from them. In Panama, IIED backed indigenous organisation

Fundación Dobba Yala as it developed a protocol for researchers, and the ANDES Association in Peru in helping to forge an inter-community agreement among potato farmers.

A project with the Kenya-based International Centre of Insect Physiology and Ecology has influenced national policy documents on traditional knowledge, including position papers on the international access and benefit-sharing regime of the UN Convention on Biological Diversity (CBD). This project has also helped Panama's indigenous Embera-Wounnan get legal recognition for their territory by the government – a first step on their road to autonomy.

Internationally, in the CBD, World Intellectual Property Organization and UN Permanent Forum on Indigenous Issues, IIED has also raised awareness of the importance of protecting biocultural heritage as a whole – community rights over traditional knowledge and associated crops, medicines and other genetic resources, landscapes, cultures and institutions.



Scapegoat cities: why urbanisation is greener than you think

Cities are often vilified as hotbeds of waste and consumption. But are these big, brash concentrations of humanity really the main culprits behind Earth's environmental problems?

When food prices rise internationally, the popular press and many policymakers worry that urbanisation is affecting rural development by driving up demand for meat and paving over cropland. When confronted with the realities of climate change, they worry that urban areas produce a disproportionate share of carbon emissions. IIED research suggests that these views miss the mark.

For one thing, scapegoating cities will not help foster more sustainable rural societies. Food prices are a case in point. As these ballooned in 2007/8, urbanisation was one of the many factors that were frequently blamed.

An IIED International Fellow led a review of the relationship between urbanisation and food prices, part of a joint UN Population Fund/IIED series on urbanisation and emerging

population issues. What they found was that many effects blamed on urbanisation are more accurately ascribed to rising household incomes and population growth – whether rural or urban. When rural people become more affluent, they too consume more resource-intensive foods, and place increasing demands on agricultural land.

That said, there are important and intrinsically urban features that affect food prices. Urbanisation is tied to greater food commercialisation, which may create greater incentives for hoarding and speculation in food markets, creating volatility in prices. But stopping urbanisation is not the way to address such threats.

Nor are cities as environmentally destructive as they are made out to be. For instance, cities are often blamed for spewing out high levels of greenhouse gas emissions. Papers published in IIED's flagship journal *Environment and Urbanization* challenge this convenient untruth.

One of the papers points out that while many sources ascribe 75 to 80 per cent of greenhouse gas emissions to cities, that considerably understates the share from agriculture,

deforestation, heavy industry, power stations running on fossil fuels, and high-consumption households in rural areas.

Worldwide, it is likely that less than half of all manmade greenhouse gas emissions are generated within city boundaries. More, a analysis of emissions inventories shows that in most cases, per capita emissions from cities are lower than the average for countries in which they are located.

A lot can and must be done to cut urban emissions – but the best way forward will be to improve, not stop, the process of urbanisation. Well-planned high-density housing, for instance, provides many opportunities for reducing emissions without sacrificing human wellbeing.



Mining for justice: bringing extractive industries to account

In the developing world, some countries relatively poor in terms of income are literally sitting on vast wealth. To extract their oil, gas and minerals, many of their governments call in outside interests. Foreign direct investment may then become their economic mainstay. But relying heavily on transnational corporations when exploiting natural resources can become something of a minefield.

All too often, the way transnationals work damages communities and environments. Nigeria's oil and gas industries are a case in point. Controversial gas flaring in the Delta region of this West African country – where gas plumes are burnt off as a way of reducing pressure in pipes – dumps chemicals on crops and soil that can severely affect the health of local villagers. Gas flaring also causes billions of dollars' worth of gas to go up in smoke.

But the complex legal structure of transnational corporations can lead to substantial gaps in their accountability

for the pollution, human rights violations or loss of livelihoods they may cause. Now, some of these businesses have established grievance and redress mechanisms that can provide the opportunity to bridge the gaps.

IIED and its legal subsidiary FIELD have researched whether and to what extent transnational corporations use such mechanisms, and to build up a picture of their experience. They ran a survey, sending a questionnaire out to more than 160 companies supplemented by semi-formal telephone interviews. Twenty-eight companies from different business sectors – from oil and gas to retail – responded.

The study confirms that in certain sectors, executives in transnational corporations see a 'business case' for avoiding or resolving conflict with communities through company-run grievance and redress mechanisms. In countries with weak public governance in particular, these can provide a forum to hold multinationals accountable for the environmental and social impacts of their operation.



Coal 'hill': potential minefield

FIELD and IIED do not view these mechanisms as a panacea, however. There has been a distinct lack of research and monitoring on how they work in practice, and negligible attempts to understand what people living in areas affected by corporate projects want. In their project's next phase, FIELD and IIED will work with affected communities in sub-Saharan Africa and beyond to develop the criteria for mechanisms that can address potential conflict and resolve disputes fairly and equitably.



Controversial gas flaring in the Delta region of Nigeria – where gas plumes are burnt off as a way of reducing pressure in pipes – dumps chemicals on crops and soil that can severely affect the health of local villagers.



Global trends

Taking stock, looking ahead

The 9 planetary boundaries

In 2009, scientists led by Johan Rockström of the Stockholm Resilience Centre defined 'safe operating zones' for 9 processes in the Earth system:

- climate change
- depletion of the ozone layer
- land use change
- freshwater use
- biodiversity loss
- ocean acidification
- nitrogen and phosphorus inputs to the biosphere and oceans
- 'aerosol' pollution in the atmosphere
- chemical pollution.

According to their calculations, we've passed the safe threshold on 3 of the 9 boundaries: climate change, biodiversity loss, and the nitrogen cycle. But these are solvable with the right action – if we reduce atmospheric CO₂ concentrations to 350 parts per million or less by volume, for instance.

By defining the thresholds, we can better define the solutions.

Sources: Stockholm Resilience Centre: www.stockholmresilience.org/planetary-boundaries; Nature News special: www.nature.com/news/specials/planetaryboundaries/index.html.

2010 Biodiversity Target

Of 44,837 species evaluated in the International Union for Conservation of Nature (IUCN) Red List of Threatened Species, at least 16,928 are threatened with extinction. In 2002, the Convention on Biological Diversity (CBD) adopted 2010 as the target year for halting biodiversity loss. The Biodiversity Target is now part of the Millennium Development Goals. While all indicators show the Target will not be met, making 2010 the International Year of Biodiversity earmarks it as a springboard for urgent action on this global crisis.

The 8 Millennium Development Goals

15 years, 192 countries, 23 leading development organisations = a blueprint to end all forms of extreme poverty.

The MDGs were set in 2000. By 2015, they aim to:

1. eradicate extreme poverty and hunger
2. achieve universal primary education
3. promote gender equality and empower women
4. reduce child mortality
5. improve maternal health
6. combat HIV/AIDS, malaria and other diseases
7. ensure environmental sustainability
8. develop a global partnership for development.

Each Goal has targets, with an overall total of 21. Target 1.A of Goal 1, for example, is to 'halve, between 1990 and 2015, the proportion of people whose income is less than a dollar a day'.

Past the halfway point on the MDG timeline, how are we doing?

Some successes

Goal 1 People living in extreme poverty in developing countries make up just over 1/4 of the developing world's population. In 1990, it was almost 1/2.

Goal 7 Some 87% of the world now have a source of safe drinking water, up from 77% in 1990.

Some setbacks

The 2008/9 global economic downturn has begun to 'slow and even reverse' some of the progress made in fighting hunger and poverty, according to the 2009 Millennium Development Goals Report. Sub-Saharan Africa, for instance, is not on track to meet Goal 1, and:

- An estimated 55 million to 90 million more people will be living in extreme poverty than was projected before the downturn.
- There is a shortfall of US\$35 billion a year on the 2005 pledge on yearly aid flows made by the G8 industrialised nations, and of US\$20 billion a year on aid to Africa.

Sources: Millennium Development Goals Report 2009, 2009 Report of the MDG Gap Task Force.

Global carbon emissions

2006 global carbon dioxide emissions were 31 per cent higher than 1990 levels. The average annual difference in emissions per head from richer and poorer parts of the world is huge:

12

tonnes in the industrialised world

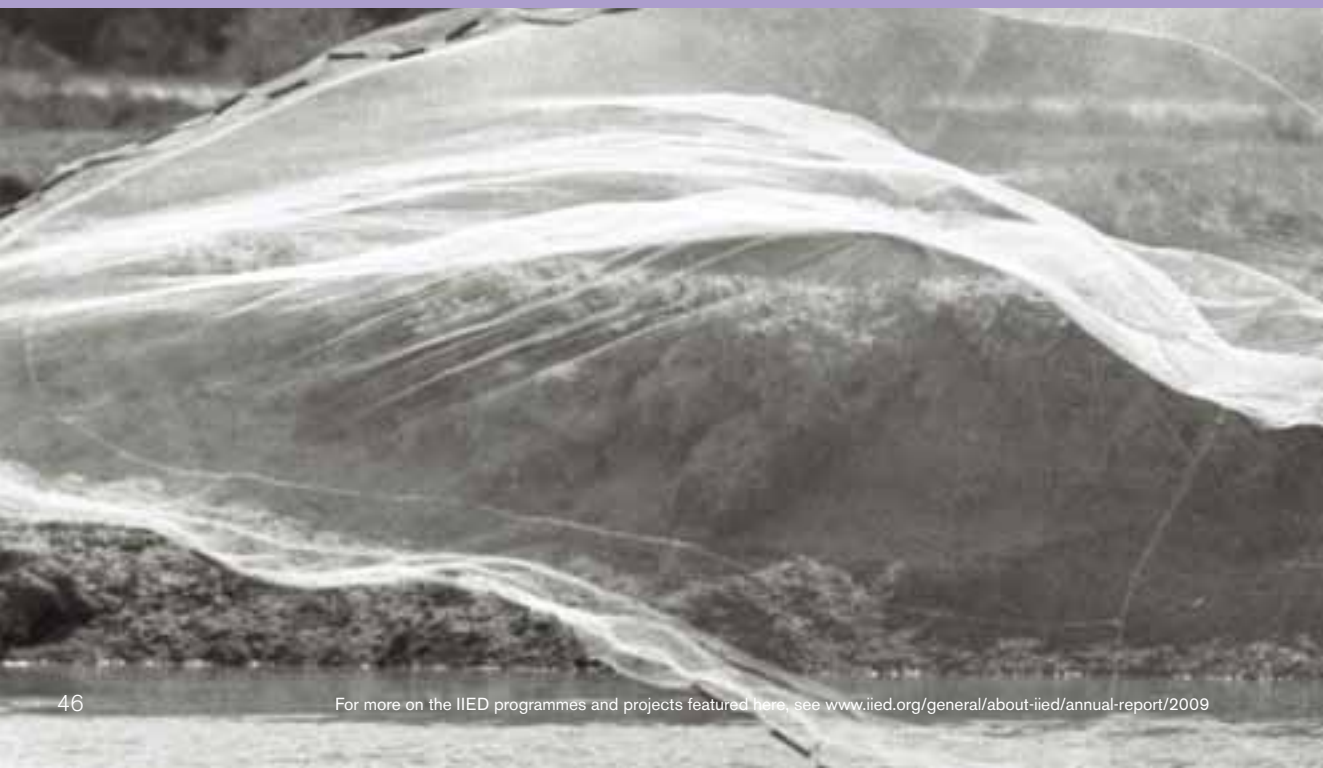
3

tonnes in the developing world

0.8

tonnes in sub-Saharan Africa

IIED in depth



Throughout this report we have focused on near-future probabilities. Looking at IIED in depth — its big projects and prime areas of focus — begs ‘deep future’ questions.

The systemic shifts we are now seeing have profound implications for the next decades and centuries. They demand swift, holistic solutions that work on many levels. Above all they need good governance, North and South, village council to international framework.

Introducing new policy to protect the environment and the rights of the poor is one step towards change. To roll out, policy needs backing from governance that is transparent, inclusive, participatory, effective and responsive. This is a thread running through all our work.

We make it clear that global conventions are only global when they include indigenous experience and knowledge. That national governments need to recognise the viability of informal economies, such as East African pastoralism. That municipal governments must value the contribution of urban migrants.

And that environmental priorities need to permeate all levels of government. In the following pages you'll find case studies that showcase the range and depth of IIED's work in all these areas, and more.



Up for grabs or down for development? International land deals in Africa

Group:

Sustainable
Markets/Natural
Resources

At one point over the past year, it seemed as if entire regions were under the hammer. In 2008/9, the sale of large swathes of farmland in Africa, Latin America, and Central and Southeast Asia to international investors made headlines across the world. Land that months before had been of scant interest outside national borders was suddenly gold dust – tens of thousands of square kilometres of it. A botched 13,000-square kilometre lease in Madagascar attracted much media attention; but overall, the deals reported in the international press hardly reflected the scale of the reality.

Boosting agricultural investment in food or fuel can bring large-scale benefits such as growth in GDP or government revenues. It can also improve people's standard of living. But it raises challenges. People in many countries on the receiving end of the investments depend heavily on natural resources for their livelihoods. If outside interest in previously marginal areas increases and governments or markets make land and resources available to prospecting investors, poor and vulnerable people may lose out.

With the Food and Agriculture Organization of the UN (FAO), the International Fund for Agricultural Development (IFAD) and partners in seven African countries, IIED carried out the first detailed study on key trends and drivers in land acquisitions, the contractual and land tenure arrangements behind them, and impacts on land access for rural people in recipient countries. The main focus of *Land Grab or Development Opportunity?* is sub-Saharan Africa.

As the first big report on this issue, its impact has been considerable. It made the front page of key European newspapers such as the *Financial Times*, *Le Monde* and the UK *Guardian*. It was also quoted in the McCollum Global Food Security Act of 2009, recently introduced in the US House of Representatives. This bill aims to provide assistance to foreign countries to promote food security and agricultural development, develop rural infrastructure and stimulate rural economies.

The researchers behind this work have also reported on it at key fora – such as the World Bank, FAO, IFAD, the European Union, Sida and agribusiness interests.



Large-scale claims, lopsided tradeoffs

Among the study's findings are that land-based investment in the region has been rising over the past five years. That represents over 24,000 square kilometres of approved land allocations for agriculture in five countries alone – Ethiopia, Ghana, Madagascar, Mali and Sudan. Approved allocations included a biofuel project covering over 4500km² in Madagascar, a 1500km² livestock project in Ethiopia, and a 1000km² irrigation project in Mali, although production is only starting on a much smaller scale.

Although large-scale land claims make up a relatively small proportion of suitable land in any one country, there is actually very little 'empty' land: most remaining suitable land is already under use or claimed by local people.

What is driving this trend? The study found that concerns about food and energy security are important. But other factors are also involved, such as business opportunities, demand for agricultural commodities for industry and policy reforms in recipient countries.

Getting the deals and the regulation right

Most land deals are negotiated behind closed doors, and some are markedly short and nonspecific. They can, for instance, concern ways of enforcing investors' commitments to create jobs and build infrastructure. Yet getting the deals right is key to ensuring fair and effective agricultural investment.

That demands strategic thinking in the host country, public oversight of negotiations, sensible regulation and skilful negotiation of contracts between governments and investors, and between investors and communities. Regulation must create incentives to promote inclusive business models that include rural smallholders and family farms, and ensure commitments are respected on investment levels, job creation, infrastructure development, environmental protection and other aspects.

Efforts must be stepped up in many countries to secure local land rights, such as through collective land registration where appropriate, robust compensation schemes and the principle of free, prior and informed consent. The need to feed a growing world will not abate in the near future, so farmland will remain precious. As IIED's report makes clear, the 'gold dust' quest must not trample grassroots needs.



Water for West Africa: reflowing the benefits where they count

Group:

Natural Resources (Drylands)

A muddy pool, a rusting handpump, a well run dry – in many parts of rural West Africa, that is what a community water supply looks like. And these cases are only a drop in the global bucket. The West Africans who go thirsty or become ill from drinking fouled water make up just a fraction of the billion people worldwide who lack access to improved supplies.

It was this monumental challenge that in 2007 spurred the Howard G. Buffett Foundation to form the Global Water Initiative in Central America and East and West Africa. IIED is one of the seven leading international NGOs involved in this initiative, whose aim is to help provide long-term access to clean water and sanitation, and to water for irrigation, as well as to protect and sustainably manage ecosystem services and watersheds.

IIED is steering a 10-year programme for the GWI in West Africa with SOS Sahel International UK, a development agency working with pastoralists and farmers in Africa's drylands. CARE, Catholic Relief Services and the International Union for Conservation of Nature (IUCN) are also involved. The programme, rolling out in Burkina Faso, Ghana, Mali, Niger and Senegal, aims to ensure that marginalised people such as pastoralists and the displaced have reliable access to clean water without negative impacts on their environment or culture.

Complex currents: compensation and the Kandadji Dam

In addition to managing the GWI programme for the region, IIED has contributed pieces of work in two main areas. One is mechanisms for more equitable sharing of benefits from large dams in West Africa, in partnership with the Niger Basin Authority and the promoters of Kandadji Dam in Niger. This dam, due for construction in 2010, will displace 35,000 people – a situation with important implications for how compensation for loss of land will be paid.



IIED found that national law in Niger, in its current form, does not allow compensation to be made in the way government had planned. There is currently no legal process that allows land expropriated in the public interest to be given back to displaced people under private title, for instance as part of an irrigation system. Yet this is what the government is promising the affected people. A workshop run by IIED and IUCN with the Niger Basin Authority in April 2009 laid out the disparities, prompting participants from the Kandadji dam authority in Niger to follow up on these concerns.

Priming the pump: villages and water management

IIED has also analysed the issue of dysfunctional boreholes in the region. Up to 40 per cent of these deep, narrow wells – built across Africa in their tens of thousands – are effectively dead through lack of maintenance. As a result, West Africa is in danger of failing to meet the Millennium Development Goals for water supply.

“

These are well-articulated and researched papers. We recognise this will benefit people across the region and promote sustainable development. We should encourage our respective governments to live up to their responsibilities.

”

Onwughalu Goddy
Director of Planning Policy Analysis and Statistics, Ministry of Agriculture and Water Resources, Nigeria; delegate to the Niger Basin Authority

Managing water points such as wells and boreholes is complex because of the effects of decentralisation; but there is a real need to build capacity to manage what is effectively a village level water cooperative, managing income (from sale of water) and expenditure (on repairs) transparently. In its high-profile, widely reported briefing on this issue, IIED laid out a 30-point guide to ensuring sustainable water supplies at village level.

These are key issues now and in the near future. The impacts of climate change over much of Africa look set to intensify, and for water supply the implications are serious. Whatever the scale of water management – whether that centres on a vast regional dam project, or a borehole in the dusty reaches of rural Mali – its costs and benefits must be fairly shared. Equally, underlying systems of law and governance need to promote sustainability and equity. Over the coming decade, a key part of IIED's work in West Africa will focus on the many streams – social as well as environmental – that feed into successful management of this most precious natural resource.

Green mainstreaming: embedding environment at the heart of policy

Group:

Governance

Of the 'three pillars' of sustainable development – society, economy, environment – the third remains distinctly shaky. The cracks are showing for a range of longstanding reasons.

For one thing, environmental institutions and their development counterparts operate in separate worlds. Environmental bodies tend to be weaker, unable to assert their needs and contributions. But more broadly, cumulative impacts on the environment, such as persistent pollution, are worsening, in tandem with 'tipping-point' environmental phenomena such as climate change and biodiversity collapse. The magnitude of these problems often seems to escape development institutions, which ignore even highly predictable effects.

The problem is that exponential loss can seem like stealth war. To put it another way, if pond lilies double in size each day and take 100 days to completely cover a pond, it's still only half-covered by the 99th day. Natural riches can disappear in what seems like a flash.

Back to basics: finding what works

These are planet-wide problems with massive local implications. So IIED is going back to basics with a programme to help low-income countries 'mainstream' environmental concerns – that is, make environmental issues a core consideration in institutional decision-making.

With partners in 13 countries, IIED is determining how far environmental and developmental objectives have been achieved in tandem, the institutions that have helped the process, the tools and tactics they have used, and the bridges that remain to be built.

Inevitably, conditions in each country shape the rollout of environmental mainstreaming. Where foreign direct investment drives development, investment will be key; civil society groups may play a defining role in other countries. By mapping different approaches through in-country learning groups and surveys, IIED has filled in a number of key pieces in the bigger picture.



- The aid agency norm is to integrate environmental issues through the national development plan process. This is a reasonable starting point, but is not enough on its own. Mere word-searching for 'environment' in plan documents (one major multilateral's recent project) is not a good indicator of progress.
- There are many other 'upstream' issues, such as the state of national economies, and equitable land rights for poor people. Space for debate, horizon-scanning and vision are as valuable as getting the right words into plans.
- There are also 'downstream' issues. One is national budgets. Tanzania and Uganda, for instance, have rolled out public expenditure reviews to assess environmental spending against potentials and risks. These have helped the integration process. Another issue is local organisations' access to environmental information and rights to act – key if local environmental services are to be assured for all.
- The long-term integration of environment in school curricula is important. In Zambia, for instance, this has ensured that senior – often older – decision-makers are as familiar with environmental issues as younger colleagues. Another essential element is an active media and watchdogs.
- Some technical tools can be very helpful, especially if they acknowledge the intensely political nature of environmental mainstreaming. Strategic environmental assessment (SEA) of policies and programmes is one approach rapidly proving its effectiveness, especially as it can accommodate other workable in-country tools for planning and deliberation.

Well rooted: ensuring tools and training take

IIED is rolling out SEA guidance, awareness days and training, acting as the technical secretariat for a task team for the Organisation for Economic Co-operation and Development (OECD). The institute has also advised many bilaterals on essential internal and external tools and tactics.

IIED learning groups have produced jointly authored country assessments with a 20-year timeframe, as this is how long major institutional change generally takes. In 2008 the focus was Tanzania; in 2009, Zambia; and in 2010 it will be Vietnam.

With partners in 10 countries, IIED has surveyed tools that work, producing country reports and a draft issue paper, *The Challenges of Environmental Mainstreaming*. This has drawn in the UN Development Programme, the UN Environment Programme, the Convention on Biological Diversity and several bilateral organisations – all eager to co-author, with IIED, a common sourcebook of cases and guidance in 2009/10.

Far from being a one-off project, environmental mainstreaming is a continual process over the long term. IIED's coauthored sourcebook should help many institutions structure the systems they will need for a resilient future.



In its stride: how pastoralism profits from shifts in climate and economy

Group:

*Climate Change/
Sustainable Markets*

Pastoralism has few rivals for resilience. Forged in arid places, it has evolved to respond to extremes of temperature and unpredictable supplies of forage and water. Pastoralists are thus equipped to take many climate change impacts, such as longer droughts, in their stride.

But pastoralism is more than a specialised endurance test; it is an economic system making efficient use of drylands for the benefit of entire populations. In the context of global upheaval in climate and economy, it offers significant benefits where other land use systems might fail. The problem is that pastoralism is still widely perceived as economically inefficient and environmentally destructive by policymakers in East Africa and beyond.

IIED is countering this view by showing how this beleaguered livelihood has massive, and measurable, value.

Moving target: pinning down pastoralism's value

IIED has been developing the concept of total economic value (TEV) in relation to pastoralism since 2006. Over the past year it has designed methodologies to assess the benefits of pastoralism, focusing on sub-Saharan Africa. Through scalable research frameworks developed and piloted with partners, IIED has built capacity in research, analysis and results derivation in many local NGOs and civil society groups. A much fuller picture of pastoralism's specific contribution to economies and societies is now emerging.

Livestock, for instance, are vital assets not only for livelihoods but as a pathway out of poverty. Pastoralists use strategies such as mobility, communal reciprocity and negotiated access to resources to 'smooth' risk, and maximise the productivity of their herds under conditions of high environmental, political and economic uncertainty. And their influence extends far beyond drylands.



The renowned resilience of pastoralists has been found to be crucial in stabilising supplies of meat and other byproducts in the wider economy of many sub-Saharan countries. This ensures steady supplies of cheap protein and dairy produce that would otherwise have to be imported. Pastoralist herds are also increasingly seen as a good investment by citydwellers in the regions who seek high returns from low investments.

How the findings feed into policy

With partners, IIED has amassed preliminary results in three key policy areas.

Returns per hectare: Pastoralism has a comparative economic advantage over irrigated commercial farming. Recent findings show it significantly outperforms large state-run cotton farms. Pastoralism's low-investment, low-input system contrasts with higher-input systems such as irrigated dryland agriculture. The findings also question why large commercial cotton and sugar farms in Ethiopia's Awash Valley have taken over key pastoral dry-season grazing land.

Environmental returns: Conservation through communal management of wildlife-rich rangeland is another area where a low-input, minimally invasive system like pastoralism can contribute hugely. Tanzania's northern safari circuit, for instance, is based on ecosystems that extend beyond protected areas onto pastoralist lands. Pastoralism has been found to have many positive impacts on wildlife density and diversity in the region. The minimum direct annual value of pastoralist land management practices to this industry is an estimated US\$85 million – excluding wider indirect (and far harder to measure) benefits from pastoralist conservation.

Pastoralism is also a *direct source of products* such as meat and hides. Research has been building on an earlier valuation of the *nyama choma* (roasted meat) economy in Arusha, Tanzania. This was found to be significant, at US\$88 million, with a value-added contribution of US\$21 million, direct employment of 13,000 people and support of 85,000 livelihoods. These findings have helped raise the policy profile of pastoral issues in Arusha.

Working with the Pastoralist Livelihood Taskforce, a coalition of civil society partners, IIED is now designing a second phase of the research, with a larger sample of industry participants along the supply chain, to hone the value-added estimates and better understand chain dynamics.

Over the coming year, IIED will enrich its TEV work through research on the operations, risks and opportunities of the pastoral economy. The institute is tackling unanswered questions, such as how pastoralism is faring in the global recession. And it is exploring the potential for introducing micro-insurance schemes to boost efficiency in pastoral economies. With each unfolding insight, IIED is showing how this ancient livelihood is a viable solution, for many rural areas, to some of the 21st century's most intractable challenges.



Hear and now: communications at the core of fairer forestry

Group:

Communications

Beyond their immense environmental importance, forests are central to the lives and work of billions – from rural Amazonians to government, industry and conservation agencies. Forests are a global resource par excellence, so the way they are managed is of global importance.

In 2007 the World Bank called for a 'people's forestry' spanning all those worlds, and asked IIED – with its long experience in finding local-to-global solutions – to steer the consultation. The institute began to lay the basis for a bottom-up approach, gathering the views of over 600 individuals and organisations, most in Africa, Asia and Latin America. In 2008, the project became Growing Forest Partnerships (GFP), and the push for fairer forest management began rolling out in a number of countries.

Right from the beginning, there was strong support for innovative communications work. So IIED began to develop a concept enshrining the GFP's ethos of inclusivity.

Art of listening: capturing many voices

The institute sent a small team of filmmakers to global forest fora to capture the opinions and ideas – critical or supportive – of indigenous forest-dwellers, industry professionals and government ministers. The result, *Canopy of Friends*, demonstrates the GFP's imperative to listen to all stakeholders in the global 'forest community'.

These films have been presented to forest decision-makers at a range of international gatherings – the UN Forum on Forests, the International Union for Conservation of Nature (IUCN) Congress, the 19th Committee on Forestry (COFO), and World Forest Day at the 2008 UN Framework Convention on Climate Change conference in Poznań, Poland.

IIED has gathered the views of over 100 people in five countries for the GFP. The filmmakers are now working in Mozambique and Guatemala, and new editions of *Canopy* will be shown at the World Forest Congress in Buenos Aires, Argentina, in October 2009.

Inclusivity is functionally as well as ethically vital for the GFP. Its underlying assumption is that new partnerships and new linkages between different communities of forest dwellers, businesses and national forest programmes can bring much-needed reform in the sector. And as a bottom-up initiative, it supports countries' exploration of the relationships and processes they themselves anticipate will bring added value to their own forest management systems. Whether, and how, to engage is driven by the forestry community at country level rather than the GFP.

IIED – currently working with the Food and Agriculture Organization of the UN and the IUCN to catalyse the GFP process – is now focusing primarily on analysis, monitoring and evaluation as well as communications. The institute has found that communicating a bottom-up process presents interesting challenges.

Building demand: mobilising communities

In the development world and among NGOs in particular, the pattern of communication tends towards the 'supply side' of communications: disseminating information. The opinions and reflections of partners are often reinterpreted or repackaged to reinforce a campaign or position. But in a bottom-up process, the 'demand side' is key. That means creating a context where stakeholders can freely speak out and be heard. Listening is a way for communications to mobilise communities and build the kind of enabling environment where new interactions can take place and trust can be built.

That is happening. *Canopy of Friends* has become a tool for fast-tracking people's responses to new initiatives and new ideas quickly – and for 'seeding' of ideas between groups and fora. Views gathered at the 2008 climate talks in Poznań, for instance, were shared with participants at that year's World Forest Day.

The GFP is absorbing these 'many voices'. The next step is to add its own: the analysis of findings. Those will emerge from the in-country work, and IIED looks forward to sharing it.

Canopy of Friends has become a sounding board, a baseline from which IIED, and the GFP, can monitor change. By mobilising a growing community, building trust among different stakeholders and bringing different groups to work together, the GFP is responding to voices that cannot be ignored.

Running thread: how local governance shapes the impacts of migration

Group:

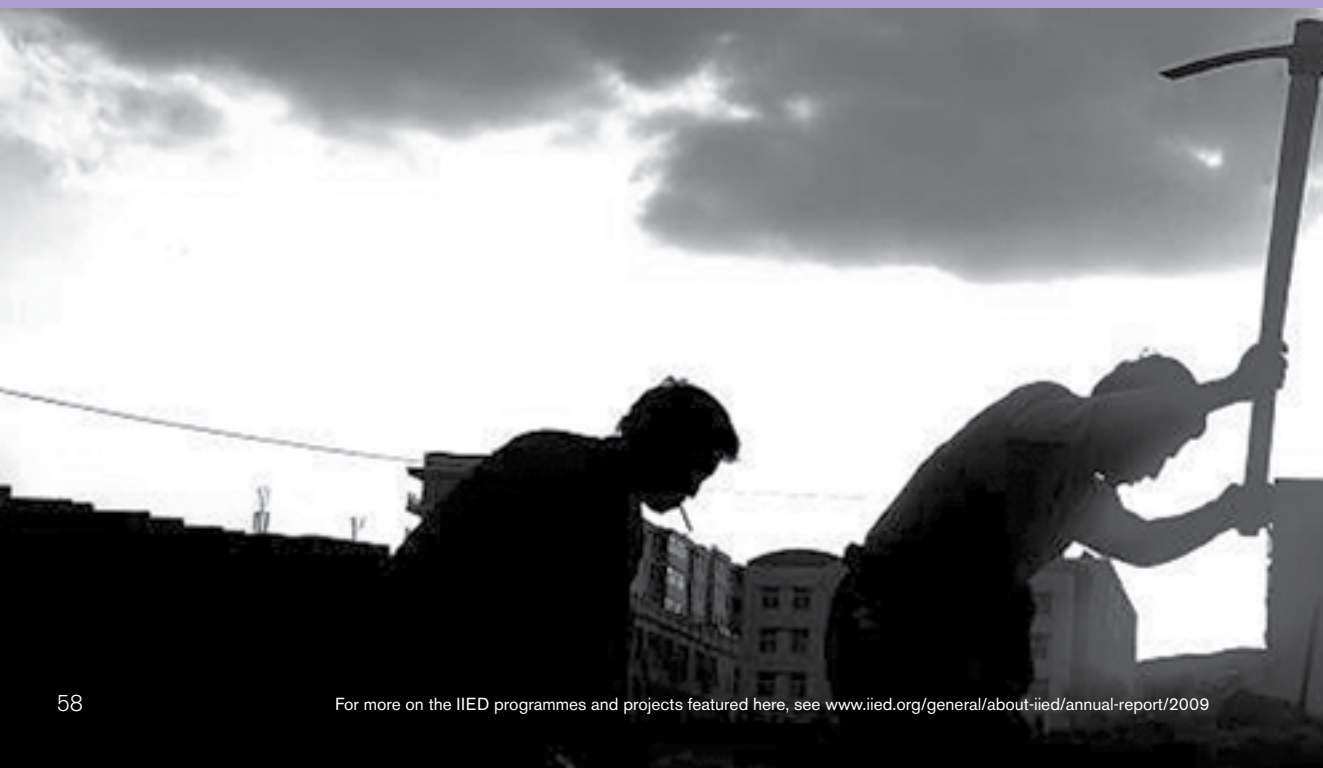
Human Settlements

They could be rural Southern Africans settling briefly in the nearest small town, or Filipinos moving half a world away to Europe. At any one time, people are migrating within countries or across borders to seek better jobs, livelihoods and lifestyles. The money they send home can have a profound effect on development in low-income countries, potentially boosting economic security and contributing to local economic growth.

In fact, much of the debate on migration and development is focusing on international remittances and their advantages compared to official development assistance. The role of national governments and financial institutions in facilitating such financial flows also looms large. What is generally ignored is the central role of local government.

Through groundbreaking research, IIED has found that in many small African, Asian and Latin American towns, local institutional frameworks are key to determining whether migration contributes to development – or deepens social polarisation and economic inequality, factors that can trigger out-migration in the first place.

It is widely accepted that where there is no infrastructure – such as electricity, transport or communications systems – migrants do not invest remittances in local enterprises and other forms of production. But migrants are also understandably reluctant to invest in places with unresolved local governance issues concerning trust, credibility and legitimacy, such as corruption of public officials and police harassment.



Moving stories: impacts of, and on, migration

Migration has a range of impacts, as migrants are a highly diverse group on the move for myriad reasons.

When members of local wealthier households migrate, this can create powerful interest groups within their home communities, as their remittances can be substantial. When poorer people migrate, however, this can make those who stay behind more vulnerable, through debts incurred from financing the move, a high dependence on remittances, and fewer working members in the household.

For many of the urban poor, assets such as land in their home territory are a crucial safety net, but when away their rights over these assets will diminish. In some cases, they may even lose rights of use over land after a certain time – a huge problem if they are forced to stay away from home.

Gender and generation are also important factors. Women and the young usually have limited decision-making power over how household assets are used. This is a frequent factor in decisions to leave.

Local nodes on the migration map

Mobility and local development powerfully affect social and economic change – and vice versa. So IIED researchers and their partners looked at the issues holistically, in 18 small towns in China, Mexico, India, Pakistan, the Philippines and Senegal.

Why small towns? More than half the urban population of Africa, Asia and Latin America live in urban centres with fewer than 500,000 people. They are also often key migration 'nodes': many families in them receive remittances, and they are destinations for new in-migrants. As a result, their role in regional and local development can be considerable.

The project focused on identifying some of the problems that increasing mobility and migration present to governance systems, documenting innovation, and analysing wider implications for sustainable development policies. Its findings varied widely, depending on the town studied – suggesting local governance is crucial in shaping how migration affects local development and poverty reduction.

Some migrants may 'make it big' financially, for instance, yet have few local rights. In many of the towns, they may be better off than non-migrants, but rarely participate in decisions concerning public interests: political power is often firmly in the grip of local elites. Other migrants are even more marginalised. People newly arrived from rural areas, for instance, are often poor and cut off from public life, with no real representation.

Remittances can be significant, then – but they contribute to development only when governance is participatory, fair and effective.

Climate change, the economic slump and other factors will force people to diversify their incomes. So migration will rise, and with it opportunities – and challenges. As people's livelihoods range over ever greater areas, local governance needs to be capable of responding to the transformations that result. And it must honour the needs not just of people who stay and who migrate in, but also of absent groups with commitments towards their home place.



A question of balance: equity and adaptation

Group:

Climate Change

Climate change is a human rights issue. Many vulnerable countries – already burdened by poverty, disease, conflicts and faltering economies – face climate impacts that put the achievement and sustainability of Millennium Development Goal targets in jeopardy.

So there is a renewed urgency to reducing vulnerability and poverty, and tackling the underlying social inequities. IIED has contributed to putting adaptation and its links to development on the policy map. The institute is now working on how to address climate adaptation in 'development deficit' contexts.

Anatomy of inequity

IIED has identified climate inequities at two scales.

First is the developed world's cumulative greenhouse gas emissions over time, which far outweigh the developing world's share and greatly burden the global poor.

Second is developing countries' capacity to adapt to climate impacts they are not responsible for. As the world's most marginalised nations, the Least Developed Countries (LDCs) face climatic uncertainties

and extreme events with often poorly developed adaptive capacities. And as IIED has found by evaluating the LDC Fund – meant to back national adaptation planning and rollout – the support for adaptation has yet to match the scale of the problem.

To help the most vulnerable countries achieve an equitable deal, IIED supports them in the UN Framework Convention on Climate Change (UNFCCC) negotiations. IIED is also helping to pilot adaptation strategies by the most vulnerable people in the poorest countries. And the institute is looking at sensible ways of assessing and communicating the effectiveness of adaptation methods, so these can be scaled out and up into national and international adaptation decision-making arenas.



Eight for adaptation: IIED and civil society partners in Africa

Traditional know-how, communal strength and experience of tough conditions have given many of the world's poor great resilient capacity. Climate change, however, can tip vulnerable people into poverty – for instance, through repeated droughts. As part of Community-Based Adaptation in Africa, IIED helps tackle this issue head on. The initiative is experimenting with adaptation strategies that overcome climate impact thresholds – points at which impacts make a livelihood strategy, such as growing a particular crop, unfeasible – so they do not become poverty tipping points.

CBAA provides technical support to civil society groups in eight East and Southern African countries. It identifies climate impacts on the poorest communities and, working with them, designs and implements adaptation responses.

IIED is assessing the effectiveness of adaptation, and the lessons learned will help to shape how authorities develop policies to enable adaptation by, not for, the poor.

Planning to doing: adaptation in the LDCs

The LDCs have nearly completed their National Adaptation Programmes of Action (NAPAs), through which they identified their own adaptation priorities and reported them to the UNFCCC. Funding for the adaptation projects identified is sparse, however: the LDC Fund has had just US\$180 million to offer, yet it will take an estimated US\$2 billion to implement the NAPAs.

There are expectations that further adaptation funding will come on stream. So IIED is working on two fronts: the UNFCCC climate negotiations, to urge towards new funding; and LDC governments and development agencies, to engage in adaptation delivery. IIED's activities range from sharing lessons learned from the LDC Fund, to observing and supporting the work of the Kyoto Protocol's Adaptation Fund board. The institute also joined other experts in preparing Sweden's Commission on Climate Change and Development report.

With partners, IIED is developing adaptation innovations. CLACC* is mapping climate vulnerability in 15 cities in developing countries, partly to bring them into adaptation

decision-making. And with the new economics foundation (nef) among others, IIED is developing AdMit – a product for the voluntary carbon market that combines emissions offsets with contributions to adaptation costs in developing nations.

Climate work in the poorest countries is a journey into strong headwinds and storms. Through ongoing, pioneering adaptation strategies, IIED continues to help chart the course.

“

Adaptation is a journey – not a destination. We are travelling it together.

”

Sumaya Zaki-Eldeen
Member, Sudanese delegation
to the UNFCCC and CLACC*

*IIED-run network of developing-country experts focusing on adaptation in the LDCs.

REDD alert: a way for people, climate and forests to win

Group:

Natural Resources

When rainforest and woodland are razed to the ground, it constitutes a triple blow. Forests house up to half of life on Earth, support over a billion of the world's poor, and lock up gargantuan amounts of carbon – the Amazon alone holds an estimated 86 billion tonnes. So when chainsaw meets forest, biodiversity, livelihoods and climate suffer.

With climate change the overarching issue of our times, the fact that deforestation in the tropics is causing over 17 per cent of greenhouse gas emissions every year is now pressing. Tackling the problem is essential if national targets for emissions reduction are to be met. The good news is that wise management of this leafy resource is doable: economic modelling shows that creating incentives to reduce deforestation in tropical countries is cost effective.

Enter REDD. Standing for 'reducing emissions from deforestation and (forest) degradation', this approach to halting wholesale deforestation has sparked growing interest over the past few years. It is widely hoped that the main elements of REDD will be agreed at the climate talks in Copenhagen in 2009.

IIED's REDD work, begun in 2007, surged forward in 2008. An emblematic issue for the institute, REDD touches on many of IIED's core principles – from the value of nature to sustainable and equitable development.

A simple vision for sustainability

The concept itself is simple. Rich industrial nations pay for forests to be conserved and managed sustainably, thus reducing emissions and preserving natural diversity. If local people are involved, livelihoods are saved and even created. The difficulty lies in ensuring that any change is additional (preventing deforestation where it would have occurred), permanent, and does not simply prevent deforestation in one area and displace it to another – known as 'leakage'.

A highlight of the year was IIED's collaboration with top Brazilian forestry expert Virgilio Viana. During his three months at IIED, Viana was able to reflect and write up key lessons learned from rolling out the Green Free Trade Zone Programme, which promotes sustainable development in Amazonas, Brazil's largest state. Viana, former Secretary of Environment and Sustainable Development for Amazonas, now directs the Amazonas Sustainability Foundation (FAS), whose Juma

Sustainable Development Reserve Project is a REDD beacon. Through it, locals gain credit for protecting and sustainably using the reserve's rainforest and its products.

Many now ask how REDD will work outside thickly forested areas such as Amazonas. IIED is researching the viability of REDD in Southern Africa – one of the world's most climate-vulnerable regions.

The architecture for change: IIED in Southern Africa

Southern Africa's climate vulnerability is clear. According to scientific consensus, temperatures there are set to rise by 3 to 4°C over the coming century. Rainfall will decrease, while extreme events such as droughts and floods will increase.

This is a region rich not just in natural resources, but also in long-established, community-based programmes to manage them. IIED has worked with a number of them for two decades. Some operate at a significant scale and have succeeded in improving livelihoods and reducing environmental degradation. In Namibia, for example, there are over 50 communal land conservancies covering more than 100,000 square kilometres.

Now, with support from the World Bank through the multidonor partnership PROFOR – which looks at the contributions of forests to poverty reduction, sustainable development and protection of environmental services – IIED is studying lessons from these programmes for future REDD initiatives in Mozambique, Namibia and Zambia.

IIED has outlined three simple principles for rolling out REDD in Southern Africa. First, the incentives from REDD mechanisms need to reach individual farmers, who make the resource decisions. Secondly, when the money reaches communities, they should decide how to use it – so avoiding poorly understood, externally negotiated benefit-sharing formulae. Finally, large-scale payments will need a legal framework that clarifies tenure over land and resources. REDD mechanisms must focus on legislative reform, conservation action and innovative supply chains for incentives.

Ultimately, however, the success built up by community resource management institutions and organisations will be essential in a future that will have to include carbon, as well as wildlife, management. That 'architecture' represents two decades of experience and investment. As with all IIED's work, it is well-grounded partners who in turn provide fertile ground for growing sustainable projects.



IIED provided me with an inspiring and challenging atmosphere for a mini-sabbatical. I find IIED to be an excellent partner for those involved in providing solutions for environment, climate change and sustainable development agendas.

Virgilio Viana
Director-General, Amazonas Sustainability
Foundation, Brazil



Voices from the edge: towards an indigenous climate strategy

Group:

FIELD

From the Horn of Africa to the circumpolar North, indigenous peoples in every region closely and directly depend on nature and its resources for their wellbeing and livelihoods. But many now face a dual struggle: poverty and powerlessness on the one hand, environmental degradation on the other.

Some 300 million rural people living in extreme poverty are indigenous. And now, their worlds are changing fast. The onward march of climate change is altering the environments – from coasts, oceans, deserts and savannahs to rainforests and polar tundra – that are home, larder and lifeline to many indigenous peoples. These often escalating challenges include desertification, sea level rise, fiercer and more frequent storms, and shifts in wildlife health, migration patterns and abundance.

With so many indigenous groups at the climate frontline, it is crucial that they join today's climate debates – particularly those on adaptation.

Opening doors to the global stage

Exploring existing and potential solutions to the issue, IIED's legal subsidiary FIELD has published a briefing to help indigenous peoples negotiate the rapids of international fora. It lays out the range of climate-related agreements and organisations, highlighting the advantages and disadvantages of different approaches and mechanisms within them.

There is an urgent need for this kind of navigational tool. National governments between them currently dominate the negotiations on overarching strategies and measures to do with climate change and its impacts. As a result, indigenous peoples are effectively barred from decision-making that directly affects their communities, even though there is much they can contribute to the development of law and policy on climate adaptation.

FIELD's *Ways for Indigenous Peoples' Groups to Advance Adaptation Concerns and Solutions through International Fora* has already helped clarify avenues for their input, and encouraged indigenous groups to apply for observer status at climate negotiations.



The Inuit Circumpolar Council in Alaska – which initially commissioned the paper – has distributed it to indigenous peoples' groups round the world.

The briefing comes in the wake of crucial UN action. The UN Declaration on the Rights of Indigenous Peoples, adopted in September 2007, underlines the role of the UN and nation states in promoting and protecting those rights. Under the declaration, states that are home to indigenous people are to consult with them to obtain their free and informed consent prior to the approval of any project affecting their lands, territories and other resources.

Honouring unique insights

FIELD's briefing covers the UN Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol, as well as the Convention on Biological Diversity (CBD), the World Intellectual Property Organization (WIPO) and the UNESCO World Heritage Convention.

It looks at climate change, adaptation and indigenous people in the context of these agreements, analyses formal rules for observer status and offers strategic suggestions for action.

REDD (reducing emissions from deforestation and [forest] degradation), for instance, is an approach to curbing emissions that is playing a growing role in the 2009 climate talks – and could be massively important to millions of forest-dependent indigenous people in developing countries.

FIELD was also invited to attend the 2009 Indigenous Peoples' Global Summit on Climate Change in Anchorage, Alaska, where it offered strategic climate negotiating advice to 400 indigenous groups' delegates and observers. Seventy countries in the Arctic, North America, Asia, the Pacific, Latin America, Africa, Caribbean and Russia were represented.

At the summit, FIELD focused on complaints mechanisms and other institutional arrangements that protect the rights and interests of indigenous people. Given strong participatory rights and opportunities to contribute, indigenous peoples' voices could become a real force at the global climate talks.

Drowning worlds: Pacific peoples and climate risk

Many Pacific islanders are effectively caught between the devil and the deep blue sea. A number of these 22 nations – home to nearly 7 million indigenous people – face a sea level rise of up to a third of a metre by 2050. According to the Intergovernmental Panel on Climate Change, they are three times as vulnerable to climate impacts as other countries, yet contribute under 0.5 per cent of global greenhouse gas emissions.

The next decade could see some smaller low-lying Pacific islands rendered uninhabitable, from Fiji's Kabara to Vanuatu, Kiribati, the Marshall Islands and Tuvalu.



Bright futures

There's currently much talk about 'green shoots' — hopeful sproutings of growth in our recovering global economy. But what about human capital? We need to foster real futures for those other green shoots, the young. That means work that is not just personally fulfilling, but also enables them to grasp the urgent environmental and development issues we all face, and play a part in discovering the solutions.

Every year IIED, its legal subsidiary FIELD and the Climate Change Media Partnership – an initiative IIED has forged with Panos and Internews – host a number of young people eager to learn from our collective experience in sustainable development.

As you'll see from the following stories, this usually starts 'in at the deep end'. No challenge, no growth. But we provide support when and where it's needed. We show them the actualities of sustainable development at the grassroots and in international fora. We introduce them to key players in their chosen fields, and key ideas that will help them chart their ongoing careers.

We offer a compass for today's young horizon-scanners. In their turn, they are helping us map a future far beyond their own.



Cecilia
Rosen

Fellow, Climate Change
Media Partnership
2008 Programme

A 26-year-old science journalist from Mexico City, Cecilia worked for the Mexican daily *Reforma* up to 2009. Her Fellowship with the Climate Change Media Partnership – co-managed by IIED – was a career watershed, giving her the chance to cover the UN's COP14 climate talks in 2008 in Poznań, Poland. Now an MSc candidate in science communications at Imperial College, London, she hopes to continue researching science communications and working as a science journalist.

My experience working with the Climate Change Media Partnership (CCMP) in 2008 was unique, and one of the most valuable professional activities I ever had as a science journalist.

To start with, it was my first chance to cover an international conference outside my own country, and one that focused on a prime issue for me: climate change. CCMP also made it possible for me to meet other journalists from around the world. I was surprised by the number of nationalities represented – and later on realised how professionally valuable meeting such a group was for the future.

To cover COP14 was a big challenge for me as a journalist, for different reasons. First, I realised there were dozens of important and interesting events, so I had to make choices every day, every hour. All through the conference, I had to learn to choose based on what I wanted to transmit to my public. CCMP guided me through that process. This made a huge difference, as I was able to tap into continuous feedback from other experienced journalists.

I also gained more confidence in asking questions in public – difficult for me because of my relatively limited English – and to do interviews, trusting my own knowledge.

After the conference, other Mexican journalists heard about this programme. I'm sure more will apply in future.

To be part of CCMP has given me prestige as a journalist: it was the kind of key career experience that anyone in this discipline would notice. During the COP, for example, two of my pieces made the front page of the *Reforma* online edition. After my experience, the company began paying much more attention to climate change, and is planning to send a reporter to this year's conference in Copenhagen.

Staff List

Camilla Toulmin
Director

Senior Fellows

Steve Bass
Barry Dalal-Clayton
Saleemul Huq
David Satterthwaite

Climate Change

Simon Anderson
Group Head
Catherine Baker (left 2009)
Achala Chandani (joined 2009)
Hohit Gebreegziabher
(joined 2009)
Pamela Harling (left 2009)
Ced Hesse
Beth Henriette
Nanki Kaur (joined 2009)
Hannah Reid

Governance

Tom Bigg
Group Head

Foundation for International Environmental Law and Development (FIELD)

Joy Hyvarinen
Director
Ross Clark (joined 2009)
Anna Karklina
Christoph Schwarte
Linda Siegele
Karen Sherman (left 2009)

Human Settlements

Gordon McGranahan
Group Head
Jane Bicknell
David Dodman
Diana Mitlin
Martin Mulenga
Steph Ray
Cecilia Tacoli

Natural Resources

James Mayers
Group Head
Nicole Armitage
Holly Ashley
Ivan Bond (left 2009)
Lorenzo Cotula
Marie Jaecky
James Keeley
Nicole Kenton
Cath Long (joined 2009)
Duncan Macqueen
Angela Milligan
Elaine Morrison
Michel Pimbert
Christèle Riou
Dilys Roe
Jamie Skinner
Krystyna Swiderska
Su Fei Tan (left 2008)
Khanh Tran-Thanh



Simon
Heanwood

Richard Sandbrook
Scholar
2008

The Richard Sandbrook Scholarship, named after the renowned environmentalist and late IIED director, gives students at Exeter College, Oxford, hands-on experience in sustainable development. Simon was the first recipient. Following graduation, he became an associate of Avonbrook Projects Abroad – an educational charity working in the developing world – and a management consultant. He is currently on a gap year working in education in Central America.

The scholarship was a terrific opportunity for me, enabling me to explore the sustainable development sector and gain fantastic experience early on in my career. I was thrown in at the deep end: my first project aimed to bring together NGOs from Angola, Argentina, Ghana, India and Pakistan to share experiences and develop best practice in providing water and sanitation in slums and other informal urban settlements.

The Orangi Pilot Project in Karachi, Pakistan, was particularly inspiring. Its approach is innovative. Utility companies provide the large-scale infrastructure, such as mains pipes, while the slum-dwellers finance and build the service themselves.

This work stands in stark contrast to the traditional international community agenda, in which more money equals greater good. It also highlights the importance of proper planning, and of respecting the urban poor as capable of acting for and funding their own future.

I also generated material for World Water Week 2008 in Stockholm, including documentation on the water and sanitation project for distribution; and I travelled to Stockholm for the event itself. Here, I got a sense of what the industry looked like as a whole.

Back in London, I gained wider knowledge of IIED's work. I examined potential pilot projects for AdMit, a pioneering carbon market product developed by IIED. AdMit seeks to take into account climate adaptation and mitigation (hence the name), as well as allowing businesses in developed nations to admit responsibility for their emissions. In my final week, I researched the impact of climate change on Caribbean tourism.

My time as a Sandbrook scholar was an extremely valuable experience – an opportunity for which I am truly grateful.

Sustainable Markets

Bill Vorley
Group Head
Muyeye Chambwera
Ethel Del Pozo-Vergnes
(joined 2009)
Annie Dufey (left 2009)
Ben Garside
Maryanne Grieg-Gran
Kate Lee
James MacGregor
Ina Porras
Frances Reynolds
Sonja Vermeulen (left 2009)
Emma Wilson

Communications

Liz Carlile
Director
Soti Coker
Barbara Kiser
Vanessa McLeod-Kourie
David Sankar
Mike Shanahan
Nick Turner (left 2009)

Core

Franca Torrano
Finance Director
Caroline Adebajo
Abi Alabede (joined 2009)
Brian Barban
Rae Gardner
Jorge Rios
Debra Spencer
Michelle Tsui
Nick Greenwood
Human Resources Manager
Donatella Gnisci

Caroline Johnston

Andrew Archer
*Information Technology
Manager*

Debora Ogunnowo
Liz Aspden
Executive Assistant
Steph Bramwell
Charlotte Forfieh (joined 2009)
Karen Hartley
Leda Hodgson

Partnerships

Tom Bigg
Head
Alastair Bradstock
Lucie Fry
Sarah Henson (left 2009)

International Fellows

Mozaharul Alam, Bangladesh
Florenca Almansi, Argentina
Kojo Amanor, Ghana
Cynthia Awuor, Kenya
Hernán Blanco, Chile
Celine d'Cruz, India
Jiří Dusík, Czech Republic
Taghi Farvar, Iran
Marie Monimart, France
Lwandle Mqadi, South Africa
Diego Muñoz Elsner, Bolivia
Isilda Nhantumbo, Mozambique
Victor Orindi, Kenya
Coral Pasisi, Fiji
Jesper Stage, Sweden
Lyuba Zarsky, USA



Lai-Lynn
Barcenas
FIELD Intern
Summer 2008

Lai-Lynn sandwiched her FIELD internship between the first and second years of her MA in law and diplomacy at The Fletcher School, Tufts University, United States. After graduating in 2009, she worked with Professor William Moomaw, head of Fletcher's Center for International Environment and Resource Policy (CIERP), on climate change, renewable energy and energy efficiency research. She is now looking to assist the Philippine government in the climate change negotiations.

Interning at FIELD is nothing if not varied. I spent the summer of 2008 working on a strategic paper on climate change for indigenous peoples, international remedies for pollution within India, the relationship of climate change and human rights obligations per request for opinion from the UN High Commissioner for Refugees, and preliminary research on access and benefit sharing issues.

One of my areas of study at Fletcher was international environment and resource policy, as I intend to pursue a career in international sustainable development law and policy.

My FIELD experience was very useful in highlighting gaps in my skills and understanding of environmental concerns as they affect international law and policymaking as well as international diplomacy.

These insights gave me an opportunity to more accurately target my studies in the second year of my degree. I took a range of courses with an international scope – from negotiations, environmental law, legal order, organisations and the political economy of development – which allowed me to view environmental issues from the broader perspective of development.

My time at FIELD also gave me clearer direction in how to pursue my career goals. When I started my MA, largely influenced by my prior experience in renewable energy, I had a general interest in environmental issues. FIELD helped me to focus my interest on climate change – especially adaptation strategies, as these are key for developing countries. I aim to work on these issues within the context of regional development goals in the Philippines and the Asia-Pacific region.

Board of trustees

Mary Robinson
(retired July 2008)
Chair, Ireland

Maureen O'Neil
(appointed July 2008)
Chair, Canada

Alan Jenkins
Vice Chair, UK

Peter Ratzer
Treasurer, UK

Julio Berdegue
Mexico

Margaret Catley-Carlson
(retired July 2009)
Canada

Timothy Hornsby
UK

Laila Iskandar Kamel
Egypt

Nii Ashie Kotey
(resigned July 2008)
Ghana

Lailai Li
China

Carol Madison Graham
US/UK

Anna Maembe
Tanzania

Pancho Ndebele
South Africa

Youba Sokona
(retired July 2008)
Mali

Henrik Secher Marcussen
Denmark

Teresa Fogelberg
The Netherlands

Sheela Patel
India

Government and government agencies

AusAid, Australia
 Canadian International Development Agency
 Department for Environment, Food and Rural Affairs, UK
 Department for International Development, UK
 Department of Innovation, University and Skills, UK
 Foreign and Commonwealth Office, UK
 The Forestry Commission of Ghana
 German Federal Ministry for Economic Cooperation and Development
 Irish Aid, Department of Foreign Affairs
 Ministry for Foreign Affairs, Finland
 Ministry for Foreign Affairs, France
 Ministry of Foreign Affairs, the Netherlands
 Ministry of Foreign Affairs, Sweden
 National Environment Management Authority, Kenya
 Norwegian Agency for Development Cooperation
 Royal Danish Ministry of Foreign Affairs
 Swedish International Development Cooperation Agency

Swiss Agency for Development and Cooperation

International and multilateral agencies

Commonwealth Secretariat
 European Commission
 Food and Agriculture Organization of the United Nations
 Organisation for Economic Co-operation and Development
 United Nations
 United Nations Development Programme
 United Nations Environment Programme
 United Nations International Strategy for Disaster Reduction
 United Nations Population Fund
 World Bank

Foundations and NGOs

African Centre for Technology Studies
 AID Environment, the Netherlands
 Bangladesh Centre for Advanced Studies
 Bill and Melinda Gates Foundation
 Centre for Ecology & Hydrology
 Centre for International Development and Training
 The Christensen Fund
 CIRAD
 Comic Relief
 Cordaid
 COWI

Danish 92 Group, Forum for Sustainable Development
 Edinburgh Centre for Tropical Forests
 Esmée Fairbairn Foundation
 Ford Foundation
 Forest Trends
 Forests Monitor
 Greenpeace Environmental Trust
 Hellenic Foundation for European and Foreign Policy
 Howard G. Buffett Foundation
 Humanist Institute for Development Cooperation
 INFRAS
 Institute for Environmental Strategies
 Interchurch Organisation for Development Co-operation
 INSEAD
 Institute of Development Studies
 International Development Research Centre
 International Organisation Development
 International Union for Conservation of Nature
 Khanya-aicdd – African Institute for Community-Driven Development
 Royal Tropical Institute (KIT), the Netherlands
 LEAD International
 DLO Agricultural Economics Research Institute (LEI-DLO)

Mercy Corps, Scotland
 Misereor International
 Natural Resources Institute
 Oxfam
 Oxford Climate Policy
 Panos
 People 4 People
 The Prince's Trust
 Rainforest Alliance
 Royal Institute for International Affairs
 Scandinavian Seminar College
 Shack/Slum Dwellers International
 Sigrid Rausing Trust
 SOS Sahel
 SouthSouthNorth
 Stockholm Environment Institute
 Tides Foundation
 Tufts University, US
 University of Cambridge
 University of Copenhagen
 University of Manchester
 University of Wolverhampton
 Vigeo
 World Resources Institute
 Worldwatch
 WWF-International
 WWF-UK
Corporate
 HTSPE Ltd
 Indufor Oy
 LTS International Ltd
 Scott Wilson Ltd
 SGS Forestry Ltd

IIED is grateful to the organisations listed above for financial support over the year 2008/9

The GreenHouse project

In late 2008, due to the financial crisis and banking collapse, it was decided to shut down The GreenHouse project, which had aimed to deliver a sustainable building in central London to house the offices of IIED and other organisations sharing similar purposes. We would like to extend our thanks on behalf of the GreenHouse Consortium members to the following partners of the project who shared our vision and provided guidance and expertise in support of this initiative.

The GreenHouse Patrons:
 Mary Robinson and Al Gore
 Buro 4
 Bennetts Associates
 Bates Wells and Braithwaite LLP
 David Brookes Wilson
 David Kingsley
 Esmée Fairbairn Foundation
 Eversheds LLP

Feilden Clegg Bradley Studios
 Greater London Authority
 King Sturge
 Landid Property Limited
 The Hub
 The GreenHouse Consortium Partners:
 IIED, PANOS, LEAD, TVE,
 Forum for the Future, FIELD, IEEP

Auditors' statement

The Statement of Financial Activities is not the full statutory accounts but is a summary of the information which appears in the full accounts. The full accounts have been audited and given an unqualified opinion. The full accounts were approved by the Trustees on 24 September 2009 and a copy has been submitted to the Charity Commission and Registrar of Companies. These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Company. For further information the full annual accounts, including the auditors' report, should be consulted. These can be obtained from the Company's offices.

Independent Auditors' statement to the Trustees of IIED

We have examined the summarised consolidated financial statements of the International Institute for Environment and Development.

Respective responsibilities of Trustees and Auditors

The Trustees are responsible for preparing the summarised financial statements in accordance with the recommendations of the charities' SORP. Our responsibility is to report to you our opinion on the consistency of the summarised financial statements and Trustees' Report. We also read the other information contained in the Trustees' Report, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summarised financial statements are consistent with the full financial statements and the Trustees' Annual Report of the International Institute for Environment and Development.

Kingston Smith LLP
Chartered Accountants
and Registered Auditors
Devonshire House
60 Goswell Road
London EC1M 7AD
United Kingdom

Financial summary

Consolidated income and expenditure for the year ended 31 March 2009

Income and expenditure

Incoming resources

Incoming resources from generated funds

	Unrestricted funds General £	Unrestricted funds Designated £	Restricted funds Core activities £	Restricted funds Grant management £	Group total 2008/9 £	Group total 2007/8 £
Voluntary income	16,542	–	–	–	16,542	3,336
Investment income	280,318	–	19,123	65,785	365,226	162,300
	296,860	–	19,123	65,785	381,768	165,636

Incoming resources from charitable activities

Commissioned studies and research	378,856	335,014	8,852,719	2,713,596	12,280,185	11,126,761
Publications	57,051	–	–	–	57,051	43,588
	435,907	335,014	8,852,719	2,713,596	12,337,236	11,170,349

Other incoming resources	17,176	–	690	–	17,866	1,422
--------------------------	--------	---	-----	---	--------	-------

Total incoming resources	749,943	335,014	8,872,532	2,779,381	12,736,870	11,337,407
---------------------------------	----------------	----------------	------------------	------------------	-------------------	-------------------

Resources expended

Charitable activities

Commissioned studies and research	64,696	429,074	7,781,370	1,282,823	9,557,963	9,232,276
Publications	59,200	–	284,599	–	343,799	284,741
Governance costs	–	–	231,131	–	231,131	91,497

Total resources expended	123,896	429,074	8,297,100	1,282,823	10,132,893	9,608,514
---------------------------------	----------------	----------------	------------------	------------------	-------------------	------------------

Net income/(expenditure) for the year before transfers

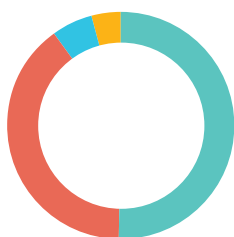
Transfers between funds	626,047 (97,837)	(94,060) 97,837	575,432 –	1,496,558 –	2,603,977 –	1,728,893 –
-------------------------	---------------------	--------------------	--------------	----------------	----------------	----------------

Net movement in funds	528,210	3,777	575,432	1,496,558	2,603,977	1,728,893
------------------------------	----------------	--------------	----------------	------------------	------------------	------------------

Funds brought forward at 1 April 2008	2,114,289	1,135,863	1,878,075	980,373	6,108,600	4,379,707
---------------------------------------	-----------	-----------	-----------	---------	-----------	-----------

Funds carried forward at 31 March 2009	2,642,499	1,139,640	2,453,507	2,476,931	8,712,577	6,108,600
--	-----------	-----------	-----------	-----------	-----------	-----------

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



Income by donor type

2008/9
(Total £12.7m)

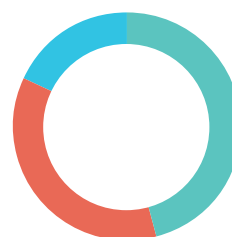
- Government and government agencies **51%**
- Foundations and NGOs **40%**
- International and multilateral agencies **6%**
- Other **4%**
- Corporate **0%**



Expenditure by group

2008/9
(Total £10.1m)

- Natural Resources Group **34%**
- Grant Management **13%**
- Human Settlements Group **11%**
- Climate Change Group **10%**
- Sustainable Markets Group **10%**
- Other **7%**
- Governance Projects **6%**
- Communications **5%**
- Partnerships and Development **4%**



Expenditure by type

2008/9
(Total £10.1m)

- Project costs **46%**
- Payments to partners **36%**
- Support costs **18%**

IIED

www.iied.org
3 Endsleigh Street
London WC1H 0DD
United Kingdom

T: +44 (0)20 7388 2117
F: +44 (0)20 7388 2826
E: info@iied.org

This report is specially sized to be economical in regard to paper use. The text pages are printed on paper that meets the criteria of the Swan, the Nordic ecolabel. The emissions from the paper factory are among the lowest in the world. The cover is made from 100 per cent recycled board.

Design: www.mcgillaneves.com
Print: Emtone

How to contact us

Page number/ illustration credit

30, 32, 37, 41
Kerry Lemon

Page number/ photo credit

2 Mike Goldwater	24 UNEP	37 Istock	56-57 Shutterstock	68 Mariela Sancari
3 CHSRF	26 S. Maines/FAO	38-39 Istock/ Shutterstock	58-59 http://cc.nphoto.net/view/2008/11733.shtml ; Creative Commons Attribution	69 Simon Heawood
4 Marie Monimart	27 Mark Edwards	40 Ruchi Pant/ Timmi Tillman	2.5 Mainland China	70 The Fletcher School, Tufts University
10 Steve Anderson	28 Marie Monimart	42 Shutterstock		
12 HSBC	29 Sophie Grouwels/ FAO/Forest Connect	43 George Osodi/ Panos Pictures	60-61 Shutterstock	
14 Civic Exchange	31 Haseeb Md. Irfanullah/IUCN	46-47 Steve Anderson	62-63 Daniel Beltrá/ Greenpeace	
16 The Energy and Resources Institute	Bangladesh/Istock.	48-49 Shutterstock	64 Shutterstock	
18 Fred Pearce	33 Marie Monimart	50-51 Istock	65 Ansgar Walk	
19 Shutterstock	34 Dmitry A. Mottl	52-53 Shutterstock	66-67 Hajnalka Ardai/stock.xchg	
20 Françoise Spiekermeier	35 Raimond Djuisens	54-55 Marie Monimart		
22 SPARC	36 Istock			