Annual Report
2010/11

Shaping decisions *for development*

iied

Contents

IIED

in brief

A miniguide to the 2010/11 IIED Annual Report

Our mission

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

How to use the 2010/11 IIED Annual Report

In this section you'll find key information about IIED: who we are, what we do and how we work. Overleaf you'll find 'snapshots' of the year's activities, expanded in later sections.

While IIED works in many areas of environment and development, a common challenge is the inequality, injustice and lack of sustainability that mark many of the power relations and decision-making institutions across the world. This year's report focuses on our governance work: our efforts across all areas to secure transparent, sustainable, equitable and effective decision making at many levels.

Perspectives on *page 4* showcases the thoughts of leaders in five decision-making arenas on what it takes to make decisions that work for people and planet.

Short stories on *page 12* provides crisp insights into a range of this year's work that aims for equity, sustainability and justice in decision making.

IIED in depth on *page 38* details some of the year's big projects that lie within different decision-making arenas and in the interactions between them.

Learning together on *page 68* brings together the personal experiences of partners that engage in IIED-led learning groups, highlighting the value of such groups as effective instruments of change.

Finally, **Inside IIED** on *page 72* presents our lists of staff, donors and trustees, our financial summary of the year, and information on how to contact us and send feedback.

Find out more about the projects highlighted in this report at **www.iied.org/ar2011**

About us

Founded in 1971 by economist Barbara Ward, IIED is one of the world's most influential policy research organisations working at the interface between development and environment. We are a key contributor to many international policy processes and frameworks, including the Intergovernmental Panel on Climate Change, the Millennium Ecosystem Assessment and the UN conventions on climate change and biological diversity.

Our strength lies in our unique combination of research and action — generating robust evidence and know-how that is informed by a practical perspective acquired on the ground. IIED is distinguished by bridge-building: between policy and practice, local and global, rich and poor, government and private sector, and across diverse interest groups.

Working in partnership is key. By forging alliances with individuals and organisations across contexts and scales, IIED helps strengthen poor people's voices in decision making and ensures that national and international policy better reflects the agendas of poorer countries and communities.

Find out more about IIED at **www.iied.org**

Our guiding principles

Eight principles of sustainable development form the backbone of our work:

Recognise ecological limits and link environment and development in all work

Reframe economic analysis to achieve improved human and ecosystem wellbeing

Map the routes to greater social justice through strengthening rights, voice and governance

Engage at local level and link to national and global structures

Work with partners to complement our respective roles and skills

Aim for continuous improvement and flexibility

Demand accountability and transparency of ourselves and others

Commit to rigorous evidence and well-grounded research

Our four goals

Tackle the ‘resource squeeze’

Demonstrate climate change policies that work for development

Help build cities that work for people and planet

Shape sustainable markets

For more information on our goals and strategy see **www.iied.org/strategy**

Our approach to governance

Underlying the diverse strands of our work is our unified belief that getting governance — processes and institutions determining who gets to decide what, where, how and for whom — right is key to achieving sustainable development.

Our approach stands out in three important ways:

- We focus on marginalised stakeholders, such as poor farmers or forest dwellers, and marginalised forms of governance, such as customary or undocumented rights;
- We prioritise local institutions and arrangements to ensure relevant stakeholders can engage in decisions that affect them; and
- We acknowledge that decision making rarely happens at a single scale and see the potential for effective governance in a range of arenas besides the state.

We've moved

It's been 27 years since IIED took up its headquarters in Endsleigh Street, London. In that time, we have more than tripled in staff and, for some time now, have had to sublet offices around the corner to accommodate us all. As a converted 200-year-old residential building, the Endsleigh Street property posed additional challenges to growth: it had limited scope for using energy efficiently and for providing the IT support that today's working environment demands.

After much deliberation and consultation with trustees and staff, IIED decided to move. As of September 2011, we can be found on Gray's Inn Road, London. The new offices have enabled us to house all our London-based staff under one roof. Perhaps more importantly, it provides a more robust space for the future, where we can offer better facilities for flexible working, stronger connectivity for collaborating with colleagues and partners in and out of the office, and more efficient use of energy for a reduced carbon footprint.

Snapshots

A miniguide to this year's report

Natural Resources

Empowering citizens *page 18*

Including citizens in formulating policies and designing technologies is the first step in ensuring equity in decision making and securing human rights, justice and democratic accountability. But how can we do it? IIED's research in food and agriculture points to six tried and tested ways, which, when combined, can put decision-making power into the hands of farmers and other citizens.

Connecting forest businesses *page 26*

Keeping small forest businesses alive in the face of shifting policy, limited access to credit and poor business knowledge can be a major challenge. The IIED and FAO co-managed Forest Connect — an ad hoc alliance of institutions that support small forest businesses — brings practitioners from 13 countries together to exchange notes on how best to overcome these difficulties.

Pro-poor REDD *page 32*

Whether incentives for reducing emissions from deforestation and forest degradation (REDD+) can deliver real benefits for both environment and development in forested countries will depend on how they are designed and governed. Working with partners in low- and middle-income countries, IIED is examining the options for REDD+ design and assessing how these can both reduce emissions and alleviate poverty.

Benefits flow from hydropower *page 35*

Big dams may power cities but they often also displace poor rural communities. IIED and partners are working in Niger to help local people benefit from a large hydropower scheme — by promoting a small tax on the sale of power with money raised redistributed to affected people through a locally managed development fund.

Natural Resources
continued

Young people in politics *page 50*

Across the world, people and organisations are experimenting in participatory governance. A week-long writeshop, held by IIED and partners in Kenya, explored how these initiatives are helping young Africans engage with the state and demand accountability. It brought practitioners together to share lessons learnt, form new relationships and shape contributions to a special issue of IIED's journal *Participatory Learning and Action.*

Nagoya negotiations *page 54*

Tensions ran high at global biodiversity negotiations in Nagoya, Japan last year as negotiators fought out contentious issues and stood firm through deadlocked meetings before finally striking a deal at the eleventh hour. IIED, FIELD and partners tracked benefit sharing issues, participated in negotiating sessions, organised side events, supported delegates from developing countries, and built bridges between experts and journalists.

Growing Forest Partnerships *page 62*

Growing Forest Partnerships (GFP) is a widening network of forest stakeholders working to ensure that global discussions include the real challenges facing forest-dependent people. IIED and partners have striven to make GFP an initiative that includes both global and local actors, encourages wide ownership of results, strengthens existing relationships and builds new links. How have we fared? GFP partners and others present their thoughts on the value of this initiative.

Climate change

Power to participate
page 15

Achieving a fair, balanced and multilateral global solution to climate change relies on all countries having the opportunity and capacity to participate fully in climate negotiations. Through workshops, bursaries, research and analysis, we are working to provide knowledge and technical support and strengthen the capacity of vulnerable developing countries.

Thinking local, linking to national *page 25*

Writing a National Adaptation Programme of Action is just the first step to ensuring a country can cope with future climate change. If support is to reach the poorest and most vulnerable groups on the ground, such programmes must be based on local needs and realities. The government of Nepal, with IIED's help, is leading efforts to build local adaptation plans for action and integrate adaptation into development planning from the bottom-up.

Empowering parliamentarians
page 66

Parliamentarians could play a much bigger role in helping countries cope with climate change but, faced with a lack of expertise and fragmented policy and legislative frameworks, many African parliamentarians struggle to lead climate change policy effectively. IIED is helping members of parliaments across Southern Africa improve their understanding of climate change, become more effective watchdogs on government and make better-informed decisions.

Human settlements

Climate and movement
page 22

Climate change can, and does, force people to leave their homes to seek better land, jobs and other resources. But IIED's research with partners in Bolivia, Senegal and Tanzania shows climate change is rarely the only force at play. Socioeconomic factors — from the closure of local mines to building flood defences in neighbouring cities — can be equally important in driving migration.

Influential information
page 28

Ensuring that research makes a real impact on the ground can be tricky. From publishing papers in leading academic journals and supporting authors from low- and middle-income countries to working with key organisations and the media, IIED's Human Settlements Group is extending the influence of its work and helping its findings provide a more effective vehicle for change.

Slum sanitation
page 34

In dense, informal urban settlements, the quality of toilets says a lot about the commitment and competence of government agencies. In the absence of state action, local residents in Ghana, India and Namibia are addressing this basic need themselves, through ecological sanitation, shared toilets, and public toilets. IIED and Shack/Slum Dwellers International are documenting these innovations in self-provision and spreading ideas about how the global sanitation challenge can be met.

Informal settlements, local leaders *page 46*

Evictions, prosecution and demands for illegal payments are a part of daily life for informal workers or residents in many towns and cities of low- and middle-income countries. IIED-supported members of the Asian Coalition for Housing Rights are securing redistribution and policy reform by enabling local groups and communities to set their own priorities, design their own strategies and implement their own solutions.

Sustainable markets

Climate change and cities *page 60*

The decisions made and implemented by city authorities can make or break efforts to mitigate and adapt to climate change. IIED works with many stakeholders to learn from successful strategies and support their wider take-up. From strengthening communities' adaptive capacity to informing global policy, we and our partners are helping shape the role of cities in tackling climate change.

Adaptation air levy *page 31*

Adapting to climate change will cost billions, and soon. But where will the money come from? An innovative proposal, put forward by least developed countries, is an International Air Passenger Adaptation Levy. IIED studies suggest that a small tax on individual travellers through this scheme would go some way to alerting rich consumers to their global responsibilities and could raise up to US$10 billion every year.

Bridging big and small *page 36*

Some of the world's largest food companies are opening their supply networks to small-scale producers. But findings from IIED's work in a chain that links small-scale Kenyan farmers to export markets suggest that setting a target for sourcing supplies from smallholders is just the first step when it comes to linking small-scale agriculture with modern business.

Sustainable Markets *continued*

No small debate *page 40*

The development community may agree on the need to 'make markets work for the poor', but the way forward remains highly contested. An IIED/Hivos knowledge programme held a travelling series of provocative seminars across Europe to contest conventional wisdom and present fresh perspectives on how smallholders can be included in markets and what works where and why.

Shaping sustainable markets *page 44*

One way that markets can be used to alleviate poverty is through mechanisms such as Fairtrade certification, which change buyers' behaviour to support sustainable development. This year IIED launched a major research initiative — Shaping Sustainable Markets — to improve understanding about the impact of these 'market governance mechanisms', provide recommendations for improvements and air new ideas.

FIELD

Climate change lawsuits *page 20*

Climate change may be a global problem, but it has not been equally caused by all. Developed countries have been the major polluters over the past century and many developing countries feel they are owed a climate debt. An influential paper from FIELD suggests that international law could help compensate climate-vulnerable nations.

Communications

Learning and doing *page 16*

For countries like Zimbabwe that lack a climate change policy, communication has a big role to play in sparking and steering informed debate. But many local communicators struggle to access reliable and timely information. Two workshops held by IIED in Zimbabwe helped non-governmental organisations and journalists learn how to get the right messages into the right formats for the right audiences.

Communication knowledge sharing *page 58*

Communicating research in a way that empowers people to shape effective policy and practice for sustainable development is difficult and varies across contexts and cultures. In February 2011, IIED's communications team brought together nine researchers, communicators, advocates and project managers from partner organisations in the developing world to share experience and expertise on good research communication.

Governance

Talking green economies *page 24*

The 'green economy' is firmly on the agenda for next year's Earth Summit in Brazil. But what does that term mean? Over the past year, the Green Economy Coalition — which is housed at IIED — has hosted national dialogues in Brazil, the Caribbean, India and Mali to learn about the reality of green economy debates, gather insights on policy needs and stimulate bottom-up ownership of the term.

Vision in green *page 52*

The green economy vision is one that delivers a range of social, environmental and economic benefits for individuals, communities and society. Turning that vision into reality requires stronger international cooperation, a level playing field in policy and practice, and stronger support for local diversity and accountability. In all three areas, IIED is generating research, stimulating discussion and working with stakeholders for positive change.

Valuing Voices:

Building bridges

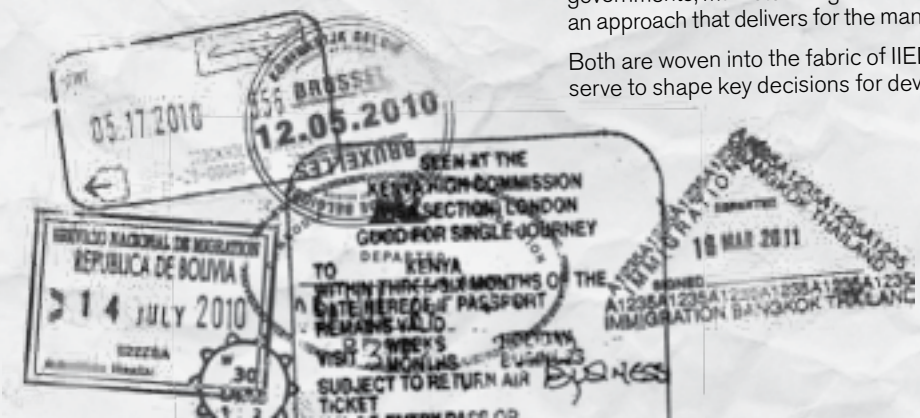
Every day, deals are struck and decisions made that help, or hinder, sustainable development. The spaces in which these take place stretch far beyond the bodies directly responsible for delivering agreed development objectives to encompass a range of governments, organisations, businesses, communities and individuals across many contexts and cultures.

The past year has seen some gains in thinking and acting to protect the livelihoods and environments of the poor and rich alike. On the global stage, the world secured a deal on biodiversity at negotiations in Nagoya, Japan. At a local level, from building sanitation blocks in informal settlements to taking local control of forest resources, communities across the globe have improved their own neighbourhoods and wellbeing.

But much work remains to be done. We are unlikely to meet many of the Millennium Development Goals by 2015; the world is unlikely to reach agreement any time soon on climate change, which poses an increasing threat to people and planet; natural resources are under ever greater competition, to the detriment of weaker groups; and the world remains structured by unequal power relations, vested interests and a lack of mechanisms to hold governments and businesses to account for their decisions.

Two things stand out as critical factors in shaping a greener, fairer future. First is the need to ensure that marginalised stakeholders and systems engage in the decisions that affect them and find a voice that truly counts. Second is the need to build bridges within and between the multiple arenas in which decisions take place — civil society, local organisations, national governments, markets and global institutions — to ensure an approach that delivers for the many, not the few.

Both are woven into the fabric of IIED life. And both serve to shape key decisions for development.



From our *director*

Camilla Toulmin

For IIED, governance — the making of rules and means for people to stick by them — lies at the root of achieving a fairer, more sustainable planet. As international climate change negotiations show, designing agreed rules is not easy.

Every child understands that games have rules. In a childhood game, each player has an eagle eye to check everyone is playing ball and when someone breaks the rules, it's pretty easy to challenge them with shouts of "it's not fair – you cheated!"

But once grown up, people seem less clear of the rules and less outraged to find them broken. In real life, much of the game playing goes on in secret and it is hard — often dangerous — for players to shout "cheat".

We need to ask 'who makes the rules?' It is usually those with power and influence. But rules written by the rich are likely to differ from those written by the poor.

At a national level, governments are meant to draft rules that respond to the needs of all citizens. But governments don't operate in a vacuum. They are made up of people with interests and attitudes, subject to pressure and lobbies — the rules they write will be moulded by such concerns.

At a global level, we have an array of ambitious goals and agreed texts to usher the planet towards more sustainable development. We need to ask why, even when we have a good rule book, implementation is so weak. The easy answer is to say that we lack political will. But if we dig deeper, we see that politics is driven by interests. When will it be in the interests of rich and powerful groups to address sustainability and equity? Possibly only when the risks of not doing so start to exert serious damage on current incomes and assets.

IIED firmly believes that an evidence-based approach to policymaking is vital to tackle deep-seated problems now — to transform power relations, hold decision makers to account and ensure respect for ecological limits. For forty years, we have used evidence and participatory learning to change the rules of the game to be more equitable, just and sustainable. Yet, we must also recognise that interests and power often count for more than good evidence.

Looking forward, we need a new rule book that puts sustainability and fairness at the centre. Writing it is a task for next year's Earth Summit in Rio de Janeiro, Brazil (Rio+20) — our long-standing experience in levelling the playing field for more socially and environmentally sound decisions puts us in a strong position to inform the authors.

From our *chair*

IIED turned 40 this year. We have achieved much over the past four decades. In the early 1970s, when environmental consciousness was awakening, being 'green' was decidedly offbeat. Today, countries across the world are branding themselves as 'green economy' leaders. From writing *Only One Earth* for the first UN conference on the environment in Stockholm 1972 to co-founding the Green Economy Coalition in 2009, IIED has consistently used evidence and action to help design a more sustainable planet.

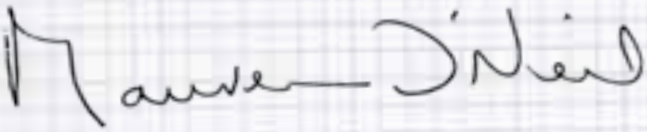
But how does our work of 40 years fit us to address the challenges ahead? Looking into the crystal ball, we see two alternative futures — one continues along current pathways and brings high risks of scarcity, conflict and collapse. The second learns from the past to design a fairer, more resilient future, which works for rich and poor alike.

Global governance of this process is key. Recent financial and economic turmoil have shown how decisions made in one arena can ripple out in all directions in unanticipated ways. In times of uncertainty, people turn to tangible, real assets — such as land, food, water and gold — and seek to get secure hold of these. Scarcity generates anxiety, with richer groups often controlling decisions at the expense of the poor, who have fewer means to protect themselves.

The 2010–11 Annual Report highlights this year's achievements to improve the equity, justice and sustainability of decision making in multiple arenas. They may describe our activities of the past twelve months, but they reflect our learning of the past forty years. With every piece of work, IIED and its partners learn a little more about what approaches can succeed in securing decisions to protect ecosystems and livelihoods. Without that learning, many of our recent successes would not have been possible.

And it is this depth of experience that equips IIED to help shape the decisions of the next forty years to ensure the second future in the crystal ball.

Maureen O'Neil



Perspec

Civil Society | Markets | Local Institutions

No man is an island. Shaping effective decisions for development is not the job of one leader, organisation or sector alone. It requires intelligent thinking and coherent positive action across the full range of institutions, systems and processes that affect livelihoods and environments of the poor – from global to local, from public to private.

IIED asked five leading lights across crucial decision-making arenas to share their perspectives on what it takes to make greener, fairer decisions and give voice to their needs and priorities. What does good governance look like? What are the risks and challenges, the opportunities and sure bets? And what steps must we take now and in the future?

Shaping effective decisions for development is not the job of one leader, organisation or sector alone

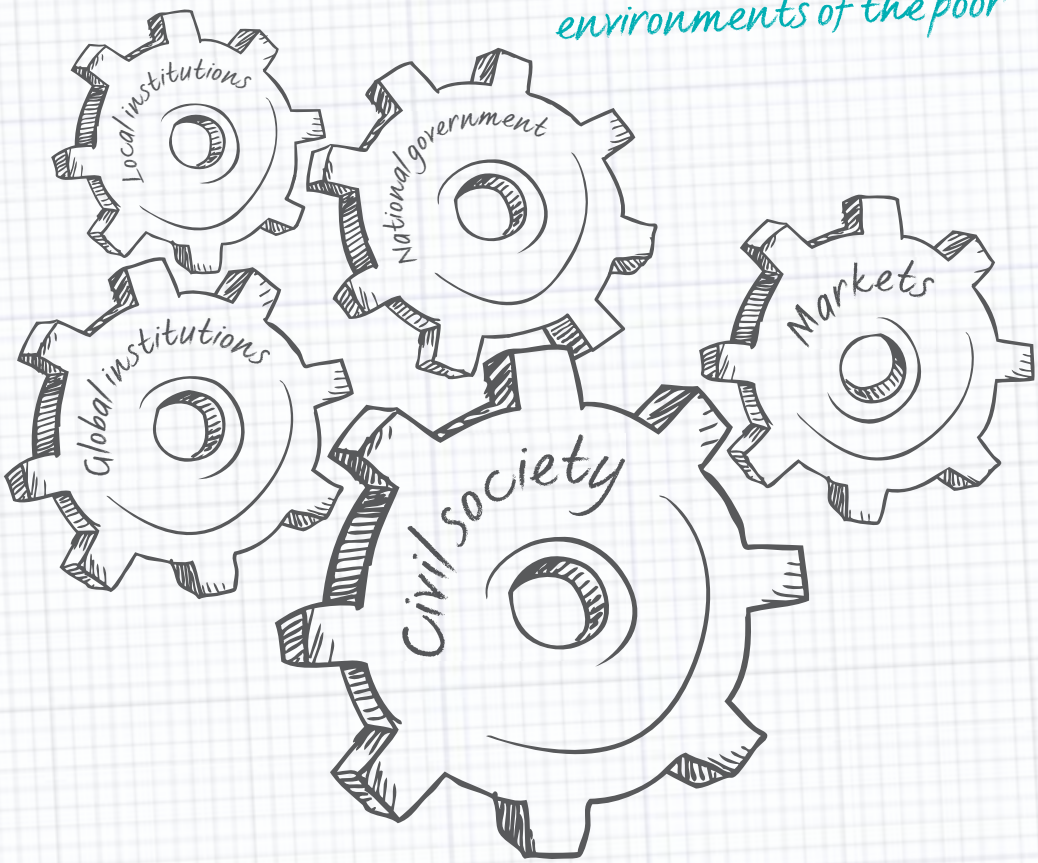
tives

1

National Government

Global Institutions

Five key arenas for decisions that affect the livelihoods and environments of the poor



Victor López Illescas

Asociación de Forestería Comunitaria de Guatemala Ut'z Che'

Central America is bedeviled by many threats to development, ranging from limited public safety and extensive drug trafficking to precarious public services such as access to water, health and education. Climate change – to which the region is particularly vulnerable – adds a layer of complexity to the problem, particularly because national governments in the region typically enter discussions of climate change simply with the aim of grabbing funds or dodging the local drivers of deforestation and degradation.

For rural communities and indigenous peoples in Central America, the only real path to long-term sustainable development lies in building effective decision-making processes around natural resources. Regulatory frameworks, public agencies and urban populations must truly recognise the strategic importance of sustainable agroforestry and the conservation of forests, water supplies and soils in both mitigating and adapting to climate change.

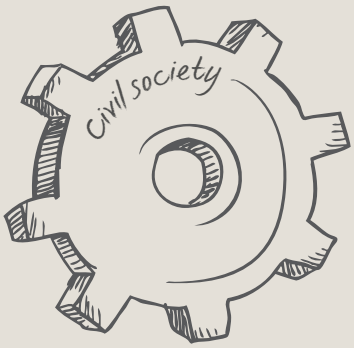
Putting these actions into practice relies heavily on the indigenous peoples that live and work in and around forests. Governments will only secure sustainable development if they effectively support dialogue and consensus with these people and ensure that policy and practice respond to these people's needs.

In Central America, mechanisms for this type of engagement do not exist. Guatemala, for example, has no legislation or public institution for indigenous peoples to either express their priorities, or respond to projects – such as open cast mining by transnational corporations – that affect them directly.

But some progress is being made. In November 2010, the Alliance of Mesoamerican Peoples and Forests was formed, bringing together indigenous peoples and communities that conserve forests and lands from Panama to southern Mexico. This community partnership sheds new light on these peoples' ability to work together to tackle a range of environment and development problems that their governments have so far failed to address.

Whether governments can secure sustainable development or not will depend on how effectively they support dialogue and consensus with indigenous peoples.

Victor



Minnie Degawan

International Alliance of Indigenous and Tribal Peoples of the Tropical Forests, Philippines

When it comes to governing natural resources such as forests, a 'good' decision ensures that resources are used sustainably and that any use of resources by outsiders benefits local people. In indigenous communities, effective decisions are also ones that respect other beings — animals, plants and spirits.

About a quarter of the world's forests is managed locally by families, communities and indigenous peoples. Their sustainable and varied use of forests provide a broad range of economic, environmental, social, cultural and spiritual benefits, including climate change mitigation.

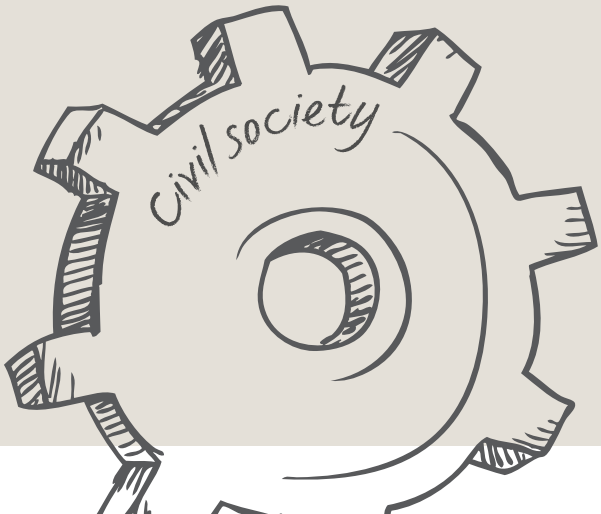
In indigenous communities, the traditional decision-making processes that govern this use are marked by their commitment to consider the concerns of all. This may seem like a lengthy approach but the result is a decision that the whole community buys into and will be sure to implement. Even the best laid plans to protect forests and improve livelihoods will fail if those responsible for executing them on the ground do not believe in them or commit to act on them.

In an ideal world, local forest-dependent people, or forest 'rights holders', would make their own plans for sustainable development and donors would limit themselves to supporting implementation. But we do not live in an ideal world. Development planners and practitioners rarely recognise rights holders — a major hurdle to positive change.

The many efforts of indigenous organisations across the world to build and implement their own development plans are small steps in the right direction. Similarly, networks such as the Three Rights Holders Group, or G3 — which brings together three alliances of forest-dependent people — are starting to amplify local voices in national and international decision-making arenas.

But much work remains to be done. We must scale up success stories where communities have developed and documented their own development plans. Above all, we must break the prevailing mindset that communities are mere recipients of development and place them firmly at the centre of decision-making processes.

We must break the prevailing mindset that communities are mere recipients of development and place them firmly at the centre of decision-making processes.



Wilfred Kamami

Executive director, Wilmar Agro Ltd, Kenya

Ensuring that business decisions truly support both the environments and livelihoods of the rural poor requires above all else a secure market for their produce. Once you have a market and are certain of business, making the decision to invest in farmers as suppliers becomes a necessity, not a luxury.

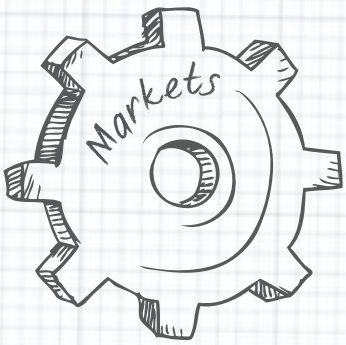
I work with more than 4,000 smallholders in Kenya, supplying flowers to buyers in the Netherlands and elsewhere. In just 15 years, we have more than doubled the price we get for our flowers; the farmers have gained food security and continuity of cash flows, and I have gained a stable supply chain. The key to our success lies in having an assured market and an inclusive approach to decision making.

We know we can sell our flowers because we talk to the buyers every year to find out what they need and then we invest in enabling our farmers to meet that. For example, through local agronomist support, our smallholders have been able to analyse their soils and apply water and organic fertiliser more effectively. Through grants for materials like nets to shade young plants, they can access capital to plant more bulbs. And through capacity-building initiatives they have gained know-how and understanding in environmental issues and agricultural and business practices, which enable them to take control of decisions to better protect their environment, better match their product to buyer demands and negotiate a better deal for their goods.

Support for business organisation is essential. No business can realistically hope to deal with thousands of individual suppliers. But it can work with a small number of registered groups and production committees, which represent farmers. Such committees have the added advantage of stronger communication and negotiating power when it comes to striking a business deal.

I strongly believe that combining an assured market with inclusive decision making is the best way of enabling businesses to answer to shareholders, environment and development alike.

The key to our success lies in having an assured market and an inclusive approach to decision making.



Nipun Vinayak

Municipal Commissioner, Government of Maharashtra, India

'Good' governance to me necessarily involves the three 'Ps': participation, partnership and professionalism.

Participation means moving away from working 'for' the people towards working 'with' the people. It requires governments to see people as capable decision makers, rather than passive beneficiaries.

Working in partnership with local communities and others can help ensure participation. It is also essential for ensuring maximum impact and uptake of development initiatives – governments cannot claim to have the know-how for all the jobs it must deliver in all the different contexts and cultures it must reach.

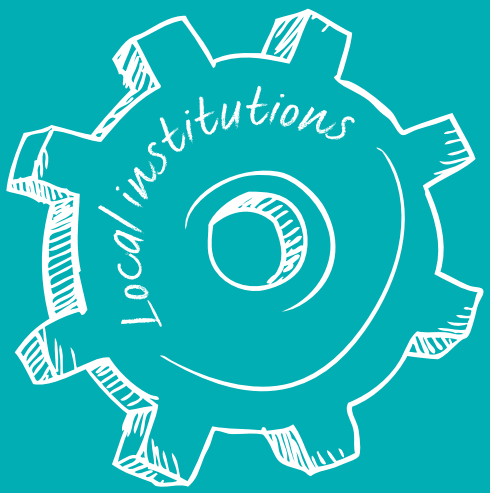
The third component of good governance is professionalism: this implies taking hard decisions for the long-term good and it involves a strict no-no to nepotism.

Through these three 'Ps' – adding a passion for the job of public service delivery – local governments can truly benefit development. Decentralisation that empowers local governments to shape decisions and manage finances is essential. In India, it can be difficult to overcome the working environment in which local governments work. They typically have an administrative wing and a political one that do not coordinate effectively due to a lack of leadership, training and capacity building.

But in the city where I work, Nanded in Maharastra, we are seeing some progress. We have established sub-city institutional structures called 'Area Sabhas' to give local people a bigger say in the decisions that affect them. We have also linked development works to demand through a scheme called 'Bhagidari', meaning partnership.

We are working towards a vision of a clean, green, professional and inclusive Nanded. Through partnership with two private companies, we are engaging city dwellers in community-led total sanitation. And with the help of non-governmental organisations we have also begun participatory approaches to upgrading slums in our city.

> *"Governments need to see people as capable decision makers, rather than passive beneficiaries."*



Hon. Mohamed Elmi

Minister of State for the Development of Northern Kenya and other Arid Lands

On 27 August 2010, Kenyans celebrated our country's adoption of a new constitution. Twenty years in the making, many felt it as a second liberation – a moment to believe in the power of government as a force for good.

Asked what 'good governance' means to me, I turn to the preamble of this new document: '...a government based on the essential values of human rights, equality, freedom, democracy, social justice, and the rule of law.'

Writing fine words is of course much easier than bringing them to life. The five-year cycle of our democratic system limits any government's perspective. Countless competing priorities and constant political noise distract us from what's important. One of the big gains of the new constitution is that it creates permanent institutions to lift our sights to a more distant and meaningful horizon.

It is the job of governments to act for the public good, of both present and future generations. We can do this by giving clear direction through well-articulated policy; by implementing programmes that turn policy into reality; and by shaping and mobilising public opinion to support that policy.

Here in Kenya the government is using all three mechanisms to exercise leadership on climate change and environmental management. Examples include the campaign to protect and rehabilitate East Africa's largest indigenous forest, the Mau Forest, as well as directing policy and programmes towards reforestation and renewable energy. Kenya leads Africa in geothermal technology, while more than 350 turbines in the new wind farm near Lake Turkana will boost our energy capacity by a third once they reach full production.

Our new constitution will also deepen decentralised decision making in Kenya. This devolution will enhance our stewardship of the resources entrusted to us – but only if designed and implemented well. We need sufficient time to learn from countries with longer experience than ourselves in this area, and yet Kenyans are understandably hungry for change. Managing expectations in a complex and unpredictable world remains one of our biggest political challenges.

It is the job of governments to act for the public good, of both present and future generations.

Gebru Jember

Climate change negotiator, Ethiopia

International institutions such as the UN Framework Convention on Climate Change (UNFCCC) play a crucial role in promoting sustainable development by providing a global arena for international negotiations, scientific debates, consensus-building and binding conventions.

But the extent to which such institutions foster positive action on the ground depends greatly on how they are governed.

Following transparent and equitable approaches is a must – to enable funding agencies such as the World Bank or the African Development Bank to provide financial, technical and logistical support to the countries that need it most.

But improving the governance of global institutions is not just about securing transparency. It is also about ensuring the active involvement of national and local stakeholders in shaping and implementing solutions.

Climate change may be a global problem that requires global solutions but in many cases its impacts will be felt first at the local level. Affected communities, civil society organisations, businesses and private individuals can all help deliver the information, capacity and resources needed to cope with climate change on the ground.

Ensuring that these stakeholders have a voice in decision-making processes so that global conventions fairly reflect their concerns is essential to make agreements work in practice and effectively support environmentally friendly, fair development.

It is true that bringing about change faces many hurdles, including a lack of technology, awareness, political support and extension services, the fear of loss from uncertain and unforeseen risks, as well as a wide range of social and cultural factors.

But there are grounds for hope that we can do it. Policymakers and the general public increasingly recognise climate change as a major challenge to development. And recent years have seen some 'big wins' at both global and country level. Nearly 200 countries have ratified the UNFCCC and we are making good progress towards a global deal on climate change.

A growing number of individual governments are integrating climate change into national development plans and engaging in more open dialogue with their citizens. And across the world we are seeing a trend in decentralised decision making that will allow policy and practice to respond more effectively to local needs and priorities.

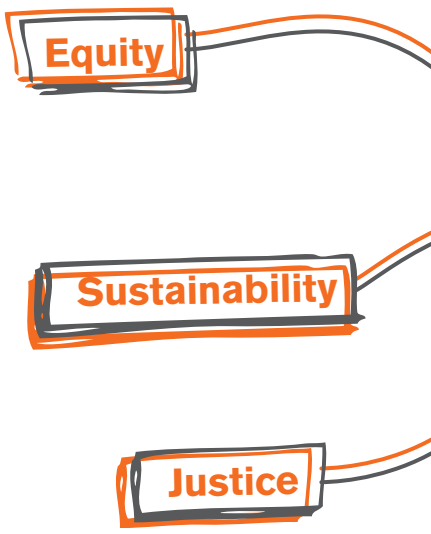
Improving the governance of global institutions is about ensuring transparent approaches and the active involvement of multiple national and local stakeholders in shaping and implementing solutions.

Short Stories

A first look at the year's projects.

Behind key decisions for development lie critical choices around who gets to decide what, where and how; who gets what from decisions; and the direct and indirect effects from such decisions. The processes influencing these choices in many developing countries are seldom entirely evidence-based, and are more often dominated by economic or political concerns.

Long-standing structural challenges — including corruption and vested interests, little political will for change, limited accountability, and poor capacity and environmental awareness — still stand in the way of greener, fairer decisions. And at global to local scales, there remains little room for hearing the voices, or addressing the priorities, of weaker countries and marginalised people.

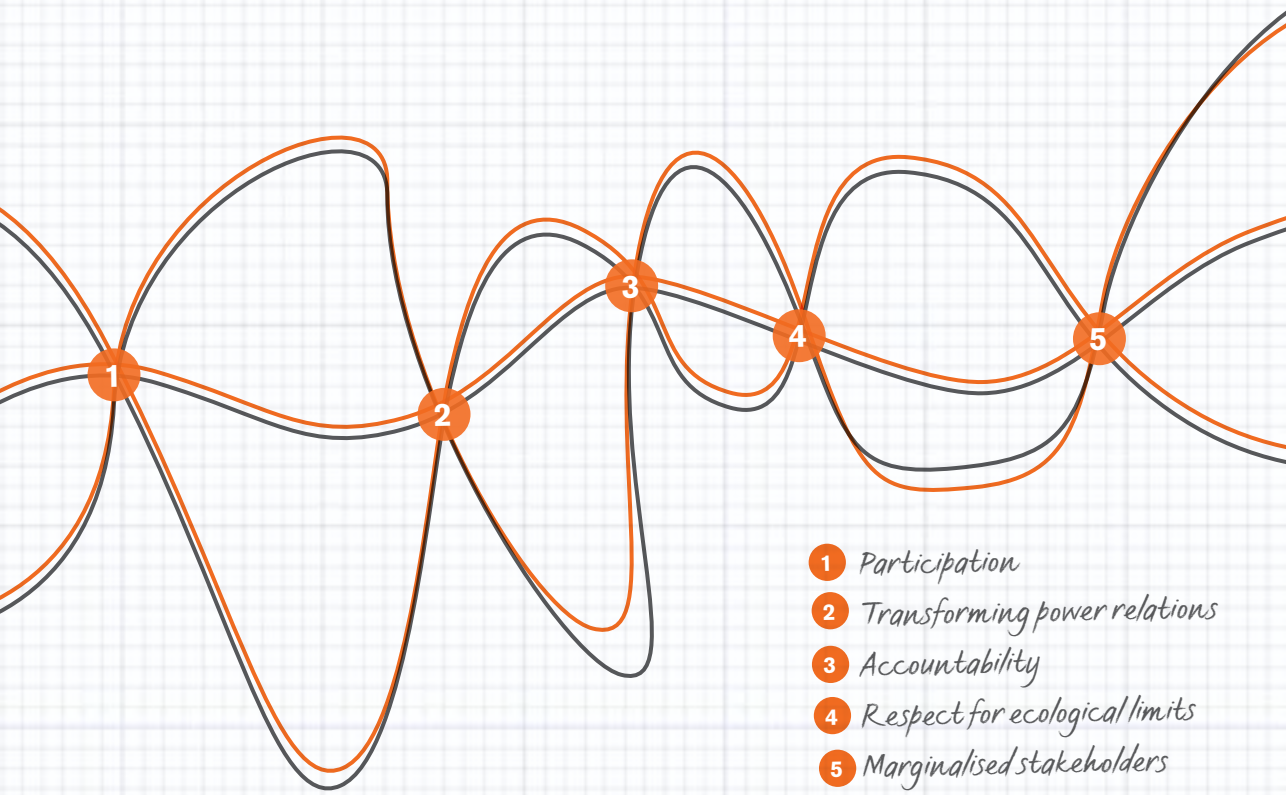


2

IIED has long-fought to change the rules of the game and level the playing field for more socially and environmentally sound decisions. Our implicit mission aims for equity in decision making; sustainability of ecosystems and livelihoods as an outcome of decisions; and justice, both for people and the environment, in the allocation of benefits and costs from the choices made.

In the following pages we present the recent triumphs, key innovations and major advances achieved by IIED and our partners. These stories highlight our consistent commitment to put participation, accountability and respect for ecological limits at the heart of decision making.

They tell of our efforts to give a voice that matters to the marginalised – be they smallholders, forest-dependent peoples or slum dwellers. And of our distinctive way of working, which favours evidence and experience over conventional wisdom, and participatory learning at the grassroots over unworkable theory.



1. Participation
2. Transforming power relations
3. Accountability
4. Respect for ecological limits
5. Marginalised stakeholders

Equity

Empowering people and countries who stand on the margins

Climate change negotiations: cultivating capacity

UN climate change negotiations aim to prevent dangerous climate change without compromising sustainable economic development. If a global deal is to work in practice it must present an equitable and multilateral solution.

Achieving such a solution relies on all countries having the opportunity and capacity to both participate fully in global decision making and gain the necessary ownership and support to implement decisions on the ground.

But UN negotiations are complicated. Adaptation, mitigation, technology transfer and finance are just a few of the controversial and technically challenging issues on the table. The UN negotiating process itself imposes an additional layer of complexity.

Participants from vulnerable developing countries — often few in number and under-resourced — can struggle to understand thoroughly the issues at hand, navigate the changing political contexts and make their voices heard.

From providing fora for frank discussions to offering knowledge and technical support, IIED has helped strengthen the capacity of a wide range of stakeholders, including negotiators, politicians, government representatives and civil society groups from vulnerable developing countries, particularly the Least Developed Countries (LDCs).

Capacity strengthening

Regional training workshops for stakeholders from vulnerable countries provide opportunities to share information, exchange experience and find allies. The workshops build on international debates about climate change and disseminate regional and local information to enhance vulnerable country stakeholders' ability to cooperate and develop effective strategies for negotiations.

Pre-conference training workshops allow vulnerable country negotiators to discuss the agenda and documents of the upcoming UN conference, strengthen and exchange their negotiating strategies, and most importantly, identify potential allies to support their positions in the negotiations.

Bursaries enable selected negotiators from vulnerable developing countries to attend UN climate meetings and to become specialists that can support fellow negotiators on key topics.

Technical support

Research and analysis play a pivotal role in improving stakeholders' understanding and ability to build strong arguments in climate negotiations. We publish background papers about key topics — how these relate to vulnerable countries' own concerns, who's taking what position on them, and possible areas for compromise. These papers also help clarify the technical side of negotiations, including emerging processes, agendas, actors and institutional spaces and provide evidence-based support for delegates to build strong arguments during negotiations.

> The LDCs used to rely on the bigger regional groupings such as the Africa group to represent their interests, as we were not very strong. Following the capacity-building work done by IIED, the group is much stronger and more proactive. Nobody can take a decision without the agreement of the LDC group.
>
> **Sumaya Zakeldin**
> Bursary holder from Sudan

Pre-conference training workshops

Creating a communication buzz in Zimbabwe

Mobile lectures, a mock newsroom tussle between journalists competing for their editor's attention, and imagining a day in the life of policymakers and poor farmers were just some of the innovative elements of two workshops on climate change communication run by IIED in Zimbabwe in February 2011.

For a country that still lacks a climate change policy, communication has a big role to play in ensuring robust decision making and good governance. But many local communicators struggle to access reliable and timely information. And getting the right messages into the right formats for the right audiences remains a challenge.

The workshops, which were funded by the UK Department for International Development, were designed to help non-governmental organisations and journalists overcome these barriers and play a bigger role in sparking and steering informed debate about climate change in their country.

Learning and doing

Each workshop gathered about 20 participants for a day and a half of interactive learning and practical tasks.

The staff from civil society organisations learnt how to develop communication strategies and target different messages to different audiences, using different communication channels. They got crash courses in writing clear and influential briefing papers for policymakers and newsworthy press releases for journalists.

For the journalists, a series of outdoor lectures and activities opened doors to 'big' issues, including the essentials of climate science and the challenges of adaptation and mitigation. This group also learnt about key institutions, from the UN and the Intergovernmental Panel on Climate Change to national and local bodies. They explored how to report on climate change in ways that are relevant to their audiences and found many online resources to help them do this once back at their desks.

By the end of each programme there was a buzz in the air, with participants keen to put their learning into action within the recently launched Zimbabwe Environmental Journalists Association.

ONLINE EXTRA

www.iied.org/ar2011/zimbabwecommunication

“We are fighting hard to make sure that environment and climate change journalism blossom to avoid abuse of our environment.”

Farai Matebvu
Zimbabwe Environmental
Journalists Association

Power to the people: citizens in policymaking

Including citizens in formulating policies and designing technologies is the first step in ensuring equity in decision making and securing human rights, justice and democratic accountability. But how can we do it? IIED's research in food and agriculture points to six tried and tested ways that, when combined, can put decision-making power into the hands of farmers and other citizens:

6 **Enhancing information democracy.** By harnessing new developments in community- and citizen-controlled media – from participatory films to local radio and newspapers – and promoting these through the Internet, citizens can more easily express their reality and aspirations.

5 **Nurturing citizenship.** There is no doubt that citizens can deliberate, make decisions and implement their choices responsibly. But these practices and virtues do not always arise spontaneously; they must be consciously nurtured through careful training and education.

4 **Supporting inclusive deliberation.** Creating safe spaces for farmers and other citizens to communicate and act – for example, through citizens' juries – can strengthen people's voices in decision-making circles.

3 **Strengthening civil society.** A strong civil society helps citizens get organised to reclaim power from below. Creating one relies on: establishing supportive links between government and society; helping local and external civil society actors work together; and building people's movements.

2 **Building local organisations.** Local organisations, such as women's associations or fishermen's associations, often play a critical role in supporting citizens to manage and govern their own food systems. But in many countries, their strength and in some cases their very existence have been undermined by central state policies or market interventions.

1 **Learning from the rich history of democratic deliberation.** From the Athenian assembly of ancient Greece to the revolutionary movements in 19th Century Europe to the hundreds of tribal councils that exist today, history is peppered with examples of how government by discussion, citizens' deliberations and reasoning can work.

Six tried and tested ways to put decision-making power into the hands of citizens

Chilukapalli Anasuyamma
A Dalit woman dryland farmer in Pasthapur, India tells how community radio has helped transform inequitable gender relations:

In our sanghams (village associations of Dalit women), we are carrying out tasks that used to be done by men. Our men are doing tasks that were only preserved for women. This way we have been able to erase the boundaries between man's work and woman's work. The mainstream radio is still steeped in the traditional gender roles. If we depend on it, we have to go back in time. All that we have done in our sanghams will come to nought. If we have our own radio it can help us continue this progress we have made on gender issues.

CLIMATE COURT: CAN INTERNATIONAL LAW STIMULATE A FAIR CLIMATE DEAL?

From more intense hurricanes in the Caribbean to more frequent droughts in sub-Saharan Africa, people the world over are feeling the pinch of climate change.

But the problem has not been equally caused by all. Developed countries may represent less than 15 per cent of the world's population but they have contributed nearly half (around 45 per cent) of the increase in atmospheric carbon since 1850. In comparison, people living in low- and middle-income countries have 'under-used' what would have been their fair share of the 'available carbon space'. Many developing countries argue that they are owed a climate debt.

The UN Framework Convention on Climate Change (UNFCCC) recognises that most greenhouse gas emissions come from industrialised countries. But these nations have been careful not to accept legal responsibility for their past actions.

On the eve of the UNFCCC meeting in Tianjin, China last October, the Foundation for International Environmental Law and Development (FIELD) – until 31 March 2011, an IIED subsidiary – published a paper asking whether international law could be used to hold the main polluting nations to account for the harmful effects of their emissions.

'No harm' legal demand

FIELD analysed legal literature and theory and found that climate-vulnerable countries may have a substantive right to demand a stop to emissions or compensation for damages – through what is known as the 'no harm rule'. This principle in international environmental law requires countries to prevent and reduce the risk of environmental harm outside their borders.

An international court, such as the International Court of Justice in The Hague, rarely decides on disagreements around complex scientific questions and is unlikely to issue hard-hitting judgements. But a climate change lawsuit – or even simply the threat of one – could help create the political pressure and third-party guidance needed to breathe new life into the international climate negotiations and global efforts to tackle climate change.

From Jakarta to New York, the FIELD paper was reported in the popular press and stimulated debate on how to ensure that a global climate deal be just and fair. It got negotiators talking too, sparking discussions among parties to the UNFCCC, lawyers and non-governmental organisations. FIELD is now talking to legal practitioners from several countries about possible next steps.

DEVELOPING COUNTRIES CAN SUE POLLUTING NATIONS

Ghana Business News, Ghana

WITH FEDERAL, GLOBAL REGS AT STANDSTILL … COURTS BECOME FRONT LINE ON CLIMATE CHANGE

Yale Climate Media Forum, United States

DEVELOPING COUNTRIES COULD SUE FOR CLIMATE ACTION

New York Times, United States

INDUSTRIALIZED NATIONS RISK COURT ACTIONS OVER CLIMATE CHANGE EFFECTS

Sudan Tribune, Sudan

CAMPAIGNING EXPLODES AS CLIMATE PROCESS RISKS DISINTEGRATION

BBC Online, United Kingdom

DEVELOPED COUNTRIES COULD BE PROSECUTED ON CLIMATE CHANGE

MSN, India

Sustainabi

Securing ecosystems and livelihoods now and in the future

On the move: migration and climate change

We live in an increasingly mobile world. Across the globe, rural residents move to urban centres or other rural areas, while urban dwellers move to different cities and towns. There is little doubt that climate change can force people to leave their homes seeking better land, jobs and other resources. But climate by no means works alone.

How can we spot environmental change within the myriad factors that underlie mobility, so we can provide better information for policymakers? With our partners in Bolivia, Senegal and Tanzania IIED explored how climate change is affecting migration in fragile environments where mobility has long been a traditional livelihood strategy.

These areas predominantly suffer slow-onset environmental change such as droughts or soil degradation, rather than extreme weather events such as hurricanes or floods. But we found that it was rarely an environmental factor on its own that forced people to move. For example in Bolivia, it was the closure of local mines – a traditional 'fallback' occupation for farmers – that finally forced migration after a prolonged drought.

Economy over environment

In all three countries, people move when the whole local economy – not just farming – collapses and there are no other local opportunities to make a living. They don't necessarily move to big cities: in many cases, rural migrants move temporarily to work on farms in wealthier areas, where their wages are paid from remittances – money sent back by locals who have moved to towns or abroad. Rural people also move to work on building sites in small towns where international migrants invest in construction.

The bottom line is that migration and mobility are complex. And while climate change is an important driver, it is often the combination of other socioeconomic factors – from local to global – that shapes the duration, destinations and composition of migrant flows.

lity

Based on four case studies [in Senegal], we have highlighted critical issues about the links between migration and adaptation to climate change. It's a great step for moving ahead further research.

Mohamadou Sall
Université Cheikh Anta Diop, Senegal

Greening the economy from the grass roots up

At next year's Earth Summit in Rio (Rio+20), the words on everybody's lips will be 'green economy'. Across the globe, people are already working to build a clear vision of those words and decide what policy and action is needed – at global, national and local levels – to turn the vision into reality.

Over the past year, the Green Economy Coalition – a diverse group of organisations from different arenas and geographies – has contributed to that effort. Through a series of national dialogues, the coalition, which is housed at IIED, is learning about the reality of green economy debates in different cultural and ecological contexts. It is gathering insights on policy needs. And it is stimulating new civil society ownership of the term 'green economy'.

What is a green economy?

From each national dialogue run by the Green Economy Coalition, a different understanding of green economy has emerged.

- **In India:** priorities are agriculture, renewables, green jobs, construction and infrastructure.
- **In Brazil:** green economy is seen as wellbeing and social equity, tackling environmental risk and managing ecological resources.
- **In Mali:** green economy methods show how growth in incomes and livelihoods can be achieved in ways that sustain the natural resource base and build resilience to climate change.
- **In the Caribbean:** it means long-term prosperity and effective ecological resource management.

Green economies need deep roots

In India, the story you usually hear is one of rapid progress: impressive growth rates of 8.5 per cent; a doubling of energy demand over the past decade; and consistently healthy domestic investments at 35 per cent of GDP. But participants in the Indian national dialogue also told another tale – one of enduring poverty, environmental degradation and growing inequalities. Look beneath the statistics and you'll find that agriculture – which employs more than half the country's workforce – is in crisis. Many of the poorest people in India still lack even basic access to energy. And the infrastructure behind the rapid growth still relies on unsustainable products and materials.

Participants called for urgent transformation to a green economy. They want a system that "creates decent employment opportunities – green jobs – and produces green products and services with equitable distribution and sustainable consumption leading to regeneration of the environment".

The Indian dialogue is one of four held over the past twelve months, alongside ones in Brazil, Caribbean and Mali. Another six are planned for the coming year. All will influence the Green Economy Coalition's policy positions in Rio+20 and set the tone for broader debate.

> If we want to make it in the 21st century, which will be largely defined by resource constraints in an evermore inequitable world, then we need everyone's brains and actions to work together.
>
> **Mathias Wackernagel**
> Global Footprint Network, United States

> The green economy needs to rethink growth, rethink development and be more inclusive – not just of nature but also of people, particularly those who have been left out of the economic system.
>
> **Juan Marco Alvarez**
> International Union for Conservation of Nature, Switzerland

ONLINE EXTRA

www.iied.org/ar2011/greeneconomy

Lessons from local adaptation planning in Nepal

From rising sea levels to spreading deserts, climate change is already making its presence felt on countries and communities across the world. The need to adapt to the inevitable is largely acknowledged – more than 38 least developed countries have written National Adaptation Programmes of Action (NAPAs).

But writing a NAPA is just the first step to ensuring a country can cope with the changes ahead. National adaptation plans must be implemented based on local needs and realities if support is to reach the poorest and most vulnerable groups on the ground.

Nepal has been quick to recognise this and both government and civil society organisations now support local adaptation plans for action (LAPAs).

IIED, funded by the UK Department for International Development, has worked with partners in Nepal to design and test processes that support local-to-national adaptation planning. Several key lessons are already emerging:

1. We must work across levels
National adaptation plans are more effective if designed from the bottom-up, responding to locally specific adaptation needs and priorities. But climate change will also demand responses that cannot be locally managed. This means adaptation priorities must be integrated into planning systems at all scales, from local to national.

2. Flexible planning is critical
Predicting climate change is an uncertain business: we do not know for sure the precise nature of future impacts. Nor can we accurately predict how vulnerable people will cope. Adaptation plans must be responsive to change – focused on iterative rather than fixed planning cycles and able to take on lessons learnt through participatory monitoring and evaluation about how best to support adaptation.

3. There is no 'one size fits all
Climate threats and adaptation needs vary over time and space. Public, private and civic sector organisations all have a role to play in adaptation planning, and adaptation responses must support 'plural institutions'. Strong policy and financial frameworks, such as decentralised funds and self-governance, can help.

Nepal's efforts to integrate adaptation into development planning from the bottom-up are helping to ensure that adaptation options are implemented at the most appropriate scale, by the most appropriate institutions and actors.

There can be no NAPA without LAPA.
Ministry of Environment, Science and Technology, Nepal

Forest Connect: supporting sustainable forestry businesses

> We must engage with government to review policies and legislative bottlenecks, convince banks that forestry is as good [an investment] as any other enterprise, and work with smallholder farmers to provide evidence that forestry can be a business

Bright Sibale
Centre for Development Management, Malawi

For poor local people to prevent deforestation, they must see a benefit. Secure tenure over trees is an indispensible starting point. Translating such rights into sustainable business opportunities is more of a challenge. This is where the IIED and FAO co-managed Forest Connect steps in.

Forest Connect is an ad hoc alliance of institutions that supports small forest businesses in 13 countries across the developing world. These businesses face a wide range of problems, from too much bureaucracy and unstable policies to insufficient business knowledge and difficulties accessing credit, market information and technology.

Now in its fourth year, Forest Connect brings practitioners together – both online and face-to-face – to exchange notes on how best to overcome these difficulties and support those who most need help.

Tools and tactics

Almost all Forest Connect partners start by compiling information on different sub-sectors – identifying particular challenges. These diagnoses inform the tools and tactics needed to provide effective support, which vary widely by country.

In some countries such as Burkina Faso and Ghana, Forest Connect members have developed directories of service providers so that small forest businesses know where to look for help. In others, they have focused on supporting associations – stimulating new ones for coconut fibre users in Mozambique, and examining the effectiveness of existing ones in Ethiopia and China.

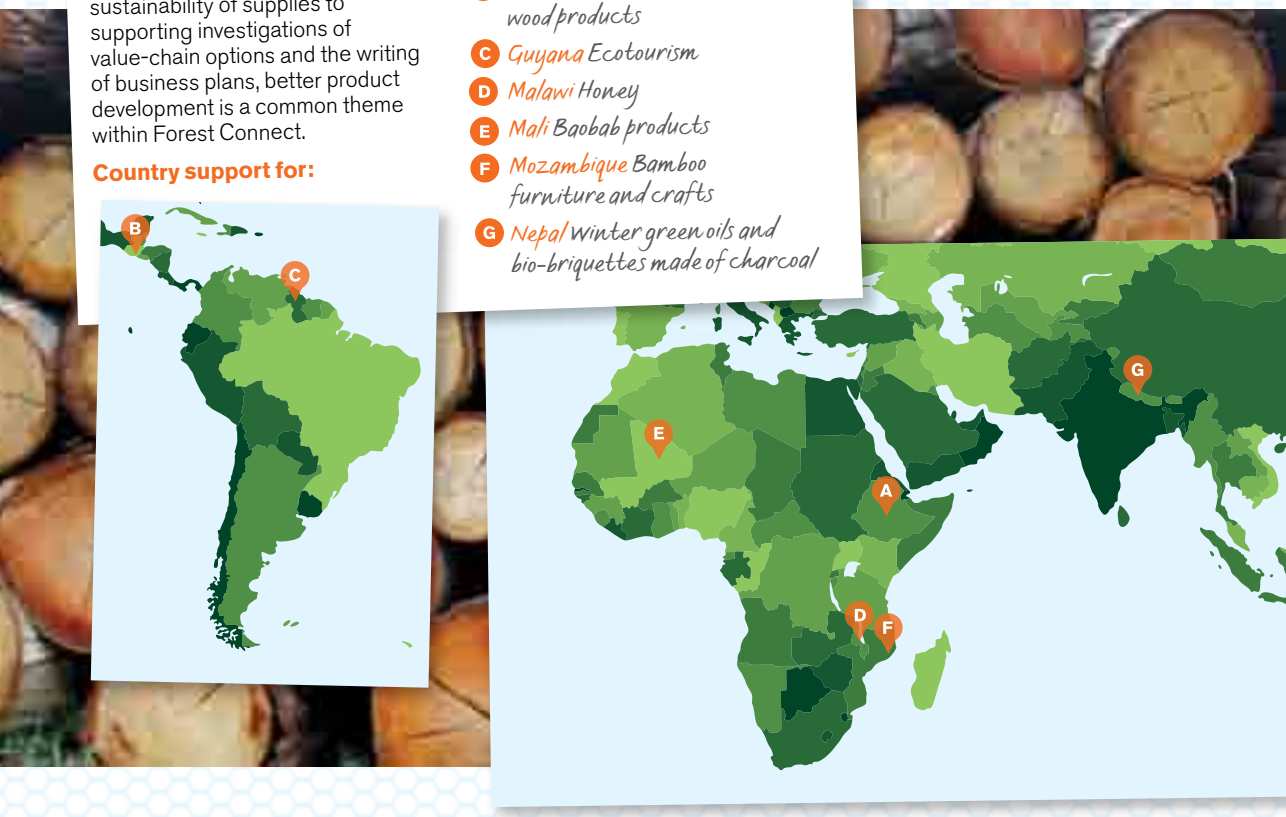
From innovative use of mobile phone technology in Burkina Faso to building producer websites in Guyana, Lao PDR and Liberia, Forest Connect has helped increase flows of market information. And across the world, the network has helped producers share experience and learning in different fora, including orientation workshops in Burkina Faso, eco-tourism exchange networks in Guatemala and market groups in Mali.

The capacity to support small forest enterprises does not materialise overnight – it requires patience and sharing among like-minded partners. That is the idea of Forest Connect.

From helping to identify potential products and assess the sustainability of supplies to supporting investigations of value-chain options and the writing of business plans, better product development is a common theme within Forest Connect.

Country support for:

- A *Ethiopia* Essential oils
- B *Guatemala* Artisanal wood products
- C *Guyana* Ecotourism
- D *Malawi* Honey
- E *Mali* Baobab products
- F *Mozambique* Bamboo furniture and crafts
- G *Nepal* Winter green oils and bio-briquettes made of charcoal



> *If you empower community groups – give them tenure rights to the forest and help them make more money out of it so they can make a decent living – then biodiversity and forest conservation becomes their agenda.*

Bhishma Subedi
Asia Network for Sustainable Agriculture and Bioresources, Nepal

Making information influential

One difficulty facing any research institute is how to make its findings influential. Do you target politicians, civil servants, researchers or the general public? Do you write short, punchy briefings or focus on detailed research reports and in-depth analyses? It is too easy for research institutes to simply publish a report and hope it has influence.

The Human Settlements Group at IIED has sought to extend the influence of our work. No single approach is enough. We use a range of strategies and channels to help our findings reach more hearts and minds and provide a more effective vehicle for change.

Strengthening academic literature

We contribute to the evidence base by publishing papers in leading academic journals, including our own *Environment and Urbanization*, which is one of the world's most cited and widely read urban journals. Since 1989, we have also published more than 20 books — most of which are still in print.

Working with the media

By writing press releases for particularly significant aspects of our work, we help journalists report on our work for the general public. And many of us write for popular publications including *American Scientist*, *Scientific American* and *National Geographic*.

Supporting key organisations

Governments and international agencies often haven't the time or resources to read long reports and gather all the evidence they need to support informed decisions. For each issue of our journal, we also publish a short brief summarising the key issues for these people. We also help prepare books for influential international agencies such as the International Federation of Red Cross and Red Crescent Societies, UN Habitat, and the UN International Strategy for Disaster Reduction. And several of us are actively contributing to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

Strengthening local voices

Most papers published in *Environment and Urbanization* are written by researchers and practitioners in Africa, Asia and Latin America. And selected papers are also published in Chinese and Spanish. In our work on urban density, we are exploring how to combine publications with websites to disseminate the work of our visiting fellow, Arif Hasan.

Shaping postgraduate education

Most of us teach regularly at postgraduate level and have helped design new courses on cities and sustainable development and climate change adaptation both at home and abroad.

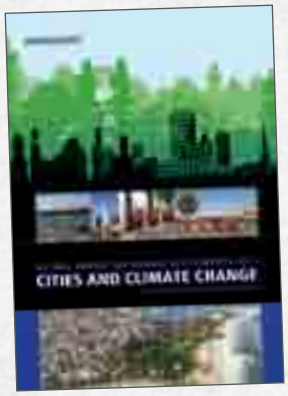
Books and reports

2010 World Disasters Report

International Federation of Red Cross and Red Crescent Societies

Revealing Risk, Redefining Development: The 2011 Global Assessment Report on Disaster Risk Reduction

UN



Global Report on Human Settlements 2011 — Cities and Climate Change

UN-Habitat

CLIMATE MASS MIGRATION FEARS 'UNFOUNDED'

BBC News, February 2011

E&U

Youth and the city
October 2010

Migration and mobility and the implications for local governance and local development
April 2010

Los Jóvenes y la Ciudad
Medio Ambiente y Urbanización
November 2010

Securing Land for Housing and Urban Development
October 2010

Paper titles

Urbanization and its implications for food and farming
Satterthwaite, D., McGranahan, G., Tacoli, C. 2010
Philosophical Transactions of the Royal Society B-Biological Sciences

Shelter finance in the age of neo-liberalism
Mitlin, D. In press. *Urban Studies*

Challenges for Community-Based Adaptation
Dodman, D. And Mitlin, D. 2011
Journal of International Development

Urban myths and the mis-use of data that underpin them
Satterthwaite, D. 2010
In Bea
R. (ed
Multic
Press

Environment and Urbanization is where I go to find out what's happening in urban development. As the sole journal which provides a platform for the public sector, the academic community, the corporate world and the non-government, it's a one-stop shop and essential reading for anyone involved in the field.

Tova Solo
The World Bank

BETTER HEALTH FOR THE UNCOUNTED URBAN MASSES

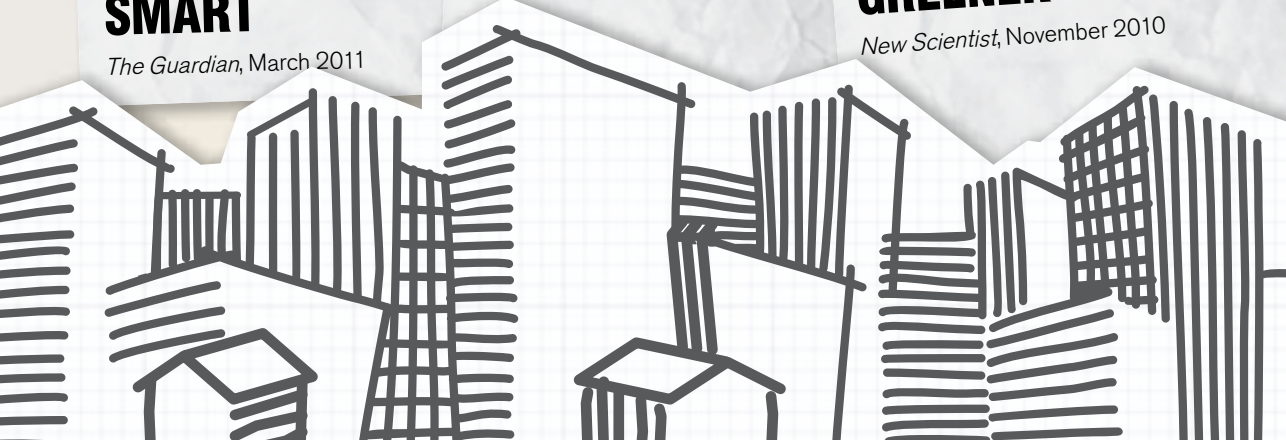
Scientific American

IT IS TIME FOR CITIES TO GET SMART

The Guardian, March 2011

CITY VS COUNTRY: THE CONCRETE JUNGLE IS GREENER

New Scientist, November 2010



Justice

Enabling a fairer distribution of costs and benefits

IIED RECOMMENDS TAX ON AIRLINE TICKETS

The Post Online, Zambia

TAXING FLIGHTS CAN GENERATE BILLIONS FOR ENVIRONMENT

The Citizen, Tanzania

WOULD YOU NOT NOTICE – OR NOT MIND – A NEW INTERNATIONAL TAX?

Vancouver Sun, Canada

'TINY' FLIGHT TAX COULD RAISE BILLIONS, SAYS THINK TANK

New Energy World Network

Adaptation in the air

How much will it cost to adapt to climate change in low- and middle-income countries? The answer depends, of course, on who you ask but most estimates suggest that around US$100 billion will be needed each year in the near future. In 2009, developed countries signed the Copenhagen Accord and committed to providing this amount by 2020. But the money is meant to support both adaptation and mitigation and so falls short of what developing countries need. How the money will be transferred to poor nations also remains unclear and the politics of such transfers are a potential minefield.

A solution to some of these problems – proposed by least developed countries – is an International Air Passenger Adaptation Levy (IAPAL). This innovative financing mechanism would levy a small charge on individual air travellers – US$6 on economy class travellers and US$62 on those in business or first class. Studies by IIED and others indicate that this could potentially raise up to US$10 billion every year, with little impact on aviation interests.

A just proposal

If you fly you are part of the climate change problem and are rich enough to help pay the costs. Justice demands that the costs of adapting to climate change should be borne by those that caused the problem and have the ability to pay. An international air levy goes some way to alerting rich consumers to their global responsibilities and demonstrating solidarity with the global poor who will be most affected.

IIED is backing the IAPAL proposal by working to support climate negotiators from poor nations and further researching the implications of IAPAL in its newly launched Shaping Sustainable Markets initiative (see page 44).

Funds for adaptation are needed now. A levy on international air travel could potentially provide significant quantities of reliable financing. So what's stopping us?

How to ensure REDD+ is pro-poor

Everybody loves a win-win situation. So there is much excitement about incentives for reducing emissions from deforestation and forest degradation (REDD+), which could deliver real benefits — both for environment and development — to forested countries and forest-dwelling communities.

But whether REDD+ can live up to expectations will largely depend on how it is designed and governed. Can approaches to REDD+ that involve the rural poor — such as community forest management and payments for environmental services — be cost-effective? What will it cost to ensure that REDD is pro-poor, improving local livelihoods rather than weakening land and resource rights? Do payments reach the poorest households or are they captured by local elites?

Gorettie Nabanoga
Makerere University, Uganda

Forest owners and users need more than cash payments if REDD is to work in the long term. They need alternative livelihood opportunities that will help them meet their food and energy needs.

Designs that work

These are some of the questions that IIED and partners are looking to answer. Supported by Norway's Climate and Forest Initiative, and in partnership with the Norwegian University of Life Sciences and Organisations in Brazil, Ghana, Tanzania, Uganda and Vietnam, we are taking a closer look at the options for REDD+ design and assessing the extent to which these can reduce emissions while also alleviating poverty and securing sustainable development.

At a national level we are estimating the costs and potential of pro-poor approaches to REDD+ and the implications of key decisions such as the setting of reference emission levels.

More locally, we are working with REDD+ pilot projects in each of the five countries to generate evidence on the merits of different REDD+ designs, paying close attention to how much they cost and what impact they have on local livelihoods.

Already we are gaining valuable insights. At a meeting hosted by the Sustainable Amazonas Foundation in Manaus, Brazil, last year (August 2010), we visited remote communities participating in the Bolsa Floresta REDD+ pilot scheme. A major lesson drawn by project partners was that REDD+ payments to forest owners are useful but they must be accompanied by other livelihood-improving activities if we want them to provide a lasting alternative to forest destruction.

Meeting in Manaus, Brazil

Community action for slum sanitation

In dense urban settlements – especially informal ones, many of which flood regularly – the quality of toilets says a lot about the commitment and competence of government agencies. In the absence of state action, millions struggle to find affordable and safe places to address this basic need.

IIED and Shack/Slum Dwellers International (SDI), funded in part by the Bill and Melinda Gates Foundation, have worked together on community-led solutions to sanitation for the urban poor.

The innovation challenges are considerable and require new financial, technical and organisational ways of working. Despite considerable effort and ingenuity, local groups cannot solve these problems on their own but must negotiate with local government both to secure funding and to amend standards that impose unaffordable solutions on the urban poor.

Faced with unacceptable living conditions that endanger themselves and their children, local residents (mainly women) are developing a range of strategies including ecological sanitation, shared toilets, and public toilets.

Open for discussion

IIED and SDI are documenting these innovations and spreading ideas about how this global challenge can be met. We have analysed the work of SDI affiliates in both Ghana and India. Most recently, SDI's Namibian affiliate, the Shack Dwellers Federation of Namibia have reflected on their experience of sanitation supported by a local non-governmental organisation, the Namibia Housing Action Group.

Groups realise that they can work together to improve how local facilities are managed. As the Namibian federation analyses the data they have collected from more than 3,000 households in informal settlements, it is learning about both the toilet solutions that work on the ground and local development priorities.

It is surveys such as these that provide a much-needed basis to effectively negotiate with local authorities, who rarely know much about the toilet situation in informal settlements, but who are often willing to learn from residents who are organised, articulate and informed.

Sharing the benefits of hydropower dams

Hydropower dams can certainly help power cities. But, as the World Commission on Dams identified more than a decade ago, when local people lose their homes and ancestral lands to reservoirs as a result, the sight of bright distant city lights can foster a sense of injustice when viewed from a dark rural village.

Dam developers are not usually in the business of providing subsidised, or free, electricity – especially not to poor rural communities displaced by reservoirs, who are considered unable to pay for power. As the President of Mali explained to people displaced by Sélingué Dam: "if you have free electricity everyone will come and live in your village, including me".

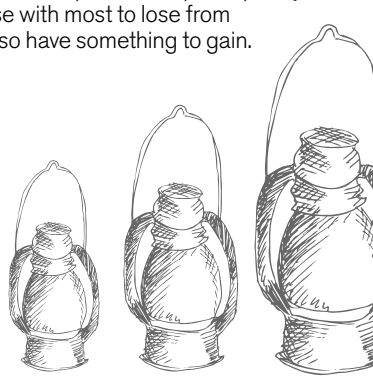
But surely local people are entitled to benefit directly from hydropower set up in their back yard? One way of ensuring that they do is to impose a small tax on the sale of power and to redistribute this to affected people through a locally managed development fund.

Surely local people are entitled to benefit directly from hydropower set up in their back yard?

Levy for local development

IIED and the International Union for Conservation of Nature have been working with local partners in Niger to design such a scheme around the Kandadji Dam, which is being built on the Niger River and is expected to replace power supplies imported from Nigeria. The Niger Constitution provides a legal foundation for the approach and a 70 strong meeting of government, non-governmental organisations, local authorities and displaced people have now asked the government to modify the 'Code de l'Electricité' to allow a 2–3 per cent tax to be levied on power sold from the dam to the grid. Under the proposal, these funds – some 450,000 each year – would be given to local communities to support their development.

We are now working to establish the details of how such a fund might work in a transparent and participatory fashion that ensures those with most to lose from new hydropower dams also have something to gain.



Big business from small growers

Some of the world's largest food companies are committing to development by opening their supply networks to small-scale producers. Through its Sustainable Living Plan, Unilever has pledged to trade with an extra 500,000 small-scale farmers by 2020. Walmart plans to triple sales to more than US$1 billion from a million small and medium farms in emerging economies. Both are looking beyond the fair trade niche or token corporate social responsibility projects, to align with mainstream business.

While such linkage to modern markets may not yet provide livelihood opportunities for most smallholders in developing economies, it warrants serious study to understand what underpins inclusive business.

As part of a project led by the Sustainable Food Lab, IIED has spent three years working in a chain that links up to 4,000 small-scale Kenyan farmers to export markets in Europe and North America via a highly innovative local intermediary (see page 8). The product in question is flowers, grown as part of family farming systems. A half acre of flowers generates more income than four acres of the other main cash crop tea, with significantly less labour.

Linking worlds

The Kenyan case study is marked by a shift from 'pushing' flowers at Dutch flower auctions to a 'pull' market, driven by demand from UK and US supermarkets. The supermarket business model is built on fixed procedures, uniformity and compliance with standards. It puts considerable strain even on the best smallholder-based model, and challenges the usual calls to cut out the middleman and build independent producer organisations.

Setting a target for sourcing supplies from smallholders is just the start. In this case, the business models of the intermediary, the importer, the retailer and the certifier all have to change to link the worlds of smallholders and modern business. This should be backed up by regular health checks: IIED is now working with Kent Business School to develop practical tools for businesses to assess their trading relationships.

ONLINE EXTRA

www.iied.org/ar2011/smallgrowers

Know-how and understanding in agricultural and business practices are the biggest hurdles to development. Understanding the end user helps them [smallholders] create a better matched product.

Wilfred Kamami
Executive director, Wilmar Agro Ltd, Kenya

Crocosmia

Statice

IIED in depth

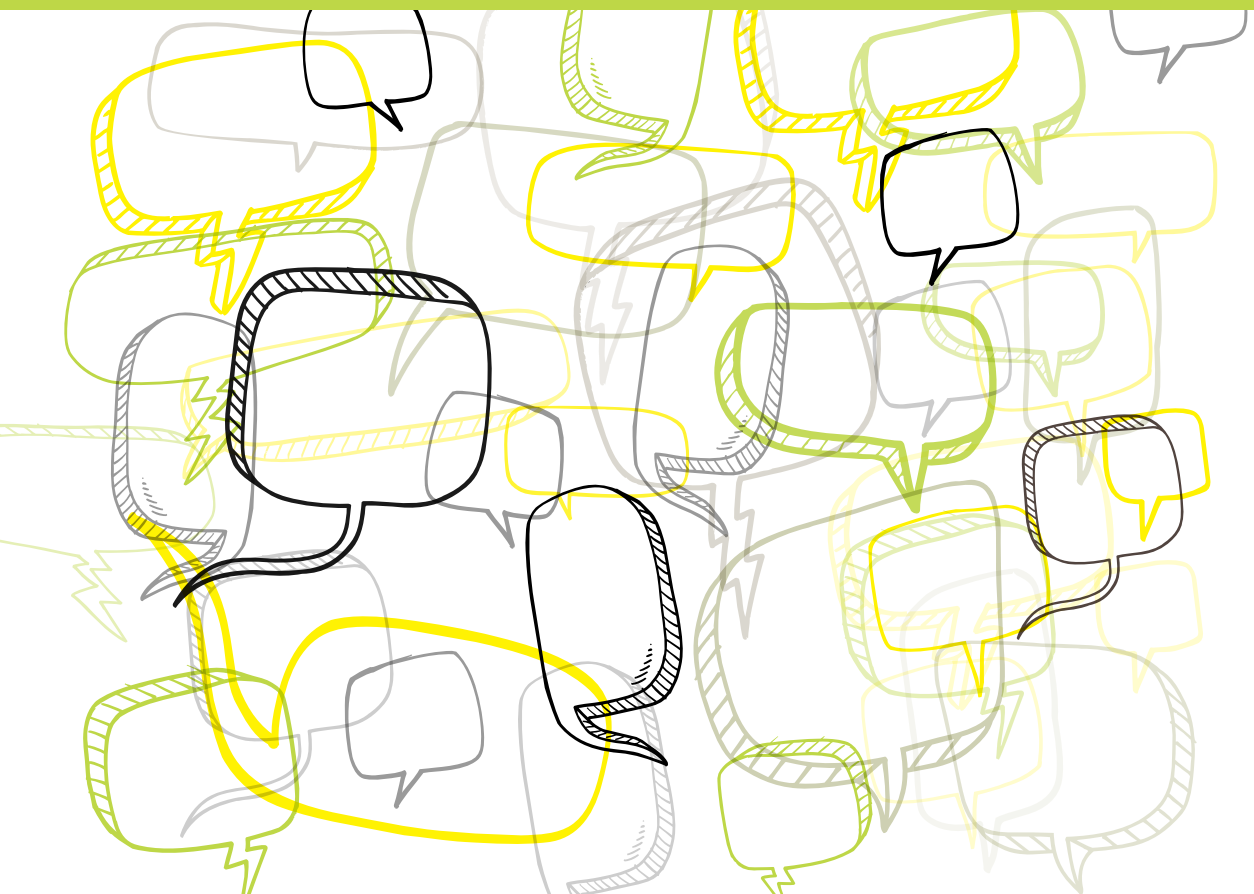
Achieving equity, sustainability and justice in decision making is not simply about transforming public policy. While governments undoubtedly have a huge role to play in promoting sustainable development, other actors – including local and global institutions, civil society and markets – can feature just as prominently in the decision-making landscape.

3

IIED believes that positive change must occur at many levels if it is to make a real difference to people and the environment. In many cases, the biggest challenge lies between these levels — for example, how to reconcile traditional and legal land management systems, or how to create mechanisms for integrating local decisions and demands in national or global forums.

The following section looks in depth at some of our work within and between decision-making arenas. Working with our partners, we are building the capacity of multiple stakeholders — from parliamentarians to communicators — to shape decisions for development. We are informing debate on 'hot' topics such as pro-poor markets or the green economy. We are building partnerships to amplify once-marginalised voices.

And, across much of our work, we are bringing local issues, concerns and priorities to bear on national and global decision-making processes, and finding ways of assuring that the rights and benefits of those processes reach people on the ground. This is a far cry from the mainstream approach, which focuses on transforming public policy.



Provoking big debate about small agriculture

Small-scale agriculture is well and truly back in the development spotlight – as the future to global food security, a route to rural poverty reduction, a steward of natural resources and a key to climate change mitigation and adaptation.

But if the need to support small-scale agriculture is agreed, the way forward remains highly contested. There is certainly a role for markets and the private sector. Indeed, many development policymakers and practitioners speak about 'making markets work for the poor' as the key to securing economic development, growth and prosperity.

But how best can we do that? Should we emphasise markets or rights? Is large agribusiness a partner in development, or a driver of exclusion? Do we support smallholders or wage labourers? How do we ensure the most vulnerable and marginalised benefit?

An IIED/Hivos knowledge programme, Small Producer Agency in the Globalised Market, has sought to stimulate debate on these issues that are 'stuck', through a travelling series of provocative seminars across Europe – in The Hague, Stockholm, Paris, Manchester and Brussels. The 'provocations' brought new and challenging insights on the role of markets and business in the future of smallholder agriculture.

Holding the 'provocations' in Europe was no accident. By contesting conventional wisdom and presenting fresh perspectives in European powerhouses, the knowledge programme got up close and personal to those within the development community – donors, investors, researchers and businesses – who hold real power and influence in shaping pro-poor markets.

Hivos
people unlimited

ONLINE EXTRA

www.iied.org/ar2011/agriculturedebate

The Hague

1

What smallholders need is a more coordinated means to link infrastructure, financial services and market access in one way.

Giel Ton
Wageningen UR and ESFIM

This is not about a few pennies. This is about changing the whole system. For the profile of small farmers, for markets to really work for the poor, the first stop has to be trade agreements.

Falguni Guharay
SIMAS Nicaragua

Stockholm

2

The question is not whether we need markets, but how we can shape the institutions and frame works that organise markets to be more inclusive and resilient.

Olivier de Schutter
UN Special Rapporteur on the Right to Food

The extreme poverty of small-scale fo producers is caused not by a lack of economic growth but by unequal pow relations. You can only address that w a rights-based approach to developme

Ngolia Kimanzu,
The Swedish Cooperative Centre

3

Paris

My concern now is that NGOs are using scarce development resources to support [multinationals] to take over local markets — under the motto of supporting poor farmers or small-scale producers.

Harm van Oudenhoven
Tropical Commodity Coalition

We [development agencies] are powerful actors in a situation where the people we are trying to benefit are very disempowered actors...: what can donors do to try and facilitate poor people becoming more powerful?

Earnán O'Cleirigh
OECD Development Assistance Committee (DAC)

Before conquering world markets, we need to focus on regional and local ones.

Roger Blein
Bureau Issala

4

Manchester

Markets work against smallholders and agricultural labourers for the simple reason that they both exercise little power in their ability to negotiate. Empowering these people is ultimately the only way in which they will be able to secure a better share of the value chain

Peter McAllister
Ethical Trading Initiative

Large-scale farming is not necessarily bad... It benefits the poor and it benefits women because it creates employment opportunities in areas where jobs are often scarce or inaccessible.

Miet Maertens
Catholic University of Leuven

Getting development professionals and business people together to see how the knowledge of both can be used to help both is really important.

Mike Bird
Women in Informal Employment: Globalizing and Organizing.

5 Brussels

Creating the institutional structure where [small-scale farmers] can stand on their own two feet will be the most sustainable solution to this whole debate.

Sanjeev Asthana
National Skills Foundation for India

We are not interested in Europe-only solutions on corporate social responsibility. We are interested in global solutions and how Europe can participate in those.

Richard Howitt
MEP and European Parliament spokesperson on corporate social responsibility

We are asking for simpler – not lower – standards.

Merlin Preza
coordinator of Fairtrade Small Producers in Latin America and the Caribbean

Shaping Sustainable Markets: a new research initiative

Development policymakers and practitioners are increasingly turning to markets as a tool for alleviating poverty. Calls for markets to play a bigger role in improving lives and livelihoods are getting louder, while the private sector is being more heavily relied on to 'grow' economies. Indeed, there is now consensus that the Millennium Development Goals will not be achieved without the initiative of business, investors and consumers.

Markets and business have the potential to generate new and decent jobs, and use natural assets more sustainably. The challenge is to set market signals and incentives that mobilise businesses and others to support sustainable growth, to create the 'missing markets' for environmental goods and services and to ensure more equitable participation. That is, to shape — and govern — sustainable markets.

One way of doing that is to use market governance mechanisms (MGMs). These are informal or formal rules that have been designed to change behaviour — of individuals, businesses, organisations or governments — in favour of more sustainable development. Fairtrade certification is a well known example, but there are many more, such as carbon trading, taxes, payments for environmental services and sustainability reporting.

IIED's new flagship

This year IIED launched a research initiative – Shaping Sustainable Markets (SSM) – to improve understanding about the impact of these mechanisms, provide recommendations on how to improve their design and suggest ideas for new mechanisms. Through rigorous research, we aim to influence those people who both design and use MGMs, including policymakers, businesses and consumers.

Through SSM, we are building on and summarising existing evidence – but also doing our own research where there is a clear gap in knowledge.

The first example of our review work, *Investing for Sustainable Development?*, was published in July 2011. It compares – for the first time – the take-up and impact on sustainable development of a number of 'investment principles'. Such principles, which include the UN Principles for Responsible Investment and The Equator Principles, are widely used to encourage investors to consider more than purely commercial and short-term gains.

Our research finds that existing investment principles have limited impact on sustainable development. This is partly because they use vague language, which allows for lax interpretation by investors. Lack of guidance on how to implement the principles also limits their impact. Principles can also be difficult to apply depending on the type of investment, such as stocks, bonds or money-market instruments. And in some cases, a narrow interpretation of fiduciary responsibility – the legal responsibility investors have for managing someone else's money – prevents investors from compromising short-term financial returns for non-commercial considerations.

Airing new ideas

We will use SSM to review what's going on in the world of market governance mechanisms and air new ideas.

Our first example of this work is captured in *How can air travel contribute to the costs of adapting to climate change?*, published in June 2011. Building on a proposal backed by least developed countries, the author describes how levying a small charge on individual travellers on international flights could raise up to US$10 billion each year – up to ten per cent of the funds thought to be needed to adapt to climate change. Our research found that such a scheme would be relatively straightforward to implement alongside existing international agreements (see page 31).

Join the community

Over the coming year, SSM will publish work that explores the impacts of:

- mechanisms for addressing grievances raised by local communities, about the impacts of a company's investment;
- geographical indication and collective trademarks;
- free, prior and informed consent of local communities; and
- mechanisms to help our transition to a low-carbon economy.

The initiative provides a platform for researchers outside IIED to publish their work. We will convene a community of practice to research, debate and disseminate evidence on the impact and design of market governance mechanisms. We invite you to get involved in this joint venture to improve how markets are governed so that they play a more effective role in supporting sustainable development.

Decision makers across the world increasingly recognise that we must address growing greenhouse gas emissions from the agricultural sector. But how? It is vital that we improve our understanding of the full range of measures available and their social, economic and environmental impacts. IIED's SSM initiative makes a central contribution to this learning process.

Tara Garnett, Food Climate Research Network, University of Surrey, United Kingdom

Locally-led urban development: an experiment in change

On city streets in the global South, every day marks a struggle for the poor to secure an accountable, effective government. Many of the lowest-income residents work in the informal sector – street vending, rickshaw pulling, providing domestic service or doing contract work. Hundreds of millions of people live in informal settlements – up to 80 per cent in some cities – where tenure, water, sanitation and other basic services are provided informally.

Government officials and politicians frequently penalise these people – evictions, prosecution and demands for illegal payments are a part of daily life.

Addressing this systemic disadvantage is difficult. Although there have been many donor-led attempts to encourage more accountable governments, they have had little success.

Neighbourhood action

Members of the Asian Coalition for Housing Rights (ACHR) have now found a formula that is securing policy reform. The key ingredients, it seems, include building on existing strengths and knowledge, and enabling local groups to take control of their own environments: set priorities, design strategies and implement solutions on the ground.

Supported by IIED with funds from the Bill & Melinda Gates Foundation, ACHR's Asian Coalition for Community Action (ACCA) has financed local groups to undertake small projects to improve their neighbourhoods across 18 countries in Asia. More than 4,600 groups are involved, bringing together more than 200,000 members, organised through savings.

Since the early 1990s, ACHR has worked in the region to build saving networks and strengthen communities' capacity to manage money and make communal decisions. This latest initiative builds on existing strengths, processes and the experience of all stakeholders in the region to enable local groups to co-finance, design and implement neighbourhood improvements that respond to the priorities of their communities.

In many cases, these groups have chosen to build pathways and bridges that connect their informal settlements to the formal city and, in so doing, make themselves visible and present. Other groups have chosen to improve water supplies, build community centres or sanitation blocks or establish other local services. It's only been two years but together, these projects are already benefiting 185,000 households.

A second set of ACCA initiatives includes housing projects, which reach a further 7,604 households and provide more comprehensive improvements in their living conditions including secure tenure, housing and basic services.

More than US$10 million has been invested in these projects to date. On average, the communities themselves provide a quarter of the funds needed for each project, with the state providing another quarter and donors making up the remainder. But in many cases, governments provide additional support: for example, in more than half (54 per cent) of the housing projects, it provides free, or leased, land. In Cambodia, all eight of the big housing projects to date are on land given free by the government.

Power from partnerships

These projects address material needs but equally important is their ability to press for better government policies, programmes and regulations. Through them, local groups have gained the tools to build new relationships and more effectively negotiate for benefits. Some of their successes include negotiating communities' entitlement to manage their own upgrading in Vietnam, the first ever long-term leases to squatters in Lao PDR, and the extension of house registration to squatters in South Korea.

A key strength in ACCA's approach comes from the power of partnership. More than 100 city networks have been established across 13 countries, linking local groups so that they can share learning and experience to improve technologies and local management, pool savings and negotiate with city governments.

Another major strength is ACCA's commitment to engage government and build partnerships between citizen groups and the state. 349 politicians and officials have been involved with meetings and exposure events and a further 89 mayors and governors have participated in activities related to these community efforts.

By working together, communities are learning new skills and capabilities, while governments are recognising that those who live and work informally are equal citizens, able to contribute to their own development.

Stats that stand up

ACCA's locally led activities to improve neighbourhoods in Asian cities include:

639 small projects, run by local groups

US$ 10,498,129 investment by communities, governments and donors

US$15,474,852 in collective community savings

192,604 households that are benefiting

213,365 group members

These projects have also stimulated new partnerships and engagement in Asian cities, including:

438 government representatives engaging with community efforts

70 joint community-state funds

113 partnerships between citizen groups and the state

118 city networks of local groups

ACCA has helped set up the city fund. Communities and government both contribute to the fund and together decide how the money will be used. This equal status has strengthened partnership between communities and government.

Lajana Manandhar
Lumanti Support Group for Shelter, Nepal

The purpose of this experiment for change is to show the way for development in the twenty-first century. Across the world, the people in charge can't manage to get communities on the ground actively involved. If we can find a way to work with the urban poor then the same approach could be used by people at large.

Somsook Boonyabancha
ACHR, Thailand

Working together is a must for poor communities. That's their very strength. Without solidarity among themselves they would not have been able to achieve so much. And that's the lesson that other, richer, communities are now learning from them.

Lajana Manandhar
Lumanti Support Group for Shelter, Nepal

ACCA is experimenting for change in a new age. Allowing communities to make mistakes is an important component of enabling them to learn how to be strong, how to deal with governments, how to develop systems that work.

Ruby Papeleras
Community leader,
Barangay Payatas, Philippines

This programme shows that change by the people, for the people, can really happen. If you build on communities' existing strengths and give them the tools to act, negotiate and form new relationships, you can make change happen.

Somsook Boonyabancha
ACHR, Thailand

We have to trust ourselves because we are the solution. It doesn't matter how many times we fall down and pick ourselves up. We must trust ourselves and build community processes in our countries. We have solutions for all our problems. We are the solution. But if we don't believe in our own capacity to think and act, we will not be able to bring about change.

Ruby Papeleras
Community leader,
Barangay Payatas, Philippines

ACCA is helping to transform the concept of city development to reflect poor peoples' views. The relationship between communities and government has changed. The government used to see themselves as a donor — now we are working as equal partners. We are making city development more of a pro-poor initiative.

Lajana Manandhar
Lumanti Support Group for Shelter, Nepal

African youth in participatory politics

Across the world we can see experiments in 'participatory governance'. People and organisations are grasping opportunities provided by decentralisation and other reform processes and demanding more of a say in the public policy and budget processes that affect them.

From participatory budgeting in Brazil to monitoring elections with mobile phones in Kenya, a growing range of citizen-led mobilisation, activism and demands are holding governments to account and giving a voice to the people not usually heard in formal policy and governance processes.

But exciting as these new approaches are, we need to look harder at them. Are they working for all or are some voices still left out? In particular, are they working for the young? In Africa, the debate on who is a 'youth' continues. Some countries use the UN definition of 15 to 24 years. We define youth as the time of transition from dependence (childhood) to independence (adulthood) – an age range that varies widely across contexts.

In March 2011, IIED, Plan UK and the Institute of Development Studies brought together a group of adults and young people involved in youth and governance initiatives across Africa at a 'writeshop' in Nairobi, Kenya. The idea behind the week-long meeting was to share learning and experiences, build writing skills, form new relationships, and develop a set of articles for a forthcoming special issue of IIED's journal *Participatory Learning and Action* (*PLA*).

Powerless to participate

During the writeshop, contributors acted out how young Africans commonly perceive governance processes and their scope for engaging in them. Their scenes included:

- A tight circle of adults surrounding a girl, propelling her from one to the other, while she looked increasingly dizzy and confused. Her mouth was sealed with masking tape.
- A girl and boy lounging against a wall, their faces and attitudes oozing boredom: nails being filed, gum chewed. In the background, an adult types madly at a desk while another strides around looking busy and efficient – neither ever looking at the youths.
- An adult puppet-mistress pulling the strings of a girl puppet, walking her up a conference hall to the stage. There the puppet curtsies, handing over a rolled-up speech to an adult dignitary, who pats her on the head before she is puppeted away.

The scenes presented in Nairobi speak eloquently of tokenism, presence without influence, condescension, well-meaning but power-blind political correctness, frustrated potential and dissipated energy, and generational and gendered power hierarchies. It is these fractured patterns of engagement that the contributors to this issue of *PLA* are working to change.

Beyond youth stereotypes

Throughout the writeshop we heard practitioners from across Africa describe how youth – particularly boys – are seen, and see themselves, as a 'lost generation': disaffected and bored with life, and infinitely corruptible and corrupted.

But we also heard tales of how young Africans – who make up more than half the continent's population – are challenging the norms and structures that exclude them by engaging with the state and demanding accountability.

Youth in Sierra Leone are using participatory video to get local government to address weaknesses in service provision. And in Sanaag, a disputed territory between Puntland and Somaliland, youth are leading a unique community survey called the Camel Caravan to engage with pastoralists.

The Nairobi writeshop uncovered the vibrancy, energy, persistence, passion and enthusiasm that youth bring to decision-making processes. It showed us that young people can drive change in creative and unexpected ways.

The forthcoming issue of *PLA* will highlight how young Africans are doing this – addressing the documentation gap that surrounds youth and governance in Africa and enabling other participatory practitioners, both young and old, to learn from their experience.

Text adapted from McGee, R. with J. Greenhalf (forthcoming 2011) 'Seeing like a young citizen: Youth and participatory governance in Africa' *Participatory Learning and Action 64.*

> This week's writeshop has really helped me to think about applying more detailed analysis to my work on youth and governance... The process has bridged the gap between learning and application.
>
> **Leila Billing**
> ActionAid International, Zimbabwe

ONLINE EXTRA

www.iied.org/ar2011/youthinpolitics

What has really excited me is that issues about young people in governance are beginning to be placed on the table, and on the agenda for NGOs and governments; as well as learning how this is a common thread that runs across Africa.

Lipotso Musi
World Vision, Lesotho









Supporting sustainable green economies

Thirty years of sustainable development work have failed to push governments and corporations into making governance changes that make their decisions fairer, more inclusive and more sustainable. Green economy thinking is a new opportunity to view sustainable development through an economic framework — one that is made up of critical routine decisions with the potential to work for both people and planet.

The green economy vision is one of an economy that produces important social, environmental and economic benefits for individuals, communities and society. It restores and protects the resilience of ecosystems and biodiversity, securing the many services these systems provide. And it enables us to use natural resources sustainably, allocating environmental benefits and costs fairly to achieve a more just and equitable society.

A green and resilient Caribbean economy should aim for long-term prosperity through equitable distribution of economic benefits and effective management of ecological resources. It must be economically viable and resilient to both external and internal shocks; self-directed and not driven by external agendas or funding opportunities, and self-reliant. It must be pro-poor and generate decent jobs and working conditions for local people.

Caribbean Regional Dialogue on Green Economy, February 2011

Strengthening international cooperation

Countries will need to work together to safeguard significant resources through payments for public goods.

- **Assessing the role of development aid.** While the OECD has its green growth strategy, it is acknowledged to be poorly informed by developing country needs. IIED has worked with European development ministries and the multi-agency Poverty Environment Partnership to examine the implications. We are generating evidence in-country to identify opportunities, help countries profile the enabling conditions for a green economy and clarify the role of business.
- **Supporting REDD strategies.** There's been a strong global push to create the means to pay for avoided deforestation but with insufficient attention to the complex local systems governing rights to forest resources. This poses a significant hurdle to strategies for reducing emissions from deforestation and forest degradation (REDD). The IIED-run Forest Governance Learning Group has long-developed solutions to forest governance challenges and increasingly works to build models, guidance and tactics for implementing REDD in a way that improves livelihoods while protecting forests.

How can we turn the green economy vision into reality? Decision-making institutions, processes, systems and practices will have to focus on three key areas – and in all three, IIED is already generating research, stimulating discussion and working with stakeholders for positive change.

2

Levelling the playing field

In all areas of policy and practice, countries will need to level the playing field to reward environmentally sound and socially just practice. A first step must be building the capacity to assess where prevailing rules and instruments are reinforcing unsustainable practice and to identify the means to challenge them.

- **Working with governments.** Getting up close and personal to government finance and budget processes provides a secure route to influencing policy and practice. In partnership with the UN Poverty-Environment Initiative, IIED has worked with ministries in Botswana, Malawi, Tanzania and Zambia to review public expenditure on environment and integrate environmental thinking into development institutions and decisions.
- **Tackling market governance.** Markets and business have the potential to generate jobs, encourage sustainable use of natural resources and alleviate poverty. Through a new research initiative, Shaping Sustainable Markets, IIED is assessing how market governance mechanisms – informal or formal rules that have been consciously designed to change business and consumer behaviour – can best support sustainable development (see page 44).

3

Supporting local diversity and accountability

Understanding how the green economy plays out in different countries and communities, and strengthening accountability for decisions and policy coherence at a local level is critical for countries to build economic resilience.

- **Building downward accountability.** A first rule of good government is being accountable for the decisions that you take. IIED supports local and national efforts to build downward accountability of governments in countries such as Kenya and Nepal, to support local adaptive capacity and ensure that the valuable knowledge of climate-vulnerable communities is integrated into government plans and policies.
- **Promoting national dialogue.** Encouraging discussion among all stakeholders – from local community members to government officials and politicians – is essential to make decisions that respond effectively to local contexts, needs and priorities. With the Green Economy Coalition, IIED is supporting national dialogues that explore Southern views of the green economy and catalyse bottom-up ownership and policy (see page 24).

A green economy looks like something that is much more equitable so people feel they are part of this big system and are more connected to the decisions that impact their lives.

Aled Jones
Anglia Ruskin University, United Kingdom

Back room work on biodiversity, Nagoya 2010

In October last year (2010) biodiversity policymakers, researchers and advocates gathered in Nagoya, Japan for the 10th Conference of Parties to the UN Convention on Biological Diversity (CBD). The CBD conferences are always beehives of intense activity but this year tensions were running particularly high.

The enormous pressure to strike a deal was driven in part by the world's failure to meet the CBD target to significantly reduce the rate of biodiversity loss by 2010 and growing concerns that we are nearing 'tipping points' in which whole ecosystems could collapse. But negotiations were also fraught by the contentious issue of access to genetic resources and benefit sharing. Developing countries insisted that a protocol on these issues be finalised before assenting to the two other main agenda items: a deal on financing and a strategic plan for the convention. It wasn't until the very last minute that agreement on all three issues was reached.

Throughout the highs and lows, and in the run-up to Nagoya, IIED, FIELD and partners were there – following negotiating sessions, organising side events, and promoting findings from our work.

ONLINE EXTRA

www.iied.org/ar2011/biodiversitywork

66

Scope and compliance are key to achieving a successful protocol... You do not want a toothless protocol where issues are excluded.

99

Peter Munyi
International Centre of Insect Physiology and Ecology, Kenya

Gains for indigenous communities

When Southern countries agreed to conserve biodiversity and use it sustainably at the 1992 Earth Summit in Rio, it was on the understanding that they would benefit from the use of their genetic resources by Northern countries. But the past two decades have seen very little benefit sharing with developing countries.

The Nagoya Protocol contains important gains for indigenous and local communities. It legally binds the 193 parties to the CBD to follow rules to prevent biopiracy and provide benefits, including financial ones, to countries and communities when using their genetic resources.

Much of this achievement is owed to the tireless efforts of the International Indigenous Forum on Biodiversity over the past six years. IIED supported these efforts by providing evidence of the importance of customary laws and rights based on research with more than 60 communities in the developing world.

In the year leading up to Nagoya, we worked hard to influence the negotiations, both directly – through formal submissions and statements and UK DEFRA consultations – and indirectly, through policy briefings, side events and media work.

> *At the COP, I heard a lot of passionate communities... identify the need to share more with others so they can scale up the impact of their work. They are calling for support and assistance to build their capacity so they can benefit and we can have biodiversity conservation as well.*
>
> **Nicole Leotaud**
> Caribbean Natural Resources Institute, Trinidad

We focused on three key areas of activity: influencing benefit-sharing negotiations; supporting negotiators from small island states; and working with journalists.

Standing with small island states

To successfully take part in high-stake conferences like the one in Nagoya, countries need capable teams of negotiators that can understand the breadth of issues discussed, navigate intricate sessions and events, and stand firm on key issues.

Heaving with complex legal issues, and against a back-drop of certain failure to meet the 2012 target to establish comprehensive, effectively managed and ecologically representative protected areas, the marine and coastal biodiversity negotiations turned out to be controversial and lengthy.

Negotiating teams from small island states – with limited resources, expertise and technical support – faced a considerable disadvantage in participating effectively. The Foundation for International Environmental Law and Development – until March 2011, an IIED subsidiary – supported delegates from these states and other developing countries on legal matters during drafting sessions, regional coordination meetings and negotiations.

Newsroom networks

In Nagoya, parties to the CBD agreed that by 2020 all people should be aware of the values of biodiversity and the steps they can take to conserve and use it sustainably. To meet this target, global media coverage of biodiversity will need to improve in quality and quantity – showing how biodiversity underpins economies, livelihoods and wellbeing but is under serious threat the world over.

Journalists need training and more access to sources and information if they are to tell this under-reported story and what it means for humanity. To support this, IIED, the International Union for Conservation of Nature and Internews created the Biodiversity Media Alliance, launched in Nagoya.

The alliance has created an online social network – **biodiversitymedia.ning.com** – where more than a thousand journalists and biodiversity experts can interact. Over the longer term, it aims to develop training for journalists to report biodiversity in ways that are relevant to their audiences.

Cross-cultural learning in communication

For researchers to shape effective policy and practice for sustainable development we must communicate with decision makers on their terms. They need robust evidence that gives them confidence, context-relevant information that supports their own situation, and an understanding of the practical realities facing their constituents and other people they are trying to support.

Communicating research in a way that delivers on all these counts is difficult and varies across contexts and cultures. One way to rise to the challenge is to share lessons from what works across different countries and sectors. In February 2011, IIED's communications team brought together nine researchers, communicators, advocates and project managers from partner organisations for a week-long opportunity to do just this.

IIED's Communication Learning Week covered a broad range of skills and tools, including crafting a communication strategy, writing for policymakers, working with the media, exploiting new technologies such as social media and participatory video, marketing publications and monitoring results.

Jessie Davie
Tanzania Natural Resource Forum (TNRF), Tanzania

I came into the week with relatively high expectations... but the week certainly lived up to them. It was personally a great learning experience for me and for TNRF too — I will be able to go back and bring a lot to the organisation...

It was great to have just nine participants. I was really able to troubleshoot and workshop my own issues, and make a lot of progress — not just talk in theory about things. And it was wonderful to hear from people with similar struggles and challenges to those we face in Tanzania — bureaucracy and politics but also simple things like trouble with internet connections. It was even more positive to hear how people overcome these challenges and I feel like I learnt a lot from my peers.

In short, I've gained a lot of wonderful tools, made great contacts and I now feel I have some real concrete ideas to bring back to my organisation.

ONLINE EXTRA

www.iied.org/ar2011/learningcommunication

Christopher Busiinge

Kabarole Research and Resource Centre, Uganda

What I liked most about the learning week was that the sessions were very interactive and participatory — even when I didn't expect them to be — and that got everybody moving and made the whole programme quite exciting. The sessions on policy briefs and working with the media were particularly powerful and I drew a lot of energy from that. It's an important area for us in Uganda to work on and see how we can improve.

I strongly feel that you could take this work forward with a mentorship programme, especially in the area of working with media and policymakers — because of our need to grow the language appropriate for engaging in and communicating about the different issues we deal with.

Salome Gongloe Gofan

Rural Integrated Centre for Community Empowerment, Liberia

The Communication Learning Week was a great opportunity for me to improve my communication skills and put in place a communication strategy for my organisation. I've been doing lots of good work at home but how to communicate what I do to the public and local community has been a constraint. This week has helped me learn how to market my organisation and communicate well with donors and with local community people themselves.

The facilitators were friendly, especially to those of us coming from different social backgrounds — they created a friendly environment where we freely interacted with one another with no fear. The week provided a lot of opportunities to make new connections, including with journalists and others that we have had little opportunity to meet before.

My one recommendation would be to extend the time for practically doing some of this work with facilitators on hand to help. Writing a policy brief is not something you can do in one day.

Cities and climate change

Urban governance can make or break efforts to mitigate and adapt to climate change. The decisions made and implemented by local authorities, and their relations with national governments, civil society and the private sector, shape patterns of greenhouse gas emissions and determine the vulnerability of hundreds of millions of urban dwellers.

IIED seeks to strengthen these decisions by working with communities, local governments and global policymakers.

'Grass roots' adaptation

From Dhaka to Dar es Salaam, our work with low-income urban residents already shows that they can plan for, and respond to, a wide range of shocks and stresses. For example, encouraging creeping plants to grow on roofs can help reduce temperatures inside the house. But achieving more meaningful success requires the ability to save collectively, acquire safe and affordable land, and construct decent homes.

All of these are highly relevant to managing the impacts of climate change – particularly for the most vulnerable groups in society. Local organisations play a critical role in strengthening this 'adaptive capacity' of communities and in land and infrastructure planning to reduce exposure to risk.

In both Tanzania and Zambia, IIED has worked with local organisations to understand better how climate change will affect the lives and livelihoods of urban dwellers, and to demonstrate which forms of support can best help them manage these changes.

Learning from local leaders

When it comes to meeting adaptation challenges, local governments are as important as local communities and organisations. In partnership with the Massachusetts Institute of Technology, we are working with urban 'adaptation leaders' from around the world to discover how these highly motivated individuals are able to negotiate the complexities of urban governance to increase the resilience of their cities.

From Amman to Walvis Bay, and from Boston to Quito, a growing number of city officials are generating political, civil society, and private sector commitment to address adaptation. They adopt a variety of strategies – crystallising support around plans, integrating adaptation into other planning and regulatory processes – but the most successful interventions draw on a broad platform of stakeholder participation.

Can cities set the climate for change?

Despite their demonstrable importance in addressing both mitigation and adaptation, cities are often ignored in global policy arenas. IIED and its partners support a range of activities to broaden the role of cities in shaping and implementing global climate change policy.

We have worked with international institutions – including UN Habitat, the UN Environment Programme, the World Bank and ICLEI (Local Governments for Sustainability) – to spread this message through workshops, conferences, reports and advocacy. And several of our staff are contributing to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, providing policy-relevant scientific guidance on how cities can both mitigate and adapt to climate change.

IIED's journal *Environment and Urbanization* is a vital source of information for many of these global policymakers, with more than 35 papers on urbanisation and climate change published in the past four years.

Where next?

Awareness of these key issues is growing – 2011 saw several organisations and media houses publish major reports, journal issues and newspaper articles on cities and climate change.

But much work remains to be done. First, we need to go beyond the biophysical impacts of climate change to better understand how policy decisions at different scales – be they to reduce emissions or to finance adaptation – will affect urban areas in developing countries, and the people who live in them.

Further urban growth around the world is inevitable. More importantly, when it comes to development or climate goals, it can be an active force for good. A second priority is to highlight the new opportunities urbanisation offers – through increased urban density, better waste management, and the achievement of a green urban economy – for improving the lives of millions of people around the world, without further threatening the global climate.

> To be prepared for the future, it is imperative that cities initiate adaptation activities and support those who are taking positive steps to advance this agenda.
>
> **JoAnn Carmin**
> Associate Professor of Environmental Policy and Planning, Massachusetts Institute of Technology, United States

Most low income groups in cities today can develop ideas and strategies for adapting to climate change but their success depends on the support and encouragement they get from the private and non-profit sector and the government. Ensuring that all stakeholders adequately play their role in strengthening community processes is vital to make low-income groups less vulnerable and improve the urban environment as a whole.

Nancy Lupyani
People's Process on Housing and Poverty in Zambia

Most of the world's population now live in towns and cities and as such they offer the opportunity to bring together governments, civil society and business in meaningful partnerships and action that can improve local level climate change resilience.

Debra Roberts
Deputy Head of Environmental Planning and Climate Protection for Durban, South Africa and host of the UN climate conference to be held in December 2011

Growing Forest Partnerships: a story told by partners

Better management of forests can help reduce poverty, promote sustainable use of natural resources and boost climate change resilience. The key lies not in making distant institutions pour money into avoiding deforestation, but in enabling forest-dependent people to receive, benefit from and sustainably manage investments.

Growing Forest Partnerships (GFP) – a World Bank initiative launched in 2009 in partnership with IIED, the UN Food and Agriculture Organization and the International Union for the Conservation of Nature (IUCN) – is a growing network of local and global forest stakeholders aiming to catalyse a new global dynamism around supporting forests.

The initiative is built on the principle that while we do need a global network to support sustainable forest management, its work must be driven from the local level, with people who rely on forest resources acting as key partners. The new coalitions emerging from GFP ensure that global discussions include the real challenges facing forest dependent people and they are esting innovative ways of tackling those difficulties.

Since its launch, IIED and partners have striven to make GFP a multi-purpose and multi-stakeholder initiative: one that is inclusive, involving a wide range of stakeholders – from local to global; one that is equitable, encouraging wide ownership of results; and one that builds synergies, strengthening existing partnerships and building new links.

How have we fared? We asked a range of GFP partners, country coordinators and other stakeholders to provide their thoughts on the value of this initiative.

The development of the G3 [coalition of three forest rights-holders organisations] ... is a very positive achievement of GFP. The G3 has the potential to be a powerful advocate and lobby... We've only just begun to scratch the surface of what could be achieved.

Gary Dunning
The Forests Dialogue, United States

GFP focuses on linking dialogues and programmes from grassroots to global level, which is completely unique. It has supported multi-stakeholder forums in country and at the global level also.

Ghan Pandey
Global Alliance of Community Forestry, Nepal

In Nepal, GFP has helped develop a culture of respecting other's views and points. Conflicting partners have begun to constructively engage in policy issues despite their huge differences.

Naya Sharma Paudel and **Dil Bahadur Khatri**
ForestAction, Nepal

GFP support has increased the awareness of the importance of international relations and the solidarity and interest in supporting forest organisations in other parts of the world. This increases the potential in setting up twinning projects and eases capacity building and technology transfer.

Ivar Legallais-Korsbakken
The Norwegian Forest Owners' Federation, IFFA, Norway

GFP's most important contribution in Guatemala has been to promote partnerships in major sectors of society with regard to forests and their role in development. This has been achieved through analysis and by identifying the potentially effective conditions and mechanisms needed.

Victor Lopez Illescas
Ut'z Che', Guatemala


GFP is one of the international institutions that give force to marginalised groups to decide their own destiny... It does not impose or bring in ready-made projects for the country.
Edward Kamara
FAO, Liberia
GFP enabled us not to just document traditional forest resource management systems; it also gave us the opportunity to make these systems more popular with the youth, thus making it possible that these systems will survive.
Minnie Degawan
International Alliance of Indigenous and Tribal Peoples of the Tropical Forests, Philippines
The most positive thing that GFP has achieved in Ghana is the participatory approach used to reach agreement on national forest sector priorities. Using multi-stakeholder workshops in the lead up to a national workshop ensured buy-in to the defined priorities, which are now being used across the country in the forest sector.
Adewale Adeleke
IUCN, Ghana
GFP singularly focuses on rights holders and the support they've identified they need.
Teresa Sarroca
The Forests Dialogue, Uruguay
An equitable approach for wide ownership

An inclusive initiative for changing policy

GFP has created opportunities for marginalised communities and ordinary Liberians — who tend to have no role in national decision making — to participate in governing chainsaw logging, one of the major uncontrolled and unregulated activities that damage Liberia's forests.

Salome Gofan
Rural Integrated Center for Community Empowerment, Liberia

GFP has helped foster an increasing realisation that consultations at all levels are critical. The national multi-stakeholder consultation involving all the counties in Liberia at the grassroot level — which led to a new regulation on chainsawing — will have a lasting impact on forest management."

Abdulai Barrie
IUCN, Liberia

GFP is different to other projects in that it takes into account all the civil society organisations including indigenous peoples. It has government, civil society, indigenous peoples and international organisations in its advisory group. It also takes into account the needs of countries and their communities.

Estebancio Castro
International Alliance of Indigenous and Tribal Peoples of the Tropical Forests, Panama

GFP is different because it supports dialogue with and proposals from [community and indigenous] sectors that traditionally do not participate in forest policy decisions… It has raised the self-esteem of community leaders, especially in advocating to forestry authorities.

Ogden Rodas
Programa Forestal Nacional, Guatemala

Helping parliamentarians lead climate policy

It is with a growing sense of urgency that the world will gather in South Africa in December 2011 for the next UN climate change conference. Despite more than two decades of international negotiations, it is still the poor and vulnerable who suffer the worst impacts of climate change.

In Africa, as elsewhere, these people are represented in policy and decision-making processes by members of parliament (MPs). These parliamentarians could play a much bigger role in developing climate resilience by bringing constituents' concerns into national forums and scrutinising how government responds to domestic and global climate change issues.

But faced with lack of expertise and fragmented policy and legislative frameworks, many African MPs struggle to lead climate change policy effectively. Most of the continent's climate change initiatives are spearheaded by government ministers, not by parliamentarians.

Funded by the UK Foreign and Commonwealth Office and partnered with the Association of European Parliamentarians with Africa (AWEPA), IIED has worked with parliamentarians in Botswana, Lesotho, Namibia, South Africa and Swaziland to discover what they need to become better leaders on climate change policy.

Through interviews, literature surveys, field trips and workshops, we are helping African MPs better understand the problem of climate change, become more effective watchdogs on government, and make informed decisions on national policy, planning and implementation.

The importance of including parliamentarians in any effort to improve climate change policies and interventions in Southern Africa is very high. It is essential to treat the climate change issue within the broader development debate. Parliamentarians — as legislators, representatives of the people and overseers of the public purse — are in a key position to respond to climate change challenges in an effective and holistic manner.

IIED and AWEPA have been able to help by involving climate change parliamentary champions and by combining needs assessment, research, technical assistance and workshops where parliamentarians of the region could exchange experiences and best practices.

Geertje Hollenberg
AWEPA, South Africa

Not much has been achieved in terms of policies on climate change but the Botswana parliament has recently approved the creation of a select committee, which will drive issues of climate change at parliamentary level. Many parliamentarians have not had opportunities to build their capacity and capacity building workshops are very important.

Hon. Molatlhegi
Member of Parliament for
Gaborone South, Botswana

There is a greater need to shift from knowledge to action — mitigation and adaptation measures and efforts to deal with climate change effects are implemented at a very slow pace.

Jefta Goreseb
Researcher, Namibia

Learning Together

Knowledge equals power!

'Knowledge equals power' is a common mantra for development. Knowledge is certainly a vital ingredient for informed decision making. But it gains potency if it is shared and applied. Knowing what works in one country or community may stimulate positive change in another. Learning from others' mistakes is important to avoid making them yourself.

IIED has long recognised the transformative power of shared learning and exchange of experience. Across all research groups within the institute, learning groups provide platforms for stakeholders across the world to tap into each other's expertise, share skills and impart best practices. These have helped build awareness of key issues, improve tactics for governance work, influence policy in countries and communities, and shape more socially and environmentally just decisions.

Being a member of PCLG has put me in a better position to understand the perspectives of local people with whom we work.

Panta Kasoma

Poverty and Conservation Learning Group

Panta Kasoma is the executive director of the Jane Goodall Institute in Uganda, working with communities to promote conservation in ways that support local livelihoods. Panta has a long history of working in ecology and conservation biology both at home and abroad. He has taught at Makerere University for 22 years and chaired NatureUganda, a non-governmental organisation, for more than a decade. At the international level, Panta has represented Africa on the BirdLife International Global Council and has long been a member of the World Commission on Protected Areas.

I joined the Poverty and Conservation Learning Group (PCLG) last year, after attending its workshop on great ape conservation and poverty alleviation in my home country, Uganda. The group seemed like a natural ally for the conservation and development work we do at the Jane Goodall Institute to improve the livelihoods of communities bordering major chimpanzee habitats.

Being a member of the network — exchanging knowledge and experience with colleagues from across the world — has already refined my perception of the link between conservation and poverty, putting me in a better position to understand the perspectives of local people with whom we work.

It has also helped me build alliances at home — I was recently elected to coordinate the activities of the PCLG-Uganda chapter, established earlier this year. It is early days yet, but I am hoping that the experiences shared through this group — through regular meetings and an email discussion forum — will help us design better projects that impact local communities more positively while at the same time enhancing conservation.

Another important objective as the Uganda group gets better established is to make a more effective contribution to the policy debate around environment and poverty in our country. The situation today is alarming: policymakers are marked by their apparent disregard for the degradation of wetlands, forests and other natural habitats, which provide a life-support system for most people in Uganda, in favour of so-called 'development projects'.

If we are to protect both environment and livelihoods, we urgently need a strong knowledge-based lobby group that politicians will not ignore. I hope that, through the PCLG in Uganda, I can be a part of that.

Sanjay Upadhyay

Forest Governance Learning Group

FGLG is not just another network... we are making a real impact on millions of people's livelihoods and wellbeing in India.

Sanjay Upadhyay is an environmental lawyer in India, with a wealth of experience in forest governance. In 1999, after completing four years with the World Wide Fund for Nature India, he established the country's first environmental law firm, the Enviro-Legal Defence Firm, in New Delhi, where he remains a managing partner. Sanjay is also an advocate of the Supreme Court of India, fighting court cases and negotiating with the government on a range of forest issues.

I have a long history of collaborating with IIED – before joining the Forest Governance Learning Group (FGLG) in 2006 I worked on a range of projects with the institute. But the FGLG is different.

There are ten countries involved in the group, across Africa and Asia. I don't often get the chance to work on a comparative basis with African countries in particular and the group has given me a unique learning opportunity to experience, and learn from, other country contexts.

Our challenges are not country-specific: the struggles on forest tenure or pro-poor strategies for reducing emissions from deforestation and forest degradation (REDD) are global concerns – and it is always good to know how different countries are tackling them. Sometimes, what has worked in one country helps you understand your country context better. But this type of global learning also allows you to learn from other people's mistakes.

Being part of FGLG has made me a better advocate – not many Supreme Court lawyers can draw on first-hand experience in Malawi or Bali to build a case in court or negotiate for action with our government.

And it has helped me exert an influence where it really matters. FGLG is not just another network – it is a group of serious people who truly matter when it comes to making decisions about forests.

From drafting the country's first Forest Rights Act to writing a letter that has become the guiding note for enabling tribal communities to use bamboo, we are making a real impact on millions of people's livelihoods and wellbeing in India.

I hope that we as a group can find the resources and people to allow FGLG to continue beyond existing funding commitments. It has great value in terms of ideas, strategies and experience, which can actually resolve issues of forest governance on the ground.

ONLINE EXTRA

www.iied.org/ar2011/sanjayupadhyay

Alberto Monterroso

Small producer agency in the globalised market: Global Learning Network

By sharing knowledge and experience, all members of the learning group gain fresh perspectives for change

Alberto is director of the non-governmental organisation Organización para la Promoción Comercial y la Investigación (OPCION) in Guatemala, where he works on rural development — researching and implementing approaches to strengthen the organisational, productive and commercial capacities of small-scale farmers in Central America. He is also president of Comercializadora Aj Ticonel, a company that produces, packages and exports vegetables to Central American, US and European markets.

Two years ago, I was invited to join a global learning network to combine action research and learning on some of the critical challenges facing small-scale producers in globalised markets.

I was keen to get involved — both to contribute the results of my fifteen years experience working with smallholders in Central America and to harness the expertise of others working in this field elsewhere.

The network links people from different regions. We live in different realities but it has become clear that we face the same challenges. The problems hindering the development of Guatemalan indigenous producers — limited access to markets, lack of technology and precarious conditions — are similarly thwarting small-scale producers in Kenya or Uganda.

By sharing knowledge and experience, all members of the learning group gain fresh perspectives for change. During a meeting last year in Fort Portal, Uganda, we met local farmers and not only discussed the challenges they face, but more importantly shared how we have overcome them.

The network also provides a critical platform for broader impact at home. Through it, I am working to build a new consensus in Central America about how governments can best support smallholders. Part of that includes campaigning for a Central American fund, supported by individual governments, to provide financial support for small-scale farmers. This is a clear example where the network is already beginning to contribute a wealth of practical knowledge, and where the strength of working together on the same topic really comes into its own.

ONLINE EXTRA

www.iied.org/ar2011/albertomonterroso

Inside IIED

Staff

Director
Camilla Toulmin

Senior Fellows
Barry Dalal-Clayton
Saleemul Huq
David Satterthwaite

Climate Change
Simon Anderson
Group head
Achala Chandani Abeysinghe
Jessica Ayers (joined 2010)
David Dodman
Hohit Gebreegziabher
Beth Henriette
Ced Hesse
Nanki Kaur
Hannah Reid (left 2011)
Corinne Schoch

FIELD
Joy Hyvarinen
Director
Anna Karklina
Maria Ortiz
Christoph Schwarte
Linda Siegele (left 2010)
David Wei

Human Settlements
Diana Mitlin
Interim group head
Cecilia Tacoli
Interim group head
Jane Bicknell
Gordon McGranahan
Martin Mulenga
Steph Ray
Candice Sly (joined 2010)

Natural Resources
James Mayers
Group head
Nicole Armitage
Holly Ashley
Lila Buckley (joined 2010)
Lorenzo Cotula
Marie Jaecky
Nicole Kenton
Cath Long (left 2010)
Duncan Macqueen
Angela Milligan
Elaine Morrison
Isilda Nhantumbo (joined 2010)
Michel Pimbert
Grazia Piras (joined 2010)
Emily Polack (joined 2010)
Christele Riou
Lucile Robinson (joined 2011)
Dilys Roe
Leianne Rolington
Jamie Skinner
Krystyna Swiderska
Khanh Tran-Thanh

Sustainable Markets
Steve Bass
Group head
Tom Birch
Emma Blackmore
Abbi Buxton
Muyeye Chambwera
Ethel Del Pozo-Vergnes
Ben Garside
Maryanne Grieg-Gran
Kate Lee
James MacGregor (left 2010)
Essam Mohammed (joined 2010)
Ina Porras Borloz
Frances Reynolds
Stephen Spratt (left 2010)
Bill Vorley
Emma Wilson

Communications
Liz Carlile
Director
Soti Coker
Teresa Corcoran (joined 2010)
Barbara Kiser (left 2010)
Sian Lewis (joined 2010)
Vanessa McLeod-Kourie
Kate Munro (joined 2010)
Rosalind Portman (joined 2010)
David Sankar
Mike Shanahan

Core
Chris Wilde
Finance director
Caroline Adebanjo
Abi Alabede
Giles Anyiamuka (joined 2010)
Brian Barban
Neil Hedgecock (joined 2010)
Debra Spencer
Michelle Tsoi
Nick Greenwood
Head of human resources
Jess Ashford (joined 2011)
Donatella Gnisci
Caroline Johnston
Andrew Archer
Head of IT services
Paul Granger
Debola Ogunnowo
Liz Aspden
Executive assistant
Steph Bramwell
Charlotte Forfieh
Karen Hartley
Leda Hodgson
Buffy Price (joined 2011)

Partnerships
Tom Bigg
Head
Catherine Baker (joined 2010)
Alastair Bradstock
Lucie Fry
Kate Lines (joined 2010)

5

International Fellows
Mozaharul Alam, Bangladesh
Florencia Almansi, Argentina
Kojo Amanor, Ghana
Cynthia Brenda Awuor, Kenya
Hernán Blanco, Chile
Celine d'Cruz, India
Jiří Dusík, Czech Republic
Taghi Farvar, Iran
Yarri Kamara,
Sierra Leone/Burkina Faso
Marie Monimart, France
Lwandle Mqadi, South Africa
Diego Muñoz Elsner, Bolivia
Victor Orindi, Kenya
Coral Pasisi, Fiji
Daoud Tari Abkula, Kenya
Jesper Stage, Sweden
Virgilio Viana, Brazil
Dongying Wang, China
Lyuba Zarsky, USA

FIELD moves ahead

After six years of being a subsidiary of IIED, the Foundation for International Environmental Law and Development (FIELD) has re-established itself as an independent non-governmental organisation.

Over the years, the institutional alliance has married FIELD's legal expertise and IIED's knowledge in social, political and economic sciences. Together we have worked on many exciting projects to help vulnerable countries and communities amplify their voices in national and international decision-making arenas, and find solutions to pressing environmental challenges. We congratulate FIELD on this timely move, wish the organisation the best for the future, and look forward to continuing our fruitful collaboration in the years to come.

Trustees

Maureen O'Neil
Chair, Canada

Alan Jenkins
Vice Chair, UK

Frank Kirwan
Treasurer, UK

Julio Berdegué
Mexico

Teresa Fogelberg
The Netherlands

Timothy Hornsby
(retired 14 June 2011)
UK

Laila Iskandar
Egypt

Lailai Li
(retired 14 June 2011)
China

Anna Maembe
Tanzania

Pancho Ndebele
South Africa

Sheela Patel
India

Ian Rushby
(appointed 22 November 2010)
UK

Francisco Sagasti
Peru

Henrik Secher-Marcussen
(retired 14 June 2011)
Denmark

For more information on our board of trustees, visit **www.iied.org/general/about-iied/board-trustees**

Donors

IIED is grateful to the organisations listed for financial support over the year 2010/11.

Government and government agencies

AusAid, Australia
British Council, Tanzania
Department for Business, Innovation and Skill, UK
Department for Environment, Food and Rural Affairs, UK
Department for International Development (DFID), UK
Department of Energy and Climate Change, UK
DFID Partnership Programme Arrangement, UK
Dutch Ministry of Foreign Affairs
Foreign and Commonwealth Office, UK
GTZ, Germany
Government Office for Science, UK
Irish Aid, Department of Foreign Affairs
Jersey Overseas Aid
Ministry of Environment, Sweden
Ministry of Foreign Affairs, France
Norwegian Agency for Development Cooperation
Norwegian Embassy, Mozambique
Norwegian Ministry of Environment
Royal Danish Ministry of Foreign Affairs
Swedish International Development Cooperation Agency
Swiss Agency for Development and Cooperation

International and multilateral agencies

African Development Bank
European Commission
European Parliament
European Parliaments for Africa
International Fund for Agricultural Development
Organisation for Economic Co-operation Development
United Nations
United Nations Development Programme
United Nations Environment Programme
United Nations Food and Agriculture Organisation
United Nations Habitat
United Nations Office for Project Services
United Nations Population Fund
World Bank

Foundations and NGOs

African Centre for Technology Studies
Arcus Foundation
Bill and Melinda Gates Foundation
Care
Christensen Fund
Comic Relief
Commonwealth Foundation
Cordaid
COWI
Danish 92 Group
Economic and Social Research
Ecosystems Services for Poverty Alleviation
Esmée Fairbairn Foundation
ETC, Netherlands
Fairtrade Foundation
Ford Foundation
Forests Monitor
Gordon and Betty Moore Foundation
Hivos
Howard G. Buffett Foundation

Humanist Institute for Cooperation with Developing Countries
IIED America Latina
Institute of Development Studies
International Centre for Integrated Mountain Development
International Development Research Centre
Internews
International Federation of Red Cross and Red Crescent Societies
International Institute for Sustainable Development
International Union for Conservation of Nature
Kimmage Development Studies Centre
London School of Hygiene and Tropical Medicine
Natural Environment Research Council
Norwegian Institute for Nature Research
Oxfam, Kenya
Oxfam, Netherlands
Oxfam, UK
Oxford Climate Policy
Panos
Plan International
Rainforest Alliance
Rockefeller Foundation
RAEIN Africa
Rufford Maurice Laing Foundation
SOS Sahel
SouthSouthNorth
Stockholm Environment Institute
Sustainable Food Lab
Swedforest International
Sigrid Rausing Trust
Technical Centre for Agricultural and Rural Cooperation
Tufts University
University of Copenhagen
University of Wolverhampton
Waterloo Foundation
Water Resources Coordination Centre
World Resources Institute
WWF International
WWF Switzerland
WWF UK

Corporate

The Cooperative
Harewelle International Ltd
Indufor Oy
LTS International Ltd
Price Waterhouse Coopers Service
The British Petroleum Company
The Policy Practice

Financial Summary

Trustees Statement
The figures on these pages are extracted from the full trustee's report and financial statements that have been audited by Kingston Smith LLP, who gave an unqualified opinion. The full accounts were approved on 27 September 2011. Copies of the full accounts have been submitted to the Charity Commission and Register of Companies. This summarised financial information may not contain sufficient information to gain complete understanding of the financial affairs of the charity. The full trustees' report, audit report and financial statements may be obtained from the company's offices.

The auditor has issued unqualified reports on the full annual financial statements and on the consistency of the Trustees' report with those financial statements. Their report on the full annual financial statements contained no statement under sections 498(2), 498(2)(b) or 498(3) of the Companies Act 2006.

Independent Auditor's statement to the Trustees of IIED
We have examined the summarised financial statements for the year ended 31 March 2011.

Respective responsibilities of Trustees and Auditors
The Trustees are responsible for preparing the summarised financial statements in accordance with the applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements and Trustees' Annual Report and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereafter.

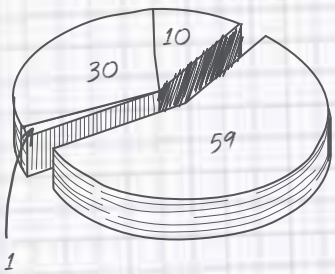
Basis of opinion
We conducted our work in accordance with Bulletin 2008/03 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion on those financial statements and the Trustees' Report.

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 for the year ended 31 March 2011 and complies with the applicable requirements of section 427 of the Companies Act 2006, and the regulations made thereafter.

Kingston Smith LLP
Chartered Accounts and Registered Auditors
Devonshire House, 60 Goswell Road
London EC1M 7AD

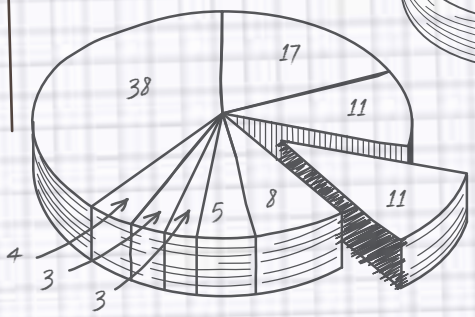
Income by donor type
2010/11 (Total £20.2m)

Foundations and NGOs **59%**
Government and government agencies **30%**
International and multilateral agencies **10%**
Corporate and other **1%**



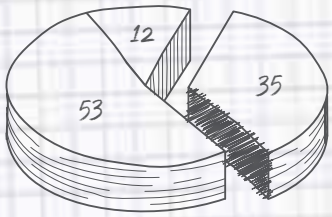
Expenditure by group
2010/11 (Total £20.4m)

Grant management **38%**
Natural Resources Group **17%**
Sustainable Markets Group **11%**
Climate Change Group **11%**
Human Settlements Group **8%**
Partnerships and development **5%**
Governance projects **3%**
Communications **3%**
Other **4%**



Expenditure by type
2010/11 (Total £20.4m)

Payments to partners **53%**
Programme costs **35%**
Support costs **12%**



Consolidated income and expenditure for the year ended 31 March 2011

Income and expenditure	Unrestricted funds General £	Unrestricted funds Designated £	Restricted funds Core activities £	Restricted funds Grant management £	Group total 2010/11 £	Group total 2009/10 £
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2,239	–	11,154	–	13,393	6,326
Investment income	55,023	–	(227)	5,079	59,875	49,381
	57,262	–	10,927	5,079	73,268	55,707
Incoming resources from charitable activities						
Commissioned studies and research	41,709	57,995	12,165,401	7,816,250	20,081,355	14,177,456
Publications	6,262	–	23,385	–	29,647	52,888
	47,971	57,995	12,188,786	7,816,250	20,111,002	14,230,344
Other incoming resources	82	–	3,666	–	3,748	3,600
Total incoming resources	105,315	57,995	12,203,379	7,821,329	20,188,018	14,289,651
Resources expended						
Charitable activities						
Commissioned studies and research	98,222	302,288	11,780,547	7,821,329	20,002,386	18,817,067
Publications	6,348	–	296,727	–	303,075	329,763
Governance costs	–	–	126,105	–	126,105	87,244
Total resources expended	104,570	302,288	12,203,379	7,821,329	20,431,566	19,234,074
Net income/(expenditure) for the year before transfers	745	(244,293)	–	–	(243,548)	(4,944,424)
Transfers between funds	(203,797)	203,797	–	–	–	–
Net movement in funds	(203,052)	(40,496)	–	–	(243,548)	(4,944,424)
Funds brought forward at 1 April 2010	2,656,146	1,112,007	–	–	3,768,153	8,712,577
Funds carried forward at 31 March 2011	2,453,094	1,071,511	–	–	3,524,605	3,768,153

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

How to contact us

IIED
www.iied.org
80–86 Gray's Inn Road
London WC1X 8NH
United Kingdom

T: +44 (0)20 3463 7399
F: +44 (0)20 3514 9055
E: info@iied.org

This report is specially sized to be economical in regard to paper use. The cover is made from 100 per cent recycled board. The text pages are manufactured by an ISO 14001 certified mill, sourced from fully sustainably managed forests.

Page number/photo credit

14 ecbi (top); Sevanatha (bottom)

15 IIED/Achala Chandani

17 IIED/David Dodman

19 Main: Deccan Development Society. Insets: IIED/Khanh Tran-Thanh

20 Ochkin Alexey/Shutterstock

21 Thor Jorgen Udvang/Shutterstock

22–23 Main: Ray Witlin/World Bank. Insets: Hector Conesa/Shutterstock (top); Pichugin Dmitry/Shutterstock (bottom)

25 Practical Action

26–27 Top: IIED/Grazia Piras. Bottom: IIED/Cath Long (left, middle), IIED/Grazia Piras (right)

30–31 Asianet-Pakistan/Shutterstock

33 Main: Rhett Butler. Insets: IIED/Essam Mohammed

35 Main: Zyankarlo/Shutterstock. Inset: Global Water Initiative

36–37 IIED/Abbi Buxton

40 Bill & Melinda Gates Foundation

41 Magalie L'Abbé

43 Bill & Melinda Gates Foundation

47 Top: Homeless People's Federation Philippines (left); Asian Coalition for Housing Rights (top right); IIED/Diana Mitlin (bottom right). Bottom: Sevanatha (left); IIED/Diana Mitlin (right)

51 Clockwise from top: IIED/Holly Ashley; CENTAL; Alhassan Mohammed Awal; World Vision Lesotho; IIED/Holly Ashley; IIED/Holly Ashley; Rosemary McGee; George Yorke; IIED/Holly Ashley

55 Khanh Tran-Thanh (top, middle); R. Gino Santa Maria / Shutterstock (bottom)

56 Right: Ruchi Pant/Ecoserve (top); Asociación ANDES (middle); Global Crop Diversity Trust (bottom). Left: Ruchi Pant/Ecoserve (top); IIED/Khanh Tran-Thanh (bottom)

57 Left: Government of Japan. Right: IIED/Khanh Tran-Thanh (top); Ruchi Pant/Ecoserve (bottom)

58–59 IIED/Rosalind Portman

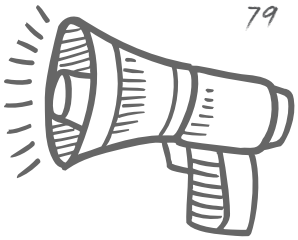
66–67 IIED/Achala Chandani

72–75 IIED

SteersMcGillanEves Design
01225 465546

Emtone Print
01225 330894

Share *your story*



If you, or your colleagues, have helped shape a decision for sustainable development, please share your story and tell us how your work has made a difference. As this year's annual report shows, IIED strives for equity, justice and sustainability in decision making. We look beyond transforming public policy to identify how other actors, including local communities, global institutions, civil society and markets, can bring about positive change.

We would like to know more about how you have helped make a difference in your field. Perhaps, like us, your approach focuses on participation, accountability, transforming power relations and respect for ecological limits. Or perhaps you have found an alternative route to changing the rules for a fairer, more sustainable planet.

Whatever your achievement in shaping decisions for sustainable development – be it providing evidence to decision makers, amplifying the voices of marginalised people in key debates, building bridges between different groups, securing benefits for affected communities, or protecting ecosystems and livelihoods – we'd like to hear about your efforts.

Please share your story with us by answering these few questions and sending them to:

IIED, 80–86 Gray's Inn Road
London, WC1X 8NH United Kingdom

Alternatively, you can answer the questions online at **www.iied.org/ar2011/share**, or email your story to **info@iied.org**.

We will publish a selection of stories on our website www.iied.org in late 2011. If you would like your story to be considered for publication, don't forget to send us a contact email address.

What is your name?

What is your profession/livelihood?

Where do you work?

What is the nature of your work?

Share *your story*

Tell us how you (or your colleagues or community) have helped shape a decision to benefit environment and development.

What difference have you been able to make — what are the significant outcomes?

What elements of your approach were most successful?

Do you have any further comments?