



International Institute for Environment and Development

Trustees' report and accounts for the year ended
31 March 2017

Registered company number: 2188452

Registered charity number: 800066

Registered OSCR number: SC 039864

Trustees' report (continued)

Glossary

ASM	artisanal and small-scale mining
CIFOR	Centre for International Forestry Research
COP22	Conference of the Parties
CSO	civil society organisation
DFID	Department for International Development (UK)
ESRC	Economic and Social Research Council
FRS	financial reporting standard
FY	financial year
Hivos	Humanistisch Instituut voor Ontwikkelingssamenwerking (Humanist Institute for Cooperation)
GEC	Green Economy Coalition
GIZ	Deutsche Gesellschaft Für International Zusammenarbeit
GWI	Global Water Initiative
HR	human resources
ICCCAD	International Centre for Climate Change and Development
ICRAF	World Agroforestry Centre
IEG	(LDCs') Independent Expert Group
IIED	International Institute for Environment and Development
IRF	Independent Research Forum
IUCN	International Union for Conservation of Nature and Natural Resources
LDCs	Least Developed Countries
NGO	non-governmental organisation
SDGs	Sustainable Development Goals
Sida	Swedish International Development Cooperation Agency
UNFCCC	United Nations Framework Convention on Climate Change
UNOPS	United Nations Office for Project Services
WWF	Worldwide Fund for Nature

IIED groups:

CCG	Climate Change Group
HSG	Human Settlements Group
FARA	finance, audit and risk assessment (sub-committee)
NRG	Natural Resources Group
SLG	Strategy and Learning Group
SSMG	Shaping Sustainable Markets Group

Trustees' report (continued)

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

Trustees

Rebeca Grynspan (chair)
 Lisa Beauvilain (retired 22 June 2017)
 Filippa Bergin
 Somsook Boonyabancha
 Fatima Denton (re-elected 21 June 2016)
 David Elston
 Ahmed Galal
 Michael Horgan (appointed 10 November 2016)
 Frank Kirwan (treasurer until date of retirement 22 June 2016)
 Angela McNaught (treasurer from 22 June 2016)
 Michael Odhiambo (resigned 11 October 2016)
 Lorenzo Rosenzweig
 Tara Shine
 Elizabeth Stephen (appointed 10 November 2016)
 Ian Rushby (vice chair)
 Min Tang (retired 22 June 2017)

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

Director

Dr Andrew Norton

Registered office

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

Registered company number: 2188452

Registered charity number: 800066

Registered OSC number: SC 039864

Auditors

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

Solicitors

Bates, Wells & Braithwaite LLP
 10 Queen Street Place
 London
 EC4R 1BE

Bankers

Barclays plc
 Level 27
 1 Churchill Place
 London
 E14 5HP

The trustees present their annual report, including the directors' report and strategic report, with the audited accounts for the year ended 31 March 2017. This report and the accounts have been prepared in accordance with the Companies Act 2006, the company's articles of association and Charities SORP (FRS102) applicable to charities preparing accounts in accordance with FRS 102: the financial reporting standard applicable in the UK and Republic of Ireland.

Trustees' report (continued)

Structure governance and management

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

The company is registered in the UK as a company limited by guarantee (registered no 2188452) and its activities are governed by the Memorandum and Articles of Association (dated 23 July 2008).

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

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

Trustee appointment

The names of the trustees are shown on the previous page. Trustees retire by rotation; six years' service (3+3) is the maximum, unless allowed exceptionally by the Board of Trustees. The board annually reviews the structure, size and composition (including the skills, knowledge and experience) of the board. The nominations sub-committee ensures that candidates of the highest calibre, with appropriate and diverse mix of skills and experience, are put forward for selection by the Board of Trustees. Trustee vacancies are advertised on the IIED website, charity and trustee websites as appropriate and through IIED's networks.

Trustees attend an induction programme before appointment to familiarise themselves with the institute's operational activities and day-to-day management, which have a bearing on trustees' roles and responsibilities.

Organisational structure

The Board of Trustees governs the organisation in line with its articles of association, vision, mission, values, aims and charitable objectives, and provides overall policy direction. The board is responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company. IIED's Board of Trustees meets in full twice a year and three times a year as the Executive Committee. Any board member may attend the Executive Committee, either by conference call or in person.

Members of IIED's senior management team attend board, committee and sub-committee meetings.

Executive Committee meetings focus on company business, which includes the routine programme work and the review of management accounts and risk management reports from the finance, audit and risk assessment (FARA) sub-committee. Each year, the board also reviews and approves the strategy and rolling business plan. The Executive Committee is quorate with three trustees, one of whom must be the chair, vice chair or treasurer.

The FARA sub-committee meets three times a year to review financial performance, assurance and risk management at IIED. It reports to the board and the Executive Committee. FARA is quorate with three trustees, one of whom must be the chair, vice chair or treasurer, and any board member may attend.

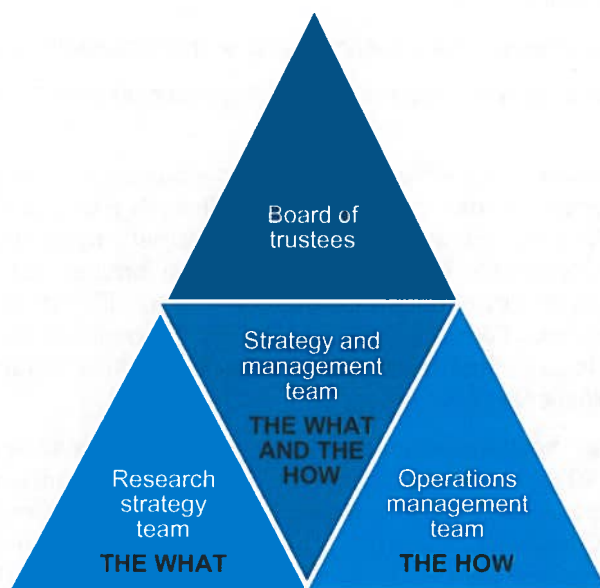
The fundraising sub-committee reviews the progress of fundraising and business development work against the strategy and plan, reporting to the board.

The nominations sub-committee supports the board in the execution of its responsibility to establish a formal and transparent procedure for the appointment of new trustees, supported by an annual review of the composition of skills, diversity and geographical focus.

Trustees' report (continued)

In 2016, the board carried out a governance review. It considered and adopted the review's findings and recommendations at its meeting in November 2016, including increasing the quorum for the board and sub-committees. The review concluded that, while some updating and clarification to the documentation would be helpful and desirable, IIED has a sound governance structure — including documentation — which is properly managed and understood by the board and management. This year the board carried out a bi-annual self-assessment and from the results the board shall agree a two-year action plan at the next board meeting.

The board delegates the day-to-day running of the institute to the director, who is supported by three leadership teams: strategy and management, operations management and research strategy.



The strategy and management team refines and delivers IIED's strategy in relation to external needs and opportunities, as well as internal resources and capacities. The operations management team puts the strategy into operation and maintains a sustainable institute. The research strategy team steers the content and maintains oversight of research elements of IIED's strategy.

The institute's researchers work in four groups: Climate Change (CCG), Human Settlements (HSG), Natural Resources (NRG) and Shaping Sustainable Markets (SSMG). The director, management and the research groups are supported by two other groups — Strategy and Learning (SLG) and Communications — in addition to operating functions reporting to the chief operating officer. In financial year (FY17) there were two new appointments to the senior management team: director of CCG, Clare Shakya and chief operating officer, Deborah Harris.

Trustees' report (continued)

About IIED

The purposes of IIED as set out in its Memorandum of Association are to advance the education of the public by all charitable means and to promote sustainable development for the benefit of the public through:

- The preservation, conservation and protection of the environment and the prudent use of natural resources
- The relief of poverty and the improvement of conditions of life in socially and economically disadvantaged communities, and
- The promotion of sustainable means for achieving economic growth and regeneration.

Progress of activities and achievements against IIED strategy can be found in the strategic report section of this report.

IIED is a policy and action research organisation. We promote sustainable development to improve livelihoods and protect the environments on which these livelihoods are built. We specialise in linking local priorities to global challenges. IIED is registered as an international organisation with the Organisation for Economic Cooperation and Development's Development Assistance Committee and roster consultative status with the UN Economic and Social Council. IIED is based in London and works in Africa, Asia, Latin America, the Middle East and the Pacific, with some of the world's most vulnerable people. We work with them to strengthen their voices in the decision-making arenas that affect them — from village councils to international conventions.

Established in 1973, IIED has made important contributions to many milestones of sustainable development for more than 40 years. These include the Brundtland Commission of 1987, the 2002 World Summit on Sustainable Development in Johannesburg, the annual meetings of the UN Framework Convention on Climate Change (UNFCCC), the Rio+20 summit in 2012, the Paris Agreement on Climate Change and the Sustainable Development Goals in 2015.

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

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

Delivering public benefit

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

Trustees' report (continued)

Investing in institutional performance

IIED has continued to invest in staffing, process and system changes to support increased effectiveness. Following the recruitment of the head of business development in FY17, we carried out a review of the proposal development process, with cross-institutional capacity building to support implementation. We launched the contact relationship management system, built in FY16, alongside an extensive training programme and data quality review.

Following a review of our existing human resources (HR), finance and project management systems, the board approved investment for FY18 in an enterprise resource planning system. We will develop this to link to IIED's intranet (launched in 2016) for document management and to the contact relationship management system for partner and donor information management.

Staff summary

In 2016, IIED carried out a review of staff salaries against similar organisations in the sector, which identified that our salary structure and benefits package is broadly in line with the market. We also carried out a review of HR policies through a gender and equality lens, which led to improvements to family-related benefits.

IIED has an agreement with the trade union Unite.

IIED operates a broad-banded salary structure, with spinal points within the top and bottom of each band. A new employee's starting point on the scale is confirmed by HR, based on specific, objective criteria. All IIED's posts are paid within the salary scale other than two: the Director and the COO; and the salaries for these posts are agreed by the Board.

A focus on strategy, learning and impact

At IIED, we use a results framework to plan and report on our work. This is a live, five-year rolling document that guides planning and implementation across the institute. The results framework includes annual targets and learning questions for each goal and change initiative. These are designed to speak to our institutional theory of change, which identifies four key dimensions of change in the following:

- The body of evidence
- The capacity of governments and multilateral bodies to engage with the evidence generated
- The capacity of civil society organisations and the private sector to engage with the evidence generated, and
- The way people build partnerships and participate in local and international arenas.

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This year, the results framework strongly focused on issues of gender equality in our work, picking up the analysis in the gender audit we conducted last year and the organisational commitments in our gender manifesto (see 'Mainstreaming gender'). The cross-organisational Gender Equality Champions Network, which includes people from across the organisation, led this work.

Mainstreaming gender

IIED has worked hard over the past year to put gender equality and equity at the heart of what we do and how we do it.

At an institutional level, we have strengthened our capacity on gender, providing gender awareness training to 85 per cent of our staff, and gender in research training to more than half of our researchers. We have built a gender focus into our proposal development process and provided guidance for researchers on integrating gender into all aspects of project design and delivery.

At a project and programme level, we have integrated gender in several different ways, including:

- **Increasing awareness of women's roles and experiences, needs and priorities.** This includes activities across multiple media and communication channels. In Kenya, we produced a video reflecting on women's experiences in managing decentralised climate funds, to increase understanding that poor households are more resilient when women have a greater voice in decisions. Our 'stories of change' project, which documents responsible mining practices, featured several women miners. And the October 2016 issue of *Environment & Urbanization* had a special focus on women's livelihoods and women in informal employment.
- **Generating and sharing knowledge on gender issues.** Many of our projects this year — in topics ranging from land reform to agroecology to informal employment — included analyses of gender dimensions or the use of gender-disaggregated indicators. We have also supported knowledge exchange on gender among other initiatives — for example, our competitive calls for Urban Crises Learning Fund proposals encouraged research projects with a gender perspective. We also provided a platform for practitioners working on gender-equitable land reform to share experiences and identify common challenges and solutions.
- **Amplifying women's voices in decision-making arenas.** In Isiolo County, Kenya, we ensured that women make up 40 per cent of community climate change committees, which decide how to invest decentralised climate funds. At a global level, we trained young women climate negotiators and worked with the LDC Group to improve gender balance and integrate gender issues in climate negotiations. These activities have had an impact: a paper we co-authored with Malawi's negotiator on climate and gender was reflected in the COP22 decision on gender and climate change; and an LDC Group delegate is now taking a leadership position in the negotiations on gender and technology transfer.

To capture reflections and future priorities for inclusion in the results framework, the SLG conducted 12 reflective workshops with 15 research teams to reflect on the following:

- Have we done the right things?
- Have we done things right?
- What is the evidence?
- How do we know what we think we know?
- What does this mean for next year's plans?

We have submitted our results framework report for 2016/17 to our institutional funders — Irish Aid, the Swedish International Development Cooperation Agency (Sida), the Danish International Development

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Agency (Danida) and the UK government's Department for International Development (DFID) — as our formal report on our use of their funding.

The major external review of IIED's work, conducted at the mid-point of our five-year strategy in 2016, recognised our commitment to continuous improvement in our approach to learning and impact. It gave a strong endorsement to our approach and the impact we have, but also challenged us as an organisation to be more strategic in understanding how we contribute to broader change processes and to develop a more ambitious programme of work on monitoring, evaluation and learning. The [full review](#) and [IIED's management response](#) are on our website. We will develop more detailed plans to address the main recommendations and action points in the review over the coming year.

Ensuring excellent communications

Our Communications Group works with colleagues across IIED to deliver efficient, collaborative and innovative research communications that have the best chance of achieving impact, in a way that represents value for money. This year, we continued to build on our five-year strategy, which has the following three key objectives, designed to help us deliver on the strategy with impact and influence:

- Putting audiences first
- Creating content for impact, and
- Enabling best practice communications and marketing.

Our day-to-day work supports two kinds of activities. The first are what we call standing capacity activities, which are designed to ensure we have a strong web platform and online community. This year, we developed greater access to our publications database and tightened our overall web security. As part of this skill set, we support IIED international events. Last year, these included Habitat 3, the Year of Urban, the 22nd Conference of the Parties (COP22), Development and Climate Days. We also held a Barbara Ward lecture and our Communications Learning Week and produced over 90 knowledge products. Our online social media presence continues to grow.

This coming year, we are focusing our efforts on developing even greater understanding about what works and what does not, so we can inform proposal and concept development more thoroughly. We are changing our media strategy to a more qualitative approach with less, but higher impact coverage. The Communications Group will continue to support research group-funded projects with 50 per cent of its time spent to deliver on specific projects.

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Strategic report

Our progress to date and looking ahead.

Our strategy

IIED's mission is to build a fairer, more sustainable world using evidence, action and influence in partnership with others.

This year marked the mid-point of our five-year strategic period and we spent time reflecting on our strategy through an [independent external review](#) (see 'Analysis and assessment' below) and an internal discussion on changing global development frameworks. As a result of both these activities, we have [updated our strategy](#) for its last two years (FY18 and FY19).

We remain committed to rigorous and inclusive research, evaluation and communication. And we will continue to build on our international reputation for this type of work in natural resources, human settlements, climate change and sustainable markets, by working towards our four research goals:

- Increased investment in locally controlled land and natural resource use
- Cities that work for people and planet
- Fair and equitable solutions to climate change, and
- Sustainable markets that work for the many, rather than the few.

In response to the changing global context, we will direct our collaborative efforts over the next two years at fulfilling three broad ambitions that we believe can help governments and others turn international commitments into reality at national and local levels:

- Making the Paris Agreement and the Sustainable Development Goals (SDGs) work
- Building resilient and thriving local communities through partnership, and
- Bringing local realities and innovation to national and global policy.

Each of these provides a cross-cutting theme to our work, integrated into individual projects and programmes under our four core areas of research. Together, they provide a direction of change that is compatible with IIED's strengths — partnership, local-to-global engagement and intellectual innovation. They serve as guiding principles for collective effort rather than a prescription for a discrete new set of activities.

Overall, our strategy remains one of engaging for change: pushing the boundaries of research; building partnerships to influence decisions in policy and practice; and ensuring the poor have a voice at every level.

Analysis and assessment

Over the past year, two activities in particular have given us an insight into what our stakeholders think of our strategy and the work we do to support sustainable development: an external review and a stakeholder survey.

External review

In 2016, we convened a team of development experts to review IIED's work and assess our contribution to positive change. This external review had a twin focus, designed to help us think about both our past and our future.

Looking back, the reviewers emphasised that IIED's strengths lie as much in our ways of working as in the specific environment and development issues we address, and that how we work is at least as

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important as what we do. They pointed to our pathways to impact — four consistent ways of working that cut across our research areas and have been shown to deliver positive change. These are:

- **Multi-stakeholder dialogue:** convening networks and facilitating dialogue to share local knowledge, build the capacity of less powerful actors and influence decision makers in policy processes
- **Research to policy:** building on existing bodies of work and partnering with local stakeholders to develop practical solutions that support pro-poor governance
- **Targeting policymakers:** reframing the knowledge of decision makers and developing policy frameworks to domesticate global plans and make them relevant to local contexts and realities
- **Empowering the powerless:** building capacity and enabling less powerful groups to get their voices heard in decision-making arenas, share their knowledge and advocate for their priorities.

Looking forward, the review challenged us to be more strategic in understanding how we contribute to broader change processes and to develop a more ambitious programme of monitoring, evaluation and learning, including impact-level assessment (see 'Looking ahead' below).

The [full review](#) and [IIED's management response](#) are available on our website.

Stakeholder survey

Responses to our 2017 stakeholder survey indicate that IIED is highly regarded for its research quality and uptake, with stakeholders particularly valuing our community inclusion, partner engagement and the accessibility and originality of our research.

Respondents were asked to rate IIED in comparison to similar organisations against three main areas:

- Building bridges
- Building capacities, and
- Changes in policies and practice.

The responses suggest that IIED's particular added value lies in convening dialogue between stakeholders and brokering the local/community dimension into national and international decision-making spaces. This is something many respondents (especially from the South) feel is rare in the work of other think tanks and academic institutions.

Stakeholders also rated us positively, although less strongly, for our ability to influence policy and practice and for our methodological rigour.

A few respondents flagged the fact that formal peer review is not standard practice in all IIED research but there may be a trade-off between complex peer review processes and encouraging the local, participatory research that they clearly recognised and appreciated as an IIED strength.

Core research areas

Natural resource management

Our goal: increased investment in locally controlled land and natural resource use

The squeeze on natural resources, ecosystems and the livelihoods they support is tightening. This is partly because land and resource rights lie in the wrong hands and partly because many of the people who are close to realising sustainability lack power. That is why IIED focuses on improving investment in local control and the sustainable management of natural resources and other ecosystems. We work with networks and organisations in Africa, Asia and Latin America and aim to have a tangible impact in 15 countries. Together, we raise awareness of the roles that small-scale producers and local people play in maintaining their resources, and we help identify tools and tactics to strengthen their capacities.

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We also generate evidence and build the capabilities needed to improve the policies, laws and working practices of governments, companies and institutions.

Themes of work under this goal: legal tools; agroecology; forests; biodiversity; water infrastructure; China in development.

Progress

NRG has worked in partnership this year to achieve changes in practice and policy at various levels. For example, in Mozambique, our work on **REDD+** (which aims to reduce emissions and conserve forests) [trialled four interventions](#) that have led to: community forest concessions granted over 200,000 hectares of land; support to 1,500 farmers to adopt conservation agriculture; and more than 1,000 beehives distributed to raise farmer incomes from non-timber products.

Our long-term engagement with in-country partners and successful South-South exchange on **agroecology** has influenced policy — for example, by shaping Peru's new law on agro-biodiversity and helping [secure local government support for a biocultural territory](#) in China's Stone Village.

So, too, has our work on water. An [external review](#) of the **Global Water Initiative** (GWI), which IIED co-manages, concluded that, "GWI has made remarkable progress in influencing policy on water management infrastructure and land tenure in irrigated areas in West Africa."

Our work on **biodiversity** is helping shape international decisions. The Hanoi Declaration on Illegal Wildlife Trade and a Convention on Biological Diversity decision on sustainable wildlife management both referenced our work on community engagement in conservation and community-based natural resource management. And key funding agencies, including the Global Environment Facility, have taken up our [Social Assessment of Protected Areas](#) work.

Elsewhere, NRG helped build capacity and momentum for future change at the grassroots. Our **legal tools** team worked with local partners to help communities exercise their rights in the face of land pressures — for example, by negotiating [land charters](#) that increase accountability in the way local governments handle land investments in Senegal.

Our [China-Africa Forest Governance Project](#) has increased the evidence base and stakeholder engagement for improving Chinese investments in African land use. For example, we supported large Chinese companies to work with non-governmental organisations (NGOs) on community engagement plans in various countries; we helped launch an association of Chinese timber traders committed to legal practice in the Congo Basin; and we linked to a [green procurement initiative](#) in China.

Lessons learnt

Flexibility and long-term engagement are key to lasting policy change. Where we have helped achieve change, it has often been through long-term engagement with strong and committed in-country partners. When funding has been tied to tangible short-term outputs, it can be difficult to take the steps required for lasting policy change. Last year's [independent evaluation of the GWI](#) confirmed that the consistency provided by a single donor's ten-year commitment gave the team the flexibility it needed to adapt to changing circumstances, enabling it to establish a widely shared focus on major long-term impact.

Working with the business community requires a different skillset. The China-Africa space is new for most of our partners and has required a lot of capacity building and deliberation at each step, which takes up a lot of our team's time. We need to ensure that our funding model allows time for the kind of soft interactions that are needed to improve communication and understanding of project management with our partners.

No single technical tool can do the trick. Our work on legal tools to address land rights issues shows that, to be effective in global investment processes, national and international legal empowerment interventions must go hand in hand with grassroots action and alliance building. Interventions may range from establishing local accountability systems or public scrutiny of investor-state contracts to helping citizens assess investment treaties. This broader range of interventions may require new

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alliances to tailor and coordinate politically savvy initiatives at different levels, bringing together actors with complementary expertise in different areas of law and practice and with the ability to act at different levels in different places.

We need to ensure long-term access and benefits after projects end. Forest Connect, a knowledge network for agencies that supports locally controlled forest enterprises, is no longer funded (except through the Forest Farm Facility) but the need for its services continues. The next phase of our Testing REDD+ project is similarly needed but unfunded. With several of our large projects winding down, and others gearing up or being scoped, we need to find a way to ensure that the capacity to maintain beneficial systems and processes is well established and can continue once our engagement is over. Where possible, we will look to focus on fewer, larger projects, as this will allow us to follow up on previous work, including tracking impact over time.

Human settlements

Our goal: cities that work for people and planet

Our work under this goal aims to achieve towns and cities that generate benefits for all residents, using a three-pronged approach. First, we stress the needs and priorities identified by low-income groups. Second, we aim to increase the recognition of social and environmental inter-dependencies and relationships between urban centres, rural areas and the global environment. Third, we emphasise the importance of local organisations and local governments making their own decisions and setting their own priorities. We do all our work with partners — local, national and international — to ensure that our priorities are rooted in the concerns of urban residents and practitioners, while remaining relevant to global research and policy debates.

Themes of work under this goal: urban poverty; cities and climate change; and urbanisation and its rural linkages.

Progress

2017 was IIED's Year of Urban. HSG and partners led this work together, making significant achievements, especially in our engagement with [Habitat III](#) in Ecuador. In the lead-up to the conference, we coordinated meetings and seminars that brought people together to discuss the new urban agenda. This included the biennial [Barbara Ward Lecture](#), given in 2016 by Debra Roberts, a champion of urban climate action.

At the Habitat III conference itself, IIED and partners [hosted several side events](#) around current and emerging issues — from the prospects for young people in urbanising countries to the role of humanitarian agencies in achieving global urban commitments. We also played a facilitating role, bringing together stakeholders who would not normally engage with each other. For example, we helped to broker the inclusion of members of Slum Dwellers International in discussions with aid agencies and the private sector.

Beyond Habitat III, another HSG highlight was [documenting the process and achievements](#) of locally managed funds in urban areas to increase their recognition as potential partners and fund recipients by donors and the private sector. We also joined two important global coalitions addressing urban concerns — [Cities Alliance](#) and the [Coalition for Urban Transitions](#) — enhancing our ability to shape global debates and policy.

Our research outputs continue to have wide uptake, with more than double the number of downloads on the previous year (up to 73,936 from 32,978). Several of our most downloaded papers were associated with our emerging area of work on [humanitarian crises and responses in urban areas](#), suggesting that we are establishing our voice and reputation on this new topic. Our in-house journal [Environment & Urbanization](#) continues to be widely used, generating 370,000 full-text downloads and maintaining a healthy subscription base and wide geographical reach. The [October 2016 issue](#) focused on women's livelihoods and 90 per cent of its featured authors were women.

Trustees' report (continued)

Lessons learnt

We continue to develop our ability to broker interests between different groups. We have been careful to avoid the agendas of community organisations being co-opted by more powerful actors. When we work with new partners, it can be difficult to get them to understand the importance of community organisations and meaningful local ownership of development interventions. For example, some humanitarian groups struggle to appreciate the role that community organisations can play in identifying and reaching vulnerable individuals as part of urban disaster preparedness and crisis response programmes. Similarly, private sector IIED partners often regard issues of poverty reduction and inclusion as an add-on to — or even a trade-off with — economic growth agendas. By comparison, we would typically regard economic growth as a means to reduce poverty, rather than a goal in itself.

An expert steering group can help shape a new area of work to meet local needs. When working in a new arena with the [Urban Crises Learning Fund](#) initiative, we found it helpful to establish a steering group with expert representatives from various humanitarian sectors. Their input helped ensure that the new research projects we chose to fund met identified gaps in knowledge in the humanitarian sector as well as local needs for evidence generation and learning.

Sustaining relationships beyond the life of projects remains a challenge. We have developed many research collaborations and, although we support researchers to sustain relationships and contribute to academic journals and conferences where possible, the degree to which we can do this is limited by project life spans, geographical focus, budgets and time. We try to overcome this by continuing partnerships in new project proposals and recommending research partners to others looking for local collaborators in new projects.

As a group, we welcome the growing external interest in urban themes, but note that much of it is narrowly focused around ideas of smart cities, with an emphasis on economic growth. Very little of it seriously engages with urban poverty, ensures that current and future urbanisation is more inclusive or uses an approach to sustainability that prioritises the needs and vulnerabilities of low-income urban residents. These changes in the external environment create a challenge for HSG in continuing to emphasise these vital issues in a way that engages with and influences the new actors operating in the urban space.

Climate change

Our goal: fair and equitable solutions to climate change

CCG works with and for the poor to identify and shape policy, planning and finance mechanisms that can deliver the combined ambitions of the Paris Agreement and the SDGs. We have four strategies to help us achieve this. First, we support the LDC Group in their climate diplomacy and domestic action. Second, we aim to improve the governance of resilience by identifying how to change investment and risk finance incentives and improving risk mechanisms that reach the poorest. Third, we work to ensure that climate finance reaches the local level and that local people have more influence over how that money is used. Fourth, we strengthen the capabilities of institutions, systems and human resources to build equitable and climate-smart societies.

Themes of work under this goal: global climate law, policy and governance; public policy responses for climate-resilient development; climate resilience, productivity and equity in the drylands; and supporting climate knowledge sharing and community-based adaptation processes and practitioners.

Progress

Over the past year, CCG has focused its attention on realising the Paris Agreement's ambition. Our work on **global climate law, policy and governance** has continued to provide legal and research [support to the LDC Group's](#) climate negotiators. This has helped boost their confidence and visibility, ensuring that their interventions effectively influenced positions of the parties — for example, in the transparency framework. Our new guides for negotiators have been well received: our [guide for UNFCCC negotiators](#) and our [Pocket guide to the Paris Agreement](#) are now recommended reading for

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UK climate diplomats and US legal advisers, as well as core resources for the intended audience of new LDC negotiators.

As part of our efforts to support **public policy responses for climate-resilient development**, we are working in India — with the Ministry of Rural Development, state governments, DFID and Deutsche Gesellschaft Fur International Zusammenarbeit (GIZ) — to identify how [social protection programmes](#) such as the national rural labour guarantee scheme can build resilience to climate change. In Myanmar, we convened local, sub-national and national-level workshops in more than 20 townships in five states and regions for stakeholders to contribute to the [National Climate Change Strategy and Action Plan](#). The strategy is one of the country's first policy documents to be drafted through a consultative process.

Our work on **climate finance** included a research report, '[Delivering real change](#)', which showed that less than ten per cent of climate finance is targeted towards local climate action. It was widely picked up by national and international media, some climate funds and the UNFCCC and is one of IIED's top ten downloads for the year.

Our support to four African countries to set up [decentralised local government climate funds](#) also received positive recognition through a side event at COP22 and at our multi-stakeholder event, 'Money where it matters', in the UK in December 2016. There is emerging evidence that in Kenya — where this mechanism has been in place longest — communities have proven more resilient to the current drought.

We have continued to invest in our Southern partners' climate change capabilities, most visibly by bringing together over 300 people at the COP22 [Development and Climate Days](#) in November and at the 10th [Community-Based Adaptation Conference](#) in April 2016.

Lessons learnt

A strong handover can ensure continuity and preserve information. The regular handover of the LDC Group's coordination function — which passes from country to country every two years with the change in chairship — has been a challenge due to changes in personnel and approaches. To ensure continuity and preserve information, learning and institutional knowledge, we prepared strong handover documentation for the new LDC chair and coordinators. We aim to raise funds to establish and support a permanent coordination mechanism.

We need to find further funding to help the LDC Group in climate negotiations and diplomacy. Without it, the group will be less able to engage in broader climate change discussions, which could be detrimental to amplifying the voice of LDCs in diplomatic forums and with the public at large. We also need more funding to prioritise the Paris Agreement, undertake domestic implementation and ensure the longer-term coordination and prioritisation of LDC objectives.

Navigating internal politics within and between government ministries is a challenge. Our work to promote productivity and equity in the drylands shows that building personal relationships can help make a convincing case for particular changes. But key officials can be transferred and staff turnover can pose a problem. We have found that using district-level project champions who work with local government and partners can help government staff identify an appropriate way forward when this happens.

We need to strengthen partners' capabilities in project finances. The lack of committed institutional funding can force our partners to take a more entrepreneurial and opportunistic approach, sometimes over-committing themselves so they cannot deliver on our joint plans. With many staff on short-term contracts linked to funding, they can also lack the capacity and expertise to deliver longer-term commitments and development. We need to build partner capacity in budgeting, fund management and financial reporting, spending time supporting partners to build the processes, understanding and skills they need to manage project finances. The International Centre for Climate Change and Development (ICCCAD) shows that this is possible: having shown it has the ability to manage funding appropriately, ICCCAD is now in a position to secure funding. We are keen to build time and funding for capacity building into our research proposals.

Trustees' report (continued)

Shaping sustainable markets

Our goal: sustainable markets that work for the many, rather than the few

Our work under this goal aims to help make the markets of the future more inclusive, sustainable and prosperous — especially for the poor and marginalised. We do this by engaging with civil, private and public sectors in four areas. First, we work with informal markets and small enterprises to help them secure productive jobs and sustainable supply chains. Second, we use our work on the green economy, business transformation, productive uses of energy and fisheries to foster inclusive green prosperity. Third, we strengthen the practical contribution economics makes to sustainable development by making the case for natural capital investments. And fourth, we invest in new areas of work such as the blue economy that can help us deliver both high-impact and thought leadership.

Themes of work under this goal: environmental economics; small-scale and informal enterprise; and energy and extractives.

Progress

A large part of SSMG's work over the past year has involved convening stakeholders nationally and internationally and building their capacity to propose solutions that bring about policy and practice change. Our **environmental economics** team, for example, co-hosted [a regional seminar](#) for scientists, academics and officials from Bangladesh, India and Myanmar to discuss research into incentive-based fisheries management and explore opportunities to collaborate on sustainable fisheries. The team also supported the LDCs to participate in international maritime negotiations and led [a workshop](#) on combining ecosystem improvements with poverty alleviation at the 18th BIOECON conference, where participants committed to creating a South-to-South knowledge exchange platform.

Through our work on **small-scale and informal enterprise**, we have engaged with a range of informal actors in the food and mining sectors, helping to bring their voices into policy discussions. For example, our [first national dialogue](#) on **artisanal and small-scale gold mining (ASM)** in Ghana helped stakeholders from many sectors to build consensus on a new agenda for change. More than that, the dialogue laid the foundations for a policy and practice change towards a more sustainable ASM sector. It established an in-country learning and leadership group, which is leading post-dialogue activities, convening thematic dialogues and drafting a policy reform document. Our dialogue process is now being replicated in Tanzania: following a scoping visit in 2016, we appointed a country-based convenor and researcher and are working with them to support an inclusive dialogue that can inform decision making for change.

Our **food labs and food forums** have similarly worked with multiple stakeholders — including small-scale farmers, vendors and consumer organisations — to explore issues of food quality, access and security. In partnership with the Humanist Institute for Cooperation (Hivos), we supported local partners to convene [Food Change Labs](#) in Bolivia, Indonesia, [Uganda](#) and Zambia, where participants identified the key problems in their cities' food systems and committed to specific actions to resolve them.

We also worked with Hivos in Tanzania on an [energy lab](#) programme, pioneering new ideas on green and inclusive **energy**. Our workshops on energy delivery models in [Myanmar](#), Cambodia and Indonesia enabled dialogue between energy ministries and civil society to explore a range of options for energy delivery.

This year, at the European Development Days and COP22, we launched our new work on [finance and energy access](#), which received interest and recognition from policymakers and the media. For example, our research findings were picked up by Reuters and cited by the LDC Group negotiators at the media launch of its Renewable Energy and Energy Efficiency Initiative for Sustainable Development.

The [Green Economy Coalition](#) (GEC, an independent coalition housed by IIED), has worked since 2009 to promote the message that economic development must be both green and fair. This year, the GEC has seen increasing buy-in to its agenda and attracted significant new funding, particularly for work on natural capital accounting. [A meeting](#) in July 2016 brought together 200 participants from the GEC

Trustees' report (continued)

membership to agree a mission and strategy for the coalition, giving it a sound footing and real momentum to extend its work and influence over the coming year.

Lessons learnt

Funding for impact remains a challenge. It can take years for research to be translated into policy or practice change — long beyond the timeframe of our typical research funding. And, while we would like to follow up on our research and track our longer-term impacts, we rarely have the resources to do so. Similarly, our research budgets are often too small to do the type of 'big push' communications and outreach necessary to have a sustained impact on public discourse. Fundraising efforts also take up a lot of time and we must balance exploring new projects with delivering those we are already committed to. However, our business plan and strategy — which includes a diverse and balanced revenue and client base — is beginning to bear fruit, with an increase in funding from non-traditional donors. Increased capacity of IIED's **business development** team and better cross-group collaboration are also helping to build our skills and experience.

Navigating complicated governance structures requires time. Several of our projects have high transaction costs due to complicated governance structures and bureaucracy. This can dilute our impact because it means that a lot of our time and resources are used up coordinating and communicating with partners, rather than doing research and generating evidence.

Engaging and preparing stakeholders early on is key to changing policy and practice. The success of the ASM dialogue process in Ghana can be attributed, in part, to an engagement approach that treated everyone equally and focused on joint solutions and joint leadership. From the beginning, it was clear that the right players were in the room. Field engagement showed the real value of listening to miners, especially women. And thorough groundwork and preparation took the focus away from potential backward-looking, abstract reflection on the research and conflict, towards thinking about the future of local people's lives and landscapes.

Planning for change is easier than delivering it. Although the Ghana learning and leadership group has held three quarterly meetings to review progress and plan for short- and long-term activities, there has been little action. To help progress change activities, we introduced thematic working groups. We are close to finding the funds we need to support this new structure and the post-dialogue activities in Ghana and Tanzania until the end of 2018.

Cross-institutional initiatives

Over the past year, we have undertaken a range of cross-institutional initiatives to explore different opportunities for taking forward our work on the SDGs and identify some of the ways in which we could use the SDG framework to help governments and other partners advance progress towards sustainable development. This section presents a summary of our efforts.

Disruptive change

The SDGs set an ambitious agenda, transforming approaches to development and framing a new era of universality in the face of enormous global challenges. We need to set aside the old divisions of North and South and find ways of achieving solutions together. IIED's work on disruptive change looks at this shift, asking: how Southern civil society organisations (CSOs) can share their experiences and learning on dealing with change; how donors can best support CSOs to deal with disruptive change; and how international organisations — including IIED — can contribute.

Over the past year, we have:

- **Facilitated multi-stakeholder dialogue** by bringing leaders from Southern CSOs, international NGOs, funders and a business school together at [a three-day retreat](#) to discuss issues such as leadership, partnerships, innovation and business models in the context of disruptive change. These leaders have now agreed to share case studies and have kick-started an action learning initiative looking at methodologies for dealing with and provoking disruptive change.

Trustees' report (continued)

- **Extended our reach among donors and international NGOs** through communication and engagement. For example, our paper '[Disruptive change and civil society organisations in the global South: innovating funder practice](#)' sparked discussions about the most effective funding models and has garnered the interest of a range of funders, including the Ford Foundation. Similarly, our [blogs](#) and [conference sessions](#) have helped broaden discussions about disruptive change in the wider international NGO community.
- **Reflected on what disruptive change means for our own role.** We carried out semi-structured interviews with IIED staff and partners to gather views on how we work in partnership and what more we can do to support our partners who experience disruptive change. These findings will shape IIED's own strategic thinking and practices, allowing us to think about what needs to change and how we should innovate to continue to be effective.

Leave no one behind

'Leave no one behind' has become the rallying cry of the SDGs. Over the past year, IIED worked with partners in Asia and Africa to ask what these words mean to different groups and what needs to be done to turn them from rhetoric to reality.

We used [three case studies](#) to explore how the SDGs can address the causes of social exclusion and marginalisation, at the same time as reducing environmental stress:

- In Southeast Asia, [our research with partners](#) aimed to find out what 'leave no one behind' means to **low-income urban groups**. What we found was that these communities have long recognised a duty of care to all community members and already have systems in place to leave no one behind.
- In Tanzania, [our study of government energy spending](#) found that millions of Tanzanians who live in rural areas are being left behind when it comes to **energy access**. We found that, from 2010 to 2017, the overwhelming majority of government energy finance (US\$2 billion) went to big infrastructure projects designed to serve or extend the grid. Just two per cent of public energy finance (US\$40 million) went to decentralised energy projects to serve the rural poor.
- In Bangladesh, we focused on fisheries, using [value chain analysis](#) to spot potential bottlenecks and power imbalances in the **hilsa fish** supply chain. We found that while the hilsa chain is vibrant and commercially viable, it is also unfair. Some businesses, such as exporters, make big money; but very little of this gets back to the fishers, whose average yearly income is as much as 40 per cent lower than the national average.

Working in partnership

In the lead-up to the SDGs, IIED worked closely with two groups in particular to influence the shaping of the new development agenda: the Independent Research Forum (IRF) and the LDCs' Independent Expert Group (IEG). Over the past year, we dedicated some time to exploring how these partnerships might move forward in the SDG implementation phase.

- **IRF** is an international partnership between ten sustainable development research institutes and think tanks established in 2012 to strengthen the ambition of the new global agenda. After the SDGs were agreed in 2015, we felt it would be valuable to continue this relationship. This year, IRF shared insights on different approaches to the implementation of the SDGs through blogs, updates and social media; presented at conferences; and organised and co-hosted [a side event at the UN High-Level Political Forum](#) in New York in July 2016.
- **IEG** is an informal group of people from LDCs, convened by IIED in 2013 to provide an independent voice for the sustainable development of LDCs in shaping the SDGs. We felt there was value in continuing this relationship, as it provides insights into the issues and challenges LDCs face and has the potential to act as an advisory group for our work in those countries. This year, our collaboration included partnering with the Economic and Social Research Council (ESRC) STEP Centre to host an invitation-only, one-day conference '[Reimagining development in LDCs: what role for the SDGs?](#)' in June 2016. Forty people attended, including eight IEG members.

Trustees' report (continued)

Monitoring and evaluation for the SDGs

Evaluation processes will play a key role in national and global review systems for the SDGs. Last year, we worked with EVALSDGs, a network of evaluators, to publish [a series of briefings](#) about evaluation to help promote effective conduct and use of evaluation in SDGs implementation, follow-up and review.

These have proved very popular: they have been downloaded more than 1,600 times each and translated into seven languages. Professional evaluators have indicated that the briefings are useful for making the case for evaluation in the institutions where they work. The briefings were also referenced at the European Evaluation Society and American Evaluation Association conferences.

Politics of the SDGs

This final strand of work sought to provide a reality check on the ambitious nature of the SDG agenda. Through [a series of interviews](#) with sustainable development experts from governments, civil society, intergovernmental organisations and academia, we explored the enablers and barriers to implementing SDGs at the national level. We looked at [one country \(Jamaica\)](#) in more detail, using field visits and meetings to build a strong case study.

Our findings identified a need for high-level platforms that can enable ministries to work together to break down sector silos. They also showed that the SDGs are a valuable tool for national debate and stakeholder engagement, rather than a set of technocratic goals and targets.

Change initiatives

When we developed our 2014–19 strategy, we envisaged building on our core research areas with four cross-cutting “high-profile change initiatives that aim to shift policy and practice towards more equitable and sustainable development”.

For various reasons, these have not turned out as we planned. In some cases, they reached a natural end. For example, the international engagement change initiative as originally conceived was about helping achieve buy-in to the 2015 agreements and shaping them to reflect the needs of the LDCs. With the agreements now in place, attention has shifted to implementation. Our efforts have similarly evolved, and the change initiative has come to a natural close. Where appropriate we have incorporated the intent of these initiatives into our revised strategy.

Looking ahead

Although FY18 will be a challenging year for IIED, operating in an uncertain political and financial climate, we enter the new financial year optimistically. We have invested heavily in fundraising over the past year, hiring a head of business development and other staff to help develop a strong pipeline of funding proposals from a wide range of donors. The team will also work to embed new business systems and processes to improve our efficiencies and ensure value for money. Over the next 12 months, we will look to broaden our base of funding support and establish relationships with new donors and funding partners, as well as sharing some of our flagship programmes more widely.

Media mentions are keeping pace with our target and we are on track to meet our five-year milestones by the end of the strategy period. We have recently taken a more targeted approach to charting media uptake: rather than focusing on quantity, we are focusing on getting key pieces into influential outlets that can reach a large number of readers, decision makers and influencers.

We will also explore other ways to improve our prioritisation and impact, including building on our four pathways to impact and strengthening our organisational reporting systems.

The coming year will see us begin laying the groundwork for our next five-year strategy (2019–24), which will encompass a range of activities, including:

Trustees' report (continued)

- **Articulating our ten-year destination.** We need to think collectively about our long-term aims and where we want to be in a decade's time and then work together to develop a strategic plan that gives us the best chance of getting there.
- **Assessing our organisational structure.** IIED has worked within the structure of research groups for more than a decade. We will look at our organisational structure and consider whether we need to make changes to boost quality, innovation and effectiveness.
- **Reviewing our values.** We define our brand values as collaboration, impact and fairness. But are these words fit for purpose? Over the next two years, we will revisit and assess our values through a consultative process that includes IIED staff, partners and other stakeholders.
- **Reviewing our European partnerships and activities.** We are an international organisation and, as the process of the UK leaving the European Union unfolds, we must ensure we remain strongly connected to partners in a key set of countries for sustainable development.
- **Implementing recommendations from the external review.** As we consider our strategic options for the future, we will need to reflect on the set of well-grounded recommendations and challenges laid down in the external review (see Table below) and think about how best to take these forward.

Table 1. Three future challenges articulated by the external review, with identified recommendations for how to tackle them

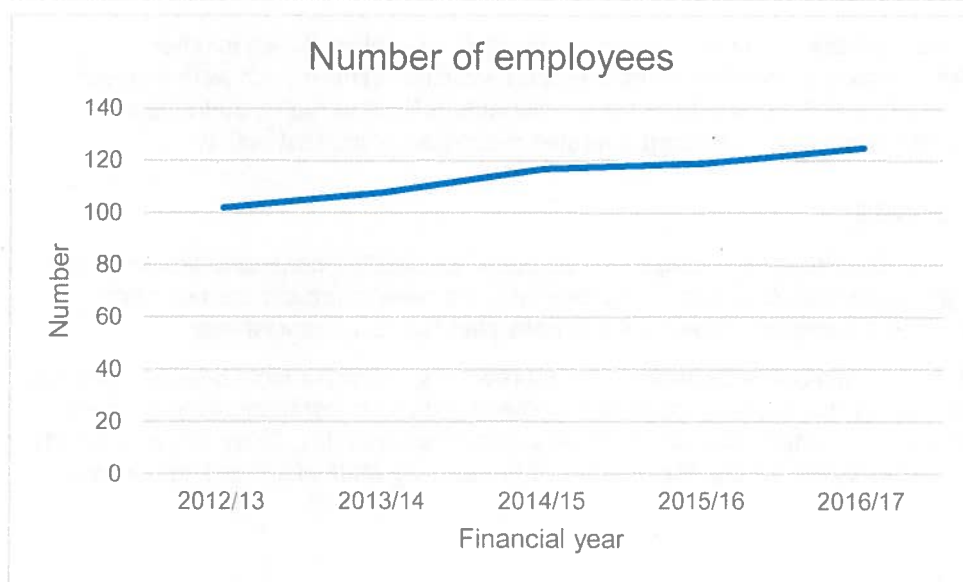
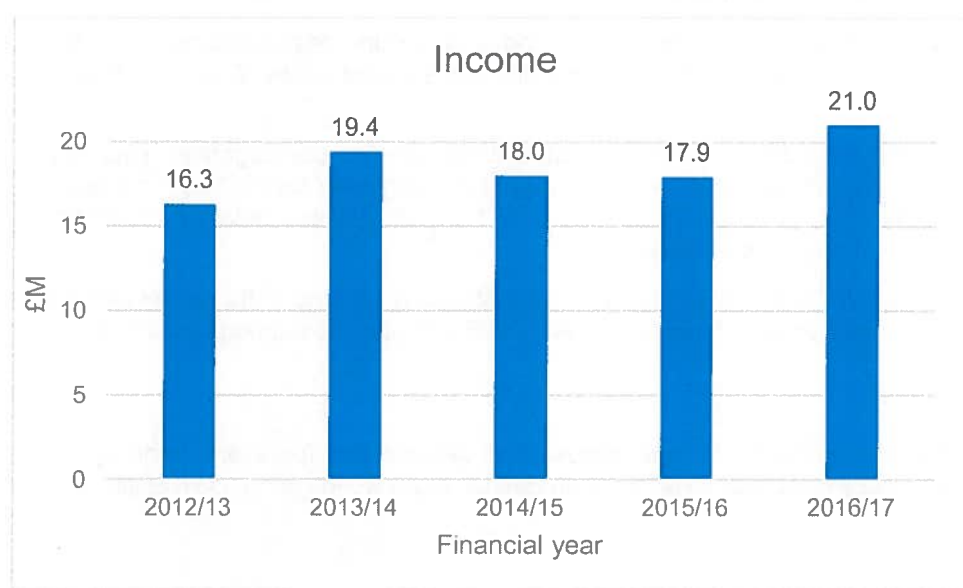
Improving and sustaining IIED's intervention model	<ul style="list-style-type: none"> • Supporting strategic communications that are focused on outcomes and are relevant to our audiences • Helping Southern partners strengthen their capabilities for research, policy and advocacy • Prioritising gender issues, both in how IIED operates and in the focus of our work.
Addressing higher level strategic challenges and opportunities	<ul style="list-style-type: none"> • Reviewing and resolving trade-offs between short-term incubator initiatives and long-term engagements • Reviewing our mixed portfolio of interventions in the light of a shifting financial, institutional and development framework.
Bringing research and strategy together through impact assessment and learning	<ul style="list-style-type: none"> • Developing and promoting approaches and standards to ensure our applied research is rigorous and inclusive • Improving our institutional capacities in monitoring, evaluation and learning • Working with impact pathways as dynamic theories of change to test, reflect and share learning within and beyond IIED's doors.

Trustees' report (continued)

Finance review

The statement of financial activities and balance sheet prepared by the trustees are set out on pages 27 to 29 and demonstrate continued growth.

- Income has increased by 29 per cent since FY13, to £21 million in FY17. One contributory factor is the award of large grants working in collaboration with our partners, which has seen payments to collaborating entities increasing to £7.6 million as set out in Note 2 (£5.1 million in 2015/16).
- The average number of employees has increased by some 23 per cent over the past 5 years (from 102 employees in 2013 to 125 in 2017).



Central costs increased from £3.4 million in FY16 to £3.8 million in FY17. This increase is attributed to a full year's rent increase (£110,000) on the London office, a review of information technology strategy resulting in software under construction being fully written down in the year (£98,000) and statutory staff-related payments, including sickness, maternity and redundancy (£98,000).

Trustees' report (continued)

Reserves policy

The reserves policy requires an annual review to reassess the risks and any changes in IIED's income, financial obligations and expenditure. We reviewed the policy during the year and our impact assessment of possible adverse financial events reaffirmed the agreed reserves policy established in 2012. This concluded that, to protect the organisation and its charitable programme against the risks of funding loss through income shortfalls and other unexpected financial losses, the appropriate target for free reserves should represent approximately four months of operating costs and staff salaries less liabilities from employee benefits (around £2.2 million). We have therefore set the target range of free reserves at between £1.9 million and £2.5 million.

As set out in Note 8 of the accounts, our unrestricted reserves closed the year at £2.384 million, an increase of £22,000 over last year (£2.362 million).

This increase follows a £172,000 reduction in the Building and Capital Fund designated reserve, which tracks the value of leasehold improvements over the remaining lease period on the Gray's Inn Road site.

The decision to write off the full development cost of software under construction negatively impacted our reserves contribution by £98,000. After removing the impact of designated funds, free reserves increased by £194,000 (from £1.573 million to £1.767 million in the year) which is below the £250,000 target set for the year under our policy, as detailed below.

The current free reserves of £1.767 million therefore falls beneath the lower end of this target range and the board has endorsed the target growth of free reserves by £250,000 for the coming year FY18.

Investment policy

We invested our reserves in a combination of high-interest cash deposits and fixed-term treasury deposits during FY17. This policy produces an acceptable rate of return while giving us flexibility to access funds.

Related parties

Some IIED trustees are also trustees of other charities or directors or senior officers in other organisations IIED works with as a normal part of its research activities. Where such work involves payment, they enter into arm's length contracts and any payments related to these contracts are detailed in the notes to these accounts. The board operates a conflicts of interest policy.

Plans for future periods

IIED's strategy for 2014-19, 'Engaging for change', is ambitious, anticipating continued growth in our four principal research groups and other areas. To support this, we have improved our business planning process, resulting in a comprehensive new business plan for next financial year.

We continue to strengthen our operations by improving cost recovery, organisational development and fundraising with 'The How' programme and through better integrated cross-institutional systems with the enterprise resource planning system. Our cost recovery model requires IIED to continue its steady growth over the next few years by increasing the number of fee-earning staff while holding our core costs steady.

Risk management

IIED's trustees are ultimately responsible for risk management and the effectiveness of our internal control systems. The board reviewed and approved IIED's risk management policy and approach in 2016. Regular review of the risk management process is delegated to FARA, which also oversees an assurance programme.

Trustees' report (continued)

During FY17, we reviewed our risk management processes in proposal development and project management, including clarification of thresholds and escalation routes. We standardised responsibilities for regular review of the risk register across IIED's internal functions. Senior management ensures that day-to-day risk management processes are embedded across the organisation.

Key risks

A turbulent political environment in 2016/17 created new strategic risks for IIED. These have board oversight and mitigating actions have been integrated into the mid-term strategy review and the FY18 business plan.

IIED considers its principal, strategic risks to be external in origin. The risks identified are that:

- An incremental shift in the centre of gravity of national politics in many developed and middle income countries towards populist nationalist narratives may undermine IIED's ability to promote its mission. Nationalism can weaken multilateral action necessary to address global environmental public goods and global solidarity with poor countries and people.
- Political change in public donor agencies (specifically erosion of support for sustainable development in national politics in a growing number of countries) might erode IIED's current financial support base.
- In the UK, that Brexit might lead to diminished global influence, technical networks and finance from the EU.

To mitigate these risks we are seeking closer engagement with strategies and operations of a wider range of countries, and engaging actively with champions of sustainable development in the private sector and investment communities. We maintain close contact with existing funders, and continue to diversify our funding portfolio.

Internally, our risk exposure has reduced as we continue to strengthen our operations, in particular:

- Increased capacity in business development and more rigorous processes to ensure the quality of proposals.
- Further significant contribution to reserves.
- Continued investment in new systems to increase efficiency in central services and the effectiveness of information management across the institute.

Trustees' report (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of IIED for purposes of company law) are responsible for preparing the Trustees' report, which includes the strategic report and the financial statements for the relevant year, in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities' Statement of Recommended Practice
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

Auditors

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

This annual report of the trustees, under the Charities Act 2001 and Companies Act 2006, was approved by the Board of Trustees on 12 July 2017, including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:



Ian Rushby
Vice chair

Date: 12/7/17

Trustees' report (continued)

Independent auditor's report to the trustees and members of International Institute for Environment and Development

We have audited the financial statements of International Institute for Environment and Development for the year ended 31 March 2017, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes numbered 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable by law and United Kingdom Accounting Standards, including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

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

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the 'Strategic report' and the 'Trustees' annual report' to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Trustees' report (continued)

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the 'Strategic report' and the 'Trustees' annual report' for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- The 'Trustees' annual report' and the 'Strategic report' have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 'Strategic report' or the 'Trustees' annual report'.

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

- Adequate accounting records have not been kept
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of trustees' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit.

N. Hashemi

Naziar Hashemi

Senior statutory auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory auditor

London, UK 16/8/17

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

Trustees' report (continued)

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2017

	Note	Unrestricted funds	Restricted funds	Total 2016/17	Restated Unrestricted funds	Restated Restricted funds	Total 2015/16
		£	£	£	£	£	£
Income and expenditure							
Income from							
Bank interest		10,106	7,570	17,676	5,333	4,786	10,119
<i>Charitable activities</i>							
Commissioned studies and research income was received in the following areas of activity:							
Natural resources		213,752	6,546,865	6,760,617	306,849	6,169,530	6,476,379
Sustainable markets		339,573	2,320,043	2,659,616	195,763	1,787,222	1,982,985
Human settlements		211,811	1,904,784	2,116,595	81,508	2,033,816	2,115,324
Climate change		288,851	5,987,731	6,276,582	460,043	3,953,678	4,413,721
Strategy and learning		-	2,015,016	2,015,016	6,642	1,047,082	1,053,724
Communications and publications		192,759	865,260	1,058,019	294,809	798,378	1,093,187
Core development		-	125,743	125,743	59,253	665,958	725,211
Other		811	-	811	5,135	-	5,135
Total incoming resources	13	1,257,663	19,773,012	21,030,675	1,415,335	16,460,450	17,875,785
Expenditure on							
<i>Charitable activities</i>							
Commissioned studies and research	2	1,464,014	19,544,509	21,008,523	1,546,542	16,220,770	17,767,312
Total resources expended		1,464,014	19,544,509	21,008,523	1,546,542	16,220,770	17,767,312
Net income / (expenditure)		(206,351)	228,503	22,152	(131,207)	239,680	108,473
Transfers between funds	8	228,503	(228,503)	-	239,680	(239,680)	-
Net movement in funds		22,152	-	22,152	108,473	-	108,473
Funds brought forward at 1 April 2016		2,361,944	-	2,361,944	2,253,471	-	2,253,471
Funds carried forward at 31 March 2017		2,384,096	-	2,384,096	2,361,944	-	2,361,944

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

Trustees' report (continued)

Balance sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible fixed assets	4	705,770	1,008,766
Current assets			
Debtors	5	3,594,970	3,253,300
Cash at bank and in hand		3,787,766	5,462,339
		7,382,736	8,715,639
Liabilities			
Amounts falling due within one year	6	(2,064,632)	(1,863,318)
Deferred revenue		(3,639,778)	(5,499,143)
		(5,704,410)	(7,362,461)
Net current assets		1,678,326	1,353,178
Net assets	7	2,384,096	2,361,944
Funds			
Unrestricted reserves	8	1,767,416	1,573,309
Designated reserves		616,680	788,635
Total funds		2,384,096	2,361,944

Approved by the Board of Trustees on

12/7/17

and signed on its behalf by:

Ian Rushby



Angela McNaught



Registered company number: 2188452

Trustees' report (continued)

Cash flow statement for the year ended 31 March 2017

	2017	2016
	£	£
Net incoming resources	22,152	108,473
Interest received	(17,676)	(10,119)
Depreciation	271,192	283,420
Disposal of tangible fixed assets	97,758	325
Decrease in deferred revenue	(1,859,365)	(2,170,048)
(Increase) / decrease in debtors	(341,670)	763,420
Increase / (decrease) in creditors	201,313	(642,550)
Net cash used in operating activities	(1,724,054)	(1,667,404)
Cash flows from investing activities		
Purchase of tangible fixed assets	(65,954)	(71,843)
Interest received	17,676	10,119
Net cash provided by (used in) investing activities	(1,706,378)	(1,657,285)
Increase in cash during the year	(1,674,574)	(1,728,803)

Analysis of changes in cash during the year

	2016	Change in year	2017
	£	£	£
Cash at bank and in hand	3,364,443	(406,729)	2,957,714
Short-term deposits	2,097,896	(1,267,844)	830,052
	5,462,339	(1,674,573)	3,787,766

Trustees' report (continued)

Notes to the financial statements

for the year ended 31 March 2017

1. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102, the financial reporting standard applicable in the UK and Republic of Ireland and the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. There are no material uncertainties which cast doubt on the entity's ability to continue as a going concern.

IIED meets the definition of a public benefit entity under FRS102.

Income recognition

All incoming resources becoming available to the institute are recognised in the statement of financial activities on the basis of entitlement. In respect of unrestricted income and restricted income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance-related grants or long-term contract income, income entitlement is considered to be conditional upon the delivery of a specified level of service, in accordance with FRS102 and the Charities SORP. Income is therefore recognised to the extent the charity has delivered the service or activity. The time or expenditure incurred to date, as appropriate, is used as a reasonable estimate or approximation of the charity's performance and so income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet to reflect the matching of such income with future activities.

Incoming resources subject to restrictions

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

Following a review of the allocation of income to restricted funds during the period, the prior year comparatives have been restated

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Trustees' report (continued)

Expenditure

All expenditure is accounted for on an accruals basis.

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

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

Support costs include the costs of the central office functions of finance, human resources, information technology and premises costs. The basis of the cost allocation of support is explained in Note 3 to the accounts.

Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short-term cash deposits and the group's debtors, excluding prepayments. Financial liabilities held at amortised cost comprise the group's short and long-term creditors, excluding deferred income. No discounting has been applied to these financial instruments, on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

At the balance sheet date the charity held financial assets at amortised cost of £7,184,286 (2016: £8,517,189) and financial liabilities at amortised cost of £2,064,632 (2016: £1,863,318).

Fixed assets

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

Leasehold improvements: remaining period of lease

Office furniture and equipment: five years

Computer hardware and software: three years

Additions below £500 are taken straight to the SOFA under support costs.

Cash and cash equivalents

Cash and cash equivalents include deposits repayable on demand without penalty. Short-term money market deposits and fixed-term cash deposits that do not meet this criterion are held under current assets as short-term deposits.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Trustees' report (continued)

Exchange rates

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

Leases

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

Unrestricted funds

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

Trustees' report (continued)

2. Analysis of total resources expended

		(Note 14)	(Note 3)		
	Programme costs	Payments to collaborating entities	Support costs	2016/17	2015/16
	£	£	£	£	£
Charitable activities					
<i>Commissioned studies and research</i>					
Natural resources	2,387,598	3,271,888	1,065,713	6,725,199	6,312,305
Sustainable markets	1,565,457	416,560	645,340	2,627,357	1,922,026
Human settlements	622,385	1,115,758	341,246	2,079,389	1,936,991
Climate change	2,594,502	2,769,411	902,292	6,266,205	4,357,989
Strategy and learning	1,396,689	64,463	513,350	1,974,502	1,028,664
Communications and publications	741,375	-	299,234	1,040,609	1,120,986
Core development	246,413	-	48,849	295,262	1,088,351
	9,554,419	7,638,080	3,816,024	21,008,523	17,767,312

3. Support costs

	2016/17	2015/16
	£	£
Premises	1,031,868	888,542
Finance	652,950	657,673
Director's office/trustees	461,424	485,648
Information technology services	518,956	497,613
Human resources	569,590	447,145
Systems development	143,283	40,771
Management	437,953	386,438
Total	3,816,024	3,403,830

Support costs are allocated to activities as follows:

- Programme costs – on the basis of staff time spent on each activity
- Publications – on the basis of staff time spent on each activity
- Payments to partners – a percentage based on the size of the payment
- Governance costs – on the basis of staff time
- Management costs – on the basis of staff time

Trustees' report (continued)

Included in support costs

	2016/17	2015/16
	£	£
Audit fees		
Statutory audit	28,464	30,130
Grant audit	32,765	23,307
Assurance services	3,526	16,124
Total	64,755	69,561

Governance costs amounted to £107,084 (2016: £112,966)

Resources expended include operating lease rentals of £398,801 (2016: £402,416).

4. Tangible fixed assets

	Leasehold improvements	Furniture and fixtures	Office and computer equipment	Assets under construction	Total
Cost	£	£	£	£	£
At 1 April 2016	1,586,376	160,455	385,496	97,758	2,230,085
Additions	2,312	14,001	49,642	-	65,955
Disposals	-	-	-	(97,758)	(97,758)
At 31 March 2017	1,588,688	174,456	435,138	-	2,198,282
Depreciation					
At 1 April 2016	795,637	140,742	284,940	-	1,221,319
Charge for year	175,463	15,248	80,482	-	271,193
Disposals	-	-	-	-	-
At 31 March 2017	971,100	155,990	365,422	-	1,492,512
Net book value					
At 31 March 2017	617,588	18,466	69,716	-	705,770
At 31 March 2016	790,739	19,713	100,556	97,758	1,008,766

Trustees' report (continued)

5. Debtors

	2017	2016
	£	£
Less than one year:		
Grants receivable	1,747,738	994,072
Accrued income	1,631,506	2,011,366
Other debtors	17,276	48,250
Prepayments	198,450	199,612
Total debtors	3,594,970	3,253,300

6. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	896,356	1,081,055
Accruals	863,954	454,564
Other creditors	141,752	172,616
Social security and other taxes	162,570	155,083
Total creditors	2,064,632	1,863,318

Deferred revenue	1 April 2016	Incoming resources	Resources expended	31 March 2017
	£	£	£	£
Deferred revenue	5,499,143	18,931,890	20,791,255	3,639,778

7. Analysis of net assets between funds

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Tangible fixed assets	89,090	616,680	-	705,770
Debtors	757	-	3,594,213	3,594,970
Cash	1,883,515	-	1,904,251	3,787,766
Creditors	(205,946)	-	(1,858,686)	(2,064,632)
Deferred income	-	-	(3,639,778)	(3,639,778)
Net assets	1,767,416	616,680	-	2,384,096

Trustees' report (continued)

Note 15 details the prior year comparatives

8. Unrestricted reserves

	1 April 2016	Income	Transfers	Resources expended	31 March 2017
	£	£	£	£	£
Total free reserves	1,573,309	1,257,663	228,503	-1,292,060	1,767,415
Designated funds					
Building and capital fund	788,635	-	-	-171,954	616,681
Total unrestricted reserves	2,361,944	1,257,663	228,503	-1,464,014	2,384,096

Free Reserves: The transfers into free reserves represent the balance on the recharge of time to projects.

Building and capital fund: In the year, the trustees have designated funds representing the net book value of the improvements made to the Gray's Inn Road leasehold.

Note 15 details the prior year comparatives

9. Employees

	2016/17	2015/16
Number of employees during the year	125	119
Number of part-time employees in above	34	31
Aggregate remuneration paid to employees	£	£
Wages and salaries	5,270,683	4,920,114
Social security costs	590,478	547,293
Other pension costs	388,854	373,174
	6,250,015	5,840,581
Number of staff whose remuneration fell within the following bands:	2016/17	2015/16
£100,000 - £109,999	1	1
£80,000 - £89,999	1	
£70,000 - £79,999	8	11
£60,000 - £69,999	11	12

In the year, four staff were made redundant at a cost of £44,615 (FY16: £12,422).

Trustees' report (continued)

10. Trustees and directors

During the year, no trustee received remuneration (2016: £0). Where claimed, expenses incurred on the Institute's business were reimbursed. The total claimed during the year was £42,329 (2016: £42,866). The number of trustees claiming expenses was 13 (2016:10).

Payments in respect of project work made to other charities and non-profit making organisations, of which certain trustees were employees or trustees, were nil (2016: £10,000). The full amount in the prior year relates to Somsook Boonyabancha, who is both a trustee of IIED and secretary general of the Asian Coalition for Housing Rights, a non-profit making organisation.

Payments were made in respect of director's expenses incurred for the management of the charity of £19,453 during the year (2016: £24,124).

The key management personnel of the charity comprise: the trustees; director; chief operating officer; director of climate change; director of communications; director of human settlements; director of natural resources; director of strategy and learning; and director of sustainable markets. The total employee benefits of the key management personnel of the charity was £690,041 (2016: £533,663).

No company pension scheme existed at 31 March 2017. Contributions are paid on behalf of employees to independently administered money purchase plans. The cost to the group during the year was £388,854 (2016: £373,174).

11. Commitments

At 31 March 2017, the company had annual commitments under non-cancellable operating leases as set out below:

	2016/17		2015/16	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases that expire in less than one year	407,917	16,360	347,500	39,031
Operating leases that expire within one to five years	1,233,333	53,170	1,633,333	-

IIED had commitments on contracts to partners of £7.4m at the year end (2016: £11.8m), £4.5m due in less than one year and £2.9m due within one to five years.

IIED holds a lease on a property in Gray's Inn Road, London WC1 with a term of ten years, terminating on 31 October 2020, at an average annual rental of £420,000.

IIED rent Edinburgh office premises under a lease agreement that has been extended by licence, terminating in 2018. The annual rent is £19,000.

12. Specific donor disclosure

UK government Department for International Development: provision of thematic analysis and advice, component code 202384-101.

The charity received and spent £3,304,171 from the UK government's Department for International Development as a grant for the provision of thematic analysis and advice. The project started on 1 March 2012 and was extended to 31 December 2016.

Trustees' report (continued)

13. Income

	2016/17	2015/16
	£	£
Donors		
Government and government agencies	14,199,157	11,525,355
International and multilateral agencies	1,982,651	1,730,452
Foundations and NGOs	3,601,121	2,963,792
Corporate	43,920	12,293
Donor income received	19,826,849	16,231,892
Other income		
Interest receivable	17,676	10,119
Other income	-	5,135
Total	19,844,525	16,247,146
Add: income deferred from prior year	5,499,143	7,669,191
Less: income due to prior year	(2,011,366)	(2,552,775)
Add: income due from next year	1,631,506	2,011,366
Less: income deferred to next year	(3,933,134)	(5,499,143)
Total incoming resources	21,030,674	17,875,785

		2016/17	2015/16
		£	£
Government and government agencies			
Austrian Development Agency	Austria	33,965	-
Department for Environment, Food and Rural Affairs	UK	271,824	388,168
Royal Danish Ministry of Foreign Affairs	Denmark	558,522	522,773
DFID accountable grant	UK	3,304,171	5,161,164
DFID (other)	UK	5,393,817	1,991,211
Finnish Ministry for Foreign Affairs	Finland	33,690	-
GIZ GmbH	Germany	36,276	-
DFID (via HTSPE Ltd)	UK	4,590	-
DFID (via PWC)	UK	309,379	349,891
DFID (via KPMG)	UK	1,168,161	301,939
Department of Energy and Climate Change	UK	-	17,971

Trustees' report (continued)

		2016/17	2015/16
		£	£
Government and government agencies			
Federal Ministry for the Environment	Germany	499,967	81,504
Minister for Foreign Affairs and Trade of Ireland	Ireland	21,039	22,638
Irish Aid, Department of Foreign Affairs	Ireland	951,639	790,343
National Renewable Energy Laboratory	USA	-	22,406
Norwegian Embassy, Mozambique	Mozambique	72,483	341,322
Royal Government of Bhutan	Bhutan	47,120	-
Sida	Sweden	1,480,494	1,534,025
United States Department of Agriculture, Forest Service	USA	12,026	
Total government and government agencies		14,199,157	11,525,355
		2016/17	2015/16
		£	£
International and multilateral agencies			
Asian Development Bank	Philippines	98,962	21,527
Centre for International Forestry Research (CIFOR)	Indonesia	-	17,574
Commonwealth Scientific and Industrial Research Organisation	Australia	14,000	-
European Commission	Belgium	1,019,170	760,938
International Fund for Agricultural Development	Italy	26,519	-
United Nations Office for Project Services (UNOPS)	Thailand	-	25,115
United Nations Development Fund, South Africa	South Africa	135,048	80,756
United Nations Development Fund, Kyrgyzstan	Kyrgyzstan Republic	21,228	-
United Nations Environment Programme	Thailand	255,431	176,653
United Nations Economic Commission for Africa	Ethiopia	66,335	116,270
United Nations Environment Programme, Kenya	Kenya	-	14,351
United Nations Food and Agriculture Organization	Italy	107,830	124,429
UNOPS	Myanmar	18,584	-
United Nations Population Fund	USA	-	59,130
World Bank	Malaysia	194,299	319,246
Amounts less than £10,000		25,245	14,463

Trustees' report (continued)

		2016/17	2015/16
		£	£
International and multilateral agencies			
Total international and multilateral agencies		1,982,651	1,730,452
		2016/17	2015/16
		£	£
Foundations and NGOs			
3ie International Initiative for Impact Evaluation	UK	18,060	115,962
Aecom	Ukraine	23,621	18,904
Acclimatise Group Ltd	UK	44,568	-
Ag Innovations Network (Sustainable Food Lab)	USA	40,557	-
Aidenvironment	Netherlands	4,276	3,488
American Jewish World Service	USA	290,143	-
ANDES	Peru	-	18,507
Annenberg Foundation	USA	30,127	-
Arcus Foundation	USA	-	182,894
Arran Lule Sami Centre	Norway	-	11,569
Binks Trust	UK	-	100,000
British Council	UK	38,059	43,200
Ceso Ci Internacional	Portugal	-	11,887
Climate and Development Knowledge Network	UK	-	20,000
ClimateWorks Foundation	USA	-	13,499
Conservation Through Public Health	Uganda	13,506	-
Cordaid	Netherlands	-	51,081
CARE Denmark	Denmark	-	69,136
Ecosystems Service for Poverty Alleviation	UK	16,255	20,630
ESRC	UK	278,476	345,159
Eventbrite	UK	47,725	44,637
Ford Foundation	USA	-	140,994
Open Society Foundations	USA	74,176	-
Global Green Growth Institute	South Korea	-	31,619
GIZ	Germany		109,469

Trustees' report (continued)

		2016/17	2015/16
Foundations and NGOs		£	£
Hivos	Netherlands	436,670	134,287
International Council on Mining and Minerals	UK	14,000	-
Institute of Development Studies	UK	12,768	20,785
International Development Research Centre	Canada	56,914	50,932
International Livestock Research Institute	Kenya	11,594	29,078
International Union for Conservation of Nature	Switzerland	29,957	58,336
Kings College London	UK	60,994	81,193
London School of Hygiene and Tropical Medicine	UK	-	208,987
Mava Foundation	UK	528,986	12,925
The Mary Robinson Foundation	Ireland	10,000	-
Mercy Corps	USA	7,762	16,341
Charles Stewart Mott Foundation	USA	-	133,874
Near East Foundation	USA	398,575	141,659
New Venture Fund	USA	15,000	-
Norwegian Institute of International Affairs	Norway	-	9,712
Overseas Development Institute	UK	119,093	12,771
Oxfam	UK	5,000	12,194
The David and Lucile Packard Foundations	USA	113,498	-
Pyoe Pin	Myanmar	-	10,322
Red Cross Red Crescent Climate Centre	Netherlands	15,000	11,400
Rockefeller Foundation	USA	16,118	55,969
RSF Social Finance	USA	53,314	-
Said Business School	UK	37,500	-
SNV Netherlands Development Organisation	Netherlands	-	27,482
The Christensen Fund	USA	-	73,783
The Tiffany and Co Foundation	USA	119,227	80,067
University College London	UK	6,255	-
University of Copenhagen	Denmark	25,166	25,074
University of Edinburgh	UK	59,786	37,746

Trustees' report (continued)

		2016/17	2015/16
		£	£
Foundations and NGOs			
University of York	UK	26,462	34,924
University of Southampton	UK	12,918	-
University of Evora	Portugal	63,799	-
University of Oxford	UK	16,660	-
Wageningen University	Netherlands	-	11,575
World Conservation Monitoring Centre	UK	25	29,103
World Resources Institute	USA	92,737	92,053
Worldwide Fund for Nature (WWF)	UK/Switzerland	70,183	315
WYG International Ltd	UK	180,487	-
Other amounts less than £10,000		65,124	198,270
		3,601,121	2,963,792
		2016/17	2015/16
		£	£
Corporate			
Adam Smith International	UK	20,240	-
Landell Mills Ltd	UK	9,750	12,293
Palladium International Limited	UK	13,930	-
Total corporate		43,920	12,293

14. Payments to collaborating organisations

Partner	Country	2016/17	2015/16
		£	£
Christian Aid Kenya	Kenya	727,381	184,571
Hakikazi Catalyst	Tanzania	618,844	58,531
International Union for Conservation of Nature and Natural Resources (IUCN)	Switzerland	626,131	598,498
Arid Lands Development Focus	Kenya	499,779	112,580
Habitat For Humanity Great Britain	UK	450,000	50,000
WWF International	Switzerland	301,346	250,000
International Rescue Committee	UK	300,000	50,000

Trustees' report (continued)

Partner	Country	2016/17	2015/16
		£	£
Rainforest Foundation (UK)	UK	286,561	-
Fern	UK	200,606	-
Forest Peoples Programme	UK	185,895	-
Independent University Bangladesh	Bangladesh	169,633	180,336
Womankind Kenya	Kenya	150,125	89,908
Centre pour l'Environnement	Cameroon	174,524	109,724
Institute of Geographical Science and Natural Resource Research	China	134,576	78,852
Saw Services Limitada	Mozambique	120,933	-
Caribbean Natural Resources Institute	Trinidad and Tobago	117,070	-
The Chinese Academy of Forestry	China	101,145	81,530
University of Southampton	UK	100,800	49,850
IRDC — Institute for Rural Development and Planning	Tanzania	96,362	-
Resource Advocacy Programme	Kenya	85,823	143,150
Client Earth	UK	73,135	-
Tanzania Natural Resource Forum	Chile	71,634	-
Global Environmental Institute	China	71,557	35,546
Well Grounded	UK	65,245	-
Ardhi Institute	Tanzania	64,675	142,426
Oxford Climate Policy	UK	62,905	20,691
University of Oxford	UK	57,485	20,178
Development Alternatives	India	56,752	-
Zanzibar Civil Society Alliance on Climate Change	Tanzania	55,000	-
Advocates Coalition for Development and Environment	Uganda	54,675	83,705
Lok Chetna Manch	India	49,991	59,724
Innovation, Environnement et Développement en Afrique (IIED AFRIQUE)	Senegal	47,225	37,592
ANDES	Peru	41,980	163,676

Trustees' report (continued)

Partner	Country	2016/17	2015/16
		£	£
Institute of Development Studies	UK	43,909	-
CIFOR	Indonesia	37,100	207,333
Wildlife Conservation Society	USA	32,909	37,959
Practical Action UK	UK	32,672	-
Wajara Builders and Contractors	Kenya	30,196	22,036
Kenya Land Alliance	Kenya	30,182	-
Bangladesh Centre for Advanced Studies	Bangladesh	30,007	56,354
Universidade Eduardo Mondlane	Mozambique	29,955	-
Trade and Industry Policy Strategies	South Africa	29,796	-
Alejandro Argumedo	Peru	29,750	26,280
African Centre for a Green Economy	South Africa	29,599	-
Institute of Tropical Forest Conservation	Uganda	29,351	20,403
Accounting for Sustainability	UK	28,165	58,835
Finance Watch	Belgium	26,481	-
MICAIA UK	Mozambique	25,000	50,000
Centre for Community Initiative	Tanzania	24,528	-
Bridging Peoples Unipessoal Lda	Timor-Leste	23,000	-
University of Edinburgh	Ghana	22,285	93,683
Somali Disaster Resilience Institute	China	21,000	-
Oxford Climate Policy	UK	20,837	-
Responsible Tourism Partnership	UK	20,800	-
World Conservation Monitoring Centre	UK	20,728	-
Center for Indigenous Knowledge and Organizational Development	Ghana	20,630	-
Total Landcare Malawi	Malawi	20,398	-
ICLEI Oceania	Australia	20,307	-
Inades Formation	Cameroon	20,000	-
Fountain Solicitors and Advocates	Nigeria	20,000	-
Terre Des Hommes	Switzerland	20,000	-

Trustees' report (continued)

Partner	Country	2016/17	2015/16
		£	£
Oxfam	Haiti	20,000	-
Association Nourrir Sans Détruire	Burkina Faso	19,577	-
Institut de recherche et d'applications des méthodes de développement	France	19,298	56,316
Indian Institute for Human Settlements	India	19,000	-
Practical Action Consulting West Africa	Senegal	18,963	-
Lilongwe University of Agriculture and Natural Resources	Malawi	18,833	-
Kenya Forestry Research Institute	Kenya	17,439	63,304
The American University in Cairo	Egypt	17,000	-
Water & Sanitation for the Urban Poor Advisory CIC	UK	17,000	-
Ardhi University	Tanzania	16,988	-
Earth Observatory of Singapore	Singapore	16,000	-
University for Development Studies	Ghana	15,338	-
NETRIGHT	Ghana	15,051	21,085
Environmental Conservation Trust of Uganda	Uganda	15,000	-
Agricultural Economics, Policy Research and Information Centre	Zimbabwe	14,602	18,200
Catholic Relief Services	Senegal	13,889	-
Tanzania Womens Lawyer Association	Tanzania	12,745	45,643
Echnoserve Consulting Plc	Ethiopia	12,670	40,784
Groundswell International Inc	USA	12,286	-
Social Development Direct	UK	12,000	-
United Nations Human Settlements Programme Lebanon	Lebanon	12,000	-
Somos del Sur	Republic of Ecuador	11,444	-
Associacao Rural de Ajuda Mutua	Mozambique	11,270	-
ICLEI South Asia	India	10,506	-
Shack Dwellers International	South Africa	10,000	100,789
United Kingdom Meteorological Office	UK	10,000	54,652

Trustees' report (continued)

Partner	Country	2016/17	2015/16
		£	£
Payments to collaborating organisations previously reported			
African Centre Technical Studies	Kenya	-	79,579
Stakeholder Democracy Network	UK	-	64,091
Agência de Desenvolvimento Económico Local de Sofala	Mozambique	-	61,656
Cherab Ward Adaptation Planning Committee	Chile	-	60,000
The Living Earth Foundation	UK	-	53,238
Friends of the Nation	Kenya	-	50,175
Malka Constructors Ltd	Kenya	-	46,808
CARE International	Senegal	-	42,412
Réseau de Ressources Naturelles	Democratic Republic of Congo	-	40,000
Centre for Community Organisation	Malawi	-	36,004
Peking University	China	-	31,810
Tufts University Ethiopia	Ethiopia	-	30,737
Initiative Prospective Agricole et Rurale	Senegal	-	28,395
African Climate Finance Hub	South Africa	-	26,829
Land Empowerment Animals People Inc	USA	-	24,908
Imperial College London	UK	-	24,142
Shibawa General Enterprises Ltd	Kenya	-	23,571
Coventry University	China	-	21,000
Futureproof-Ideas Ltd	UK	-	20,000
University of York	UK	-	20,000
Earth Innovation Institute	USA	-	18,361
Sokoine University	Tanzania	-	18,000
Yayasan Kota Kita	Indonesia	-	16,375
Thailand Environment Institute	Thailand	-	16,123
World Agroforestry Centre (ICRAF)	Vietnam	-	15,000
International Institute for Urban Development	USA	-	15,000

Trustees' report (continued)

Partner	Country	2016/17	2015/16
		£	£
Garbatulla Ward Adaptation Planning Committee	Mozambique	-	14,788
The Mugangu Foundation (FONDAMU)	Democratic Republic of Congo	-	14,365
Ecosystem Conservation & Community Development Initiative	Myanmar	-	14,130
Modogashe Agencies Ltd	Kenya	-	13,942
Chinese Academy of Forestry	China	-	13,525
International Livestock Research	Kenya	-	13,406
Bangladesh Agricultural University Research Systems	Bangladesh	-	13,399
Plan Vivo Foundation	UK	-	13,350
ICRAF	Vietnam	-	13,200
Tuutich Limited	Kenya	-	13,050
Comité des Droits de L'homme et de Développement	China	-	12,443
Natural Justice	South Africa	-	12,438
Urban Health Resource Centre	India	-	11,851
Sustainable Use and Livelihoods Specialist Group	Australia	-	11,700
IUCN Burkina Faso	USA	-	11,496
Fulcayo Group Ltd	Mozambique	-	11,199
Java Learning Centre	Vietnam	-	10,974
Clean Energy Nepal	Nepal	-	10,891
Green Innovation & Development Centre	UK	-	10,800
Cooperativa Ambio S.C. de R.L.	Zimbabwe	-	10,267
Habitat for Humanity International	Bangladesh	-	10,140
Society for the Promotion of Area Resource Centres	India	-	10,015
Asian Coalition for Housing Rights	Thailand	-	10,000
Non-Timber Forest Products Exchange Programme	Philippines	-	10,000
University of Queensland	Australia	-	10,000
Payments less than £10,000		289,804	364,713
Total payments		7,638,080	5,125,020

Trustees' report (continued)

15. Prior year comparatives

2015/16 analysis of net assets between funds

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Tangible fixed assets	220,131	788,635	-	1,008,766
Debtors	2,671	-	3,250,629	3,253,300
Cash	689,690	922,407	3,850,242	5,462,339
Creditors	(261,590)	-	(1,601,728)	(1,863,318)
Deferred income	-	-	(5,499,143)	(5,499,143)
Net assets	650,902	1,711,042	-	2,361,944

2015/16 unrestricted reserves

	1 April 2015	Income	Transfers	Resources expended	31 March 2016
	£	£	£	£	£
Total free reserves	1,292,882	1,415,335	239,680	-1,374,588	1,573,309
Designated funds					
Building and capital fund	960,589	-	-	-171,954	788,635
Total unrestricted reserves	2,253,471	1,415,335	239,680	-1,546,542	2,361,944

16. Charity information

The charity is a company limited by guarantee (registered number 2188452), which is a public benefit entity and registered as a charity in England and Wales (charity number 800066) and Scotland (SC039864). The address of the registered office is 80-86 Gray's Inn Road, London, WC1X 8NH.