

# IIED External Review 2017-2022

FINAL REPORT

July 2022



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## EXECUTIVE SUMMARY

### The External Review

This External Review of IIED's current strategies, performance and approach was commissioned by Sida and Irish Aid in March 2021, as required in the agreements between IIED and its institutional funders. It is the fifth in a series of five-yearly reviews, and takes place at a particularly significant time. The confluence of multiple interconnected global crises brings unprecedented opportunities for concerted innovative, even transformative, action by organisations at the forefront of crucial fields of work. IIED is such an organisation, engaged in research-to-action initiatives that can help transform the type, pace and scope of action towards a sustainable, regenerated world. Its leadership and staff have an appetite for (sensitively managed) change that can ensure that it is fit for this extraordinary time. The fact that the Review coincides with the mid-point of the strategy period will allow it to inform the refining of the current strategy, to support the design of a future strategy, and to serve as a learning opportunity to help shape IIED's value for its many diverse stakeholders.

### Overall assessment

The Review team concludes that IIED remains not only an inspiring organisation that continues to do justice to its illustrious 50-year legacy, but one that should now take, and also be given, the chance to be the best it can be to meet the demands of this era. We believe it will not disappoint. The combination of its many impressive qualities, the potential in further developing a dynamic ecosystem of partners, and forward-looking approach positions IIED very well to play a special role in urgently needed changes and transformations worldwide. It has not yet fully developed its many strengths, or eliminated thorny limitations and negative dynamics, and transformed aspects of itself at the right time and in the right way. In other words, it has weaknesses. However, many of IIED's main challenges are not the result of poor planning or implementation. Instead, they are often the consequence of too little attention by the leadership to notable long-standing tensions, contradictions and hence trade-offs that have been diminishing IIED's potential to contribute to transformative outcomes.

In particular, the financing model has now become a very significant challenge. The transaction costs of decentralised fundraising, devolving power to partners and striving for scale without appropriate support are placing too-strenuous demands on staff. IIED has almost everything in place to come much closer to the ambition of its strategy - *if* it can benefit from the freedom provided by a larger percentage, say half instead of the current quarter of unrestricted income. Proving this should be a key aim in the next few years. At the same time, despite this positive overall assessment, given the unique situation in the world today IIED has to give serious consideration to significant improvements. It also has to determine in detail – guided by the findings of this Review as well as its own deep experience – the extent to which it has to (and can) transform to add true value to a world very different from what has existed over the past 50 years. Our recommendations therefore touch on possible options as inspiration.

### IIED's impact

IIED, together with its impressive connections to partners - especially in the Global South but also in the Global North - continues to produce many highly-regarded outputs, connections, engagement spaces and discourses. There are many cases where the evidence generated was and is well-suited to inform policy and action. IIED and its partners continue to take on the ambitious task of working together with a spirit of respect, co-creation and mutual benefit to strengthen the agency and rights of often-invisible or vulnerable groupings. IIED's own monitoring and evaluation, as well as data collected during this Review, point to a substantial number of impressive outcomes of significant importance and scale. There are disappointments, too, but this is not a surprise given the complex social and political change IIED seeks to influence, and the fact that IIED's contributions together with those of its partners are resource-intensive and often a challenge to trace. IIED's strategy is well designed to support efforts to shift systems. But much more can be achieved with a few adjustments to key strategy elements and their

implementation – in particular, greater commitment to working more deliberately with notions of how to get significant systems change or transformation, and leadership attention to removing hindrances and ensuring appropriate incentives and accountability systems in support. Important, too, is the need to do enough strategic evaluations, meta-analyses and syntheses to provide convincing impact narratives for IIED as a whole, as well as for clusters of outcomes that are not yet visible enough. In other words, IIED's 'impact story' still has to be told.

### **IIED's strategy**

An impressive and under-appreciated aspect of IIED's strategic approach is that it has a number of connected elements that are known to help create the 'outcome ripples' essential to shift systems during orchestrated efforts towards transformation. It is very important to assess the design and implementation of the strategy using this lens, and to appreciate and support IIED's work and contributions accordingly. Accompanied by an impressive monitoring, evaluation and learning system, the Learning and Impact Framework (LIF), IIED now has a set of 'living' nested theories of change, very useful learning questions, and projected and reported outcomes – 'living', so that the tactics and also strategy can adapt with learning and changes in context. The LIF holds promise – still to be fully realised – to facilitate internal learning, decision-making, planning, and accountability, but also to track nuances in project, programme and group portfolio delivery. This can ensure that key success factors as well as hindrances are well understood and dealt with. Most importantly, it can help IIED to craft a higher level, synthesised strategic narrative – 'IIED's impact story' – about its value to the world at this critical time in history.

The strategy is also defined broadly enough not to constrain innovation, but in the absence of implementation discipline it has left too much room for project retrofitting and thus for a too-scattered approach. Programme implementation is also not yet sufficiently purposeful to achieve the promise of the strategy. If IIED's contributions are to help shift systems towards significant change or transformation, more robust thought and action are needed for example on how exactly to create new narratives around change and transformation, help shift power, or influence mindsets in the systems that IIED wants to see changed or transformed. If such actions are tepid, the theories of change become rhetoric aimed at satisfying bureaucratic accountability.

### **Key aspects of IIED's approach to its work**

#### *Its people*

The staff – together with IIED's partners – are the foundation for future success. The Review shows that IIED has a unique combination of impressive strengths that contributes greatly to its success and positioning – and it continues to foster these. But it also has had to deal with very significant external shifts, as well as internal tensions, contradictions and constraints. Even if the positive aspects of IIED's organisational culture and ways of working still far outweigh that which is negative, IIED's staff show signs of strain. This is particularly important during times of societal fragility. Apart from the effect of the latter, the burden of fundraising placed on research staff, the lack of 'dreaming together' by research and other staff units, unclear incentives, the distance between people created by COVID-19, unresolved complaints, perceptions of inadequate or untransparent relations between the senior leadership and staff, and the uncertainty around the future organisational model - all contribute to stress and demotivation among some. The ideal balance between different types of thematic or other forms of expertise, and between the number of research and other staff, have to be determined and appropriately managed and monitored.

At the same time it is reassuring that IIED's leadership has initiated several important studies and initiatives, triggered and/or enriched by staff members to help inform decisions about the best approaches in future. But perceptions of slow implementation, insufficiently responsive attention to issues that affect individuals, and concerns about the growth in relatively junior or operational staff compared to high-profile researchers have created enough signals of frustration to warrant more attention, including more effective incentive and accountability systems across the organisation.

### *Cohesion, synergy and collaboration*

The nested theories of change have helped to improve the vertical and even horizontal coherence to IIED initiatives. Several useful boundary-spanning initiatives have been implemented to help address the perennial problem of too little synergy and collaboration across individuals, programmes or groups. Progress has certainly been made. Even in the absence of systematic data, there is a good number of significant examples of good cooperation. Staff generally agree with the ambition, and work programmes facilitate cooperation - although small scattered projects are still plentiful, and simple matters like the sharing of information and of useful connections are often stifled. Daily realities, staff make-up, the financing model that encourages competition for funding, and lack of meaningful incentives continue to limit the purposeful creation of synergies and cooperative initiatives. The value of small yet well-leveraged actions spread across many areas should not be underestimated, but IIED continues to need well-informed plans and decisions that can help balance major cooperative efforts and small catalytic initiatives in support of the ambition of its strategy outcomes.

### *Partnerships*

Today, comparative advantage is often determined by the depth and width of connections, the web that makes up the ecosystem of actors and engagements within which an organisation operates. IIED's impressive array of major international as well as local organisations, and the way in which it engages with them therefore remains a key part of its success. However, competition for partnerships is increasing as the number of organisations working in the same space as IIED grows, and a major part of IIED's comparative advantage is therefore the genuine warmth and respect many partners feel towards IIED, something that is not always found in South-North relationships. Comments show that this is the result of IIED's long-standing reputation for quality and principled work, its lack of arrogance, and deeply-felt visible commitment to the concerns and interests of the Global South.

However, the relationships remain largely project-based and vertical, linked to IIED rather than to one another. This means that IIED is not yet fully using the value of an interconnected ecosystem of relationships that can build collective strengths and accelerate learning and impact in both the Global South and the Global North. There are also warning signals about current partnerships and relationships that stem from the inevitable power and (two-way) capacity asymmetries that arise when an organisation from an economically rich, Western country works with partners from the Global South. Partner critiques of IIED are unusually limited compared to the review team's experience in other contexts, but a number of relationship concerns have nevertheless surfaced. This indicates that IIED's current focus on decolonisation is timely and important. Groundwork is also being laid towards more strategic and longer-term engagement, also with atypical partners, but connections have yet to be thoughtfully established with a diversity of private sector actors, including private foundations, and with those parts of the world that have not traditionally been IIED's focus. This is becoming urgent, given the significant and growing importance of East and West Asia amidst geopolitical power shifts, and thus for financing as well as learning about how to solve complex problems and work towards global and regional development.

### *Decolonisation*

It is highly commendable that IIED has decided to tackle head-on the important issue of decolonisation – with the concomitant issues of racism and diversity, equity and inclusion – as a whole-organisation initiative that identifies areas of concern and action and act upon it. A very high proportion of IIED staff survey respondents believes that IIED has to make significant adjustments in organisational systems and culture in this regard. Partners consulted had some significant criticisms, yet at the same time were complimentary towards IIED, praising its staff attitudes and ways of working as 'some of the best in the business', and the reason for genuinely good relations. Yet the staff profile and locations, and anecdotes from both staff and partners, raise warning signals. It is clear that key challenges are deeply rooted - dealing with deep insecurities resulting from power asymmetries in North-South interactions; or notions of 'capacity strengthening' that focus on obvious issues with regard to research techniques and 'local context' rather than on much more demanding efforts to address together outdated dominant beliefs and narratives about how change really happens or how relationships, tensions and trade-offs should be viewed.

These issues are the result of several centuries of dominance both of (i) reductionist, linear thinking, and (ii) indifference about the worldviews of very different societies around the world – and, as a result, the prevalence of inappropriate dominant narratives about change, development and how the world works or should work. It is therefore encouraging that amid challenges good progress is being made – most visibly in the active task team discussions and studies, public statements and evolving roadmaps that are shaping IIED’s way forward in this important endeavour, which will also affect the choices to be made about how IIED positions itself in future. The most important challenge IIED will face is to make sure that the decolonisation agenda is an endogenous process, one that allows Global South staff, partners and other stakeholders’ voices to set the agenda, to be genuinely heard, and to carry the action in close collaboration with those from the Global North who are truly committed to the issue.

### *Responsiveness and agility*

IIED has some exemplary features as a responsive and agile organisation, well demonstrated during the COVID-19 pandemic in both organisational adjustments and research foci. Its relatively small size as well as long-standing areas of expertise have been an advantage at a time when it is critical to use the ability to nimbly identify and act upon leverage points, and use relationships to amplify possibilities through alignment or collective action. IIED still needs to optimise this mindset and fully realise the opportunity presented by its existing and potential array of connections. At the same time, aspects of its internal decision-making processes appear to have been less agile and sensitive than desired in support of internal staff and external partner interests. Importantly, it has to be more responsive to key trends in the sustainable development (governance) and regeneration landscape to be sure it is well-positioned and fit for the future.

### *Research quality*

Quality research is crucial for knowledge organisations. The Review team appreciate the steps taken to help ensure that the knowledge produced by IIED is technically and ethically sound, innovative, relevant and useful. It was not within the Review terms of reference to assess the quality of IIED’s research. However, there are indications (based on internal discussions as well as preliminary readings) that current quality assurance processes should be further strengthened, among others in terms of more rigorous peer review, ensuring that researchers use up-to-date technologies and methodologies, and focusing on the systematic and equitable integration of scientific, local, Indigenous and other forms of knowledge. Attention to quality is essential for IIED (with its partners) to (i) maintain its reputation for high quality research; (ii) demonstrate that it is at the forefront of developments in knowledge production, and (iii) do justice to those that the research and new knowledge is intended to serve.

### **IIED’s financial model**

IIED’s financial model suffers from the tension between the ideal of long-term, systems-informed approaches to and priorities for development financing, and short-term, linear approaches that define current financing modalities. Although IIED has sought solutions, power asymmetries in global financing systems continue to hamper progress. Research staff are exhausted by a constant search for funds amidst what is perceived as rising expectations around the number of paid days. And while misalignment with strategy foci might not be too obvious, the dispersion and short-term nature of many funding opportunities take away from the potential offered by IIED’s strategy. Un-ringfenced funding has provided IIED and its partners with major benefits - inspiring and incubating innovations; strengthening the potential for significant impact by promoting coherence and enabling co-financing; providing opportunities to advance strategic thinking and action within IIED and in the fields in which it works; supporting knowledge generation, learning and accountability within and beyond IIED; and bringing the flexibility and agility to deal with shocks such as COVID-19. Importantly therefore, such funding helps IIED to be adventurous and experiment outside the norm – something that often distinguishes outstanding performers. Without frame funding, IIED may be forced into some level of mediocrity and could slowly fade away.

IIED can still do more to ensure a good balance in the use of frame funding for operational, research and strategic support; to keep staff informed and convinced of the merit of specific allocations; and to include a strong focus on frame funding in a leadership-driven fundraising strategy that can also tap unconventional sources based on sound and appropriate impact narratives.

## IIED's position in a shifting landscape

All the positive features and qualities mentioned in this Review, and more, have contributed to IIED's excellent standing -its size and responsiveness; its ecosystem of relationships; ease of working across levels, connection both to local sustainability questions and concerns as much as globally; wealth of experience in research-to-action work, and appreciation by its partners over many years of trust built and results delivered. It also has several valuable new initiatives such as IIED-Europe, the LIF, Impact and Learning Exercises and Global Engagement Themes, and a set of important internal studies with recommendations that can take it into the future. But its position is at risk. Competition in its areas of expertise and around partnerships is increasing. Major players in the multilateral system, as well as innovative and agile upstarts are attracting ideas and staff. Evolving models of collaboration do not necessarily require steady partnerships, while others build on long-term strategic relationships. Areas of work are evolving and new technologies are changing how research is done, perceived and shared.

IIED's niche and comparative advantage are therefore being eroded, becoming less defined and secure. It has to pick up the pace to remain at the forefront of developments not only in each separate field of work in which IIED works, but in the research-to-action in sustainable development (governance) and regeneration landscape more broadly. In order to give impetus to considerations in this regard we highlight ten relevant shifts in the global landscape as well as an analysis of key themes raised by staff – recognising that IIED has already engaged with several of these shifts and themes. Fortunately, IIED's foundation is sound and its current strategy good. But much can be done to secure its position in line with its robust reputation and accumulated experience - while not harking back to the past.

This is the spirit and intent behind the recommendations and options for action - made not as a proposed blueprint, but as entry point for engagement with the future by all in IIED.

## Options and recommendations

The following options and recommendations are intended to help reposition IIED from a 'comfortably positioned, rather traditional' organisation from the Global North to a 'forward-leaning, leading progressive' 21<sup>st</sup>-century environment/development (global) nexus partner. It will require IIED to question what being a (impartial) think-tank means at a time when political and societal power – and interests - will be more visibly in conflict in parts of the world. And it will require determining where its principles and actions stand with respect to the nexus of development and environment during this critical time in the history of the planet – whether focused on environment *and* development, on environment *for* development, or on development *for* the environment.

Three options are given. They are not exhaustive, but provide possibilities that can be blended, allowed to evolve from one into the other, and/or spark further thought about what each could entail, or about other options.

**Option 1 – 'Reshape'.** The most incremental change option, IIED continues to focus on the Global South as a sincere, committed and experienced organisation based in the Global North, and which in its next strategy period aims to be the best it can be in this role within the changing contexts in which it operates.

**Option 2 – 'Reform'.** A more adventurous choice, IIED repositions itself unapologetically as a Global North organisation working in partnership with the Global South in an effort to become a model for decolonisation and for the most progressive, leading-edge perspectives on using research-to-action for sustainable development and regeneration. Thus, an organisation located in the Global North but with a Global South heart and spirit.

**Option 3 – 'Transform'.** The most adventurous and progressive choice, IIED works towards changing around completely the Global North/Global South power and 'development' asymmetries. It positions itself as a facilitator and supporter of some of the smartest and most informed expertise coalitions and networks in the Global South that are able to transform their relevant knowledge and experiences and blend them with a good understanding of global issues, and bring them to the Global North – where appropriate in conjunction with Global North partners and coalitions. This will help ensure that all expertise and knowledge systems worldwide – East, West, South and North – are mobilised on an equal footing to create solutions fit for the 21<sup>st</sup> century.

In this case, IIED-Europe, together with an equivalent established in the Global South, become the pivotal axis of this approach<sup>7</sup>

**Priorities - 'Refine'.** We also propose six sets of priorities for incremental improvements, to be implemented as soon as possible during this strategy period, with suggestions for tactics from which selections can be made. Details can be found in Chapter 6.

Priority 1. Focus on central mobilisation of frame and strategic funding.

Priority 2. Nurture IIED's people.

Priority 3. Decolonise IIED with sophistication.

Priority 4. Strengthen coherence and mainstreaming for 'big thing' thinking complemented by catalytic initiatives.

Priority 5. Forge a more strategic and progressive *ecosystem* of partners and relationships.

Priority 6. Lead with advanced, nuanced monitoring, evaluation and learning on key issues linked to futures thinking and design.



## ACRONYMS

<b>ADB</b>	Asian Development Bank
<b>ALIGN</b>	Advancing Land-based Investment Governance
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>AU</b>	African Union
<b>CCCF</b>	County Climate Change Fund (Kenya)
<b>CCG</b>	Climate Change Group
<b>COMESA</b>	Common Market for East and Southern Africa
<b>COP-26</b>	26th UN Climate Change Conference of the Parties
<b>DEI</b>	Diversity, equity, inclusiveness
<b>EDM</b>	Energy Delivery Model
<b>EPIC</b>	Empowering Producers in Commercial Agriculture
<b>ESG</b>	Environment, Social, Governance
<b>GET</b>	Global Engagement Theme
<b>HSG</b>	Human Settlements Group
<b>IDS</b>	Institute of Development Studies
<b>IPLC</b>	Indigenous people and local communities
<b>ILE</b>	Impact and Learning Exercise
<b>IMF</b>	International Monetary Fund
<b>LDC</b>	Least Developed Countries
<b>LIF</b>	Learning Impact Framework
<b>LIFE-AR</b>	LDC Initiative for Effective Adaptation and Resilience
<b>LLA</b>	Locally led adaptation
<b>MEL</b>	Monitoring, evaluation and learning
<b>NGO</b>	Non-governmental organisation
<b>NRG</b>	Natural Resources Group
<b>SADC</b>	Southern African Development Community
<b>SDGs</b>	Sustainable Development Goals
<b>SDI</b>	Shack/Slum Dwellers International
<b>SLG</b>	Strategy and Learning Group
<b>SMT</b>	Strategy and Management Team
<b>SSM</b>	Shaping Sustainable Markets Group
<b>TOC</b>	Theory of change
<b>UNECA</b>	United Nations Economic Commission for Africa
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change

# 1 POSITIONING THE EXTERNAL REVIEW

## 1.1 THE REVIEW AT A GLANCE

<b>Commissioning</b>	Commissioned as per agreement between IIED and its institutional funders, Sida and Irish Aid. Managed by IIED's Strategy & Learning Group.
<b>Focus of the Review</b>	The fifth in a series of five-yearly reviews of IIED strategy and performance: the changing context, IIED's impact, and options and recommendations for the short- to medium- term.
<b>Purpose of the Review</b>	Forward-looking, it has to: <ul style="list-style-type: none"> <li>▪ inform the refining of the 2019-2024 institutional strategy mid-way through implementation;</li> <li>▪ support the crafting of the future strategy;</li> <li>▪ facilitate reflection on lessons for the future; and</li> <li>▪ ensure that IIED meets the needs of its diverse stakeholders.</li> </ul>
<b>Importance of the Review</b>	The Review takes place during a time when multiple global crises converge; spontaneous or orchestrated transformations are accelerating; and uncertainty is spreading across the world. This is propagating cracks in existing systems while inspiring the emergence of new opportunities. Together with its partners, IIED works at the forefront in key areas of knowledge generation and brokering, and among the IIED leadership and staff there is an appetite for change that can propel IIED forward, making it fit for this exceptional time.
<b>Primary intended users</b>	<ul style="list-style-type: none"> <li>▪ Institutional funders</li> <li>▪ Board of Trustees</li> <li>▪ Leadership and staff of IIED</li> </ul>
<b>Period</b>	2017 – 2022
<b>The evaluand</b>	IIED's institutional Strategic Framework, impact and approaches, as an open system - thus including the influences on its design and implementation. Differences between institutional groups were recognised where appropriate, but were not the focus of analyses.
<b>Key review questions</b> (detailed Review matrix in Annex 1)	<ol style="list-style-type: none"> <li>1. To what extent has IIED made a difference in line with its intent? Any negative consequences or impacts as a result of its work?</li> <li>2. How well positioned has IIED been to execute its strategy? How visible in this role?</li> <li>3. To what extent has IIED's (i) strategy and implementation approach, (ii) approach to partnerships, and (iii) financing model been fit for purpose?</li> <li>4. How well has IIED responded and adjusted to risks and changes in context?</li> <li>5. What (other) (i) internal and (ii) external dynamics have influenced IIED's performance and positioning?</li> <li>6. What are the implications of the Review findings and conclusions for IIED's future positioning and programming?</li> </ol>
<b>Review period</b>	March 2021-June 2022
<b>Review team</b>	<ul style="list-style-type: none"> <li>▪ Zenda Ofir (Team Leader)</li> <li>▪ Yves Renard</li> <li>▪ Louise Gallagher (joined March 2022)</li> </ul> <p>Two Review team members had no prior connection with IIED (except for joint development of a few briefings), while one served on the Board of Trustees more than a decade ago.</p>

## 1.2 APPROACH AND METHODOLOGY

The following is a summary of the approach used by the Review team. Technical details can be found in Annex 1-7 in the companion document to this report - the review matrix, approach and methodology, Three Horizons framework, documents consulted, list of persons consulted, examples of interview guides, and staff survey results.

The Review placed a robust emphasis on how well IIED is **positioned**, and how it can fulfil a **crucially important and effective role** in a transforming world that is under severe strain. This means that the Review team could not focus on 'the future' from an incremental, linear change perspective as is often the case in institutional reviews. Instead, we took a **systems perspective**, aware of the importance of path-dependence; we aimed for a **balanced assessment** with a strong focus on credibility and use; and we considered opportunities for **incremental improvement** as well as major, even **transformative change**.

The systems lens on the work of IIED required a **phased, integrated, mixed-methods approach** that could give the rich qualitative information and, where available, quantitative data necessary to trace patterns, inform nuanced assessments and support triangulation between multiple sources of data and information, and between multiple methods.

Our systems perspective meant that we were conscious and critical of boundaries drawn for the Review. We therefore applied **boundary critique**, checking who and what should be included, who and what have been left out, and the implications for our findings. Boundaries were drawn by the Review purpose, IIED's 2019-2024 Strategic Framework (*Make Change Happen*), the Review questions, and the availability of stakeholders following open invitations or based on purposive sampling strategies.

A modified **Three Horizons framework** was used to structure and inform the assessments where relevant, and served as robust guidance during a series of open-invitation peer discussions held with IIED staff.

Rather than draw on specific cases, we focused on obtaining well-triangulated qualitative information in order to detect relevant patterns that illuminate IIED's position, the different dimensions of its work, and the internal and external influences on these. Throughout the combination of methods we applied, where appropriate, (i) an **'inside view'** specifically structured to analyse contexts, surface assumptions and understand different perspectives among staff who have been with IIED for some time, and (ii) an **'outside view'** that considered perspectives of new staff, staff members external to the UK, and partners – both closely linked and at a distance from IIED – as well as observations from selected comparable organisations' positioning, approach to their policy work and practices, and view of the future.

The generous period available for the review allowed for **sequencing of methods and systematic integration** of the emerging results in four phases:

**Phase 1. Inception and scoping.** Development of Review frameworks for data collection and analyses, and broad gathering of views, experiences and data based on:

- extensive document review, and
- key informant interviews with selected members of IIED's leadership and Board of Trustees.

**Phase 2. Initial data collection and assessment.** Selecting appropriate methods, refining instruments on the basis of the initial assessment, and collecting data from a range of stakeholders (Box 1):

- staff survey

- partner survey<sup>1</sup>
- external stakeholder surveys (done by IIED in 2020 and 2021) and
- semi-structured interviews with IIED staff, associates, partners and (unconnected) observers.

**Phase 3. In-depth inquiry.** Developing further frameworks for analyses, exploring critical emerging issues, and using additional primary data and document review to triangulate initial findings and deepen insight (Box 1):

- peer discussions between IIED staff members on six key topics in 17 sessions
- landscape analysis, based on secondary sources
- light-touch peer organisation comparison study, and
- analysis of IIED's outcomes based on LIF information, with limited triangulation.

**Phase 4. Synthesis and validation.** Drafting and testing with staff the assessment findings, conclusions and options for the future before finalisation and management response.<sup>2</sup>

**Our reach** was determined by the boundaries drawn by the Review team, as well as by the constraints noted in Annex 2 – in particular the pause in the Review process of several months, and the inevitably stronger focus on those closely connected to IIED, with potential biases in contributions. However, patterns emerged that we triangulated as well as possible between different methods and sources.

### Box 1. Stakeholder contributions to the Review

#### Surveys: Staff members

73 staff members (49 percent response rate)

#### Surveys: Partners and others

58 partner representatives (unknown response rate; est. 10-15 percent)

155 external stakeholders from IIED surveys done in 2020 and 2021

#### Interviews and peer discussions: Staff members

39 staff members, both purposefully sampled as well as self-selected

#### Interviews: Partners and others

14 partner representatives, purposefully sampled

6 external specialists, purposefully sampled

5 Board of Trustees members (current and past), purposefully sampled  
(40 percent Global South, 60 percent Global North)

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<sup>1</sup> The Review team had access to a stakeholder rather than partners only list, which was not available; estimated response rate therefore based on IIED's estimate of around 350 partners.

<sup>2</sup> Note: We did not do a final validation during a planned fifth phase for reasons noted in the limitations of the Review (details in Annex 2)

## 2 THUMBNAIL SKETCH OF IIED'S STRATEGIC APPROACH<sup>3</sup>

<b>IIED's basic premise</b>	<p><b>IIED's mission</b> is to tackle poverty, inequality and unsustainability in collaboration with partners.</p> <p><b>IIED believes</b> that policy and social change are neither rational nor linear. They emerge from many different angles of influence and types of knowledge creation, and are shaped by imbalances in power and voice. The underlying assumption is that changes in the body, use and framing of knowledge can help shape policy and practice at different levels, from local to global, because knowledge generates evidence, action and influence.</p> <p><b>IIED focuses its energies</b> where it can have the greatest effect, making sure those who are excluded from decision-making can gain greater agency.</p>
<b>IIED's focus</b>	<p><b>IIED works</b> at the intersection of social and environmental justice – where poverty reduction meets climate action; where preserving the natural world meets the need to protect the local natural resource rights that underpin thriving communities.</p>
<b>Five global challenges</b>	<ul style="list-style-type: none"> <li>▪ Increasing inequality</li> <li>▪ The climate crisis</li> <li>▪ An assault on the natural world</li> <li>▪ Increasing urban risk</li> <li>▪ Unsustainable markets.</li> </ul> <p><b>These challenges</b> are interlinked, and so are the actions IIED takes to drive change in these domains. As they move forward, staff look for connections, synergies and lessons that enable IIED to enrich partnerships and deliver greater impact.</p>
<b>The way IIED works</b>	<p><b>IIED ensures</b> that in order to improve communication, generate evidence and build capacity to drive change in policy and practice, a range of people and parties – decision-makers, local communities, influencers, communication and knowledge brokers, and researchers – are strategically engaged in generating knowledge. It works in ways that question and change power dynamics between the actors involved. This co-creation approach is intended to result in powerful propositions that bring about change in policy and practice.</p>
<b>Four impact pathways</b>	<p><b>Convening dialogues for transformative change:</b> Multistakeholder dialogues connect communities that lack voice and power with decision-makers, including governments, development practitioners, businesses, academics and technicians. IIED facilitates the co-creation of evidence with local people, reflecting their concerns and helping to make the case for embedding social and environmental justice in policy and practice.</p> <p><b>Engaging practitioners and policymakers:</b> IIED identifies strategic opportunities for policy intervention at local, national and global levels. It has a track record of working with decision-makers to strengthen their capabilities for creating and using evidence, and help them reflect ground-level realities in policy.</p> <p><b>Providing evidence and ideas to transform policy and practice:</b> Action research with local actors and partners enables IIED to develop practical solutions that support pro-poor governance.</p>

<sup>3</sup> This section is based on the strategy summary in the 2022 LIF report.

Together, they present policymakers and the private sector with a rigorously researched evidence base for fairer ways forward, from local to global scale.

**Empowering the excluded:** IIED helps overlooked people and communities generate and use evidence and hold their own in decision-making arenas.

**Four desired outcomes**

**Changes in the body of evidence:** Generating new types of evidence to support sustainable development.

**Changes in capabilities:** Improving different actors’ capabilities to create and use evidence.

**Changes in interactions:** New interactions, relationships and shifts in power dynamics that have resulted from IIED and its partners’ work.

**Changes in policy and practice:** Longer-term outcomes relating to three areas — equitable and effective governance and policies; increased finance assets and agency of people living in poverty and marginalised communities; and strengthened voices and rights of people living in poverty and exclusion and their organisations.

**Five global engagement themes (GETs)**

- The SDGs
- Biodiversity and Development
- Humanitarian and Environmental Worlds
- Digital and Sustainable Development
- China in the World.

**In FY23** these themes will be integrated into existing work programmes. A new work programme will be created (Displacement, Mobility and Migration) as well as five new GETs – (i) Climate and Conflict in the Sahel; (ii) Trade and Sustainable Development; (iii) Boosting Biocultural Heritage through Strategic Partnerships; (iv) Anti-Racist Narratives as Enablers of Equity and Social Justice; and (v) Connecting Social Justice and Decarbonisation in Cities.

### 3 FINDINGS: IIED’S IMPACT, 2017-2021

#### FINDING 1

**IIED continues to be perceived as a very active and also impactful organisation in ‘research-to-action’ knowledge translation in sustainable development (governance) - and with distinctive positive qualities that make it stand out above the fray. Available evidence confirms this perception, while raising a number of issues requiring attention if IIED is to achieve its full potential in a transforming world.**

Leading persons with a broad perspective on developments in IIED’s field of work continue to view it as an organisation that: can lead and guide at the nexus between development and environment, grasps important issues and opportunities early on, and frequently contributes in areas that comparable organisations seldom do. Its rich history of significant achievements<sup>4</sup> coupled to its organisational values and ways of working (details in chapter 4) shape its positive image and inspire real warmth and appreciation from both partners and those further removed from the organisation. Anecdotes from stakeholders consulted, as well as evidence from

<sup>4</sup> See for example Bass, S ‘[Connecting for common goals: exploring IIED’s role in ten sustainable development movements](#)’. IIED 2022.

evaluations and internal outcomes harvesting processes recorded in IIED’s Learning and Impact Framework (LIF) reports of 2020 - 2022 reveal a plethora of often impressive outputs and outcomes especially in IIED’s ‘sphere of control’ and ‘sphere of direct influence’<sup>5</sup>. – with 141 outcomes reported in total since 2020, a remarkable number even with a few not quite qualifying as meaningful outcomes. The projects and outcomes point to an impressively active organisation whose staff, in close collaboration with partners in the Global South and Global North, engage with a diversity of local to global actors in many different, often influential governance and public spaces.

Some of the contribution claims may be unclear, (inadvertently) exaggerated or impossible to determine, as outcomes assessment is challenging in IIED’s type of work. But there is enough evidence to show that IIED is an organisation that makes a difference in spaces that matter – and sometimes where few others dare to venture, a quality that is best displayed in the emphasis on local to global connections and efforts to make a real, significant difference where the environment intersects with underserved, marginalised, often ‘invisible’ societies.

Despite its many successes in getting to worthwhile outcomes, IIED’s contributions to positive impacts can be strengthened by improving some qualities related to how it is positioned as well as to how it works. This is addressed in several of the findings that follow.

## FINDING 2

**IIED’s best and largest-scale outcomes have been achieved when it implemented, with its partners, a set of actions that influenced local to global agendas, created and shaped new spaces to influence agendas, garnered the support of agencies with a large international footprint, and/or worked from a theoretical or local level along pathways that can lead to material impacts based on a good understanding of how change processes take shape. This required deliberately working with interdependencies, relationships, leverage points and points of power in systems.**

The three LIF reports to date (2020-2022) detail impressive examples where IIED, together with its partners, worked with leverage points, power and influence, or connected sets of actions across stakeholder and geographic boundaries to inspire and position actions for large-scale change from national to global level. A few selected examples are provided in Box 2,<sup>6</sup> but the real test for IIED’s systems orientation to change will require determining whether these intermediate outcomes and further action have been well enough positioned and implemented to create sufficient ripple effects along promising impact pathways.<sup>7</sup>

### **Box 2. Examples of significant outcomes with significant contributions by IIED and its partners.**

*Evidence use:* Creating interest among the endorsing partners and funders in/by shifting the narrative away from locally led adaptation (LLA) principles in theory towards how to support and scale up LLA actions with appropriate financing. Potential ripple effects were felt at COP-26, with new funding of US\$1 billion committed for initiatives and funds aligned with the LLA principles by a raft of

<sup>5</sup> In other words, where its staff and partners have direct influence, such as on the quality, relevance, originality and positioning for use of the evidence they produce, capacities developed within IIED and among its partners, and in connections or relationships that are established

<sup>6</sup> The examples - by far not exhaustive - are provided from an analysis of a randomly-selected set of reported outcomes in LIF reports, in some cases supplemented by interviews and survey information. Criteria used for analysis included, for different analytical purposes, the (i) extent to which results were obtained beyond just research outputs; (ii) scope and scale of the report outcomes, with cross-scale scoring highest (criterion weighing the most); (iii) extent to which the work helped to highlight underserved voices and interests; and (iv) quality of the evidence.

<sup>7</sup> Ideally traced through external contribution analysis or outcomes harvesting during committed impact evaluations.

impressive interested parties<sup>8</sup> – adding to IIED’s efforts towards *financial assets and agency* outcomes. The test for further ripple effects will be subsequent to the actual and appropriate implementation of financing promises in different geographic areas, and the extent to which IIED and partners can hold the parties to account for promised action.

*Capability strengthening:* Multi-faceted support to the LDC group, including through LIFE-AR, and in particular to Bhutan as chair of the LDC group, to lead strategy and alignment between, and present a coordinated performance by LDC countries at COP-26, enabling significant visibility and media attention. Potential ripple effects towards larger-scale, deeper impacts will be determined by effective and timely action by high- and high-middle- income countries in line with LDC country wishes.

*Governance/policy:* Support for steps taken by several local county governments in Kenya to establish a County Climate Change Fund (CCCF) mechanism to help them channel and manage investments cognisant of the priorities of communities most affected by climate impacts. Demonstration of an Energy Delivery Model (EDM) also led to the first comprehensive energy plan adopted by a county government, with potential to scale to national level. Potential ripple effects in both cases will be determined by successful implementation and expansion across counties in Kenya and also on a national level, with visible benefits for underserved communities.

*(Financial) assets and agency:* Key inputs using the IIED-supported ‘*Money where it matters*’ framework principles to initiate the Community Resilience Partnership Programme of the Asian Development Bank, enabling more inclusive and gender-responsive locally driven climate finance mechanisms that prioritise poor and marginalised groupings in climate investments. Ripple effects will be tested when ADB and other organisations integrate the principles effectively in their funding, learning and accountability mechanisms, with agency of those affected clearly expressed in processes and results.

*Connections, interactions and power dynamics.* Exploration of a joint facility as new modality for multilateral institutions to model and support the linking of climate and nature-to-debt instruments, informed by IIED (with partners’) research and calls for action. Further advanced at COP-26 through the convening of, and subsequent expressions of interest in and commitment by key agencies and countries, as well as private sector representatives, to consider debt swaps among creditor and debtor countries – enabling an opportunity to address debt, climate change and nature emergencies together, in support of an inclusive and sustainable post-COVID-19 recovery. Ripple effects of such an initiative could be major if promises are kept and implementation proceeds in line with the ambition.

*Voice, rights and inclusion.* Leading up to and at COP-26, producing evidence of efficacy and increasing the voice of Indigenous peoples and local communities (IPLCs) and forest and farm producer organisation representatives as the main agency for global resilience, with greater recognition of how IPLC organisations and farmer groups can deliver climate mitigation, adaptation and resilience. Contributed to new pledges of financial support, including US\$1.7 billion to support tenure rights for and forest management by IPLCs. Ripple effects will be tested when it comes to keeping to commitment details during implementation, and further funding for such approaches.

**We suggest** that IIED studies through evaluation the success factors behind these achievements, as well as how to increase the potential of the more dispersed, fragmented initiatives to connect or expand along impact pathways that can lead to stronger outcomes.

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<sup>8</sup> These include the LDC Fund, Adaptation Fund, the Taskforce for Access to Climate Finance, LIFE-AR, the World Bank’s Financing Locally-Led Climate Action and the ADB’s Community Resilience Partnership Programme.



## FINDING 3

**IIED's most prominent outcomes are accompanied by a plethora of 'smaller' assorted and unconnected outcomes. While such outcomes lay the basis for further work, or contribute to innovation and catalytic action, this situation and how it is reported also limit IIED's potential to contribute to (systems) change at a notable scale, and tends to exhaust staff. It also prevents the full 'impact story' or key impact narratives of IIED and its partners to be told. This can lead to an underestimation of the value of IIED's contributions, fail to highlight weaknesses in design and implementation, and demotivate staff.**

IIED's strategy is explicit about its intent to focus on scaling in order to help facilitate large-scale impact (primarily through bottom-up, empowering approaches, which build on relationships and partnerships, inspire researchers and practitioners, collaborate with local communities and governments) although much less so with national governments and the private sector – and on influencing supranational discussions. There are, as noted above, examples demonstrated among others by the contributions through COP-26 and the work with the LDCs. But we would also like to draw attention to an equally important issue: staff dialogues and interviews confirmed that there are too many factors in IIED that encourage the production of scattered, unconnected outcomes unlikely to inspire the institutionalisation of new models or 'rules', practice changes or new pathways that can link IIED's work with the impact pathways of other more influential actors with a wider footprint (Box3; see also section 4.2).

The Review team has been impressed with the very large number of outcomes produced by IIED over the past five years (and some worthwhile outcomes may go unreported due to lack of evidence). At the same time, we are concerned that staff are over-extended in their efforts to make a difference through, often small, fragmented projects (also see section 4.1). We recognise that not everything needs to be done to work towards outcomes at a significant scale, and there are some benefits to having projects that are implemented in isolation or are not fully aligned with organisational strategy. They can provide agile action, give a sense of achievement, bring fresh thinking and innovation, and provide opportunities to experiment. They can focus on a particular leverage point in a system (such as work on climate finance), be a foundation for major change (such as demonstration projects with pathways to influential actors able to scale effectively), or a trigger for rippling and cascading outcomes that can contribute to systems shifts (such as the work with LDCs). Small cumulative steps can become transformative, yet are in themselves seldom visible as crucial contributions to such change. However, too many scattered outcomes that are not joined up or taken further by IIED, or well positioned for take-up by others, are unlikely to sustain or work in synergy to cascade towards significant material outcomes. In fact, the current situation in this regard in IIED highlights some of the reasons why North-South development financing or 'aid' has so often failed.

**Box 3. Constraining influences in IIED that reduce potential for impactful outcomes or outcomes at scale**

- i. IIED's financial model, which encourages competition within and among programmes, and compliance with funder priorities – coupled to the broad nature of IIED's strategy.
- ii. Insufficient or patchy attention to, and mapping of the systems that IIED's work is aimed at influencing, in order to inspire connections and coherence within and among programmes and groups.
- iii. Insufficient organisational incentives, support and accountability systems to inspire and encourage aligned, synergistic and/or collaborative approaches.
- iv. Insufficient focus on thoughtful and deliberate positioning of projects for scaling, for example by moving beyond 'comfortable' partnerships, to engage strategically with influential regional or international

actors, including those in the financially increasingly powerful East<sup>9</sup>, or working more systematically to identify interventions with catalytic potential and with necessary connections to work together towards systems change.

- v. Traces in some cases of 'old' (simplistic, linear) thinking about how change happens through research-to-action knowledge translation efforts.
- vi. Accommodation of specialist areas and interests of individual researchers, some of whom carry a legacy of long-standing interests that are not any more at the forefront of practice.
- vii. IIED's commitment to LDCs and to smaller partners with, at times, limited capacities, which limit the scope and scale of collaborative initiatives.<sup>10</sup>

Furthermore, current LIF reporting practices constitute a significant improvement on what existed before, especially in making explicit the significance of achieved outcomes and of IIED's contributions. But these practices are not yet sufficiently developed to elaborate the type of narratives that can tell IIED's full impact story, and therefore can inform strategic decisions and planning, accountability, communications and fundraising. Reporting of separate outcomes within and per programme or group has obvious advantages, but further synthesis to map what adds up - or could add up - to something 'bigger' is essential. It will also highlight the need for, and value of, connections, even where projects are not connected in practice.<sup>11</sup>

The current reporting of outcomes also does not help to allay the fears of staff members, who doubt the value of what they are doing given the need for immediate solutions and material change in the world. Some noted that they were often uncertain about what should be prioritised and celebrated, or what should become focal points for joint or cooperative action across IIED.<sup>12</sup> Definitions and interpretations of goals, outcomes or what 'good' or 'success' looks like are not necessarily shared within and across groups. For some, influencing one person is success; for others, the distance between individual change and wider systems change is too large.

**We therefore suggest** further developing IIED's outcomes reporting and evaluations to develop syntheses that can tell its impact story more fully and more strategically for a variety of purposes, and that can also help highlight weaknesses in design and implementation from a systems change and transformation perspective.

#### FINDING 4

**IIED's strategy builds on its well-recognised track record of 'local-to-global' action for social and ecological justice, provides enough freedom to experiment, and encourages IIED to capitalise on what has gone before while also giving enough space for innovation. Importantly, it reflects a sophisticated underlying systems-informed design, but one that has yet to be further developed and made more explicit in order to exploit its full potential. Some of the implications are that a robust focus on the four current key impact pathways is useful, but not enough to get to the outcomes that IIED seeks to**

<sup>9</sup> Where this has been done, there have been good successes, although according to anecdote also challenges in such relationships where power asymmetries put IIED in a lesser position.

<sup>10</sup> Providing evidence, convening dialogues and empowering the excluded while focusing efforts on low-income countries and on challenging forefront areas such as the intersection of social and environmental justice are often not 'fashionable' – in part because they can take a long time to yield visible results when going against powerful interests. This can stymie progress and fail to garner support among conventional or conservative financiers, policymakers and influencers.

<sup>11</sup> For example, the EDM (and climate financing) work in Kenya is reported as a number of unconnected outcomes, within a particular year and across years. Another important example is the scattered reporting of the LDC work.

<sup>12</sup> Furthermore, in the staff survey, for three of the pathways 50 percent or more of respondents indicated that they did not know the effectiveness of their work – indicating the challenges in detecting and immediately benefitting from the changes IIED wants to see, and with that the accompanying difficulty in getting effective organisational learning around these important issues.

**achieve or advance, and that important assumptions underlying IIED’s theories of change may require deeper interrogation and assessment.**

IIED’s achievements and contributions over the past few years have been largely directed by the foci and boundaries set by a well-justified, well-crafted strategy that demonstrates good understanding of the importance of a systems view of the world, and of how change happens. The strategy has generally been well-received by staff, despite justified concerns that its broad framing allows too much freedom for business as usual. This also contributed to the many unconnected programme outcomes. But there are also many advantages in its design. It drew together past approaches and experiences, promoted building on existing expertise and connections, and provided a substantive and defensible logic for IIED actions that also continues to facilitate communication. The four key impact pathways have been well received and generally implemented.<sup>13</sup>

Importantly, the strategy is in line with the (complex systems-informed) concept of *‘directed improvisation’* – providing ‘loosely bounded’ direction that allows enough space for the alignment, innovation, experimentation and learning that characterise efforts to shift systems -, but only if staff members, their associates and partners have the energy to do so, and plan accordingly. What is most opportune is that the combination of IIED’s strategy elements and impact pathways reflects key elements necessary for systems change and transformation (Figures 1a and 1b),<sup>14</sup> as well as engagement with six ‘deep systems challenges’ (Figure 1c) and three of four archetype strategies for large systems change (Figure 1d).

IIED with its long-standing partners have decades of experience in aspects of such ways of working. However, the advantage posed by this good combination of elements is not yet developed enough, and the emphasis on four explicit ‘IIED impact pathways’ may detract from nuanced aspects or from pathways that may be equally important. These issues manifest among others in potentially unrealistic assumptions that appear to underlie the theories of change – for example, that just bringing diverse actors together once in dialogue, or just providing evidence (even during an opening policy window) will lead to significant outcomes without positioning such evidence well for use, or without a robust focus on deep relationships, power asymmetries and other qualities and aspects necessary to shift systems and bring about large-scale or transformative change. It highlights the importance of articulating assumptions about how change happens, especially given frequent disconnects between local and global dialogues, and timeframes that are often too long to trace second- or third- order outcomes – such as equitable governance that may eventually result from the excellent work on deep participation that IIED has been doing. Capacities should also be in place to ensure their effective implementation.<sup>15</sup>

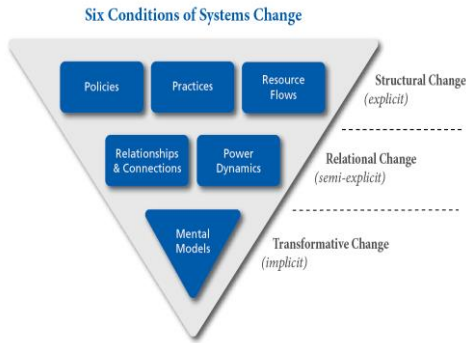
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<sup>13</sup> Nearly all relevant respondents to the staff survey are aware of the four impact pathways and are observing their use (64 percent), while only a small proportion are not aware of their existence (7 percent). Perceptions are that the multi-stakeholder dialogues yield the best results (only 9 percent found them less effective than hoped, while 13 percent found them more or surprisingly effective). In contrast, 19 percent found ‘empowering the marginalised’ to be less effective, and only 8 percent more or surprisingly effective than hoped.

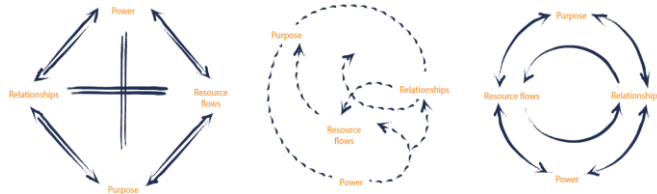
<sup>14</sup> The strategy allows, through interconnected foci and longer timeframes, the creation of new narratives and ways of seeing the world (*i.e.* new mental models) by generating new evidence for technical debates, creating space for new ideas and voices to shape (policy) agendas, dialogues, processes, negotiations and priorities at important times. It tries to shift power by developing new capabilities and creating spaces for social learning that can inform their own and partners’ actions, fostering relationships for more concerted action, increasing the influence of LDCs and other quiet or marginalised voices who may constitute minorities or the majority, and convincing influential actors or coalitions to engage in or forgo certain actions.

<sup>15</sup> This was brought to the fore in a 2020 evaluation of one of the impact pathways, ‘convening multistakeholder dialogues’, which focuses in principle on connecting those without voice with others with power, and on co-creating evidence that can make the case for significant or transformative change. The evaluation highlighted that there should be a better understanding of the underlying assumptions, of the normative nature of such dialogues, and the principles, functions and features that define the essence of the action and make for success. Theories of change and LIF-facilitated learning processes are not yet sufficiently attending to such issues, which is the needed basis for an organisational learning approach.

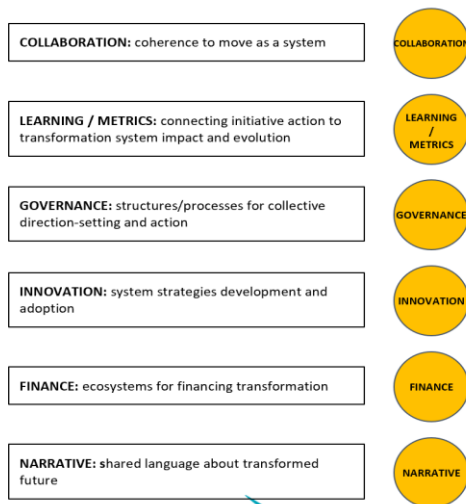
**Figure 1a. Six conditions of systems change**



**Figure 1b. Four features of systems shifts**



**Figure 1c. Six deep systems challenges**



**Figure 1d. Four archetype strategies for large systems change**



Key issues requiring attention are listed in Box 4; they highlight actual and potential weaknesses in IIED’s theories of change and efforts to achieve significant outcomes that can help shift systems towards transformative change.

**Box 4. Key issues for attention related to IIED’s theory of change and impact pathways**

- i. *Connecting the four key impact pathways more explicitly in practice.* This has not been done explicitly enough in practice despite such undertakings in theories of change.
- ii. *Connecting IIED’s pathways more deliberately with the pathways of others, seeing itself in practice as part of a larger ecosystem beyond its regular partners - collaborating, creating synergies or positioning work for others to take up, such as powerful actors with larger footprints in particular contexts.*<sup>16</sup>

<sup>16</sup> As has been done or can be done when aligning with the work of regional bodies such as ASEAN or COMESA, or multilateral agencies such as the United Nations agencies or development banks / international financial institutions - as long as IIED’s values are not corrupted in the process.

- iii. *Connecting dispersed IIED actions and also connecting them to the work of others, to enable more work in synergy towards more significant outcomes.*
- iv. *Working more intensively with the implications of power asymmetries, including in formal and informal relationships, in systems that IIED is trying influence.*
- v. *Ensuring that sufficient capacities exist to implement the key impact pathways (and their connections to one another and to others).<sup>17</sup>*
- vi. *Ensuring that important undertakings, such as ‘co-creation’ or ‘empowerment’, are not just paid lip-service, or that their implementation or potential benefits based on inappropriate assumptions.<sup>18</sup>*
- vii. *Engaging deeply with assumptions about how capacities and real agency are developed (whether for evidence production or influencing) that can also sustain, inspire and help shift power in practice.<sup>19</sup>*
- viii. *Drawing clear boundaries to prevent IIED from dispersing its energies too far away from its main outcomes ambitions and strengths, for example moving into institution-building beyond its remit,<sup>20</sup> or becoming an implementer when local partners could take on a stronger role.*

**We suggest** that it will be important to work more deeply with the assumptions that underlie IIED’s theories of change about how significant changes are brought about and scaled, using a complex adaptive systems lens while building on the four impact pathways – and to reflect this better in what IIED tracks and assess, including through targeted strategic evaluations and stakeholder surveys. All this has to be done in such a way as to avoid adding a burden to IIED’s already overstretched research staff.

#### FINDING 5.

**Despite the many important and useful contributions by IIED over recent years in a diversity of contexts, these are perceived by some as somewhat less ground-breaking and innovative than in earlier years. This perception highlights the importance of ensuring good impact narratives, but also points to the challenges inherent in IIED’s position and work within increasingly high-profile and competitive fields of work.**

Among the persons consulted, in particular experienced staff members and partners, and associates and observers with a longer-term perspective on IIED, opinions were quite widespread that IIED might be losing, or risk losing, its edge with respect to pioneering contributions – something for which it has been well-known in

<sup>17</sup> For example, the evaluation of IIED’s dialogues, as well as survey results and interviews, have highlighted that many IIED staff lack, or feel they lack, certain key capacities to make key impact pathways and expectations (for example to integrate gender responsiveness) effectively into their work.

<sup>18</sup> For example, assumptions are made that the voices representing the LDCs actually do represent underserved communities at local level – for example, gender concerns are about more than the number of women negotiators involved in key processes.

<sup>19</sup> Among others, “Capabilities built” may be an articulated outcome, but it is not meaningful if it is not applied and does not lead to tangible changes in behaviour, policy, state, etc. Academic literature about development or research capacity development shows very significant weaknesses in conventional capacity-strengthening approaches.

<sup>20</sup> Reported in the 2020 LIF.

the past.<sup>21</sup> It is thus that much of the current work builds on what has gone before, sometimes in what can appear to be ‘comfort zones’,<sup>22</sup> and completely new avenues that may inspire ‘big’ movements are rare.<sup>23</sup> IIED’s positions on a recently published (2020) list of [think-tank rankings](#)<sup>24</sup> also indicates that IIED is already highly-regarded, given the thousands of thinktanks around the world and the likelihood of a Global North bias in the criteria - but there may still be room to nurture innovative abilities and improve visibility. [*Top non-US Think Tanks Worldwide: 150/154 (pg55); Top Environment Policy Think Tanks: 24/99 (pg161); Top International Development Policy Think Tanks: 57/128 (pg188); Think Tanks with Outstanding Policy-Oriented Research Programmes: 77/85 (pg324).*]

Confirming this observation will require a more in-depth study, but there are several reasons why it is unlikely to be a cause for alarm. The strengths mentioned throughout this report should continue to give IIED an edge, as long as it can attract and nurture staff who can innovate and inject fresh thinking into strategy and action. Boxes 5a and 5b capture both the Review team and informants’ perspectives on potential reasons for any loss in innovation capabilities. We highlight these here as an alert only, **and suggest** that the issue of ensuring that innovation capabilities are maintained, and if possible strengthened, receives some attention over the next few years.

#### Box 5a. External factors perceived as potentially influencing IIED’s innovation capabilities

- **Priorities.** Shifting major narratives has been a major focus for global movements over past decades. Now there is a much stronger focus on implementation, which tends to need more time to assess.
- **Positioning.** There are some comparable organisations in the landscape that seem to have made clearer choices between the emphasis placed on evidence, influence and action.
- **Competition.** There has, over the past decade, been accelerating interest and hence competition for funding and recognition in the landscape in which IIED has been operating. One consequence is that creating evidence through rigorous research can take time, and in a fast-moving world where evidence is often not credible and even misused, others can step in more quickly.
- **Narratives 1.** Communications and storytelling capacities have improved across the board in sustainability think-tanks. Being visible and known for innovation where many groups claim some contribution is a challenge.
- **Narratives 2.** There are some comparable organisations that are moving forward with more transversal-acting theories of change – talking openly in the language of systems change and sustainability transitions, backed by diagnoses of levers of change they are targeting with promises of scaled outcomes. This is appealing in a world of intertwined crises.

<sup>21</sup> See for example the description of contributions in '[Connecting for common goals: exploring IIED's role in ten sustainable development movements](#)'. IIED 2022.

<sup>22</sup> The work with slum dwellers provides one such oft-noted example.

<sup>23</sup> Possible exceptions are noted, including financing flows for climate finance and low-income settlements, LDC political action in climate forums, and the human dimensions of conservation.

<sup>24</sup> McGann, James G., "2020 Global Go To Think Tank Index Report" (2021). TTCSP Global Go To Think Tank Index Reports. "TTCSP works with leading scholars and practitioners from think tanks and universities in a variety of collaborative efforts and programs and produces the annual Global Go To Think Tank Index that ranks the world's leading think tanks in a variety of categories. This is achieved with the help of a panel of over 1,796 peer institutions and experts from the print and electronic media, academia, public and private donor institutions and governments around the world. We have strong relationships with leading think tanks around the world, and our annual think Tank Index is used by academics, journalists, donors and the public to locate and connect with the leading centres of public policy research around the world. Our goal is to increase the profile and performance of think tanks and raise the public awareness of the important role think tanks play in governments and civil societies around the globe. TTCSP has focused on collecting data and conducting research on think tank trends and the role think tanks play as civil society actors in the policymaking process since 1989. The inherent biases in criteria in these types of lists should be considered, as well as the effect of the great diversity of organisations that are being compared."

**Box 5b. Internal factors perceived as potentially influencing IIED's innovation capabilities**

- **Outcomes assessment.** IIED's actual outcomes are hard to trace and 'measure', take time and often cannot be foregrounded given its commitment to empowered and visible partners. Making impact visible in a credible manner therefore becomes harder, and resource- and time-consuming.
- **Staff composition.** There has been a slow evolution in staff composition, given shifts from high staff overheads to the use of consultants and hiring of staff in decentralised locations, and bringing in earlier career scientists; there are also notions among some that the shift to appointing more staff in other groups and units has come at the cost of (high-level) specialist research expertise.<sup>25</sup>
- **Financing model.** The financing model of IIED (i) depletes staff energy through increasing pressure to raise funding and deliver against multiple small projects and tight project timeframes, and (ii) demands responsiveness to funder priorities, which are short-term, often conservative, and tend to privilege small projects – leaving less time for free thinking and the type of action that inspires ground-breaking work.
- **Dreaming and moving together.** Research programme and staff from other units and groups “*need to build a dream together*” through productive collaboration and co-creation. This spirit has not yet quite manifested in IIED, hampering the successful execution of fundraising strategies.

**FINDING 6**

**In both research groups and operational functions, IIED is not yet paying sufficient attention to potential (early) unintended consequences of its approach, processes and contributions, to 'killer assumptions' in its theories of change, or to hidden nuances in implementation practices that might detract from success.**

Experiences with the legacies of major global developments, such as the initial Green Revolution, the implementation of neoliberal policies in the Global South and (politically-inspired) mass movements worldwide, as well as a plethora of development projects gone wrong, have highlighted the importance of being shrewd and sensitive about geopolitical, societal and other dynamics while intervening in processes, institutions or societies. IIED cannot take responsibility for how its work is used, but it can be accountable for demonstrating that it is aware and takes account of such developments.<sup>26</sup> Such caution is not only relevant for IIED's research groups, but also for operational staff where inappropriate administrative processes and insufficient understanding of partners' contexts, constraints and ways of working can cause delays, pushback or damaged relations. This may diminish IIED's comparative advantage and disturb warm relationships with partners and others. Unintended consequences of approaches and actions *within* IIED - for example draining staff, or feeding notions of separation into groups of “us” and “them” - also warrant attention.

<sup>25</sup> The Review team could not delve into the veracity of these developments and perceptions.

<sup>26</sup> For example, it is fraught with risk to cultivate capacities to mobilise citizens for advocacy in countries with political systems different from those of well-functioning liberal democracies. Or if using potentially biased expertise from the Global North to advise on trade regimes, legal issues and negotiations in the resource-rich Global South. Or placing pressure for climate change mitigation action solely on economically poor countries. Or designing interventions based on dominant narratives about how change and development work that might work in economically rich but not poorer countries.

The LIF acknowledges the need to pay attention to this issue, but **we suggest** that more deliberate work, such as light-touch tracking of key elements in negative theories of change, and monitoring and evaluation of potentially ‘killer’ assumptions in theories of change be addressed with a developmental learning approach. Such work will give IIED a leading position in understanding success as well as failure factors when working with ‘research-to-action or knowledge translation at the nexus of environment and development.

## 4 FINDINGS: KEY INFLUENCES ON IIED’S JOURNEY TO IMPACT

### 4.1 INTERNAL ISSUES AND DYNAMICS

#### Finding 7

**IIED has a unique combination of impressive strengths that contributes greatly to its success, and that it continues to foster. At the same time it is being constrained by internal factors that demotivate and place significant strain on staff. These negative factors, although urgent to address, are still outweighed by the positive aspects and the ongoing efforts to address emerging challenges and to reposition and streamline its work. However, the speed with which IIED will change or transform into an organisation fit for the future will depend on whether staff motivation can be sustained amidst stressful times.**

Table 1 captures two sets of internal influences - positive and negative - on IIED’s performance and on staff wellbeing. With few exceptions, they are not new; they have helped shape and define IIED’s niche and comparative advantage. Interviews and survey data show that a large majority of staff remain motivated to continue working in IIED. Most of the issues highlighted as constraints are not pervasive enough to have a severe effect on the organisation, and can be remedied with strong leadership and strategic action. There are also real efforts being made to improve key aspects amidst fast-changing circumstances, such as the studies and thought pieces on racism, gender, diversity and equity, the effects of COVID-19 and the organisational structure - although implementation will be the real test.

But some issues are of significant concern: staff who feel disconnected and/or overburdened; operational as well as younger staff who feel undervalued or misunderstood and, at the same time, dissatisfaction among researchers about the efficiency and empathy of processes when operational staff and other groups deal with internal matters or with partners<sup>27</sup>; and the interlinked challenges posed by the financial model and its effect on coherent programming, on internal divides and competition for funding, and on organisational integrity.

**We suggest** that these issues - and others listed in this section - get urgent attention. Inspiring, engaged, empathetic and decisive leadership will be necessary to ensure IIED’s successful transition to the future – at whatever pace it chooses to move forward or transform.

<sup>27</sup> The review team did not study the detail of the procedures and how they are implemented, as would be done during an institutional evaluation.



<b>Table 1. Important enabling and constraining influences on IIED’s organisational culture and performance</b>	
<b>Profile</b>	<p><b>Enabling influences</b></p> <ul style="list-style-type: none"> <li>▪ IIED’s history, credibility and track record of accomplishments; people want to work with/as a part of IIED.</li> <li>▪ Reputation for (i) integrity; (ii) high quality and influential research; (iii) sincere, warm and caring relationships with partners; (iv) engaging with local priorities and challenges in a real and respectful way, yet also able to navigate global dynamics; (v) highlighting issues related to vulnerable and grassroots groups, helping to get the ‘right’ information to policy- and decision-makers; and (vi) providing independent and apolitical perspectives.</li> </ul> <p><b>Constraining influences</b></p> <ul style="list-style-type: none"> <li>▪ Image of being a UK-based organisation during a time of decolonisation and transformation.</li> <li>▪ Concerns that some staff do not consistently display the values that IIED espouses.</li> </ul>
<b>Strategy</b>	<p><b>Enabling influences</b></p> <ul style="list-style-type: none"> <li>▪ Clarity and direction provided by the current strategy, <i>i.e.</i> enabling some internal alignment yet broad enough to give researchers freedom to explore.</li> <li>▪ Focuses on ‘difficult issues’ – ‘wicked’ problems or sticking points in change processes for which solutions are not obvious, and issues of poverty and marginalisation from grassroots perspectives.</li> <li>▪ Focus on studies and initiatives that can advance key organisational issues (gender, racism, inequalities, decolonisation, partnerships, decentralisation, overcoming organisational silos, e.g. the Super-Year) and taking them seriously.</li> </ul> <p><b>Constraining influences</b></p> <ul style="list-style-type: none"> <li>▪ Mismatch at times between ambition and what is actually done.</li> <li>▪ Insufficiently developed theories of change and tactics for influence and advocacy.</li> <li>▪ Concerns about need for subservience to donor demands.</li> <li>▪ Political sensitivities preventing the articulation of certain (positive or negative) outcomes, which can mean failure to hold persons to account.</li> <li>▪ Insufficient horizontal coherence, and too little focus on critically assessing where greater coherence can make a real difference.</li> <li>▪ Decrease in number of frame funders and the (inevitable) use of some of the funding to plug gaps (e.g. operational staff salaries) rather than build for longer-term success.</li> </ul>
<b>Internal systems and culture</b>	<p><b>Enabling influences</b></p> <ul style="list-style-type: none"> <li>▪ Dynamic values-driven culture, with a common ethos and commitment to make a difference.</li> <li>▪ When it works well, collaboration between the business development team, communications and programme staff.</li> <li>▪ Internal competition and tensions that at times spur innovation and progress.</li> <li>▪ Benefit of core or frame funding that allows for innovation and building on key success areas.</li> </ul> <p><b>Constraining influences</b></p> <ul style="list-style-type: none"> <li>▪ (Research) staff feeling severely overstretched, with too many demands placed on them - exacerbated by the aftermath of the COVID-19 pandemic - and few safeguards to manage their wellbeing within heavy workloads. Staff members themselves have to draw and ‘police’ boundaries.</li> <li>▪ Underappreciation, and uneven (or sometimes late) inclusion, of operational units - and lack of resources for efficient support.</li> <li>▪ Perception among some of an unnecessary proliferation in operational staff at the cost of research expertise.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Divides between operational units and research groups - some perceptions of insensitive or inefficient processes that can also affect relationships with partners, inefficiencies caused by human resources being “in constant flux” – but also unrealistic expectations by research teams from such support.</li> <li>▪ Day rates requirements that stress staff and reduce IIED’s competitiveness.</li> <li>▪ Perceptions of too-slow responses to calls to better address equity, race and racism, and decolonisation – and also of some traces of racism within IIED.</li> <li>▪ Perceptions that researchers’ opinions are stronger and more highly valued in organisational plans, decisions and actions, that power dynamics related to gender, age and experience diminish or exclude voices, and that “cliques within silos” at times dominate.</li> <li>▪ Perceptions of a disconnect between the style and priorities of the leadership team, and the rest of the organisation.</li> <li>▪ Perceptions of poor management of the situation of non-UK IIED staff during the pandemic, with limited choices offered to remain engaged in their role.</li> </ul>
<p><b>Key features and ways of working</b></p>	<p><b>Enabling influences</b></p> <ul style="list-style-type: none"> <li>▪ <i>“IIED looks at issues from a very technical perspective but infuse their work with people. They are people-centric, not tech-centric.”</i></li> <li>▪ <i>“IIED focuses on people’s lived experience. They have a rich picture understanding of what is happening.”</i></li> <li>▪ Undertakes investigative research, produces new thinking on clear problems that have cross-cutting or recurring characteristics that often manifest in many places in the world.</li> <li>▪ With partner ecosystem, able to play a much more powerful knowledge-broker role than almost any academic institution and many thinktanks.</li> <li>▪ Playing an intermediary rather than visible leadership role; working through partners and complementing what they bring to the table; creating spaces for others, supporting access and helping them to gain their own influence.</li> <li>▪ Shifting from attribution and linear impact narrative-building to a more nuanced understanding of what changed, and IIED’s contribution, working on small outcomes over time that add up cumulatively, thus helping to establish enabling conditions for change over time, and focusing on pathways to change rather than immediate impact, which allows for thinking and acting over longer timeframes - also positioning IIED very well to frame its work around systems change and transformation.</li> <li>▪ Willingness to be self-critical, to find new roles and ways to work.</li> <li>▪ Being agile and responsive (although not all), the result of network of relations, presence in key meetings and debates, engagement with the literature, and some long-standing areas of research from which to draw on when necessary.</li> <li>▪ Responding in a timely, sometimes prescient manner – identifying, planning and rolling out evidence and narratives within appropriate timeframes before key events.</li> <li>▪ Undertaking difficult work and developing relevant capacities, in particular where partners are less powerful actors.</li> <li>▪ Putting partners in the lead.</li> </ul> <p><b>Constraining influences</b></p> <ul style="list-style-type: none"> <li>▪ Insufficient early consideration of target audiences.</li> <li>▪ Perceptions of occasionally insufficient research quality, with instances of outdated research methods; insufficient use of even basic technology; lack of lively debates about substantive content issues; potential for policy-based evidence; insufficient attention to critical issues, such as political economy analysis or the use of racism, inclusion and gender lenses (even when essential).</li> <li>▪ Concerns about some instances of ‘old-style thinking’, ‘comfort zones’ and ‘group think’ that might prevail and prevent innovation where it is needed.</li> <li>▪ Effects of the pandemic that have some (especially newer) staff feeling disconnected and disempowered in remote working situations (retreats are said to help ameliorate the situation).</li> </ul>

## 4.2 INTERNAL COLLABORATION AND COHERENCE

### Finding 8

**IIED leadership and staff recognise the importance of strategy and programme coherence, but weaknesses remain. There are many examples of collaboration among individuals in teams, between research groups and operational staff, and between research groups. Mechanisms implemented to facilitate cooperation amidst have been timely and appreciated, yet insufficient in the face of obstacles, and there are many examples of unused opportunities that weaken the potential for impact. Daily realities make internal coherence and collaboration a challenge in practice, and preconditions for collaboration are not always adequate.**

The structure of IIED was originally conceptualised around the notion of creating an open space, where groups with different schools of thought could critically engage with each other – in theory, balanced by principles of respect, equity, fairness, inclusion, and an assumed shared understanding of what IIED does and why. This structure is embedded, and staff members generally appreciate the need for collective work for greater impact – but do not always show this in practice. Initiatives such as a person whose expertise spans nature and climate, the Super-Year, participation in the COVID Collective, and various ILEs are therefore considered as valuable.

However, the culture and opportunity for internal collaboration differ in different groups, influenced by the focus of the programme, the leadership vision or strong figures in the group or programme hierarchy - and by available time, financial resources and/or human expertise. Intra-group collaboration takes place more readily where expertise and experiences are strongly complementary or even interdependent and this is openly acknowledged and respected, and where a thematic area is more focused and group cohesion is strong, for example in climate change; other contributing factors are highlighted in Box 6. Collaboration is less where there are many diverse areas that require attention in an already-scattered portfolio. There is also an evolution in hierarchy and culture that appears to be influencing staff expectations. The plethora of factors hindering collaboration is highlighted in Box 7.

**We therefore suggest that** IIED takes stock of how much internal collaboration is actually taking place, of the fundamental issues that actually link different interests in IIED, the different dimensions and types of ‘collaboration’ feasible to strengthen the chance of impact, and the trends, drivers for and obstacles to collaboration. Better collaboration will require a reorientation in foci and culture in some programmes and groups, and attention to enduring obstacles, and we return to this in Chapter 6.

#### Box 6. Interconnected factors increasing the appetite for collaboration in and by IIED

- **Evolutions in the field of work.** The way cultural expectations and the sustainability sector have evolved (i) to respect different types of expertise and (ii) to change norms around ‘the who’ in doing research-to-action in terms of class, gender, seniority, and educational background – for example move away from ‘the gentleman scholar’ or the ‘individual scholar’ era to one that is more diverse and inclusive.
- **Changing staff composition and exposure.** Increasingly international settings and teams, and a growing understanding that good internal collaborations are important for the types of issues that have to be addressed in future, and that can bring new insights and innovations. A move away from ‘big name’ senior staff who established priorities, set programmes and indicated who worked together on what - often in a less collaborative style - to many more mid-career professional staff members, some newly-joined from other organisations with different experiences of collaboration, and who want to move towards more collaboration.

- **Changing societal and organisational norms.** Increasing desire to see action taken on inclusion and related matters, also inspired by relevant work being undertaken internally on gender, race and racism, equity in partnerships and staff wellbeing – facilitated by deliberative processes that are based on clearly defined questions.<sup>28</sup>
- **Commitment and exposure to partners.** The need to deliver on major strategic partnerships, and wanting to meet partner needs. How staff work with partners and on local priorities has led to strong recognition of the importance of diverse perspectives in sustainability actions.

#### Box 7. Interconnected challenges hampering collaboration in and by IIED

- **An unfocused strategy.** Despite all the advantages in the strategy, it had a limited influence on internal coherence, and allowed project retrofitting and too many programmes to continue with business as usual.
- **Insufficient consideration of key staff realities.** Overstretched staff: *“We just want to get the work done”*. Scheduling that does not take the caring responsibilities (especially of female) staff into account, or that engages too late with operational staff units. Internal meetings and exchanges that do not advance real collaboration, or assume that all share similar views on important or challenging matters.
- **New staff perspectives.** Some of the newer staff do not yet understand that part of the culture of challenging each other has been deliberately created to help IIED grow intellectually and avoid becoming complacent.
- **Insufficient incentives.** A financing model that enhances competition rather than collaboration. Insufficient resources to share, or too much in some cases, reducing the urge to collaborate. Inappropriate or even perverse incentives, such as group directors responsible for their teams and not for cross-group work. Performance management systems that do not value collaboration, despite it being a required staff competency.
- **Inadequate spaces to build trust.** Expectations of trust that are not always met - *“a safe space suddenly becomes unsafe”*, sometimes the result of competition for funding, and also effect of the pandemic, where shared interests and trust have not had time to develop in face-to-face engagements.

## 4.3 PARTNERSHIPS

### Finding 9

**IIED’s partners continue to hold it in high regard and to value their collaboration. They point to many of the main qualities that together define IIED’s niche and comparative advantage. These qualities relate primarily to (i) IIED’s principled, committed and empathetic stance, (ii) its capabilities when having to cross research-to-action boundaries, (iii) its respectful engagement during collaboration, and (iv) its reach and influence across diverse groups and situations.**

Partners from both the Global South and the Global North speak and write with real warmth and sincerity about IIED’s strengths and positive contributions, and often mention how much better it is than

<sup>28</sup> The study on race and racism a good example - appreciated for being focused, open, transparent, female-led, representing different IIED groups and creating space for necessary conversations.

most other organisations. Especially those who have worked with IIED for a long time see these as an integral part of its character, that reflects the reputation it has built up over the years. The extent to which the noted attitudes and practices are common across IIED programmes and groups is not quite clear and it is unrealistic to expect it to be consistent, but there is little doubt that the many positive aspects that define IIED's interaction with its partners (Boxes 8a and 8b) outweigh those that are negative.

**We suggest** that these qualities be nurtured irrespective of the direction that IIED takes in future, and that their *combination* is treated as crucial in refining IIED's niche and comparative advantages.

#### Box 8a. IIED's inherent strengths, as seen through the lens of partners in the Global South

- i. **Principled.** IIED applies its partnership principles, and has *"a genuine desire to decolonise and to have ethical partnerships"*.
- ii. **Respectful, considerate, modest.** IIED often, although not always (Chapter 4), treats partners from the Global South with respect, consideration and modesty (for example, key tasks are often jointly planned and developed), and joint outputs follow. Their inputs are *"taken seriously"*; Southern expertise is appreciated and considered to be *"complementary, not inferior, as with some other partners"*. IIED staff tend to treat Southern partners as experts in public forums, giving them visibility and credibility - but it must be noted that only 48 percent of staff survey respondents believe their Group has demonstrated how to be *"bolder and louder"* in supporting partners to gain visibility -, one of the expected outcomes of the partnership relations.
- iii. **Innovative, enlightening.** IIED researchers are ready to share expertise, and *"they help us to take things to a next level"* – bringing interesting projects and new thinking to Southern partners (e.g. their potential contributions to green cities), and exposing them to *"real experts from outside"* to help advance their knowledge. Where communications, finance, MEL and other staff units have a visible hand in the collaboration, it also provides opportunities for individual and institutional learning – although learning with partners is not always well undertaken (section 4.4).
- iv. **High profile, credible.** IIED is very well perceived in terms of the quality of its research<sup>29</sup> and work in general. Its reputation for quality and relevant work as displayed in its publications and other public documentation is given as a key reason for Southern partners' eagerness to collaborate.
- v. **Trusted, sincere.** IIED's values, mission, priorities and ways of working tend to align with those of partners, facilitating trust and a good collaborative spirit. *"Warm friendships and trust form easily"*, especially when working together over an extended period.

#### Box 8b. IIED's inherent strengths, as seen through the lens of partners in the Global North

- i. **Principled.** IIED lives up to its partnership principles.<sup>30</sup>
- ii. **Innovative, brave.** IIED is willing to deal with complexity, and to adapt and transition to new circumstances. It often facilitates peer learning across power asymmetries, engaging with new trends.

<sup>29</sup> Over the last three years the stakeholder survey consistently gives very good scores of 80 percent or more for IIED's research quality. But there is a caution: stakeholder survey responses need to be nuanced beyond available data and analyses. In this case in particular the assessment of research quality will depend on the research capacities and approaches of the individual partner and/or their organisation.

<sup>30</sup> interviews confirmed this, and survey responses indicated over 80 percent that it does so 'extremely' or 'very' well except for 'mutual transparency and accountability' which only 69 percent considered as extremely or very well applied).

- iii. **Modest, committed.** IIED is willing to learn; it is not an arrogant organisation. It spends unrewarded and unrecognised time on issues that are not necessarily valued by others, such as nurturing relationships and reorienting and strengthening new persons coming into influential organisations or collaborations.
- iv. **Comfortable in academia and theory, yet steeped in practice.** It has sufficient ‘academic expertise’ to understand and work with any level of academic institution, yet with much more practical experience and influence. It has methodologies that anchor empirical, aggregated evidence of what needs to be understood, and of what are good practices, from local to global level.
- v. **Credible and experienced, also in leading roles and in working across boundaries.** It is “*better at partnership than most, if not all*” and a good, capable leader and facilitator of collaborative projects with diverse partners. It is seen as delivering high quality research and work in general.<sup>31</sup> It has excellent abilities to reach, convene and contribute to international policy forums. It has sufficient acumen and experience to interact with multiple diverse partners, especially in governments, research contexts, and with local actors. It enables work across a spectrum of ideas as part of collectives.

### Finding 10

**Partnerships remain central to IIED’s success, and there have been many positive developments in IIED: groups have refreshed partnerships, relevant principles have been implemented, and data availability has improved. Yet the lack of nuanced central information that can facilitate shared lessons, decisions on how to work with “difficult” partners, and insufficient progress towards a robust ecosystem of interconnected strategic short- and long-term partners - including more “unusual” actors continue to constrain the potential of an ‘IIED partnership ecosystem’.**

Optimising the value of IIED’s partnerships - and more systematically working towards a robust ecosystem or interconnected network of strategic long- and short-term partners - has yet to become a priority for action. To the credit of IIED’s leadership, in recent years the nature and potential of IIED’s partnerships have been increasingly brought to the fore, and the categorisation of partnerships in the LIF reports provide opportunities for new insights (as yet not sufficiently explored). The partnership statement and principles have helped to embed consistency in relationships, and discussions and studies that can improve partnerships have been encouraged. Groups have also been ‘refreshing’ their partnerships. However, in the absence of systematic nuanced information, developments and trends as well as the true value of IIED’s ecosystem of partners have not been clear – for example, how many have been targeted with long-term strategy in mind, how and why, compared to ad hoc partners for short-term collaboration demanded by grants requirements. There is also still a dearth of atypical partners - from the private sector, from powerful regional, continental or multinational bodies, or from parts of the world that reflect the shifts in intellectual and financial resources to the East.

There are also examples of normative and technical challenges when working with influential organisations with far more power in formal systems than IIED or which have different worldviews and approaches - among them consulting firms, multilateral organisations, governments with different governance systems, and the spectrum of private sector actors. Yet there is significant potential in such relationships. Specialist private-sector groupings need independent research, and there are examples of initiatives such as working with the Frontline Funds Accelerator or multilateral development banks from which lessons can be drawn. It is also

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<sup>31</sup> Over the last three years the stakeholder survey consistently gives very good scores of 80 percent or more for IIED’s research quality. But there is a caution: stakeholder survey responses need to be nuanced beyond available data and analyses. In this case in particular the assessment of research quality will depend on the research capacities and approaches of the individual partner and/or their organisation.

important to join strategic coalitions and platforms, such as the Global Academic Interdisciplinary Network (of which IIED is a member), or to connect to regional bodies such as the African Union, COMESA or ASEAN. It is therefore unfortunate that lessons and connections that can help facilitate important relationships - including new coalitions, platforms and alliances beyond 'comfort zones' - are often not shared internally, where this could be helpful, including for fundraising.

**We therefore suggest** that 'unusual suspects' that can enhance IIED's partner ecosystem get urgent attention, that relevant experiences are shared, and that some of the accepted wisdoms about IIED's ecosystem of partners be interrogated more thoroughly than through stakeholder surveys or what could be done in this Review. We therefore welcome the upcoming partnership study as urgent and essential, and return to this issue in Chapter 6.

### Finding 11

**IIED remains an attractive companion for future collaboration. The reasons and expectations emphasise continuity rather than innovative new initiatives, running the gamut of IIED's types of engagement and foci. There is a strong interest in climate change intersecting with a variety of fields of work, in ongoing engagement with the LDC initiatives and, despite IIED often admirably stepping back out of the limelight for the partners' sake, a wish among some that it again leads on a 'big, transformative idea'.**

Table 2 highlights survey key words used by partners to describe the expected benefits from their collaboration with IIED in future. Unsurprisingly, more or less evenly spread, they reflect the roles IIED have already played, and the benefits the partners have already experienced.

<ul style="list-style-type: none"> <li>▪ Technical knowledge</li> <li>▪ Ideas and innovations</li> <li>▪ New models</li> <li>▪ 'Best' (good) practices</li> <li>▪ Quality research and evidence</li> <li>▪ Academic outputs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enhanced capabilities (of own and others)</li> <li>▪ Efficiency and effectiveness</li> <li>▪ Better communications</li> <li>▪ Long-term plans and relationships</li> </ul>	<ul style="list-style-type: none"> <li>▪ Visibility</li> <li>▪ Influence</li> <li>▪ Connections and networks</li> <li>▪ South-South cooperation</li> <li>▪ Funding</li> </ul>
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The areas of work noted by survey respondents and interviewees focused strongly on climate change cutting across different fields of work,<sup>32</sup> including in the ongoing work with the LDCs. Value chains, biodiversity, natural resource-based enterprise development, agriculture, agroecology, forest landscape restoration, forest finance, rural-urban environmental issues, equity, interdisciplinary research, impact assessment, all received one or several mentions. Examples of detailed comments are given in Annex 10. **We suggest** that these are also used to further identify patterns that might inform future strategies and programming.

<sup>32</sup> The emphasis on climate change could indicate the urgency and scope of the crisis and/or the nature of the survey respondents, which did not document their specific field of work.

## 4.4 TOWARDS DECOLONISATION

### Finding 12

**IIED’s position alone means that it has to demonstrate decolonised approaches and practices, as well as understanding of the political issues and trends that shape them. It has done much through its long-standing awareness of North-South dynamics in partner relations as well as recent studies and discussion, but much more deep work is necessary for implementation. It is therefore commendable that the IIED leadership and majority of staff are showing genuine institutional commitment to decolonising mindsets, systems and practices. But in practice complexities still abound, and implementation is and will be challenging.**

IIED’s leadership and staff recognise decolonisation as one of the single most important issues that will shape its work in the coming years. This is necessary. Assertiveness about the issue is increasing among leaders, civic movements and well-informed young people in the Global South as well as more broadly in the development sector. Power relations, globalisation and North-South relations are increasingly being questioned.

Global South partners interviewed see IIED as one of the best organisations to work with – one that shows the least signs of colonial or racist attitudes. They appreciate its leadership and staff buy-in, as well as its generally good practices when engaging partners, despite the inevitable power asymmetries inherent in this type of North-South relationships.

However, deeper reflections among partners interviewed and surveyed also highlighted challenges despite IIED’s positive standing in their eyes – and they do become quite protective of IIED, highlighting many examples of how IIED staff’s ways of working create genuine warmth, friendship, understanding and trust. Yet from the list of examples, signals of the need to pursue decolonised research and practices are apparent across a wide spectrum of activities: partners are at times not fully part of plans and analyses; what content-holders share is re-interpreted by IIED staff; local partners get one page of writing allocated in a joint project “compared to 50 pages for them”; legal contracting and writing styles are inappropriate for partners; English is used as IIED’s language around the world; some anecdotes about imbalanced remuneration and allocation of task responsibilities; IIED’s UK-dominated staff composition (even though recognising recent efforts to improve this situation), and more. The study on racism noted that even in IIED there are traces of “white saviourism”. *“Northern structures do Northern thinking. They have blind spots and fail to see things from another perspective,”* is how one person articulated the frustration they sometimes feel even with IIED staff.

Most importantly, as IIED studies also highlight, it is the mental models and narratives about how the world works and how change comes about, and “accepted dominant wisdoms” such as one-direction notions of capacity development, that are the most insidious and hard to pin down. This situation is made worse by staff in the Global South who are educated in the West and who are therefore often unaware of these issues; this is why, to some extent, it is IIED that drives the notion of decolonisation rather than its partners – some of whom are just grateful that they can get financing through IIED, and do not question the power relations that may reflect in actions in many different ways. This should not deter IIED from this path it has taken.

The study conducted by the Climate Change Group, ‘Decolonisation of Climate Action’ is therefore of great practical value, as it is now necessary to interpret for implementation the foundation that has been laid by the



relevant task teams and organisational decisions. It is thus encouraging that IIED has started to grapple with what it will mean to practice decolonisation and work actively against racism in its day-to-day work – establishing roadmaps to change structures and procedures, and publicly releasing the studies and statements. In other words, good progress is being made within a challenging task for the organisation.

### Finding 13

**The key reasons for how staff profess to select partners are defensible for practical reasons, but also an example of the need for subtle shifts in mindset and practices about how partnerships are conceived.**

Survey results indicate that IIED selects its partners primarily on their legitimacy, accountability, connections and ability to engage and convene in their local contexts. Technical expertise, a cutting-edge academic reputation, research capacities, track record of innovation and communications and influence capacities are all considered to be substantially less important. This signals a division of roles and capacities that reflects at least a certain measure of colonial thinking about collaboration with the Global South, and about the intellectual value of different knowledge systems and ways of seeing the world - unless there is sufficient and credible evidence that it is realistic to take such a stance. Financial management capacities and accountability, eligibility for fundraising opportunities and South-South networks also signal different roles and expectations. This emphasises the importance of looking at subtle ways in which prejudice is displayed, and assumptions made that reflect traces of colonial thinking about societies in the Global South.

## 4.5 MONITORING, EVALUATION AND LEARNING

### Finding 14

**IIED has developed an impressive monitoring, evaluation and learning system in the shape of the Learning and Impact Framework (LIF). While not yet fully developed and embedded in the organisation, the LIF is helping to encourage alignment in programming and starting to provide meaningful evidence that can strengthen strategies, plans, decisions, communications and fundraising. However, staff ownership and learning are still limited, nuances in outcomes tracking not sufficiently highlighted and analysed, and higher level syntheses too few to tell IIED's impact story.**

IIED's monitoring, evaluation and learning (MEL) system comprises many thoughtful elements that have the potential to show the true value of monitoring and evaluative practices for an organisation such as IIED; very good progress has been made over the Review period with the support of frame funding – taking a major leap forward with the LIF whose components (Table 3) include among others a set of nested, 'living' (evolving) theories of change that can serve as reference points for plans and decisions from institutional to project level; coherent frameworks from immediate to long-term outcomes from programme (and in many cases from project) to organisational level; and outcomes thinking and other strategic information integrated in the annual reporting cycle. Each work programme displays important and useful information in the annual LIF report. Evidence standards have been strengthened, among others through the use of outcomes harvesting, and opportunities to improve plans, learn and be accountable have been introduced.

Table 3. Components of IIED's LIF system

Annual Plans	Annual Reporting and Learning Initiatives
<ul style="list-style-type: none"> <li>▪ Programme narratives</li> <li>▪ Primary outcome</li> <li>▪ Strategic approach</li> <li>▪ 'Searching' questions<sup>33</sup></li> <li>▪ Why the programme foci matter for IIED</li> <li>▪ Areas of continuity and for exploration</li> <li>▪ Partnerships, gender and contributions to the SDGs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Outcomes statements</li> <li>▪ Stakeholder surveys and communications data</li> <li>▪ Global engagement themes synthesis reports</li> <li>▪ Impact and Learning Exercises (ILEs)<sup>34</sup></li> <li>▪ Business process analyses</li> <li>▪ Summative reviews</li> <li>▪ Collective learning spaces</li> </ul>

Staff surveys and discussions highlighted mixed feelings about the implementation of the LIF. This is commonplace during the implementation of such systems, and in IIED progress towards acceptance has been relatively rapid. In any organisation, cultivating such processes takes significant effort and can elicit a backlash due to perceptions of extra work for limited value for overstretched staff. Survey data indicated that only one third of those working with the LIF system found that it justified the time they spend on it; fortunately, qualitative explanations gave a more nuanced picture of the areas of concern that are limiting its utility and value (Table 4).

**We therefore suggest** attention be paid to these in the next phase of the evolution of the LIF, and in particular to (i) strengthening the ability of MEL staff to provide the necessary support to ensure the system is of optimal value to IIED within a time of global transformation; (ii) creating safe and productive learning spaces to develop and share good practices and exit tactics; (iii) initiating external impact evaluations and higher-level strategic syntheses to cross-check and enhance outcomes tracing, tell a more coherent IIED impact story and inform sustainable development and regeneration; and (iv) supporting efforts to monitor key initiatives for nuanced delivery – for example, that the LLA efforts are not the victims of elite capture.

Table 4. Challenges in developing and implementing the LIF

**Capacity.** The MEL team is stretched thin and often cannot give the necessary support, while the outcomes harvesting methodology takes time to understand and implement in a credible manner.

**Timing.** Data are gathered and reported in a short timeframe that does not encourage thoughtful engagement or ongoing use.

**Utility.** The type of outcomes that can be internally harvested and reported is limited, LIF information is seldom used beyond planning and fundraising, and evaluation and outcomes reports are not widely enough shared in user-friendly formats and approaches.

**Learning.** Collective learning opportunities, such as the 'learning week', are not considered optimally useful for internal learning or for informing sustainable development and regeneration, and not enough is done to create safe spaces for constructive learning that are not 'MEL' or 'donor'-centric, that help IIED to get rid of 'dead horses' and beliefs that need to die, and help integrate good practices across the organisation.

**Telling IIED's impact story.** More sophisticated notions of how change happens and more coherent synthesis are needed to enable IIED to fully develop and tell a set of narratives that can tell its impact story as an organisation (see also chapter 3).

<sup>33</sup> For example, what has made a difference, what has changed for whom; evidence about what works, what does not, why, etc.

<sup>34</sup> Cross-institutional analytical studies and prospective inquiries.

## 4.6 RESPONSIVENESS AND ADAPTIVENESS

### Finding 15

**IIED is responsive and adaptive. This is well demonstrated by its response to the COVID-19 crisis and by programmes that demonstrate anticipation, as well as the grasping of windows of opportunity, where frame funding, partners and the expertise of staff members play crucial roles. However, while this quality is positive and embedded in the advantage of building areas of long-standing expertise, it also contributes to the scattered and short-term nature of many of IIED’s initiatives.**

IIED demonstrates an ability to respond quickly and effectively to crises, needs and opportunities as and when they arise. This has been demonstrated by the COVID-19 crisis, where guidelines were rapidly developed: staff were shifted to their home environment when it was necessary to do so, with connections maintained throughout, and brought back to the office as soon as possible for face-to-face engagement while maintaining caution. Connections with partners were maintained through on-line interactions<sup>35</sup> and high-profile knowledge generated, for example, through participation in the Covid Collective and learning from cities’ responses during and after the pandemic and several other initiatives, and highlighting on the website COVID-19 stories of impact and resilience with particular reference to grassroots communities.

LIF reports and interviews also confirm the value of long-standing expertise and partner connections, as well as the Global Engagement Theme initiatives, in the many examples of IIED’s quick responses to windows of opportunities.<sup>36</sup> Group strategies and tactics are aimed at balancing long-term interests and collaborations with the capacity to move quickly when opportunities arise. Partnerships play a crucial role in this, helping individuals and programmes to stay informed of new issues and developments.

However, IIED’s good ability to respond to project funders’ priorities has also inevitably led to non-strategic decisions to launch initiatives that do not contribute well enough to a coherent programme or group strategy. **We therefore suggest** that care is taken to ensure as much as possible that responsiveness and agility are harnessed for innovative and concerted action in line with the strategy, while safeguarding against too-scattered funding-driven action that diminishes the value of IIED as organisation. This will require a more strategic and concerted approach to fundraising; we return to this in chapter 6.

### Finding 16

**IIED is quick to identify and engage, but at times slow to follow up or disengage. Efficient action does not always follow urgently-launched internal studies or decisions that matter; at times leadership decisions and implementation have been slower than expected, causing disillusionment among some staff, especially when decision-making appears to be opaque. Similarly, while IIED’s long-term foci on important areas of work are essential, projects and ‘comfort zone’ or ‘tired’ areas of work are also not always exited in time, or with the necessary elegance.**

<sup>35</sup> There are also cases where partners could not make sufficient progress or mobilise funding to keep going during the pandemic, leading to termination of their relationship with IIED. This was not under the control of IIED.

<sup>36</sup> Just one example is provided by the European Union and UK government, who were keen to improve their timber trade which is largely controlled by China. This enabled the quick mobilisation of funding and positioning of IIED as a potential independent intermediary in a relevant triangular relationship between the UK/EU, China and Africa. For political reasons, this did not come to fruition, but it serves as an illustration of the benefits of being a visible expert in areas of importance, as well as the need to have foresight about emerging issues that will matter in the world.

An impressive set of relevant studies, Impact and Learning Exercises (ILEs) and thought pieces has been initiated by IIED's leadership, also in response to issues that staff bring to their attention. Topics include decolonisation, gender equality research ambition, gender justice, operationalising the move to distributed change, intersectionality and diversity, equity and inclusion, partnerships, and racism and diversity in IIED. IIED has also started to set wheels in motion to address shifts in the landscape that affect its financing model. But action has not always followed; for example, overhead costs and changing the staffing model as the financial situation evolved were addressed as first steps, but a more strategic approach to fundraising, and hence to partnerships, with stronger leadership and coordination by the Business Development team, has been slow to emerge. The work of the Gender Equality Champions' Network has also, at least initially, evolved more slowly than expected. Consultations are considered by some as too frequently too shallow, and follow-up decisions too rarely explained.

Relevant accountability systems therefore appear weak where it matters, especially when staff performance review criteria are not consistently applied and do not fully reflect what is important as IIED evolves - such as internal coherence and collaboration, applying partnership principles, or bringing fresh perspectives or new strategic partnerships into the organisation.

There is also not sufficient attention paid on how to exit projects and areas of work in ways that continue to respect partners, as well as the need to move out of areas of work that have become too comfortable and unimaginative. Some programme staff have noted areas of work that are similar to what was done years ago, with too little innovation to justify continued engagement.

**We therefore suggest** exploring (i) how to ensure more discipline and transparency in performance management and other aspects of accountability, including among the leadership, and streamlining of organisational commitments and accountability measures – all without burdening staff with overly bureaucratic rules and processes; and (ii) the development of principles and strategies that identify 'tired' areas of work, and encourage elegant and timely exiting also from projects that cannot or should not be maintained.

#### Finding 17

**IIED has yet to respond effectively with strong leadership to some of the thorny challenges that have been influencing its work and effectiveness, and to broad global shifts in the sustainable development governance and regeneration landscape.**

IIED's financial model, insufficient internal coherence and few strategic organisational partnerships are only a few examples of the enduring interconnected issues that challenge the organisation's ability to optimise its potential to contribute to the world. During this time of transformation, a much more aggressive focus on these issues is needed to help resolve them with a sense of urgency or to nudge them towards a more organic resolution. This is also a good time to ensure that IIED does not fall or stay behind the dynamic shifts in sustainable development and global affairs that are highlighted in Chapter 5.

Once the process of integrating IIED's LIF effectively across the organisation in empowering ways starts to bear fruit, it should be a valuable asset to enhance responsiveness and a forward-looking lens on strategic as well as operational issues. This is further addressed in the recommendations in chapter 6.

## 4.7 FINANCING MODEL AND FRAME FUNDING

## Finding 18

**The promise of IIED’s strategy, partnerships and ways of working is visibly inhibited by its financing model that privileges short-term, ad hoc funding sources based on financier interests above longer-term, strategic financing opportunities that promote well-tailored priorities, ongoing experimentation and ‘big’ thinking and doing. Frame funding has proven to be crucial to help IIED maintain its edge, innovate, execute key parts of its strategy. IIED was able to launch strategic and innovative initiatives, use seed funding to attract additional financing, initiate strategic forward-looking analyses, navigate in an agile manner some of the shocks of the COVID-19 pandemic, maintain effective support functions, and give research staff breathing space from the extreme demands of fundraising. Without such funding, IIED will become a shadow of its current self, exposed to very high transaction costs inherent in its financial model and aspects of its decolonisation efforts.**

There is increasing alarm among experts about the severe gap between how systems-informed, synergistic, enduring development and regeneration are brought about, and the short-term, project-based, linear approaches prevalent in development, in particular in Global North-funded policy and programming initiatives aimed at the Global South. IIED’s financial model suffers from this tension, and although it has sought solutions, the power asymmetries in the global systems in which it works continue to obstruct success, exhausting research staff members who are constantly busy with fundraising.

It is therefore well-known that IIED should do its best to uncover new sources of financing, and the Business Development Working Group has been working in this direction with good proposals for action. But the Review team wants to emphasise here the importance of frame funding, for several reasons:

- i. Over the last few years IIED’s frame funding has hovered at around one quarter of IIED’s income, based on support from two frame funders; three quarters of the rest of IIED’s income for 2020-2021 has been generated from more than 100 different funding organisations. At the same time efforts are being made to shift financial control and other forms of power to Global South partners. These efforts are admirable, but also bring enormously high transaction costs in terms of time, stretched expertise and stressed mental and physical energy– and this while IIED with a well-developed ecosystem of partners have the capabilities to do much more if this burden can be reduced.
- ii. The number of frame funders has shrunk from six to two over the past five years, a reflection of developments in the broader funding environment. The two remaining frame funders have been visionary and progressive, increasing the amounts over time. Yet the current situation leaves IIED in a very challenging position if even one withdraws or drastically reduces its funding.
- iii. One of the clearest, most consistent patterns in our qualitative data point to the exceptional value of well-used frame funding. There are many convincing examples, highlighting **a variety of interlinked – mutually reinforcing - uses of frame funding** which can be divided into the following broad categories:

1. **Inspiring and incubating exploratory projects and innovation** – allowing ‘thinking time’ and experimentation in new emerging areas that still have to attract attention, exploring potentially pioneering work.<sup>3738</sup>
2. **Strengthening the potential for significant impact by promoting coherence and systems-informed work** in IIED, among others by supporting the crossing of boundaries, among others (i) cross-group projects that will otherwise struggle to qualify for conventional competitive funding, and (ii) special positions that cut across programmes and groups.<sup>3940</sup>
3. **Strengthening the potential for significant impact through co-financing** - (i) allocating seed funding that is then used in proposals or similar negotiations to attract larger amounts from other sources,<sup>41</sup> (ii) topping up existing projects that then benefit from additional support that increases their relevance or effectiveness;<sup>42</sup> and (iii) increasing visibility and amplifying important work in process through communication mechanisms such as popular blog series, or financing of events that can help expose such work to special target audiences, which then attracts new funding.<sup>43</sup>
4. **Advancing strategic thinking and action within IIED and in the fields in which it works** through carefully targeted topics funded through the Impact and Learning Exercises (ILEs).
5. **Supporting knowledge generation, learning and accountability for a variety of purposes within and beyond IIED** through the development of the LIF as an advanced MEL system.
6. **Bringing flexibility and agility**, for example to navigate a shock and initiate new action in its aftermath, as demonstrated by initiatives in the context of COVID-19.<sup>44</sup>
7. **Support essential functions** in IIED by helping to fill gaps in financing for staff in operational units.

At the same time, it is important to be transparent about decisions around the use of frame funding. There were a few warning signals of dissatisfaction among some staff with the equal allocation of frame funding to all research groups where in their view a more strategic approach might have helped smaller groups more effectively; or where reasons for research and (strategic) support from frame funding were not clear.

#### 4.8 TENSIONS, CONTRADICTIONS AND POTENTIAL TRADEOFFS

##### Finding 19

**There are several tensions and contradictions either inherent in IIED’s structure, or that have evolved due to how the leadership and staff work. Tensions can be creative, but in IIED also often hinders collaboration and progress.**

We list here some of the main tensions and contradictions that influence the position and work of IIED (Box 9). They provide insights into the reasons for some of the complexity the leadership and the rest of the staff face,

<sup>37</sup> For example, the effort by SMG in collaboration with Communications to link LDC debt held by private actors to climate action.

<sup>38</sup> For example, HSG initiating explorations on LGBTQ+ and poverty in the urban development contexts in which IIED works.

<sup>39</sup> For example, the position that made it possible for IIED to contribute in exceptionally impressive ways at COP-26 during the Super-Year

<sup>40</sup> For example, NRG used frame funding to initiate Empowering Producers in Commercial Agriculture (EPIC)

<sup>41</sup> The scope of this contribution should be tracked; co-financing developments are not tracked in IIED.

<sup>42</sup> For example, NRG used frame funding for their largest project, Advancing Land-based Investment Governance (ALIGN)

<sup>43</sup> For example, cross-sector groups collaborating as part of the Super-Year gained profile, attracted IMF and World Bank and eventually UN attention which brought further financing.

<sup>44</sup> For example, HSG brought a coalition together for transformative recovery from the pandemic (leading to the second most downloaded document by IIED);

and can be valuable to identify and consider during plans and strategies to resolve intractable issues. They also point to trade-offs that need to be made as a matter of urgency if it is to fully achieve its potential within the rapidly increasing need for effective ‘research-to-action’ contributions towards transformative change.

#### **Box 9. Nine key tensions and trade-offs that are influencing IIED’s position and work**

1. IIED’s financing model vs the need to have systematic and coherent contributions to a range of long-term systems changes or transformative impacts.
2. IIED’s focus on being an impartial actor in research-to-action initiatives vs the need and wish to advocate for specific (normative) issues.
3. IIED’s wish to decolonise and decentralise vs potential competition with local organisations.
4. Researchers’ wish for freedom to pursue specific research interests (only) vs the need for coherent programming and positioning of research for use.
5. Individual researchers’ interests, connections and independence as a source of institutional resilience vs organisational interests that require sharing, coherence and strategic selection of expertise and connections.
6. Stated ambition to innovate on forefront issues vs maintaining capacities that have built successful long-term areas of work.
7. The need for critical self-reflection and dealing with sensitive issues such as racism, gender, LGBTQ+, discrimination and decolonisation vs maintaining motivation, action and commitment to IIED.
8. Desire for productive processes such as learning, coherence, coordination, systematisation and standardisation vs time availability and strains in internal systems, such as operational deficiencies and the changing requirements of individual donors.
9. Priorities of, and interests in; the Global South vs global priorities and the role of the Global North in crises such as climate change.

## **5 FINDINGS: IIED’S POSITION IN A TRANSFORMING WORLD**

### **5.1 PREPARING FOR THE FUTURE**

We are experiencing a confluence of crises and risks leading to shifts and transitions worldwide that will define the sustainable development governance, regeneration and research-to-action landscape for years to come. We can learn from history and experience, but no-one has a complete roadmap for what will and should come next. We therefore provide this analysis to stimulate discussions that can help shape and finalise decisions about IIED’s positioning in future. We selected ten key shifts that we consider important in the landscape in which IIED works – purposely avoiding some of the more well-known dynamics while acknowledging that much more can be said.

The ten selected shifts were based on the Review team’s knowledge and preliminary research, subsequently refined through peer discussions among IIED staff, and further research. Greater detail about the reasoning for these shifts is included in the Addendum to this report.

## 5.2 TEN KEY GLOBAL SHIFTS IN IIED’S LANDSCAPE

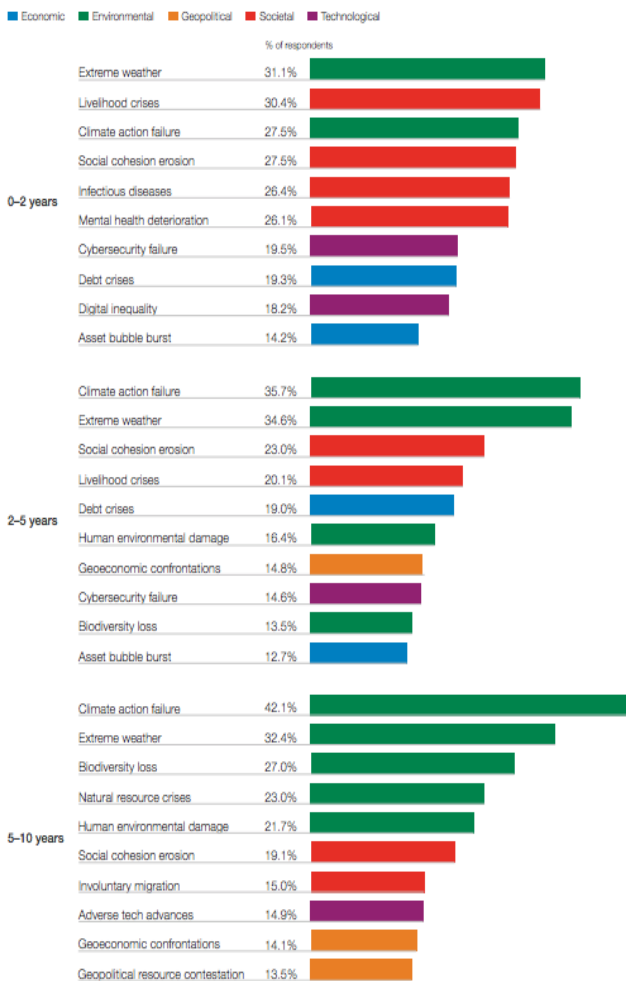
### Shift 1: From evolution within globalisation to a revolution towards deglobalisation and fragmentation.

COVID hit an already fragile world. Now, in the midst of delicate economic balancing acts, there is a war between two of the world’s biggest food, fertiliser and energy exporters, exposing instabilities and fissures that were there yet hidden from casual observation. Never before have national and regional economies been so interconnected, nor have we experienced such intense and successive shocks to globalisation. Geopolitical turmoil, global environmental change effects as well as sustainability, resilience and regeneration agendas and practices are disrupting existing systems, all the while opening up new risks and opportunities in the coming years (Figure 2). Organisations with a stake in international systems of governance and trade do not give great weight to de-globalisation or degrowth concerns, claiming instead that globalisation is simply evolving. The [UN Crisis Response Group](#) identifies 107 nations vulnerable to at least one of these crises; 69 ‘perfect storm’

countries with 1.2 billion people being hit by all three at the same time. Doubts are rising about trade integration and dialogue as a key pathway to peace and cooperation, and economists are debating whether recent supply-chain turmoil and geopolitical conflicts will result in a reversal or reconfiguration of global production. All current signals point to global transformation in many areas as an unstoppable force, and one that will impact us all, while current conditions appear to be accelerating timeframes for transformation.

#### Global Risks Horizon

When will risks become a critical threat to the world?



**Figure 2.** The 2022 World Economic Forum Global Risks Horizon analysis

### Shift 2: From talking about to implementing sustainability transitions

Transitions and transformation responses to these global risks are underway at multiple levels, giving hope but also highlighting some complicated, mixed effects that need to be recognised. There is a lot of discussion about transitions and transformations, but what matters is how these are managed (to the extent they can be). Little is known about how to ensure that transitioning is going in the right direction, that the right transformations are being undertaken, that there are no unintended perverse consequences, and that they are moving fast and deep enough to ensure the positive systems transformations needed take place in time. Understanding the ‘mechanics’ of transition and

transformation is helpful in understanding how they are catalysed, emerge and spread from within systems rather than ‘engineered’ from without. Existing models and experiences for sustainability transitions are going to come under scrutiny in the coming years; it will be crucial to learn what works and what does not, and be ready to defend the concept while improving implementation.



### Shift 3: From pre- to post-2015 notions of ‘development’ - what it is, who needs to develop, and in which ways.

The shift from the Millennium Development Goals to the much broader Sustainable Development Goals included all countries and opening up to multiple actors and levels of action. The power of these goals is not legal; they are not an instituted convention, but they are providing normative agenda setting in the public square for sustainability. Thanks to this new discussion however, the concept of ‘development’ is moving beyond an older notion of developing capacities to get out of poverty traps on a long term and sustainable basis, to now including concepts of repair and regeneration of natural systems and avoidance of further damage – in a reimagining of harmonious human-nature relationships under a footprint of 10 billion people living well. This has the important implication that ‘development’ is now as relevant in the Global North as it has been in the Global South.

### Shift 4: From ‘Environment and Development’ to ‘Environment for Development’ ... to Environment or Development?

With inequalities soaring under our current system and also under many transition scenarios, there is scepticism over the ‘win-wins’ promised by the ‘environment for development’ and ‘environment and development’ paradigms. Resilience and wellbeing are related in complex ways, and may in practice work against each other. There are trade-offs to be made in balancing the interests of the environment, with that of development that excludes it. This brings very significant justice and equity dimensions to the fore. Who will win or lose from sustainable development or sustainability transitions? And if we do not transition? What has what capacity to absorb which losses? An issue rapidly gaining attention is that given the current confluence of crises, it is becoming crucial to determine how to maintain a focus on the foundational function of environmental sustainability - and now also regeneration - while meeting basic societal needs.

### Shift 5: From global to decentralised centres of power in sustainability governance

*Transforming our World: the 2030 Agenda for Sustainable Development* was produced over a three-year process of consultation, summits and high-level political forums to define the post-2015 development agenda and map a pathway to the 'Future We Want'. Yet, the consultation input came largely from established, large groups defining the status quo of global sustainability. This is changing. The ‘who’ matters more and more as distribution of risks, costs and benefits both of the status quo and of sustainability transitions are considered. Environmental and social justice, just transitions and political ecology concepts have long featured in sustainability, but are now gaining dominance as intersectional and intergenerational questions more prominently. Issues of identity, gender, indigenous knowledge, decolonisation and empowerment (as anti-decolonisation discourse), cultural beliefs and values – all are emerging as critical not only to evaluating impacts, but also in asking who gets to decide what is sustainable, what is equitable, and what the priorities for action are. Sustainability action, including knowledge production, must be truly inclusive and inspire leveraged and collective action, including significant participation by the private sector, by countries in both the Global North and South, and by citizens.

There is thus frustration with top-down approaches, including international diplomacy and multilateral environmental agreements and related processes. However, as [Chatham House notes](#): *Agency has become more dispersed, but the power for transformational change at a global level still predominantly lies in the hands of states. If governance solutions to global issues are to be scalable and durable, then commitment from states is essential. A shift towards multi-stakeholder initiatives is under way, but questions about structure and process abound.*

### Shift 6: From traditional, conventional to innovative, unconventional sources of finance

The sources and purposes of finance for sustainable development are rapidly changing, as are the politics in the financing landscape. Traditional sources of development finances are public finance sourced largely from public taxes and sovereign funds from natural resource exploitation. Development assistance flows have [held steady](#) since the recovery in spending from 2019, but national debts in major donor countries are now colliding with the ripple effects of the COVID-19 pandemic, burgeoning inflation, as well as housing, energy and food security concerns at home. There will be less aid spending by traditional donors in the Global South in coming years, and what remains will increasingly have a strategic interest lens [influenced by](#) regional forms of multilateralism, South-South and triangular cooperation, and the growing role of non-state actors. Development finances and power are rapidly [shifting to the East](#), and especially to [China](#). Development assistance from new sources is set to grow from green and social bonds, redirected private sector flows through environment, social and governance (ESG) regulation and standards, and blended finance or impact investment opportunities. However, these are not always well received and are not scaling as quickly as needed to finance accelerated transitions, while job creation opportunities are increasingly notable less for their size than for their concentrated and uneven nature.

### Shift 7: From pilots and transitions to ‘crossing the chasm’ for scaling and transformation

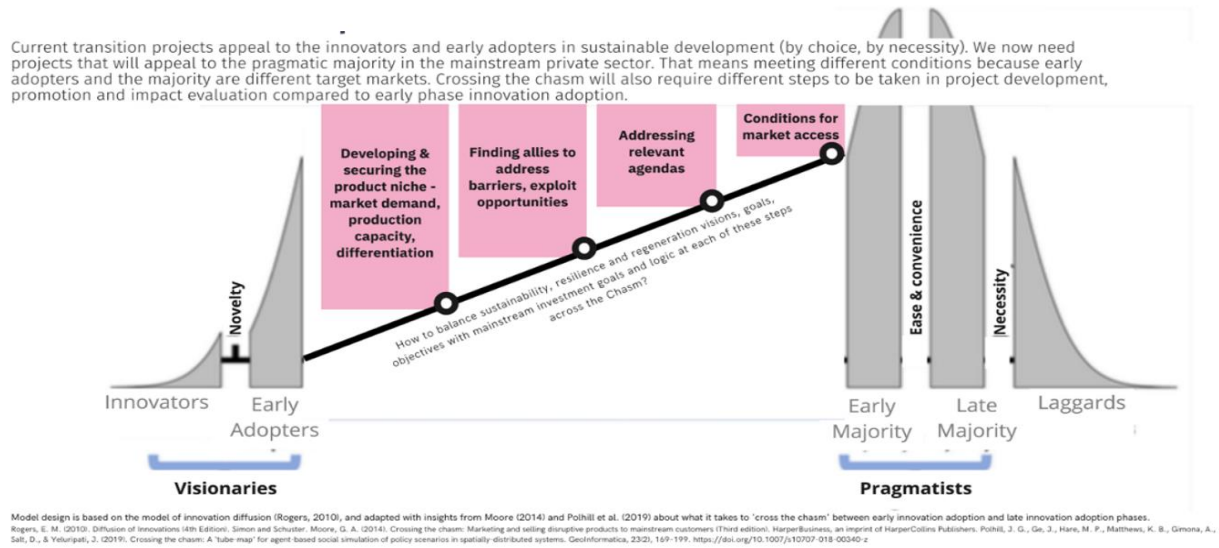
The development as well as ‘transformation’ worlds are awash in short-term pilot projects; scaling from any level of intervention is seldom successful despite much rhetoric in this regard. Early adopters of proven innovations and solutions are usually easy to find, but solutions to the well-known ‘crossing the chasm’ (Figure 3) between them and large-scale adoption remain elusive. Successful future climate, energy and other transformation-oriented projects will need to address mainstream demand for risk management and returns while also securing social and ecological outcomes to maintain credibility.

This is a tall order. There is a shortage of high-quality clean energy projects, a problem likely to be compounded by inflation and moves to increase historically-low interest rates. The drive towards sustainability and resilience has been successful in creating a market for ‘net zero’ and ‘nature positive’ action from desirable and necessary sources of private or blended investments. The shifting policy environment combined with the integration of ESG risk into financial markets for investment and lending has influenced financial thinking, but the concept has formed with exposure to financial sector logic.<sup>45</sup> The coming generation of projects will have to appeal to this logic, which presents a very different set of internal and external motivations to early adopters (risk takers). Yet if ESG can weather the current storm, it can provide a model for financing the multiple transitions that need to take place alongside energy transitions in other sectors in order to get the required large-scale transformation. Biodiversity then becomes the next issue<sup>46</sup> in the sights of ESG regulatory and product developers, with the plethora of issues that this entails. But the principle remains: a very significant amount of attention will be required on how to ‘cross the chasm’ to move to the scales of change we need for global transformation.

<sup>45</sup> <https://cib.bnpparibas/the-esg-global-survey-2021/>

<sup>46</sup> <https://www.spglobal.com/en/research-insights/featured/seven-esg-trends-to-watch-in-2021#3>

**Figure 3. Getting transition projects and practices across ‘the chasm’ to scaled adoption**



**Shift 8: From within-boundary to multiple, boundary-spanning research-to-action engagements**

Although there is a very large variety of structures and initiatives active in bridging the worlds of policy, science and action, common to most is the ultimate goal of improved decision-making in political and other institutional processes and practices. The local, local-to-local and local-to-global scales matter increasingly in this endeavour. Social cohesion crises, climatic system change, biocapacity and geopolitical disruptions are mounting and intertwining, and global trends will ultimately be translated into local manifestations and mediated through local politics. Action on sustainability ultimately has to be localised, connected to contextual history, cultures and social, political and economic institutions and dynamics, and there is an urgent need for more effective research-to-action activities with this in mind.<sup>47</sup> In line with deeply modified thinking about sustainability governance, management and action and the role of inclusive knowledge production, there is now an emphasis on equity, flexibility and adaptive capacities in addition to working across disciplines, sectors and fields. It means anticipating risks, dynamic systems change and critical ecological and social thresholds, letting go of ‘predict and control’ thinking and moving towards ‘sense and respond’ forms of science-policy relationships in governance and management. Well-designed research-to-action processes generate opportunities for this type of inquiry while also providing a ‘meeting place’ for adaptive, anticipatory, equitable, responsive and collaborative governance. Many organisations are racing to answer this call.

**Shift 9: From linear and discipline-focussed sustainability analysis to systems and nexus thinking in support of sustainability risk, impact and strategic opportunities assessment**

Both systems thinking<sup>48</sup> and nexus thinking<sup>49</sup> have been on the rise as a focus for sustainability approaches, reflecting the insight that implementing the 2030 Agenda requires a better understanding of interdependencies among risks, impacts, synergistic actions, transition pathways and collective action

<sup>47</sup> <https://council.science/actionplan/funding-science-about/>

<sup>48</sup> Complexity in cause-effect relationships/ systems structures, with system behaviour exhibiting feedback dynamics, uncertainty, emergence, resilience.

<sup>49</sup> Intersectionality in exploring leverage points for shifting systems in certain directions.

(coordination, cooperation and collaboration). This includes an increasing expectation of advanced analytical capabilities to enable governance and management risk assessment and management under information overload, complex interactions at the scale of systems and uncertainty. Organisations working in the research-to-action domain are going to have to engage with this way of thinking. There is a strong demand for real time, integrative, context-specific sustainability analyses and data visualisations under localisation trends, and in many domains, more traditional science actors are being outpaced by innovators and private enterprises. Important developments include big data, machine learning and the recognition of the power of collective intelligence and potential for crowdsourcing solutions. A frontier for this type of analysis is engaging with the 'human factor' and how this influences real outcomes for enriched decision-making and subsequent change in behaviour. There have also been calls to include new knowledge, skills and competencies in research-to-action to engage much more effectively with politics, power and power dynamics.

### Shift 10. From traditional research-to-action practices to non-linear science influencing sustainability transitions and transformations

The linear model of inquiry is still valid for certain forms of solution-finding in sustainability. However, there is a new level of recognition of alternative and complementary modes of research-to-action as inquiry into the role science and other forms of knowledge play in cracking the social (rather than technical) challenge of sustainability governance and management in polycentric, decentralised action arenas. Knowledge production in sustainable development and regeneration is a field increasingly shaped by the social challenges of equitable and just governance, management, production and consumption in interlinked and multi-level resource systems. Yet consistent, effective research-to-action has been a struggle for traditional science-policy organisations – and the community of scholars, practitioners, commissioners, funders, programme managers engaging in the big picture of research-to-action innovation are still not on the same page about the value-add of research to action. Empirical performance assessment of research to action shows how difficult it can be to discern and evaluate impacts. What empirical testing of research-to-action strategies in multilevel governance systems exists is primarily focussed on Europe and the US. Meanwhile, the urgency for action and demonstrated success is mounting. This situation might lead to future investment strategies that disfavour research-to-action initiatives, instead promoting scaled projects that address immediate needs and concerns, rather than governance improvements that address structural and agency issues through knowledge production and advocacy.

#### Shifts to come?

**Degrowth theory** argues that even green growth for everyone is not realistic, and questions what it means to live well under such a new paradigm. Resources are finite and the current economic model and 'Western way of life' only sustains itself through continuous growth, which is not realistic under current circumstances. Degrowth advocates plead for a more fulfilling life without the need of so many material things. Life could be organised around needs and pleasures beyond material gain, and a focus on local community can reduce the needs of transportation of people and goods while fostering a sense of belonging. However, there are many [sensitivities](#) around this issue given global and social inequities and histories.

**Pragmatic ethics to address [fact-value gulfs](#).** Without denying that historical actions have brought about current intertwined global crises, there may come a time when the need for pragmatic solutions based on the ability to act will matter more than the need to take responsibility for historical acts. Who can afford to adapt? Who is better positioned to have impact in the short run? Continued dynamics in the global, sustainability and research-to-action trends suggest a time when the responsibilities to act exist because we can and should, not because of liability.

**The shift to post-truth, relativism and questions for the role of science:** There is a sentiment that humanity has turned a corner in climate change with the reaching of what is more or less a consensus on climate science. However, the effectiveness of propaganda and the trends in parts of the world away from evidence as the most critical element in decision-making points to what is called by some the ‘post-truth’ era. Social media has fast become a civic space. One participant in the peer discussions reflected that there is “*a closing of the rational civic space, and a growth in the irrational civic space*”. How is the value of what organisations like IIED going to be perceived by governments, the private sector, other third sector organisations and the public in this context in future? A connected emerging trend is fatigue with dire predictions and ‘every unprecedented thing being blamed on climate change’. This signals a new form of climate misinformation - this time about impacts and consequences - that will continue the enduring, growing evidence, legitimacy and credibility crisis in the worlds of science and the media.

### 5.3 IMPLICATIONS FOR IIED’S POSITIONING

#### Finding 20

**IIED’s focus on responding to global dynamics and repositioning the organisation amidst a future full of uncertainties and global shifts is timely and necessary. Although a major challenge, this is one that IIED can successfully meet.**

IIED is an organisation with its finger on the pulse of many of the global developments and trends that affect, or are likely to affect, its work. Survey data show that staff get their inspiration and new ideas from colleagues and partners, as well as from a variety of external specialist resources. The leadership and staff are also keenly interested in ensuring that the organisation is fit for the future; this is reflected in the terms of reference for this review, in staff discussions, in the LIF and in various other studies and internal reports. Furthermore, IIED’s thematic areas and the experience it has built up over the decades position it – even demand of it – to be a valuable contributor to deliberately-orchestrated large systems change and transformation efforts that the world urgently needs.

#### Finding 21

**Among ‘wicked’ problems, shifting notions of ‘development’ and a focus on ‘decolonisation’, IIED-Europe, the Impact and Learning Exercises (ILEs) and the evolving Global Engagement Themes (GETs) are some of the valuable and well-timed additions in support of IIED’s repositioning.**

Over the past few years IIED has started to build more profile and capacities in the Global North. The ILEs and five GETs, recently adjusted to include five new theme while integrating the existing ones into programmes, reflect evolving global trends and dynamics, highlight critical issues that facilitate learning about sustainable development and regeneration across different geographies, and help to shift more of IIED’s strong local gaze to the global context. This (still slight) shift is reinforced by the establishment of IIED-Europe which, when fully developed, has the potential to serve as a pivot point for strengthening the local-to-global interactions of IIED; enhance its ecosystem of partners; and develop increasingly productive connections that can shift their gaze to bring experiences from the Global South to the Global North.

#### Finding 22

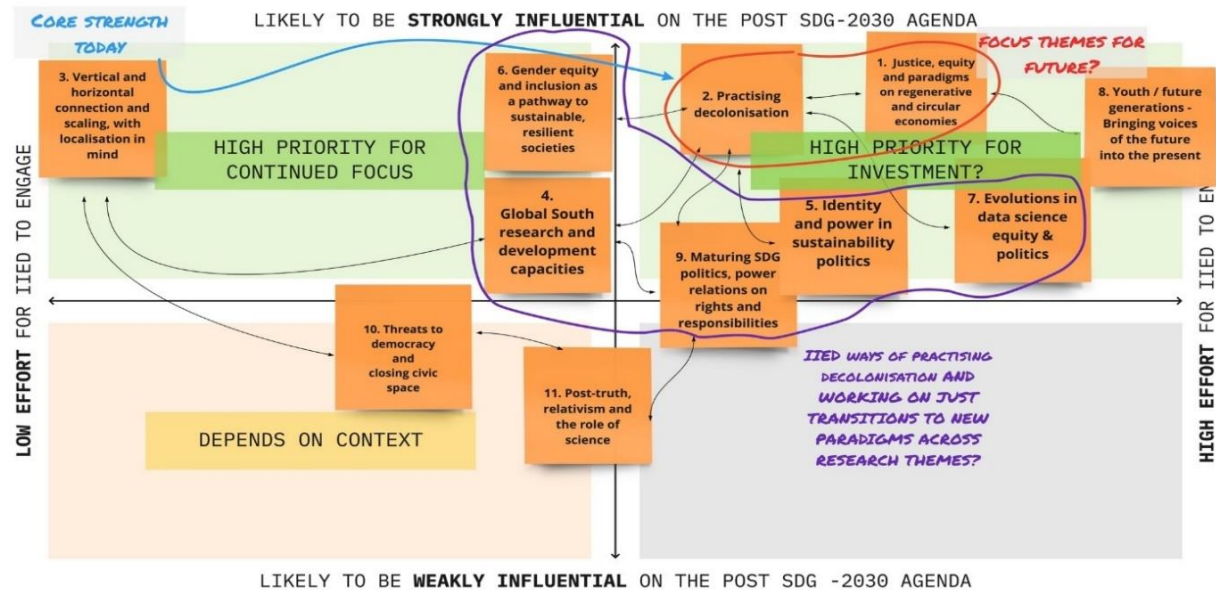
**IIED has many strengths that will continue to serve it well. It has comfortably connected to local as much as to global issues, has a wealth of experience in research-to-action work, and has an edge on others in the Global North through its strong connections to partners in the Global South and North who appreciate and trust IIED. This positions it well for the future – but with caveats. Developing**

**pertinent areas of work that build on its current strengths will require significant effort while facing significant challenges in its repositioning, many of which IIED has grappled with for a long time.**

A main success factor in IIED’s evolution or revolution going forward will be the extent to which it can successfully cultivate its strengths and develop new ones, while minimising that which holds it back. This will help it to craft a unique niche and value proposition for the next decade – which will be necessary. Institutions are racing into the relevant spaces, creating an increasingly dense and diverse competitive landscape of knowledge generation and knowledge transformation activities.<sup>50</sup>

IIED is well served by the fact that it is fully centred in the sustainable development governance domain and has worked for decades at the nexus of development and environment, working in applied sustainability science without being hampered by the need for the type of performance required in the academic domain. It has the capacity for robust inquiry into transitions successes and failures, adaptation and learning. It already works from a systems perspective and is well positioned to review and refresh some of its research-to-action practices and focus more robustly on how to scale towards greater impact. It has influence at the global level of sustainability governance due to its well-established brand, long track record, frequent new ‘clever’ thinking, and an ability to see issues on the ground and how they can scale across the multi-level sustainability governance system (*i.e.*, work on climate finance, and early work on Indigenous knowledge). It is one of the few organisations with local-level governance knowledge *and a* bridge to the global sphere. It is also relatively well positioned on some elements of how power structures intersect with identity issues (relating to ability, disability, sexuality, gender, indigenous peoples, national, political) – a cross-cutting focus that is as important in the Global North as in the Global South.

**Figure 4.** Output of IIED staff peer discussions (March-April 2022) on IIED positioning on key emerging themes in the IIED landscape



<sup>50</sup> In just the Think Tank form of these institutions: 11,175 think tanks are catalogued in TTCSP’s Global Think Tank Database (TTCSP, 2020) from across all global regions, with 99 institutions featuring on TTCSP’s listing of environmental think tanks (Table 18, pg161).

Figure 4 gives a visual synthesis of the results of four peer discussions on the future. It shows how IIED staff placed trends relative to their (i) perceived importance to the post-2030 global sustainability agenda and (ii) the perceived effort that IIED will have to make to engage with or respond to these trends based on its current strengths and limitations.

In all these efforts it will be important for IIED to consider the issues raised in chapter 4, as well as the perspectives captured in Box 10 of some experienced external partners as well as 'non-partners' (that is, specialists who have been somewhat removed from IIED yet know the field very well).

**Box 10. Selected partner and non-partner opinions on challenges IIED will face in its positioning for the future**

"It is still not clear what IIED is, a research org, think-tank, NGO or advocacy organisation."

"IIED is good at building networks of actors across boundaries. But this is not unique anymore, given many multistakeholder groups."

"Is IIED a 'jack of all trades', one that does not do cutting edge science, but rather a sort of capacity development and advocacy organisation? Sitting between chairs is its strength or weakness. But it is great for brokering relationships and nudging people towards new ways of working."

"IIED's interpretation of its values ... might be too ideological even though knowledge production is not value-free. For example, working with Indigenous people at the nexus between culture, ideology and identity, and empowerment. This can be taken to extremes and become a hobbyhorse."

"The space for powerful international organisations is now much smaller. It is not clear whether space for organisations like IIED still exists and if so, the real priorities. Research funding used to be much more flexible. This is the result of moving towards greater accountability and hence control, made worse by greater staff movement among donors, which depletes trust."

"People are now less interested in policy input and more in action, for example on adaptation, transition support and thinking about whole economies with concrete investments."

"IIED is perhaps too often driven by events, and often in spaces where they talk to themselves."

"They are 'environment and development', but they are busy with other things too? Is this coherence lost? They often sound like IDS. Do they have a niche amid constrained funding?"

"They seem to focus on using synthesis and policy analysis, not primary evidence collection. But this can be an advantage as they have a good track record and are the only really good organisation doing such synthesis work."

"Peers are organisations such as ODI and IDS in early times. But more important now are the new upstart organisations .... which are 'shinier' and might overtake them. A lot of thinktanks are going into the environment-climate space, such as Chatham House for example. NRI is a peer too, because the environment is seen as a risk in the foreign policy landscape."

"IIED's independence might also be a risk. They have an easy niche for others to get into, and they are building their track record."

"IIED does not want to be disruptive. They want to be useful and neutral. Is this an advantage? Or not?"

“The nature of institutions is changing, for example universities are going more virtual. So there is a revolution in who diffuses and brokers knowledge, offering opportunities and challenges. For the first time many people have access to knowledge across the world, so the role of knowledge provider also changes.”

## 6 RECOMMENDATIONS AND OPTIONS

### 6.1 PREFACE

The findings in this report point to the need for IIED to be proud of, and embrace what it has achieved to date – yet it has to pick up its pace to be at the forefront of developments in its chosen field in future. To do this, it has to build on its strengths, recognise and eliminate (potential) weaknesses, and do all of this with a forward-looking and adventurous approach, given the challenges and opportunities that are likely to come over the next few years. This is the spirit and intent behind the recommendations and options for action, put forward not as a blueprint, but as an impetus for further engagement by all in IIED.

Staff are tired; they understand the need for change, yet are concerned about what this will mean in practice. IIED may decide to move to different degrees from a ‘comfortably positioned, rather traditional’ organisation from the Global North to a **‘forward-leaning, leading progressive’ 21<sup>st</sup> century environment-development (global) nexus partner**. Some changes are likely to be radical, even if changes in strategy direction and content are incremental; IIED could also be adventurous enough to transform into something quite new based on its solid foundation of past experience and future-oriented insights. It will require determining where its principles and actions **stand with respect to the nexus of development and environment** during this critical time in the history of the planet – whether focused on environment *and* development, on environment *for* development, or on development *for* the environment.

Whatever is done, change processes have to respect the current fragility of staff, relationships and systems that define IIED. They therefore need to be much more progressive than the long drawn-out, demotivating and occasionally destabilising 20<sup>th</sup> century approaches to change management. They will require IIED to question what being an ‘impartial’ think-tank means at a time when political and societal power – and interests - will be more visibly in conflict in parts of the world, and decolonisation should be driven by the Global South yet owned also in the Global North.

We briefly present here **three options**, not as completely separate entities, but as possibilities that could be blended, or allowed to evolve from one into the other - and also spark further thought about what each could look like, as well as other options that might have good potential. They could be particularly relevant for the development of the next five-year strategy.

### 6.2 THREE OPTIONS

#### **Option 1. RESHAPE**

The most incremental change option; here, IIED continues to focus on the Global South as a sincere, committed and experienced organisation based in the Global North, and which in its next strategy period aims to be the best it can be in this role within the changing contexts in which it operates.

IIED continues to operate more or less within its existing strategy foci and desired outcomes, structures, operational systems and approaches. It strengthens its strengths, removes obstacles to performance and works to eliminate weaknesses. It deals more explicitly with tensions, contradictions and trade-offs inherent in its



DNA. Refinements can be major, and it can tackle one or two ‘big things’ as part of its thematic foci, but efforts would focus on making the best of the five ‘review and reshape’ foci within existing approaches and systems, maintaining an adaptive, responsive approach based on LIF analyses and other futures work. IIED Europe would raise funds and help establish useful relationships as required. Some or all of the five ‘Refine’ priorities could serve as foci for improvements.

### **Option 2. REFORM**

A more adventurous positioning choice, IIED would reposition itself unapologetically as an organisation from the Global North working in partnership with the Global South based on becoming a model for decolonisation and for the most progressive, leading-edge perspectives on using research-to-action for sustainable development and regeneration. Thus, an organisation located in the Global North but with a Global South heart and mind.

This would require focusing on the ‘Refine’ priorities, but also on deeper engagement with all aspects of decolonisation, as well as with the latest shifts in the landscape in which it operates, and hence require more drastic changes in thematic areas, strategy, organisational policies and systems, and ways of operating. IIED-Europe, IIED-UK and selected coalitions of Southern organisations would focus on establishing meaningful Global South-Global North partnerships and platforms for strategy development and fundraising.

### **Option 3. TRANSFORM**

The most adventurous and progressive choice, IIED would work towards changing around completely the Global North-Global South power and ‘development’ asymmetries. It would position itself as a facilitator and supporter of some of the most adaptive and most informed coalitions and networks of expertise in the Global South that are able to transform relevant knowledge and experiences from the Global South and, blending these with good understanding of global issues, bring them to the Global North – where appropriate, in conjunction with Global North partners and coalitions. This would help ensure that all expertise and knowledge systems worldwide - East, West, South and North - are mobilised on an equal footing to create solutions fit for the 21<sup>st</sup> century. In this case, IIED-Europe, together with an equivalent established in the Global South, would become the pivotal axis of this approach.

## **6.3 SIX REFINEMENTS**

### **REFINE: Priorities for incremental improvement**

We also present six sets of priorities for incremental improvements to be implemented as soon as possible during this strategy period. They do not imply changes in strategy, but rather refinements to what exists. Each of these foci for improvement can be integrated into each of the three or more options that may shape the next strategy. Detailed tactics in each priority area are based on assessment during this review – recognising that there are too many to be equally important at any given time. Instead, it will require some work to find the best leverage points (*i.e.* using what is known about shifting systems, also internally), and implement them through systematic sequencing over a pre-determined period.

#### **Priority 1. Mobilise frame and strategic funding**

The most pivotal and enduring challenge that IIED needs to resolve is finding enough financial support to alleviate the pressure on staff and allow the potential of the current strategy, and the solid foundation of work built up around it, to come to fruition. Funding that is not ringfenced, or only ringfenced for strategy or sub-strategy rather than project implementation, will be a great challenge during a time of dwindling resources,

and the IIED leadership will have to take full responsibility for this important issue. It will also be essential to review the current strategy for using frame funding so that there is an appropriate and well-justified balance between supporting creativity and ‘big thinking’ among research groups and programmes; forward-looking, adventurous and/or strategic initiatives by the leadership; and plugging gaps in staff support.

IIED is well-regarded and it will be worthwhile to consider creating a platform or forum of potentially interested conventional as well as atypical funders who can be motivated by a carefully crafted, inspiring narrative about IIED’s (and its peers’) past achievements, its future strategies, and why frame funding will lead to outcomes that are worthwhile funding. This can also be done with peer organisations to start promoting collective action around common agendas. As broadly captured in the strategy of the Business Development Working Group, such an approach will require moving beyond conventional funding sources to engage (i) progressive foundations or coalitions of foundations which are now becoming more adventurous in their foci for support, (ii) potential funding partners from those parts of the world who will in future have the most financing power, namely China and other large economies in the Global South that have a keen interest in knowledge and expertise at the intersection of development and environment, and (iii) carefully-selected private sector coalitions that can and want to benefit from independent, credible research and/or advice.

However, it will also require the creation of well-developed synthesised narratives about what IIED with its partners has achieved and can achieve, and the importance of making available financing for (i) a sophisticated strategy and/or a (ii) set of portfolios where work can be done with confidence and agility. Innovation and transformative change fit for this time will require a good understanding of systems theory as well as experience in practice. IIED is well positioned to provide this in the areas that it identifies as priorities for the future.

## **Priority 2. Nurture IIED’s people**

Staff like and care for one another, like working together, and are generally proud of IIED. But trust levels across levels and functional positions are somewhat bruised. We propose that in the immediate future significant attention is paid to addressing issues related to IIED’s people and the dynamics around them – fostering opportunities to act on issues that de-energise staff. This will help ensure that IIED becomes a healthier organisation during these special times. It will require people management approaches in tune with modern trends, and special attention to staff wellbeing.

*Questions that can help identify priorities:* What immediate pivots will alleviate current tensions and strains?

*Ensure that the foundation is sound* by refocusing attention on how to ensure that IIED’s foundational values and principles are expressed in practice.

*Foster trusting relationships* through enough innovative and face-to-face opportunities for interaction even in a hybrid work environment; provide reasons for important leadership actions and decisions to ensure staff trust; foster open communication and transparency.

*Remove obstacles to performance* by acting quickly upon valid complaints; identify, analyse and address tensions, contradictions and trade-offs unnecessarily affecting leadership or staff performance; “de-bureaucratise” operational processes; wherever possible, find appropriate ways to lighten work burdens – within reason; remunerate task teams fulfilling special roles in a way that reflects the importance of the task. Ensure organisational accountability systems that work across programmes and groups.

*Recruit and support well.* Consider how to actively work against historical factors that are shaping recruitment processes; review to ensure that appointments, staff and associated experts have the right mix of experience and expertise; ensure that whatever attracts (the right) people to IIED is not lost; provide appropriate performance incentives, but also ensure accountability at all levels that is well understood by the incumbents, and enforced. An inspiring ‘People and Culture’ head can be pivotal – with the power to ensure that internal

trust, power and other dynamics that hinder performance can be addressed quickly and innovatively – while an occasional independent staff survey done in trust can assist in taking the organisation’s pulse.

### **Priority 3. Decolonise IIED with sophistication**

The study commissioned by IIED on the topic of decolonisation provides important guidance which can be supplemented by further tailored work. Decolonising IIED will have multiple foci within three main streams of action, stemming from the need to (i) recognise and address injustice, prejudice and arrogance towards ‘the other’, (ii) define from multiple perspectives important concepts such as research quality and ethical conduct, and (iii) shift from dominant reductionist, linear narratives about how societies work, towards the more nuanced (complex adaptive) systems-informed perspectives that are embedded in many of the philosophies of non-Western societies, and that have guided some of the most successful development efforts in the world. Decolonisation is also important for both Global South and the Global North; it should be driven by Global South staff and partner perspectives, voices and actions, yet owned and taken on as priority by those from the Global North.

It will be necessary to start with, but also to move beyond, the most visible manifestations of ‘colonised’ mindsets and practices - such as the diversity in IIED’s leadership and staff composition, their location, and who controls the funding (or has “power over”); whose capacities are supposed to be developed, why and with what assumptions – to engaging deliberately with power dynamics and asymmetries in all aspects of IIED’s work; with dominant mental models and narratives that have shaped how development, evidence and (policy) influencing are conceptualised and done; with the meaning of ‘quality’ research; and the changes needed in the mindsets and practices of specialists from the Global South and North.

### **Priority 4. Strengthen coherence and mainstreaming for ‘big thing’ thinking**

IIED could once again contribute one or more ‘big things’ to the world. For this, greater coherence between programmes and groups has to be developed. This can be done through (i) mainstreaming, (ii) nexus work, (iii) portfolio management and (iv) timely exiting from ‘tired’ areas of work. Within the limited freedom provided by IIED’s financing model, a (cross)portfolio management approach will support alignment and synergy.

The identification of major nexus themes that can cut across most, if not all, of the research programmes or groups will provide opportunities for aligned and synergistic action that can lead to the ‘next big thing’ for IIED. Obvious examples are the intersections of the thematic areas of all research groups with climate, or with gender or DEI. The world also needs new narratives and ‘big thinking’ around issues such as the biodiversity-wellbeing nexus, mainstreaming the environment into rural and urban food systems, or creating post-2030 narrative around the value and implications of degrowth and regeneration (and other issues and shifts briefly raised in chapter 5). The thematic areas identified by staff during peer discussions highlight further possibilities (Figure 4; Annex 9).

Or IIED can focus on analysing place-based work in many locations in the world to more quickly identify common, repeating emerging issues, agency gaps, structural barriers to change - and what has worked in pathway finding - in order to propose new horizons in sustainability. What seems old news to IIED could be new to other organisations. IIED can use this to advance the global conversation on structural problems to systems change for resilience and sustainability outcomes, with strong roots in ground-level experiences.

### **Priority 5. Forge a progressive ecosystem of partners and relationships**

IIED needs a stronger ecosystem of partners based on strategic ‘living’ connections between and across clusters with similar intent, rather than only between one or more partners for a particular project. We understand that a partnership study is underway, and this has to be an essential priority, especially now that IIED’s

partnerships are not unique any more, and their current value not optimally used. It will furthermore be helpful to reduce the time that IIED staff spend on developing fair and inclusive partnership decisions, exchange, work flow, accountability systems and other operational processes in every separate project. More freely shared partnership information, including the types of partnerships to avoid, can also benefit others in IIED; current disincentives to learn from these and other experiences need to be explored and addressed.

Proposed initial priorities:

- i. *Visibility, influence and scaling*: Develop purposeful partnerships crafted around own agendas that can provide greater visibility to, and amplify or scale, IIED's work, by either using power brokers in intergovernmental processes such as UNECA, the AU Commission and SADC in Africa, or more local thematic or geographic networks (as demonstrated, for instance, by IIED in Latin America);
- ii. *Collective Southern expertise*: Develop carefully-selected, highly reputable networks of Southern experts and demonstrated 'change agents' who can be mobilised around key priorities;
- iii. *Unusual / atypical relations*: Seek out partnerships for strategic reasons in the new power centres in the world, in countries such as Indonesia, China, Turkey and others, and engage with selected parts of the private sector based on carefully identified experience-informed opportunities for constructive engagement.
- iv. *Learning and sharing*: Generate partner information through the LIF to facilitate plans and decisions, and create opportunities to share how to make partnerships work and how to prevent falling into partnership traps, for example when working with powerful partners who do not allow IIED to have an equal voice.

#### **Priority 6. Lead with advanced, nuanced MEL coupled to futures thinking and design**

IIED has been somewhat behind the curve of some of the major evolutions in the landscape in which it works. The sophistication of its emerging LIF system coupled to a stronger futures orientation and horizon scanning capabilities can be of service not only for IIED, but also for partners and peer organisations. Among others, IIED's public profile and growing capacities in MEL can be used to conduct strategic monitoring and evaluation that can bring to light, among many others, how a systems approach can inform outcomes work in support of transformation, interrogate the assumptions underlying IIED's theories of change, and illuminate the often 'hidden' reasons for both success and failure of flagship initiatives and efforts towards transformation. This will require more effort and resources to be allocated to MEL actions – to strategic evaluations but also to other MEL actions (see also the recommendations in Annex 8). Linking such orientation to futures work of importance for the organisation and for the broad field in which IIED works can give life to important dialogue on trends, risks and shifts both within IIED and among special peer group or partner leaders' platforms. Inspirational formats within IIED can help engage staff on discussions within and across group foci and programmes. Connecting outcomes and futures work can help IIED to stay on top of important developments in its work - for example in new technologies that can greatly enhance data analysis and synthesis. (See also the summary of staff discussions in Annexes 9 and 10).

## **7 LIST OF ANNEXES**

The Annexes and Addendum are separate companion documents to this report. A list of findings is included as Annex 11.