

INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT

England & Wales · Charity number 800066

Details

Other names IIED

Status Registered

Legal form Charitable company

Company number [02188452](#)

Registered 1989-04-28

Register [View on the Charity Commission register](#)

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Activities

Objects: 1. TO ADVANCE THE EDUCATION OF THE PUBLIC BY ALL CHARITABLE MEANS. 2. TO PROMOTE SUSTAINABLE DEVELOPMENT FOR THE PUBLIC BENEFIT BY THE PRESERVATION, CONSERVATION AND PROTECTION OF THE ENVIRONMENT AND THE PRUDENT USE OF NATURAL RESOURCES, THE RELIEF OF POVERTY AND THE IMPROVEMENT OF THE CONDITIONS OF LIFE IN SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITIES AND THE PROMOTION OF SUSTAINABLE MEANS FOR ACHIEVING ECONOMIC GROWTH AND REGENERATION.

Activities: An independent, non-profit research institute working in the field of sustainable development. Aims to provide expertise and leadership in researching and achieving sustainable development at local, national and global levels. In alliance with others we seek to help shape a future that ends global poverty and delivers and sustains efficient and equitable management of the world's natural resources

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Environment/conservation/heritage, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Argentina
- Australia
- Bangladesh
- Benin
- Bhutan
- Bolivia
- Burkina Faso
- Burma
- Cameroon
- China
- Congo (Democratic Republic)
- Denmark
- Ethiopia
- Finland
- France
- Ghana
- India
- Indonesia
- Kenya
- Malawi
- Mali
- Mexico
- Mozambique
- Namibia
- Nepal
- Netherlands
- Nigeria
- Pakistan
- Peru
- Philippines
- Rwanda
- Senegal
- South Africa
- Sweden

- Switzerland
- Tanzania
- Thailand
- Trinidad And Tobago
- Uganda
- United States
- Vietnam
- Zambia
- Zimbabwe

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£32,550,000	£34,346,000	£-495,000	164
2024-03-31	£26,310,000	£26,310,000	£2,174,000	156
2023-03-31	£21,129,000	£21,088,000	£2,139,000	140
2022-03-31	£20,639,000	£21,046,000	£2,098,000	146
2021-03-31	£18,192,156	£18,291,765	£2,505,345	140

Trustees

Name	Role	Appointed
Paul Damian George	Chair	2023-05-15
Chris Austin		2025-07-22
Dr Alicia Perez-Porro		2021-12-06
Harjeevan Singh Narulla		2022-12-06
Ineza Grace		2025-03-20
John Taylor		2023-11-23
Jonathan Potter		2026-03-26
Mei Yan Carol Tan		2025-03-20
Nafisa Gudal		2025-03-20
Paul Stevenson		2022-12-06
Professor Maarten Krispijn van Aalst		2021-12-06
Revathi Sharma Kollegala		2023-11-23

INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT

England & Wales - Charity number 800066

Accounts



International Institute for Environment and Development

Trustees' Annual Report and Accounts for the year
ended 31 March 2025

Registered company number: 2188452 (England and Wales)

Registered charity number: 800066 (England and Wales)

Registered charity number: SC 039864 (Scotland)

Contents

Acronyms and abbreviations	3
Chair's foreword.....	4
Introduction	6
About IIED.....	6
Our strategy and theory of change	7
Our operating context.....	8
Impact and performance.....	8
Communications and engagement.....	13
Structure, governance and management.....	13
Financial review	15
Statement of trustees' responsibilities	20
Reference and administrative details	21
Independent auditor's report to the members and the trustees of IIED	22
Statement of Financial Activities	25
Balance sheet as at 31 March 2025.....	26
Cash flow statement for the year ended 31 March 2025	27
Notes to the Financial Statements for the year ended 31 March 2025.....	28

Acronyms and abbreviations

ALIGN	Advancing Land-Based Investment Governance
ASPIRE	Scaling Programme on Anticipatory Social Protection
CITES	The Convention on International Trade in Endangered Species of Wild Fauna and Flora - An International Agreement Between Governments
COP	Conference of the Parties
DFID	Department for International Development (UK) (1997-2020)
EIJC	Equity, Inclusion and Justice Committee
EU	European Union
FARA	Finance, Audit, Risk Assessment Committee (sub-committee of the Board)
FCDO	Foreign, Commonwealth & Development Office (UK)
FRC	Financial Reporting Council
FRS	Financial Reporting Standard
FY	Financial Year
GEC	Green Economy Coalition
HSG	Human Settlements Group
IIED	International Institute for Environment and Development
IKI	International Climate Initiative (of the German Federal Government)
IPCC	Intergovernmental Panel on Climate Change
IUCN	International Union for Conservation of Nature and Natural Resources
LIFE-AR	LDC Initiative for Effective Adaptation and Resilience
LDCs	Least Developed Countries
LLA	Locally Led Adaptation
MEL	Monitoring, Evaluation, and Learning
NGO	Non-Governmental Organisation
NSC	Nominations Sub-Committee (sub-committee of the Board)
PCR	People, Culture and Remuneration Sub-Committee (sub-committee of the Board)
REDAA	Reversing Environmental Degradation in Africa and Asia
SDGs	Sustainable Development Goals
Sida	Swedish International Development Cooperation Agency
SIDS	Small Island Developing States
SOFA	Statement of Financial Activities
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme

Chair's foreword

For over fifty years, IIED has supported leaders from the Majority World as they project their voices on the global stage, and assert their agency in the local decisions that affect them most. Together with our partners, we build and sustain effective platforms and provide rigorous research to underpin evidence-based policy-making and programmes of action.

This has been a pivotal year in our history. Our work has never been more relevant or important.

In May 2024 we launched our new five year strategy, *Manifesto for a Thriving World*, after a year of intense discussions and internal debate. We did so against a context of increasing pressures on established systems of international cooperation and development, amid economic pressures and shifting geopolitics. These trends have since intensified, leaving us reflective but more confident than ever in our choices.

IIED is at its best when we work together, placing ourselves at the heart of collective efforts with our partners to understand and tackle systemic problems or barriers to justice and progress. For the future, we will make such highlights our standard way of working. To do that, we have committed ourselves to an internal process of change. However excellent, our research work has sometimes been fragmented, and long-established organisational structures have sometimes stood in the way of our people coming together to work fluidly in ways that create the greatest collective impact. Changing those structures and ways of working has at times been disruptive, and I thank all our people for their commitment and professionalism in maintaining their focus on our mission.

We have also moved to address the growing strains that the scale and ambition of our work places on our operational and administrative platforms; we have invested substantially in strengthening our internal functions.

This has been a challenging year financially. The overall scale of our activities increased substantially, but a significant reduction in unrestricted income, coupled with unexpected costs and a determination to maintain our funding of our partner organisations for as long as possible, drew down our reserves. We have worked hard to strengthen our financial position, and, like many of our peer organisations, we are undertaking a painful but necessary cost reduction process to adapt to the increased pressure on Official Development Assistance budgets; unfortunately, this will include some redundancies.

I am pleased to say that we have enjoyed generous support from our funding partners in our process of institutional strengthening, including a commitment since the year-end of five million dollars, making good our year-end deficit and replenishing our free reserves.

This has also been a year of change for our Board. After long and committed service, Sheela Patel, Maria Mahl and Silvia Charpentier retired from the Board, and I would like to thank them for their contributions to IIED over many years.

More recently, Dr. Tara Shine stepped down after an extraordinary record of service over two separate terms – serving eleven years in all. For the last five of those she has chaired our Board with wisdom, verve, and a set of personal values that embody the whole ethos of IIED. It is an honour for me to follow in her footsteps.

This report highlights many achievements, but I want to draw attention to one in particular. Though by no means our largest initiative, it means a lot to the IIED community, and in many ways sums up all that IIED is about.

Two years ago, we were all shocked and saddened by the loss of Saleemul Huq, who for so many years was a towering figure at the core of the IIED community. His passing was all the more poignant coming just weeks before his decades of work – championing compensation for Loss and Damage from climate change – was to bear fruit at COP28 through the operationalisation of the Loss and Damage Fund.

This year we have been proud to launch the Saleemul Huq Memorial Scholarship and Award for Loss and Damage Research, a programme that embodies his lifelong commitment to local leadership on climate change and support for early career researchers. Each year the programme will fund the work of 25 researchers, practitioners and local organisations from Least Developed Countries, Small Island Developing States and other developing nations in advancing practical locally grounded solutions to the effects of climate change.

IIED would be nothing without our extraordinary community of people, the generous support of our funders, our deep relationships with partner organisations – many stretching back decades – and most of all, the trust and partnership of the leaders and organisations we work to support.

As we move through another momentous year, I would like to open this report by thanking all our stakeholders for the contributions that do so much to sustain IIED's relevance and impact; and by asking for your continued support for our critical work in the years ahead.

A handwritten signature in black ink that reads "Paul George". The signature is written in a cursive, flowing style.

Paul George
Chair, IIED Board

Introduction

The trustees of the International Institute for Environment and Development (IIED) present the Annual Report, including the audited accounts for the year ended 31 March 2025. This report and the accounts have been prepared in accordance with the Companies Act 2006, IIED's Articles of Association, and Charities Statement of Recommended Practice, applicable to charities preparing accounts in accordance with FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).

About IIED

IIED is a globally recognised independent policy and action research organisation. Our mission is to build a fairer, more sustainable world using evidence, action and influence in partnership with others. Established in 1973, IIED has made important contributions to many milestones of sustainable development for over 50 years. These include the Brundtland Commission of 1987, the 2002 World Summit on Sustainable Development in Johannesburg, the Rio+20 summit in 2012, the Paris Agreement on Climate Change and the Sustainable Development Goals (SDGs) in 2015, and the annual meetings of the United Nations Framework Convention on Climate Change (UNFCCC).

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

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

In this context, 'sustainable development' means development which meets the needs of the present generation without compromising the ability of future generations to meet their needs.

Our extensive and broad-based network of partners includes Civil Society Organisations (CSOs), academia, government bodies, and private sector companies based in more than 60 countries, particularly in the Majority World. IIED works directly with established and new partners, for the greatest possible impact. We deliver original, rigorous research that helps to drive progress, support sustainable development and protect the environment. We work to identify local solutions that can work at scale and introduce these to global forums. Partnership working is at the heart of everything we do. Our projects make a tangible positive difference in the policies and practice that shape the everyday lives of marginalised people. Our ways of working have been tried and tested over decades.

Together, with our partners, we aim to shape a future where people and the planet can thrive.

Delivering public benefit

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

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

Our strategy and theory of change

Launched in May 2024, our new organisational strategy, *Manifesto for a Thriving World* [Manifesto] sets an ambitious course. It responds to the growing urgency of environmental, social and climate challenges by shifting our focus from targeted influence to transforming the systems that shape people's lives. Our new strategy puts justice and resilience at the heart of our work and reinforces the importance of local knowledge, global solidarity and long-term alliances. It signals a step change in the way we contribute to change, not only responding to the world as it is, but helping shape the world as it could be.

As detailed in the Manifesto, we focus our efforts on achieving six ambitious propositions:

1. Help migrants, including displaced people, to have brighter futures
2. Shift trade, finance and investment to benefit people and planet
3. Evolve cities as places of inspiration and justice
4. Promote forest, farm and fisheries systems that feed and nourish people and planet
5. Transform climate action and governance so people and nature can thrive
6. Champion community-led nature governance and stewardship

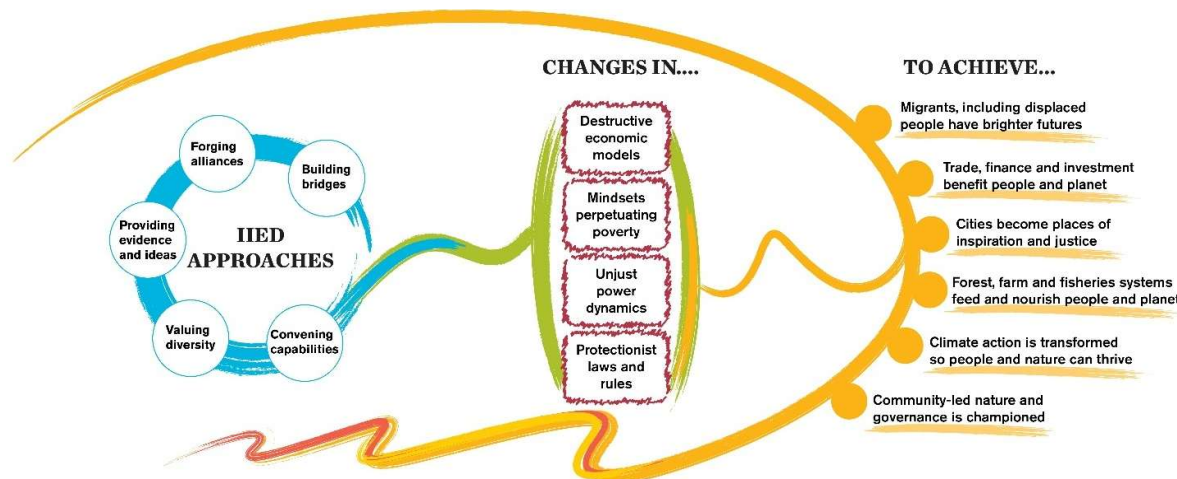
We make progress towards these propositions by combining IIED's strengths in (1) providing evidence and ideas, (2) forging alliances, (3) building bridges, (4) being inclusive and cherishing diversity and (5) strengthening capabilities. We target these strengths towards changing the destructive economic models, unjust power dynamics, outdated mindsets and protectionist laws and policies that inhibit progress. We deliver interventions through a set of multi-skilled task teams and major initiatives that forge a portfolio of complementary actions around each proposition.

Aligned with our Manifesto, our updated theory of change (figure 1) maintains the core values of inclusivity, justice and collaboration, while introducing a shift in scale, speed and strategic framing. It adopts a systems-change lens, recognising that achieving transformational outcomes requires tackling entrenched blockers to progress. Our theory of change places a greater emphasis on enabling conditions for change: strong and diverse alliances, adaptive learning and local leadership backed by global solidarity.

Rather than acting primarily as a knowledge generator or policy adviser, we increasingly work as a convener of diverse actors, supporting collective action and the co-creation of solutions. The theory assumes that transformational change is possible when agents of change (including decision makers, researchers, local communities, communicators and civil society actors) are connected, equipped and supported to challenge systemic barriers together.

Our six interconnected propositions aim to address critical leverage points in the system: trade and finance, climate governance, food and natural resource systems, urban justice, migration and community-led stewardship of nature. These are areas where we believe real progress is possible, but only if institutions, coalitions and communities work in alignment. Learning remains central to both theories of change. Our evolving approach is grounded in a commitment to probe, reflect and adapt, drawing insight from outcomes, feedback and collaboration.

Figure 1: IIED's institutional theory of change



Our operating context

FY25 has been marked by intensifying instability, profound human suffering and increasing challenges to international cooperation. The ongoing wars in Ukraine, Syria, Sudan, and in the Democratic Republic of Congo; the devastating violence in Palestine and mounting tensions in Yemen and between India and Pakistan have not only resulted in widespread loss of life, but also undermined confidence in international law and the multilateral systems designed to uphold it. At the same time, support for international development is under pressure, accelerated by dramatic actions in the US and translated in major cuts to Official Development Assistance, while new geopolitical flashpoints emerge with worrying frequency.

In this difficult context, IIED remains committed to promoting inclusive, sustainable, equitable and rules-based responses to global challenges. We recognise that historic and ongoing injustices – economic, social and environmental – continue to shape who holds power and who is heard. In a climate where collective responsibility appears increasingly fragile, our mission to support locally-led, just and sustainable development is more vital than ever.

On climate action, the 29th Conference of the Parties to the United Nations Framework Convention on Climate Change served as a sobering reminder of how far international ambition still falls short of what is needed. Despite the growing consensus around the importance of locally led adaptation (LLA) and more inclusive climate finance, the conference delivered little in terms of practical progress. Commitments on climate finance were inadequate, advances on loss and damage were minimal, and the mechanisms to ensure resources reach those most affected remain largely undeveloped. For many climate-vulnerable countries and communities, the outcome was both disappointing and disheartening.

In light of these realities, our work continues to focus on fostering systemic change that places justice at its core, supports community leadership, and strengthens the accountability of institutions. As this report illustrates, the path to a thriving world calls for more than technical solutions. It requires inclusive partnerships, grounded evidence, and policies that reflect the lived experience of those on the frontline of intersecting crises. IIED plays an important role in providing evidence and analysis across a range of interconnected global challenges. The launch of our *Manifesto for a Thriving World* acknowledges that incremental progress is no longer enough. The tools and methods the world has relied on remain too fragmented to tackle the complex and overlapping crises of climate change, nature loss and inequality.

In FY25, we have reviewed and updated our model for impact. Staff across the organisation have worked hard to transition to a portfolio approach, while continuing to deliver existing projects and bring the *Make Change Happen* strategy to a close. This shift requires fundamental changes to our organisational structure, moving away from static and sometimes siloed ways of working. While our journey of change continues, it is evident that our research, co-creation and influencing efforts are already contributing to transformational change across our six strategic propositions.

Impact and performance

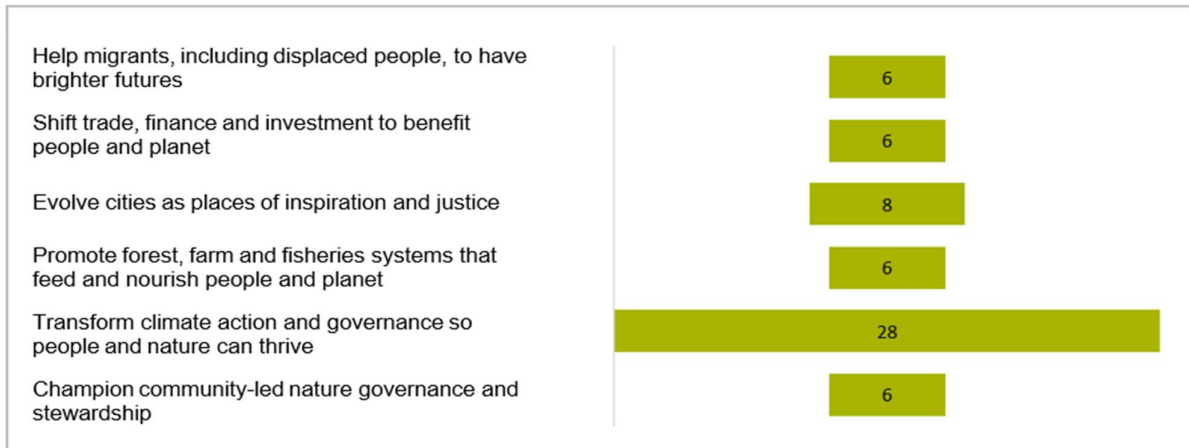
IIED's emphasis on effective Monitoring, Evaluation, and Learning (MEL) reflects our Manifesto commitment to achieving impact at scale. Our Learning and Impact Framework (LIF) evaluates our performance against IIED's strategy and provides the structure for setting targets and tracking progress. Our annual LIF process enables us to assess our contributions towards major changes in sustainable development, generating lessons about the effectiveness and impact of our ways of working through focused inquiry, monitoring and evaluation. It is a principles-based model that requires all IIED research teams to reflect on what they want to change and how; and to gather evidence about what is or is not working against our institutional theory of change. This enables us to map and gather evidence on our main spheres of influence by focusing on outcome pathways, key stakeholders, major breakthroughs and tipping points. Systematically mapping intermediate and longer-term outcomes in this way helps us understand whether clearly defined change is taking place.

Outcomes this year

In FY25, we recorded 60 outcomes across all areas of work, classifying 22 of these as longer-term changes. We identified 14 as having transformational potential, as they met more than one of the following criteria: political ownership, sustainability, innovation, replicability and the ability to shift systems or reach critical mass. When we mapped outcomes against IIED's six strategic propositions, they revealed strong alignment

with the intended systemic changes. We found the most robust results in areas related to inclusive urban development, climate action and financial reform, where we supported a wide range of systemic interventions. In terms of causes of positive outcomes, recurring themes include community leadership, inclusive partnerships, integration of justice into policy frameworks and the co-creation of evidence and solutions. These patterns suggest that transformational change is most likely when actors collaborate across scales and sectors, and when solutions are rooted in local realities and knowledge.

Figure 2: Outcomes mapped against IIED’s six propositions



There has been significant progress documented across the six propositions of our new strategy, as outlined below.

Proposition 1: Evolve cities as places of inspiration and justice

Outcomes demonstrate growing efforts to embed justice and climate resilience into urban development. From Dhaka to Rosario, community-led initiatives and municipal innovation are reshaping how cities serve their most vulnerable residents. Housing justice and participatory planning are recurring themes, but scaling informal innovations through formal systems remains a challenge.

Embedding climate action into informal settlement upgrading: pilot success paves the way

Informal urban settlements are structurally vulnerable to flooding, drought and extreme heat – all impacts of climate change - but people living in these places are rarely included in climate policies and plans, and informal settlements receive miniscule amounts of climate funding and investment. IIED is working with our network of partners to show what taking climate action could mean: community-driven upgrading of housing, infrastructure and basic services.

Under the Transformative Urban Coalitions (TUC) programme, IIED worked with the Buenos Aires Housing Institute (IVC) and other stakeholders to retrofit a nature-based solutions intervention, co-produced with resident associations, and to mainstream climate adaptation and mitigation into informal settlements’ planning and policies.

“In the past, there was almost no consideration of climate change; we worked with standardised design assumptions, and the issue of climate change was not the focus. Today I believe that the TUC project provides us with a space where we can advise each other, exchange ideas and create new teams, better able to tackle the climate change issue in the neighbourhoods.” Cristian Lara, urban planner, IVC.

For IVC’s city planners, the programme shifted mindsets around embedding climate action. Residents reported tangible benefits: more green spaces, cooler and shadier streets, less direct sun exposure and fresher air. Facilitated exchanges with other cities in Argentina resulted in the municipality of Rosario integrating climate mitigation and adaptation into the city’s informal settlement upgrading plans. In late 2024, the city began embedding nature-based solutions and climate resilient development into upgrading plans for specific settlements.

Proposition 2: Champion community-led nature governance and stewardship

There has been strong progress in embedding local leadership into conservation. Whether through the Rabai clans' cultural revival in Kenya or the uptake of our Site-level Assessment of Governance and Equity (SAGE) tool in Madagascar's protected areas, these examples show community stewardship gaining institutional legitimacy. The creation of an International Union for Conservation of Nature task force to advance Indigenous and community-led conservation marks a broader commitment to Indigenous leadership.

Ensuring equitable and inclusive governance of protected areas – using the SAGE tool in Madagascar

There are different ways to conserve a landscape for the long term. One way might be to shut out all local people and create, in effect, a fortress-style protected zone. A far more effective way is to engage the same local people in assessing how the natural resources in that protected area are managed, what is working well and what might be weaknesses in the system that they and others could address.

In March 2025, Madagasikara Voakajy, a Malagasy biodiversity organisation, conducted an in-depth assessment of the Mangabe landscape – a protected area in Madagascar rich in biodiversity and home to one of the rarest frogs on Earth - the golden mantella. Madagasikara Voakajy used methods as set out in the Site Level Assessment of Governance and Equity (SAGE) tool created by IIED, engaging everyone involved in Mangabe's management and drawing information from field surveys carried out by local communities.

The SAGE tool played a crucial role in brokering an equitable conversation, with stakeholders, local authorities and community representatives discussing the results and defining priority actions for the next two years. The process makes sure that everyone, including local communities, participates in decision making around natural resource governance and benefits fairly from the outcomes. The SAGE tool has been used to structure similar conversations and processes at around 100 protected areas across 25 countries since 2019. Using this tool and following an inclusive approach has set the foundations for a fairer and more sustainable way to manage the Mangabe Protected Area.

Proposition 3: Shift trade, finance and investment to benefit people and planet

Outcomes signal a pivot towards more inclusive economic systems. The Small Island Developing States-led Debt Sustainability Support Service is a landmark shift in global financial governance. In Nigeria's Ekiti State, government reforms supported by the Advancing Land-Based Investment Governance (ALIGN) project overhauled the land investment approval process to align with international responsible investment standards. In Zambia's North-Western province, an informed village negotiated with a mining company for better compensation for land and crops lost to mining, raising the rates the company paid. At the same time, coordinated public advocacy halted a proposed land deal across three provinces where questions about legality and transparency had been raised. These outcomes illustrate how reform and empowerment are driving fairer, more accountable and sustainable investment practices.

Small Island Developing States (SIDS) Debt Sustainability Support Service – a symbol of hope and a call to action

“This service is a clarion call to action, uniting SIDS around a common strategy for prosperity and resilience in the face of adversity,” Gaston Alphonso Browne, Prime Minister of Antigua and Barbuda.

Imagine a world where SIDS could borrow from markets at better, fairer rates than they can now and put that money towards resilience initiatives - education, better health and housing - rather than needing it to clear up and rebuild after the latest climate related hurricane or flood. This is the world a global SIDS Debt Sustainability Support Service is aiming to create.

The design process for the service began in late 2023 at UNFCCC COP 28. Proposed by IIED and informed by our research, we co-convoked a strategic advisory group to steer and guide the process. Prominent leaders and experts, SIDS government ministers and representatives of multilateral banks and the United Nations Economic Commission, joined representatives of local organisations, research institutions, sustainable investment firms, finance experts, credit institutions, insurance and risk management to discuss the shape of the service.

In May 2024, the Support Service was launched at the fourth International Conference on Small Island Developing States. *“The service must be SIDS-led and SIDS-owned. It must serve as a symbol of hope for sustainable development and economic growth”* said Maldives President Muizzu at the launch.

With ongoing support and engagement of all involved, the support service is expected to catalyse transformative change, ultimately driving progress towards reduced debt costs and a more resilient and prosperous future for Small Island Developing States.

Proposition 4: Transform climate action and governance so people and nature can thrive

From the Green Climate Fund's endorsement of Locally-led Adaptation (LLA) Principles to Uganda's Least Developed Countries Initiative for Effective Adaptation and Resilience programme and to Slum Dwellers International's Climate Champions, we are witnessing new models of decentralised, just climate governance. Progress remains fragile in the face of bureaucratic inertia and access barriers, but the direction of travel is promising.

Emerging Least Developed Countries (LDC) climate negotiators shape international positions

Thirteen early-career LDC negotiators contributed to national and LDC Group climate negotiations at the UNFCCC sessions in 2024. They stepped into formal leadership roles on topics such as technology and carbon markets and were representatives on UNFCCC official bodies. Most of them reported to their national delegations and a couple drafted ministerial statements for their country or briefed their ministers at COP29.

The growing influence of these people reflects both the increasing institutional integration of new negotiators and the strengthening of LDC capacity to engage on complex climate issues. The LDC Group is the moral voice for the most vulnerable countries and demands that all countries commit to ambitious climate action.

IIED provides mentorship and targeted regional training designed to equip the next generation of LDC negotiators with the knowledge, support and real-time experience needed to lead in climate diplomacy. Women are a particular focus as they are less represented in the climate space - in 2024, for example, they made up only 32% of LDC delegates.

The contribution made by the thirteen early-career negotiators shows the value of sustained support. As one of the female participants on an IIED training course said - *“I think I have a better understanding now of how to go to negotiations and I know how to prepare. For example, it takes a certain type of language: clear, consistent and coherent.”*

Proposition 5: Help migrants, including displaced people, to have brighter futures

Our work is reshaping narratives and practices around displacement. Refugees and migrants are increasingly recognised as agents of change, not just recipients of aid. From refugee-led research in Jordan to the Nairobi Refugee Integration Strategy, our work is helping to build the foundations for more inclusive and durable policy responses.

Nairobi City County Government leads the way with new refugee-informed strategy

In April 2025, Nairobi City County Government (NCCG) launched a pioneering Refugee Integration Strategy, underpinned by the Refugee Act 2021. The strategy built on a progressively deepening engagement with IIED and Slum Dwellers International (SDI) Kenya's research with displaced communities over the previous five years. The strategy recognises Nairobi as a place of sanctuary for refugees displaced by conflict, persecution and violence, and describes the city's commitment to inclusivity, diversity and respect for human life as the "*bedrock of [its] social fabric*".

In February 2025, in the lead up to the launch, Susan Kimani - Assistant Director at NCCG and part of the team leading the development of the strategy - participated in a screening of the documentary film 'Far Away from Home', a collaboration between urban refugees, Nairobi-based community filmmakers *Koch films* and researchers at IIED. A moderated discussion on the challenges refugees face and the contributions they make to Nairobi city followed the film screening. Susan Kimani said that the Refugee Act 2021 and the process of creating the strategy had given the city council the space and opportunity to work directly with urban refugees for the first time.

The strategy, shaped by IIED and SDI Kenya's work throughout 2024/2025 and in the years before, shows how Nairobi has shifted to take the lead on refugee inclusion - an area typically handled by humanitarian agencies - to arrive at a locally led, refugee-informed strategy.

Proposition 6: Promote forest, farm and fisheries systems that feed and nourish people and planet

Outcomes reflect growing alignment between sustainable resource use and local livelihoods. Initiatives in Belize, Kenya and Viet Nam show how smallholders and fishers are gaining visibility in policy and practice. Our influence on global platforms, such as the World Bank's Blue Social Protection initiative, reinforces the potential for system-wide change.

Cutting edge work puts local people at the heart of policy and practice

IIED's co-leadership of the World Bank's Blue Social Protection Initiative has spurred five country teams to integrate social protection into fisheries projects, breaking internal silos and potentially reshaping the way the Bank funds coastal programmes.

A consistent change is the elevation of overlooked people – small scale farmers and fishers, women, and local producers – into the heart of policy and practice.

At a June 2024 World Bank internal review meeting of the handbook coming out of the project, the Global Director of the Climate Change Group said: "*This is one of the most important pieces of work that we will do on fisheries...but let's not leave it at this paper. It needs to be used – it's the first arrow in our quiver not the last one. We need to take this to clients and show them what they can do to provide formal safety nets to those losing the ability to fish due to international agreements.*"

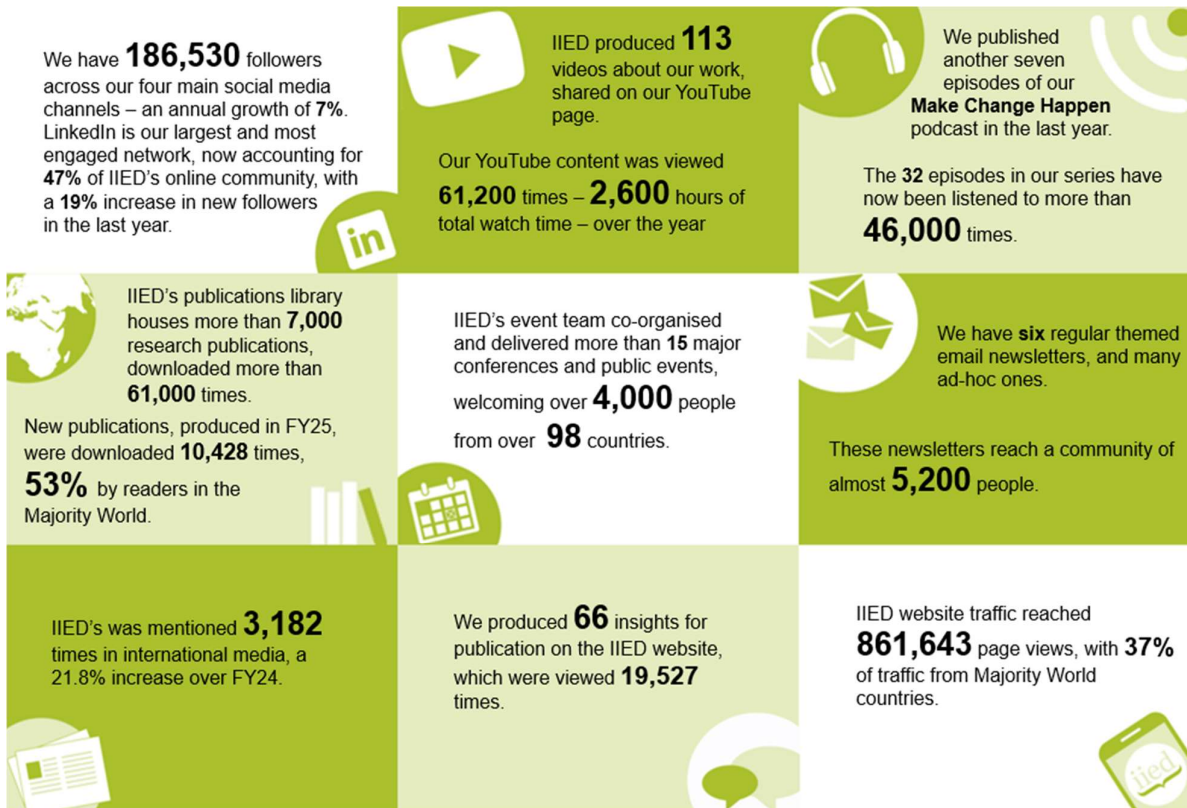
This is cutting edge work and scaling these five pilots remains a challenge. Belize's promising approach needs more political and financial support to reach national scale, for example. Concepts like social protection in fisheries also face institutional resistance.

Nevertheless, IIED's role in producing evidence, piloting models and fostering communities of practice has been vital to shifting narratives and catalysing uptake, laying a strong foundation for broader, systemic change and sustainable food systems.

Communications and engagement

Our ability to generate outcomes is closely tied to how we communicate them. Through strategic engagement and targeted communications, IIED strengthens pathways to systems change, ensuring that local lessons inform global debates and that our influence extends beyond immediate project partners. Results from our communications and engagement work reinforce the broader reach and influence of our work. This year saw record levels of visibility, as illustrated in Figure 3, which presents our most notable communications metrics.

Figure 3: IIED communications in numbers (FY25)



Structure, governance and management

IIED is registered in England and Wales as a company limited by guarantee (registered no 2188452) and its activities are governed by the Memorandum and Articles of Association (dated 14 May 2024). It is also a registered charity in England and Wales (registered charity no 800066) and in Scotland (registration number SC 039864). In the US we are registered under s501 (c) (3) of the Internal Revenue Code as a publicly supported organisation exempt from federal income tax.

The Memorandum of Association allows the company to invest funds not immediately required while complying with the laws and restrictions governing the investment powers of charities. In the event of winding up the company, each member undertakes to contribute up to a maximum of £1.

Organisational structure

IIED's research and impact work is delivered through a set of multi-skilled task teams and major initiatives that deliver a portfolio of complementary actions around each proposition.

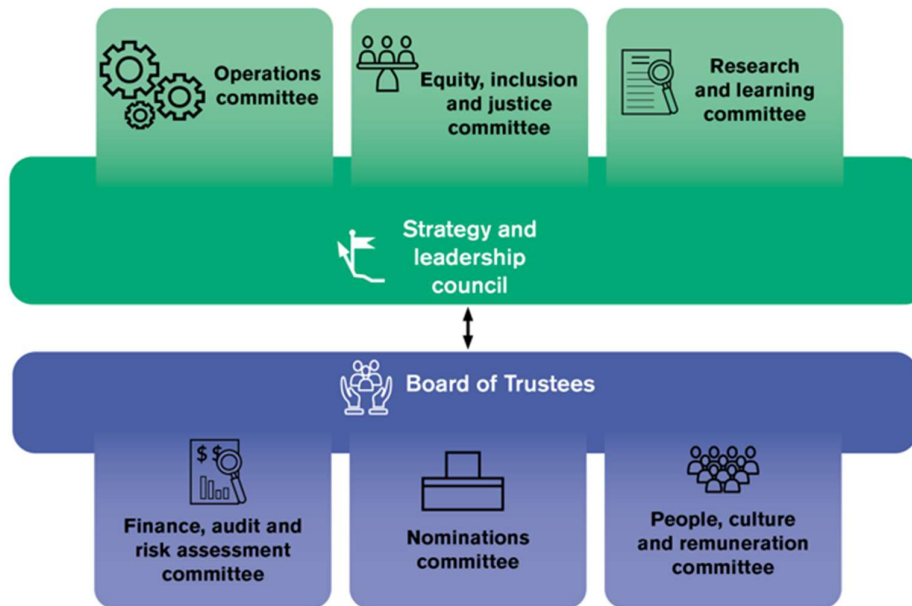
Business development, monitoring, evaluation and learning (MEL), and communications functions ensure IIED's research and policy insights are impactful, accessible and engaging for external audiences. Alongside these, IIED's core operating functions – finance, people, compliance, governance, IT and facilities – provide the foundations for effective delivery.

Governance

A new internal governance structure was introduced in April 2024, establishing the Strategy and Leadership Council and supporting committees with clear Terms of Reference, operating principles, and membership arrangements. The Strategy and Leadership Council (SLC) acts under delegated authority from the Executive Director, who in turn reports to the Board of Trustees. Council members are skilled leaders from across the organisation, who meet the defined criteria for appointment. SLC delegates authority to the Operations Committee, the Research and Learning Committee and the Equity, Inclusion and Justice Committee. SLC makes regular reports to the organisation on its activities including through the release of minutes.

These internal arrangements operate alongside IIED's Board governance. The Board remains ultimately accountable for the strategy, finances, and risk management of the charity, supported by its own sub-committees. This layered structure ensures alignment between internal decision-making and trustee oversight, with appropriate pathways of delegation and accountability.

Figure 4: Overview of IIED's governance structure



IIED has a formally recognised Union, affiliated to Unite, which it engages under a recognition agreement. IIED and the Union acknowledge their common interest and joint purpose in furthering IIED's mission and strategy. Both parties have a responsibility to engage constructively and reasonably in addressing organisational change, policy development, and employment-related matters. Staff wellbeing, inclusion, and professional development remain shared priorities. Trustees welcome the continued partnership between management and the Union and emphasise the importance of effective collaboration in the year ahead.

Board of Trustees

IIED's Board of Trustees oversees the business of the charity and holds all the powers of the charity in accordance with the Articles of Association. The Board strives at all times to ensure that all activities are within the law and agreed charitable objects. The work of the Board includes agreeing and overseeing IIED's strategy, risk management and financial plans in line with its vision, mission, and values.

During FY25, the Board met on a quarterly basis, through a combination of online and in-person meetings, with additional meetings convened as required

The Finance, Audit, Risk Assessment Sub-Committee (FARA) oversees financial performance, assurance, and risk management at IIED. At 31 March 2025, membership of FARA comprised six trustees and one co-opted member. FARA reports to the Board and typically meets four times a year, aligned with the Board meeting schedule. FARA formally met six times in FY25.

The People, Culture and Remuneration Sub-Committee (PCR) supports the Board by overseeing IIED's people strategy and agenda, managing people-related risks, and advising on organisational development and strategic people policies. The committee comprises three trustees and a co-opted member who joined in June 2024. The committee reports directly to the Board, typically meeting four times a year, aligned with the Board meeting schedule.

Members of IIED's leadership team generally attend Board (and committee) meetings. The Board engages with the internal Equity, Inclusion and Justice Committee (EIJC) with a trustee included in its membership.

The Board delegates the charity's daily running to the Executive Director, supported by four leadership bodies: Strategy and Leadership Council, Operations Committee, Research & Learning Committee (RLC) and Equity, Inclusion and Justice Committee (EIJC).

In FY25, aligned with the launch of our new manifesto, our research delivery teams began transitioning from the previous group structure, organised around climate change, human settlements, natural resources and shaping sustainable markets, into Task Teams aligned with the proposition areas set out in our strategy. This transition will be completed in FY26.

Trustee appointments

The Board of Trustees consisted of 14 trustees as of 31 March 2025, drawn from diverse geographical regions that correspond with the international focus of IIED's work. Full details are provided in the reference and administrative details section of this report.

The Nominations Sub-Committee (NSC) supports the Board in executing its responsibility to establish a formal and transparent procedure for appointing new trustees and undertaking an annual review of the Board's composition to ensure it has the necessary skills, knowledge, and experience to best support IIED's mission. This review also prioritises achieving a balanced representation in terms of gender, ethnicity, age, and geographic diversity, seeking high-caliber candidates with a diverse and complementary mix of skills and experience for Board selection. Trustee vacancies are advertised on the IIED website, relevant online platforms and through IIED's networks. NSC membership is drawn from the Board and currently comprises three trustees. Trustees retire by rotation, with a maximum term of six years (two consecutive three-year terms), unless an exceptional extension is approved by the Board.

In FY25, with the aim of further diversifying the Board, NSC's recruitment campaign specifically sought candidates for two young trustee positions (aged 21–35) alongside one general trustee role. The campaign generated significant international interest, with over 300 applications received and reviewed by the NSC. Following a rigorous selection process, Ineza Grace and Nafisa Gudal were appointed as young trustees, and Carol Tan as general trustee, in March 2025. In addition, Chris Austin, who had first joined as a co-opted member of FARA, was subsequently appointed to the Board through an internal recruitment process.

Trustees attend an induction programme to familiarise themselves with IIED's operational activities and day-to-day management, as well as legal and regulatory requirements relevant to the trustees' roles and responsibilities.

Financial review

The statement of financial activities and balance sheets prepared by the Trustees are set out towards the end of this report. During the preparation of the financial statements for the year ended 31 March 2025, certain adjustments relating to prior years were identified. As a result, the comparative figures for the year ended 31 March 2024 have been restated.

IIED's income is higher than the previous year, £32.6m against £25.4m in FY24, whilst our expenditure increased to £34.3m (£26.3m: FY24) due to an overall increase in the scale of IIED's activities, especially in sub-granting to partners. The FY25 deficit of £1.8m, compared with the FY24 deficit of £0.8m, was primarily driven by higher than budgeted pass-through expenditure, adverse currency exchange movements and revaluation losses, together with increased contractor costs to cover core functional gaps.

In an increasingly competitive funding environment, IIED continues to adapt to changes in government and non-government policies relating to environmental and climate-related causes. These shifts in funding priorities have required us to remain agile in our approach to securing and delivering projects.

In FY25, we incurred additional costs as we addressed core functional and structural gaps across the organisation. Looking ahead, we are adopting streamlined processes designed to improve efficiency and

reduce overheads. However, as we progress with our internal change initiatives and strategic priorities, we have maintained a higher reliance on interim and temporary contract staff to provide the necessary skills and flexibility during this period of transition.

The number of employees in IIED increased to 164 at the end of FY25 (2024:152). This increase is a result of our efforts to build capacity and capabilities across the organisation.

IIED makes payments to collaborating organisations in various countries across the world. Details of payments to these collaborating organisations are disclosed in Note 14 to the financial statements.

In the previous year, accounting rules required us to treat IIED Europe as if it were part of IIED's accounts. Following changes in circumstances during FY25, IIED Europe is no longer consolidated and instead is treated as an associate organisation. As its financial results are not material to IIED, they are not included in these financial statements.

Investment policy

We invested our surplus cash in fixed-term deposits during FY25. This policy produces an acceptable rate of return while giving us flexibility to access funds. We will be reviewing this policy in FY26.

Key management remuneration

The remuneration for the Executive Director is set by the Trustees. Otherwise IIED's key management personnel are paid according to pay scales agreed with the Union.

Related parties

Some IIED trustees are also trustees of other charities, or Directors or senior officers in other organisations IIED works with as a normal part of its research activities. Where such work involves payment, they enter into 'arm's length contracts' and any payments related to these contracts are detailed in Note 11 to these accounts. The Board operates a conflicts of interest policy.

Risk management

IIED's trustees are accountable for risk management and the effectiveness of our internal control systems. Regular review of risk management is delegated to FARA, who also oversee our assurance programme. The People Culture and Remuneration Committee also supports with oversight of people-related risks.

Key risks

The following are key strategic risks affecting IIED and mitigations being taken to reduce their likelihood and/or impact.

Risk description	Inherent likelihood/ impact	Mitigating actions	Residual likelihood/ impact
<p>Funding volatility and resilience</p> <p>Reductions in ODA and political shifts in philanthropy create a volatile funding environment. IIED's reliance on unrestricted income has historically enabled flexibility, but this has largely depended on a small number of bilateral donors. Declines in such income, alongside reduced overhead recovery and inflationary pressures, pose risks to funding central operations and meeting project costs. Short-term deficits and reserve drawdowns further highlight financial vulnerability if income diversification and cost controls do not keep pace.</p>	High/High	<p>IIED is restructuring its operating model for a reduced ODA environment from FY27 while strengthening its unrestricted and flexible funding base. New multi-year agreements with the Quadrature Climate Foundation, the Danish Ministry of Foreign Affairs, Sweden, Ireland and the UBS Optimus Foundation complement efforts to diversify income from multilateral development banks and wider philanthropic partners. Reserves targets have been raised, supported by tighter cost control, improved forecasting and better alignment between income recognition and project management, while the appointment of a permanent Director of Finance and Operations in January 2025 and a finance team restructure have strengthened oversight and capacity, providing a stronger foundation to manage volatility and sustain IIED's mission.</p>	Medium/High
<p>Geopolitical risks</p> <p>Shifting donor agendas, particularly from USAID and FCDO, have reduced ODA and redirected resources to humanitarian crises, threatening IIED's long-term climate and development commitments. Escalating geopolitical tensions, including sanctions, tariffs and conflict, create uncertainty and risk IIED or its partners being perceived as partisan, while wars and national breakdowns can exacerbate displacement, food insecurity and human rights violations, undermining delivery and staff safety. Growing political pressure in the US and elsewhere also risks reshaping philanthropic priorities, particularly around diversity, equity, inclusion and climate action.</p>	High/High	<p>IIED monitors donor agendas and engages proactively with funders to co-design programmes aligned to emerging priorities. Political economy analysis and country-level assessments are embedded in programme risk registers, while partnerships, messaging and security protocols are regularly reviewed to reinforce neutrality and protect staff.</p>	Medium/High

Risk description	Inherent likelihood/ impact	Mitigating actions	Residual likelihood/ impact
<p>Safeguarding</p> <p>IIED works with vulnerable groups in contexts where there are notable power differentials, and our staff can also be at risk. Failure to safeguard could cause harm to individuals and expose IIED to serious reputational damage and loss of donor confidence. Where we fund or partner with others, we also carry indirect safeguarding responsibilities, and failures at partner level also pose risks.</p>	High/High	<p>Managing these risks is complex given the number of partners, their varying safeguarding maturity, and the challenges of monitoring external activities. IIED has strengthened its safeguarding framework through a Board-monitored workplan. Safe programming approaches and improved partner reporting mechanisms are being implemented, and IIED has subscribed to the Misconduct Disclosure Scheme. Pre-employment screening is now in place, and key policies, including Safeguarding and Whistleblowing, have been updated.</p>	Medium/Medium
<p>Management of grant funds and prevention of fraud</p> <p>Failure to manage grants in line with donor requirements or prevent fraud could lead to financial loss, claw-back of funds, reputational damage, and reduced donor confidence. As a recipient of substantial publicly funded grants, IIED carries significant fiduciary responsibilities. These risks are heightened by the complexity of donor compliance rules, varied partner capacity, and the need to manage multiple funding streams across different geographies.</p>	Medium/High	<p>IIED maintains a robust internal control framework, including clear financial policies, partner due diligence, and multiple levels of oversight. We work closely with donors and partners to ensure compliance, and we are strengthening staff and partner training, grant management systems, and policy frameworks to reduce fraud risk. Regular external audits and internal reviews provide additional assurance.</p>	Medium/Medium

Reserves policy

At the end of FY25, IIED reported negative free reserves of £0.7m, compared with positive free reserves of £1.1m at the close of FY24. The adverse movement reflects expenditure exceeding income by £1.8m during the year, driven by the factors outlined earlier in this report. IIED defines free reserves as unrestricted funds less the net book value of fixed assets less any designated funds.

As part of the new strategy cycle, trustees have reviewed the reserves policy and agreed a revised target range of £4m to £5m in free reserves, reflecting both the organisation's ambitions and the external operating environment. Achieving this level of reserves is recognised as a key organisational challenge.

Since the year end, IIED has secured a significant step towards rebuilding reserves through a flexible grant from Quadrature Climate Foundation (QCF), with funds received in September 2025. We have allocated £2.2m of this funding to strengthen free reserves, providing an important foundation on which to progress towards the new target over the coming years.

Statement of going concern

The trustees have assessed whether the use of the going concern basis is appropriate when preparing these financial statements. The trustees have reviewed the 2026 budget forecast together with a review of an updated financial projection to 31 March 2027, a period of 17 months after the signing of accounts. This has included a consideration of the free reserves position and cash flow. Scenario stress testing has been undertaken considering the key risks the Charity faces, including the changing external environment and the mitigating actions the Charity can deploy to reduce the negative impact caused by these risks. With planned cost reduction measures, prudent cost management and anticipated income from committed funders and ongoing fundraising activities, the charity is expected to meet its obligations as they fall due.

In reaching this conclusion, the trustees acknowledge that the FY25 accounts indicate a negative free reserves position. Since the FY25 year end, the Charity has secured additional unrestricted funds of £3.8m allocated to measures for institutional strengthening, of which £2.2m has been directed to bolstering free reserves. At the time of signing the FY25 accounts, IIED is forecasting free reserves of £1.5m at the end of both FY26 and FY27. During this period, IIED aims to secure additional unrestricted funds to make progress towards the Trustees' reserves policy target of £4m - £5m. IIED is projected to maintain a positive cash position through the period of review.

The forecast position for FY26 prepared in September 2025 shows that IIED has secured grants that, subject to full delivery, should generate over 96% of income needed to cover its cost. The pipeline of specific opportunities for the remainder of FY26 gives the Trustees confidence in IIED's ability to secure the additional income. During the second half of FY26, IIED is taking steps to reduce its cost base through a combination of voluntary and compulsory redundancies and non-staff cost reductions, with a target of achieving a FY27 operating position of £14m. These actions are in large part a response to significant reductions in Official Development Assistance (ODA), an income source that has been the majority of IIED's income. This has led to a more competitive landscape for international research funding and significant potential impact on IIED. Consequently, we are pivoting our fundraising strategy further towards philanthropies, while continuing to retain major elements of our ODA-linked institutional funding wherever possible.

Looking ahead, against the target £14m IIED operating base, the level of already secured income, the income pipeline and level of prospecting gives confidence of a breakeven position for FY27, with the opportunity to attract additional income in the remaining 17 months before the end of FY27. IIED is also supporting the spin-out of LIFE-AR, a major programme it has been hosting and incubating over the last five years, with preparation work being conducted over the next 12-18 months. This is not expected to have significant negative financial impacts on IIED during the assessment period, but the Trustees will continue to monitor the situation closely.

After considering these factors the trustees have concluded that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements and have not identified any material uncertainties relating to events or conditions that, individually or collectively, cast significant doubt on the charity's ability to continue as a going concern.

Statement of trustees' responsibilities

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

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

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

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

In so far as the trustees are aware:

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

Auditors

Crowe U.K. LLP has indicated its willingness to continue in office and in accordance with the provisions of the Companies Act. We propose that they be re-appointed auditors for the ensuing year.

This Annual Report of the Trustees, under the Charities Act 2011 and Companies Act 2006, was approved by the Board of Trustees on 28 October 2025 including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:



Paul George
Chair, IIED Board
Date: 28 October 2025

Reference and administrative details

Trustees

Tara Shine ^{FARA} (retired as Chair 15 August 2025, retired as Trustee 3 October 2025)

Paul George (Chair) ^{FARA} (transitioned from Vice Chair to Chair, effective 15 August 2025)

Paul Stevenson (Treasurer) ^{FARA (Chair)}

Alicia Perez-Porro ^{PCR (Co-Chair)}

Bara Gueye ^{NSC (Chair)}

Carol Tan ^{PCR} (joined 20 March 2025)

Chris Austin ^{FARA} (joined 22 July 2025)

Gabriel Quijandria ^{NSC} (retired 28 April 2025)

Harj Narulla ^{FARA}

Ineza Umuhoza Grace (joined 20 March 2025)

John Taylor ^{PCR (Co-Chair)}

Maarten van Aalst ^{NSC}

Maria Mähl (retired 20 March 2025)

Melizsa Mugyenyi ^{FARA}

Nafisa Gudal ^{FARA} (joined 20 March 2025)

Revathi Sharma Kollegala ^{FARA, NSC}

Sheela Patel (retired 6 December 2024)

Silvia Charpentier (retired 17 July 2024)

^{FARA} Member of Finance, Audit, Risk Assessment Sub-Committee

^{NSC} Member of the Nominations Sub-Committee

^{PCR} Member of People, Culture and Remuneration Sub-Committee

IIED's Trustees are Directors of the company under the Companies Act 2006.

Executive Director

Tom Mitchell

Company Secretary

Nicole Walsh

Registered Office

44 Southampton Buildings, London, WC2A 1AP, United Kingdom

Registered company number: 2188452

Registered charity number: 800066

Registered OSCR number: SC 039864

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors

Bates Wells LLP
10 Queen Street Place
London
EC4R 1BE

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Independent auditor's report to the members and the trustees of IIED

Opinion

We have audited the financial statements of International Institute for Environment and Development ('the charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charity SORP (FRS 102), and local tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charitable company's/group's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

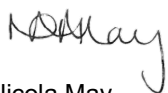
We also considered the opportunities and incentives that may exist within the charitable company for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income and management override of controls. Our audit procedures to respond to these risks included enquiries of management and the Finance, Audit & Risk Assessment Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing regulatory correspondence with the Charity Commission, sample testing on the recognition of grant and contract income, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 29 October 2025

Statement of Financial Activities

(incorporating an income and expenditure account) for the year ended 31 March 2025

INCOME AND EXPENDITURE

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Income from							
Bank interest		75	31	106	160	-	160
Charitable activities							
Climate change		1,406	9,967	11,373	1,383	8,586	9,969
Natural resources		654	11,273	11,927	953	5,635	6,588
Sustainable markets		160	1,272	1,432	660	543	1,203
Human settlements		748	2,016	2,764	696	1,597	2,293
Green Economy Coalition		(3)	628	625	33	681	714
Partnerships and development		2,565	817	3,382	3,386	131	3,517
Communications and publications		167	301	468	3	395	398
Other		466	7	473	552	30	582
Total incoming resources	13	6,238	26,312	32,550	7,826	17,598	25,424
Expenditure on							
Charitable activities							
Commissioned studies and research	2	7,982	26,364	34,346	8,664	17,598	26,262
Total resources expended		7,982	26,364	34,346	8,664	17,598	26,262
Net expenditure		(1,744)	(52)	(1,796)	(838)	-	(838)
Transfers between funds		(52)	52	-	-	-	-
Net movements in funds		(1,796)	-	(1,796)	(838)	-	(838)
Funds brought forward at 1 April 2024		1,301	-	1,301	2,139	-	2,139
Funds carried forward as 31 March 2025		(495)	-	(495)	1,301	-	1,301

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

Balance sheet as at 31 March 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets	4	177	195
Intangible fixed assets	5	10	16
		187	211
Current assets			
Debtors	6	5,595	4,887
Cash at bank and in hand		5,181	7,598
		10,776	12,485
Liabilities			
Amounts falling due within one year	7	(6,111)	(6,271)
Deferred revenue	7	(5,347)	(5,124)
		(11,458)	(11,395)
Net current (liabilities)/assets		(682)	1,090
Amounts falling due after more than one year		-	-
Net (liabilities)/assets		(495)	1,301
Funds			
Unrestricted	9	(495)	1,301
Restricted	15	-	-
Total funds	8	(495)	1,301

Approved by the Board of Trustees on 28 October 2025 and signed on its behalf by:



Paul George
Chair, IIED Board



Paul Stevenson
Treasurer, IIED Board

Registered company number: 2188452

Cash flow statement for the year ended 31 March 2025

	2025 £'000	2024 £'000
Net (outgoing) resources	(1,795)	(838)
Interest received	(75)	(160)
Foreign exchange	225	(113)
Depreciation	85	72
Increase in deferred revenue	223	733
(Increase) in debtors	(708)	(750)
(Decrease) / increase in creditors	(161)	3,543
Net cash (used in) /provided by operating activities	(2,206)	2,487
Cash flows from investing activities		
Purchase of tangible fixed assets	(61)	(96)
Interest received	75	160
Foreign exchange	(225)	113
Net cash provided by (used in) investing activities	(211)	177
(Decrease) / Increase in cash during the year	(2,417)	2,664

Analysis of changes in cash during the year

	2024 £'000	Change in year £'000	2025 £'000
Cash at bank and in hand	7,598	(2,417)	5,181
	7,598	(2,417)	5,181

Notes to the Financial Statements for the year ended 31 March 2025

1. Accounting policies

1.1. Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Charities SORP (FRS 102), applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

IIED meets the definition of a public benefit entity under FRS 102.

Up to 2024, the consolidated accounts of the Group incorporated the accounts of the charity and its subsidiary undertaking, IIED Europe. Following changes in governance and shareholding, IIED now holds only 33.3% of IIED Europe and no longer exercises control. IIED Europe is therefore accounted for as an associate in line with FRS 102. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements are prepared on a historical cost basis with the exception of investments that are stated at fair value.

1.2. Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate when preparing these financial statements. The trustees have reviewed the 2026 budget forecast together with a review of an updated financial projection to 31 March 2027, a period of 17 months after the signing of accounts. This has included a consideration of the free reserves position and cash flow. Scenario stress testing has been undertaken considering the key risks the Charity faces, including the changing external environment and the mitigating actions the Charity can deploy to reduce the negative impact caused by these risks. With planned cost reduction measures, prudent cost management and anticipated income from committed funders and ongoing fundraising activities, the charity is expected to meet its obligations as they fall due.

In reaching this conclusion, the trustees acknowledge that the FY25 accounts indicate a negative free reserves position. Since the FY25 year end, the Charity has secured additional unrestricted funds of £3.8m allocated to measures for institutional strengthening, of which £2.2m has been directed to bolstering free reserves. At the time of signing the FY25 accounts, IIED is forecasting free reserves of £1.5m at the end of both FY26 and FY27. During this period, IIED aims to secure additional unrestricted funds to make progress towards the Trustees' reserves policy target of £4m - £5m. IIED is projected to maintain a positive cash position through the period of review.

The forecast position for FY26 prepared in September 2025 shows that IIED has secured grants that, subject to full delivery, should generate over 96% of income needed to cover its cost. The pipeline of specific opportunities for the remainder of FY26 gives the Trustees confidence in IIED's ability to secure the additional income. During the second half of FY26, IIED is taking steps to reduce its cost base through a combination of voluntary and compulsory redundancies and non-staff cost reductions, with a target of achieving a FY27 operating position of £14m. These actions are in large part a response to significant reductions in Official Development Assistance (ODA), an income source that has been the majority of IIED's income. This has led to a more competitive landscape for international research funding and significant potential impact on IIED. Consequently, we are pivoting our fundraising strategy further towards philanthropies, while continuing to retain major elements of our ODA-linked institutional funding wherever possible.

Looking ahead, against the target £14m IIED operating base, the level of already secured income, the income pipeline and level of prospecting gives confidence of a breakeven position for FY27, with the opportunity to attract additional income in the remaining 17 months before the end of FY27. IIED is also supporting the spin-out of LIFE-AR, a major programme it has been hosting and incubating over the last five years, with preparation work being conducted over the next 12-18 months. This is not expected to have significant negative financial impacts on IIED during the assessment period, but the Trustees will continue to monitor the situation closely.

After considering these factors the trustees have concluded that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements and have not identified any material uncertainties relating to events or conditions that, individually or collectively, cast significant doubt on the charity's ability to continue as a going concern.

1.3. Income recognition

All incoming resources becoming available to the institute are recognised in the Statement of Financial Activities on the basis of entitlement, there is sufficient probability of receipt, and the amount can be quantified

with reasonable accuracy. In respect of unrestricted income and restricted income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related grant or long-term contract income, income entitlement is considered to be conditional upon the delivery of a specified level of service, in accordance with FRS 102 and the Charities SORP. Income is therefore recognised to the extent the charity has delivered the service or activity. The time or expenditure incurred to date, as appropriate, is used as a reasonable estimate or approximation of the charity's performance and therefore income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet to reflect the matching of such income with future activities.

1.4. Incoming resources subject to restrictions

Grants and donations given for specific purposes are credited to a restricted fund, against which expenditure for that purpose is charged. Expenditure includes direct staff costs, other direct costs, and an allowance for overheads calculated as a percentage of direct staff costs, in line with donor rules and cost principles. The portion of overheads covering general running costs that cannot be attributed to a specific project is charged to unrestricted funds in the Statement of Financial Activities (see note 3).

1.5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

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

1.6. Expenditure

All expenditure is accounted for on an accrual basis.

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

Governance costs are the costs associated with the governance arrangements of the charity. These costs will normally include internal and external audit, legal advice for trustees and costs associated with constitutional and statutory requirements, for example the cost of trustee meetings and preparing statutory accounts.

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

1.7. Financial instruments

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

1.8. Fixed assets

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

Leasehold improvements: remaining period of lease

Office furniture and equipment: five years

Computer hardware: three years

Computer software: five years

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

1.9. Cash and cash equivalents

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

1.10. Provisions

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

1.11. Exchange rates

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

1.12. Leases

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

1.13. Unrestricted funds

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

2. Resources expended

	Programme cost	Payments to collaborating entities	Support costs	2025 Total	2024 Total
<i>Charitable activities</i>	£'000	£'000	£'000	£'000	£'000
Commissioned studies and research					
Climate change	4,021	5,287	1,904	11,212	10,959
Natural resources	3,344	7,021	2,120	12,485	7,314
Sustainable markets	2,115	135	460	2,710	1,540
Human settlements	2,009	676	549	3,234	2,489
Green Economy Coalition	576	-	118	694	745
Strategy and learning	1,645	-	337	1,982	1,636
Communications and publications	1,352	-	277	1,629	1,379
Commissioned studies and research	15,062	13,119	5,765	33,946	26,062
Grants to IIED Europe	-	400	-	400	200
Total resources expended	15,062	13,519	5,765	34,346	26,262

Foreign exchange gains and losses recognised in the year amounted to a loss of £225k (2024: gain £113k).

During the year ended 31 March 2025 an internal review of the allocation of staff costs to a programme funded by restricted grants concluded that staff costs of £458k had been incorrectly included in the allocation in the year ended 31 March 2024, with an equivalent amount of income accrued against that project. These costs should have been recorded as unrestricted expenditure. The correction reduces restricted expenditure by £458k, decreases accrued income by £270k, increases deferred income by £188k, and records a corresponding £458k increase in unrestricted expenditure. Taken together with other smaller adjustments, this increased the reported unrestricted loss for FY24 from £148k to £839k and reduced unrestricted funds from £1,992k to £1,301k, but had no impact on the opening reserves position as at 1 April 2023.

3. Support costs

	2025 £'000	2024 £'000
Premises	850	637
Finance	1,959	1,322
Director's office/Trustees	1,084	1,038
IT services	402	660
Human resources	1,470	1,150
Total	5,765	4,807

Net movement in funds is stated after the following:	2025 £'000	2024 £'000
Auditors remuneration		
Due for the 2023/24 audit	45	40
Due for the 2024/25 audit	41	-
Other	33	59
Depreciation	85	72
Foreign exchange (gains)/ losses	225	(113)

FY25 governance costs amounted to £228k (2024: £149k). Resources expended include operating lease rentals £427k for the company (2024: £366k).

4. Tangible fixed assets

	Leasehold improvements £'000	Furniture and fixtures £'000	Office and computer equipment £'000	Total £'000
Cost				
At 1 April 2024	154	205	332	691
Additions	-	-	61	61
Disposals	-	-	-	-
At 31 March 2025	154	205	393	752
Depreciation				
At 1 April 2024	68	198	230	496
Charge for year	16	4	59	79
Disposals	-	-	-	-
At 31 March 2025	84	202	289	575
Net book value				
At 31 March 2025	70	3	104	177
At 31 March 2024	86	7	102	195

5. Intangible Fixed Assets

	Computer software £'000	Total £'000
Cost		
At 1 April 2024	294	294
Additions	-	-
Disposals	-	-
At 31 March 2025	294	294
Depreciation		
At 1 April 2024	278	278
Charge for year	6	6
Disposals	-	-
At 31 March 2025	284	284
Net book value		
At 31 March 2025	10	10
At 31 March 2024	16	16

6. Debtors

	2025 £'000	2024 £'000
Less than one year:		
Grants receivable	3,065	2,724
Accrued income	2,122	1,364
Other debtors	275	202
Intercompany	-	223
Prepayments	133	374
Total debtors	5,595	4,887

7. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	2,483	4,221
Accruals	3,012	1,341
Other creditors	20	213
Social security and other taxes	596	496
Total	6,111	6,271

	1 April 2024 £'000	Amount released £'000	Incoming resources deferred £'000	31 March 2025 £'000
Deferred revenue	5,124	(5,124)	5,347	5,347

8. Analysis of net assets between funds

31 March 2025	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	177	-	177
Intangible fixed assets	10	-	10
Net Current Assets	(682)	-	(682)
Net assets	(495)	-	(495)

31 March 2024	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	195	-	195
Intangible fixed assets	16	-	16
Net Current Assets	1,090	-	1,090
Net assets	1,301	-	1,301

9. Unrestricted funds

	1 April 2024 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2025 £'000
Total unrestricted funds	1,301	6,238	(52)	(7,982)	(495)

	1 April 2023 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2024 £'000
Total unrestricted funds	2,139	7,826	-	(8,664)	1,301

Since the year end, IIED has secured a significant step towards rebuilding reserves through a flexible grant from Quadrature Climate Foundation (QCF). We have allocated £2.2m of this funding to strengthen free reserves, providing an important foundation on which to progress towards the new target over the coming years.

10. Employees

	2025 No.	2024 No.
The number of employees at 31 March was:	164	152
The aggregate remuneration paid to employees was:	£'000	£'000
Wages and salaries	9,356	7,820
Social security costs	976	843
Other Pension costs	635	562
	10,967	9,225

The number of staff whose aggregate remuneration (including termination payments) fell within each of the following bands was:

	2025 No.	2024 No.
£160,000-£169,999	1	-
£130,000-£139,999	1	-
£120,000-£129,999	-	1
£110,000-£119,999	1	-
£100,000-£109,999	1	1
£90,000-£99,999	6	1
£80,000-£89,999	8	7
£70,000-£79,999	12	17
£60,000-£69,999	18	15

There were termination payments of £179k in the year (2024 £4k). At the year end, £75k had been accrued but not yet been paid to the employees concerned.

The key management personnel of the charity comprise the Executive Director, Chief Operating Officer, Director of Finance and Operations, Director of Communications, Director of Human Settlements, Director of Natural Resources, Director of Strategy and Learning, and Director of Sustainable Markets. The total employee benefits of the key management personnel of the charity were £997k (2024: £878k).

No company pension scheme existed at 31 March 2025. Contributions are paid on behalf of employees to independently administered money purchase plans. The cost to the charity during the year was £635k (2024: £562k).

Where claimed, trustee expenses incurred on the institute's business were reimbursed. Total trustee expenses during the year were £14k (2024: £37k). The number of trustees claiming expenses was 12 (2023:10).

11. Related parties

During FY25, £55k was received from Oxford Policy Management Ltd in settlement of an outstanding FY24 balance, leaving no amount outstanding at year-end. Oxford Policy Management Ltd is a company in which P. D. George serves as a director.

Indemnity insurance is provided to Trustees as part of the Management Liability policy and the Commercial Combined policy. During the period, the annual cost of these two policies, including trustee coverage, was £5k and £42k respectively, and in FY24 £2k for Management Liability and £36k for Commercial Combined.

IIED Europe

The Stichting International Institute for Environment and Development Europe [IIED Europe] is a foundation incorporated under the laws of the Netherlands, having its registered office at Plantage Middenlaan 2 K, 1018 DD, Amsterdam and is registered at the Chamber of Commerce under number 81230710. IIED Europe was established by IIED on 18 December 2020, a legally independent foundation based in the Netherlands, with a focus on global environmental and social change.

Initially, IIED controlled IIED Europe through a majority of the Supervisory and Management Boards. However, in 2024, Board members changed such that the majority of the Supervisory Board has no concurrent affiliation with IIED in the UK. IIED Europe has its own staff and is also generating its own funds to cover operating costs and develop its own programme of work..

As IIED now only holds 33.3% of the shareholding in IIED Europe, the organisation no longer has a controlling interest. Accordingly, IIED Europe constitutes as Associate in the year, so has not been consolidated in the 2024/25 accounts.

12. Commitments

At 31 March 2025, IIED had obligations under non-cancellable operating leases as set out below:

	Land and buildings 2025 £'000	Land and buildings 2024 £'000
Due in less than one year	260	354
Due within one to five years	133	376
Due after more than five years	-	-

13. Income

	2025 £'000	2024 £'000
Donors		
Government and government agencies	22,795	18,484
International and multilateral agencies	1,404	1,516
Foundations and NGOs	6,622	5,081
Corporate	1,088	1,150
Donor income received	31,909	26,231
Other income		
Interest receivable	106	160
Other income received	106	160
Total	32,015	26,391
Add: Income deferred from prior year	5,124	4,391
Less: Income due to prior year	(1,364)	(1,598)
Add: Income due from next year	2,122	1,364
Less: Income deferred to next year	(5,347)	(5,124)
Total incoming resources	32,550	25,424

		2025 £'000	2024 £'000
Government and Government Agencies			
Foreign Commonwealth & Development Office	United Kingdom	10,345	7,709
Irish Aid, Department of Foreign Affairs	Ireland	2,983	4,000
Swedish International Development Cooperation Agency (Sida)	Sweden	2,552	2,585
Ministry of Foreign Affairs (Netherlands)	Netherlands	2,509	1,373
US Department of State	United States	1,578	906
Department For Environment, Food and Rural Affairs (DEFRA)	United Kingdom	980	470
Ministry of Environment and Climate Change	Canada	567	587
Department for Energy Security and Net Zero	United Kingdom	439	217
Federal Foreign Office Germany	Germany	263	347
Swiss Agency for Development and Cooperation	Switzerland	250	-
Netherlands Enterprise Agency	Netherlands	144	60

Arts & Humanities Research Council	United Kingdom	110	62
Deutsche Gesellschaft Fur International Zusammenarbeit (GIZ) Gmbh	Germany	75	18
Department of Health and Social Care	United Kingdom	-	108
BMU Federal Ministry for Environment Nat	Germany	-	50
Amounts less than £10,000		-	(8)
Total Government & Government Agencies		22,795	18,484

		2025	2024
		£'000	£'000
International and Multilateral Agencies			
United Nations Food and Agriculture Organisation (FAO)	Italy	513	477
Asian Development Bank	Philippines	264	22
United Nations Office for Disaster Risk Management	Switzerland	247	-
The World Bank, USA	United States	98	174
United Nations Development Programme (Parent)	United States	63	201
UNIDO (UN Industrial Development Org)	Austria	41	51
UNDP Thailand	Thailand	41	-
United Nations Office for Project Services (UNOPS)	Denmark, Belgium, USA	34	-
UNDP Bangladesh	Bangladesh	25	-
UNEP Kenya	Kenya	20	22
United Nations Habitat Secretariat	Kenya	14	53
European Commission	Belgium	11	516
Amounts less than £10,000		33	-
Total International & Multilateral Agencies		1,404	1,516

		2025	2024
		£'000	£'000
Foundations and NGOs			
Quadrature Climate Foundation (QCL)	United Kingdom	1,043	-
Bill & Melinda Gates Foundation US	USA	464	455
SouthSouthNorth (Africa) NPC	South Africa	461	461
Open Society Foundations	USA	398	-
Generation Foundation	United Kingdom	350	400
Foundation Hans Wilsdorf	Switzerland	332	343
Rockefeller Philanthropy Advisors (RPA)	USA	278	361
International Development Research Centre	Uruguay	274	-
Global Center on Adaptation	Netherlands	269	71
World Fish	Malaysia	267	-
Green Climate Fund	South Korea	212	-
The British Academy	United Kingdom	199	-
Foundation Open Society Institute (FOSI)	Switzerland	196	-
CDP Worldwide	United Kingdom	169	10
Wellcome Trust	United Kingdom	132	-
United Nations University - EHS	Germany	124	477
Schmidt Family Foundation	United States	122	117
DanchurchAid (DCA)	Denmark	116	13

Jamma International	United Kingdom	108	154
Wellspring Philanthropic Fund	United States	90	-
Comic Relief	United Kingdom	81	-
Anti-Slavery International	United Kingdom	80	132
Arcus Foundation (US Office)	United States	79	-
Ford Foundation USA	United States	75	-
REARC	Denmark	63	-
The University of Sheffield	United Kingdom	62	42
International Rice Research Institute	Philippines	58	-
African Centre for Trade and Development	Uganda	45	29
University of Copenhagen	Denmark	44	42
International Union For Conservation Of Nature	Switzerland	43	206
International Renewable Energy Agency	United Arab Emirates	39	-
Agence Francaise De Developpement	France	37	-
University of Edinburgh	United Kingdom	28	92
FSD Africa	Kenya	27	-
New Venture Fund	United States	22	94
World Vision Ireland	Ireland	21	44
Stichting Wageningen Research	Netherlands	20	40
International Development Research Centre	Canada	19	22
Ecorys	United Kingdom	17	47
McKnight Foundation	United States	16	-
Katholische Zentralstelle fur Entwicklun	Germany	15	26
Caribbean Natural Resources Institute	Trinidad and Tobago	10	-
IED Afrique	Senegal	9	10
Zoological Society of London	United Kingdom	8	10
Chatham House	United Kingdom	8	19
The Bartlett Development Planning Unit	United Kingdom	7	14
Loughborough University	United Kingdom	7	11
IIED Europe	Netherlands	1	147
The William and Flora Hewlett foundation	United States	-	202
UBS Optimus Foundation Europe	Germany	-	197
IKEA Foundation	Netherlands	-	170
Institute of Development Studies (IDS)	United Kingdom	-	105
International Sustainable Energy Foundation	United States	-	79
MISEREOR	Germany	-	63
Climate Works Foundation	United States	-	60
IED	France	-	46
Conservation International	United States	-	37
IUCN Kenya	Kenya	-	32
Stichting International Red Cross/RCCC	Netherlands	-	30
WWF International	Switzerland	-	24
Anglia Ruskin University higher education	United Kingdom	-	22
Africa Europe Foundation (AFD)	Belgium	-	21
Finance for Biodiversity Foundation	Switzerland	-	13
University Of Manchester	United Kingdom	-	11
Engineering and Physical Sciences Research	United Kingdom	-	11
Tufts University	United States	-	11
Asian Disaster Preparedness Centre (ADPC)	Thailand	-	10
Other amounts less than £10,000		77	48
Total Foundations and NGOs		6,622	5,081

		2025	2024
		£'000	£'000
Corporate			
DAI Global	United Kingdom	890	96
SAGE Publications Ltd	United Kingdom	82	75
Eventbrite	United Kingdom	62	62
CBA	Various	35	28
Le Groupe-conseil baastel Itée	Canada	11	-
DAI Europe LTD	United Kingdom	-	408
Oxford Policy Management	United Kingdom	-	373
ABF Investments PLC	United Kingdom	-	50
DAI Global LLC, USA	USA	-	28
DAI Global Belgium SRL	Belgium	-	18
The Landscapes and Livelihoods Group LLP	United Kingdom	-	15
Alliance for Responsible Mining	Colombia	-	10
Amounts less than £10,000		8	(13)
Total Corporate		1,088	1,150

14. Payments to collaborating organisations

		2025	2024
		£'000	£'000
Payments to organisations			
International Union for Conservation of Nature (IUCN)	Kenya	1,750	41
Namati, Inc	USA	858	685
International Union for Conservation of Nature (IUCN)	Switzerland	800	-
Columbia Center on Sustainable Investment	USA	790	804
Ministry of Natural Resources and Climate	Malawi	700	-
Climate Resilient Green Economy (CRGE) Facility	Ethiopia	438	-
IIED Europe	Netherlands	400	200
Slum Dwellers International	Kenya	386	70
Huairou Commission	USA	281	51
WWF, Tanzania	Tanzania	269	53
RECOFTC (Bangkok Office)	Thailand	217	2
WWF, Myanmar	Myanmar	188	48
IIED-America Latina	Tanzania	188	366
Tanzania Forest Conservation Group	Tanzania	188	65
Forest Peoples Programme	Great Britain	188	-
Tearfund Rwanda	Rwanda	183	-
University Court of the University of Aberdeen	Great Britain	171	-
South South North (SSN)	South Africa	169	30
International Water Management Institute	Sri Lanka	155	35
ENDA – Senegal	Senegal	144	27
Trias	Tanzania	144	-
Nutrition Action Zimbabwe	Zimbabwe	141	87
Caribbean Natural Resources Institute	Trinidad & Tobago	140	11
Centro para la Autonomía y Desarrollo de de los	Nicaragua	136	27
Centre for Trade Policy and Development	Zambia	135	151

International Centre for Research in Agroforestry	Kenya	131	-
Aranayk Foundation	Bangladesh	130	-
Cambodia Indigenous Peoples Organization	Cambodia	130	37
Good Neighbours Bangladesh	Bangladesh	129	-
Zambia Land Alliance	Zambia	129	145
Viet Nature Conservation Centre	Vietnam	121	-
Rikolto International	Tanzania	113	-
Honeyguide	Tanzania	110	24
Kenya Wildlife Conservancies Association	Kenya	109	-
International Institute of Rural Reconstruction (IIRR)	Philippines	101	-
WWF, UK Head Office	Great Britain	97	-
ForestAction Nepal	Nepal	94	-
Keystone Foundation	India	93	-
Haribon Foundation	Philippines	92	19
Jaringan Kerja Pemetaan Partisipatif	Indonesia	92	-
Fondation Pour Le Développement Au Sahel	Mali	92	46
Sierra Leone Urban Research Centre	Sierra Leone	89	-
Social Development Fund (SDF)	Gambia	80	-
MNP -Madagascar National Park DEAP Programme	Madagascar	79	-
Non-Timber Forest Products Exchange Programme	Philippines	77	27
Kounkuey Design Initiative Inc.	Kenya	74	-
Asociación Boliviana para investigación y Conservación de Ecosistemas Andino Amazónicos	Bolivia	71	-
University of Sheffield	Great Britain	71	-
Save the Children UK	Great Britain	69	-
African Centre for Cities (ACC)	South Africa	69	-
Madagasikara Voakajy	Madagascar	50	-
Save the Children Australia	Australia	49	21
Yayasan LBH Indonesia	Indonesia	48	-
Mwambao Coastal Community Network Tanzania	Tanzania	47	-
AMAN Kalteng	Indonesia	44	21
Ministry of Finance of the Royal Government	Bhutan	42	-
Centre for Community Initiatives	Tanzania	41	3
Kenya Forestry Research Institute	Kenya	41	71
Puspaham Sulawesi Tenggara	Indonesia	40	-
Rumpun Perempuan Sultra	Indonesia	38	-
Institute of Development Studies	Great Britain	38	-
MVIWAARUSHA	Tanzania	37	14
Environmental Conservation Trust of Uganda	Uganda	37	41
University of Edinburgh	Great Britain	36	-
Third Generation Environmentalism Limit	Great Britain	35	13
KOMDES	Indonesia	35	-
Global Green Growth Institute	South Korea	35	40
Deutsche Welthungerhilfe	Germany	34	-
Walhi Foundation	Indonesia	32	-
Lutheran World Relief	Nepal	31	-
Sustainable Development Institute	Liberia	31	10
Justice & Empowerment Initiatives	Nigeria	31	-
Comunidad y Biodiversidad, A.C (COBI)	Mexico	20	-
Asociacion ANDES	Peru	27	-
Phuhlisani NPC	South Africa	25	-
Lawyers for Human Rights	South Africa	25	-
UN Habitat Jordan	Great Britain	24	-
LBH Palangkaraya	Indonesia	23	-
Wilton Park Executive Agency	Great Britain	22	-
Swadhina	India	22	-
King Hussein Foundation	Jordan	21	25
Value Nature	USA	21	46

Himiza Social Justice Limited	Tanzania	20	25
Slum Dwellers International	Kenya	20	-
DITSHWANELO	Botswana	20	-
PETCO Ethiopia Recycling Community Organization	Ethiopia	20	-
Auto-promotion rurale pour un developpement Humain Durable	Togo	19	23
TROOLOGY	India	19	-
Walhi Kalteng	Indonesia	18	17
Dialogue on Shelter Trust	Zimbabwe	17	39
Uniao dos Movimentos de Moradia da Grand	Brazil	17	11
Komunitas Teras	Indonesia	17	27
YBBI (Yayasan Betang Borneo Indonesia)	Indonesia	16	17
Tondwa Conservation Limited	Zambia	16	32
People's Process on Housing and Poverty	Great Britain	16	-
Institute for Study and Development Worldwide	Australia	16	-
Nature Conservation Foundation (NCF)	India	15	-
WALHI North Sumatra	Indonesia	15	-
Save our Borneo	Indonesia	14	17
Kew Royal Botanical Gardens	Great Britain	14	-
Natural Justice	Senegal	14	-
Fondation Tany Meva	Madagascar	14	-
University of Liberal Arts Bangladesh	Bangladesh	14	-
Wellspring Development Capital Limited	Great Britain	13	-
Tanzania People and Wildlife	Tanzania	12	20
ANARDE	Uganda	12	12
Initiative Prospective Agricole	Senegal	12	10
CORDIO East Africa	Kenya	11	8
Samuel Hall FZE	Kenya	-	93
IRDNC - Integrated Rural Development and Nature Conservation	Namibia	3	73
Gemawan	Indonesia	-	70
Women's Refugee Commission	USA	-	49
International Land Coalition	Italy	-	46
The Indian Institute for Human Settlements	India	-	34
Economic Policy and Competitiveness Research Center	Mongolia	-	30
Public Affairs Research Institute NPC	South Africa	7	30
Madhya Pradesh Council of Science and Technology	India	-	-
Viet Nam Farmers Union (VNFU)	Vietnam	-	28
COLANDEF	Ghana	3	26
Rikolto International (Tanzania)	Tanzania	-	25
Open Development Cambodia	Cambodia	-	25
ICLEI – Local Governments for Sustainability	South Africa	-	24
United Nations University INRA	Ghana	-	24
Botswana Watch	Botswana	-	23
Independent University Bangladesh (IUB)	Bangladesh	4	22
Zambia Community Based Natural Resources	Zambia	-	21
IED AFRIQUE	Senegal	-	14
International Centre for Integrated Mountain Development	Nepal	-	13
WLWF	Zambia	-	10
Apu Kuntur Civil Association	Argentina	-	10
TAMPEI	Philippines	-	10
Payments less than £10,000		408	235
Total Company payments		13,519	4,578

15. Restricted funds

Project name	Balance at	Income	Expenditure	Transfers	Balance at	Income	Expenditure	Transfers	Balance at
	31 March 2023 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000	31 March 2024 £'000	2024/25 £'000	2024/25 £'000	2024/25 £'000	31 March 2025 £'000
LIFE-AR Phase II	-	4,578	(4,578)	-	-	412	(412)	-	-
LIFE-AR PHASE II -10432	-	-	-	-	-	4,231	(4,231)	-	-
ALIGN	-	3,153	(3,153)	-	-	3,850	(3,850)	-	-
Facilitating REDAA	-	1,459	(1,459)	-	-	4,911	(4,911)	-	-
IKI support for climate negotiators	-	544	(544)	-	-	291	(291)	-	-
TUC	-	537	(537)	-	-	89	(89)	-	-
IKI-TUC Phase 2	-	-	-	-	-	143	(143)	-	-
Locally Led Adaptation & MFA NL	-	446	(446)	-	-	1,722	(1,722)	-	-
GCRF Protracted Displacement	-	430	(430)	-	-	14	(13)	(1)	-
Wilsdorf - GEC strategic plan support	-	418	(418)	-	-	216	(216)	-	-
Building Resilience in Ethiopia	-	362	(362)	-	-	-	-	-	-
Hidden Handbrakes Generation Foundation	-	356	(356)	-	-	283	(283)	-	-
Gates - influence cli, nat & dev process	-	324	(324)	-	-	878	(878)	-	-
11179 Gates - Negotiators	-	198	(198)	-	-	207	(207)	-	-
11179 Gates - Emerging Leaders	-	93	(93)	-	-	94	(94)	-	-
11179 Gates - Engagement with CBA	-	72	(72)	-	-	88	(88)	-	-
11179 Gates - Climate Finance	-	72	(72)	-	-	72	(72)	-	-
11179 Gates - Women's Climate Leadership	-	20	(20)	-	-	20	(20)	-	-
CBA18 (multi-donor grant) FY24- FY26	-	172	(172)	-	-	97	(97)	-	-
FCDO - MGNREGS extensions	-	245	(245)	-	-	4	-	(4)	-
EC Shared Global Green Deal	-	219	(219)	-	-	364	(364)	-	-
Darwin: Biocredit Investment Operations	-	211	(211)	-	-	114	(114)	-	-
OSF - LLA 4 Climate, Nature & inequality	-	210	(210)	-	-	173	(175)	2	-
Climate and Development Ministerial CECG	-	161	(161)	-	-	-	-	-	-
Hewlett Climate Finance	-	159	(159)	-	-	199	(194)	(5)	-

Project name	Balance at	Income	Expenditure	Transfers	Balance at	Income	Expenditure	Transfers	Balance at
	31 March				31 March				31 March
	2023	2023/24	2023/24	2023/24	2024	2024/25	2024/25	2024/25	2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capacity for Human Wildlife Conflict	-	156	(156)	-	-	17	(17)	-	-
UNDRR Tracking Climate and Disaster	-	151	(151)	-	-	(3)	(4)	7	-
CECG - Loss and Damage Roadmap	-	145	(145)	-	-	46	(46)	-	-
Home off UK- Anti Slavery Int. - Bangl	-	137	(137)	-	-	77	(75)	(2)	-
People and Conservation Learning Group 2	-	133	(133)	-	-	-	-	-	-
EC/UNDP Progressive Platforms 2023	-	125	(125)	-	-	38	(43)	5	-
Establishing a Biocultural Heritage	-	122	(122)	-	-	87	(87)	-	-
IPCC Chair hosting	-	110	(110)	-	-	548	(548)	-	-
Supporting CSOs in Guinea & DRC 23-2024	-	103	(103)	-	-	-	-	-	-
ARA Phase 2: GESI	-	102	(102)	-	-	300	(300)	-	-
Civic Media for Housing Rights AHRC	-	89	(89)	-	-	114	(114)	-	-
HSG Consultancies: E&U Sage and PLS	-	-	-	-	-	6	(6)	-	-
E&U	-	87	(87)	-	-	133	(133)	-	-
A tool for advancing IPLC-led conservation	-	86	(86)	-	-	99	(99)	-	-
Data Justice for Refugees	-	80	(80)	-	-	(4)	(3)	7	-
CECG 2023 - LDC negotiations support	-	79	(79)	-	-	121	(123)	2	-
Brains Trust & Secondee on Access	-	79	(79)	-	-	-	-	-	-
SULi impact	-	72	(72)	-	-	106	(106)	-	-
EbA Viet Nam	-	67	(67)	-	-	63	(63)	-	-
Nature Nurture (GCBC)	-	63	(63)	-	-	246	(246)	-	-
Promoting a gender-just economy	-	62	(62)	-	-	75	(75)	-	-
Philanthropy Champions for Climate Adapt	-	60	(60)	-	-	-	-	-	-
CGIAR Evidence on gendered uptake STIBs	-	57	(57)	-	-	-	-	-	-
CECG Climate & Development Ministerial	-	57	(57)	-	-	-	-	-	-
Urban refugees in East Africa - IKEA	-	54	(54)	-	-	36	(36)	-	-
GCA Masterclass	-	52	(52)	-	-	225	(225)	-	-
African Cities Phase II- Implementation	-	49	(49)	-	-	7	(7)	-	-
CF training initiative FSD Africa	-	42	(42)	-	-	27	(27)	-	-
GEC – Dialogues for Financial Reform	-	35	(35)	-	-	-	-	-	-

Project name	Balance at	Income	Expenditure	Transfers	Balance at	Income	Expenditure	Transfers	Balance at
	31 March 2023 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000	31 March 2024 £'000	2024/25 £'000	2024/25 £'000	2024/25 £'000	31 March 2025 £'000
Nature finance - locally-led action	-	26	(26)	-	-	54	(53)	(1)	-
Developing and testing a sustainability	-	22	(22)	-	-	9	(3)	(6)	-
Darwin Belize FY23	-	16	(16)	-	-	29	(26)	(3)	-
FCDO Fair Water Footprint	-	15	(15)	-	-	12	(12)	-	-
Livelihoods Insurance 4 Elephants (LIFE)	-	12	(12)	-	-	-	-	-	-
Tufts Uni/USAID - pastoralism NOFO	-	11	(11)	-	-	-	-	-	-
DANIDA/Uni Cop - Resear clim adapt Tanz	-	11	(11)	-	-	22	(22)	-	-
Ecosystem-based approaches to adaptation	-	9	(9)	-	-	-	-	-	-
Enhancing Action for Enabling LLA	-	1	(1)	-	-	-	-	-	-
LandCam	-	31	(31)	-	-	-	-	-	-
Greater Value for Gold Mali INCOME	-	46	(46)	-	-	175	(175)	-	-
Greater Value for Gold Mali IIED	-	45	(45)	-	-	(51)	51	-	-
ADB CRPP KM component	-	40	(40)	-	-	246	(246)	-	-
Climate an Development Ministerial GATES	-	27	(27)	-	-	112	(112)	-	-
Botnar Foundation TYP Cities	-	24	(24)	-	-	56	(56)	-	-
Supporting CSOs in Guinea & DRC 2024	-	11	(11)	-	-	116	(120)	4	-
Carbon Markets for Agriculture VCM	-	1	(1)	-	-	79	(90)	11	-
CASA LDC support Y6	-	81	(81)	-	-	635	(635)	-	-
Quadrature _ SIDS Debt	-	-	-	-	-	199	(199)	-	-
OSF loss&damage	-	-	-	-	-	158	(158)	-	-
IDRC Loss & Damage (REAL)	-	-	-	-	-	74	(74)	-	-
IIED and CECG partnership 2024	-	-	-	-	-	186	(186)	-	-
Unlocking urgent climate action	-	-	-	-	-	66	(66)	-	-
World Bank EOI	-	-	-	-	-	66	(66)	-	-
Community-led Housing Campaign	-	-	-	-	-	63	(62)	(1)	-
BA Drought in Displacement	-	-	-	-	-	90	(90)	-	-
Drylands Impact Programme	-	-	-	-	-	91	(91)	-	-
Scaling up equitable governance for P/CA	-	-	-	-	-	775	(775)	-	-

Project name	Balance at	Income	Expenditure	Transfers	Balance at	Income	Expenditure	Transfers	Balance at
	31 March 2023 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000	31 March 2024 £'000	2024/25 £'000	2024/25 £'000	2024/25 £'000	31 March 2025 £'000
GIZ - IP&LC-led governance	-	-	-	-	-	65	(65)	-	-
UN Habitat with IIED	-	-	-	-	-	56	(49)	(7)	-
FFF Phase II: 2024	-	-	-	-	-	182	(182)	-	-
Develop a human rights approach to HWC	-	-	-	-	-	101	(101)	-	-
GCF Evaluation	-	-	-	-	-	212	(240)	28	-
Asia Africa BlueTech Superhighway	-	-	-	-	-	536	(536)	-	-
UNDRR Supporting disaster risk reduction	-	-	-	-	-	125	(125)	-	-
Systematic Review - Outcomes & Impacts	-	-	-	-	-	58	(58)	-	-
Fair Water Footprints Accountable Grant	-	-	-	-	-	137	(137)	-	-
UBS OF VITAL Climate Collective	-	-	-	-	-	74	(74)	-	-
Loss and damage Mali	-	-	-	-	-	72	(69)	(3)	-
Mobility and global health - Inception	-	-	-	-	-	58	(58)	-	-
ARA Tracking, Learning and Sharing Lead	-	-	-	-	-	63	(48)	(15)	-
Other below £50k (including FRAME support for various projects)	-	276	(276)	-	-	474	(508)	34	-
Total restricted funds per SOFA	-	17,598	(17,598)	-	-	26,312	(26,364)	52	-

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant project. Further detail is provided below on a selection of restricted funding projects.

Enhancing Action for Enabling LLA

Funded by FCDO, supports continued operationalisation, accountability scaling-up of Locally-Led Adaption (LLA), strengthening the foundations of a growing community of practice around LLA to ensure the balance of power remains with southern national and local actors.

Livelihoods Insurance 4 Elephants (LIFE)

Funded by the UK Government's Darwin Initiative to help the Sri Lankan and Kenyan governments to pilot new insurance schemes, learn from each other, and develop an effective national approach.

Building Resilience in Ethiopia (BRE)

The BRE programme covers Foreign, Commonwealth and Development Office (FCDO) humanitarian assistance in Ethiopia and is intended to contribute to the objective of an 'Ethiopia that is more resilient to climate and humanitarian shocks.

Advancing Land-Based Investment Governance (ALIGN)

Funded by FCDO, an initiative developed to promote, at scale, more responsible practices for land-based investments.

LIFE-AR Phase II

Funded by FCDO, USAID, Irish Aid and the Government of Canada, focusing on supporting the LDC Initiative for Effective Adaptation and Resilience.

FCDO - MGNREGS Extensions

Funded by the UK Foreign, Commonwealth and Development Office, the project is for Financing Climate Resilience through Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

FCDO - Fair Water Footprint

Funded by FCDO the project prepares for strengthening governance for transformational change in water security.

Green Economy Coalition – Dialogues for Financial Reform

An EC-funded project to build civil society participation for sustainable finance reforms: global coverage.

Establishing a Biocultural Heritage

Funded by the UK Government's Darwin Initiative, the project is on establishing a biocultural heritage territory to protect Kenya's Kaya forests.

Climate Finance Training Initiative FSD Africa

Funded by Financial Sector Deepening Africa (FSD Africa), IIED is appointed to develop a training course on climate finance together with the University of Cambridge's Institute for Sustainable Leadership and Southern African Management Institute.

Facilitating REDAA

Funded by FCDO, to understand how to improve the condition of natural landscapes in Africa and Asia in ways that enable people and nature to thrive together. It uses identification, adoption and replication of innovative approaches to halt and reverse degradation and improve management and restoration of ecosystems for the Reversing Environmental Degradation in Africa and Asia (REDAA) programme.

LandCam: Securing land and resource rights and improving governance in forest areas of Cameroon

An EC-funded project to secure land and resource rights and improve governance in Cameroon.

Ecosystem-based approaches (EbA) to adaptation: strengthening the evidence and informing policy

An International Climate Initiative project funded by BMU (German Government) to strengthen evidence on when and why EbA works best and inform policy at national and international levels.

Locally Led Adaptation – Ministry of Foreign Affairs, Netherlands (MFA NL)

Funded by the Ministry of Foreign Affairs, Netherlands, working across actors in the climate finance landscape to generate the evidence, capabilities and motivation for transforming access and delivery of climate finance, in order to tackle the triple crises of climate, nature and poverty.

Hidden Handbrakes Generation Foundation

Funded by the Generation Foundation, the hidden handbrakes campaign, which has been designed to expose and explain the unseen blockers of action on climate change.

Anti Slavery International - Home Office

Funded by the UK Home Office, through Anti Slavery International this project generates research and evidence to demonstrate the link between climate-induced migration and modern slavery, and potential measures to address it.

Frame funding and other projects

In FY25 IIED received institutional 'frame' funding from the Swedish and Irish Governments. It is provided to support delivery of the organisation's five-year institutional strategy. The funding enables IIED to explore new areas of research, new methodologies and ways of working, as well as development and maintenance of effective systems for evaluation, communicating with key audiences, and liaison with key actors to deliver our work. These, and all other projects have been grouped together under one heading for the purposes of these accounts.

INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT

England & Wales - Charity number 800066

Accounts



International Institute for Environment and Development

Trustees' Annual Report and Consolidated Accounts
for the year ending 31 March 2024

Registered company number: 2188452 (England and Wales)

Registered charity number: 800066 (England and Wales)

Registered charity number: SC 039864 (Scotland)

Contents

Glossary	3
Introduction	5
About IIED	5
About IIED Europe	6
Our Strategy	6
Our Response and Achievements	7
Analysis and Assessment	9
Our Communications and Output Statistics	12
Structure, Governance and Management	14
Recognising Employee Commitment & Excellence	15
Strategy and Learning Group (SLG)	15
Communications Group	16
Operating Function	16
IIED Europe	17
Finance Review	18
Statement of Trustees' Responsibilities	22
Reference and Administrative Details	24
Independent Auditor's Report to the Members and Trustees of International Institute for Environment and Development	25
Consolidated Statement of Financial Activities	28
IIED Statement of Financial Activities	29
Group and Company Balance sheets as at 31 March 2024	30
Consolidated Cash flow statement for the year ended 31 March 2024	31
Consolidated Notes to the Financial Statements for the year ended 31 March 2024	32

Glossary

ASPIRE	Scaling Programme on Anticipatory Social Protection
CITES	The Convention on International Trade in Endangered Species of Wild Fauna and Flora - An International Agreement Between Governments
COP	Conference of the Parties
DFID	Department for International Development (UK) (1997-2020)
EU	European Union
FCDO	Foreign, Commonwealth & Development Office (UK) (FCO merged with DFID on 20 September 2020)
FRC	Financial Reporting Council
FRS	Financial Reporting Standard
FY	Financial Year
GEC	Green Economy Coalition
IIED	International Institute for Environment and Development
IKI	International Climate Initiative (of the German Federal Government)
IPCC	Intergovernmental Panel on Climate Change
IUCN	International Union for Conservation of Nature and Natural Resources
LGBTQI+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and More
LIF	Learning and Impact Framework
LIFE-AR	LDC Initiative for Effective Adaptation and Resilience
LDCs	Least Developed Countries
LLA	Locally Led Adaptation
MEL	Monitoring, Evaluation, and Learning
NA	Not Applicable
NGO	Non-Governmental Organisation
REDAA	Reversing Environmental Degradation in Africa and Asia
SDGs	Sustainable Development Goals
Sida	Swedish International Development Cooperation Agency
SIDS	Small Island Developing States
SOFA	Statement of Financial Activities
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme

IIED Groups and Committees

CCG	Climate Change Group
Comms	Communications Group
EIJC	Equity, Inclusion and Justice Committee
FARA	Finance, Audit, Risk Assessment Committee (sub-committee of the Board)
GJN	Gender Justice Network (formerly Gender Equality Champions Network)

HSG	Human Settlements Group
NRG	Natural Resources Group
NSC	Nominations Sub-Committee (sub-committee of the Board)
OC	Operations Committee (formerly Operations Management Team)
PCR	People, Culture and Remuneration Sub-Committee (sub-committee of the Board)
RRWG	Race and Racism Working Group
SB	Supervisory Board (IIED Europe)
SLC	Strategy and Leadership Council (formerly Strategy and Management Team)
SLG	Strategy and Learning Group
SSMG	Shaping Sustainable Markets Group

Introduction

The Trustees present their Annual Report, including the Director's strategic report, with the audited consolidated accounts for the year ended 31 March 2024. This report and the accounts have been prepared in accordance with the Companies Act 2006, IIED's Articles of Association, and Charities Statement of Recommended Practice, applicable to charities preparing accounts in accordance with FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).

For the first time, IIED's audited accounts for the year ended 31 March 2024 will be consolidated with that of IIED Europe.

About IIED

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

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

Progress of activities and achievements against the IIED strategy can be found in the strategic report ([Our Response and Achievements](#)) section of this report below.

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

Established in 1973, IIED has made important contributions to many milestones of sustainable development for over 50 years. These include the Brundtland Commission of 1987, the 2002 World Summit on Sustainable Development in Johannesburg, the annual meetings of the United Nations Framework Convention on Climate Change (UNFCCC), the Rio+20 summit in 2012, the Paris Agreement on Climate Change and the Sustainable Development Goals (SDGs) in 2015.

Our unparalleled network of partners includes over 300 Civil Society Organisations (CSOs), academia, government bodies, and private sector companies based in more than 60 countries, particularly in the Majority World. IIED works directly with established and new partners, for the greatest possible impact. We deliver original, rigorous research that helps to drive progress, support sustainable development and protect the environment. We identify local solutions that can work at scale and introduce these to global forums. Partnership working is at the heart of everything we do. Our projects make a tangible positive difference in the policies and practice that shape the everyday lives of marginalised people. Our ways of working have been tried and tested over decades,

Together, with our broad-based network of partners, we aim to shape a future where people and the planet can thrive.

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

Delivering public benefit

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

About IIED Europe

IIED Europe was established in December 2020 as a Stichting, a legally independent foundation based in the Netherlands, with a focus on global environmental and social change, including the impacts of European actors. It was created with a seed funding grant from IIED, and has objectives and values aligned to those of IIED, to contribute to achieving major progress towards the goals of sustainable development. IIED Europe is a not-for-profit organisation but is not a registered charity in the UK. Three of IIED's Trustees were on the Supervisory Board (as directors) of IIED Europe during FY24. The Trustees of IIED have, therefore, referred to the 'Charity Commission Guidance for charities with a connection to a non-charity', to minimise any risks and conflicts of interest associated with the relationship between IIED and IIED Europe. Further information is included in the [IIED Europe](#) section of this report.

Our Strategy

IIED's previous multi-annual strategy, entitled '*Make Change Happen*', was published in early 2019 and concluded in March 2024. During these years, IIED saw considerable growth of income, staff numbers, staff geographical distribution, diversity of nationality, and the emergence of a much more fundamental discussion about the Institute's future through the lens of decolonisation, tackling racism and other forms of intersectional disadvantage.

Our 2022 External Review concluded: "*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 be given, the chance to be the best it can be to meet the demands of this era. We believe it will not disappoint*". This is the challenge we have accepted in developing a future-fit IIED with our new strategy (2024-2029).

IIED's new strategy - [Manifesto for a Thriving World](#) - was launched in May 2024 following a process of engaging internal and external stakeholders including our partners and donors. It has been further updated in an online version in July 2024 and will continue to be iterated every six months in response to the dynamics of our challenging and unpredictable world.

In 2023/2024, during our strategy development process, we reviewed and updated our model for impact, to ensure we focus going forward on six overarching propositions for change as follows:

- Help migrants, including displaced people, to have brighter futures.
- Shift trade, finance and investment to benefit people and planet.
- Evolve cities as places of inspiration and justice.
- Promote forest, farm and fisheries systems that feed and nourish people and planet.
- Transform climate action and governance so people and nature can thrive.
- Champion community-led nature governance and stewardship.

These propositions are clearly laid out in our Manifesto for a Thriving World. We also began the journey of fundamental changes to our organisational model, moving away from static and sometimes siloed research groups to fluid and impact-focused task teams, which come together to deliver time-bound research, interventions and collaboration towards ambitious goals.

Our Response and Achievements

During this financial year from April 2023 to March 2024, we saw continued upheaval and challenges to global cooperation from the ongoing war in Ukraine, as well as the terrible events in Israel and Gaza, with horrific loss of life and violations of the most basic human rights. IIED's work seeks to help tackle global challenges through inclusive, rules-based and equitable solutions that can build solidarity and common purpose. We also acknowledge historic and ongoing injustice, prejudice and exploitation, which undermine these efforts. Global politics on climate change and ecological systems have seen some progress on countries' collective commitment to transition away from fossil fuels at the UNFCCC 28th climate change conference, COP28, but the impacts of climate volatility on people and ecosystems around the world show signs of significant acceleration. Structural weakness and systemic risks are increasingly evident in the systems that govern vital necessities for all people, from food and energy to environmental services and finance flows.

IIED has played a significant role in providing evidence and analysis of what is happening in these and other areas, but we recognise that incremental progress internationally is not enough, and the tools and methods we deploy are too fragmented to make a significant mark on the complex climate, nature and inequality crises we are attempting to tackle. The new strategy, a *Manifesto for a Thriving World*, provides a systems thinking approach to tackling these issues in alliances with greater numbers of organisations, and through connecting these alliances in a more systematised way. IIED characterises this role by describing itself as a 'backbone' organisation, providing strong, flexible and connected support to the many actors engaged in tackling these issues around the world. We are already starting to see stronger connections being built between previously disparate actors and are actively working to help these connections grow stronger. Our belief is that by working together on the world's 'wicked' problems at the same time, we have more collective strength and create greater leverage to shift the dial towards more positive outcomes.

Flexible institutional funding received from key funders, such as the Swedish International Development Cooperation Agency (Sida) and Irish Aid, enabled us to invest rapidly in understanding and analysing emerging challenges and building effective networks and connections with diverse allies from local to global levels.

The areas below highlight IIED's significant impact areas and signal the wider value of our work in accelerating change and collaborating strategically and effectively with others.

- 1. Strengthening voices and agency at local level:** To enhance advocacy capabilities for housing rights, we worked with two social movement organisations — União dos Movimentos de Moradia (UMM) and Justice & Empowerment Initiatives (JEI) — who delivered training workshops for housing activists in São Paulo and Lagos on using communication practices to advocate for the right to adequate housing. We also participated in South-to-South peer learning exchange activities with UMM and JEI representatives and other actors. By creating opportunities to build solidarity between social movements from different continents and international networks, this learning exchange facilitated knowledge-sharing and joint advocacy initiatives targeting multilateral organisations to influence their policies and practice, with significant implications at local levels. The initiative is part of a wider action agenda across IIED to change housing policy in several countries to achieve greater access and justice. To advance this, we cemented a partnership with United Cities and Local Governments (UCLG), the world's biggest network of municipal governments, to offer a policy support hub for housing justice.
- 2. Support to the Least Developed Countries (LDC) Group:** In addition to IIED's longstanding and significant support to the LDC Group in the UNFCCC negotiations, we provided ongoing secretariat support for the establishment of the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR). In November 2023, the second cohort of LIFE-AR frontrunner countries - Benin, Madagascar, Nepal and Senegal - signed a Partnership Compact, signaling their commitment to the LDC Vision, Offer and Principles. This marks the beginning of their national journeys towards operationalising and implementing a historic shift away from business-as-usual approaches to the climate crisis. Canada, Ireland, the US and the UK allocated new funding for LIFE-AR, and Norway have indicated their intention to join.
- 3. Increased finance for adaptation and loss and damage:** We played a central role in convening the Coalition of Ambition on Adaptation Finance as part of the Climate and Development Ministerial (C&DM) process. The initiative was officially launched at a COP28 event in Dubai, where national governments and institutions nominated themselves to co-champion one or more of the coalition's three goals and steward the delivery of proposed priority actions. Through the initiative, eight LDCs and Small Island Developing States (SIDS) - Malawi, Vanuatu, Barbados, Somalia, Ethiopia, Nepal, Samoa and the Marshall Islands - have been able to share their concerns and ideas for improving the way bilateral and multilateral finance providers deliver and allow access to adaptation finance. Because LDCs and SIDS

were central to the discussions at the ministerial, they were able to stress their own priorities for increasing grant-based adaptation finance and highlight the burden that debt puts on their countries. This is in the context of IIED's wider 'Money Where it Matters' work, which has seen us publish and influence across a wide adaptation, loss and damage, and debt agenda.

4. **New evidence challenges conventional thinking on who pays for climate adaptation:** IIED research provided evidence that smallholder farmers are having to spend US\$368 billion every year on climate adaptation costs, while only 0.3% of climate finance (US\$2 billion per year) reaches the local level. A range of farmer organisations and media outlets published articles highlighting this disparity, which should help shift discourse and practice on adaptation finance to better recognise the vital contributions smallholder farmers make to meet adaptation needs and strengthen their resilience to climate volatility. This evidence has led to an emerging body of IIED work looking at how to structure financial support into aggregate mechanisms that pool the resilience and sequestration actions of small-scale forest and farm producers. New IIED initiatives in India, Kenya and Tanzania, among others, will signal ways to mobilise different sources of climate finance at scale to create positive landscape and wellbeing changes.
5. **Influential research on future marine food systems:** Considering IIED's networks, research capabilities and people-centered approaches, the director general of WorldFish invited us to establish a partnership for a new initiative, the Asia-Africa BlueTech Superhighway (AABS), which has £45 million of funding from the UK Foreign, Commonwealth and Development Office (FCDO) over the next seven years. Focused on incentive-based marine conservation and fisheries management, this is one of WorldFish's four work packages and is expected to directly influence the way governments, nongovernmental organisations and other stakeholders approach marine conservation and fisheries management in Bangladesh, Mozambique and Tanzania, and influence conservation and management in other AABS countries. Shining a spotlight on food systems more broadly, we intend to connect our work on marine and terrestrial food systems to better understanding the value of informal local food systems and the interconnected damage caused by international consumption, standards and buying practices.
6. **Mainstream media coverage:** Our work on 'hidden handbrakes' puts the spotlight on structural and embedded barriers to systemic change, which is required to address the drivers of climate change and environmental degradation. In FY24, this body of work had 2,612 mentions in news outlets across the world (up from 1,642 in the previous year). These included *The New York Times*, the BBC, MSN, Daily Mail Online, *The Guardian*, *The Hindu*, Yahoo News, *Hindustan Times*, Reuters, *The Independent* and Al Jazeera. This positive signal indicates that we are bringing newsworthy and reliable research into mass audience media. Our media exposure in FY24 was the highest in the last decade.

FY24 was the year we assumed the role of hosting the chair of the Intergovernmental Panel on Climate Change (IPCC), initiated the new Adaptation and Resilience Collective for Philanthropy, designed the SIDS Debt Sustainability Support Service with two heads of state, and launched the £30+m Reversing Environmental Degradation in Africa and Asia (REDAA) programme. It was the year that more than 25 governments and international funding agencies endorsed the IIED-designed Locally Led Adaptation (LLA) Principles, we launched the scaling programme on anticipatory social protection (ASPIRE) and started the Saleemul Huq Memorial Scholarship and Award for Loss and Damage Research in celebration of one of the world's greatest climate justice leaders. We continued to host many different initiatives and secretariats, reaffirming IIED's role as a trusted, independent intermediary. The Green Economy Coalition (GEC) is a particularly prominent example, and one where its secretariat is now co-hosted by IIED and IIED Europe to help bridge between European Countries and majority world countries in finding ways to deliver ambitious Green Deals. IIED also launched an impact hub as part of our website, capturing regular stories of how we and our partners are delivering important positive change.

While we developed our *Manifesto for a Thriving World* for the next five years (2024 - 2029), we also initiated some transformational changes across the organisation. A series of reports (External Review, Race Audit), surveys (wellbeing and engagement) and financial results in late 2022 and the first quarter of 2023 gave strong signals that IIED needed this change.

Other external pressures and opportunities also pointed to the need for more substantial change, including increased competition for funding, lack of progress on climate action, inequality and nature protection in low-income countries and a changing world of work after the COVID crisis.

Our transformational changes focused on our values, governance, ways of working and organisation design, as well as our business and operating model. We collectively as a staff designed prototypes in these areas and substantially revised our ways of working to enhance collaboration and learning. We also further strengthened our talent and people management systems.

Analysis and Assessment

Monitoring, Evaluation and Learning

IIED’s emphasis on effective Monitoring, Evaluation, and Learning (MEL) reflects our determination to *Make Change Happen* - reflected through our Learning and Impact Framework (LIF) that comprehensively tracks our impact.

We generate our measurable outcomes, outcome statements and statistics annually, primarily to report to funders. However, to enhance decision making within our programming, we have shifted away from annual reactive planning and reporting towards more regular evidence production, incorporating proactive processes into our day-to-day operations. We will also be upgrading the LIF learning processes to ensure a more dynamic flow of evidence and insights that will influence our policies and programming. By moving beyond the traditional annual cycle, we aim to create diverse moments for sharing learning across the organisation and to directly influence decisions and adjustments in an adaptive way to maximise impact.

Learning and Impact Framework

Our Learning and Impact Framework (LIF) evaluates our performance against the strategy and provides the structure for setting targets and tracking progress.

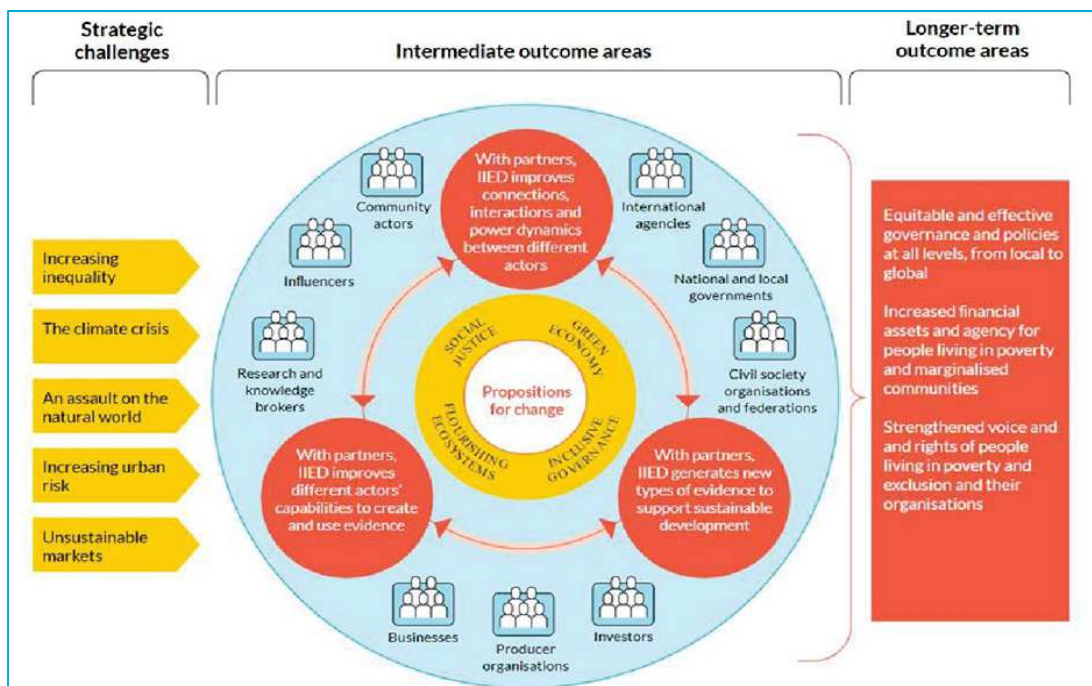
LIF enables us to assess our contributions towards major changes in sustainable development, generating lessons about the effectiveness and impact of our ways of working through focused inquiry, monitoring and evaluation. It is a principles-based model that requires all IIED researchers to reflect on what they want to change and how and gather evidence about what is or is not working. LIF uses outcome harvesting to track progress against our institutional theory of change. This enables us to map and gather evidence on our main spheres of influence by focusing on outcome pathways, key stakeholders, major breakthroughs and tipping points. Systematically mapping intermediate and longer-term outcomes in this way helps us understand whether clearly defined change is taking place.

Our Institutional Theory of Change

Our institutional theory of change from the 5-year strategy ‘Make Change Happen’ (Figure 1) outlined how we developed propositions that improve communication, generate evidence and built capacity to drive change in policy and practice. We have developed a new theory of change which will be described in next year’s annual report.

We believe that policy and social change are neither rational nor linear. Instead, they emerge from many different angles of influence and types of knowledge creation and are shaped by imbalances in power and voice. Our 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.

Figure 1:
IIED’s
institutional
theory of
change



For this to happen, we need to ensure that a range of people and parties — decision makers, local communities, influencers, communication and knowledge brokers, and researchers — are strategically engaged in generating knowledge. To ensure effective engagement, IIED works in ways that question and change power dynamics between the actors involved. This co-creation approach results in powerful propositions that bring about change in policy and practice. Our key ways of working include:

1. **Convening dialogues for transformative change:** Our multi-stakeholder dialogues connect communities that lack voice and power with decision makers including governments, development practitioners, businesses, academics and technicians. We facilitate 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.
2. **Engaging practitioners and policymakers:** We identify strategic opportunities for policy intervention at local, national and global levels, and have 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.
3. **Providing evidence and ideas to transform policy and practice:** Action research with local actors and partners enables us to develop practical solutions that support pro-poor governance. Together, we present policymakers and the private sector with a rigorously researched evidence base for fairer ways forward, from local to global scale.
4. **Empowering the excluded:** We help overlooked people and communities generate and use evidence and hold their own in decision-making arenas.

IIED's outcome areas are:

- **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 our and our 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.

Stakeholder Survey

To track our partners' perceptions, we have conducted an annual stakeholder survey since 2014. The exception was in 2022, when we paused it for a year to diminish our respondents' survey fatigue in the hope of increasing the response rate in 2023, having conducted a similar type of exercise with our partners for the external review published in 2022. Each year, we try to improve the survey by reflecting on the response rate, the number of 'not applicable' (NA) answers, and the quality of open-ended responses. Since adopting the LIF, we decided to adopt new metrics that are better tailored to the current strategy. These are that, with partners, IIED:

- Generates new types of evidence to support sustainable development
- Improves connections, interactions, and power dynamics between different actors
- Improves different actors' capabilities to create and use evidence

We map these measures of evidence, interactions and capabilities against the LIF and our institutional theory of change, measuring them on a scale of 1 to 5, where 0 represents NA. We recognise that the median of medians is typically used for ordinal scales. However, given the similarity between them, we decided to use the mean of means, as this is a metric our audience recognises more easily. We collected 121 unique responses this year, but 11 of these respondents had no contact with IIED in the past five years, so we removed them for this analysis, leaving a sample of 110.

Our respondents were 61% male and 37% female. They were geographically dispersed, primarily from Africa and Asia, followed by Europe; North America, Oceania and South America had significantly lower levels of representation. Of the survey respondents, 83% had read at least one IIED publication in the past year.

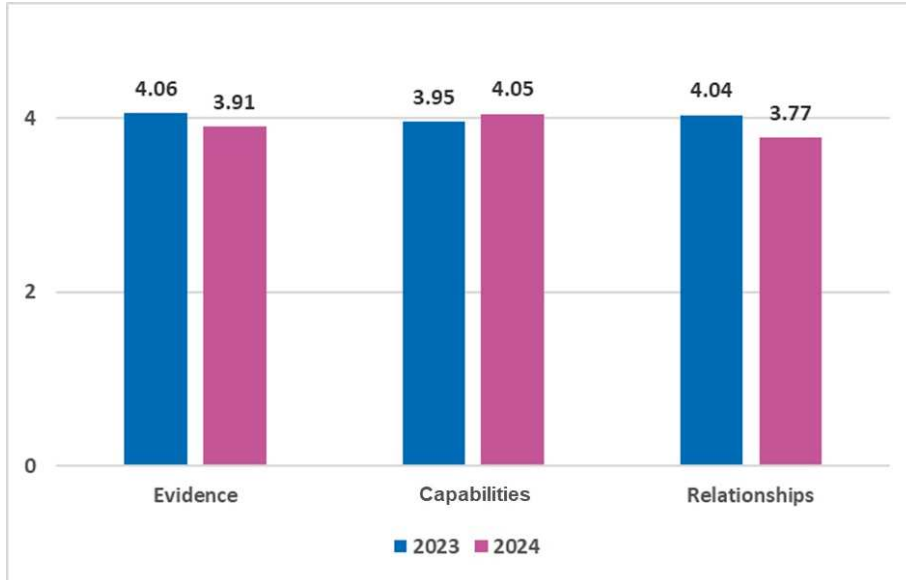
Our Outcomes

The outcomes we have achieved are generally tangible and well supported by evidence. We have also observed a remarkable increase in terms of long-term outcomes compared to the previous years of LIF reporting. This is probably because, as the end of our current strategy period was fast approaching, most

programmes were nearing the last mile of their change pathways. Of the 35 outcomes gathered, 18 (51%) report on longer-term changes related to policy and governance structure, and the assets, agency, voice and rights of people living in poverty and exclusion.

To measure our stakeholders' perception of our work, we compared this year's scores against the results of our 2023 survey. The average score for the **capabilities** intermediate outcome dimension was slightly higher than in 2023, while those related to **evidence** and **relationships** were slightly lower (Figure 2).

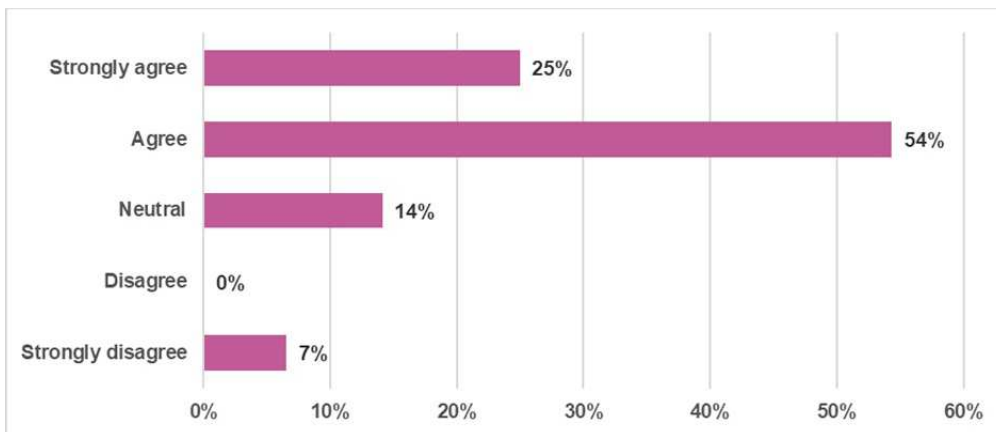
Figure 2: Average scores for the three dimensions related to intermediate outcomes (2023 and 2024)



Some of the key takeaways of this exercise are that respondents rated us most highly on the strength of our research methods (4.32), their inclusiveness (4.29), and the relevance of our outputs to topical themes in sustainable development (4.27), and lowest for the frequency in which they accessed our website to find evidence (3.28) and used our research in their own work and decision making (3.45).

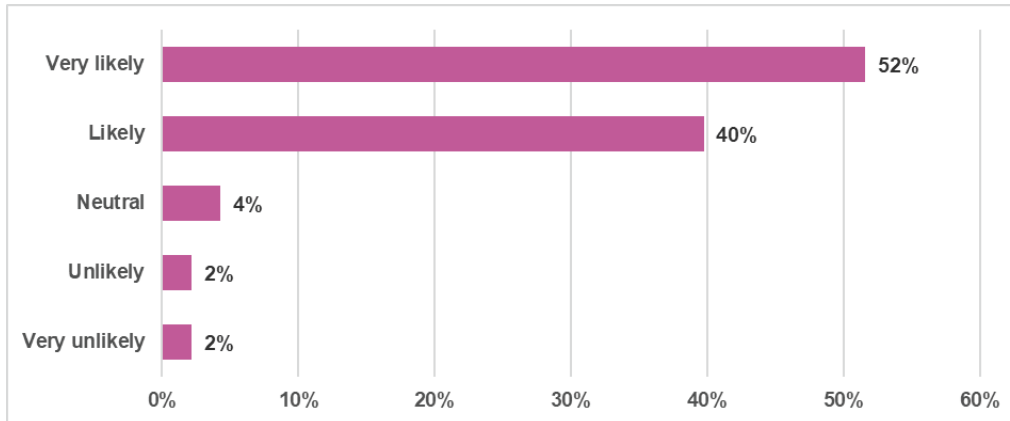
It is also important to highlight, as shown in Figure 3, that 79% of the survey's respondents perceived IIED to be unique in what we do (a slight decrease on 83% in 2023); 14% took a neutral stance, neither agreeing nor disagreeing with the statement (no change on last year); and 7% strongly disagreed (an increase on the 3% seen last year). Indicating broad consensus among respondents that we are unique in our offerings, this is a significant finding that demonstrates the continued, albeit slightly diminished, strength of our brand among our audience and partners.

Figure 3: Distribution of scores in response to the statement 'I think IIED is unique in what it offers'



This finding is further supported by the responses to the question 'How likely are you to recommend IIED to a friend or a colleague?', shown in Figure 4. Results showed that 92% of respondents expressed a moderate or high likelihood that they would recommend IIED (a small reduction on the 94% observed last year), 4% maintained a neutral stance, and the same share indicated that they were unlikely or very unlikely to recommend us to friends or colleagues.

Figure 4: Distribution of scores in response to the question: How likely are you to recommend IIED to a friend or colleague?



During FY24, we saw a drop in the number of research outputs we produced - a trend that has been evident over the last six years, and one we are confident will have the greatest impact, as researchers make informed decisions about the content that is right for their audience and the impact they are trying to achieve. Our top ten publications account for 66% of our publication downloads.

The evidence we produced and analysed shows that our approach to research is pragmatic and strongly linked to action. Our way of working is recognisable for its strong focus on partner inclusion and participation, which stakeholders generally see as a necessary condition for achieving outcomes in the longer term. The outcomes also reflect the variety of social actors we work with, from community-based structures to international organisations, national governments and bilateral finance providers.

Our Communications and Output Statistics

In terms of online engagement, we noted an increase in our social media presence, which grew by 11% in FY24, with followers on our four largest social media platforms - LinkedIn, X (formerly Twitter), Facebook and YouTube - now counting 174,568. The increase of 17,000 followers is predominantly driven by our LinkedIn profile, which, at more than 74,000 followers, has overtaken X as our largest and most engaged social media following, accounting for 42% of the total.

IIED website views have decreased from a high of 1,928,615 in FY22, to 1,759,422 in FY23, and 997,827 in FY24, an overall decline of approximately 48% since the FY22 peak. Of these, 32% came from mobile devices. Of the 997,827 page views, 16.7% were our publications pages, 17% IIED blog posts and 8% project pages. As part of our goal to be outcome - rather than output - led, our digital content has reduced or remained similar to FY23, with 79 blog posts, 33 news stories, 2 interviews (Q&As) and 96 videos. The blogs we published in FY24 had a total of 23,024 page views, with an average of 291 page views per post. Although this is lower than last year, our top ten FY24 blog posts alone received 25% of all views (5,690).

It is worth noting that we are recording lower traffic to the IIED website and sub-sites than in previous years. This follows a routine upgrade to the latest version of Google Analytics, GA4, in July 2023, after the previous version was discontinued. At this time, we took the opportunity to implement an enhanced cookie system, which prevents us from tracking user data without specific permission to do so. This has led to a notable reduction in the web traffic we record. Coupled with the introduction of GA4, which is more accurate and robust than the previous version, we have seen a 43% decrease in recorded traffic. The statistics show a clear and immediate drop when we introduced the new cookie system, so we are confident this is the reason.

Figure 5 below shows our most notable communication numbers.

Our media strategy is more focused on engaging influential mainstream and specialist media with an international reach. In FY24, we were featured or mentioned in more than 2,612 stories in The New York Times, Al Jazeera, Financial Times, Times of India, the BBC, The Guardian, Mongabay, Business Insider and others. This exposure had an advertising value equivalency of £57.2 million.

The level of our presence in the media is positive, given our stakeholders' expectations. Over four-fifths of survey respondents (82%) reported expecting to see or hear IIED and our experts in the media; 15% took a neutral stance on this question; and only a small percentage (3%) indicated that they did not expect IIED and our experts to have regular prominence in the media. We recorded a similar trend in respondents' expectations around reading IIED and our experts in the media, with 74% expecting to do so and 22% taking a neutral stance.

Figure 5: IIED communications in numbers (FY24)

Note: 'Minutes watch time' is the amount of time, in minutes, that viewers spend watching a video.



Structure, Governance and Management

The company is registered in England and Wales as a company limited by guarantee (registered no 2188452) and its activities are governed by the Memorandum and Articles of Association (dated 14 May 2024). It is also a registered charity in England and Wales (registered charity no 800066) and in Scotland (registration number SC 039864). In the US we are registered under s501 (c) (3) of the Internal Revenue Code as a publicly supported organisation exempt from federal income tax.

The objects for which IIED is established are:

- 3.1** To advance the education of the public by all charitable means.
- 3.2** To promote sustainable development for the benefit of the public.
 - 3.2.1** The preservation, conservation and protection of the environment and the prudent use of natural resources.
 - 3.2.2** The relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities.
 - 3.2.3** The promotion of sustainable means for achieving economic growth and regeneration.

In this context, 'sustainable development' means development which meets the needs of the present generation without compromising the ability of future generations to meet their needs.

In addition, the Memorandum of Association allows the company to invest funds not immediately required while complying with the laws and restrictions governing the investment powers of charities.

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

Trustee Appointment

The names of Trustees are shown in the Reference and Administrative Details section of this report. The Board of Trustees consists of 14 Trustees as of 31 March 2024, drawn from diverse geographical regions that correspond with the international focus of IIED's work.

Trustees retire by rotation, with a maximum term of six years (two consecutive three-year terms), unless an exceptional extension is approved by the Board. The Board conducts an annual review of its structure, size, and composition, seeking to ensure it has the necessary skills, knowledge, and experience to best support IIED's mission. This review also prioritises achieving a balanced representation in terms of gender, ethnicity, age, and geographic diversity. Through Trustee recruitment cycles, the Nominations Sub-Committee (NSC) plays a key role in identifying and recommending high-caliber candidates with a diverse and complementary mix of skills and experience for Board selection. Trustee vacancies are advertised on the IIED website, relevant online platforms and through IIED's networks.

Trustees attend an induction programme to familiarise themselves with IIED's operational activities and day-to-day management, as well as legal and regulatory requirements relevant to the Trustees' roles and responsibilities.

Organisational Structure and Governance

IIED's Board manages the business of the charity and exercises all the powers of the charity in accordance with the Articles of Association. The Board strives at all times to ensure that all activities are within UK law and agreed charitable objects. The work of the Board includes agreeing and overseeing IIED's strategy, risk management and financial plans in line with its vision, mission, and values.

During 2023/24 the Board held a mixture of quarterly online and in-person meetings.

The Finance, Audit, Risk Assessment Sub-Committee (FARA) oversees financial performance, assurance, and risk management at IIED. Membership of FARA is drawn from the Board and currently comprises six Trustees. The quorum is made up of three Trustees, one of whom must be the Chair, Vice-Chair or Treasurer. FARA reports to the Board and met four times in FY24, aligned with the Board meeting schedule.

The Nominations Sub-Committee (NSC) supports the Board in executing its responsibility to establish a formal and transparent procedure for appointing new Trustees and to review annually the Board's composition. Membership is drawn from the Board and currently comprises 4 Trustees. NSC meets as needed to fulfill its annual recruitment and appointment responsibilities, typically at least once a quarter.

The People, Culture and Remuneration Sub-Committee (PCR) formed in January 2024 supports the Board in the execution of its responsibilities with regards to setting IIED's people strategy and agenda, managing people related risks, organisational development and strategic people policies. Under the terms of reference, membership comprises at least 3 and up to 4 Trustees and may also include 1 or 2 external co-opted members. PCR meets at least twice a year and reports to the Board.

The Board of Trustees assesses their performance against each of the principles of the Charity Governance Code regularly. The last assessment was carried out in 2021, which found that most of the outcomes in the code were met. The next review is scheduled for 2025.

Members of IIED's leadership team attend Board (and Board sub-committee) meetings. The Board engages with the Equity, Inclusion and Justice Committee (EIJC) by having a Trustee included in its membership.

The Board delegates the charity's daily running to the Executive Director, supported by four leadership bodies: Strategy and Leadership Council (SLC), Operations Committee (OC), Research & Learning Committee (RLC) and Equity, Inclusion and Justice Committee (EIJC). These revised internal governance structures were launched in phases during 2023/2024 and replace the former Strategy and Management Team (SMT), Operations Management Team (OMT) and RST (Research Strategy Team).

The Institute's researchers have worked over the past years in four groups: Climate Change (CCG), Human Settlements (HSG), Natural Resources (NRG) and Shaping Sustainable Markets (SSMG). In FY25 (2024/2025), in support of our new manifesto, research groups will transition into Task Teams aligned with our new ways of working.

The Director, management, and the research groups are supported by two other groups - Strategy and Learning Group (SLG) and Communications (Comms) Group. In addition, the operating functions reporting to the Chief Operating Officer (COO) provide finance, people, compliance, governance and risk, and facilities/operations services to the organisation.

Recognising Employee Commitment & Excellence

The Trustees continue to support and hugely appreciate the exceptional efforts of IIED staff, in what has been a successful year for the organisation. Colleagues have continued to deliver impact driven and high-quality research into current and critical sustainable development challenges and burgeoning issues of inequality.

Research groups and support functions have responded innovatively and proactively to deliver on a broad range of projects, while demonstrating value and efficiency. This has been supported by strong partner and donor relationships which have given IIED the flexibility to evolve and adapt to deliver on projects.

Addressing the recommendations from the Race Audit (finalised in December 2022) remains a priority for the Board and IIED management. The organisation is fully committed to delivering on its mandate of becoming an anti-racist organisation and pursuing its decolonisation strategy, working with partners and in the communities we serve. Trustees commend the cross-institutional collaboration around anti-racist action and inclusivity initiatives, and the commitment to embed them into the organisational strategy and the updated Manifesto.

IIED has a recognition agreement with the internal Union, affiliated to trade union Unite. We worked together closely throughout the year on policies, change programme and issues affecting employees. Staff well-being and development is a priority for the Board, leadership teams and the Union, along with initiatives to support and facilitate staff development and people management.

Strategy and Learning Group (SLG)

SLG houses our Business Development Group, Monitoring, Evaluation and Learning (MEL) Group and coordinates our strategy development.

With an expanded Business Development Team in FY24 to support diversified funding sources, including heightened targeting of foundation funding, our overarching aim is to shift from our current reliance on winning competitive tenders towards more flexible, unrestricted and non-competitive funding from government agencies and philanthropies. A significant part of IIED's funding is flexible funding for delivery of our institutional strategy, primarily from Irish Aid and Sida, with whom we have long-standing relations.

IIED has well-established models for securing income, effective relations with a broad range of funding agencies, and professional systems and processes for securing new income. At the same time, we are very aware that the whole context for income generation is changing fast, and the organisation needs to adapt and evolve.

The work of IIED and collaborative work with partners is funded by a diverse mix of funding sources. As IIED has a proven track record of successfully delivering projects of varying sizes and scale, including large programmes over several years and across multiple regions, we often have long-standing donor relations and continuation funding. Our major donors have continued to include a wide range of government departments, multilateral organisations, research councils, trusts and foundations and private sector companies. Donors include UK Foreign, Commonwealth and Development Office (FCDO), European Commission (EC), World Bank, UNDP, UK Economic and Social Research Council (ESRC), Swedish International Development Cooperation Agency (Sida), Irish Aid, UN organisations, Open Society Foundations (OSF), Gates Foundation and Quadrature Climate Foundation.

IIED has a strong institutional system in place for planning, tracking, and reporting which provides rigorous evidence of the impacts of our work and gives our strategic funders confidence that we are fully accountable and using their money effectively. Our strategic framework links IIED's vision and manifesto, our institutional theory of change and the Learning and Impact Framework. These elements work together to provide us with a robust set of tools to ensure IIED is fully focused on delivering impact in the most effective ways possible. A large proportion of the funding from IIED goes to partners, whilst ensuring alignment with donor requirements.

SLG also leads on our MEL activities, and measurement of our impact, covered in the earlier section on "Analysis and Assessment".

Communications Group

The Communications (Comms) group provides branding, digital and web, marketing and events, press and public relations (PR), content design, writing and editing, positioning and influencing, and internal communications and systems support to the Institute, to enable it to progress towards its mission.

The team is structured into four areas led by an expert in each area; strategic research communications, marketing and events, internal communications and systems, press and PR.

The Comms Group continues with its strategy developed in 2022 to:

1. Raise awareness of, and trust towards, the work IIED and its partners do, both in the press media and through IIED's owned channels (social media, website, podcast, newsletters), plus through other marketing channels, primarily events.
2. Support the fundraising efforts of the Institute through clear communication of our initiatives to potential and existing funders, and the development of crowd funding and individual giving platforms. Comms also continued to manage the grant awarded to the Institute by the Generation Foundation to enable media scrutiny of the *Hidden Handbrakes* slowing down progress on tackling climate change and social and economic injustices.
3. Produce high quality, consistently branded and authoritative research outputs and to support the promotion of these outputs to the audiences we are trying to reach and influence, to progress towards our mission.
4. To identify and write up Impact Stories for the iied.org website that describes how the work IIED is doing with its partners is having a positive influence, in line with our mission to progress towards a fairer, more sustainable world.

Operating Function

Towards the end of FY23 we recruited a permanent Chief Operating Officer (COO) - Nike Akerele-De Souza. In FY24, Nike led the team to strengthen the capacity and capabilities within some of the operating functions – which includes the finance, people, compliance, governance and risk, and facilities/operations teams. In addition, we also introduced an outsourced internal audit function, along with our existing outsourced information technology (IT) function.

During this financial year, we recruited a Diversity, Equity and Inclusion (DEI) Manager, and a People Services Manager to provide additional leadership and oversight in the execution of our people strategy. IIED remains committed to a distributed, diverse and inclusive workforce, prioritising professional and skills development, talent management, safeguarding and wellbeing. Our vision remains to develop a workforce where people deliver their best each day and where they feel involved, engaged, inspired, appreciated, valued, fulfilled, happier and healthier at work. We also implemented several initiatives to strengthen our equity and inclusion practices, including through our inclusive recruitment and performance management systems. We launched an internal Equity, Inclusion and Justice Committee (EIJC) to lead our work in

addressing recommendations from the Race Audit and to implement our decolonisation and DEI agendas, working closely with the Gender Justice Network (GJN) and the Race and Racism Working Group (RRWG).

In the Finance Team, we recruited a Senior Finance Business Partner to work more closely with research groups and project managers in managing, monitoring and reporting on our various projects and to strengthen oversight and compliance with donor requirements.

In addition, we introduced a Governance and Risk function with the appointment of a Head of Governance, who also serves as the Company Secretary. This role has oversight of our internal governance structures (committees/councils), establishing clear Terms of Reference, principles of operation and membership, while also working closely with the Board and the various Board sub-committees in executing their mandates.

We increased our focus on the delivery of services from our outsourced IT provider, ensuring we also strengthened and increased scrutiny of our IT security, data protection and IT risk management.

For the first time, the various operating functions also developed Service Level Agreements (SLAs) documenting their scope of work, services and deliverables to the organisation.

IIED Europe

Since being established in late 2020, IIED Europe has received seed funding over three years to the end of 2023, to enable the new entity to become fully established and functioning. Subsequently, in December 2023, IIED and IIED Europe signed a grant agreement to provide strategic support to IIED Europe. The grant period commenced on 1 December 2023 and is expected to end 30 June 2026.

The Strategy and Learning Group (SLG) has continued to support the establishment of IIED Europe. IIED Europe has continued to develop its strategy and operations, so that they are well-founded and clearly communicated with a broad range of audiences in the European Union (EU) and globally.

IIED's Trustees agreed to regular updates on progress for IIED Europe, against a set of success criteria agreed by IIED Europe's Supervisory Board (SB).

In its inception phase, IIED Europe's SB was made up of three IIED Trustees (Silvia Charpentier as Chair; Maarten van Aalst, and Alicia Perez-Porro). The Management Board (MB) included three senior members of staff from IIED and was chaired by Tom Mitchell. Tom Bigg was the interim Director for IIED Europe and remains a member of staff at IIED. A memorandum of understanding between IIED and IIED Europe sets out the broad terms for ongoing collaboration.

IIED Europe commenced the recruitment and appointment of three independent Trustees in December 2023. Since the year-end, IIED Europe has continued to strengthen its leadership team. Alexandre Fernandes was appointed IIED Europe's first Director in February 2024 (he has been IIED Europe's Development Director since February 2023), and a new Chief Operating Officer (COO), Niki Kerzee, started in April 2024; Niki will also join the Management Board. Between March 2023 and March 2024, IIED Europe recruited a MEL Manager, a MEL Project Manager and the GEC Global Policy Director (Sofía Martínez). During 2024, IIED Europe plans to recruit a MEL Officer and a Senior Project Manager to successfully deliver the ongoing and upcoming projects.

Under Dutch rules, the organisation is considered to be legally independent. However, under UK accounting principles, for FY24 IIED Europe is deemed to be a subsidiary of IIED and accordingly is consolidated under the financial results of IIED. As a result of the various changes noted above, this accounting treatment is not expected to continue for FY25.

Significant progress has been made over the past year in developing IIED Europe, including successfully securing funding from the EU, building connections and profile, developing its strategy, and growing the team. Examples of progress include:

Funding

IIED Europe secured funding from Horizon Europe, the EU's key funding programme for research and innovation. The awarded programme, Pathways2Resilience (P2R), includes 14 European partners and aims to support the EU Mission on Adaptation to Climate Change, by empowering European regions and communities to co-design locally led pathways towards a climate resilient future. IIED Europe leads the Monitoring, Evaluation and Learning (MEL) component of the programme. IIED Europe has also secured a grant from the European Commission's (EC) Directorate-General for International Partnerships (DG INTPA) to the Green Economy Coalition (GEC).

The growing in-house capacity and expertise in MEL at IIED Europe led to the invitation to participate in additional Horizon Europe proposals during 2023, including one to assess the transformative potential of inclusive, arts-based and heritage collections-mediated educational interventions for children and youth, using the Sustainable Development Goals (SDGs) as a result-based framework. This proposal has been successfully submitted to the EC in February 2024. IIED Europe leads the MEL component of this programme.

Building connections and profile

During 2023, IIED Europe's Development Director engaged with a broad range of European and international audiences to profile the organisation as an important actor for sustainable development linkages between Europe and the Majority World. Examples include the contribution to horizon scanning exercises from Future Earth and UNEP (building on the results from IIED Europe's horizon scanning exercise), and the participation in key European research and policy forums, including the second Forum of the EU Mission on Adaptation to Climate Change, the 6th European Climate Change Adaptation Conference (ECCA 2023) (where IIED Europe organised the side event "Forging a climate-resilient Europe: learning from community-based adaptation practitioners outside Europe"), and the European Think Tank Conference 2023 (where IIED Europe organised the session "Understanding European impacts on global developments: Horizon scanning & living labs"). Some of these sessions sparked the interest of potential funders (e.g. the Mercator Foundation in Germany), leading to conversations about potential partnerships and support to IIED Europe.

Strategy development

During 2023 and 2024, IIED Europe launched a reflection process to refine its strategic direction. Elements of this process included dialogues and exchanges with staff, partners, funders and relevant stakeholders, a strategy day, and a theory of change workshop (both internal events). The draft theory of change and the related outcomes that emerged from the strategic reflection process will inform the ongoing strategy development process.

Finance Review

The statement of consolidated financial activities and balance sheets prepared by the Trustees are set out towards the end of this report. The performance shows a consolidated Group result of a break-even position (IIED: deficit of £148k), compared with a surplus in FY23 of £42k. In prior years, IIED Europe's financial statements were not consolidated with those of IIED's but due to its materiality, this has been included for this financial year with updated comparatives. IIED's income is higher than the previous year, £26.1m against £21.1m recorded in 2022/2023. Our expenditure increased by a similar amount, to £26.3m.

In an increasingly competitive funding environment, we are also conscious of the need to be as efficient as possible. We have continued to invest in streamlining our internal processes during 2023/24 to reduce our overheads, however, we increased our reliance on higher cost temporary contract staff as we commenced our strategy development and change transformation process.

The number of employees in IIED increased to 153 at the end of FY24 (2023:148). This increase is a result of our efforts to build capacity and capabilities across the organisation, especially to support larger research projects, particularly in our Climate Change Group, SLG, Comms Group and the Operating Functions. We also increased our distributed workforce, allowing staff to work remotely in other countries under an Employee of Record (EOR) agreement or international contracts. At the end of FY24 we had 15 EOR contracted and 7 international contracted staff.

IIED makes payments to collaborating organisations in various countries across the world. Details of payments to collaborating organisations are disclosed in Note 14 to the financial statements.

Key Management Remuneration

IIED's senior management team is paid according to the pay scale negotiated with the Union. Three salaries are outside the pay scale - Executive Director, where the Trustees set remuneration, and the Chief Operating Officer and Interim Director of Finance and Operations, where pay was agreed with the Union prior to recruitment in line with the Management Union Agreement.

Investment Policy

We invested our surplus cash in fixed-term deposits during 2023/24. This policy produces an acceptable rate of return while giving us flexibility to access funds. We will be reviewing this policy in FY25.

Related Parties

Some IIED Trustees are also Trustees of other charities, or Directors or senior officers in other organisations IIED works with as a normal part of its research activities. Where such work involves payment, they enter into 'arm's length contracts' and any payments related to these contracts are detailed in Note 11 to these accounts. The Board operates a conflicts of interest policy.

Risk Management

IIED's Trustees are ultimately responsible for risk management and the effectiveness of our internal control systems. A workshop was held between the Board and management in May 2023 to review and discuss risk appetite. Regular review of risk management is delegated to FARA, who also oversees our assurance programme. The PCR also supports with managing people-related risks.

During 2023/24, IIED experienced and reported one serious incident to the Charity Commission and relevant authorities. IIED's detailed incident report was accepted with no further action required of IIED by regulatory bodies.

Key Risks

The following are key strategic risks affecting IIED and mitigations being taken to minimise their likelihood or impact:

1. Political risks - global and regional conflicts/wars with impact on sustainable development

There are risks associated with political change which could undermine global co-operation and aid commitments (wars, rising inequality). These include the wars in Ukraine and Gaza, as well as regional conflicts across Africa (Sudan, Ethiopia, Kenya, DRC/Sahel) and other territories, with the consequential impacts of accelerating displacements/refugees, food insecurity, and creating global uncertainties. These conflicts, trans-national crime, and institutional collapse could lead to changing funder priorities and power shifts. They could also reduce our ability to operate in affected countries with issues of safety for our staff and partners.

To mitigate these risks, IIED aims to diversify geographies of focus (in line with its response to decoloniality) and to develop models of action with independence from global multilateral processes - supporting social movements and activism, engaging with corporates and investors to promote deep decarbonisation/inclusion/nature positivity of their business models, also seeking ways to leverage connections, partnerships and funding from Majority World and non-traditional donors and the private sector. We will also continue to evaluate strategic entry points and adaptation of delivery workplans in light of changing contexts, in discussion with relevant funders and in-country stakeholders.

In addition, IIED works closely with security agencies to mitigate risks regarding staff travel and continues to operate a full suite of travel security measures including seeking advice, conducting training, reviewing insurance coverage as well as proactively assessing project delivery issues in countries with increasing risk of conflicts.

2. Climate and ecological breakdown

There is an ever-increasing risk that the pace of climate and ecological breakdown and rising inequality could outstrip IIED's repertoire of action and make policy response redundant. Climate breakdown could also severely disrupt operations and research.

IIED continually rethinks its repertoire of inclusive climate/nature positive action to mitigate these risks. We consider more radical options for change, including degrowth in northern contexts and supporting radical activism. We continue to develop digital modes of research practice and build the resilience of IIED operations and partner systems. In addition, we invest in innovation and horizon-scanning to ensure our pipeline of new approaches and models keeps pace with the scale of change.

3. Misinformation and disinformation and increasing impact/influence of artificial intelligence

Misinformation and disinformation could create risks and opportunities for IIED. It could fuel social polarisation and lead to tensions between IIED's evidence-based approach and public opinion. Global trust and values are diminished with the risk of misinformation increasing in 2024 surrounding key elections and the risk of major cyber-attack on infrastructure / electoral systems by state or non-state entities.

This could bring an increased likelihood of disinformation and reputational attacks on IIED's work, particularly in relation to IIED's hosting of the IPCC chair and higher burden of proof expectations on IIED's research.

Globally, there are increased risks to consumer privacy, biased programming, danger to humans, and unclear legal regulation. Data could be misused or abused, and this could result in serious violations of privacy. There is also potential impact of the use of AI tools on research delivery, quality and credibility. To mitigate these risks, we will strengthen our research peer review process and ensure a clear firewall between IIED in its host role and IPCC's evidence generation process. We will be increasing cyber security protocols funded by FCDO for IIED in its role as host to IPCC. In addition, there is ongoing monitoring of IIED references across X (Twitter), LinkedIn and the press. We have continued to strengthen our IT infrastructure against data breaches and cyber-attacks.

4. Significant shifts in the overarching development paradigm

Our increased emphasis on decolonising practice could render IIED's 'based in the north - work in the south' model ineffective and 'development' framing could become increasingly problematic. A trend, in part designed by IIED, for greater direct granting to partner organisations, may mean certain categories of funding bypass IIED, coupled with the potential for artificial intelligence (AI) to reduce the need for knowledge products from organisations like IIED. In addition, increasing agency from the Majority World demanding equality in business relationships, partnerships, reparations and decolonised communications creates increased demands on accountability by organisations working from the global north and opportunities for increased collaborative impact for IIED. There are potential reputational and delivery risks if IIED is unprepared to adjust its partnership approach.

Changing norms in some geographies, e.g. LGBTQI+ inclusion, can create reputational risks for IIED operating in countries with discriminatory cultures. IIED strives to ensure that our own work on intersectional disadvantage explores a broad range of issues of discrimination and seeks to drive positive change, e.g. our Impact and Learning Exercise (ILE) on ethical dimensions of partnerships. We have a history of strong partnership working where we share global experience in northern contexts. We also now have a global workforce framework to enable recruitment in the countries in which we work.

In addition, IIED remains committed to anti-racist approaches, language, behaviour and values. We have established an Equity, Inclusion and Justice Committee (EIJC) to support our work approach, action plans, and investments in initiatives towards our equitable partnerships and decolonisation strategies.

5. Financial Sustainability and Resilience

In an increasingly competitive market, IIED relies on the continued support of our donors. In particular, our model relies on a substantial part continuing to come as unrestricted funding. This gives us the flexibility in our work and our collaboration with partners that is necessary to maintain IIED's distinctive approach. Our unrestricted funding has historically flowed from deep relationships with a small number of bilateral donors. If we are unable to continue accessing sufficient unrestricted funding, these risks reducing our effectiveness as we would need to modify our working approaches to accommodate more strictly defined donor-driven programmatic agendas or approaches that are incompatible with our approach to partnership ethics. Similarly, if donors continue to reduce allowable costs and overheads associated with projects, to the point where full cost recovery and funding of central operations is impossible, this will also jeopardise the sustainability of IIED.

As governments manage domestic political demands for increasingly granular accountability for their aid funding, we are working closely with our key partners to scope future rounds of funding that can accommodate those requirements while continuing to allow sufficient flexibility to allow us to continue the ways of working that they value. We are also broadening our range of donor relationships, with a particular interest in working with those who are attracted by the overall programme of work set out in our *Manifesto for a Thriving World*, and who recognise the distinctive role we play, and the broader institutional value that we bring to the systems within which we work.

Volatile fluctuations in inflation can present risks that available funding for projects will fall short of the actual costs incurred. We rely on our free reserves to help absorb financial shocks. As discussed in more detail below, we have recently reassessed our target level of free reserves, taking into account our new strategy and forward plans, which has resulted in us increasing our target by circa £2m. It is likely to take some years to increase our reserves to the new target level, meaning that for the time being we are more exposed to the risk of being unable to absorb substantial losses than would ideally be the case. While we have decided to accept this higher level of risk in the interest of proceeding with our ambitious strategy, we are maintaining a strong priority on building our reserve levels as quickly as possible towards our new target level.

6. Administrative Platform

The increasing scale and complexity of our programmes has created strain on our administrative platforms and processes, some of which have been in place for many years since IIED was a smaller and simpler organisation. The administrative demands on IIED will only grow, as we continue to implement our new strategy, with our emphasis on working at a systemic level and the attendant administrative demands of coordinating complex partnership collaborations. This situation creates risks to the delivery of our work and our vision, and to our ability to consistently meet the expectations of our partners, as well as risks of financial loss.

To mitigate these risks, we are embarking on a programme of investment to improve and update our administrative platform, and to future-proof it for the demands of the efficient and effective implementation of our new strategy over the coming years.

7. Safeguarding

In the course of our activities we work with vulnerable groups, often in situations where there are large power differentials. Our staff themselves can also be in potentially vulnerable situations. We have an important obligation to safeguard; should we fail to do so, then as well as the personal impact of harm for those involved, IIED would be exposed to serious reputational and cultural damage, and potentially to the loss of important donor relationships.

Where we enable the work of our partners, for example through funding, we shoulder indirect responsibilities for safeguarding, and safeguarding failures at partner level. Managing these indirect risks is particularly complex because of the large number of partners we work with, the varying levels of maturity of their own approaches to safeguarding, and the challenges of monitoring activities in partner organisations.

In IIED, we have a safeguarding policy and a referral process as well as initiatives including staff-led safe spaces. We will continue to focus on strengthening our processes and approaches for safeguarding in FY25 including through screening, recruitment, induction, training and partnering.

8. Management of Grant Funds and Prevention of Fraud

As recipients of substantial publicly funded grants, we have important fiduciary duties to our donors to manage those funds in line with their expectations and requirements, and to prevent fraud. In most cases these obligations are underpinned by detailed contractual requirements, supported by our donors' monitoring and audit processes. Where we pass funds onto local partners through subgrants, we often do so on terms such that we retain responsibilities for oversight. The detailed requirements attached to the grants can vary from donor to donor, and across programmes. This, taken together with our model of collaborating with local partners who may have more limited administrative capability, creates considerable complexity.

Failure, directly or indirectly, to manage grants in accordance with contractual terms or to prevent fraud may result in financial loss to IIED, whether through incurring costs and losses which IIED itself needs to bear, or through claw-back of grant funds. Such incidents may also create reputational damage and put donor relationships at risk.

We manage and mitigate these risks through our project teams' close engagement in the projects we are funding, and separately (with segregation of duties from the project teams) through the internal controls implemented by our finance and dedicated compliance team. Wherever possible the projects we commission are designed to facilitate our fiduciary oversight (for example by linking payments to the production of agreed work products). Our own procedures are often supplemented by additional controls and reporting requirements specified by our donors. When problems arise, whether in our own organisation or our partners, we place high priority on openness and transparency in communication with our donors. We also maintain an active dialogue with our donors to encourage them to explore simplification and harmonisation of their

requirements, not least in support of our shared objective of ensuring proportionate administrative expectations on partner organisations.

Reserves Policy

IIED company's reserves policy is aligned with the five-year strategy which launched in April 2019 and expired in March 2024. Trustees have therefore retained for FY24 the target range of free reserves at between £1.9 million and £2.5 million. For IIED company only total unrestricted funds at the end of FY24 were £2.0m of which £0.2m was represented by fixed assets resulting in free reserves of £1.8m. This falls just below the lower end of the target range endorsed by the Board, resulting in a decision taken to strengthen the reserves through seeking a surplus in FY25. Since the year end, the Trustees have revisited the reserves policy considering our ambitious new strategy, and both the current circumstances of the organisation and the context within which we are operating, resulting in a significantly increased reserves target/range prospectively of £4m to £5m. The Trustees will seek to build reserves towards this target over the next few years.

Statement of Going Concern

IIED's performance in FY24 reports a consolidated Group position of break-even (IIED: deficit of £148k) when compared with an unconsolidated surplus of £42k for IIED in the prior year (2023).

Trustees have reviewed IIED's going concern to 31 March 2026 and have considered the FY25 and FY26 forecast together with the cashflow forecasts. Considering risks, four scenarios have been modelled including a reduction in flexible funding, with mitigation actions considered. Following these tests, the trustees believe IIED has sufficient solvency and liquidity to meet its obligations over the review period. Consequently, the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs as well as costs associated with its organisational model changes to minimise any draw on reserves during the going concern review period.

Statement of Trustees' Responsibilities

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

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

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

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

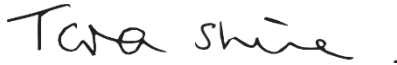
In so far as the Trustees are aware:

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

Auditors

Crowe U.K. LLP has indicated its willingness to continue in office and in accordance with the provisions of the Companies Act. We propose that they be reappointed auditors for the ensuing year.

This Annual Report of the Trustees, under the Charities Act 2011 and Companies Act 2006, was approved by the Board of Trustees on 23 December 2024 including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:



Dr Tara Shine, Chair

Date: 23 December 2024

Reference and Administrative Details

Trustees

Tara Shine (on sabbatical from 15 May, resumed Chair 23 November 2023) ^{FARA}

Paul George (Interim Chair from 15 May 2023 to 23 November 2023; resumed Vice Chair 23 November 2023) ^{FARA}

Les Campbell (Interim Vice Chair 15 May 2023 to 23 November 2023; retired 23 November 2023) ^{FARA}

Paul Stevenson (Treasurer from 15 May 2023) ^{FARA (Chair)}

Maarten van Aalst ^{NSC}

Batkhisig Baival ^{NSC} (retired 23 November 2023)

Silvia Charpentier (retired 17 July 2024)

Bara Gueye ^{NSC (Chair)}

Revathi Sharma Kollegala ^{FARA, NSC}

Maria Mähl

Melizza Mugenyi ^{FARA}

Harj Narulla ^{FARA}

Sheela Patel (retired 6 December 2024)

Alicia Perez-Porro ^{PCR (Co-Chair)}

Gabriel Quijandria ^{NSC}

John Taylor ^{PCR (Co-Chair)}

^{FARA}	Member of Finance, Audit, Risk Assessment Sub-Committee
^{NSC}	Member of the Nominations Sub-Committee
^{PCR}	Member of People, Culture and Remuneration Sub-Committee

IIED's Trustees are Directors of the company under the Companies Act 2006.

Executive Director

Tom Mitchell

Company Secretary

Nicole Walsh

Registered Office

44 Southampton Buildings, London, WC2A 1AP, United Kingdom

Registered company number: 2188452

Registered charity number: 800066

Registered OSCR number: SC 039864

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors

Bates Wells LLP
10 Queen Street Place
London
EC4R 1BE

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Independent Auditor's Report to the Members and Trustees of International Institute for Environment and Development

Opinion

We have audited the consolidated financial statements of International Institute for Environment and Development ('the charitable company') for the year ended 31 March 2024, which comprise the Consolidated and Company Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Group and charitable company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit' of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and those of the Trustees regarding going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements, and
- The strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report, or the directors' report included within the Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities section in this report, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements, and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting — unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context

were the Companies Act 2006, the Charities Act 2011, The Charities and Trustee Investment (Scotland) Act 2005 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were employment legislation, health & safety legislation, General Data Protection Regulation (GDPR) and Anti-fraud, bribery, and corruption legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of grant and contract income recognition and the override of controls by management. Our audit procedures to respond to these risks included: enquiries of management, and the Finance, Audit and Risk Assessment Committee about their own identification and assessment of the risks of irregularities; sample testing and data analytics on journals; reviewing accounting estimates for biases; reviewing regulatory correspondence with the Charity Commission; sample testing of grant and contract income; and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of irregularity non-detection, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May, Senior Statutory Auditor

For and on behalf of: Crowe U.K. LLP Statutory Auditor London, UK

Date: 23 December 2024

Consolidated Statement of Financial Activities

(incorporating an income and expenditure account) for the year ended 31 March 2024

GROUP	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
INCOME AND EXPENDITURE							
Income from							
Bank interest		160	-	160	44	-	44
<i>Charitable activities</i>							
Climate change		1,575	9,086	10,661	1,970	4,301	6,271
Natural resources		953	5,635	6,588	831	5,176	6,007
Sustainable markets		660	543	1,203	375	1,322	1,697
Human settlements		696	1,597	2,293	220	1,984	2,204
Green Economy Coalition		33	691	724	1	1,539	1,540
Partnerships and development		3,386	272	3,658	323	1,281	1,604
Communications and publications		3	395	398	1,008	114	1,122
Other		596	29	625	637	3	640
Total incoming resources	13	8,062	18,248	26,310	5,409	15,720	21,129
Expenditure on							
<i>Charitable activities</i>							
Commissioned studies and research	2	8,062	18,248	26,310	5,159	15,867	21,026
Total resources expended		8,062	18,248	26,310	5,159	15,867	21,026
Net income (expenditure)		-	-	-	250	(147)	103
Transfers between funds	8	-	-	-	(147)	147	-
Net movement in funds		-	-	-	103	-	103
Funds brought forward at 1 April 2023		2,174	-	2,174	2,071	-	2,071
Funds carried forward at 31 March 2024	9	2,174	-	2,174	2,174	-	2,174

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

IIED Statement of Financial Activities

(incorporating an income and expenditure account) for the year ended 31 March 2024

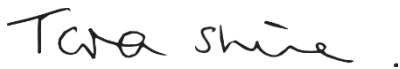
COMPANY	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
INCOME AND EXPENDITURE							
Income from							
Bank interest		160	-	160	44	-	44
<i>Charitable activities</i>							
Climate change		1,575	9,086	10,661	1,970	4,301	6,271
Natural resources		953	5,635	6,588	831	5,176	6,007
Sustainable markets		660	543	1,203	375	1,322	1,697
Human settlements		696	1,597	2,293	220	1,984	2,204
Green Economy Coalition		33	681	714	1	1,539	1,540
Partnerships and development		3,386	131	3,517	323	1,281	1,604
Communications and publications		3	395	398	1,008	114	1,122
Other		550	30	580	637	3	640
Total incoming resources	13	8,016	18,098	26,114	5,409	15,720	21,129
Expenditure on							
<i>Charitable activities</i>							
Commissioned studies and research	2	8,164	18,098	26,262	5,220	15,867	21,087
Total resources expended		8,164	18,098	26,262	5,220	15,867	21,087
Net income (expenditure)		(148)	-	(148)	189	(147)	42
Transfers between funds	8	-	-	-	(147)	147	-
Net movement in funds		(148)	-	(148)	42	-	42
Funds brought forward at 1 April 2023		2,140	-	2,140	2,098	-	2,098
Funds carried forward at 31 March 2024	9	1,992	-	1,992	2,140	-	2,140

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

Group and Company Balance sheets as at 31 March 2024

	Note	GROUP		COMPANY	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets					
Tangible fixed assets	4	195	166	195	166
Intangible fixed assets	5	16	22	16	22
		211	188	211	188
Current assets					
Debtors	6	5,427	4,140	5,381	4,137
Cash at bank and in hand		8,542	5,014	7,598	4,934
		13,969	9,154	12,979	9,071
Liabilities					
Amounts falling due within one year	7	(6,271)	(2,728)	(6,271)	(2,728)
Deferred revenue	7	(5,735)	(4,440)	(4,927)	(4,391)
		(12,006)	(7,168)	(11,198)	(7,119)
Net current assets		1,963	1,986	1,781	1,952
Amounts falling due after more than one year		-	-	-	-
Net assets	8	2,174	2,174	1,992	2,140
Funds					
Unrestricted (totals)	9	2,174	2,174	1,992	2,140
Restricted	15	-	-	-	-
Total funds	8	2,174	2,174	1,992	2,140

Approved by the Board of Trustees on 23 December 2024 and signed on its behalf by:



Dr Tara Shine



Paul Stevenson

Registered company number: 2188452

Consolidated Cash flow statement for the year ended 31 March 2024

	2024 £'000	2023 £'000
Net incoming / (outgoing) resources	-	103
Interest received	(160)	(44)
Foreign exchange	(113)	(154)
Depreciation	72	110
Disposals of tangible fixed assets	-	-
Increase / (decrease) in deferred revenue	1,477	1,427
(Increase) / decrease in debtors	(1,287)	(1,353)
(Decrease) / increase in creditors	3,362	(305)
Net cash (used in) / provided by operating activities	3,351	(216)
Cash flows from investing activities		
Purchase of tangible fixed assets	(96)	(49)
Interest received	160	44
Foreign exchange	113	154
Net cash provided by (used in) investing activities	177	149
(Decrease) / Increase in cash during the year	3,528	(67)

Analysis of changes in cash during the year

	2023 £'000	Change in year £'000	2024 £'000
Cash at bank and in hand	5,014	3,528	8,542
	5,014	3,528	8,542

Consolidated Notes to the Financial Statements for the year ended 31 March 2024

1. Accounting Policies

1.1. Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Charities SORP (FRS 102), applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

IIED meets the definition of a public benefit entity under FRS 102.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS102 paragraphs 1.8 to 1.12. The following exemptions available under FRS102 in respect of certain disclosures for the parent company financial statements have been applied: No separate parent company Cash Flow Statement with related notes is included.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements are prepared on a historical cost basis with the exception of investments that are stated at fair value.

The consolidated accounts of the Group incorporate the accounts of the charity and its subsidiary undertaking IIED Europe.

1.2. Going Concern

IIED's performance in 2023/24 shows a break-even position (including IIED Europe) (IIED: deficit of £148k) when compared to an unconsolidated surplus of £42k for IIED in the prior year. Trustees have reviewed IIED's going concern to 31 March 2026 and have considered the FY25 and FY26 forecast together with the cashflow forecast. Assessing risks, four scenarios have been modelled including a reduction in flexible funding, with mitigation actions considered. Following these tests, the Trustees believe IIED has sufficient solvency and liquidity to meet its obligations over the review period. Consequently, the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements. IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs as well as costs associated with its organisational model changes to minimise any draw on reserves during the going concern review period.

1.3. Income recognition

All incoming resources becoming available to the institute are recognised in the Statement of Financial Activities on the basis of entitlement, there is sufficient probability of receipt, and the amount can be quantified with reasonable accuracy. In respect of unrestricted income and restricted income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related grant or long-term contract income, income entitlement is considered to be conditional upon the delivery of a specified level of service, in accordance with FRS 102 and the Charities SORP. Income is therefore recognised to the extent the charity has delivered the service or activity. The time or expenditure incurred to date, as appropriate, is used as a reasonable estimate or approximation of the charity's performance and therefore income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet to reflect the matching of such income with future activities.

1.4. Incoming resources subject to restrictions

Grants and donations given for specific purposes are credited to a restricted fund, against which expenditure for that purpose is charged. Expenditure includes direct staff costs, other direct costs and, by agreement with the donors, an allowance for overheads calculated as a percentage of direct staff costs. The element of the overhead allowance that represents running costs which cannot be separately identified to a specific piece of work, is debited to unrestricted funds in the Statement of Financial Activities (see note 3).

1.5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

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

1.6. Expenditure

All expenditure is accounted for on an accrual basis.

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

Governance costs are the costs associated with the governance arrangements of the charity. These costs will normally include internal and external audit, legal advice for trustees and costs associated with constitutional and statutory requirements, for example the cost of trustee meetings and preparing statutory accounts. Support costs include the costs of the central office functions of finance, human resources, information technology and premises costs. The basis of the cost allocation of support has been explained in note 3 of the accounts.

1.7. Financial instruments

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

1.8. Fixed assets

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

Leasehold improvements: remaining period of lease
Office furniture and equipment: five years
Computer hardware: three years
Computer software: five years

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

1.9. Cash and cash equivalents

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

1.10. Provisions

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

1.11. Exchange rates

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

1.12. Leases

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

1.13. Unrestricted funds

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

2. Resources Expended

GROUP	Programme costs	Payments to collaborating entities	Support costs	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000
Charitable activities					
Commissioned studies and research					
Climate change	8,622	316	2,021	10,959	6,495
Natural resources	2,718	3,247	1,349	7,314	6,168
Sustainable markets	1,110	145	285	1,540	1,888
Human settlements	1,360	670	459	2,489	2,373
Green Economy Coalition	729	-	264	993	1,385
Strategy and learning	1,335	-	301	1,636	1,336
Communications and publications	1,124	-	255	1,379	1,381
Commissioned studies and research	16,998	4,378	4,934	26,310	21,026
Grants to IIED Europe	-	-	-	-	-
Total resources expended	16,998	4,378	4,934	26,310	21,026

Foreign exchange gains and losses recognised in the year amounted to a gain of £113k (2023: gain £154k).

COMPANY	Programme costs	Payments to collaborating entities	Support costs	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000
Charitable activities					
Commissioned studies and research					
Climate change	8,622	316	2,021	10,959	6,495
Natural resources	2,718	3,247	1,349	7,314	6,168
Sustainable markets	1,110	145	285	1,540	1,888
Human settlements	1,360	670	459	2,489	2,373
Green Economy Coalition	608	-	137	745	1,401
Strategy and learning	1,335	-	301	1,636	1,336
Communications and publications	1,124	-	255	1,379	1,380
Commissioned studies and research	16,877	4,378	4,807	26,062	21,041
Grants to IIED Europe	-	200	-	200	46
Total resources expended	16,877	4,578	4,807	26,262	21,087

Foreign exchange gains and losses recognised in the year amounted to a gain of £113k (2023: gain £154k)

3. Support Costs

	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Premises	642	556	637	524
Finance	1,382	839	1,322	816
Director's office/Trustees	1,088	931	1,038	879
IT services	670	587	660	574
Human resources	1,152	681	1,150	664
Systems development	-	-	-	-
Total	4,934	3594	4,807	3,457

Support costs are allocated to activities on the following basis:

Programme costs	staff time spent on each activity
Publications	staff time spent on each activity
Payments	% based on the size of the payment
Governance costs	staff time
Management costs	staff time

	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Support costs include:				
Statutory audit fees	44	43	44	43
Grant audit fees	56	54	56	54
Other services carried out by the statutory auditor	3	1	-	1

FY24 governance costs amounted to £243k for the group (2023: £116k) and £149k for the company (2023: £129k).

Resources expended include operating lease rentals for Group of £389k (2023: £319k) and £366k for the company (2023: £319k).

4. Tangible Fixed Assets

GROUP AND COMPANY	Leasehold improvements £'000	Furniture and fixtures £'000	Office and computer equipment £'000	Total £'000
Cost				
At 1 April 2023	154	205	236	595
Additions	-	-	96	96
Disposals	-	-	-	-
At 31 March 2024	154	205	332	691
Depreciation				
At 1 April 2023	51	191	188	430
Charge for year	17	7	42	66
Disposals	-	-	-	-
At 31 March 2024	68	198	230	496
Net book value				
At 31 March 2024	86	7	102	195
At 31 March 2023	102	16	48	166

5. Intangible Fixed Assets

GROUP AND COMPANY	Computer software £'000	Total £'000
Cost		
At 1 April 2023	294	294
Additions	-	-
Disposals	-	-
At 31 March 2024	294	294
Depreciation		
At 1 April 2023	272	272
Charge for year	6	6
Disposals	-	-
At 31 March 2024	278	278
Net book value		
At 31 March 2024	16	16
At 31 March 2023	22	22

6. Debtors

	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Less than one year:				
Grants receivable	2,946	2,265	2,724	2,265
Accrued income	1,859	1,598	1,859	1,599
Other debtors	239	82	202	78
Intercompany	-	-	222	-
Prepayments	383	195	374	195
Total debtors	5,427	4,140	5,381	4,137

7. Creditors: Amounts Falling Due Within One Year

	GROUP		COMPANY	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	4,221	1,477	4,221	1,477
Accruals	1,341	898	1,341	897
Other creditors	213	147	213	148
Social security and other taxes	496	206	496	206
Total	6,271	2,728	6,271	2,728

	1 April 2023 £'000	Amount released £'000	Incoming resources deferred £'000	31 March 2024 £'000
Deferred revenue - Group	4,440	(4,440)	5,735	5,735
Deferred revenue - Company	4,391	(4,391)	4,927	4,927

8. Analysis of Net Assets Between Funds

GROUP

31 March 2024	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	195	-	195
Intangible fixed assets	16	-	16
Net Current Assets	1,963	-	1,963
Net assets	2,174	-	2,174

GROUP

31 March 2023	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	166	-	166
Intangible fixed assets	22	-	22
Net Current Assets	1,986	-	1,986
Net assets	2,174	-	2,174

COMPANY

31 March 2024	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	195	-	165
Intangible fixed assets	16	-	22
Net Current Assets	1,781	-	1,781
Net assets	1,992	-	1,992

COMPANY

31 March 2023	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	166	-	166
Intangible fixed assets	22	-	22
Net Current Assets	1,952	-	1,952
Net assets	2,140	-	2,140

9. Unrestricted Funds

GROUP	1 April 2023 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2024 £'000
Total unrestricted funds	2,174	8,062	-	(8,062)	2,174

GROUP	1 April 2022 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2023 £'000
Total unrestricted funds	2,071	5,409	(147)	(5,159)	2,174

COMPANY	1 April 2023 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2024 £'000
Total unrestricted funds	2,140	8,016	-	(8,164)	1,992

COMPANY	1 April 2022 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2023 £'000
Total unrestricted funds	2,098	5,409	(147)	(5,220)	2,140

10. Employees

	GROUP		COMPANY	
	2024 No.	2023 No.	2024 No.	2023 No.
The number of employees at 31 March 2024 was:	156	148	153	148
Number of part time employees in above	32	29	32	29
The aggregate remuneration paid to employees was:	£'000	£'000	£'000	£'000
Wages and salaries	7,655	6,951	7,418	6,833
Social security costs	891	832	843	807
Other pension costs	561	511	562	511
	9,107	8,294	8,823	8,151

	GROUP		COMPANY	
	2024 No.	2023 No.	2024 No.	2023 No.

The number of staff whose aggregate remuneration fell within each of the following bands was:

£120,000-£129,999	1	-	1	-
£110,000-£119,999	-	1	-	1
£100,000-£109,999	1	-	1	-
£90,000-£99,999	1	-	1	-
£80,000-£89,999	8	3	7	3
£70,000-£79,999	17	13	17	13
£60,000-£69,999	14	9	14	8

There were termination payments of £3.8k in the year (2023 £22.5k). No amounts were outstanding at the year end.

The key management personnel of the charity comprise the Executive Director, Chief Operating Officer, Director of Climate Change, Director of Communications, Director of Human Settlements, Director of Natural Resources, Director of Strategy and Learning, and Director of Sustainable Markets. The total employee benefits of the key management personnel of the charity were £878k (2023: £861k).

No company pension scheme existed at 31 March 2024. Contributions are paid on behalf of employees to independently administered money purchase plans. The cost to the Group during the year was £562k (2023: £511k).

Where claimed, Trustee expenses incurred on the institute's business were reimbursed. Total trustee expenses during the year were £37k (2023: £25k). The number of Trustees claiming expenses was 10 (2023:11).

11. Related Parties

During FY24, income of £361,805 was recognised from Oxford Policy Management Limited to implement the project Building Resilience in Ethiopia, with an amount of £45,432 remaining outstanding at year end. Oxford Policy Management Limited is a company of which P D George is the director.

During FY24, trustee and director to IIED, B Gueye was paid £6,300 in consultancy costs by IIED to undertake a scoping study to draft strategic options for future interventions in the Sahel for FCDO under the REDAA programme.

Indemnity insurance is provided to Trustees as part of the Management Liability policy and the Commercial Combined policy. During the period, the annual cost of these two policies, including trustee coverage, was £2,491 and £36,313 respectively, and in FY23 £2,846 for Management Liability and £32,439 for Commercial Combined.

IIED Europe

The Stichting International Institute for Environment and Development Europe [IIED Europe] is a foundation incorporated under the laws of the Netherlands, having its registered office at Plantage Middenlaan 2 K, 1018 DD, Amsterdam and is registered at the Chamber of Commerce under number 81230710. IIED Europe was established by IIED on 18 December 2020, a legally independent foundation based in the Netherlands, with a focus on global environmental and social change. It was created with objectives aligned to those of IIED, to contribute to achieving major progress towards the goals of sustainable development, and to enable IIED to maintain close collaboration with a range of European actors and policy processes post-Brexit.

During the organisation's initial set-up phase, three of IIED's Trustees were members of IIED Europe's Supervisory Board and three IIED employees were directors on the Management Board. In 2024, IIED Europe recruited three new Supervisory Board members, and in July 2024 one of the overlapping trustees stepped down from IIED's Board of Trustees, so the majority of the Supervisory Board has no concurrent affiliation with IIED in the UK. On 8 November 2024, IIED Europe passed a resolution for two of three IIED employees to step down from the Management Board, effective immediately while deregistration takes place. IIED Europe has its own staff and is also generating its own funds to cover operating costs and develop its own programme of work. It is therefore anticipated that IIED's financial statements in future years will not require the results of IIED Europe to be consolidated.

The Stichting prepared its accounts for the year ended 31 December 2023 which showed the following:

	2023 €'000
Total net assets	39
Income for the year	324
Expenditure for the year	(324)
Surplus for the year	-

12. Commitments

At 31 March 2024 the group and company had obligations under non-cancellable operating leases as set out below:

GROUP	Land and buildings £'000	2024 other £'000	Land and buildings £'000	2023 other £'000
Due in less than one year	355	-	200	-
Due within one to five years	376	-	7	-
Due after more than five years	-	-	-	-

COMPANY	Land and buildings £'000	2024 other £'000	Land and buildings £'000	2023 other £'000
Due in less than one year	354	-	200	-
Due within one to five years	376	-	7	-
Due after more than five years	-	-	-	-

IIED holds a lease signed in November 2023 for rent of London office premises for a term of 24 months at £25,800 plus VAT per calendar month for 12 months and £27,000 plus VAT per month thereafter.

IIED has an eight-year lease for premises in Edinburgh at a rent of £40k per annum to May 2029 (previously £36k plus VAT per annum to May 2021), with a lease break option in May 2024 that was not utilised and the rent for the final 5 years has been finalised in FY25.

13. Income

GROUP		2024 £'000	2023 £'000
Donors			
Government and government agencies		18,422	12,538
International and multilateral agencies		1,494	1,184
Foundations and NGOs		5,496	7,755
Corporate		764	964
IIED Europe income		1,011	0
Donor income received		27,186	22,441
Other income			
Interest receivable		160	44
Other income received		160	44
Total		27,347	22,485
Add: Income deferred from prior year		4,439	3,011
Less: Income due to prior year		(1,598)	(1,527)
Add: Income due from next year		1,859	1,599
Less: Income deferred to next year		(5,735)	(4,439)
Total incoming resources		26,310	21,129
		2024 £'000	2023 £'000
Government and Government Agencies			
Foreign Commonwealth & Development Office	United Kingdom	7,710	5,402
Irish Aid, Department Of Foreign Affairs	Ireland	4,000	2,863
Swedish International Development Cooperation Agency (Sida)	Sweden	2,585	2,808
Ministry of Foreign Affairs (Netherlands)	Netherlands	1,373	18
US Department of State	United States	906	0
Ministry of Environment and Climate Change	Canada	587	0
Department For Environment, Food And Rural Affairs (DEFRA)	United Kingdom	470	285
Federal Foreign Office Germany	Germany	347	161
Department for Energy Security and Net Zero	United Kingdom	217	0
The Secretary Of State For Health	United Kingdom	108	55
Netherlands Enterprise Agency	Netherlands	60	62
BMU Federal Ministry for Environment Nat	Germany	50	0
Deutsche Gesellschaft Fur International Zusammenarbeit (GIZ) Gmbh	Germany	18	93
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)	Germany	0	170
Ministry Of Environment, Sweden	Sweden	0	139
Swiss Agency for Development and Cooperation	Switzerland	0	59

Ministry of Economic Growth and Job Creation	Jamaica	0	59
Department for Business, Energy & Industrial Strategy	United Kingdom	0	260
Min Foreign Affairs of Finland (Finnish)	Finland	0	54
Ministry of Infrastructure and Water Management	Netherlands	0	34
Westminster Foundation for Democracy (WFD)	United Kingdom	0	13
Amounts less than £10,000		(8)	3

Total Government & Government Agencies		18,422	12,538
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		2024	2023
		£'000	£'000
International and Multilateral Agencies			
European Commission	Belgium	516	239
United Nations Food And Agriculture Organisation (FAO)	Italy	477	378
UNDP (Parent)	United States	201	0
The World Bank, USA	United States	174	174
United Nations Habitat Secretariat	Kenya	53	23
UNIDO (UN Industrial Development Org)	Austria	51	0
UNEP Nairobi	Kenya	16	105
United Nations Environment Programme	Kenya	6	0
United Nations Office for Disaster Risk	Switzerland	0	167
United Nations Office For Project Services (Unops)	Denmark,Belgium,USA	0	42
UNDP Thailand	Thailand	0	35
Regional Centre for Mapping of Resources	Kenya	0	12
Amounts less than £10,000		0	9
Total International & Multilateral Agencies		1,494	1,184

		2024	2023
		£'000	£'000
Foundations and NGOs			
United Nations University - EHS	Germany	477	480
SouthSouthNorth (Africa) NPC	South Africa	461	235
Bill & Melinda Gates Foundation US	USA	455	795
Generation Foundation	United Kingdom	400	0
Oxford Policy Management	United Kingdom	373	361
Rockefeller Philanthropy Advisors (RPA)	USA	361	613
Foundation Hans Wilsdorf	Switzerland	343	346
IIED Europe	Netherlands	147	59
International Union For Conservation Of Nature (IUCN)	Switzerland	206	151
The William and Flora Hewlett foundation	USA	202	202
UBS Optimus Foundation Europe	Germany	197	0
IKEA Foundation	Netherlands	170	0
Jamma International	United Kingdom	154	0
Anti-Slavery International	United Kingdom	132	35
Schmidt Family Foundation	United States	117	114
Institute of Development Studies (IDS)	United Kingdom	105	156
DAI Global UK Ltd	United Kingdom	96	0
New Venture Fund	United States	94	260
University of Edinburgh	United Kingdom	92	26
International Sustainable Energy Foundation	United States	79	0

Global Center on Adaptation	Netherlands	71	17
MISEREOR	Germany	63	44
Climate Works foundation	United States	60	0
Ecorys	United Kingdom	47	0
IED	France	46	87
World Vision Ireland	Ireland	44	13
University of Copenhagen	Denmark	42	29
The University of Sheffield	United Kingdom	42	0
Stichting Wageningen Research	Netherlands	40	0
Conservation International	United States	37	16
IUCN Kenya	Kenya	32	0
Stichting International Red Cross/RCCC	Netherlands	30	0
African Centre for Trade and Development	Uganda	29	0
Katholische Zentralstelle fur Entwicklun	Germany	26	84
WWF International	Switzerland	24	0
INTERNATIONAL DEVELOPMENT RESEARCH CENTR	Canada	22	20
Anglia Ruskin University higher education	United Kingdom	22	0
Africa Europe Foundation (AFD)	Belgium	21	0
Chatham House	United Kingdom	19	0
The Bartlett Development Planning Unit	United Kingdom	14	0
DanchurchAid (DCA)	Denmark	13	0
Finance for Biodiversity Foundation	Switzerland	13	0
University Of Manchester	United Kingdom	11	123
Loughborough University	United Kingdom	11	21
Engineering and Physical Sciences Research	United Kingdom	11	154
Tufts University	United States	11	12
Zoological Society of London	United Kingdom	10	0
IED Afrique	Senegal	10	0
CDP	United Kingdom	10	0
Asian Disaster Preparedness Centre (ADPC)	Thailand	10	0
Economic And Social Research Council (ESRC)	United Kingdom	0	599
MAVA Foundation	Switzerland	0	544
Open Society Foundations	USA	0	398
Children's Investment Fund Foundation (CIFF)	United Kingdom	0	333
University of Southampton	United Kingdom	0	236
Wellspring Philanthropic Fund	United States	0	217
Arcus Foundation (US Office)	USA	0	173
Arts & Humanities Research Council	United Kingdom	0	100
Foundation to Promote Open Societies	USA	0	93
FSD Africa	Kenya	0	84
University College London	United Kingdom	0	74
International Rice Research Institute	Philippines	0	69
CITES Secretariat	Switzerland	0	49
Arcus Foundation	United Kingdom	0	48
Habitat for Humanity International	United States	0	39
The Scottish Government	United Kingdom	0	26
Environment for Development Initiative –	Sweden	0	24
LTS International Ltd	United Kingdom	0	17
New York University (NYU)	United States	0	17
Global Green Growth Institute	South Korea	0	14
TRAFFIC International	United Kingdom	0	13
Other amounts less than £10,000		(8)	124
Total Foundations and NGOs		5,495	7,755

		2024 £'000	2023 £'000
Corporate			
DAI Europe LTD	United Kingdom	408	119
SAGE Publications Ltd	United Kingdom	75	0
Arts & Humanities Research Council	United Kingdom	62	0
Eventbrite	United Kingdom	62	0
ABF Investments PLC	United Kingdom	50	50
DAI Global LLC, USA	USA	28	117
CBA	-	28	0
Asian Development Bank	Philippines	22	0
DAI Global Belgium SRL	Belgium	18	115
The Landscapes and Livelihoods Group LLP	United Kingdom	15	0
Alliance for Responsible Mining	Colombia	10	0
PricewaterhouseCoopers London	United Kingdom	0	493
Simusolar	Tanzania	0	32
Le Groupe-conseil Baastel Itée	Canada	0	16
Tiller Global	USA	0	12
Amounts less than £10,000		(13)	10
Total Corporate		765	964

14. Payments to collaborating organisations

GROUP		2024 £'000	2023 £'000
Payments to organisations			
		£	£
Columbia Center on Sustainable Investment	USA	804	675
Namati, Inc	USA	685	691
IIED-America Latina	Tanzania	366	198
IIED Europe	Netherlands	200	45
Centre for Trade Policy and Development	Zambia	151	42
Zambia Land Alliance	Zambia	145	53
Samuel Hall FZE	Kenya	92	24
Nutrition Action Zimbabwe	Zimbabwe	87	0
IRDNC - Integrated Rural Development and Nature Conservation	Nambia	73	0
Kenya Forestry Research Institute	Kenya	71	76
Slum Dwellers International	Kenya	70	32
Gemawan	Indonesia	69	0
Tanzania Forest Conservation Group	Tanzania	65	0
International Institute of Tropical Agriculture	Uganda	58	0
WWF, Tanzania	Tanzania	53	0
Huairou Commission	USA	51	0
WWF, Myanmar	Myanmar	48	0
Women's Refugee Commission	USA	48	0
International Land Coalition	Italy	46	0
Fondation Pour Le Développement Au Sahel	Mali	45	43
Value Nature	USA	45	0
International Union for Conservation of Nature	Kenya	41	20
Environmental Conservation Trust of Ugan	Uganda	40	0
Global Green Growth Institute	South Korea	40	20
Dialogue on Shelter Trust	Zimbabwe	39	19
Cambodia Indigenous Peoples Organization	Cambodia	37	0
International Water Management Institute	Sri Lanka	35	0

GROUP		2024	2023
		£'000	£'000
Indian Institute For Human Settlements	India	34	48
Tondwa Conservation Limited	Zambia	31	0
Economic Policy and Competitiveness Research Center	Mongolia	30	36
Public Affairs Research Institute NPC	-	30	0
South South North (SSN)	South Africa	29	23
Madhya Pradesh Council of Science and Technology	India	29	8
Viet Nam Farmers Union (VNFU)	Vietnam	27	0
Centro para la Autonomia y Desarrollo de de los Pueblos Indígenas	Nicaragua	27	0
Non-Timber Forest Products Exchange Programme	Philippines	27	0
ENDA – Senegal	Senegal	27	30
Komunitas Teras	Indonesia	26	0
COLANDEF	Ghana	25	23
Rikolto International (Tanzania)	Tanzania	25	0
Open Development Cambodia	Cambodia	25	17
King Hussein Foundation	Jordan	24	0
Himiza Social Justice Limited	Tanzania	24	0
Honeyguide	Tanzania	24	0
ICLEI - Local Governments for Sustainability	South Africa	24	16
United Nations University INRA	Ghana	23	15
Botswana Watch	Botswana	22	0
Auto-promotion rurale pour un developpement humain durable	Togo	22	0
Independent University Bangladesh (IUB)	Bangladesh	21	0
Save the Children Australia	Australia	21	0
AMAN Kalteng	Indonesia	21	12
Zambia Community Based Natural Resources	Zambia	20	51
Tanzania People and Wildlife	Tanzania	20	0
Haribon Foundation	Philippines	18	0
YBBI (Yayasan Betang Borneo Indonesia)	Indonesia	17	0
Save our Borneo	Indonesia	17	0
Walhi Kalteng	Indonesia	17	0
IED Afrique	Senegal	14	50
MVIWAARUSHA	Tanzania	14	0
International Centre for Integrated Mountain Development	Nepal	12	40
Third Generation Environmentalism Limited	Great Britain	12	0
ANARDE	Uganda	12	24
Uniao dos Movimentos de Moradia da Grande São Paulo	Brazil	11	0
Caribbean Natural Resources Institute	Trinidad and Tobago	11	99
WLWF	Zambia	10	0
Initiative Prospective Agricole	Senegal	10	0
Sustainable Development Institute	Liberia	10	0
Apu Kuntur Civil Association	Argentina	10	0
TAMPEI	Philippines	10	0
CED Cameroon	Cameroon	0	158
Royal Academy of Engineering	Great Britain	0	122
The Natural Resources Institute at the University of Greenwich	Great Britain	0	100
Advocates Coalition for Development and Environment	Uganda	0	94
Urban Health Resource Centre	India	0	73
FINANCE WATCH AISBL	Belgium	0	68
Development Alternatives	India	0	65
Imperial College London	Great Britain	0	59
RECOFTC (Bangkok Office)	Thailand	0	56
University College London	Great Britain	0	46
Cardiff University	Great Britain	0	195
University of Oxford	Great Britain	0	44

GROUP		2024 £'000	2023 £'000
The Copperbelt University	Zambia	0	43
Hashemite University	Jordan	0	38
Libelula Institute For Global Change	Peru	0	37
Durham University	Great Britain	0	35
Ambiotek	Great Britain	0	33
Trade and Industrial Policy Strategies	South Africa	0	30
Caritas Kitui	Kenya	0	30
Loughborough University	Great Britain	0	28
FORO Nacional Internacional	Peru	0	28
Reseau De Lutte Contre la Faim (RELUFA)	Cameroon	0	23
Zimbabwe Chamber of Informal Economy Associations	Zimbabwe	0	20
Training and Resource Support Centre	Zimbabwe	0	19
Regional Universities Forum for Capacity Building in Agriculture	Uganda	0	18
Asociacion Boliviana para la Investigacion	Bolivia	0	18
Mayors Migration Council	USA	0	18
SCOOPS TIBI de Tchavade II	Togo	0	16
University of Reading	Great Britain	0	16
Tele-Bere VSL Association	Ghana	0	16
Centre for Environment and Justice	Zambia	0	15
Women's Legal Resources Centre	Malawi	0	15
International Union for the Conservation	Burkina Faso	0	15
Bankers Without Boundaries	Great Britain	0	15
Conservation International Foundation	Cambodia	0	13
Kenyatta University	Kenya	0	13
TRAFFIC International	Great Britain	0	13
International Rescue Committee	USA	0	12
Fauna and Flora International	Great Britain	0	12
Green Development Advocates (GDA)	Cameroon	0	11
Payments less than £10,000		211	87
Total Company payments		4,578	4,231
IIED Europe	Netherlands	(200)	(45)
Total Group payments		4,378	4,186

15. Group Restricted Funds

Project name	Balance at 31 March 2022 £.000	Income 2022/23 £'000	Expenditure 2022/23 £'000	Transfers 2022/23 £'000	Balance at 31 March 2023 £'000	Income 2023/24 £'000	Expenditure 2023/24 £'000	Transfers 2023/24 £'000	Balance at 31 March 2024 £'000
Learning and Action Platform IWTCF	0	(1)	0	1	0	33	(33)	0	0
Livelihoods Insurance 4 Elephants (LIFE)	0	21	(21)	0	0	11	(11)	0	0
Building Resilience in Ethiopia	0	321	(321)	0	0	361	(361)	0	0
IPCC Co-ordinating Lead Author	0	5	(5)	0	0	5	(5)	0	0
BIOPAMA: Governance and equity of protected and conserved areas	0	96	(101)	5	0	34	(34)	0	0
ALIGN	0	2,281	(2,281)	0	0	3,153.0 0	(3,153)	0	0
GCRF Protracted Displacement	0	0	0	0	0	429	(429)	0	0
LIFE-AR Phase II	0	1,794	(1,794)	0	0	5,036.0 0	(5,036)	0	0
FCDO BP4GG	0	(5)	2	3	0	0	0	0	0
FCDO - MGNREGS Extensions	0	534	(534)	0	0	245	(245)	0	0
Green Economy Coalition - Dialogues for Financial Reform	0	509	(516)	9	0	35	(35)	0	0
Trees, COVID and Politics	0	(7)	7	0	0	0	0	0	0
Establishing a Biocultural Heritage	0	110	(110)	0	0	122	(122)	0	0
Climate Finance training initiative FSD Africa	0	46	(46)	0	0	42	(42)	0	0
Transformative Urban Coalitions: Catalysing Urban Partnerships	0	394	(403)	9	0	536	(536)	0	0
Achieving planet-friendly agriculture	0	53	(53)	0	0	0	0	0	0
Enhancing Action for Enabling LLA	0	464	(464)	0	0	1	(1)	0	0
Facilitating REDAA	0	892	(892)	0	0	1,459	(1,459)	0	0
LandCam	0	254	(261)	7	0	(31)	31	0	0
Empowering Communities in the context of Commercial Agriculture	0	69	(69)	0	0	0	0	0	0

Project name	Balance at 31 March 2022 £.000	Income 2022/23 £'000	Expenditure 2022/23 £'000	Transfers 2022/23 £'000	Balance at 31 March 2023 £'000	Income 2023/24 £'000	Expenditure 2023/24 £'000	Transfers 2023/24 £'000	Balance at 31 March 2024 £'000
Ecosystem-based approaches to adaptation: strengthening the evidence and informing policy	0	164	(164)	0	0	9	(9)	0	0
Ikea protracted displacement	0	0	0	0	0	54	(54)	0	0
IPCC Chair hosting	0	0	0	0	0	110	(110)	0	0
Locally Led Adaptation - MFA NL	0	0	0	0	0	456	(456)	0	0
Hidden Handbrakes Generation Foundation	0	0	0	0	0	356	(356)	0	0
11179 Gates - Emerging Leaders	0	31	(31)	0	0	93	(93)	0	0
Philanthropy Champions for Climate Adapt	0	0	0	0	0	60	(60)	0	0
EC/UNDP Progressive Platforms 2023	0	13	(13)	0	0	125	(125)	0	0
Anti Slavery International - Home Office	0	33	(33)	0	0	137	(137)	0	0
IKI support for climate negotiators	0	31	(31)	0	0	544	(544)	0	0
FCDO - MGNREGS extensions	0	0	0	0	0			0	0
A tool for advancing IPLC-led conservation	0	0	0	0	0	86	(86)	0	0
South-south capacity building for human-elephant conflict management	0	0	0	0	0	156	(156)	0	0
EbA Viet Nam	0	4	(4)	0	0	67	(67)	0	0
Nature Nurture (GCBC)	0	0	0	0	0	63	(63)	0	0
EC Shared Global Green Deal	0	0	0	0	0	219	(219)	0	0
CECG 2023 - LDC negotiations support	0	0	0	0	0	79	(79)	0	0
CBA18 (multi-donor grant) FY24-FY26	0	0	0	0	0	295	(295)	0	0
CF training initiative FSD Africa	0	0	0	0	0	0	0	0	0
Gates - influence climate & development process	0	30	(31)	0	0	324	(324)	0	0

Project name	Balance at 31 March 2022 £.000	Income 2022/23 £'000	Expenditure 2022/23 £'000	Transfers 2022/23 £'000	Balance at 31 March 2023 £'000	Income 2023/24 £'000	Expenditure 2023/24 £'000	Transfers 2023/24 £'000	Balance at 31 March 2024 £'000
Hewlett Climate Finance	0	48	(48)	0	0	159	(159)	0	0
Climate and Development Ministerial CECG	0	150	(150)	0	0	161	(161)	0	0
11179 Gates - Negotiators	0	9	(9)	0	0	198	(198)	0	0
11179 Gates - Engagement with CBA	0	16	(16)	0	0	72	(72)	0	0
11179 Gates - Climate Finance	0	0	0	0	0	72	(72)	0	0
CECG - Loss and Damage Roadmap	0	25	(25)	0	0	145	(145)	0	0
OSF - LLA 4 Climate, Nature & inequality	0	14	(14)	0	0	210	(210)	0	0
CECG Climate & Development Ministerial	0	0	0	0	0	57	(57)	0	0
Brains Trust Funding & Seconded on Access to Financing	0	110	(110)	0	0	79	(79)	0	0
Darwin: Biocredit Investment Operations	0	0	0	0	0	211	(211)	0	0
CGIAR Evidence on gendered uptake STIBs	0	19	(19)	0	0	57	(57)	0	0
UNDRR Tracking Climate and Disaster	0	116	(116)	0	0	151	(151)	0	0
SULi impact	0	101	(101)	0	0	72	(72)	0	0
Supporting CSOs in Guinea & DRC 23-2024	0	101	(101)	0	0	103	(103)	0	0
Promoting a gender-just economy	0	0	0	0	0	62	(62)	0	0
People and Conservation Learning Group 2	0	11	(11)	0	0	133	(133)	0	0
Civic Media for Housing Rights AHRC	0	63	(63)	0	0	89	(89)	0	0
E&U	0	86	(86)	0	0	87	(87)	0	0
ARA Phase 2: GESI	0	0	0	0	0	102	(102)	0	0
Data Justice for Refugees	0	18	(18)	0	0	80	(80)	0	0
GCA Masterclass	0	0	0	0	0	52	(52)	0	0

Project name	Balance at 31 March 2022 £.000	Income 2022/23 £'000	Expenditure 2022/23 £'000	Transfers 2022/23 £'000	Balance at 31 March 2023 £'000	Income 2023/24 £'000	Expenditure 2023/24 £'000	Transfers 2023/24 £'000	Balance at 31 March 2024 £'000
Wilsdorf - GEC strategic plan support	0	257	(257)	0	0	418	(418)	0	0
FCDO Fair Water Footprint	0	0	0	0	0	15	(15)	0	0
African Cities Phase II- Implementation	0	79	(79)	0	0	49	(49)	0	0
Tufts Uni/USAID - pastoralism NOFO	0	12	(12)	0	0	11	(11)	0	0
Developing and testing a sustainability	0	41	(41)	0	0	22	(22)	0	0
Darwin Belize FY23	0	0	0	0	0	16	(16)	0	0
Nature finance - locally-led action	0	0	0	0	0	26	(26)	0	0
DANIDA/Uni Cop - Research climate adaptation Tanzania	0	8	(8)	0	0	11	(11)	0	0
Green Economy Coalition (GEC) (IIED Europe)	0	0	0	0	0	8	(8)	0	0
Pathways to Resilience (P2R) (IIED Europe)	0	0	0	0	0	103	(103)	0	0
EU Global Support Facility for National Determined Contributions (DAI) (IIED Europe)	0	0	0	0	0	39	(39)	0	0
Other below £50k (including FRAME support for various projects)	0	6300	(6414)	113	0	474	(474)	0	0
Total restricted funds per SOFA	0	15720	(15867)	147	0	18,248	(18,248)	0	0

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant project. Further detail is provided below on a selection of restricted funding projects.

Learning and Action Platform IWTCF

Funded by the UK Government's Illegal Wildlife Trade Challenge Fund (IWTCF) to collect, synthesise and share lessons in Tanzania, Zambia, regionally and internationally on community engagement against IWT.

Enhancing Action for Enabling LLA

Funded by FCDO, supports continued operationalisation, accountability scaling-up of Locally-Led Adaption (LLA), strengthening the foundations of a growing community of practice around LLA to ensure the balance of power remains with southern national and local actors.

Livelihoods Insurance 4 Elephants (LIFE)

Funded by the UK Government's Darwin Initiative to help the Sri Lankan and Kenyan governments to pilot new insurance schemes, learn from each other, and develop an effective national approach.

Building Resilience in Ethiopia (BRE)

The BRE programme covers Foreign, Commonwealth and Development Office (FCDO) humanitarian assistance in Ethiopia and is intended to contribute to the objective of an 'Ethiopia that is more resilient to climate and humanitarian shocks.

IPCC Co-ordinating Lead Author

Funded by the Department for Business, Energy and Industrial Strategy, lead author of Chapter 6 "Cities, Settlements and key infrastructure" of the Intergovernmental Panel on Climate Change (IPCC) Working Group II Contribution to the IPCC 6th.

BIOPAMA: Governance and equity of protected and conserved areas

Funded by the European Commission through International Union for Conservation of Nature and Natural Resources (IUCN), aimed at enhancing governance of Community-Based Natural Resource Management (CBNRM) for better conservation and social outcomes in Zambia.

ALIGN

Funded by FCDO, an initiative developed to promote, at scale, more responsible practices for land-based investments.

LIFE-AR Phase II

Funded by FCDO, USAID, Irish Aid and the Government of Canada, focusing on supporting the LDC Initiative for Effective Adaptation and Resilience.

FCDO BP4GG

Funded by Department for International Development (DFID), this project is managed by Mott MacDonald with IIED as subconsultant to Mott MacDonald. This project is focused on business partnerships for global goals.

FCDO - MGNREGS Extensions

Funded by the UK Foreign, Commonwealth and Development Office, the project is for Financing Climate Resilience through Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

FCDO - Fair Water Footprint

Funded by FCDO the project prepares for strengthening governance for transformational change in water security.

Green Economy Coalition – Dialogues for Financial Reform

An EC-funded project to build civil society participation for sustainable finance reforms: global coverage.

Trees, COVID and Politics

Funded by IDS, on behalf of FCDO, the COVID-19 Social Science Research-Evidence Platform researches the topic: Trees kill Covid: Politics, tree-planting and post-pandemic rural resurgence.

Establishing a Biocultural Heritage

Funded by the UK Government's Darwin Initiative, the project is on establishing a biocultural heritage territory to protect Kenya's Kaya forests.

Transformative Urban Coalitions: Catalysing Urban Partnerships

Funded by BMU (German Government) through United Nations University (UNU-EHS), aiming to drive systemic transformation towards sustainability in Latin America.

Climate Finance Training Initiative FSD Africa

Funded by Financial Sector Deepening Africa (FSD Africa), IIED is appointed to develop a training course on climate finance together with the University of Cambridge's Institute for Sustainable Leadership and Southern African Management Institute.

Achieving Planet-Friendly Agriculture

Funded by the IKEA foundation, to gain a better understanding of the decisions that different types of smallholder farmers take with regards to agricultural expansion, in order to identify entry points to reduce the social and environmental impacts of expansion.

Facilitating REDAA

Funded by FCDO, to understand how to improve the condition of natural landscapes in Africa and Asia in ways that enable people and nature to thrive together. It uses identification, adoption and replication of innovative approaches to halt and reverse degradation and improve management and restoration of ecosystems for the Reversing Environmental Degradation in Africa and Asia (REDAA) programme.

LandCam: Securing land and resource rights and improving governance in forest areas of Cameroon

An EC-funded project to secure land and resource rights and improve governance in Cameroon.

Empowering Communities in the context of Commercial Agriculture (EPIC)

Funded by FCDO, EPIC aims to empower rural producers and their wider communities to influence public decisions and private sector conduct in favour of more sustainable investments in commercial agriculture.

Ecosystem-based approaches (EbA) to adaptation: strengthening the evidence and informing policy

An International Climate Initiative project funded by BMU (German Government) to strengthen evidence on when and why EbA works best and inform policy at national and international levels.

ECBI Training, Support, and Trust-Building Project

The ECBI programme works with climate negotiators from vulnerable developing countries to create a more level playing field in climate negotiations at the international level. It is funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).

CRAKS: Accelerating Adaptation

The Building Community Resilience through strengthening Agricultural Adaptation Knowledge Systems in Uganda (CRAKS) project is a 40-month project (Sept 2023 - Dec 2026) led by the African Centre for Trade and Development and funded by the International Development Research Centre. The project aims to improve the adaptation and resilience of semi-arid and more climate-vulnerable farming communities.

Locally Led Adaptation – Ministry of Foreign Affairs, Netherlands (MFA NL)

Funded by the Ministry of Foreign Affairs, Netherlands, working across actors in the climate finance landscape to generate the evidence, capabilities and motivation for transforming access and delivery of climate finance, in order to tackle the triple crises of climate, nature and poverty.

Development and Climate Days 2023 (multi-donor)

Funded by Stichting International Red Cross/RCCC in 2023 Development and Climate Days (D&C Days)

provide a crucial informal space for stakeholders attending the annual UN climate conference (COP29) to come together to share open, honest conversations and ideas about how to tackle climate change and build resilience.

Hidden Handbrakes Generation Foundation

Funded by the Generation Foundation, the hidden handbrakes campaign, which has been designed to expose and explain the unseen blockers of action on climate change.

Anti Slavery International - Home Office

Funded by the UK Home Office, through Anti Slavery International this project generates research and evidence to demonstrate the link between climate-induced migration and modern slavery, and potential measures to address it.

Frame funding and other projects

IIED currently receives institutional 'frame' funding from the Swedish and Irish Governments. It is provided to support delivery of the organisation's five-year institutional strategy. The funding enables IIED to explore new areas of research, which might otherwise be difficult to fund. It also supports exploration of new methodologies and ways of working, plus development and maintenance of effective systems for evaluation of our work, communicating with key audiences, and liaison with key actors in delivery of our work. In some instances, IIED will commit some of the frame money to support various restricted funds projects. This, and all other projects have been grouped together under one heading for the purposes of these accounts.

INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT

England & Wales - Charity number 800066

Accounts

International Institute for Environment and Development

Trustees' Annual Report and Accounts for the year
ended 31 March 2023

Registered company number: 2188452 (England and Wales)
Registered charity number: 800066 (England and Wales)
Registered charity number: SC 039864 (Scotland)

Contents

Glossary	3
Introduction	6
About IIED	6
Our Strategy	7
Analysis and Assessment	7
Addressing the Current Strategy's 5 Strategic Challenges	12
1. Responding to the Climate Crisis	12
2. Addressing the Assault on the Natural World	18
3. Transforming Urban Areas to Address Climate Change and Inequality	21
4. Tackling Unsustainable Markets	24
5. Addressing Increasing Inequality	28
Directorate, Operating Functions and Strategy and Learning Group	30
Looking Ahead	33
Structure, Governance and Management	37
Finance Review	39
Statement of Trustees' Responsibilities	42
Reference and Administrative Details	44
Independent Auditor's Report to the Members and Trustees of International Institute for Environment and Development	45
Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2023	49
Balance sheet as at 31 March 2023	50
Cash flow statement for the year ended 31 March 2023	51
Notes to the Financial Statements for the year ended 31 March 2023	52

Glossary

ACODE	Advocates Coalition for Development and Environment
ADB	Asia Development Bank
ALL ACT	Alliance for Locally Led Approaches for Transformative Action on Loss and Damage
AVE	Advertising Value Equivalent
BRE	Building Resilience in Ethiopia
C40	A global network of mayors of the world's leading cities that are united in action to confront the climate crisis
CBD	Convention on Biological Diversity
CCSI	Columbia Center on Sustainable Investment
C&DM	Climate and Development Ministerial
CFI-CF	Coastal Fisheries Initiative – Challenge Fund
CIAT	International Center for Tropical Agriculture
CIFF	Children's Investment Fund Foundation
CITES	The Convention on International Trade in Endangered Species of Wild Fauna and Flora - An international agreement between governments
COP	Conference of the Parties
CoP	Community of Practice
CRPP	Community Resilience Partnership Program
CRT	Coronavirus Response Team
CSOs	Civil Society Organisations
DCF	Decentralised climate finance
DFID	Department for International Development (UK) (1997-2020)
DG INTPA	Directorate-General for International Partnerships
EDM	Energy Delivery Models
EU	European Union
FACS	Financial Activity Control System
FAO	Food and Agriculture Organization of the United Nations
FCDO	Foreign, Commonwealth & Development Office (UK) (FCO merged with DFID on 20 September 2020)
FFF	The Forest and Farm Facility
FRCs	Front-runner Countries
FRS	Financial Reporting Standard
FY	Financial Year
G20	Group of 20 (an intergovernmental forum comprising 19 countries and the European Union)
GALS	Gender Action Learning System
GBF	Global Biodiversity Framework

GEC	Green Economy Coalition
GESI	Gender Equality and Social inclusion
GET	Global Engagement Theme
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
HIC	Working Group on Health in Climate Change
Hivos	Humanistisch Instituut voor Ontwikkelingssamenwerking (Humanist Institute for Cooperation)
IDH	Dutch Sustainable Trade Initiative
IDPs	Internally Displaced Persons
IIED	International Institute for Environment and Development
IIFB	International Indigenous Forum on Biodiversity
IKI	International Climate Initiative (of the German Federal Government)
ILE	Impact Learning Exercise
ILRI	International Livestock Research Institute
IPLCs	Indigenous Peoples' and Local Communities
IUCN	International Union for Conservation of Nature
KNOW	Knowledge in Action for Urban Equality
LGBTQI+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and More
LIF	Learning and impact framework
LIFE-AR	LDC Initiative for Effective Adaptation and Resilience
LDCs	Least Developed Countries
LLA	Locally Led Adaptation
LMICs	Low-and Middle-Income Countries
MEL	Monitoring, Evaluation, and learning
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MOOC	Massive Online Open Course
NA	Not applicable
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
P2R	Pathways2Resilience
PIGE	Partners for Inclusive Green Economy
PROBLUE	Umbrella Multi-Donor Trust Fund Administered by the World Bank
REDAA	Reversing Environmental Degradation in Africa and Asia
SDGs	Sustainable Development Goals
SDI	Sustainable Development Initiative
Sida	Swedish International Development Cooperation Agency
SIDS	Small Island Developing States
SME	Small and Medium-Sized Enterprises

SMU	Scientific and Management Unit
SOP	Standard Operating Procedure
T20	Think20 - The research and policy advice network of the G20
TA	Technical Assistance
UCLG	United Cities and Local Governments
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
UNGA	United Nations General Assembly
WRI	World Resources Institute
WV Ireland	World Vision Ireland

IIED Groups

Comms	Communications Group
CCG	Climate Change Group
GECN	Gender Equality Champions Network
FARA	Finance, Audit and Risk Assessment Committee (sub-committee of the Board)
BDSC	Business Development Subcommittee (sub-committee of the Board)
HSG	Human Settlements Group
NRG	Natural Resources Group
NSC	Nominations Subcommittee (sub-committee of the Board)
OMT	Operations Management Team
RRWG	Race and Racism Working Group
SB	Supervisory Board
SLG	Strategy and Learning Group
SMT	Strategy and Management Team
SSMG	Shaping Sustainable Markets Group

Introduction

The trustees present their annual report, including the directors' strategic report, with the audited accounts for the year ended 31 March 2023. This report and the accounts have been prepared in accordance with the Companies Act 2006, the company's Articles of Association and Charities Statement of Recommended Practice, applicable to charities preparing accounts in accordance with FRS 102: the financial reporting standard applicable in the UK and Republic of Ireland.

About IIED

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

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

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

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

Established in 1973, IIED has made important contributions to many milestones of sustainable development for 50 years. These include the Brundtland Commission of 1987, the 2002 World Summit on Sustainable Development in Johannesburg, the annual meetings of the UN Framework Convention on Climate Change (UNFCCC), the Rio+20 summit in 2012, the Paris Agreement on Climate Change and the Sustainable Development Goals in 2015.

Our longstanding body of research and communications work has consolidated IIED's reputation at the cutting edge of environment and development and at the nexus where these agendas overlap.

Together, with our broad-based network of partners, we aim to shape a future where people and planet can thrive.

Box 1. Delivering public benefit

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

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

Our Strategy

IIED's current multi-annual Strategy, entitled *Make Change Happen*, was published in early 2019 and is due to expire in March 2024. It was the outcome of a process initiated in 2018, a consultative strategy thinking and writing process, translating our Theory of Change into a strategic position and direction. We are now in the process of refreshing this Strategy, acknowledging that its launch pre-dates COVID-19, Black Lives Matter, the War in Ukraine, and the emergence of a permacrisis narrative to describe the considerable fraying of global energy, food, and financial systems.

During the first four years of *Make Change Happen*, IIED has seen considerable growth of income, staff numbers, staff geographical distribution, diversity of nationality, and the emergence of a much more fundamental discussion about the Institute's future through the lens of decolonization, tackling racism and other forms of intersectional disadvantage. Equally, this period has seen IIED researchers and teams be at the heart of significant positive impacts such as influential work on locally led adaptation, new ideas on debt reduction linked to climate and nature outcomes, and alternative approaches for people experiencing forced displacement.

Analysis and Assessment

Monitoring, Evaluation and Learning

IIED's emphasis on effective monitoring, evaluation, and learning (MEL) reflects our determination to make change happen; reflected through our Learning and Impact Framework (LIF) that comprehensively tracks our impact.

In 2022/23, we gathered outcome statements, tracked statistics related to our knowledge products, conducted an institutional evaluation, and facilitated a cross-institutional learning week to reflect on achievements and spaces for improvement.

Learning and Impact Framework

Our LIF evaluates our performance against the strategy and provides the structure for setting targets and tracking progress.

The LIF enables us to gather evidence on IIED's contribution to longer-term outcomes and provides a systematic reflection of our progress. All the LIF documents are shared with our major donors as our principal accountability tool. The LIF uses outcome harvesting to track progress against our institutional

and work programme theories of change and global engagement themes objectives. This enables us to map and gather evidence on our main spheres of influence by focusing on outcome pathways, key stakeholders, major breakthroughs, and tipping points. Systematically mapping intermediate and longer-term outcomes in this way helps us understand whether clearly defined processes of change are taking place.

The LIF found evidence of IIED achieving impact through documenting key intermediate outcomes in terms of:

- Changes in the body of evidence influencing policy debates at the national and global level across all our main areas of focus.
- Improvements in actors' capacity to create and use evidence.
- Changes in interactions and power dynamics driving equitable and sustainable development pathways.

The LIF also documented evidence that IIED's work is promoting longer-term outcomes in terms of changes in governance and policies; changes in financial assets and agency; changes in voice and rights.

The outcomes we have achieved in this financial year are generally tangible and well supported by evidence. We have also observed a remarkable increase in terms of long-term outcomes compared to the previous years of LIF reporting. This is probably because, with the end of our strategy period fast approaching, most programmes are approaching the last mile of their change pathways. Of the 42 outcomes gathered, 25 (60%) report on longer-term changes related to policy and governance structure, and the assets, agency, voice and rights of people living in poverty and exclusion. The evidence we produced and analysed shows that our approach to research is pragmatic and strongly linked to action. Our way of working is recognisable for its strong focus on partner inclusion and participation, which stakeholders generally see as a necessary condition for achieving outcomes in the longer term. The outcomes also reflect the variety of agents of change we work with, from community-based organisations to global networks of cities, international nongovernmental organisations (NGOs), multilateral organisations, and national and local authorities.

Box 2 below highlights our evidence of impact to illustrate how IIED operationalises its theory of change.

Stakeholder Survey

To track our partners' perceptions, we have conducted an annual stakeholder survey since 2014. The exception was in 2022, when we paused it for a year to diminish our respondents' survey fatigue and increase the response rate in 2023, having conducted a similar type of exercise with our partners for the external review published in 2022. Each year, we try to improve the survey by reflecting on the response rate (which was 29.1% for 2023), the number of 'not applicable' (NA) answers and the quality of open-ended responses. Since adopting the LIF, we decided to adopt new metrics that are better tailored to the current strategy. These are that, with partners, IIED:

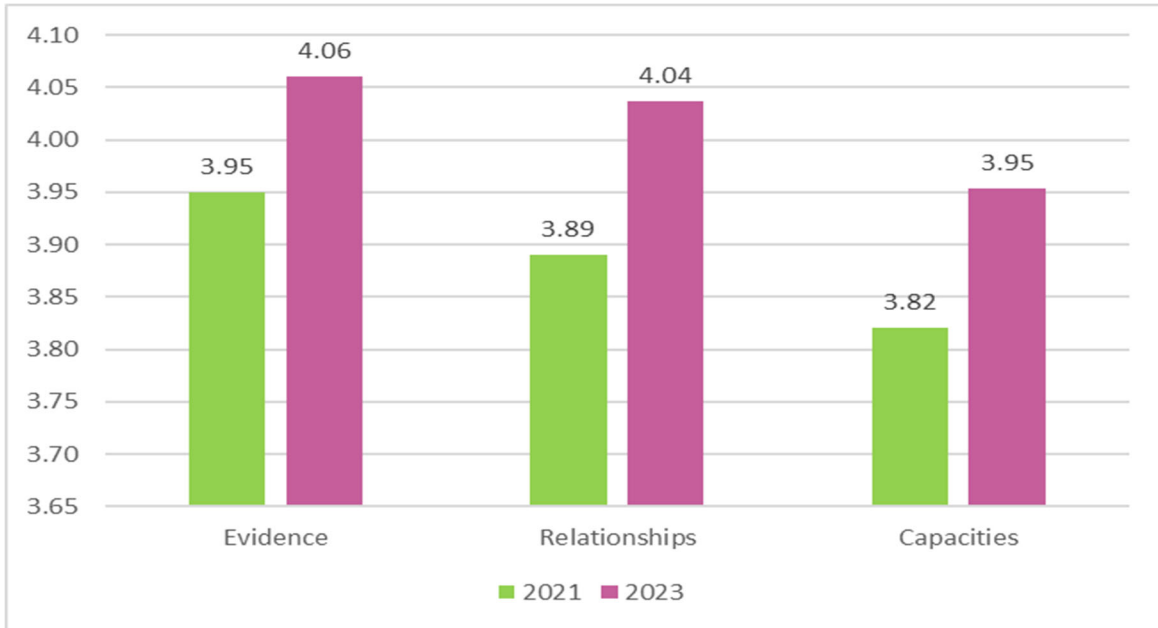
- Generates new types of evidence to support sustainable development.
- Improves connections, interactions, and power dynamics between different actors.
- Improves different actors' capabilities to create and use evidence.

We map these measures of evidence, interactions, and capabilities against the LIF and our institutional theory of change, measuring them on a scale of 1 to 5, where 0 represents NA. To measure our stakeholders' perception of our work, we have compared scores against the results of our 2021 survey, the last time we conducted it, as we took a break in 2022. This year, average scores for the three dimensions related to intermediate outcomes — evidence, relationships, and capacities — were slightly higher than in 2021 (Figure 1 below).

Some of the key takeaways of this exercise are that respondents rated us most highly on the **practicality, inclusiveness and strength of our research methods** and **the relevance** of our outputs to topical

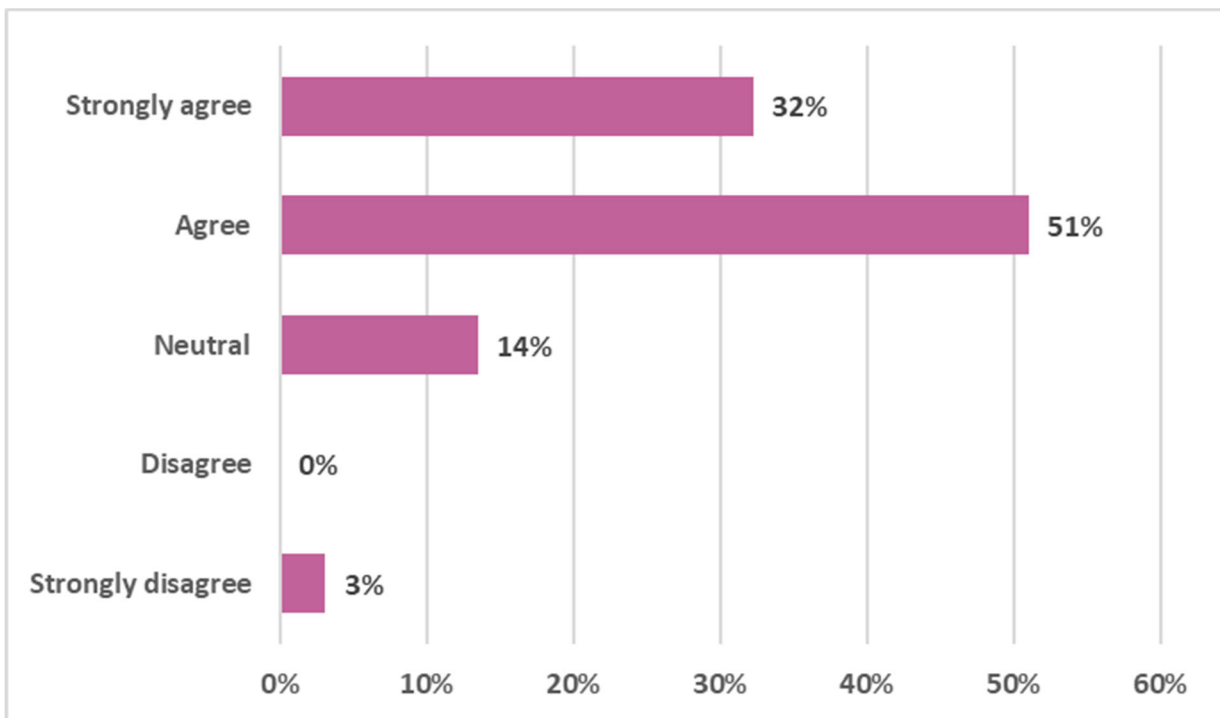
themes in sustainable development. Geographically, respondents based in Asia reported higher scores across the three dimensions, followed by those based in Africa. Conversely, those based in Europe reported the lowest scores for all three dimensions.

Figure 1. Average scores for the three dimensions related to intermediate outcomes (2021 and 2023)



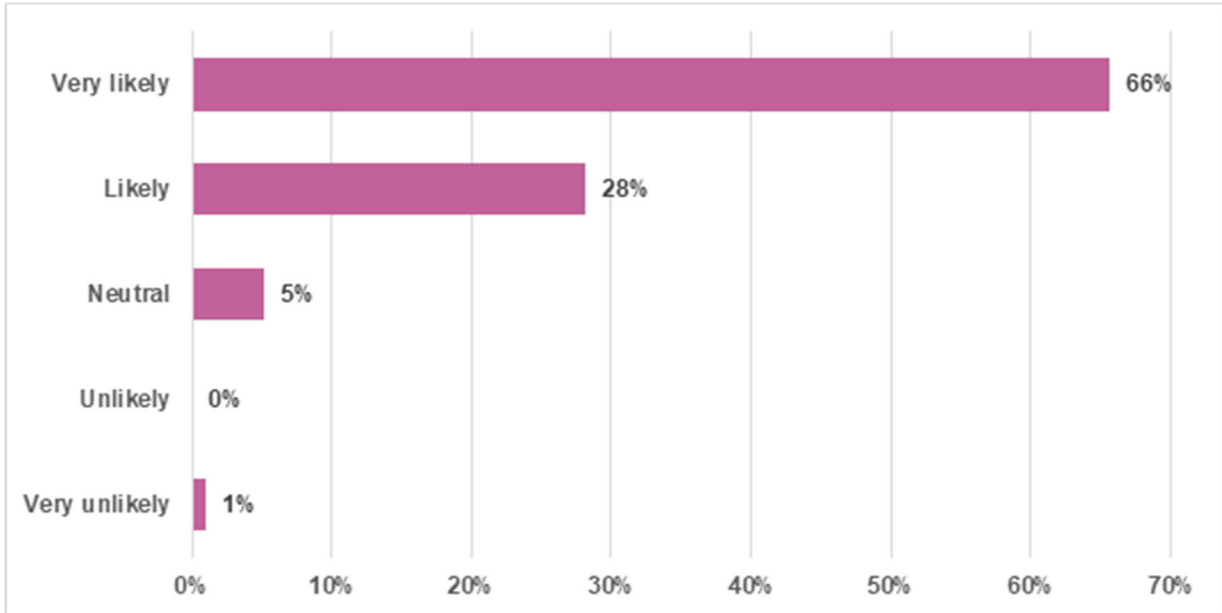
It is also important to highlight that 83% of the survey’s respondents perceived **IIED to be unique in what we do**, with 14% expressing a neutral stance, neither agreeing nor disagreeing with the statement. No respondents disagreed with the statement, and only 3% strongly disagreed (see figure 2). Implying consensus among respondents that we are unique in our offerings, this is a significant finding that demonstrates strong identity of the IIED brand among our audience and partners.

Figure 2. Distribution of scores in response to the statement: I think IIED is unique in what it offers



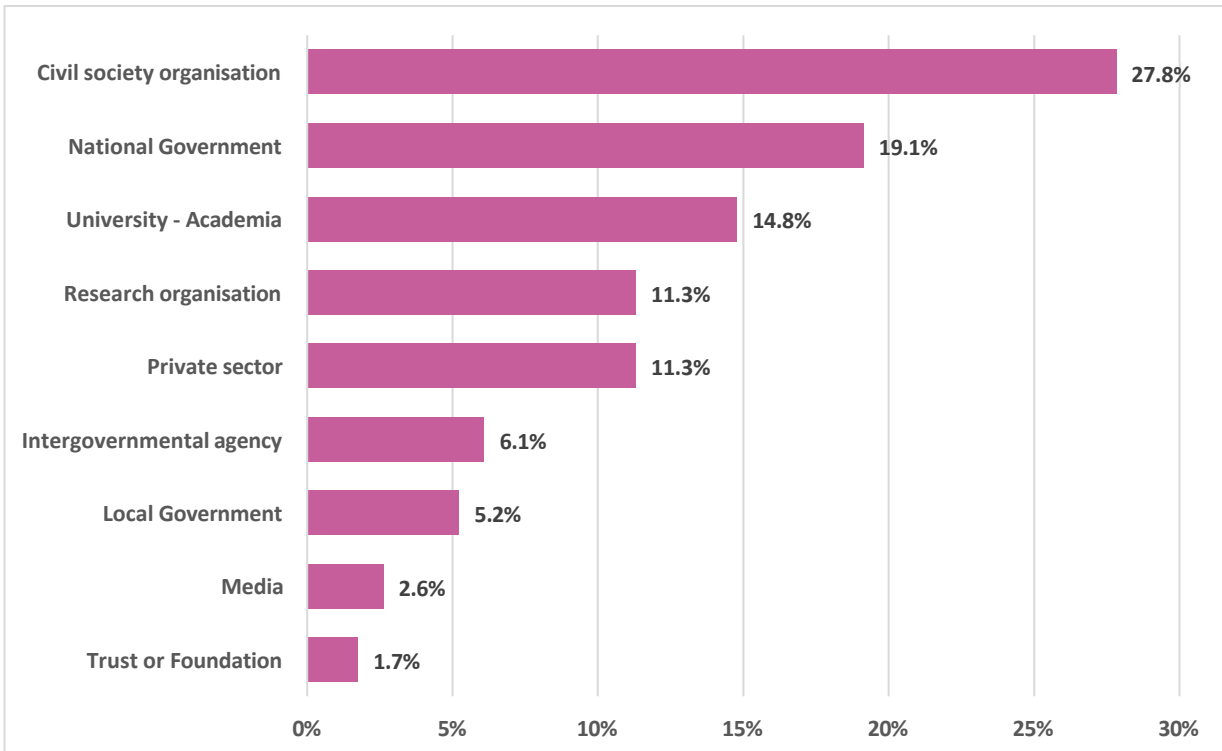
This finding is further supported by the responses to the question: *How likely are you to recommend IIED to a friend or a colleague?* 66% of respondents expressed a high likelihood of recommending IIED, and 28% a moderate likelihood of doing so. 5% maintained a neutral stance, and only 1% indicated that they were very unlikely to recommend us to friends or colleagues (see Figure 3).

Figure 3. Distribution of scores in response to the question: How likely are you to recommend IIED to a friend or colleague?



The data below demonstrates the groups represented among the 115 survey respondents.

Figure 1. Respondents, by organisation type (2023)



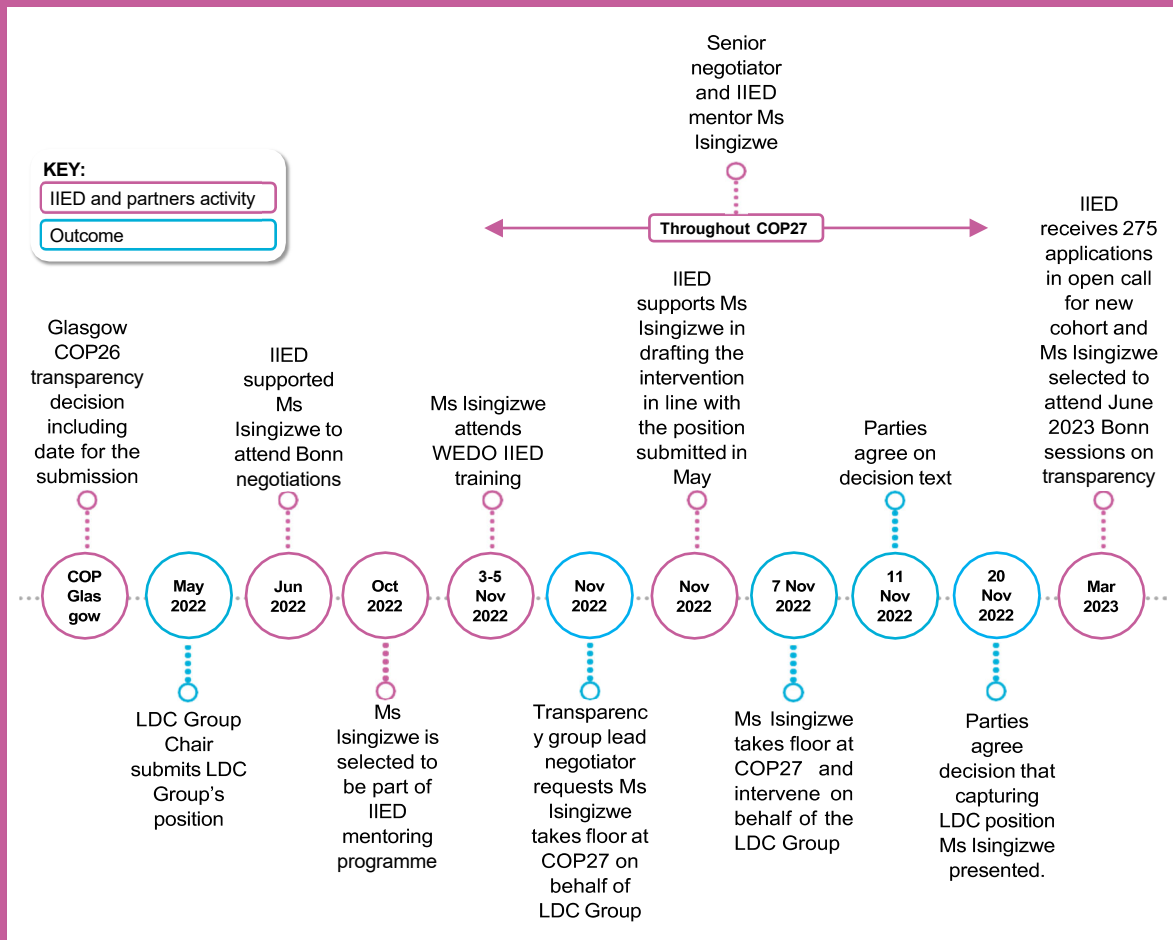
Box 2. Examples of change at different levels

At the national level, influenced by the work of IIED partners, the government of **Sierra Leone** adopted ground-breaking legislation on land rights and responsible investment, while the government of **India** launched the **people-plus-tech approach to scale up the Climate Resilience Information System and Planning Tool** for MGNREGS (CRISP-M) to enable more inclusive, transparent and need-based village-level planning for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

At the local level, the **Kitui County** government in **Kenya** changed its approach to energy programme planning, implementation and monitoring to become more inclusive, while in **Jalalabad, Afghanistan**, local government actors announced plans to **open a market for women** so they can run their own businesses and sell goods. This idea emerged from participatory forums organised as part an IIED-led research project.

At the global level, we have gathered several stories about the influence of IIED and our partners. These include the **inclusion of biocredits in the Global Biodiversity Framework (GBF)** adopted at the Convention on Biological Diversity (CBD) 15th Conference of the Parties (COP15) as part of its Target 19 on resource mobilisation; and the **decision of the 27th Conference of the Parties (COP27) to the United Nations Framework Convention on Climate Change (UNFCCC)** to allow countries to review reported information on adaptation, loss and damage and include a course on these topics within its already agreed training programme. **This decision, which reflects the Least Developed Countries (LDC) Group’s position, was presented by a new LDC delegate – Sandra Isingizwe – supported by IIED.**

Figure 2. Timeline of IIED’s and Ms Isingizwe’s interventions and the results of their influence



Addressing the Current Strategy's 5 Strategic Challenges

1. Responding to the Climate Crisis

Addressing the climate crisis is one of the defining challenges of our time. Doing so in a manner that increases equity and justice globally is critical, requiring that the most vulnerable people have agency and voice in climate decision making processes from local level planning processes to global negotiating processes.

Meeting the Challenge

As part of our commitment to supporting the voices of the poorest people in climate decision-making processes, IIED in its five-year plan continued its commitment to work in partnership with the Least Developed Countries (LDC) Group to deliver equitable and ambitious outcomes under the UNFCCC and the Paris Agreement.

The LDC Group is an indispensable voice in the global climate negotiations, demanding climate equity, justice and ambition for almost a billion people who are most vulnerable to the impacts of climate change, despite being least responsible for greenhouse gas emissions. To strengthen this voice, the LDC Group is bringing forward the next generation of LDC leaders — including women and youth – who can advance LDC priorities, needs and interests through ambitious climate diplomacy, and tailor national implementation of the Paris Agreement to the unique circumstances, vulnerabilities and challenges facing LDC governments. The Group is also working to augment its members' technical and institutional capacity to engage in UNFCCC negotiations, build the evidence base to strengthen their positions within these negotiations, and support their efforts to implement the Paris Agreement.

Least Developed Countries Initiative for Effective Adaptation and Resilience (LIFE-AR)

IIED continues to support LIFE-AR which is an LDC led and LDC owned initiative aiming to support the LDCs shift onto climate resilient development pathways. The ambition of the initiative is to design and test delivery mechanisms that devolve authority and resources to local actors to invest behind their adaptation priorities, innovate in how the LDCs are supported to achieve this and influence bilateral and multilateral finance providers so the LDCs can access more and better quality climate finance.

Work has advanced on discussions on the LIFE-AR Platform and pathways towards achievement of an LDC owned LIFE-AR Platform. Consensus has emerged that the ultimate objective of this governance work is a new LDC owned platform to host LIFE-AR; and that the preferred legal structure would be a not-for-profit organisation or an international organisation, and that the process should not be rushed, looking at setting up an LDC secretariat over the coming 2 years. IIED continues to play an important role to facilitate conversations to come up with options.

LIFE-AR's existing development partners; Ireland, the UK and the US continue to provide valuable support to LIFE-AR. The US announced at COP27 in November 2022 that they will provide an additional \$3.5m to LIFE-AR in addition to the \$3.5m the US had previously committed. A grant agreement for €1m was signed with Ireland in December 2022. In March 2023 the UK announced approval of their LIFE-AR business case of £10 million over five years. Active discussions with further development partners were advanced during Year 3 including with Norway, Finland, Canada, Italy, Germany, France, and Switzerland. The LDC Chair met with the Norwegian Minister at COP27, in which Norway confirmed interest in providing a financial commitment to LIFE-AR. Denmark has also signalled interest, and the secretariat is following up and providing the information required to these interested development partners as they finalise their funding commitments and go through internal approvals. These financial commitments provide evidence of development partner's commitment to stand together with LDCs in support of LIFE-AR principles to deliver a new way of working, that places vulnerable communities at the centre and deliver the 'LDC Ask', which asks development partners to provide predictable, flexible, and high-quality finance to LDCs and support the LDC goal of 70% finance reaching local level.

At COP27, efforts were also made to showcase LIFE-AR at the international level to advance adoption of LIFE-AR principles and business unusual approach. A high-level event was organised on 'Showcasing LDC leadership in LIFE-AR' which outlined Ethiopia and Uganda's progress in moving to the test and evolve phase. At this event, Canada committed to sign up to the LIFE-AR Partnership Compact and the US announced their additional funding support. In addition, the LDC Chair, in her briefing with COP27 media, highlighted the work of LIFE-AR in what LDCs are doing to tackle climate change. US President Joe Biden's speech notes at COP27 also made references to the US commitment to LDCs and to LIFE-AR. These all provide examples of the joint efforts of LDCs and development partners to highlight the work of LIFE-AR.

A central component of the LIFE-AR programme includes the commitment to support learning and sharing experiences between front-runner countries (FRC) engaged in LIFE-AR through an LDC community of practice (CoP). Peer-learning events have also been supported to allow learning and exchange between FRCs. The peer-learning events provide an opportunity for all LIFE-AR stakeholders including the LDCs and development partners to convene for learning and experience sharing and are driven by priorities and interests of the LDCs. FRCs are using the lessons learnt from the peer-learning events and applying them in practice to improve areas such as whole of society and gender representation in their National Platforms, communication for LIFE-AR, strengthening business unusual practice and incorporating GESI in the design of their delivery mechanisms.

Support to the FRCs continues, including setting up of financial delivery mechanisms, setting up Monitoring Evaluation and Learning systems as well as communities of practice, working with national institutions including Universities, civil society organisations and cross government ministries, departments and agencies to achieve a whole of society and whole of government approach. In October 2022, Ethiopia and Uganda presented their plans to transition to the second (test and evolve) phase of LIFE-AR with the LIFE-AR Board and received conditional approval to proceed. In November 2022, they also showcased their progress at COP27 in Egypt at a side event highlighting LDC leadership in climate action, attended by LDCs and development partners.

The test and evolve phase will be an opportunity to pilot the delivery mechanisms they have designed and generate evidence and initial learnings to inform scaling out the mechanism.

Scaling up Locally Led Adaptation (LLA)

The principles of LLA continue to mobilise action and learning on improving the flow of climate finance and associated decision making to the local level. During COP27 itself, 23 organisations formally announced their endorsement, including the Government of Finland during an event hosted by IIED. These organisations represented country institutions, youth organisations, Indigenous Peoples and Local Communities groups, as well as nature-focussed organisations. They joined Irish Aid and the UK's Foreign, Commonwealth and Development Office (FCDO, UK) who had committed before COP26. There is growing recognition and calls for a move from endorsement to action – with LIFE-AR being one of the flagship examples of really trying to deliver business unusual. At a recent London Climate Action Week event, the Government of Vanuatu amplified this call – asking others to join the movement to improve delivery of climate finance to the local level and take the difficult decisions needed to deliver on endorsements of the principles. A new grant from the Netherlands government is currently in the final stages of discussion and hopefully approval. This will provide 5-year funding to IIED and partners to deliver on the LLA strategy (drafted in 2022) and create new partnerships to scale the engagement in locally led climate action into other areas, including landscapes and nature.

In parallel with this, influencing and engaging with the political processes which drive donor support for adaptation has been key. This seeks to address the challenges of not enough finance being committed to the LDCs/SIDS and also the challenges of access for LDCs/SIDS. The main avenues for this have been through the Climate and Development Ministerial (C&DM) process, the champions group on adaptation finance, and the emerging LDC/SIDS leadership work, which is closely linked with the work underway on negotiations and the strong relationships which are in place. With support from IIED and E3G (an independent European climate change think tank with a global outlook), the UK and Rwanda hosted a second Climate and Development Ministerial during the UNGA in September 2022. The

ministerial identified 3 transformational shifts against which progress was needed to deliver a step change in the financing of development and climate outcomes:

- Reforming the global financial architecture to better manage risks.
- Moving towards national platforms for speedier access to better quality finance.
- Innovating to improve the scale and composition of climate finance.

At COP27, a draft forward-plan for the Climate and Development Ministerial was launched at an event hosted by Rwanda and the UK. This set the direction for a set of potential actions and outcomes which could be achieved to make progress against these 3 shifts over the next two years. A process is now underway with the LDCs/SIDS in the lead to develop a concept for a third C&DM, supported by and in conjunction with the Adaptation Champions. This is a new way forward to bring together the critical groups to shape and co-design a way forward which can have influence on the wider donor and policy environment.

Addressing inequalities and injustice in climate action

IIED and GIZ have worked together to understand a broad overview of the concept of gender-just transitions and how it can inform policy and practice. A paper was produced that discusses how gender equality relates to just transition toward climate sustainable societies and economies. It provides background into the development of a just transition as a framework and the importance of taking a gender-just approach to strategies and policies for just transitions. A sectoral paper on energy transitions was also finalised, addressing gendered approaches in the sector, and focusing on impacts of energy transition on women, barriers and opportunities as well as overlapping intersectional disadvantages. This work has also led to a successful call to submit a policy brief on gender-just transitions to the T20, with recommendations to the G20 approaches to gender-just transitions. These approaches will support IIED engagement in further work on just transitions especially for developing countries and groups most at risk of being left behind.

IIED has also engaged in institutional strengthening, working with partners to contribute to strengthening capabilities to address climate change in development programming. IIED has provided technical support to the Ireland department of foreign affairs climate change unit, and their embassies in Africa, Asia, and Latin America, focusing on UNFCCC negotiation processes, loss and damage, and integration of climate change into development programming among others, with the aim of climate proofing Ireland's climate investments, as well as increasing climate finance spend in vulnerable countries. IIED has also worked with Misereor (German Catholic Bishops' Organisation for Development Cooperation), facilitating a learning journey with Misereor partner organisations to strengthen their climate programmes, systems, and processes to respond to climate risk and uncertainty in their own context. These processes have strengthened IIED's relationships with the organisations in different countries and strengthened capabilities to address climate impacts on the ground.

IIED has also worked with World Vision Ireland to understand barriers to youth engagement in climate action and tackling issues of intergenerational justice. A research report has been published, informed by dialogues between Tanzania and Ireland, as well as surveys and interviews focusing on location specific vulnerabilities, and intersections with gender, age, culture, and the different epistemologies. This has opened conversations on how IIED can advance this work and a further five-year TA support grant agreement has been entered with World Vision Ireland to support integration of climate change into their programmes. Given that the majority of IIED's work is done in developing countries where youth populations are high, it is key to identify how IIED can shape youth climate leadership and capabilities for the future.

Comprehensive risk management approaches for delivering climate resilience

Our work focuses on building capacity and providing technical advisory support to national and local governments and other stakeholders in LDCs and low-and middle-income countries (LMICs). This includes how to create and institutionalise processes, systems, and mechanisms for effective risk governance, with a focus on climate risks over short, medium and long timeframes.

We have generated evidence on climate risk governance and management issues in multiple countries, by conducting collaborative research and co-producing knowledge with local stakeholders. This approach has ensured that local people gain new skills and capabilities, and that the knowledge meets their needs. Most of our work directly supports national and local governments to help them better manage climate risk in a way that benefits the poorest and most vulnerable communities. We support partner governments in India, Bangladesh, Indonesia, Ethiopia, and Kenya to analyse and integrate climate risk data more effectively into their local and national planning systems and adopt risk governance and management approaches that are helping to improve the resilience and adaptive capacity of poor and vulnerable communities. Our work includes the scale up of the Climate Resilience Information System and Planning Tool for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) CRISP-M tool in India - and globally - to deliver climate resilience at scale. This includes helping to expand the scope of the CRISP-M tool through a 'tech plus people' approach, with inclusive volunteer-led community engagement. By giving poor and marginalised communities a voice and authority in decision making at a local level, this work enables climate technology to work in their favour and help them prepare for and manage climate impacts.

Through our Alliance for Locally Led Approaches for Transformative Action on Loss and Damage (ALL ACT) initiative, we are currently working with eight champion countries, where we will extend our body of evidence on the practical options for tackling loss and damage in LDCs and SIDS. Our focus under ALL ACT is on promoting locally led and locally responsive transformative approaches for addressing loss and damage, particularly on generating evidence on non-economic loss and damage. We are working with LDCs and SIDS to create a social and collaborative knowledge network on loss and damage by creating an observatory that promotes a global north & south-south community of researchers.

We work on highlighting human rights violation issues in communities forced into distress migration and displacement due to climate impacts, particularly among women, girls, and children. We have generated an evidence base on the impacts of climate change-related migration on modern slavery and trafficking and aim to deepen this work through ongoing projects in India, Bangladesh, Philippines, Ethiopia, and Caribbean islands.

As knowledge partner for Asia Development Bank's (ADB) Community Resilience Partnership Program (CRPP) in Bangladesh, Nepal, Cambodia, and Indonesia we are working on generating evidence on good practice on community resilience-building to inform the design of policies and practices.

Our work has led to generating evidence on applying decentralised climate finance (DCF) and local climate-resilient development planning in Kenya, and how social protection can support climate resilience over short, medium, and long timeframes, with a focus on India and Ethiopia. We are working on exploring the relationship between climate change and conflict in the Sahel and on how to address climate change in FACS. Through Building Resilience in Ethiopia (BRE), DCF and our drylands work in FACS contexts, we work directly with local stakeholders to strengthen interactions between community members, local government authorities, government planning and governance institutions. The aim of this work is to help local stakeholders articulate the role of traditional or customary knowledge in shaping responses to climate change and ensuring that decision making considers the priorities and needs of vulnerable communities and people. We also influence local and national government authorities and other stakeholders — such as CSOs and the private sector — to include poor and vulnerable people and communities in their planning and decision making.

Lessons Learned

IIED has been working in partnership with the LDC Group in the UN Climate negotiations providing real time legal and technical support since 2011. During this time, that partnership has grown to include capacity building support, technical support in the negotiations, work with LDC governments to support their implementation of the Paris Agreement, as well as support for the LDC initiatives, including serving as the interim Secretariat for the LDC Initiative for Adaptation and Resilience (LIFE-AR). Our sustained work with the LDC Group in the UN Climate negotiations has been integral to the trusted relationship that IIED has with the LDC Group, the LDC Chair and many LDC countries in the climate change space.

The support to the LDC Group is very cyclical as the LDC Chair changes every two years, which makes such a sustained approach essential as the capacity of the Group requires a Chair with appropriate capacity and support. In addition to the regular changeover of the Chair, there is often high turnover of LDC negotiators, requiring continued capacity building efforts to build a new generation of climate leaders within the LDC Group. IIED is working with the LDC Group, LDC Chair and partners to support the establishment of a permanent LDC Climate Secretariat, which would have a central coordinating function to support the management of the LDC initiatives and the function of the LDC Group. The structure, function and roles of the new secretariat are still under discussion. However, the LDC Group and Chair have articulated that they strongly value an ongoing role for IIED in supporting the Group as they address critical climate challenges in the UN Climate negotiations.

LIFE-AR

Getting funds to national level platforms as they are needed is still taking longer than it should. As we implement the SOP in Year 4, we need to work with the new due diligence tool to streamline the transfer process and be more targeted on the most critical steps. Strengthening systems that will, in the future, manage LIFE-AR funds takes time. LIFE-AR stakeholders have recognised that in order to ensure funds reach FRCs often an interim solution to working through government is required. This is conflicting with LIFE-AR commitment to working in a business unusual way, with the goal of no longer using intermediaries to manage LDC climate finance being questioned. To mitigate the risk of a loss of trust in LIFE-AR decision making aligning with the LIFE-AR strategy, further discussions will take place between the LIFE-AR Board members on this area so that a clear route can be agreed for the Secretariat to implement.

Achieving business unusual is hard. It takes longer to implement LIFE-AR at the beginning as we collaborate on trying to do things differently and shift a power imbalance that has been a central part of how things have been done since the era of colonisation. Creating governance arrangements where LDC engagement and leadership are on an equal footing with international development partners with appropriate systems and processes designed for LIFE-AR takes time. Using 'business as usual' would be faster but will lose the fundamental intentions behind the LIFE-AR principles and the LDC vision.

The ten-year LIFE-AR Strategy outlines the funding aspirations of LIFE-AR to successfully support front runner countries through their establishment, test and evolve and scale up phases. A risk to LIFE-AR is not securing enough funding to meet the aspirations of the LIFE-AR Strategy to 2030. Long-term funding at scale is required to meet the budget aspirations of existing front runner countries as they move into the test and evolve phases and begin testing their mechanisms and delivering to local communities.

Delivering LLA

The previous grant from FCDO enabled IIED and partners to work closely together to deliver several LLA outcomes, including evidence, workshops and events. One key lesson emerging from this work is on how IIED, as an intermediary, needs to also adapt its ways of working to put the principles into practice in our relationships with partners and others. Some of the lessons tally with those emerging themes from the ILE on ethical partnership and include better co-design of proposals, more open budgets and other financial management approaches, and a potential change to our contracting or sub-granting model to enable a more equitable partnership. One factor driving the business unusual approach is the issue of risk, and how risk is perceived and managed within a donor agreement, by IIED and by partners. There is an opportunity to work closely with the IIED partnerships team and LIFE-AR colleagues to look at how we can address this and bring our learning together.

Another key lesson is that delivering the LLA approach and shifting the power requires time and patience – something which links to the decolonisation agenda, with a shift needed to truly co-create and enable the power dynamics to become more equal. The FCDO grant funding model (ended December 2022) exacerbated this output based, high delivery approach with no time factored in for co-creation and a realistic timetable based on capabilities, capacities and commitments of partner organisations based in the south.

Obstacles and Opportunities

The poorest and most vulnerable people are disproportionately affected by the impacts of climate change. Greater global ambition is needed to minimise increasing inequality, hunger and poverty in vulnerable regions, countries and LDCs. Without global solidarity, the universality of the Paris Agreement will unravel, and it will cease to be an effective lever for change. The funding committed by developed nations remains elusive, with commitments either not being met or funds being “classified” as adaptation finance in an untransparent manner.

National efforts to deliver commitments under the Paris Agreement and lead by example are hindered by insufficient resources and by domestic institutions, structures, and governance systems with limited ability to address the risks and impacts of climate change over the longer term. This weakens the LDC’s ability to push for greater global ambition on climate change action, appropriate finance for domestic climate action and more purposeful, climate-centric development focused on poverty and hunger eradication.

International climate negotiations will continue to be a critical forum for the LDC Group, particularly negotiations under the UNFCCC. This is the only space where those countries most vulnerable to climate change are guaranteed a voice, and where they can hold developed countries to account for their commitments on climate finance and ambition. They are also an important setting for assessing progress towards implementation and revising rules in ways that increase LDC ambition over time.

Nevertheless, LDCs still face challenges in these negotiations. High turnover within their small delegations (the UNFCCC only sponsors two delegates per country) makes it hard to ensure that technical experts and experienced negotiators can attend sessions and provide continuity and leadership within the LDC Group. It also means that many delegations do not include women, youth or other junior negotiators who will be the next generation of LDC leaders. The rise in virtual international climate consultations following COVID-19 has also exacerbated the problems LDCs face operating in an online world and limited their ability to engage in wider UNFCCC decision-making processes.

While there are many challenges, the LDC Group’s 2050 Vision and robust leadership through the LDC Chair and LDC Elders Group provide a strong base for amplifying LDC voices in climate negotiations and leading implementation of the Paris Agreement. This programme is designed to align with the LDC vision, the LDC Chair’s work plan and the evolving needs and priorities of the LDC Group, while responding to emerging challenges and opportunities identified by the Group.

To complement and support the LDC Group in its efforts to instigate equitable, effective and ambitious climate action, the IIED team’s partnership with the LDC Group is oriented around two areas of interconnected and complementary work:

- **Negotiations and climate diplomacy** to provide LDC Chair and the group’s negotiators with on-demand, real-time strategic, technical, and legal advice, help them develop and advance their positions and build progressive alliances; to strengthen LDC engagement in the UNFCCC and associated climate-related processes; and bolster LDC climate diplomacy through strategic guidance and advice.
- **Capacity-building** to strengthen LDC delegations by training, mentoring, and facilitating the emergence of the next generation of negotiators, including women, francophone and new or junior LDC delegates; and to support implementation of the Paris Agreement in LDCs through awareness raising, experience sharing and peer learning activities.

These efforts are part of a holistic approach to climate diplomacy that recognises the need for synergies and feedback within the international system, sets the rules, defines the parameters, and enables access to resources for national implementation on climate change. Information on progress with implementation should feed back into international transparency systems and help determine whether these rules are fit for purpose.

2. Addressing the Assault on the Natural World

Environmental degradation creates untenable pressures on the living planet. It worsens the living conditions of millions of the poorest people across the world and poses a severe threat to the natural ecosystems that support economic sectors such as agriculture, forestry, and fishing. Climate change exacerbates some of the causes of environmental degradation, and in a vicious cycle, degradation then reduces nature's moderating effects on climate change and its impacts, which include droughts, floods, and extreme weather. Meanwhile, investments in agribusiness and extractives often take an aggressively short-term approach, and across the world, people who co-exist with, and rely on, natural resources — and who are best placed to look after these resources — see their rights and livelihoods eroded. Indigenous Peoples and local communities continue to need support to overturn bad policies and improve the decisions that really matter for natural resources and ecosystem use for sustainable development.

Meeting the Challenge

Our partners have done great work with us during the year. We have begun implementing the Reversing Environmental Degradation in Africa and Asia (REDAA) programme. IIED has steered the development and set-up of REDAA and now provides the Scientific and Management Unit (SMU) to run this research-to-action programme, in partnership with its funders - the UK government's Foreign, Commonwealth & Development Office (FCDO). REDAA is a programme that catalyses research, innovation, and action across sub-Saharan Africa and South and Southeast Asia, by offering grants and technical support to grantees working on locally led responses to environmental degradation including restoration and sustainable management of natural resources. In the scoping and set-up phase of REDAA (to June 2023) the IIED REDAA team has:

- undertaken or overseen and published a range of [scoping studies](#);
- facilitated work with stakeholders in sub-Saharan Africa, South Asia and Southeast Asia to co-identify priorities that the REDAA grant, and support programme can address;
- supported and learned from several [‘demonstrator’ projects](#);
- built the core foundations for effective management of the programme; and
- shaped the [REDAA Strategy](#) from all the above.

REDAA's [first grant call](#) offers 18-21 grants of between £200,000 and £500,000 each to locally led research-to-action initiatives that address at least one of REDAA's five thematic priorities: Local research and capability for research; Resource and land use assessments; Business models; Financing mechanisms; and Inclusive governance systems.

The IIED-led, FCDO-funded Advancing Land-based Investment Governance (ALIGN) programme is implemented in partnership with the Columbia Center on Sustainable Investment (CCSI) and Namati, as well as partners in a range of countries in Africa and Asia. In FY23, ALIGN's technical support facility worked with government and civil society in Botswana, Cambodia, Chad, Ghana, the Gambia, Indonesia, Tanzania, Cameroon, Guinea, Sierra Leone, Uganda, Zambia. Several of these technical support instances were accompanied by grants. ALIGN has also been implementing longer-term, larger-scale work in Sierra Leone (led by Namati) and Zambia (with the Zambia Land Alliance and the Centre for Trade Policy and Development) and conducting scoping for comparable work in Indonesia. In FY23, ALIGN's evidence and lesson-sharing work produced several publications, hosted widely attended international webinars, coordinated a series of blogs and facilitated peer-to-peer learning among practitioners in Africa and Asia.

Illustrative FY23 highlights include ALIGN's contribution to reforming national land legislation in Sierra Leone, which now requires community consent for new investments. CSO network members increasingly adopted story-based advocacy and alternative narratives in their strategic communications. Further impact from work under ALIGN was achieved by partner CCSI which published a [business guide and a legal risk primer for commercial wind and solar project deployment](#) to address gaps in emerging literature on corporate accountability in the renewable energy sector, garnering widespread attention. The World

Benchmarking Alliance also [changed its new nature benchmarking methodology](#) - strengthening the scoring related to Indigenous Peoples, land rights and human rights defenders - based on CCSI inputs under ALIGN. Botswana Watch developed and presented the first draft of its budget public participation guidelines to the Ministry of Finance, based on the experiences of Open Development Cambodia, another civil society partner under ALIGN.

Ugandan CSO and IIED partner Advocates for Natural Resources and Development (Anarde) successfully influenced mineral governance reform to enhance the rights and advance the interests of mining-affected communities. Based on Anarde's experiences, the Center for Trade and Policy Development, one of ALIGN's core partners in Zambia, is exploring the use of community development agreements to strengthen community rights and promote equitable benefit sharing in the country's mineral regime. CSO coalition and IIED partner Defence of the Rights of Communities Impacted by Development Projects (CODEC)¹ also successfully influenced land governance reform to recognise and secure rural communities' rights in Guinea.

In addition to implementing ALIGN, the Law, Economics and Justice team has also been implementing other projects including on mining (with partners in the DRC (Democratic Republic of Congo), in Mali and in Guinea), on preventive legal empowerment in the face of large-scale investments (with partners in Cameroon and Uganda), on gender and land (Tanzania and Senegal and ongoing scoping for a new phase and approach), on special economic zones (Senegal and Madagascar), on trade and climate justice in Indonesia and on investor-state dispute settlement.

The Forest and Farm Facility (FFF), which is co-managed by FAO, IIED, IUCN and Agricorn and involves a multi-donor trust fund supported by EU, Finland, Germany, Ikea Foundation, Netherlands, Norway, Sweden, USA continues to deploy approximately 70% of its annual budget of more than US\$ 10 million directly to forest and farm producer organisations in 12 countries. With IUCN facilitation, regional farmers associations from Africa, Asia and Latin America have begun to develop a smallholder farmer alliance for climate action – drawing on guidance from the Global Alliance for Territorial Communities which has helped position Indigenous People at the climate and nature COPs. IIED is contributing through a new global survey of the adaptation investments made by smallholder farmers which are expected to grossly exceed all international adaptation finance. The campaign has been developing through a series of international events leading up to and following from three particular key gatherings: a conference in Vietnam on investing in locally-led diversification for climate resilience and food security in September 2022; a knowledge exchange on community mechanisms for territorial financing in October 2022 in Mexico; and in a donor dialogue in the USA on 'Getting money to the ground', also in October 2022 followed by a planning meeting in Rome in July 2023 and a regional event in Bolivia in October 2023.

IIED's Forest Team has also built on the strength of FFF to leverage additional resources – helping the US \$104 million GEF Dryland Sustainable Landscape Impact Programme to deploy resources of its many country-based projects (e.g., across the Southern African miombo woodlands) into targeted support for Green Value Chain development with forest and farm producer organisations. Additionally, the team has commenced new work through the Ecosystem-based Adaptation Fund to support 41 forest and farm cooperatives in Northern Vietnam to document, share and upscale their work on ecosystem-based adaptation – targeting new participatory guarantee systems to market products, and explore linkages to national payment for environmental services schemes.

IIED's Biodiversity Team provides an institutional home for the IUCN Sustainable Use and Livelihoods Specialist Group (SULi). In the second half of 2022, SULi was commissioned by the CITES Secretariat to compile a series of 15 case studies documenting the link between trade in CITES-listed species and local livelihood benefits which contributed to a decision at the CITES CoP that a continued focus on the links between wildlife trade and livelihoods was important and merited further investment of effort.

IIED and partner International Indigenous Forum on Biodiversity (IIFB) supported Indigenous Peoples' and local communities' key asks with evidence to strengthen international commitments on nature finance

¹ *Collectif des organisations de la société civile pour la défense des droits des communautés impactées par les projets de développement* in French.

in the new post-2020 Global Biodiversity Framework (GBF), adopted at CBD COP15 in December 2022. The GBF target on protected and conserved areas states that these must be “equitably governed” and the number of sites using the ‘SAGE’ tool developed by IIED has been included in the GBF monitoring framework as an indicator for monitoring progress towards the target. We continue to facilitate the spread of the SAGE tool for assessment and action to improve governance and equity of protected and conserved areas – which has currently reached 60 sites in over 25 countries.

IIED has also continued to promote alternative decolonial conservation and development paradigms through its work on biocultural heritage, a concept that reflects the holistic worldview of Indigenous Peoples where biodiversity and culture are inextricably linked. With the International Network for Mountain Indigenous Peoples, we advocated for recognition of biocultural territories that revitalise cultural values essential for conservation and resilience, using Indigenous methodologies. We targeted COP27, CBD COP15, and the UN Water Conference – where we facilitated livestreamed presentations by communities in the Andes. With Kenya Forestry Research Institute, we have facilitated the establishment of a 20,000 community-governed biocultural territory in Rabai’s sacred Kaya Forest landscape in coastal Kenya, inspired by the successful Potato Park in Peru, which is strengthening conservation, livelihoods, food security and land rights.

Lessons Learned

Food and energy crises in some regions, exacerbated by the effects of the war in Ukraine, and budget cuts with some governments falling short of their climate and nature commitments, have caused us to further adapt our funding strategies and project work in this period.

Lessons we have learned in the development of the REDAA programme provide an example of the way we try to actively monitor and adapt our work. Among the lessons learned are:

- **Active learning and knowledge management.** The need to synthesise findings and lessons from across the REDAA programme throughout its lifetime has underpinned the emphasis on good communications, and monitoring, evaluation, and learning (MEL) in all REDAA-supported initiatives. It is the programme’s rationale for periodic learning events among grantees, for peer-to-peer and programme-level learning, and for strong communications and MEL capacity in our management team. REDAA’s website will become REDAA’s online knowledge management hub and an important focus when fostering a community of practice.
- **Working with other initiatives.** It will be crucial to continuously adapt REDAA’s comparative advantage and unique position internationally. The programme will work best alongside, and in communication and collaboration with, existing bodies of work and ongoing programming. This lesson has shaped REDAA strategy development and preparation of its criteria and guidance for grant calls.

Lessons under ALIGN include consideration of how we can best navigate the perceived tension between promoting investment and strengthening safeguards for responsible land-based investment governance. Problems arise when perceptions that are not grounded in evidence inform regulatory frameworks governing land-based investments. Common (mis)perceptions include that all inward investment into low- and middle-income countries is inherently good and contributes to economic growth; that limiting environmental and social safeguards eases the cost of doing business for investors and that investor interests are inherently at odds with those whose rights are protected by strengthened safeguards.

ALIGN’s impact can be strengthened by continuing to navigate and reshape such perceptions. ALIGN can do this, for example, by:

- Building the evidence base and refining narratives around the correlation between better investment outcomes (for governments and investors) and the integration of stronger environmental and social safeguards. Evidence-building can be informed by existing research and quantitative data regarding the business case for responsible investment (and risks associated with irresponsible approaches), and sensitising strategic actors.

- Providing practical guidance on how investors and government can implement meaningful environmental and social safeguards and respect legitimate tenure rights. A key reflection from ALIGN's work in Sierra Leone is that even where government actors and investors recognise the benefit of rights-protective safeguards for investment performance, stakeholders require guidance and technical support for practical implementation.
- Redefining what constitutes a successful investment to include non-monetary benefits such as social and reputational benefits. Benefit analysis should also go beyond the investor and include impacted communities.

By debunking commonly held perspectives and shifting dominant narratives around land-based investment, ALIGN can support multiple stakeholder groups in promoting and implementing responsible regulatory frameworks that are shaped by evidence.

Obstacles and Opportunities

We continue to strive to find an effective balance and combination of work in international, national and local arenas, working with partners to improve the enabling environment and support local organisations. These organisations are the frontline for improving lives and resilience in the face of environmental degradation, climate change and economic shocks, and for resisting and overcoming regressive governance. Our ALIGN, REDAA and FFF programmes in particular present opportunities to achieve this balance and provide effective support to local organisations, with a range of other initiatives also underway or in incubation playing their part, such as our work to scale-out biocultural territories. Internationally, processes related to investment rules, and to the climate and biodiversity COPs - including the equity in protected area target agreed at CBD COP15 in December 2022, the CBD Working Group on Article 8J (traditional knowledge) and the FAO Plant Treaty - generate vital opportunities which we are well-placed with partners to take.

3. Transforming Urban Areas to Address Climate Change and Inequality

Towns and cities are places of opportunity, dynamism, and diversity, but they are also sites of risk. Currently, 65% of the world's urban population live in coastal zones that are exposed to a range of hazards including sea-level rise, floods, droughts, hurricanes, and tornadoes — and this proportion is likely to increase to 74% by 2025. Towns and cities are highly vulnerable as more than a third of the world's urban population lives in informal settlements that lack basic services and suffer deficits in governance — conditions that challenge people's capacity to adapt to climate change. Informal settlements are also home to increasing numbers of displaced people, who experience additional vulnerabilities and violations of their rights. In addition, almost 750 million urban residents across the world earn less than two dollars a day and lack the financial safety nets needed to bounce back from shocks, such as the recent pandemic.

Our work in urban areas delivers on multiple fronts, working with grassroots partners, activists, and academics to bring local knowledge and co-produced solutions to the fore at city, national and international levels.

Meeting the Challenge

2022-23 was IIED's Better Cities Year, which we kickstarted with an event in Katowice, Poland at the World Urban Forum in May 2022. Alongside partners from Argentina, Kenya, and Sierra Leone, we presented our vision for research and policy advocacy that will address the twin crises of climate change and inequality in cities. Based around four themes set out in an [Issues Paper](#) – disruptive urban resilience, responding to forced migration in cities, housing justice and urban climate justice – this set the tone for a range of public engagement events on our urban work over the course of the year. Highlights included an event at COP27 on Better Cities in a pavilion hosted by the French Development Agency (attended

by donors, policy makers and researchers) and a podcast in the *Make Change Happen* series that featured a conversation between the Institute's urban researchers on whether mitigation can deliver better cities in the global South. The Better Cities Year culminated with a hybrid event in March 2023, that brought together researchers, policy influencers and practitioners to discuss and share insights on current and future trends in urban development and to highlight how IIED's journal, *Environment and Urbanization* has been at the cutting edge of many of these debates.

In August 2022, we bid farewell to the director of the Human Settlements Group, David Dodman, who left IIED after 15 years to lead the Institute for Housing Studies in Rotterdam. Counterbalancing this loss, IIED's urban research gained a significant injection of dynamism over the past year with the recruitment of four researchers, working across all four of our themes.

We have been using institutional GET and programmatic funding from the International Climate Initiative of the German Federal Government (IKI) to consolidate a programme that connects efforts to respond to poverty and promote social justice and decarbonisation in cities. We co-created a global action research agenda that links decarbonisation to social justice with key partners to influence policy and practice by hosting 3 regional dialogues with over 50 research, grassroots and international organisations who work on poverty, inequality, informality, and adaptation in cities. We are now planning a global meeting that brings in international agencies and thought leaders to launch a co-created global action research agenda in September 2023. This work seeks to dispel the myth that low-income urban communities have no role to play in generation-defining decisions around investments to achieve net zero in cities and tackle the triple challenge of climate change, poverty and loss of nature.

Ongoing work on urban adaptation scaled up significantly in 2022/23. This entails engagements with over 100 organisations across Latin America, Sub Saharan Africa, and Asia to 'crowd source' the design of an initiative that will effectively deliver resilience for low-income communities in the global South. The IIED team is being supported by an 'advisory committee' formed of representatives from donor organisations, research institutes, civil society organisations and urban networks. Our work on locally led adaptation in urban areas is also progressing, through substantive conversations with the leadership team of the landmark Roof Over Our Heads initiative and ongoing exploration of locally led urban financing actions including the enhanced use of City Resilience Bonds.

We published a [flyer](#) on our work on housing justice, which outlines a theory of change, the objectives and activities of the growing portfolio of research and policy engagement on this topic. In 2022/23 we have been building capacities of grassroots groups to advocate for housing justice through the action research project on [Civic Media for Housing Rights: Lessons from struggles against evictions in São Paulo and Lagos](#) (funded by the UK Arts and Humanities Research Council). We have influenced housing policy making processes, for example when we conducted a [housing policy dialogue in Sierra Leone](#) in partnership with the Sierra Leone Urban Research Centre and the Government of Sierra Leone. We have also raised our agenda with global housing actors and networks, for example by influencing the International NGO Habitat for Humanity through the production of the research paper entitled '[Improving housing in informal settlements: assessing the impacts in human development](#)' that informed their Home Equals campaign; and by producing the report for the Global Taskforce of Local and Regional Governments on the need for locally-led housing actions to advance SDG 11, as part of their 7th report "Towards the localization of the SDGs" for the UN-High Level Political Forum (HLPF).

Our 'Protracted Displacement in an Urban World' (PDUW) study entered the write-up and dissemination phase in 2022/23 and is comparing the experiences of refugees and internally displaced persons (IDPs) in cities and camps. At an [event sponsored by the Geneva Cities Hub](#) in December 2022, we presented preliminary analysis of quantitative and qualitative data, launched a [blog](#) on refugee wellbeing in camps, and published our first [policy brief](#). The consortium met for a 'writeshop' in Nairobi in March 2023 and gave presentations to UN-Habitat and the UN Refugee Agency's regional office for East Africa. Findings from this project, and a related study on water and sanitation for refugees in Jordan, were presented in a webinar to SIDA in January 2023 on the 'cost of camps'. The team are now drafting country and thematic working papers, policy briefs and journal articles, including for a Symposium in London in September and a special issue of *Environment and Urbanization*, to be published in October 2024.

We are now moving towards the second phase of the Transformative Urban Coalitions Programme which is central to the thematic work on urban climate justice. This 6-year IKI funded programme has established new models of coalition building and governance in the form of five Urban Labs in 5 cities in Latin America. In Buenos Aires, Argentina the catalytic project in Villa 20 is developing sustainable development pathways that include all residents, including those living in informal settlements. This included novel opportunities for green and blue and infrastructure solutions, including use of nature-based solutions in passageways, streets, squares and generating locally appropriate interventions. In Teresina Brazil the Urban Lab is developing bottom-up and low-cost solutions to retrofit massive low-income housing neighbourhood and the increase of biodiversity by providing natural/green infrastructure and public space. In phase two IIED will facilitate exchanges with other Latin American cities and take key lessons to global networks such as UCLG, SDI, C40, HIC amongst others.

HSG leads IIED's first ever projects that focus on gender and sexual diversity (LGBTQI+ populations). The project [What Does Queer Have To Do With It? Making space for LGBTQI+ contributions to sustainable development and climate action](#) is one of two Impact and Learning Exercises (ILE) funded through frame funding and selected via an internal competitive process. Through scoping exercises, public events and invitation-only dialogues, we increased institutional capacity to respond to the differentiated needs of LGBTQI+ populations, expanded our profile and network, and identified opportunities to expand opportunities for collaborating with civil society actors focused on gender and sexual diversity. Exemplifying bridge-building between established areas of development work and IIED expertise and LGBTQI+ civil society and priorities, we are working with new and existing partners in Kenya to incorporate the lived experiences of LGBTQI+ refugees and asylum seekers into our work on forced displacement. Collaborating with IIED's Gender Equality Champions Network (GECN), we also experimented a new [creative research method](#) to explore queer-feminist subjectivity and positionality within the sustainable development field.

Our flagship journal, [Environment & Urbanization](#) (E&U), remains enormously influential in the field (currently ranked 12/43 in Urban Studies), serving as a platform for diverse voices from cities around the world, including many of our partners. The April 2022 issue, [The contribution of cities to local and planetary health: Equity, ecosystem services and nature](#), examined the contributions made by cities to local and planetary health at a time when an ever-growing share of the world's population primarily encounters nature within the city. Its papers provided diverse case studies – from the lakes of Bengaluru to the floodplains of Khon Kaen, the forests of Obafemi-Owode, the parks of Johannesburg, the orchards of Shenzhen and the wetlands of Kolkata – which explored questions of what nature looks like in the city and who it is there to serve. The October 2022 issue, [Addressing urban inequalities I: Co-creating pathways through research and practice – reframing trajectories, politicizing knowledge and transforming pedagogies](#), was the first in a special double-issue on urban inequalities. Drawing on the research programme Knowledge in Action for Urban Equality (KNOW), it brought together papers sharing original research, practices, experiences and theoretical reflections about the construction of pathways towards urban equality. From sites of action in Mumbai, Freetown, Dar es Salaam, Johannesburg, Rio de Janeiro, Cali, and networks in Latin America & Asia, these identified pathways invited us to reflect on the ways in which the different dimensions of urban equality are advanced, and to interrogate both urban planning practices and knowledge production processes.

The journal had a 2022 impact factor of 3.7 and in the calendar year 2022 had 656,649 full-text downloads.

Lessons Learned

Maintaining coherence while working remotely: IIED's researchers and project managers working on urban issues are spread across Europe, Asia and Latin America. We have found ways to maintain coherence and support the development of new agendas by holding regular virtual meetings where we discuss emerging research ideas and provide peer feedback on proposals. Working together on our Better Cities publications and events has also helped us identify and communicate a set of core issues and methodologies that connect our thematic areas of focus.

Using regional dialogues to strengthen partner relationships and develop new research agendas: we have used a participatory dialogue methodology across a range of different thematic areas, to canvas input into new research directions and establish new global collaborations.

Making the most of consultancy opportunities to build longer-term research collaborations and goals: we have made a number of strategic choices to take on short-term consultancy opportunities where we can see a potential pathway to longer-term support for urban federations, social movements and networks, and to build substantive new areas of work.

Obstacles and Opportunities

Progress towards SDG 11 has stagnated: the pandemic, climate and energy crisis, as well as lack of structural responses to current uneven and extractive urban development have all contributed to the lack of progress towards achieving the target of the urban SDG. However, we have seen opportunities emerging from innovations implemented by Local and Regional Governments in the context of the pandemic. While some have been short-lived, they have offered precedents that systemic change can be achieved when there is the will to act.

Opportunities in adopting a climate framing: Given the political support, donor attention and favourable public opinion for progress on the climate agenda, we understood the importance of framing our urban work in the context of adaptation and mitigation. While an ongoing portfolio of projects on urban climate justice and resilience are already well-positioned to take advantage of policy and financing opportunities in the climate space, this year we also made important progress in aligning key elements of programmes on housing justice and urban displacement with larger debates on climate change.

4. Tackling Unsustainable Markets

The debate about the role of business and investors in addressing climate change and biodiversity loss as well as poverty reduction has been at the forefront of many international processes this year, including the UNFCCC and Convention on Biodiversity. As countries seek to reduce their carbon emissions the commitments of business and investors are coming under greater scrutiny especially the robustness of how they assess their progress. Similarly, the need for business to pay more attention to the value of the natural capital that their activity depends on. During this year we have been working at the macro level on how to leverage more innovative finance for climate and nature and how to hold companies to account for their climate and nature commitments as well as work at the local level on better integrating producers and communities' perspectives into government policy and business practice.

Meeting the Challenge

The debt crisis has continued to grow in low-income countries with many governments spending more on debt repayments than essential services and climate and nature investments increasingly being marginalised. We have continued our pioneering work debt for climate and nature swaps as a tool to help countries address these challenges. We supported the Government of Cabo Verde to reach agreement with the government of Portugal to [swap part of their debt for outcomes in renewable energy and ocean conservation](#) in early 2023. The approach is attracting increasing interest with the Head of the IMF (International Monetary Fund), Kristalina Georgieva, [co-authoring a blog](#) highlighting the potential of the concept. We have been approached by a range of countries expressing interest in the approach, including Pakistan, Sri Lanka, Gabon, The Gambia and Eswatini and have produced a [briefing](#) to inform countries and their creditors interested in pursuing swaps.

Our work on innovative finance for nature has also gained international traction this year. Biodiversity credits (also known as nature certificates) were included in Target 19 on Resource Mobilisation in the GBF that was adopted at CBD COP15 in Montreal. We are working on the development of the biodiversity credit/nature certificates market, particularly the importance of the involvement of Indigenous Peoples'

and Local Communities (IPLCs) in the design of the market structures of merging biodiversity credit/nature certificate markets. We produced two papers setting out emerging lessons in the space:

- [Biocredits to finance nature and people: emerging lessons](#)
- [Innovative Finance for Nature and People](#)

Reliable access to clean energy remains a brake on development in many rural areas in the Global South. Our inclusive energy planning 'Energy Delivery Models' (EDM) work is continuing to work with government, suppliers and communities and local businesses (such as farmers and processors) to identify their needs and challenges and integrate these into local energy plans. In Kenya, we are tailoring solutions to needs and contexts at scale. The approach has expanded from Kitui County (1m+ people) to Meru County and 11 other counties as part of a European Union (EU)-funded partnership with the Kenyan government.

The aftermath of the COVID pandemic and war in Ukraine have continued to put stress on global food systems, particularly the most vulnerable producers at the end of global value chains. We launched a [report](#) highlighting the need for better attention along the value chain to the challenges small scale producers face. The report was one of IIED's most downloaded publications in 2022 and we were invited to present its results to partner organisations including IDH (the Dutch trade initiative), the Small Foundation and FCDO. We have also continued to develop our work on informality in food systems and with CIAT convened a Rockefeller Foundation supported meeting the Bellagio Centre to set out a new agenda for research and action on informal food systems. Eighteen experts and practitioners from around the world came together to put the "Food systems of the poor" at the centre of the agenda to achieve a sustainable and equitable food system. We also published two new papers on the informal milk sector in [Tanzania](#) and [Assam](#) (India) in collaboration with ILRI.

At the same time food systems globally are grappling with increasing climate variability and moves to support more sustainable diets. Our work on "locally led food systems transformation in Ethiopia and Kenya" funded by CIFF, is working with civil society organisations in these countries to develop the vision and the mechanisms to include local voices. This work is expected to inform a new a multi-year investment by CIFF in agricultural transformation. We have also continued to contribute to the Food Systems Countdown Initiative and led the component on livelihoods in the monitoring and accountability [framework](#) for food systems.

The International Year of Artisanal Fisheries and Aquaculture (IYafa) in 2022 provided an opportunity for us to raise the profile of the role of small-scale fisheries in addressing global challenges. We launched a [report](#) on improving retail procurement from small-scale fisheries, worked on solutions linking small-scale fisheries production to the blue economy in Cabo Verde ([LocalCatch](#)), which won the World Bank Coastal Fisheries Initiative – Challenge Fund (CFI-CF) Global Knowledge Competition, we also worked with the World Bank's on connecting fisheries management with social protection and jobs. We completed a first phase of work to develop a vision for how social protection and labour market interventions could strengthen fisheries management, while reducing vulnerability and building climate resilience (published as a Policy and Technical note by the World Bank). This promoted new collaboration between different sectors in the Bank and received very positive feedback from PROBLUE donors. A second phase of country-level work is now underway to develop a toolkit for practitioners.

Picking up on the growing focus on how global trade can support climate and nature objectives, we launched a Global Engagement Theme (GET) on [Trade and Sustainable development](#), co-created with the Natural Resources Group. This work has covered three themes this year: rethinking trade and investment agreements; more equitable national and international trade networks; and promoting trade and climate coherence. We were invited to participate in the [Remaking the Global Trading System for a Sustainable Future Project](#) and have contributed to their policy development on digital trade and the Blue Economy.

Critical minerals for a just transition are another work stream we've continued to develop this year. Global demand for copper, cobalt, lithium, graphite, rare earths, tin and nickel is predicted to grow on average

by 400-600% over the next decade. These minerals are found in significant quantities across the Global South, often in counties with poor governance, fragile environments and high rates of poverty. We are bringing our experience of supporting small scale and artisanal mining of gold and precious stones and engaging on community and environmental impacts of mining to deliver more inclusive and equitable outcomes.

Lessons Learned

As a number of our large longer running programmes have come to an end, we have been reflecting on the lessons learned from them. For example, the EDM work has helped to develop and deliver energy plans across multiple counties to meet the development needs of target end users — poor and vulnerable communities — and be financially, socially, and environmentally sustainable. Central to this success has been securing buy-in among officials in key county government departments and developing a technically interesting plan. Kenyan elections in August 2022 led to a big turnover of county government staff. Intense engagement over the last year built a good virtual team, with remote capacity-strengthening efforts, and we hired a consultant who now sits in Meru County's planning department.

Obstacles and Opportunities

While debates around the role of business and markets in achieving climate and nature goals have grown, the potential sources of funding for independent research and policy work in this area has not kept up with this, so financing these workstreams is challenging. We have responded by looking for new synergies and innovative framing for our work. This has included merging the food systems and inclusive blue economy teams to develop an integrated workstream looking at terrestrial and aquatic food systems and the linkages between them. This team is developing new work on the overseas sustainability footprint of global North diets.

In the humanitarian space we have emerging work which supported 60 participants from 5 agencies and 14 countries in Sub-Saharan Africa, Middle East & North Africa to develop energy-enabled solutions for specific displacement contexts and pitched these to funders (11 initiatives developed with 4 already funded and being implemented). Challenges included humanitarian agency attitudes on the relative importance of energy services as part of enabling positive impacts in displacement settings, the lack of funding for design and testing of new innovations before going to scale, and the disjoint nature of funding across humanitarian and development donors – particularly where many contexts involve protracted displacement.

The emerging debate about reforming the international financial system including the Bridgetown 2.0 Agenda and the stronger integration of climate and nature into multilateral development bank investments is creating increased interest in our debt for climate and nature and biocredits work that we are looking to capitalise on.

4.1. Green Economy Coalition (GEC)

The Green Economy Coalition, a network with over 60 members and now 9 national hubs, continues to advocate for and support stakeholders working for more inclusive green economies. The GEC has a global secretariat that is hosted by IIED, and now also has a GEC Europe hub, hosted by IIED Europe. IIED was one of four founding members of the GEC alongside UNEP, IUCN, and WWF and has hosted the secretariat since 2011. This year GEC's work focused on completion of its current portfolio, a strategic refresh, and the launch of two new connected work areas:

- Completion of current portfolio - [Local green enterprises](#). Continuing to champion local green enterprises and the financial architecture that assists their development.
- New work - [Shared global green deal](#). Developing new work on global green economy and financial policies to promote structural change, working with hubs across over seven countries and advocating for policies to compliment and amplify these changes internationally. This work will form a significant new workstream over the next four years. We provisionally call it 'shared global green deal'.

- New work - [Eco-social contracts](#). Developing a new approach to reduce inequality, promote inclusion and deliver public mandate for transformative policy – called ‘renegotiating eco-social contracts’. They are citizen engagement mechanisms for transformative policy.

On local green enterprises, our seven country hubs convened financial institutions, private investors and national governments to look at increasing funding to local green enterprises. For example, in Uganda our local hub Advocates Coalition for Development and Environment (ACODE) worked at the local level in Mbarara City and the 10 districts that form the Rwizi River Catchment to bring together Parish Councils and the financial sector on how to support local green economies. In Peru, the mayor of Arequipa invested 2 million Soles to set up a green enterprise platform, drawing on the work of our local partners Foro Nacional Internacional and Libelula, to expand the Economy Verde Hub, which is evolving into a Business-to-Business network. In India enterprise groups formed around farming and sustainable construction have been supported to access financial services for small green enterprises.

Our new work on shared global green deals and structural change: we convened a [policy process with the Partners for Inclusive Green Economy \(PIGE\)](#) and presented our thinking at OECD Green Week forums to promote priorities that governments may consider in their development of policies, thematic policy gaps, implementation and financial barriers, for greener economies with 100 plus governments and other stakeholders. We also produced a report for the India G20 Think Tank process, [called T20](#), on the steps global institutions should take to improve policy coherence for green economy.

For our new work on Eco social contracts: we have formed a partnership with UNRISD and established a research and action network – which now has over 300 members and 8 active working groups looking at different transition issues or stakeholder perspectives – such as women and youth. [This year we prioritised youth network building.](#)

Obstacles and Opportunities

Negatively, the progress on Climate action, biodiversity loss, and Sustainable development goals is woeful, culminating in an escalation of interlinked crises. Positively, the +\$5 trillion of public money already in play is catalysing the global green economy, although there is no guarantee that it will be fair, fast or nature positive. The United States (US), EU and China all have their own green deals and are competing for industrial policy, investment and sectoral and supply chain dominance.

In response to these macro trends GEC decided it needed a strategic refresh, which answered four fundamental questions:

- What transformative global and national policy do we need?
- How can we catalyse a solidarity movement to spur transformative policy?
- What new accountability mechanisms do we need that effectively hold decision makers to account?
- How can we deploy this work in subnational, national, regional and global spaces?

GEC’s strategic answer is renegotiating eco-social contracts for new green deals. This has work on mobilising key movements, and creating solidarity, it has global policy and global campaigns, and it has regional, national and subnational policy delivered through our national hubs. The GEC global hub will orchestrate the emergent programmes, partnerships, funding, and global components, including supporting more programme leadership from our southern partners.

The expected outcomes are the transition to green economies will be faster, fairer, address structural inequalities particularly for excluded groups – women, youth, and ensure the transition is nature positive. The key lesson from this work is it takes a long time to co-create a strategy. In addition, our new work – eco-social contracts and new deals is a challenging set of concepts that needs careful explanation and detailed plans to make tangible and credible. This is quite a task and even harder to articulate to new partners and funders. However, we are currently in the final contract stage with the European Commission for a four-year global programme that will fund the core elements of this new strategy.

5. Addressing Increasing Inequality

The struggle for greater participation, rights and equality underpins every challenge we address. Accelerating elite wealth and growing inequality is undermining global solidarity and commitment to a shared future. Climate change, disruption to the world of work and disparities in access to digital technologies, if unchecked, will increase inequalities in income and power. In many countries, democratic freedoms and spaces for civic activism have declined. Women, as well as young, indigenous, and disabled peoples, are among those who too often go unheard.

A determination to promote inclusion and justice runs through everything we do: informing how we work, where and with whom.

Meeting the Challenge

When we committed to address the challenge of increasing inequality in IIED's current five-year strategy, we never expected that a global pandemic would accelerate the urgency of this work. Since then, we have renewed our commitment to an intersectional approach to inequality and work with partners to develop a shared vision of what 'equitable partnerships' looks like, using the evidence gathered to engage with staff, donors and a wider partner group to influence change.

A dialogue series started in FY23 with a webinar to engage organisations working directly with IIED. As well as a vision of what an ethical and equitable partnership looks like, we wanted to discuss the barriers to achieve that vision, find out more about good practice examples and come up with lessons and recommendations based on what partner organisations had experienced.

Meanwhile the [IIED-GEC blog series](#) challenging dominant approaches to the nature and climate crises continued into FY23 with two final blogs from Nepal on discrimination in conservation and from the Amazon, with a blog from Virgilio Viana on how its bioeconomy can catalyse an inclusive green economy.

In FY23 there was a surge in the instances where actors and working groups across IIED sought the Gender Equality Champions Network (GECN) inputs on cross institutional initiatives concerning diversity, equality and inclusion, including in recruitment, training and governance. At the same time, GECN proposed to Strategy and Management Team (SMT), and it was agreed, that a gender equality approach to our work should be replaced by a gender justice ambition. This would take our work in the future beyond gender equality to achieve both equity and equality. It would push us to tackle structures that oppress human diversity in society, seeing freedom for people of different genders as a necessary component of any just society and a prerequisite for development.

To this end, GECN funded work to explore LGBTQI+ subjectivities in development research, to support a writing group using different creative writing techniques to probe the under-explored dimensions of gender and sexuality in our working life, and a core team putting together a proposal for a Gender Justice Venture Fund – a fund operating across IIED's thematic areas to pioneer intersectional, decolonial and anti-racist approaches to action research – aiming for support from a range of funders.

To build knowledge across the organisation on gender equality and gender justice and embedding these approaches in our work, GECN arranged three Food for Thought sessions over the course of FY23: the first on the Gender Action Learning System (GALS) methodology in research, the second hearing about the gender dimensions of a project on empowering producers in commercial agriculture, and finally presenting the critical need for gender equality to be part of a just transition to a low carbon society and economy.

The Race and Racism Working Group (RRWG) took several actions to advance its workplan and objectives on review, learn and reform. Under the review objective, the RRWG commissioned a race audit, undertaken by The Better Org, an external organisation, which involved surveys, interviews, and focus group discussions with staff. This report pinpointed several issues within IIED regarding racism and discrimination being faced by staff based primarily on race, gender, and nationality. The Race Audit report was finalised in December 2022 and shared with staff in January 2023, with supportive sessions with staff organised on the findings. There are plans to publish the report externally in 2023 and a working group was established that includes the Executive Director, Head of People Team, and members of

RRWG to take the recommendations forward as a priority. This work forms a vital area of the RRWG workplan objective on 'review', to understand and analyse the root causes and extent of discrimination and racism within the institute, so that suitable action is taken to address and alleviate the issues.

As part of the 'learn' objective, the RRWG and research strategy team organised a year-long series of Food for Thought sessions on decolonising IIED's research programmes. The series' aim was to deepen IIED staffs' collective understanding of decolonisation and consider how this could be applied to our research and action. This was in direct response to IIED's External Review, which recommended the need for IIED to 'decolonise with sophistication'.

Work also progressed on the Global Engagement Theme (GET) on anti-racist narratives, which aims to better understand IIED's interest in justice framings and how its published content perpetuates racist discourse. In the previous year, several meetings were held with staff, literature reviews undertaken, and presentations made at Open Space to inform the Strategy Refresh process. The GET will continue into this year and reports written up on the findings to guide staff within the institute on anti-racist narratives.

As part of the 'reform' objective of the RRWG workplan, several areas are already progressing. In October 2022, SMT and Operations Management Team (OMT) approved revised associate contracts that embed a decolonial and anti-racist lens. This revision to contracts was spearheaded by RRWG members alongside staff from across the institute. The contract template revisions will promote more inclusive contracting practices and are a necessary step towards IIED realising its commitment to becoming an antiracist organisation. It is also a necessary step towards promoting equitable partnerships and operationalising the intersectionality approach.

In March 2023, following outcomes from the Race Audit, an independent reporting mechanism for staff experiencing discrimination was put in place managed by Howlett Brown. This creates a safe place where any staff experiencing discrimination and racism can report their experience and seek support from qualified professionals with experience in dealing with these issues.

The [Strengthening Ethical and Equitable Partnerships](#) Impact Learning Exercise (ILE) findings show that 80% of IIED partnerships are with global south organisations. We have reviewed our engagements with partners, identified challenges, reviewed IIED policies and guidelines and identified where power imbalances exist in our partnerships. A power analysis report has been generated to identify expressions and dimensions of power that perpetrate inequality. Four dialogues with direct partners, peer organisations and donors have been done to understand how IIED can address equity in the partnerships as well as creating space for global south organisations to engage with donors on barriers to equitable partnerships. Several recommendations on ways of working have been consolidated and will continue to inform the needed transformation of partnerships. Going forward, a framework for equitable partnerships will be co-designed with partners, both old and potential partners and this will guide how IIED engages with partners in a way that addressed equity but also allows innovation to address the current global challenges.

Lessons Learned

The Race Audit findings have acted as a wakeup call to all of us in IIED regarding the incidences of racism and discrimination being experienced by staff within the institute. This underlines the importance of urgent, collective, and continuous action from across the institute to tackle the discrimination evident and the difficulties being faced by staff. This issue will not be tackled overnight but requires sustained efforts over the long term, with the correct support put in place through dedicated human resources, funding and prioritisation from the highest level including that of SMT and the Board. Trust has gradually been rebuilding among staff due to the efforts that are being taken by IIED, including the Race and Racism Working Group (RRWG) who commissioned the internal audit, the People Team and by the executive director, all of whom have placed responding to the race audit findings as a top priority.

The findings from the impact and learning exercise on Ethical Partnerships' first webinar already highlight that IIED must consider issues of power imbalance, transparency, mutual respect and valuing the voices, languages, interests, knowledge systems and contributions from every organisation we work with. The work will continue in FY24.

Obstacles and Opportunities

The first year of a Global Engagement Theme (GET) focusing on 'anti-racist narratives as enablers of equity and social justice' has already highlighted where our brand narratives and the way we do our research communications, from the images we choose, the words we use, the languages we publish in and the stories we tell, needs to be examined and changed. The GET will progress implementation of several components of the anti-racist narrative work.

Two other impact and learning exercises (ILE) support our work to combat intersectional inequality. The ILE work to explore the ethical dimensions of partnerships held dialogues with partners throughout FY23, feeding into our knowledge-building about the realities of power imbalance. The ILE also engaged with donors about a move towards decolonising funding approaches, exchanging funds being directed through IIED to direct access to funds for the global South. This change would force a process of defining IIED's relevance as a global North partner and how we can work in ethical and effective ways.

The second ILE addresses the ways in which LGBTQI+ issues affect climate action and urban inequality. In the last quarter of FY23, starting with an internal planning workshop, ideas for a creative writing zone and through partner dialogues, the ILE began to engage with others in the development sector to raise the profile of this oft-ignored research area. Being 'unseen' results in the needs of LGBTQI+ communities being left out of policy development or action plans, leading to these communities being left behind in urban development and unrepresented in climate adaptation and mitigation strategies.

Coherence in addressing inequality and intersectionality across the organisation will require dedicated and funded staff to drive the processes internally and externally. To date, this work has been advanced by the (Gender Equity Champions Network) GECN and RRWG which consist of groups of staff volunteers, passionate about the issue and often with lived experience of the challenges, but who struggle to find the time to take this area forward around existing projects, commitments, and workload, creating additional burden. Ongoing funding will be needed for intersectionality work to support justice approaches in research and across groups, and position IIED as a thought leader in this area. Funding and dedicated human resources will also be required to address and tackle the discrimination being faced by staff internally in IIED. This is required to strengthen the capacity of the institute in this area and embed intersectionality and equity throughout the organisation, to ensure IIED implements its values on fairness, collaboration and impact. IIED must act in a manner internally that is complementary to its external position, regarding efforts to secure a fairer and more sustainable world.

As conversations about the shape and character of the new IIED strategy began in FY23, every effort was made to make sure that staff considered these issues.

Directorate, Operating Functions and Strategy and Learning Group

Strategy and Learning Group

SLG leads IIED relations with our frame funders, Sida and Irish Aid. Irish Aid has confirmed a 3-year agreement, with an increase from €2.25m p.a. to €3.7m. This is a strong endorsement of IIED's work with Irish Aid to support their staff to develop ideas and capacity for climate action through the Learning Partnership. Ireland is also a strong supporter of LIFE-AR. We have also received confirmation from Sida that funding in FY24 will be maintained at a similar level to the previous year. Sida commissioned a series of seminars from IIED for all their staff; this began in 2021 and has developed over the following two years. These events provided an effective means to build direct interaction with a broad range of contacts within Sida, and dialogue with senior Sida staff on key policy issues remains strong.

SLG also leads on our monitoring, evaluation and learning activities, and measurement of our impact, covered in the earlier section.

See below 'IIED Europe' section for SLG's involvement.

Our Communications and Output Statistics

In 2022/23, we produced 108 publications (111 in 21/22), which were downloaded 31,844 times (24,716 in 21/22), for a significantly increased downloads/publication ratio of 294:1 (223:1 in 21/22). Peak publication periods were April and October. The number of downloads represents a 29% increase year on year.

In terms of online engagement, we noted a slight decrease (7.3%) in page views to the IIED website, with 1.76m page views in total (1.9m in 21/22). Of these, 32% came from mobile devices (34% in 21/22). IIED also produced more digital content last year, publishing 94 blog posts (132 in 21/22), 27 news stories (36 in 21/22), and ten Q&As. Total page views of blogs posts published was 55,106 (84,007 in 21/22), with 586 page views per post on average, down on the previous year of 636.

Similar to 21/22, the proportion of page views from mobile devices is far greater in the global South (38.7% vs 19.5% in the global North).

Our social media presence grew again, by 14%, with followers on our four largest social media platforms — LinkedIn, Twitter, Facebook, and Instagram — now 157,559. This is an increase of 20,000, driven by our LinkedIn profile which is set to overtake Twitter as IIED's most followed platform in 23/24. On Twitter, we have 69,402 followers, allowing us to potentially reach millions of people, when we consider our followers' followers. Much IIED content can now be accessed directly on social media without clicking through to the website, this may be one reason why website visits were slightly down on the previous year.

In line with IIED's ambition to grow broader awareness of its work with partners, media work resulted in 1,606 mentions in mainstream and specialist outlets around the world, the highest number of mentions in the 10 years we have data for. These mentions were in many targeted Tier 1 media outlets across the globe including the Financial Times, Nature, Al-Jazeera, The Hindu, MSN.com, The New York Times, Mail Online, the BBC, India Today, Bloomberg, Sky News, China Daily, Scientific American, and Deutsche Welle. In this time, we issued 28 press releases (22 in 21/22) and hosted 3 media briefings. The coverage received reached potentially a peak of 766 million consumers (again a ten year high) and had an advertising value equivalent (AVE) of £47 million.

The communications team provided an enormous amount of expertise and support to the research teams across a broad range of content types:

- We produced another 5 episodes of the *Make Change Happen* Podcast to reach 21 episodes in total, which have been listened to 28,000 times.
- We hosted 8 IIED debates, engaging 900 audience members from 97 different countries.
- We produced a staggering 129 videos which are hosted on IIED's YouTube channel, viewed 96,698 times.
- We spent much of the year supporting the production of IIED's first Massive Online Open Course (MOOC) – for which enormous credit must go to the production team.

Towards the end of the financial year, we were delighted to get the support of a new partner, the Generation Foundation, with £750k funding for a two-year research and communications campaign concept we have called '*The Hidden Handbrakes*' campaign. While many of the reasons for the painfully slow progress on climate change are well known, there are several major blockers to tackling it that are barely discussed and far from the public eye. This campaign is focused on exposing these *hidden handbrakes* and finding ways to release them and creating a web-based platform for others to join and share their own perceptions of hidden handbrakes – to create an accessible space for debate and partnerships to occur that tackle these handbrakes. The campaign will run for a minimum of two years, and we invite other supporters and collaborators to join us by contacting us at iied.org.

Figure 4 highlights IIED's key communications statistics.

Figure 4. IIED communications in numbers, 2022/23



Business Development

IIED has well-established models for securing income, highly effective relations with a broad range of funding agencies and professional systems and processes for securing new income. At the same time, we are very aware that the whole context for income generation is changing fast, and the organisation needs to adapt and evolve.

We have expanded our Business Development Team, led by Leila Fazal, from 2 to 5 people with recruitment of a specialist Philanthropy Manager to support heightened targeting of foundation funding. Our overarching aim is to shift from our current reliance on winning competitive tenders (in FY22 c.65% of income) towards more flexible non-competitive funding from government agencies and philanthropies. An updated Business Development Strategy will be in place in late 2023 to act as a point of reference for these broad shifts in emphasis, and prioritisation of securing predictable, flexible income to support delivery of IIED's ambitious new strategy.

Operating Functions

Towards the end of FY 23, we recruited a permanent Chief Operating Officer (COO), Nike Akerele-De Souza, who replaced the interim COO, Vicky Reynolds. Nike brings to IIED experiences across the operations functions (finance, people, compliance, project management, facilities, and information technology) and extensive experience internationally, including in sub-Saharan Africa. Nike will support to shape our business model and optimise our business processes and resources in addressing our revised strategic position and direction.

In addition, we also appointed Maxine Harrington as Head of People in January 2023. She will support the development of our People Strategy and investments, integrating this as part of our revised organisational strategy going forward. We remain committed to our vision to develop a workforce where people deliver their best each day and where they feel involved, engaged, inspired, appreciated, valued, fulfilled, happier and healthier at work. During FY23, we invested in the recruitment of a globally distributed workforce working through Employer of Record organisations by which some staff continue to be a part of IIED. We also implemented several initiatives to strengthen our equity and inclusion practices, including through our inclusive recruitment and performance management systems. We continued to invest in our leadership development and line management capabilities across the organisation.

Recognising Employee Commitment and Excellence

The trustees continue to support and hugely appreciate the exceptional efforts of IIED staff, in what has been a successful year for the organisation. Colleagues have continued to deliver impact driven and high-quality research into current and critical sustainable development challenges and burgeoning issues of inequality.

Research groups and support functions have responded innovatively and proactively to deliver on a broad range of projects, while demonstrating value and efficiency. All this has been supported by strong partner and donor relationships which have given IIED the flexibility to evolve and adapt in order to deliver on projects.

Addressing the recommendations from the Race Audit, finalised in December 2022, remains a priority for the Board and management of IIED. The organisation is fully committed to delivering on its mandate of becoming an anti-racist organisation and pursuing its decolonisation strategy working with partners and in the communities we serve. Trustees commend the cross-institutional collaboration around anti-racist action and inclusivity initiatives and the commitment to embed them into organisational strategy.

IIED has an agreement with the trade union Unite. We worked together closely throughout the year on policies and issues affecting employees. Staff wellbeing and development continues to be a priority for the Board, leadership teams and the Union along with initiatives to support and facilitate staff development.

Looking Ahead

External Context

IIED was established over 50 years ago to raise the agenda of the environmental costs of a development and economic model that put wealth accumulation over any efforts to protect nature or the climate. Through high quality research, deep partnerships with community organisations and acting as a trusted broker in national and international policy development, IIED has successfully elevated the vision of sustainable development to the heart of international cooperation. While IIED's agenda has evolved over the years, the threats of climate change, nature loss and inequality loom larger than ever, and the job we were set up to do is inarguably still highly valuable.

In terms of IIED's operating context, the receptiveness of stakeholders to IIED's agenda is especially strong, with new audiences emerging as IIED engages in campaigns such as the Hidden Handbrakes (described above) and as investors seek to better understand the impact potential of their money. The international context is especially challenging though. Aid budgets are under considerable threat again, right-leaning governments are now in power in many European Countries (Sweden and Italy being notable new entrants), energy and food prices have driven inflation and high interest rates with impacts globally, and the basis for genuine international collaboration to create global public goods is being eroded by war and suspicion.

There are points of light though. The Global Biodiversity Framework was agreed in December 2022 in Montreal and offers a more ambitious agenda for protecting and restoring nature, something IIED had

been striving for. Similarly, a Loss and Damage agreement was struck at COP27 in Egypt, which promises added help for those suffering the negative impacts of climate change. Again, IIED had been working towards this agreement for several years. Many funders are now recognising the need to get money for climate action to communities who need it most, an agenda being shaped by IIED's locally led adaptation initiative. If successful, this will see more direct support to community organisations and reduce the role of expensive intermediaries who delay the process and reduce the money available. In this respect, it is important IIED positions itself as a partner and facilitator of the localisation agenda, as we champion through LIFE-AR for example.

Agenda for Change

It is in this context that we published a 2022 External Review of IIED that highlights a set of observations, evidence and recommendations that guide us with setting a refreshed direction for IIED in the next strategy period. The review highlighted six areas for attention.

Mobilising 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.

People and Motivation: 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.

Decolonise IIED with Care: Decolonising IIED will have multiple foci within two main streams of action, stemming from the need to (i) recognise and address injustice, prejudice and arrogance towards 'the other', and (ii) 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 in practice also informing some of the most successful development efforts in the world.

Strengthen Coherence: "IIED could once again contribute one or more 'big things' to the world. For this, greater coherence between programmes and groups must 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."

Forge a Progressive Partner Ecosystem: "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."

Lead with Advanced MEL Coupled to Futures Thinking: "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. 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."

IIED management accepted these areas for attention and already started to address them, including through a plan including in the IIED Management Response to the External Review published in August 2022. Notable actions include:

- Dr. Tom Mitchell was appointed as new Executive Director, starting in September 2022 with a first 100-day agenda designed to build momentum around a significant strategy development and change process within IIED. Tom also established a Core Funding Group with the intention of retaining and increasing IIED's unrestricted funding sources.
- Clare Shakya was promoted to be Senior Director of Strategy Impact, starting in January 2023, focused on developing big propositions for IIED and address the concerns about lack of internal coherence.
- In December 2022, the IIED Board approved a far-reaching strategy and change process to run through 2023, with a new strategy to be published in early 2024 as *Make Change Happen* expires.
- In February 2023, IIED held a whole staff strategy week to develop a shared vision and co-ownership of a more coherent, integrated, and high ambition organisation.
- Regular review of well-being and creation of well-being action plans were also initiated and a new Head of People, Maxine Harrington, joined IIED in January 2023 with a focus on supporting people through change.

Within IIED, 'Strategy' has commonly been thought of as a statement of intent, focus, and set of choices to be held relatively static for a five-year period until the organisation comes together to agree a new one. The Strategy, owned exclusively by IIED, acts as a guide, calling card, sales document, and a justification for initiating a set of changes, as well as a precondition for institutional funding and a stabilising force during a time of upheaval. But increasingly organisations are recognizing that the fast-moving external environment and the need to both sense and react to change, means that relatively fixed 5-year strategies can be prohibitive. They can suppress innovation or the ability to seize opportunity through emergence, as well as curtailing the space for radical collaborations where several organisations can fuse their powers to be more impactful. Equally, five-year strategies are often drafted with the hope that they will solve today's problems rather than upgrade an organisation's capability to adapt to the 'difficult to predict' challenges of five-years' time.

As a result we see IIED's next strategy as a developmental design opportunity: as regularly adaptable to needs, opportunities, and threats; as a framework for accelerated learning, both from our research itself and from the impacts of our advocacy and influence; as an opportunity to agree and communicate our values and non-negotiables; as a means to prioritise and decide what we do less of as well as more; as a platform for upgrading our own transformation capabilities; and as an invitation and space for radical collaborations and co-creation at each step where our intent is forged with others, including existing and new partners.

Looking ahead, we will be taking a bottom-up, inclusive approach to developing IIED's future but with a holistic and multi-dimensional approach to change acknowledging the connectivity between governance, operating and business model, thematic focus and theory of change, value and behaviours, and team structuring logic. We'll look towards our new strategy as being something flexible and adaptable, rather than set in stone and increase the alignment between IIED and thinking on dealing with complex problems, systems innovation, and agile ways of working. In this landscape, IIED's work on responding to the 2022 Race Audit, developing an inequality and intersectionality approach and on diversity, equity and inclusion will take centre stage. Aspects to be woven into the core of our strategy and implementation approach, will ensure that each team and each impact model we pursue will champion gender and racial justice for example.

Financially, we expect FY2023/24 to see significant income growth, but with this mainly being to pass through to grantees as IIED's role as a trusted intermediary gains more traction. IIED will see a modest increase in costs to cope with the cost-of-living crisis and commensurate pay awards to staff, but this to be matched with increased income, with the potential for there being modest reserves replenishment.

IIED Europe

IIED Europe was established in December 2020 as an independent foundation based in the Netherlands. IIED is providing seed funding over three years to the end of 2023, to enable the new entity to become fully established and functioning.

The Strategy and Learning group (SLG) have continued to support the establishment of IIED Europe. We have developed IIED Europe's strategy and carried out an ambitious horizon scan survey, to gather research questions on the impacts of the EU from experts around the world.

A Development Director has been recruited and IIED Europe is part of a major EC-funded initiative to support local-level adaptation initiatives in 150+ municipalities across Europe. A process is in place to ensure IIED Europe functions as a fully independent entity, with a separate governance structure in place.

In its inception phase, IIED Europe's Supervisory Board is made up of three IIED trustees (Silvia Charpentier as chair; Maarten van Aalst, Alicia Perez-Porro). The Management Board has four senior members of staff from IIED and is chaired by Tom Mitchell. Tom Bigg is the interim Director for IIED Europe and remains a member of staff at IIED. A memorandum of understanding between IIED and IIED Europe sets out the broad terms for ongoing collaboration.

IIED's trustees agreed to regular updates on progress for IIED Europe, against a set of success criteria agreed by IIED Europe's Supervisory Board. Significant progress has been made over the past year in establishing the new organisation, including successfully securing funding from Horizon Europe, the European Union's key funding programme for research and innovation. The awarded programme, Pathways2Resilience (P2R), includes 14 European partners and aims to support the EU Mission: Adaptation to Climate Change, by empowering European regions and communities to co-design locally led pathways towards a climate-resilient future. IIED Europe has also secured a grant from the European Commission's (EC) Directorate-General for International Partnerships (DG INTPA) to the GEC.

During 2022, IIED Europe carried out an ambitious horizon scanning project, to build better understanding of how the EU – its policies, institutions, enterprises and banks, and its countries and citizens – is influencing environmental and socio-economic development in Majority World countries in Asia, Africa, and Latin America.

We have been extremely pleased with the response to this process. This exercise identified 230 research priorities (with over 75% of respondents coming from Majority World countries) that have been framed by experts as areas where they feel there is a gap in current and historic EU research focus, and as potential research objectives for new research in Asia, Africa, Latin America, and the EU, as well as policymaking processes in all of these contexts. IIED Europe has developed a searchable database that allows access to these research priorities for practical use by researchers, policymakers, and funders around the world to build their understanding of which research topics the Majority World actors would like the EU to focus its research and funding on.

In February 2023, Alexandre Fernandes was appointed as Development Director for IIED Europe. Alexandre is the first full-time IIED Europe employee, and will be responsible for securing new income, building connections and profile, and overseeing the effective running of the organisation. A range of IIED staff will continue to support work in these areas as IIED Europe becomes further established during 2023. Alexandre will be based in Brussels and will manage the office in Amsterdam. Alexandre's priorities for 2023 include growing the team based in Amsterdam, carrying out a "road show" to share the results and next steps for the horizon scanning project with a broad range of European audiences, and profiling IIED Europe as an important actor for sustainable development linkages between Europe and the Majority World.

The membership of IIED Europe's Supervisory Board (SB) will be revised and new SB members (who are EU citizens) are currently being recruited. It is envisaged that the SB will have a majority of non-IIED Board members by the end of 2023.

Structure, Governance and Management

The company is registered in England and Wales as a company limited by guarantee (registered no 2188452) and its activities are governed by the Memorandum and Articles of Association (dated 23 July 2008). It is also a registered charity in England and Wales (registered charity no 800066) and in Scotland (registration number SC 039864). In the US we are registered under s501 (c) (3) of The Internal Revenue Code as a publicly supported organisation exempt from federal income tax.

The objects for which the Company is established are:

3.1 To advance the education of the public by all charitable means.

3.2 To promote sustainable development for the benefit of the public.

3.2.1 The preservation, conservation and protection of the environment and the prudent use of natural resources.

3.2.2 The relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities.

3.2.3 The promotion of sustainable means for achieving economic growth and regeneration.

In this context “sustainable development” means development which meets the needs of the present generation without compromising the ability of future generations to meet their needs.

In addition, the Memorandum of Association allows the company to invest funds not immediately required while complying with the laws and restrictions governing the investment powers of charities.

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

Trustee Appointment

The names of trustees are shown in the administrative information on page 44. The Board of Trustees consists of 12 trustees as of 31 March 2023 drawn from diverse geographical regions that correspond with the international focus of IIED’s work.

Trustees retire by rotation; six years’ continuous service (3+3) is the maximum, unless allowed exceptionally by the Board. The Board annually reviews its structure, size, and composition (including the skills, knowledge, and experience) and ensures that composition reflects IIED’s mission with appropriate gender, cultural and geographic diversity. The Nominations sub-committee (NSC) ensures that candidates of the highest calibre, with appropriate and diverse mix of skills and experience, are put forward for selection by the Board. Trustee vacancies are advertised on the IIED website, charity and trustee websites as appropriate, and through IIED’s networks.

Trustees attend an induction programme to familiarise themselves with the Institute's operational activities and day-to-day management, as well as legal and regulatory requirements relevant to the trustees' roles and responsibilities.

Organisational Structure

IIED’s Board manages the business of the charity and exercises all the powers of the charity in accordance with the Articles of Association. The Board seeks to ensure that all activities are within UK law and agreed charitable objects. The work of the Board includes agreeing and overseeing IIED strategy and financial plans in line with its vision, mission, and values.

During 2022/23 the Board held a mixture of quarterly online and in person meetings. The Finance Audit, Risk and Assurance sub-committee (FARA) oversees financial performance, assurance, and risk management at IIED. Membership of FARA is drawn from the Board and currently comprises five trustees. The quorum is three trustees, one of whom must be the chair, vice chair or treasurer. FARA reports to the Board and meets four times a year, aligned with and in advance of Board meetings.

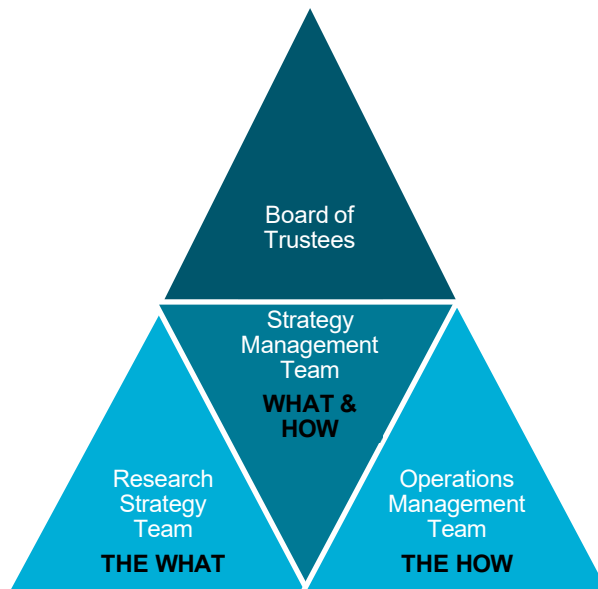
The Business Development sub-committee (BDSC) was previously called the Fundraising sub-committee. It reviews the progress of fundraising and business development work against the strategy and business plan. Membership is drawn from the Board and currently comprises three trustees. BDSC meets at least twice a year and reports to the Board.

The NSC supports the Board in the execution of its responsibility to establish a formal and transparent procedure for the appointment of new trustees and to review annually the composition of the Board. Membership is drawn from the Board and currently comprises three trustees. The NSC meets at least twice a year and reports to the Board.

The Board of Trustees assesses their performance against each of the principles of the Charity Governance Code regularly. The last assessment was carried out in 2021, which found that most of the outcomes in the code were met. There is an agreed action plan to improve certain areas, including further ongoing learning and development for trustees and active participation and involvement in the Race and Racism working group.

Members of IIED’s senior management team attend Board meetings as well as meetings of Board sub-committees. The Board engages with the Union via representative attendance at Board meetings, and with the Race and Racism working group with a trustee member of the working group.

The Board delegates the day-to-day running of the charity to the institute director, who is supported by three leadership teams: Strategy and Management, Operations Management and Research Strategy.



The institute’s researchers work in four groups: Climate Change (CCG), Human Settlements (HSG), Natural Resources (NRG) and Shaping Sustainable Markets (SSM). The director, management and the research groups are supported by two other groups — Strategy and Learning (SLG) and Communications (Comms) — in addition to operating functions reporting to the Chief Operating Officer (COO).

IIED Europe

IIED Europe was established by IIED in late 2020 as a Stichting, a legally independent foundation based in the Netherlands, with a focus on global environmental and social change. It was created with objectives aligned to those of IIED, to contribute to achieving major progress towards the goals of sustainable development, and to enable IIED to maintain close collaboration with a range of European actors and policy processes post-Brexit. IIED Europe is a not-for-profit organisation but is not a registered charity in the UK. Three of IIED's trustees are the directors of IIED Europe. The trustees of IIED have, therefore, referred to the 'Charity Commission Guidance for charities with a connection to a non-charity', to minimise any risks and conflicts of interest associated with the relationship between IIED and IIED Europe. Information about transactions with IIED Europe is provided in Note 11 on pages 58 and 59.

Finance Review

The statement of financial activities and balance sheet prepared by the trustees is set out on pages 49 to 70. The performance shows a surplus of £42k compared to a deficit last year of £407k. Income increased by £0.5m (2.4%) and unlike 2021/22 where there were still significant covid restrictions in place, there was less requirement to request project extensions meaning more projects completed within the financial year.

In an increasingly competitive funding environment, we are conscious of the need to be as efficient as possible. We have continued to invest in streamlining our internal processes during 2022/23 to reduce our overheads. We continue to undergo a review of our staffing structures to reduce the reliance on higher cost temporary contract staff.

Income is higher than the previous year, £21.1 million against £20.6 million recorded in 2022/23. Our expenditure has remained broadly in line with the previous year.

The average number of employees has decreased to 140 (2022:146), This reduction comes about because of our dispersed workforce policy which allows our employees the opportunity to work remotely in another country under an employee of record agreement. At the end of FY23 we had 8 employees on these agreements. We reduced our support costs from £3.9 million in 2021/22 to £3.5 million in 2022/23. This is due to a combination of increased efficiencies and a positive foreign exchange revaluation of £153k on our year end bank balances.

IIED has no public fundraising activity and therefore has no specific costs associated with raising funds to disclose. IIED is not a grant making organisation but makes payments to organisations it works in collaboration with, in countries across the world. Details of payments to collaborating organisations are disclosed in Note 14 to the Financial Statements.

Key Management Remuneration

IIED's senior management team is paid according to the pay scale negotiated with the union and is benchmarked against similar organisations. Four salaries are outside the pay scale (executive director, chief operating officer, head of finance, senior director of strategic impact) and were agreed with the union prior to recruitment.

Investment Policy

We invested our cash in fixed-term deposits during 2022/23. This policy produces an acceptable rate of return while giving us flexibility to access funds. We will be reviewing this policy in FY24.

Related Parties

Some IIED trustees are also trustees of other charities, or directors or senior officers in other organisations IIED works with as a normal part of its research activities. Where such work involves payment, they enter into arm's length contracts and any payments related to these contracts are detailed in Note 11 to these accounts. The Board operates a conflicts of interest policy.

Risk Management

IIED's trustees are ultimately responsible for risk management and the effectiveness of our internal control systems. The scheduled reviews of institutional risk took place in 2022/23 (twice at full Board and twice at FARA). Regular review of the risk management process is delegated to FARA, which also oversees an assurance programme.

During 2022/23, IIED had no serious incidents to report to the *Charity Commission*.

There were no other incidents in the year and no complaints were received.

Key Risks

The following are the key strategic risks affecting IIED and mitigations being taken to minimise their likelihood or impact:

1. Political risks - global and regional conflicts/wars with impact on sustainable development

There are risks associated with political change which could undermine global co-operation and aid commitments (wars, rising inequality). The war in Ukraine, regional conflicts across Africa (Sudan, Ethiopia, Kenya, DRC/Sahel) and Afghanistan for example, with consequential impact of accelerating more displacements/refugees, food insecurity, and creating global uncertainties. These conflicts, trans-national crime, and institutional collapse could also reduce our ability to operate in affected countries with issues of safety for our staff and partners.

To mitigate these risks IIED aims to diversify geographies of focus (in line with response to decoloniality) and develop models of action with independence from global multilateral processes, supporting social movements and activism; engaging with corporates and investors to promote deep decarbonisation/inclusion/nature positivity of their business models. Also seeking ways to leverage connections, partnerships and funding from Global South and non-traditional donors and private sector.

In addition, IIED works closely with security agencies to mitigate risks regarding staff travel and proactively assesses project delivery issues in countries with increasing risk of conflicts.

2. Climate and ecological breakdown

There is an ever-increasing risk that the pace of climate and ecological breakdown and rising inequality could outstrip IIED's repertoire of action and make policy response redundant. Climate breakdown could also severely disrupt operations and research.

IIED continually rethinks its repertoire of inclusive climate/nature positive action, including radical change, to mitigate these risks. We consider more radical options for change, including degrowth in northern contexts and supporting radical activism. We continue to develop digital modes of research practice and build the resilience of IIED operations and partner systems. In addition, we invest in innovation and horizon-scanning to ensure our pipeline of new approaches and models keeps pace with scale of change.

3. Global economic disruptions

The war in Ukraine and the several other regional tensions has resulted in global economic fragility - volatile inflation, high interest rates, cost of living crisis and increased economic inequalities, with

risks to business sustainability, operational delivery and people related risks for IIED staff and partners.

To mitigate the effects of these risks, we have continued to monitor our business plans more closely, taking proactive decisions regarding cost management, currency exposures, our liquidity position, diversification of income, and continue to assist our employees with a cost-of-living adjustment to their pay.

4. Cultural risks

Changing norms in some geographies, e.g., LGBTQI+ inclusion, can create reputational risks for IIED operating in countries with discriminatory cultures. There is also an increasing emphasis on decolonising practice which could render IIED's 'based in the north - work in the south' model ineffective. With increasing push back from the global south demanding equity in business relationships and partnerships, reparations, decolonised communications for example, organisations working from the global north face increasing accountability and different ways of working.

IIED strives to ensure that our own work on intersectional disadvantage explores a broad range of issues of discrimination and seeks to drive positive change, e.g., our ILE on ethical dimensions of partnerships. We have a history of strong partnership working where we share global experience in northern contexts. We also now have a global workforce framework to enable recruitment in countries in which we work.

In addition, IIED continues to invest towards its decolonising strategies and anti-racism narratives.

5. Climate change moves centre stage and talent acquisition risks

Climate change is becoming the central issue in global politics and there is increasing demand for knowledgeable employees skilled in climate change, e.g. adaptation finance. This poses a risk that we may lose skilled staff or have difficulties attracting and recruiting. In addition, with increasing demand for climate change experts and work commitments, staff wellbeing and productivity may be impacted.

To mitigate this risk, we ensure we have robust recruitment and onboarding processes, and we provide a comprehensive staff benefits and remuneration package. We are also reviewing career development pathways and wellbeing within IIED.

6. Business Development Risks

There is a risk that traditional sources of funding are disappearing, with increasingly competitive marketplace for funding. The war in Ukraine may also lead to reduced amounts of funding available for climate finance and bilateral aid. Donor practices may also become increasingly incompatible with IIED's partnership ethics.

In addition, donors continue to reduce the allowable costs and overheads associated with projects, to the point where full cost recovery and funding of central operations is impossible, which would jeopardise the sustainability of IIED. Increased inflation also presents risks that available funding for projects will fall short of the actual costs incurred.

To mitigate these risks, we continually look for opportunities to drive down costs and we engage actively with donors on a regular basis. We are looking for ways to expand and diversify the range of donors to reduce our reliance on any type of donor.

Reserves Policy

IIED's reserves policy is aligned with the five-year strategy launched in April 2019.

To protect the organisation and its charitable programme against the risks of funding loss through income shortfalls and other unexpected financial losses, IIED's reserves policy considers both a risk based and going concern approach. Based on the aggregate of the two approaches it has a mid-point of £2.3m:

trustees have therefore set the target range of free reserves (being total funds less restricted and designated funds) at between £1.9 million and £2.5 million.

Total funds on 31 March 2023 were £2.14 million (2022: £2.1 million). Designated funds are £0.19m and the total free reserves have increased to £1.95 million (2022: £1.85 million). This falls within the lower end of our target range endorsed by the Board but our budget for 2023/24 aims to replenish reserves by £0.4 million to bring the free reserves to £2.35 million which would be at the top end of the current reserves policy.

Statement of Going Concern

IIED's performance in 2022/23 was satisfactory. The surplus of £42k was the first reported for four years and included £46k of planned investment in establishing the new entity, IIED Europe. There is a good visibility of income coverage for 2023/24 from existing projects and a strong pipeline of projects for 2023/24 and beyond. This gives IIED reassurance about the short- to medium-term future. IIED is funded through income from charitable activities in relation to commissioned research, both practical and academic, and contracted income for 2023/24, at the mid-year point, gives coverage to 95% of the organisations budgeted cost base.

Throughout 2022/23 and into 2023/24, IIED has been closely monitoring the delivery of its projects, including the ability of partners to carry out research.

Trustees have continued to receive regular management accounts and business reports. The trustees considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of IIED's operations, and a review of the budget to March 2024.

IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs, to minimise any draw on reserves during 2023/24.

Having regard to the above, the trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Statement of Trustees' Responsibilities

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

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

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

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

the assets of the charitable company, hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Auditors

Crowe U.K. LLP has indicated its willingness to continue in office and in accordance with the provisions of the Companies Act. We propose that they be reappointed auditors for the ensuing year.

This annual report of the trustees, under the Charities Act 2011 and Companies Act 2006, was approved by the Board of Trustees on 21 September 2023, including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:



Mr Paul George

Chair

Date: 21 September 2023

Reference and Administrative Details

Trustees

Tara Shine (on sabbatical; Chair to 15 May 2023) ^{FARA}
 Paul George (Interim Chair from 15 May 2023; Vice Chair from 21 June 2022 to 15 May 2023) ^{FARA}
 Les Campbell (Interim Vice Chair from 15 May 2023; previous Treasurer) ^{FARA}
 Maarten van Aalst ^{NSC}
 Batkhishig Baival ^{NSC}
 Silvia Charpentier ^{BDSC}
 Bara Gueye ^{NSC (Chair)}
 Michael Horgan (retired 21 June 2022) ^{FARA}
 Maria Mähl ^{BDSC (Chair)}
 Cheikh Mbow (resigned 10 February 2023) ^{BDSC}
 Harj Narulla (appointed 06 December 2022) ^{FARA}
 Sheela Patel
 Alicia Perez-Porro
 Gabriel Quijandria ^{BDSC}
 Elizabeth Stephen (retired 21 June 2022; previous Vice Chair) ^{FARA}
 Paul Stevenson (Treasurer from 15 May 2023; appointed 06 December 2022) ^{FARA (Chair)}

^{FARA} Member of Finance, Audit, Risk and Assurance Committee
^{NSC} Member of the Nominations Sub-Committee
^{BDSC} Member of the Business Development Sub-Committee (previously Fundraising Sub-Committee)

Trustees are the directors of the company under the Companies Act 2006.

Director

Dr Andrew Norton (until 5 September 2022)
 Tom Mitchell (from 5 September 2022)

Company Secretary

Nicole Walsh

Registered Office

Third Floor, 235 High Holborn, London, WC1V 7DN, United Kingdom
 Registered company number: 2188452 Registered charity number: 800066 Registered OSCR number: SC 039864

Auditors

Crowe U.K. LLP
 55 Ludgate Hill
 London
 EC4M 7JW

Solicitors

Bates Wells LLP
 10 Queen Street Place
 London
 EC4R 1BE

Bankers

Barclays Bank plc
 1 Churchill Place
 London
 E14 5HP

Independent Auditor's Report to the Members and Trustees of International Institute for Environment and Development

Opinion

We have audited the financial statements of International Institute for Environment and Development ('the charitable company') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit' of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements, and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report, or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 42 and 43, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements, and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting — unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, The Charities and Trustee Investment (Scotland) Act 2005 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were employment legislation, health & safety legislation, General Data Protection Regulation (GDPR) and Anti-fraud, bribery, and corruption legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of grant recognition and contract income and the override of controls by management. Our audit procedures to respond to these risks included: enquiries of management, and the Finance, Audit & Risk Assessment Committee about their own identification and assessment of the risks of irregularities; sample testing and data analytics on journals; reviewing accounting estimates for biases; reviewing regulatory correspondence with the Charity Commission; sample testing of grant and contract income; and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of irregularity non-detection, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the

charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May

Senior Statutory Auditor

For and on behalf of:

Crowe U.K. LLP
Statutory Auditor
London, UK

Date: 29 September 2023

Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
INCOME AND EXPENDITURE							
Income from							
Bank interest		44		44	1	-	1
<i>Charitable activities</i>							
Climate change		1,970	4,301	6,271	2,400	3,362	5,762
Natural resources		831	5,176	6,007	611	6,403	7,014
Sustainable markets		375	1,322	1,697	386	1,226	1,612
Human settlements		220	1,984	2,204	170	2,047	2,217
Green Economy Coalition		1	1,539	1,540	1	1,571	1,572
Partnerships and development		323	1,281	1,604	204	1,026	1,230
Communications and publications		1,008	114	1,122	1,034	38	1,072
Other		637	3	640	159	-	159
Total incoming resources	13	5,409	15,720	21,129	4,966	15,673	20,639
Expenditure on							
<i>Charitable activities</i>							
Commissioned studies and research	2	5,221	15,867	21,088	5,595	15,451	21,046
Total resources expended		5,221	15,867	21,088	5,595	15,451	21,046
Net income (expenditure)		189	(147)	42	(629)	222	(407)
Transfers between funds	8	(147)	147	-	222	(222)	-
Net movement in funds		42		42	(407)	-	(407)
Funds brought forward at 1 April 2022		2,098	-	2,098	2,505	-	2,505
Funds carried forward at 31 March 2023	9	2,140	-	2,140	2,098	-	2,098

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

Balance sheet as at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible fixed assets	4	166	182
Intangible fixed assets	5	22	67
		188	249
Current assets			
Debtors	6	4,137	2,786
Cash at bank and in hand		4,934	5,082
		9,071	7,868
Liabilities			
Amounts falling due within one year	7	(2,728)	(3,008)
Deferred revenue	7	(4,391)	(3,011)
		(7,119)	(6,019)
Net current assets		1,952	1,849
Amounts falling due after more than one year		-	-
Net assets		2,140	2,098
Funds			
Unrestricted	9	1,952	1,849
Designated	9	188	249
Total funds		2,140	2,098

Approved by the Board of Trustees on 21 September

2023 and signed on its behalf by:



Paul George



Paul Stevenson

Registered company number: 2188452

Cash flow statement for the year ended 31 March 2023

	2023 £'000	2022 £'000
Net incoming / (outgoing) resources	42	(407)
Interest received	(44)	(1)
Foreign exchange	(154)	76
Depreciation	110	151
Disposals of tangible fixed assets	-	35
Increase / (decrease) in deferred revenue	1,380	(1,636)
(Increase) / decrease in debtors	(1,351)	(527)
(Decrease) / increase in creditors	(280)	1,012
Net cash (used in) /provided by operating activities	(297)	(1,297)
Cash flows from investing activities		
Purchase of tangible fixed assets	(49)	(91)
Interest received	44	1
Foreign exchange	154	(76)
Net cash provided by (used in) investing activities	149	(166)
(Decrease) / Increase in cash during the year	(148)	(1,463)

Analysis of changes in cash during the year

	2022 £'000	Change in year £'000	2023 £'000
Cash at bank and in hand	5,082	(148)	4,934
	5,082	(148)	4,934

Notes to the Financial Statements for the year ended 31 March 2023

1. Accounting Policies

1.1. Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Charities SORP (FRS102), applicable to charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

IIED meets the definition of a public benefit entity under FRS 102.

1.2. Going Concern

IIED's performance in 2022/23 was satisfactory. The surplus of £42k was the first reported for four years and included £46k of planned investment in establishing the new entity, IIED Europe. There is a good visibility of income coverage for 2023/24 from existing projects and a strong pipeline of projects for 2023/24 and beyond. This gives IIED reassurance about the short- to medium-term future. IIED is funded through income from charitable activities in relation to commissioned research, both practical and academic, and contracted income for 2023/24, at the mid-year point, gives coverage to 95% of the organisations budgeted cost base.

Throughout 2022/23 and into 2023/24, IIED has been closely monitoring the delivery of its projects, including the ability of partners to carry out research.

Trustees have continued to receive regular management accounts and business reports. The trustees considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of IIED's operations, and a review of the budget to March 2024.

IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs, to minimise any draw on reserves during 2023/24.

Having regard to the above, the trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

1.3. Income recognition

All incoming resources becoming available to the institute are recognised in the Statement of Financial Activities on the basis of entitlement, there is sufficient probability of receipt, and the amount can be quantified with reasonable accuracy. In respect of unrestricted income and restricted income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related grant or long-term contract income, income entitlement is considered to be conditional upon the delivery of a specified level of service, in accordance with FRS 102 and the Charities SORP. Income is therefore recognised to the extent the charity has delivered the service or activity. The time or expenditure incurred to date, as appropriate, is used as a reasonable estimate or approximation of the charity's performance and therefore income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet to reflect the matching of such income with future activities.

1.4. Incoming resources subject to restrictions

Grants and donations given for specific purposes are credited to a restricted fund, against which expenditure for that purpose is charged. Expenditure includes direct staff costs, other direct costs and, by agreement with the donors, an allowance for overheads calculated as a percentage of direct staff costs. The element of the overhead allowance that represents running costs which cannot be separately

identified to a specific piece of work, is debited to unrestricted funds in the Statement of Financial Activities (see note 3).

1.5. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

1.6. Expenditure

All expenditure is accounted for on an accrual basis.

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

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

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

1.7. Financial instruments

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

1.8. Fixed assets

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

Leasehold improvements: remaining period of lease

Office furniture and equipment: five years

Computer hardware: three years

Computer software: five years

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

1.9. Cash and cash equivalents

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

1.10. Provisions

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

1.11. Exchange rates

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

1.12. Leases

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

1.13. Unrestricted funds

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

1.14. Prior year classification

The classification of funds received between restricted and unrestricted was reviewed this year. This has ensured that we categorise the unrestricted funds that support projects which are clearly identified as unrestricted. This has also meant that a prior year reclassification between restricted and unrestricted has been undertaken. This has a nil impact on the restricted or unrestricted funds position.

2. Analysis of Total Resources Expended

	Programme costs £'000	Payments to collaborating entities £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Charitable activities					
Commissioned studies and research					
Climate change	5,318	110	1,067	6,495	4,757
Natural resources	2,608	2,546	1,014	6,168	8,006
Sustainable markets	1,384	194	310	1,888	1,740
Human settlements	1,180	802	391	2,373	2,294
Green Economy Coalition	739	432	230	1,401	1,608
Strategy and learning	1,015	101	220	1,336	1,007
Communications and publications	1,154	-	227	1,381	1,332
Commissioned studies and research	13,398	4,185	3,459	21,042	20,744
Grants to IIED Europe	-	46	-	46	302
Total resources expended	13,398	4,231	3,459	21,088	21,046

Foreign exchange gains and losses recognised in the year amounted to a gain of £154k (2022: loss £76k)

3. Support Costs

	2023 £'000	2022 £'000
Premises	524	547
Finance	816	1,328
Director's office/trustees	879	629
IT services	574	635
Human resources	664	705
Systems development	-	42
Total	3,457	3,886

Support costs are allocated to activities on the following basis:

Programme costs	staff time spent on each activity
Publications	staff time spent on each activity
Payments	% based on the size of the payment
Governance costs	staff time
Management costs	staff time

Support costs include:	2023 £'000	2022 £'000
Statutory audit fees	43	45
Grant audit fees	54	31
Other services carried out by the statutory auditor	1	2

Governance costs amounted to £116k (2022: 61k)

Resources expended include operating lease rentals of £319k (2022: £315k)

4. Tangible Fixed Assets

	Leasehold improvements £'000	Furniture and fixtures £'000	Office and computer equipment £'000	Total £'000
Cost				
At 1 April 2022	144	197	206	547
Additions	9	9	31	49
Disposals	-	-	-	-
At 31 March 2023	153	206	237	596
Depreciation				
At 1 April 2022	34	184	147	365
Charge for year	17	7	41	65
Disposals	-	-	-	-
At 31 March 2023	51	191	188	430
Net book value				
At 31 March 2023	102	15	49	166
At 31 March 2022	110	13	59	182

5. Intangible Fixed Assets

	Computer software £'000	Total £'000
Cost		
At 1 April 2022	294	294
Additions	-	-
Disposals	-	-
At 31 March 2023	294	294
Depreciation		
At 1 April 2022	227	227
Charge for year	45	45
Disposals	-	-
At 31 March 2023	272	272
Net book value		
At 31 March 2023	22	22
At 31 March 2022	67	67

6. Debtors

	2023 £'000	2022 £'000
Less than one year:		
Grants receivable	2,265	839
Accrued income	1,599	1,527
Other debtors	78	51
Prepayments	195	369
Total debtors	4,137	2,786

7. Creditors: Amounts Falling Due Within One Year

	2023 £'000	2022 £'000
Trade creditors	1,477	1,217
Accruals	897	1,178
Other creditors	148	154
Social security and other taxes	206	459
Total	2,728	3,008

	1 April 2022 £'000	Incoming resources £'000	Resources expended £'000	31 March 2023 £'000
Deferred revenue	3,011	15,721	(14,341)	4,391

8. Analysis of Net Assets Between Funds

31 March 2023	Unrestricted £'000	Designated £'000	Restricted £'000	Total £'000
Tangible fixed assets	-	166	-	166
Intangible fixed assets	-	22	-	22
Debtors	273		3,864	4,137
Cash	3,596		1,338	4,934
Creditors	(1,684)		(1,044)	(2,728)
Deferred income	(233)		(4,158)	(4,391)
Net assets	1,952	188	-	2,140

31 March 2022	Unrestricted £'000	Designate £'000	Restricted £'000	Total £'000
Tangible fixed assets	-	182	-	182
Intangible fixed assets	-	67	-	67
Debtors	568		2,218	2,786
Cash	2,379		2,703	5,082
Creditors	(1,098)		(1,910)	(3,008)
Deferred income	-		(3,011)	(3,011)
Net assets	1,849	249	-	2,098

9. Funds and free reserves

	1 April 2022 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2023 £'000
Total free reserves	1,849	5,409	(85)	(5,221)	1,952
Designated funds					
Fixed Asset Fund	249	-	(61)	-	188
Total unrestricted funds	2,098	5,409	(146)	(5,221)	2,140

	1 April 2021 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2022 £'000
Total free reserves	2,160	4,966	318	(5,595)	1,849
Designated funds					
Fixed Asset Fund	345	-	(96)	-	249
Total unrestricted funds	2,505	4,966	222	(5,595)	2,098

As per the reserves policy on page 41 & page 42 the free reserves of £1.95m falls within the acceptable reserves range.

10. Employees

	2023	2022
	No.	No.
The number of employees during the year was:	140	146
Number of part time employees in above	29	33
The aggregate remuneration paid to employees was:	£'000	£'000
Wages and salaries	6,833	7,080
Social security costs	807	762
Other pension costs	511	505
	8,151	8,347
	2023	2022
	No.	No.
The number of staff whose aggregate remuneration fell within each of the following bands was:		
£110,000–£119,999	1	1
£100,000–£109,999	-	-
£90,000–£99,999	-	-
£80,000–£89,999	3	9
£70,000–£79,999	13	13
£60,000–£69,999	8	16

Four employees fall within the top banding but as they started part way through the year this is not reflected in the FY23 table.

Termination payments of £22.5k were made in the year (2022 £35k). No amounts were outstanding at the year end.

The key management personnel of the charity comprise the director, chief operating officer, director of Climate Change, director of communications, director of Human Settlements, director of Natural Resources, director of Strategy and Learning, and director of Sustainable Markets. The total employee benefits of the key management personnel of the charity were £861k (2022: £908k).

No company pension scheme existed at 31 March 2023. Contributions are paid on behalf of employees to independently administered money purchase plans. The cost to the Group during the year was £511k (2022: £505k).

During the year, no trustee received remuneration (2022: £nil). Where claimed, expenses incurred on the institute's business were reimbursed. The total expenses claimed by trustees during the year was £25k (2022: £48). The number of trustees claiming expenses was 11 (2022:1).

11. Related Parties

IIED Europe

IIED Europe was established by IIED on 18 December 2020 as a Stichting, a legally independent foundation based in the Netherlands, with a focus on global environmental and social change. It was created with objectives aligned to those of IIED, to contribute to achieving major progress towards the goals of sustainable development, and to enable IIED to maintain close collaboration with a range of European actors and policy processes post-Brexit. IIED Europe is a not-for-profit organisation registered in the Netherlands; it is not registered as a charity in the UK.

During the organisation's initial set-up phase, three of IIED's trustees are the Supervisory Board members of IIED Europe and three IIED employees are directors on the Management Board. IIED Europe is currently recruiting a new set of Supervisory Board members such that the majority on the Board have

no concurrent affiliation with IIED in the UK. IIED Europe has its own staff and is also generating its own funds to cover operating costs and develop its own programme of work.

IIED Europe's accounts and financial results are generated separately from IIED's, as appropriate for a legally independent entity. They are not material to IIED's overall results so are not provided.

It is therefore expected that IIED's Financial Statements in future years will not require the results of IIED Europe to be consolidated.

IIED paid £46k to IIED Europe during the year (2022: £202k), under a framework grant agreement which commenced on 1 April 2021. IIED's trustees had previously approved up to a total of £250k to be paid from IIED's reserves for the set up and initial running costs of the new organisation whilst it developed a business plan and strategy and submits applications for funding. The £46k was the final tranche of funding under this approval.

The Stichting International Institute for Environment and Development Europe is a foundation incorporated under the laws of the Netherlands, having its registered office at Plantage Middenlaan 2 K, 1018 DD, Amsterdam and is registered at the Chamber of Commerce under number 81230710.

The Stichting prepared its accounts for the period from 1 January 2021 to 31 December 2022, which showed the following:

	2022 €
Total net assets at 31 December 2022	39,225
Income for the year	226,459
Expenditure for the year	(159,935)
Surplus for the year	66,190

12. Commitments

At 31 March 2023 the company had obligations under non-cancellable operating leases as set out below:

	Land and buildings £'000	2023 other £'000	Land and buildings £'000	2022 other £'000
Due in less than one year	200	-	280	-
Due within one to five years	7	-	81	-
Due after more than five years	-	-	-	-

IIED had commitments on contracts to partners of £2.1 million at 31 March 2023 (2022: £2.0 million), £2.0 million due in less than one year (2022: £1 million) and £0.1 million due within one to five years (2022: £1 million). Payments are contingent upon specific funder-related milestones being met and have therefore not been included within grant liabilities.

IIED holds a lease signed in October 2020 for rent of London office premises for a term of 30 months at £12k per calendar month for three months and £20k per month thereafter. The lease was extended by one month to end November 2023.

IIED has an eight-year lease for premises in Edinburgh at a rent of £40k per annum to May 2029 (previously £36k plus VAT per annum to May 2021), with a lease break option in May 2024.

13. Income

	2023	2022	
	£'000	£'000	
Donors			
Government and government agencies	12,538	9,868	
International and multilateral agencies	1,184	1,885	
Foundations and NGOs	7,707	5,993	
Corporate	964	886	
Donor income received	22,393	18,632	
Other income			
Interest receivable	44	1	
Other income received	44	1	
Total	22,437	18,633	
Add: Income deferred from prior year	3,011	4,648	
Less: Income due to prior year	(1,527)	(1,158)	
Add: Income due from next year	1,599	1,527	
Less: Income deferred to next year	(4,391)	(3,011)	
Total incoming resources	21,129	20,639	
Government and Government Agencies			
Foreign Commonwealth & Development Office (DFID /FCDO)	United Kingdom	5,403	3,490
Irish Aid, Department of Foreign Affairs	Ireland	2,863	1,715
Swedish International Development Cooperation Agency (SIDA)	Sweden	2,808	3,406
Department For Environment, Food and Rural Affairs (DEFRA)	United Kingdom	285	315
Department for Business, Energy & Industrial Strategy (BEIS)	United Kingdom	260	277
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)	Germany	170	126
Federal Foreign Office Germany	Germany	161	-
Ministry Of Environment, Sweden	Sweden	140	169
Deutsche Gesellschaft Fur International Zusammenarbeit (GIZ) GmbH	Germany	93	56
Netherlands Enterprise Agency	Netherlands	61	-
Swiss Agency for Development and Cooperation	Switzerland	59	88
Ministry of Economic Growth and Job Creation	Jamaica	59	78
The Secretary of State for Health	United Kingdom	55	145
Min Foreign Affairs of Finland (Finnish)	Finland	54	-
Ministry of Infrastructure and Water Management	Netherlands	34	-
Ministry of Foreign Affairs (Netherlands)	Netherlands	18	-
Westminster Foundation for Democracy (WF)	United Kingdom	12	-
Amounts less than £10,000		3	3
Total Government & Government Agencies		12,538	9,868

		2023 £'000	2022 £'000
International and Multilateral Agencies			
United Nations Food and Agriculture Organisation (FAO)	Italy	378	204
European Commission	Belgium	239	928
The World Bank, USA	USA	174	274
United Nations Office for Disaster Risk	Switzerland	167	32
UNEP Nairobi	Kenya	105	5
United Nations Office for Project Services (Unops)	Denmark, Belgium, USA	42	26
UNDP Thailand	Thailand	35	25
United Nations Habitat Secretariat	Kenya	23	-
Regional Centre for Mapping of Resources	Kenya	12	26
United Nations Development Programme (United States)	USA	9	23
Asian Development Bank	Philippines	-	123
United Nations Environment Programme (Switzerland)	Switzerland	-	68
United Nations Environment Programme (Asia & Pacific)	Thailand	-	30
The Collaborative Africa Budget Reform Initiative	South Africa	-	30
UNDP Thailand	Thailand	-	24
UNDP Asia Pacific Regional Centre	Thailand	-	18
UNDP Asia Pacific Regional Centre	USA	-	11
Amounts less than £10,000		-	38
Total International & Multilateral Agencies		1,184	1,885
Foundations and NGOs			
Bill & Melinda Gates Foundation US	USA	795	-
Rockefeller Philanthropy Advisors (RPA)	USA	613	149
Economic And Social Research Council (ESRC)	United Kingdom	598	1,047
MAVA Foundation	Switzerland	544	907
United Nations University - EHS	Germany	480	267
Open Society Foundations	USA	398	121
Oxford Policy Management	United Kingdom	361	523
Foundation Hans Wilsdorf	Switzerland	346	-
Childrens Investment Fund Foundation	United Kingdom	333	-
New Venture Fund	USA	260	49
University of Southampton	United Kingdom	236	112
SouthSouthNorth (Africa) NPC	South Africa	235	265
Wellspring Philanthropic Fund	USA	217	-
The William and Flora Hewlett foundation	USA	202	186
Arcus Foundation (US Office)	USA	173	-
Institute of Development Studies (IDS)	United Kingdom	156	186
Engineering and Physical Sciences Research	United Kingdom	154	32
International Union for Conservation of Nature (IUCN)	Switzerland	151	98
University Of Manchester	United Kingdom	123	213
Schmidt Family Foundation	USA	114	111
Arts & Humanities Research Council	United Kingdom	100	-
Foundation to Promote Open Societies	USA	93	-
IED	France	87	43
Katholische Zentralstelle fur Entwicklun	Germany	84	37
FSD Africa	Kenya	84	-

		2023 £'000	2022 £'000
University College London	United Kingdom	74	38
International Rice Research Institute	Philippines	69	-
CITES Secretariat	Switzerland	49	33
Arcus Foundation	United Kingdom	48	159
Misereor	Germany	44	42
Habitat for Humanity International	USA	39	-
Anti-Slavery International	United Kingdom	35	10
University of Copenhagen	Denmark	29	-
University of Edinburgh	United Kingdom	26	-
The Scottish Government	United Kingdom	26	-
Environment for Development Initiative – Loughborough University	Sweden	24	12
International Development Research Center	United Kingdom	21	-
Global Center on Adaptation	Canada	20	34
LTS International Ltd	Netherlands	17	-
New York University (NYU)	United Kingdom	17	50
Conservation International	USA	17	-
Global Green Growth Institute	USA	16	-
World Vision Ireland	South Korea	14	-
TRAFFIC International	Ireland	13	-
Alliance for Responsible Mining	United Kingdom	13	-
Tufts University	Colombia	12	-
IIED Europe	USA	12	-
IKEA Foundation	Netherlands	11	-
The British Academy	Netherlands	-	321
Oak Philanthropy (UK) Limited	United Kingdom	-	209
International Livestock Research Institute	United Kingdom	-	187
Anglia Ruskin University higher education	Kenya	-	55
European Climate Foundation	United Kingdom	-	44
E3G	Netherlands	-	42
United Nations Environmental Programme	United Kingdom	-	42
Biovision Foundation for Ecological Deve	United Kingdom	-	39
Bernard Van Leer Foundation	Switzerland	-	33
Eventbrite	Netherlands	-	30
ODI	United Kingdom	-	22
University of Evora	United Kingdom	-	22
Responsible Business Alliance Incorporation	Portugal	-	21
United Cities and Local Governments	USA	-	18
Mercy Corps USA	Spain	-	17
Water Witness International	USA	-	16
Save the Children Australia	United Kingdom	-	15
International Budget Partnership	Australia	-	13
Global Resilience Partnership	USA	-	11
	United Kingdom	-	10
Other amounts less than £10,000		124	102
Total Foundations and NGOs		7,707	5,993
Corporate			
PricewaterhouseCoopers London	United Kingdom	493	530
DAI Europe LTD	United Kingdom	119	-
DAI Global LLC, USA	USA	117	-
DAI Global Belgium SRL	Belgium	115	-
ABF Investments PLC	United Kingdom	50	-
Simusolar	Tanzania	32	72

		2023 £'000	2022 £'000
Le Groupe-conseil Baastel Itée	Canada	16	65
Tiller Global	USA	12	
SAGE Publications Ltd	United Kingdom	-	85
E-SUD Development	France	-	46
Rainforest Alliance Inc	USA	-	26
Adelphi research gemeinnützige GmbH	Germany	-	10
Amounts less than £10,000		10	52
Total Corporate		964	886

14. Payments to collaborating organisations

		2023 £'000	2022 £'000
Payments to organisations			
Namati, Inc	USA	691	485
Columbia Center on Sustainable Investment	USA	675	546
IIED-America Latina	Argentina	199	108
Cardiff University	United Kingdom	195	63
Centre Pour l'Environnement et le Development	Cameroon	158	387
Royal Academy of Engineering	United Kingdom	122	-
The Natural Resources Institute at the University of Greenwich	United Kingdom	100	23
Caribbean Natural Resources Institute	Trinidad and Tobago	99	66
Advocates Coalition for Development and Environment (ACODE)	Uganda	95	57
Kenya Forestry Research Institute	Kenya	76	36
Urban Health Resource Centre	India	74	81
Finance Watch AISBL	Belgium	68	40
Development Alternatives	India	65	37
Imperial College London	United Kingdom	59	314
RECOFTC (Bangkok Office)	Thailand	57	-
Zambia Land Alliance	Zambia	54	25
Zambia Community Based Natural Resources	Zambia	52	91
IIE Afrique	Senegal	50	85
Indian Inst for Human Settlements	India	49	-
University College London	United Kingdom	47	146
IIED Europe	Netherlands	46	302
University of Oxford	Great Britain	44	268
Foundation Pour le Development au Sahel	Mali	44	-
The Copperbelt University	Zambia	43	260
Centre for Trade Policy and Development	Zambia	43	-
International Centre for Integrated Moun	Nepal	40	-
Hashemite University	Jordan	39	14
Libelula Institute for Global Change	Peru	37	66
Economic Policy and Competitive Research Centre	Mongolia	36	75
Durham University	United Kingdom	36	66
Ambiotek	United Kingdom	34	-
Slum Dwellers International, Kenya	Kenya	32	96
Trade and Industrial Policy Strategies	South Africa	31	138
Caritas Kitui	Kenya	30	15
ENDA - Senegal	Senegal	30	-

Loughborough University	United Kingdom	29	22
FORO Nacional Internacional	Peru	28	17
ANARDE	Uganda	24	15
Samuel Hall FZE	Kenya	24	184
South South North (SSN)	South Africa	24	14
Reseau De Lutte Contre la Faim (RELUFA)	Cameroon	23	82
COLANDEF	Ghana	23	-
Zimbabwe Chamber of Informal Economy Ass	Zimbabwe	21	-
Global Green Growth Institute	South Korea	20	59
International Union for Conservation of Nature and Natural Resources (IUCN)	Kenya	20	69
Training and Resource Support Centre	Zimbabwe	20	63
Dialogue on Shelter Trust	Zimbabwe	20	12
Regional Universities for Capacity Building	Uganda	19	175
Asociacion Boliviana para la Investigac	Bolivia	19	-
Mayors Migration Council	USA	18	-
Open Development Cambodia	Cambodia	18	19
SCOOPS TIBI de Tchavade II	Togo	17	-
University of Reading	United Kingdom	16	114
Tele-Bere VSL Association	Ghana	16	-
ICLEI - Local Governments for Sustainability	South Africa	16	-
United Nations University INRA	Ghana	16	-
Centre for Environment and Justice	Zambia	16	-
Women's Legal Resources Centre	Malawi	16	47
International Union for the Conservation	Burkina Faso	16	45
Bankers Without Boundaries	United Kingdom	15	43
Conservation International Foundation	Cambodia	14	-
Kenyatta University	Kenya	13	14
TRAFFIC International	United Kingdom	13	-
International Rescue Committee Inc	USA	13	-
AMAN Kalteng	Indonesia	13	-
Fauna and Flora International	United Kingdom	12	12
Green Development Advocates (GDA)	Cameroon	12	-
Madhya Pradesh Council of Science and Technology	India	8	36
Asian Coalition for Housing Rights (Thai	Thailand	8	52
Community Self Reliance Centre	Nepal	8	24
University of Ghana	Ghana	8	253
Fundacao Amazonia Sustentavel	Brazil	8	40
Zimbabwe Congress of Trade Unions	Zimbabwe	7	54
ADAD - Associacao para a Defesa do Ambie	Cabo Verde	6	14
West Asia North Africa for Development a	Jordan	5	21
Tanzania Women Lawyers Association	Tanzania	5	38
Centre for Community Initiatives	Tanzania	5	37
Usman Ashraf	Finland	3	10
Hakikazi Catalyst	Tanzania	2	10
Tanzania Natural Resource Forum	Tanzania	2	33
The Environment and Climate Research Centre	Ethiopia	(3)	120
University of Greenwich	United Kingdom	-	116
Canari	Trinidad and Tobago	-	40
The Conservation Foundation	United Kingdom	-	22
Nanning Green Seed Poverty Alleviation S	China	-	22
International Centre for Climate Change	Bangladesh	-	20
Centro Terra Viva	Mozambique	-	19
Wildlife Conservation Society, USA	USA	-	17
Aide et Action India	India	-	15
PHIA Foundation	India	-	14

Uganda Wildlife Authority (UWA)	Uganda	-	10
Payments less than £10,000		25	206
Total payments		4,231	6,139

15. Restricted Funds

Project name	Balance at 31 March 2021 £'000	Income 2021/22 £'000	Expenditure 2021/22 £'000	Transfers 2021/22 £'000	Balance at 31 March 2022 £'000	Income 2022/23 £'000	Expenditure 2022/23 £'000	Transfers 2022/23 £'000	Balance at 31 March 2023 £'000
Learning and Action Platform IWTCF	-	63	(63)	-	-	(1)	-	1	-
Why Eat Wild Meat?	-	62	(63)	1	-	-	-	-	-
Natural Capital Approaches, WCMC Darwin	-	13	(12)	(1)	-	-	-	-	-
Livelihoods Insurance 4 Elephants (LIFE)	-	78	(78)	-	-	21	(21)	-	-
Building Resilience in Ethiopia	-	489	(489)	-	-	321	(321)	-	-
IPCC Co-ordinating Lead Author	-	8	(8)	-	-	5	(5)	-	-
BIOPAMA: Governance and equity of protected and conserved areas	-	137	(153)	16	-	96	(101)	5	-
ALIGN	-	1,770	(1,770)	-	-	2,281	(2,281)	-	-
GIZ E-READI	-	1	(1)	-	-	-	-	-	-
IBFCCA Financing Climate Change Africa	-	62	(62)	-	-	-	-	-	-
LIFE-AR Phase II	-	1,084	(1,084)	-	-	1,794	(1,794)	-	-
DFID BP4GG	-	12	(16)	4	-	(5)	2	3	-
DFID - MGNREGS Extensions	-	280	(339)	59	-	534	(534)	-	-
GEC – Dialogues for Financial Reform	-	571	(591)	20	-	507	(516)	9	-
BEIS CASA Opportunity Fund	-	137	(137)	-	-	-	-	-	-
Trees, COVID and Politics	-	111	(111)	-	-	(7)	7	-	-
Establishing a Biocultural Heritage	-	52	(57)	5	-	110	(110)	-	-
CF training initiative FSD Africa	-	63	(63)	-	-	46	(46)	-	-
Covid, Cobalt and Community [Co-balt 19]	-	1	(1)	-	-	-	-	-	-
Covid Collective: SDI Kenya and MSJC	-	17	(17)	-	-	-	-	-	-
Covid Collective: DoST, Zimbabwe	-	15	(15)	-	-	-	-	-	-
Transformative Urban Coalitions: Catalysing Urban Partnerships	-	259	(271)	12	-	394	(403)	9	-
Achieving planet-friendly agriculture	-	154	(154)	-	-	53	(53)	-	-
Covid Collective Manchester	-	8	(8)	-	-	-	-	-	-

Project name	Balance at 31 March 2021 £'000	Income 2021/22 £'000	Expenditure 2021/22 £'000	Transfers 2021/22 £'000	Balance at 31 March 2022 £'000	Income 2022/23 £'000	Expenditure 2022/23 £'000	Transfers 2022/23 £'000	Balance at 31 March 2023 £'000
Enhancing Action for Enabling LLA	-	320	(320)	-	-	464	(464)	-	-
Covid Collective ACHR	-	90	(90)	-	-	-	-	-	-
FCDO - Trafficking & Climate Change	-	63	(63)	-	-	-	-	-	-
Facilitating REDAA	-	62	(62)	-	-	892	(892)	-	-
LandCam	-	478	(478)	-	-	254	(261)	7	-
Empowering Communities in the context of Commercial Agriculture	-	160	(160)	-	-	69	(69)	-	-
Ecosystem-based approaches to adaptation: strengthening the evidence and informing policy	-	180	(182)	2	-	164	(164)	-	-
Implementing park action plans for community engagement to tackle IWT	-	53	(53)	-	-	-	-	-	-
Sentinel: Social and Environmental Trade-offs in African Agriculture	-	2,024	(2,044)	20	-	-	-	-	-
ECBI Training, Support, and Trust- Building Project	-	61	(15)	(46)	-	-	-	-	-
Phase I: Appraisal, design and testing of social protection and climate adaptation linkages at the district level, Mabote (Inhambane province), Mozambique	-	17	-	(17)	-	-	-	-	-
Financing climate resilience through MGNREGS	-	59	-	(59)	-	-	-	-	-
Other (including FRAME support for various projects)	-	6,659	(6,421)	(238)	-	7,728	(7,840)	112	-
Total restricted funds per SOFA	-	15,673	(15,451)	(222)	-	15,720	(15,866)	146	-

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant project.

Learning and Action Platform IWTCF

Funded by the UK Government's Illegal Wildlife Trade Challenge Fund to collect, synthesise and share lessons in Tanzania, Zambia, regionally and internationally on community engagement against IWT.

Why Eat Wild Meat?

Funded by the UK Government's Darwin Initiative to understand more about why people eat wild meat and improve projects that promote alternatives, focusing on Cameroon.

Natural Capital Approaches, WCMC Darwin

Funded by the UK Government's Darwin Initiative via UNEP WCMC to include natural capital values and the cost of biodiversity loss in policy decision making for sustainable socioeconomic transformation.

Livelihoods Insurance 4 Elephants (LIFE)

Funded by the UK Government's Darwin Initiative to help the Sri Lankan and Kenyan governments to pilot new insurance schemes, learn from each other, and develop an effective national approach.

Building Resilience in Ethiopia (BRE)

The BRE programme covers Foreign, Commonwealth and Development Office (FCDO) humanitarian assistance in Ethiopia and is intended to contribute to the objective of an 'Ethiopia that is more resilient to climate and humanitarian shocks'.

IPCC Co-ordinating Lead Author

Funded by the Department for Business, Energy and Industrial Strategy, lead author of Chapter 6 "Cities, Settlements and key infrastructure" of the Intergovernmental Panel on Climate Change (IPCC) Working Group II Contribution to the IPCC 6th.

BIOPAMA: Governance and equity of protected and conserved areas

Funded by the European Commission through International Union for Conservation of Nature and Natural Resources (IUCN), aimed at enhancing governance of Community-Based Natural Resource Management (CBNRM) for better conservation and social outcomes in Zambia.

ALIGN

Funded by FCDO, an initiative developed to promote, at scale, more responsible practices for land-based investments.

GIZ E-READI

The delivery of technical assistance to the Enhanced Regional EU-ASEAN Dialogue (E-READI) project in the area of Natural Capital.

IBFCCA Financing Climate Change Africa

Funded by Sida through the Collaborative Africa Budget Reform Initiative, the Inclusive Budgeting and Financing for Climate Change in Africa programme supports stronger links between climate change policy and the budget process with Ministries of Finance as the key representatives.

LIFE-AR Phase II

Funded by FCDO, focusing on supporting the LDC Initiative for Effective Adaptation and Resilience.

DFID BP4GG

Funded by Department for International Development, this project is managed by Mott MacDonald with IIED as subconsultant to Mott MacDonald. This project is focused on business partnerships for global goals.

DFID - MGNREGS Extensions

Funded by Department for International Development, the project is for Financing Climate Resilience through Mahatma Gandhi National rural employment guarantee scheme.

GEC – Dialogues for Financial Reform

An EC-funded project to build civil society participation for sustainable finance reforms: global coverage.

BEIS CASA Opportunity Fund

Funded by the Department for Business, Energy & industrial Strategy, for research on Building Resilience and Greening the COVID-19 Recovery in the Least Developed Countries.

Establishing a Biocultural Heritage

Funded by the UK Government's Darwin Initiative, to establish a biocultural heritage territory to protect Kenya's Kaya forests.

Trees, COVID and Politics

Funded by IDS, on behalf of FCDO, the Covid 19 Social Science Research-Evidence Platform researches the topic: Trees kill Covid: Politics, tree-planting and post-pandemic rural resurgence.

CF Training Initiative FSD Africa

Funded by Financial Sector Deepening Africa, to focus on developing a climate finance training programme in sub-Saharan Africa.

Covid, Cobalt and Community [Co-balt 19]

Funded by Institute of Development Studies (IDS), on behalf of FCDO, it is the sub-project of the Covid 19 Social Science Research-Evidence Platform.

Covid Collective: SDI Kenya and MSJC

Funded by IDS, on behalf of FCDO, to strengthen advocacy and mobilisation on the frontlines.

Covid Collective: DoST, Zimbabwe

Funded by IDS, on behalf of FCDO, to identify transformative urban pathways.

Transformative Urban Coalitions: Catalysing Urban Partnerships

Funded by BMU (German Government) through United Nations University (UNU-EHS), aiming to drive systemic transformation towards sustainability in Latin America.

Achieving Planet-Friendly Agriculture

Funded by the IKEA foundation, to gain a better understanding of the decisions that different types of smallholder farmers take with regards to agricultural expansion, in order to identify entry points to reduce the social and environmental impacts of expansion.

Covid Collective Manchester

Funded by IDS, on behalf of FCDO, it is the sub-project of the Covid 19 Social Science Research-Evidence Platform.

Enhancing Action for Enabling LLA

Funded by FCDO, supports continued operationalisation, accountability scaling-up of Locally-Led Adaptation (LLA), strengthening the foundations of a growing community of practice around LLA to ensure the balance of power remains with southern national and local actors.

Covid Collection ACHR

Funded by FCDO, to examine lessons from Asian Coalition for Housing Rights (ACHR) community-led responses to the pandemic, and explore how these strategies can influence official partnerships or other policy interventions in Thailand, Indonesia, Philippines and Myanmar.

FCDO – Trafficking and Climate Change

Funded by FCDO, to establish the causal link between climate change, migration and trafficking, and in-depth research at a regional level (India, Bangladesh and Nepal) to understand country and cross-country issues on trans-boundary migration and risks of trafficking.

Facilitating REDAA

Funded by FCDO, to understand how to improve the condition of natural landscapes in Africa and Asia in ways that enable people and nature to thrive together. It uses identification, adoption and replication of innovative approaches to halt and reverse degradation and improve management and restoration of ecosystems for the Reversing Environmental Degradation in Africa and Asia (REDAA) programme.

LandCam: Securing land and resource rights and improving governance in forest areas of Cameroon

An EC-funded project to secure land and resource rights and improve governance in Cameroon.

Empowering Communities in the context of Commercial Agriculture (EPIC)

Funded by FCDO, EPIC aims to empower rural producers and their wider communities to influence public decisions and private sector conduct in favour of more sustainable investments in commercial agriculture.

Ecosystem-based approaches (EbA) to adaptation: strengthening the evidence and informing policy

An International Climate Initiative project funded by BMU (German Government) to strengthen evidence on when and why EbA works best and inform policy at national and international levels.

Implementing Park action plans for community engagement to tackle IWT (Illegal Wildlife Trade)

Funded by the UK Government's Illegal Wildlife Trade Challenge Fund to engage communities in Uganda to reduce IWT, focusing on the area around Murchison Falls National Park.

Sentinel: Social and Environmental Trade-offs in African Agriculture

Funded by the Economic and Social Research Council, the project aims to understand, enhance research capacity and relationships between UK research organisations and partners in Africa on the impacts, risks and trade-offs within and between social, economic and environmental dimensions of different agricultural development pathways that relate to SDGs 2, 10, and 15.

ECBI Training, Support, and Trust-Building Project

The ECBI programme works with climate negotiators from vulnerable developing countries to create a more level playing field in climate negotiations at the international level. It is funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).

Phase I: Appraisal, design and testing of social protection and climate adaptation linkages at the district level, Mabote (Inhambane province), Mozambique

Funded by the Minister for Foreign Affairs and Trade of Ireland, to focus on social protection and climate adaptation linkages at district level.

Financing climate resilience through MGNREGS

Funded by FCDO, focusing on financing climate resilience through MGNREGS.

Frame funding and other projects

IIED currently receives institutional 'frame' funding from the Swedish and Irish Governments. It is provided to support delivery of the organisation's five-year institutional strategy. The funding enables IIED to explore new areas of research, which might otherwise be difficult to fund. It also supports exploration of new methodologies and ways of working, plus development and maintenance of effective systems for evaluation of our work, communicating with key audiences, and liaison with key actors in delivery of our work. In some instances, IIED will commit some of the frame money to support various restricted funds projects. This, and all other projects have been grouped together under one heading for the purposes of these accounts.

INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT

England & Wales - Charity number 800066

Accounts

International Institute for Environment and Development

Trustees' Annual Report and Accounts for the year
ended 31 March 2022

Registered company number: 2188452 (England and Wales)
Registered charity number: 800066 (England and Wales)
Registered charity number: SC 039864 (Scotland)

Contents

Introduction	3
Our strategy	3
Analysis and assessment	4
Our communications and output statistics	7
Core research areas	9
Responding to the climate crisis	9
Addressing the assault on the natural world	11
Transforming urban areas to address increasing risk	13
Tackling unsustainable markets	16
Green Economy Coalition (GEC)	18
Increasing inequality	19
Directorate, support functions and strategy and learning group	20
Looking ahead	22
About IIED	26
Structure, governance and management	27
Finance review	29
Statement of trustees' responsibilities	32
Glossary	33
Reference and administrative details	34
Independent Auditor's Report	35
Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2022	39
Balance sheet as at 31 March 2022	40
Cash flow statement for the year ended 31 March 2022	41
Notes to the Financial Statements for the year ended 31 March 2022	42

Introduction

The trustees present their annual report, including the directors' strategic report, with the audited accounts for the year ended 31 March 2022. This report and the accounts have been prepared in accordance with the Companies Act 2006, the company's Articles of Association and Charities Statement of Recommended Practice, applicable to charities preparing accounts in accordance with FRS 102: the financial reporting standard applicable in the UK and Republic of Ireland.

Our strategy

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

Our research takes valuable local solutions to influential global forums, achieving impact at many levels.

Our five-year strategy, ***Make Change Happen***, outlines the nature of the ecological and social crises we face, and is structured around five challenges:

- The climate crisis
- An assault on the natural world
- Increasing urban risk
- Unsustainable markets
- Increasing inequality.

The first four of these challenges each have a Research Group which leads our work in that space — namely the Climate Change Group (CCG), the Natural Resources Group (NRG), the Human Settlements Group (HSG) and Shaping Sustainable Markets Group (SSMG). Our work on inequality and inclusion is a cross-cutting theme that applies to all our work.

The world is dealing with multiple crises — the climate crisis, unprecedented biodiversity loss, rising inequalities and the COVID-19 pandemic. On top of these the Russian invasion of Ukraine layers severe challenges for peace, human rights, livelihoods, food security and multilateral governance and action. These challenges disproportionately impact vulnerable countries, groups and individuals by exacerbating pre-existing dynamics of marginalisation and exclusion.

The decisions taken in 2021 and 2022 by leaders will guide international and national efforts over the coming decade for climate, nature and people. Strong and urgent action is needed to address these interconnected crises, including to influence major decision-making moments this year and leverage pandemic recovery packages, to drive cohesive climate, nature and development outcomes.

2021 was dubbed a 'super year' for climate and nature due to the anticipated global programme of work on both climate and biodiversity. We launched our super year advocacy campaign in January, making strong links across IIED research areas to meet the complexity of urgent interconnected crises. We engaged effectively at the critical COP26 climate conference in Glasgow, driving ambition in the key areas of locally-led adaptation and adaptation finance in general, as well as supporting the Least Developed Countries (LDCs) to continue their effective engagement to push for a sustainable global future. We continue to engage in the key area of nature loss and have advocated for an inclusive and effective settlement to emerge from the long-delayed COP15 of the Convention on Biological Diversity, to be held in Montreal in December. The COVID-19 pandemic has exacerbated inequality — both within and between countries. It has also acted as a brake both on multilateral action for sustainable development and on social mobilisation at the grassroots to demand change. Add to that, it is contributing to a growing debt crisis in many low- and middle-income countries. Our multi-issue, multi-actor approach was exemplified by new research offering a potential 'triple win': a refreshed and refined financial system able to tackle the debt, climate change and nature emergencies together, working with developing countries to reduce poverty and get on the path to an inclusive green recovery.

We engaged closely with partners throughout the year, including government, business, academics, non-government organisations and civil society. In particular, we continued our work with local communities and people, to amplify their voices in the places where decisions that matter were made.

Two important strategic initiatives were taken forward over the course of the year. Firstly, we established IIED Europe based in Amsterdam, an independent Stichting. We did this to ensure that IIED's mission will continue to be taken forward effectively within the EU's policy and programme architecture, and to ensure that IIED's concerns with equity and sustainability via bottom-up action will continue to have influence in the important arena of the EU. Secondly, we continued to support the LDCs with the ground-breaking LDC Initiative for Effective Adaptation and Resilience (LIFE-AR). This is a southern-led initiative to change the paradigm of climate finance so it delivers better outcomes for communities at the sharp end of the climate crisis and suffering its worst effects. This is a very ambitious proposition and IIED's technical support is critical to its progress.

Analysis and assessment

Monitoring, evaluation and learning

IIED's emphasis on effective monitoring, evaluation and learning (MEL) reflects our determination to make change happen. IIED has implemented a comprehensive strategic framework that links together our [five-year strategy \(2019-2024\)](#), our institutional theory of change and our Learning and Impact Framework (LIF).

In 2021/22, we gathered outcome statements, tracked statistics related to our knowledge products, conducted an institutional evaluation and facilitated a cross-institutional learning week to reflect on achievements and spaces for improvement.

Learning and impact framework

Our Learning and Impact Framework (LIF) evaluates our performance against the strategy and provides the structure for setting targets and tracking progress.

The LIF enables us to gather evidence on IIED's contribution to longer-term outcomes and provides a systematic reflection of our progress. All the LIF documents are shared with our frame donors as our principal accountability tool.

The LIF found evidence of IIED achieving impact through documenting key intermediate outcomes in terms of:

- Changes in the body of evidence influencing policy debates at the national and global level across all our main areas of focus
- Improvements in actors' capacity to create and use evidence, and
- Changes in interactions and power dynamics driving equitable and sustainable development pathways.

The LIF also documented evidence that IIED's work is promoting longer-term outcomes in terms of changes in governance and policies; changes in financial assets and agency; changes in voice and rights.

Box 1 below highlights one example (of many) of each type of evidence of impact to illustrate how IIED operationalises its theory of change.

Impact and Learning Exercises (ILEs) are a means to support timely and high-impact activities and cross-institutional learning. They are designed to:

- Further IIED's internal learning and effectiveness, and
- Make a significant contribution to important broader policy processes and debates.

Our ILE on 'Flexible, agile, digital working: towards a 'new normal'' was completed in March 2021 but the report and its outcomes are still being used within IIED as we move towards a hybrid working model.

One ILE completed in 2021/22 was '[Nature 4 Development: improving evidence and dialogue on biodiversity and development](#)'. This brought together evidence that investing in nature delivers development outcomes for communities living in poverty, and enhanced dialogue between conservation and development communities.

One ILE continued throughout 2021/22 '[Rethinking investment treaties and dispute settlement to promote sustainable development](#)'. This project supports global efforts to reform the international investment regime by contributing technical analysis to ongoing reform processes and promoting informed public debate about policy reform issues.

There were two further ILEs in progress during the year:

- Addressing loss and damage: leveraging evidence and co-generating pathways to impact
- Revisiting smallholder inclusion in global value chains as a path for sustainable development

Reports from the above activities are expected to be published in 2022/23.

Stakeholder survey

To understand what our partners think about our work, we have carried out an annual stakeholder survey since 2014. However, we did not conduct a stakeholder survey in 2021/22. We made this decision having observed a significant drop in responses over the last couple of years, compared to previous surveys. We had an external review this year, which conducted a similar type of exercise with our partners. So, to avoid survey fatigue among our stakeholders, we decided to pause this exercise for a year and conduct it again in 2022/23.

Box 1. Examples of outcomes of IIED's work

Intermediate outcomes

- Changes in the body of evidence
 - **Media interest in the finding that rural women living in poverty in Bangladesh pay most for climate-related disasters:** The United Nations Development Programme (UNDP) report shifted the climate finance debate from international-level financiers to what Reuters called the household-level “silent financiers” — the women and men at the frontline of climate change.
- Improvements in actors' capacity to create and use evidence
 - **The Tanzania Women Lawyers Association (TAWLA) adapts its programme activities, demonstrating enhanced capabilities in using evidence:** IIED partner TAWLA has adapted its work promoting gender-sensitive bylaws to ensure project benefits reach villages in Kisarawe that have yet to establish women's committees. These are spaces where women get together to discuss land issues ahead of village assemblies.
 - **India's Ministry of Rural Development launches Climate Resilience Information System and Planning for MGNREGS (CRISP-M) tool:** We are working with India's Ministry of Rural Development (MoRD) to strengthen the Mahatma Gandhi National Rural Employment Guarantee Scheme's (MGNREGS) contribution to climate resilience at household level. This is the largest social protection scheme in the world, reaching more than 50 million households. Enabling it to reduce climate-related risks for vulnerable communities living in poverty, by integrating shock-responsive plans into its operation, will have significant impact.
- Changes in interactions and power dynamics driving equitable and sustainable development pathways
 - **Debtor governments and creditor institutions reach political commitments on climate and nature debt swaps:** The Seychelles and Maldives governments called for debt swaps linked to climate and nature, supported by representatives from key institutions in the international creditor landscape.

Longer-term outcomes

- Changes in governance and policies
 - **Uganda identifies a delivery mechanism to channel finance to local level:** The Ministry of Water and Environment (MoWE) established a decentralised climate finance (DCF) working group to oversee the design of a Devolved Climate Finance mechanism. This ensured it was embedded in the institutional and financial architecture of decentralised government structures to channel funds from national to local levels as part of planning, budgeting, and monitoring and evaluation systems.
- Changes in financial assets and agency
 - **US and Norway sign the LIFE-AR Partnership Compact and UK commits more funding:** At an event during COP26, John F Kerry, the US special presidential envoy for climate, and Norway's minister of international development, Hon. Anne Beathe Tvinning, signed the LIFE-AR Partnership Compact. This outcome is significant because it demonstrates a political commitment to implementing a historic shift away from business-as-usual approaches, towards a more effective, ambitious and equitable global response to the climate crisis.
- Changes in voice and rights
 - **Indigenous Peoples and Local Communities (IPLC) and forest and farm producer organisations (FFPOs) present their case to international negotiators and decision makers:** IPLC and FFPO representatives addressed climate change negotiators and decision makers at an official side event at COP26, making the case for their crucial role as agents of change in climate change mitigation, adaptation and resilience.

Our communications and output statistics

In 2021/22, we produced 111 publications, which were downloaded 24,716 times, for a publication/download ratio of 223:1. Peak download periods were May to August and October to November, and there was a drop in downloads between December 2021 and April 2022. The peaks coincide with the timing of major events: the 15th International Conference on Community-based Adaptation to Climate Change (CBA15), Nature-Based Solutions Conference, London Climate Action Week, United Nations (UN) High-Level Political Forum, G7 meeting and G20 finance ministers meeting all took place in May and June, and the United Nations Framework Convention on Climate Change (UNFCCC) 26th Conference of the Parties (COP26) was in November.

In terms of online engagement, we noted an outstanding increase in page views to the IIED website, with 1.9 million views in total — IIED's most successful year yet. Of these, 34% came from mobile devices. IIED also produced more digital content last year, publishing 132 blog posts, 36 news stories, ten Q&As and 205 videos. Total page views of blogs posts published was 84,007, with 636 page views per post on average, on a par with the previous year.

It is important to highlight that, at ~69%, the proportion of page views from mobile devices is far greater in the global South. Our social media presence grew by 21%, with followers on our four largest social platforms — LinkedIn, Twitter, Facebook and Instagram — reaching 137,888. This is an increase of 23,000, predominantly driven by our LinkedIn profile. On Twitter, we have 65,434 followers, allowing us to reach over 170 million people, when we consider our followers' followers.

IIED's media work resulted in 1,290 mentions in mainstream and specialist outlets around the world, 100 more than the previous year. These include *The Los Angeles Times*, *The Guardian*, Reuters, the BBC, Al Jazeera, *The Ecologist*, *Mongabay* and *The Conversation*. In this time, we issued 22 press releases, 12 media statements and three op-eds. The coverage received in *The Financial Times*, *China Dialogue*, CNBC, Reuters, *The Guardian*, *Mail Online*, *The Gulf Times*, *Climate Home*, BBC World Service and *The Japan Times* reached around 176 million consumers and had an advertising value equivalent (AVE) of £1.63 million.

Over the six weeks up to and including COP26, we had 609 media mentions, at least twice as many as any of the preceding four COPs and comparable to Paris in 2015 (639). AVE was £32.29 million compared to £30.5 million for Paris COP. Despite our successes, climate journalism is a very crowded space, and our share of voice (a metric used to measure how much attention we're getting in the media compared to other similar organisations) was lower than we hoped. We'll be putting a greater focus on how we compare with others this year and in future, and have been working to help focus and prioritise key messages for this crowded field.

In January 2022, we capitalised on the global attention being given to online word game Wordle to create a variation using environmental and climate-related words. This was designed to give our regular audiences something fun and unexpected while engaging with the public in a different way to get them thinking about environmental issues. By the start of May, [A Greener Wordle](#) had been played more than 400,000 times by people from 183 countries, and it has over 3,000 daily players. The game attracted media coverage in the *Washington Post*, the chief executive of the Gates Foundation shared his results on Twitter, and it's also been praised for being more environmentally-friendly than the original.

March was the time for our sixth Communications Learning Week (since 2011). Normally a four-day in-person event, this was our first attempt at a fully online meeting. We tailored the programme to run over four three-hour sessions, broken down to a mix of plenary and breakout groups. Lots of pre-checks with participants ensured that most attendees were able to join without any technical issues.

Our Comms Learning Week is not so much about training, as building a skilled community of practice and there is a great emphasis on exchanging ideas, case studies, and experiences of how things work in different countries. We had 17 participants from six countries in Sub-Saharan Africa, India and Indonesia, who gave positive and reflective feedback.

Figure 1. IIED communications in numbers, 2021/22

More than **137,000** people follow us on our four main social media channels, a growth of 21% over the last year. LinkedIn continues to see the largest growth, increasing by 38% in the last year.



2021 was a good year for video content and we produced **205** videos about our work, shared on IIED's YouTube page. Our YouTube content was viewed **177,031** times, which is **6,600** minutes of watch time.

We saw an increase in page views to the IIED website with **1,903,452** views in total. **34%** of these views came from people viewing the site via a mobile device.

A further six episodes of the **Make Change Happen** podcast series were published in the last year. The 16 episodes in our series have now been listened to more than **19,000** times.

IIED has six regular themed email newsletters, as well as many ad hoc ones. These newsletters reach a community of almost **14,000** people.

IIED's Publications Library houses over **7,000** publications. **53%** of our new 2021 publications were downloaded by readers in the global South.

We produced **132** blog posts during 2021 for publication on the IIED website, which were viewed **84,007** times.

Our media work resulted in **1,290** mentions in mainstream and specialist outlets throughout the world, including The Los Angeles Times, The Guardian, Reuters, BBC, Al Jazeera, The Ecologist, Mongabay and The Conversation.

IIED Debates hosted 11 events that attracted more than **1,200** people from **100** countries.

Core research areas

Responding to the climate crisis

Global responses lag behind essential action as climate impacts are powerfully felt in the world's poorest nations. The countries responsible for driving climate disruption must act urgently to curb emissions; exceeding anthropogenic global warming of 1.5°C will spell disaster, particularly in the world's poorest countries and communities. Commitments made up to this point take us to 1.8°C, but actual policies — even if fully delivered — are still well over 2°C. At the same time, more climate finance is crucial to support countries where people are living in poverty, to build resilience and effect their own green transitions. In this area too, the world is lagging, having failed to deliver the \$100 billion per annum of climate finance by 2020 that was first promised in 2009 at the Copenhagen COP. On top of the headline failure of volume, there are also pressing needs to deliver more climate finance for adaptation, to vulnerable countries and to the local level — the communities at the frontline of the climate crisis.

We work with the LDCs, and policy and research partners to redress the balance by helping vulnerable countries and communities achieve climate resilience and development, and by pushing hard in every arena we can for ambitious global climate action.

Meeting the challenge

IIED's super year climate advocacy wasted no time. At the Climate Adaptation Summit in January 2021, we saw 40 governments, climate funds and non-state actors endorse the eight principles for locally led adaptation. These were created by IIED, together with a wide range of partners, including BRAC International, Huairou Commission, International Centre for Climate Change and Development (ICCCAD), Makerere University Centre for Climate Change Research and Innovation (MUCCRI), Pan African Climate Justice Alliance (PACJA), Slum Dwellers International (SDI), Tebtebba and World Resources Institute (WRI) in consultation with other actors from the Global Commission for Adaptation. They call on governments, global institutions, and local and international NGOs to enable far greater local influence over adaptation action, especially from women, young people, children, disabled people, displaced people and marginalised ethnic groups. In May, the G7 officially welcomed the principles and by the close of COP26 in November, more than 70 actors had endorsed them.

Diverse supporters included organisations representing young people, women and Indigenous Peoples; nature-focused partners like Flora and Fauna International and IUCN (International Union for Conservation of Nature); and national development agencies, including the first two southern governmental supporters, Costa Rica and Nepal. This wide-ranging swell of support places local leadership firmly on the agenda for COP27.

We have been working with think tank E3G to support the Champions Group for Adaptation Finance and develop a work plan with the LDCs and small island developing states (SIDS). This is a coalition of climate finance provider countries committed to improving the quantity, quality and accessibility of adaptation finance. The original group was announced at September's UN General Assembly (Ireland, the Netherlands, Denmark, Sweden, the UK and Finland) and was ready just months later to make a call for action. At a COP26 side event organised by IIED and E3G, the Champions Group announced its five-point plan to accelerate adaptation finance solutions. This sent a strong message: adaptation must rise up the global climate agenda. Later in 2022, the Champions anticipate welcoming more donor countries and working with developing countries; this is a coalition to watch in the run-up to the coming year's climate summit, which many are calling 'the adaptation COP'.

COP26 also saw the US and Norway sign up to support the Least Developed Countries Initiative for Effective Adaptation and Resilience (LIFE-AR), a re-imagining of climate finance that would see 70% of funds reach local-level action. By the close of COP26, finance pledged for institutions and initiatives aligned with locally led adaptation hit approximately US\$1.5 billion.

While this funding is welcome, it has long been unclear how much adaptation finance reaches LDCs and how far this falls short of the amount needed. In July 2021, IIED provided the strongest estimate yet: LDCs have received less than 3% of the funds they need to adapt their societies and economies to

climate change. This figure, quoted by international media outlets, further backs the LDC group's call to localise international climate adaptation finance. In 2022/23, we will work with LDCs, SIDS, Southern-led social movements and others to hold governments to account, both on their finance commitments and on their endorsement of the locally led adaptation principles, which should see funds reach local communities and projects led by marginalised groups.

Sonam P Wangdi, Chair of the LDC Group, addressing the 15th International Conference on Community-based Adaptation to Climate Change, described COP26 as a chance to “scale up support for real actions on the ground”. Working with many partners, IIED responded to the opportunity. Besides focusing on locally led adaptation, we supported recognition and resources for local climate leadership before and during the UN conference.

Aside from the high-level commitments on LIFE-AR at COP26, there has been strong progress on the establishment phase in the six frontrunner countries. This focused on setting up in-country governance arrangements, including identifying the appropriate financial agent and reviewing policies and interventions to ascertain what might be the best delivery mechanism to be developed under LIFE-AR. The transition to a new chair of the LDC group has been slightly slowed by COVID-19 surges early in 2022, but we had a successful trip to Senegal in March, allowing the LDC leadership to discuss progress and the direction of travel.

The [peer-to-peer learning events](#) on Locally Led Adaptation (LLA) have helped the ten partners in the LLA consortium identify 20-30 good experiences. They have been captured as [video presentations](#), case studies, a visual map and insights in a synthesis paper (all in final production). The partners' consortium is currently developing a ten-year strategy for LLA and looking at approaches to deepen peer-to-peer learning, particularly around direct access to finance for LLA delivery. We are also developing methods for an approach to tracking climate finance and understanding its effectiveness and quality. This builds on the [Follow the Money](#) assessment of adaptation finance to the LDCs and the analysis showing only [10% is invested to also restore nature](#). And we are continuing to collaborate with SDI, the Huairou Commission, and Climate Justice Resilience Fund (CJRF) on the [frontline funds accelerator](#) that highlights the importance of constituency governed initiatives for more transformational outcomes.

To ensure local and community representatives could play a full part in the first wholly online Development and Climate Days (D&C Days) event, we worked with the Red Cross Red Crescent Climate Centre and others to bring together 806 grassroots representatives, researchers, development practitioners and policymakers from 127 countries for the most inclusive D&C Days event yet.

We co-hosted the COP26 side event ‘Recognition, rights, and finance for locally-led pathways towards just and equitable resilience’, supporting IPLCs to be heard as experts in climate change mitigation and resilience. Our event partners were Alianza Mesoamericana de Pueblos y Bosques (AMPB), the Ford Foundation, Fundación PRISMA El Salvador, Mainyoto Pastoralist Alliance, Rights and Resources Initiative, and Rainforest Foundation Norway.

Making space for LDCs, SIDS, civil society organisations and Southern climate activists, to hear and be heard on climate loss and damage before COP26, we co-convened with the International Centre for Climate Change and Development (ICCCAD) four ‘deliberative dialogues’. Participants shared knowledge, built relationships, and discussed action and support needed and their delivery and finance. With ICCCAD we co-published summaries of all four dialogues. We helped bring lived experience of loss and damage to life ahead of COP26 through powerful animations co-created with local climate activists and featuring Rwandans, Sierra Leoneans and Solomon Islanders describing, in local languages and in English, the human impacts, locally-led action and support needed. The animations were shown at Climate Week NYC and watched on our YouTube channel. In 2022, a story from Nepal will complete the series.

While COP26 did not deliver all we hoped, positive outcomes included an agreed process for reaching a post-2025 climate finance goal and a promise of doubling adaptation finance by 2025, both of which IIED — alongside the LDC Group — have argued strongly for. We will not lose our focus on this as post-2025 negotiations commence in 2022.

We have also been busy developing practical tools to support countries deliver better adaptation. These include collaborations with the governments of Kenya and Ethiopia on tools for Climate Resilient Development Planning for Financing Locally-Led Climate Action (FLLoCA) and BRE; a collaboration with Save the Children on [child centred adaptation](#); with START on [anticipatory climate action](#) and with Anti-Slavery International on a [toolkit on climate-induced migration and modern slavery](#).

Lessons learned

Over the last year, we have invested in improving our ways of working to strengthen our ability to connect with partners, while maintaining our culture of creativity and fun that helps balance the intense and challenging content of our work.

Returning to some in-person events has been helpful in reconnecting with our longstanding partners and allies, but we have sought to continue with virtual events where we can, to reduce our carbon footprint. Getting the balance right is something we are actively working on.

The 2020 super year, turned into two plus super years due to delays in events caused by the pandemic. The intensity of work has been high, with lots of people also having to take time off with COVID-19-related illness. The importance of managing realistic workloads and building in some redundancy to our delivery teams continues to be an area we are actively seeking to improve.

We also recognise that the leaders we work with have become fairly burnt out, with a consistently high number of influencing opportunities and pace of events. We need to work with these leaders to bring on more spokespeople and representatives to be involved in these processes.

Lively interactive events take significant planning — and skilled facilitation of these, whether virtual or in person also takes several people. We have learnt that the virtual events actually take more people and more planning as it is harder to adjust as you go along.

Obstacles and opportunities

The glass was very much half full at COP26 — we didn't get emission reductions needed, but we made significant inroads and we saw wins that we can take some credit for and must ensure we capitalise on. In the run up to COP27, there will be a considerable media focus on the progress of country level commitments that keep the goal of limiting warming to 1.5°C in the realm of the possible (in line with Intergovernmental Panel on Climate Change (IPCC) scenarios). The strategic target of doubling adaptation finance by 2025 will be a key area to track performance and has the potential to drive higher levels of finance into the adaptation space. The loss and damage negotiations were more constructive than ever before, with specific impacts and responses being discussed. Also, fossil fuels are finally in UNFCCC's climate text.

UK COP presidency gave us unparalleled access to shaping their narrative, although this also meant lots of urgent requests. We won't have the same access with COP27 in Egypt, and although we have positioned our narratives sufficiently to keep visibility, we will need to work hard to embed support in a wider group of countries across the LDCs and SIDS and beyond.

The impact of the Ukraine war on bilateral funding in 2022 has been significant. Combined with the UK cut in Development Aid to 0.5%, it means many programmes we are involved in, or for which we are likely to submit proposals for, are being put on a go-slow. Fewer calls are also meaning greater competition in the few that come out.

Addressing the assault on the natural world

We are in danger of losing the struggle to protect vital biodiversity, on land and in the ocean. A false choice between people and environment is causing many conservation efforts to overlook communities and degrade local livelihoods, as well as failing to protect wildlife. Meanwhile, agribusiness, extractives and other investment projects often take an aggressively short-term approach. Across the world, people who co-exist with, and rely on, natural resources — and who are best placed to look after these resources — see their rights and livelihoods eroded.

Environmental justice is at the heart of IIED. We believe solutions to the untenable pressures on the living planet must also be built on foundations of social justice. This can only be achieved through meaningful engagement with the people who feel the shifts in our natural world most keenly.

Meeting the challenge

Despite the major constraints of the pandemic, our partners have done great work with us during the year. Examples of impact include: the Zambia Land Use Alliance of NGOs and the Ghana Federation of Forest and Farm Producers — the latter with one million plus members — adopting and implementing a gender policy it developed with support from the Forest and Farm Facility (FFF), which IIED co-manages.

Through the FFF, and with local organisations in a range of countries, we brought together the evidence on '[Diversification for resilience: 30 options for forest and farm producer organisations](#)'. In a related area, our project on 'Indigenous biocultural heritage for sustainable development' produced a range of outputs, demonstrating clearly [Why traditional knowledge and Indigenous Peoples' rights must be integrated across the new global biodiversity targets](#).

After four and a half years of interdisciplinary research work to improve food security in sub-Saharan Africa, while at the same time working with partners to reduce inequalities and conserve ecosystems, we brought the [Sentinel](#) project (Social and Environmental Trade-Offs in African Agriculture) to conclusion. This involved country teams together sharpening their messaging on key findings, to build on the influence already achieved on policy in Ethiopia, Ghana and Zambia, with plans for further outreach and follow-on initiatives. Some further resources were also published by the project, including a free tool and training course on how to use analytical hierarchy processing methodology for '[Analysing trade-offs in land-use decision-making](#)'.

With the UN's first Food Systems Summit offering little opportunity for input from small-scale producers and representatives of food-insecure communities, these actors mobilised around their own agenda instead in 2021. IIED launched a 'food year' blog series before the summit to create a platform for partners to share views on food systems transformation. Contributors spanned continents and included representatives of the International Maize and Wheat Improvement Center and the Alliance for Food Sovereignty in Africa.

Indigenous Peoples were also largely missing from the summit, despite Indigenous food systems' resilience being proven yet again during the pandemic. With the International Network of Mountain Indigenous Peoples, we identified Indigenous communities keen to share experience and ideas: the Parque de la Papa (Peru), the Rabai community (Kenya), the Farmer' Seed Network (China), and the Lepcha and Limbu of the Eastern Himalayas (India). IIED hosted a series of webinars, led by the communities directly from their Biocultural Heritage territories, to ensure the world could hear and learn from the technical knowledge of these farmers, elders, women and youth. With local partners and interpreters, we set up live links, encouraged peer-to-peer learning and proved how, with solutions designed with equity in mind, technology can unify rather than exclude.

We also brought our partnership with other organisations on 'FutureDams' to a successful conclusion. With thousands of large dams currently planned or under construction around the world, this looked at how to ensure their benefits are maximised while minimising the negative impacts. In 'Sharing the benefits of hydropower to improve displaced people's livelihoods' we show the crucial role of establishing appropriate institutional arrangements and investing a proportion of hydropower revenues over the long term. And with Chinese investment in dams such a key feature, we asked: 'What drives safeguarding for China's hydropower projects in LDCs?'

We published much-needed evidence on the question '[Investing in Nature for Development: do nature-based interventions deliver local development outcomes?](#)', and followed it up with further case material from partners '[Nature-based solutions in action: lessons from the frontline](#)'. We also put a focus on finance for nature and IPLCs, concluding that '[Only a fraction of international climate adaptation finance for least developed countries found to also support nature](#)'; and strengthened our workstreams on biocultural heritage (building on IIED's most read blog of 2021, [Here's why Indigenous economics is the key to saving nature](#)) and on equity in governance of conserved areas (building on [Equity in conservation – what, why and how?](#)).

We were active in a range of events and policy arenas at COP26 and, before that, the World Conservation Congress, UN Food Systems and high-level segment of the biodiversity COP. We produced a wide range of policy-oriented research designed to engage with these arenas, and initiated two blog series: [Food year: exploring the policies and practices to transform our food systems](#), and [Putting social and environmental justice at the core of conservation, climate and development](#). We led the 'Financing a Resilient Future' theme of Development and Climate days, with sessions on climate budgeting in Africa (with CABRI), launching a new 'how-to' guide on Debt Swaps for Climate and Nature (with United Nations Economic Commission for Africa (UNECA), United Nations Development Programme (UNDP), United Nations Economic and Social Commission for Western Asia (UNESCA) and Potomac Group), supporting companies to use climate smart agriculture with associated renewable energy delivery models (with Acumen).

With partners Afrewatch in the Democratic Republic of Congo we published an issues paper on the changes needed to improve governance affecting [artisanal cobalt mining](#), which was well picked up by the international and Congolese press. In Ethiopia our legal tools team has worked with partners on rules of procedure for the soon-to-be established Federal Environmental Tribunal, setting out mechanisms to strengthen environmental justice. The team also produced a new legal paper exploring how tackling the most difficult land problems requires the rebalancing of rights and obligations of different groups, and legal briefs on issues of [rights and governance of land and resources](#).

Following a successful joint webinar with United Nations Conference on Trade and Development (UNCTAD) we published a joint policy brief on International Investment Agreements (IIAs) and Climate Action, aimed at supporting IIAs reform to ensure that investment policy is consistent with — and proactively advances — national, regional and global climate commitments. A related blog then focused on why Germany's recently proposed 'international climate club' needs to take on investment rules.

Lessons learned

Hybrid working — much more online work and much less office-based work — is here to stay. We need to balance where our workforce is based and travelling to and ensure hybrid systems that carry out often politically sensitive work, practice shared understanding with partners of ground-reality issues.

Food and energy crises in some regions, stemming from the war in Ukraine, and budget cuts with governments shifting spending to security and refugees, have changed the landscape of Natural Resources Group's (NRG) work substantially in this period.

Obstacles and opportunities

NRG continues to find effective focus in its work in international, national and local arenas, working with partners to improve the enabling environment and support for local organisations. These are the frontline for improving lives and resilience in the face of climate change and economic shocks, and for resisting and overcoming regressive governance.

Support for nature-climate action, and for IPLCs, was given a boost by some of the commitments made at COP26, and NRG continues to explore new prospects with partners. Processes related to Biodiversity COP15 — with its substantive meeting now planned for December 2022 — also provide a focus.

Transforming urban areas to address increasing risk

We know the lowest-income nations will be home to the majority of urban growth over the coming decades. Increases in existing populations and the arrival of men, women and children will swell the cities of Africa and Asia. Climate change and conflict will play their part in mass movement. But these nations often lack the institutions and infrastructure necessary to counter the poverty, social exclusion and unhealthy environments that too often accompany dense, spiralling populations. The Sustainable Development Goals (SDGs) and the Paris Agreement cannot be achieved without towns and cities that are inclusive and resilient.

Our work in this area delivers on multiple fronts, placing local agency at the forefront of truly local-to-global impacts.

Meeting the challenge

Urban areas have arguably been the ‘ground zero’ of the pandemic and people living in cities continue to experience a range of hardships beyond ill health. In the global South, strict lockdowns, lack of work, food scarcity and evictions have intensified the many challenges facing the poorest urban communities.

Early in the pandemic, our Human Settlements research group (HSG) led IIED’s efforts to share partners’ lived experiences and to apply local insights to opportunities for sustainable and socially-just recovery. Informed by these direct links to urban communities and their priorities, we began work in 2021 to seek nothing less than transformational change in southern cities.

Our framework for transformative urban recovery, launched in April, represents another multi-issue, multi-actor approach. The framework is designed to unify efforts to tackle the interconnected issues cities face; it works through inclusion and collaboration across all sectors and all levels, from community groups to government agencies. Rooted in the experiences of low-income urban communities in Zimbabwe, Kenya, India, Brazil, Liberia, Vietnam and South Africa, we co-created the framework with our project partners: Slum Dwellers International, Women in Informal Employment: Globalizing and Organizing (WIEGO), Cities Alliance and ICLEI – Local Governments for Sustainability. This shared vision for change struck a strong chord: the IIED issue paper proposing the framework (Better Cities after COVID-19) was downloaded more than 1,000 times in just six months, with 70% of readers based in the global South.

HSG had a busy and successful COP26, playing an active role organising the ‘urban pillar’ in the Resilience Hub and exploring the theme on ‘resilient cities and infrastructure’ in Development and Climate (D&C) Days. We were part of a small core team that launched the international Adaptation Research Alliance, with 100 organisations from 35 countries, and spoke on a panel as co-lead of the methods advisory group for the Race to Resilience campaign. Our group director, David Dodman, spoke on panels including a UKRI and Cities Alliance event on ‘Urban informality & inequality — a call for global climate justice’ and a World Resources Institute event on ‘Advancing equity in cities’. We also highlighted various projects in other events, including a D&C Day session on ‘How can climate action also support health, informal livelihoods, and inclusive urban transformations?’, and a Resilience Hub session presentation by our researcher, Alice Sverdluk, and our Zimbabwean partners on urban health and climate change.

In 2022, we are developing the framework to respond to priorities for COP27, engaging with people and organisations who are instrumental to sustainable urban change. This includes people living in cities, urban administrations, private companies and others — all of whom must battle a pandemic while also under pressure to manage the increasing impacts of climate change. The framework will be relevant to the aims of both the World Urban Forum coming up in June and COP27 at the end of the year. It will inform our work in a programme started in 2021 on transformative urban coalitions, seeking far-reaching, community-led change for urban areas in Argentina, Brazil and Mexico.

In 2021/22 we continued our major project on ‘Protracted Displacement in an Urban World’ (PDUW) that is comparing the [experiences of refugees and internally displaced persons \(IDPs\) in cities and camps](#). Working in four countries — Afghanistan, Ethiopia, Jordan and Kenya — we are looking at how cities can better respond to protracted displacement. In-country work has expanded rapidly, with ‘participatory forums’ in four cities (Addis Ababa, Amman, Jalalabad, Nairobi). They were well attended by city government officials, bringing together municipal actors, NGOs and community representatives to discuss how research and evidence on refugee experiences in the city can feed into more inclusive planning processes.

Our project on climate change and informal workers will come to a close in June with a series of internal and external workshops and webinars. This project was funded by the National Institute for Health Research and has generated a strong body of policy-relevant evidence in India and Zimbabwe.

We have launched a new [online collection](#) about IIED's work on housing, building on partnerships and research that informs community-led and resilient housing responses in cities of the global South. This is a significant step in expanding our work in this area with current and new partners.

Our flagship journal, [Environment & Urbanization](#) (E&U), remains a significant part of our outreach. Our April 2021 issue focused on education and learning for inclusive development. In urban areas, where both disparities and diversity can present challenges, education is a primary means for promoting inclusive development, and one of the more effective mechanisms by which social exclusion and growing gaps in equity can be addressed. The October 2021 issue focused on citizen participation planning. The papers in this collection explore many facets of the challenge of securing meaningful participation at scale. The journal has an impact factor of 4.066 and in the calendar year 2021 had 652,862 full-text downloads.

Lessons learned

The context for urban research is changing. There is an ever-growing interest in urban issues, but often in ways that fail to prioritise the needs and priorities of low-income groups. We have had some successes in inserting this approach into the global discourse, notably through recent work on 'Better Cities' (prepared in 2021/22 and launched at the World Urban Forum in June 2022).

HSG experiences in working closely with partners are helping to inform our approach to decolonising research and development. Trusted relationships built up over decades have helped us to have frank and open conversations about the ways in which we work equitably and effectively with partners, and where there is room for improvement.

There is a need and opportunity to broaden our understanding of marginalisation and disadvantage in urban neighbourhoods. Our exploratory work on issues of sexuality and vulnerability — in the face of forced migration and climate change — has formed the basis for a new ILE that will examine this in more detail in the coming years.

The war in Ukraine has raised attention to the plight of refugees in cities. However, much of this is based on Ukrainian refugees in European cities, and we will need to work to highlight the ways in which cities globally are responding (and can respond more effectively) to other refugee crises.

Obstacles and opportunities

HSG has been particularly hard-hit by the cuts to UK Research and Innovation/Global Challenges Research Fund budgets. Three excellent research proposals which we submitted to UK research funders were unsuccessful. We have been reprogramming work and actively seeking additional funding. We have been very successful in meeting the funding shortfalls through active outreach to philanthropic foundations, and also through subsequent successful bids to UK research councils.

The overall political and international development funding situations in the UK (and in many other places) continue to present challenges. However, there are some positive changes in the context of the group's work:

- The resumption of travel and exchanges. In this period, HSG staff have been able to travel to work closely with partners in countries including Kenya, Morocco, Sierra Leone, Jordan, Argentina and Zimbabwe. This has been significant in enabling deeper engagement on project work and deliverables, and in rekindling the 'partnership' mode of working that is significant to the group and IIED. We have also hosted partners from India and Tanzania in the High Holborn office.
- There are some indications of expanded funding for urban research, including the launch of a large facility by Foreign, Commonwealth and Development Office (FCDO) (Green Cities and Infrastructure) and a large urban resilience programme by United States Agency for International Development (USAID) (Asia Resilient Cities). We are exploring opportunities to be part of bids for both of these.

Tackling unsustainable markets

From small family businesses to corporates, the private sector is struggling to keep pace with a host of global threats. Too often, good intentions fail to deliver real benefits for people or the environment, as businesses lack full knowledge of the supply chain or the realities on the ground.

Governments are also being challenged to count the true environmental, social and economic value of working with nature rather than exploiting it, from forests to fisheries. And until more equitable markets that preserve vital resources are a reality, our efforts to reduce poverty, combat climate change and protect biodiversity will suffer.

Transitions to a more sustainable and inclusive economy must address social, environmental and economic dimensions — this is crucial if we are to deliver the SDGs. We work to ensure that government and private sector policymaking treats inclusion and equality as central concerns, and that economic decision making fully includes the value of natural capital.

Meeting the challenge

We secured funding from the MAVA Foundation to pilot the use of a performance bond for nature and climate to help address debt suitability and leverage finance for green and inclusive investment. We are working in four West African countries: Senegal, Mauritania, Cape Verde and Guinea Bissau. Debt restructuring and reallocation of IMF Special Drawing Rights are receiving significant attention at the international level and IIED's chief economist, Paul Steele, and researcher, Sejal Patel, were invited to join a working group with the International Monetary Fund (IMF), the World Bank (WB) and the Organisation for Economic Co-operation and Development (OECD) on these issues. We were also invited to participate in several discussions at the IMF/WB Spring 2022 meetings, where the idea of debt swaps — especially for climate — is gaining attention. In one meeting the Egyptian finance minister (also their high-level climate champion) expressed interest in an initiative to be launched at COP27. UNECA is keen to work with us on shaping this. We also fed into the UN Global Crisis Response Group report on the potential for swaps <https://news.un.org/pages/wp-content/uploads/2022/04/UN-GCRG-Brief-1.pdf>.

At COP26 we led the Financing a Resilient Future theme of D&C days, with sessions on climate budgeting in Africa (with CABRI); the launch of a new how to guide on 'Debt swaps for climate and nature' (with UNECA, UNDP, UNESCWA and Potomac Group); and the role of companies in supporting resilience using climate smart agriculture with associated renewable energy delivery models (with Acumen). The energy team co-hosted an event with UNDP at the SDG Pavilion on 'beyond the connection' looking at integrated energy solutions and associated planning across productive sectors. Our senior researcher, Ben Garside profiled local engagement processes we're engaged in with partners in Kenya, which identify and tailor energy delivery to local contextual factors and needs across SDGs.

We have undertaken a major review for UNDP on Global Climate Public Finance, involving consultations with Africa, Asia, Latin America and development partners, IMF, World Bank, UN and EU. At the household level we have conducted a climate household expenditure review (CHER) for Bangladesh showing that the average household spends 15% on addressing climate risks, rising to more than 30% for female-headed households.

Our energy team has been working with Kitui county government and local partners to deliver the first fully developed County Energy Plan (CEP) in Kenya using our Energy Delivery Model (EDM) approach. The Kitui CEP has strong cross-government and multi-stakeholder engagement. We also secured follow-up UK-PACT funding to work with the Ministry of Agriculture, Water and Livestock on energy-enabled solutions in irrigated horticulture and poultry — where we have a strong gender and climate focus.

Alejandro Guarin, our Food Systems Team Lead was invited to join the Food Systems Countdown Initiative (FSCI), a ten-year collaborative effort to monitor food systems in the run-up to the 2030 target date for the SDGs. In October 2021 they published an overarching framework for monitoring food systems in Food Policy Journal, explicitly including informal food workers and the informal food

economy as key components of the food system to track and monitor. Over the next ten years, the framework will track employment quality for food system workers across the world, including those who are employed casually or informally. It will also track how issues of importance to informal workers, such as the right to public space, change and evolve over the years.

Unilever commissioned us to develop the guidelines for implementing their principles for regenerative agriculture (providing smallholders with access to markets and training in business skills; and supporting income diversification, women's economic empowerment and the professionalisation of farmers' cooperatives). This involved providing an overview of the six principles, including their significance, trends, and implementation challenges, and developing seven case studies from across geographies and value chains. These included gherkins from India, coconut oil from the Philippines and palm oil from Honduras, reflecting the experiences of and lessons from implementing the six principles.

The inclusive blue economy team continued exploring how governments can use fiscal instruments to deliver positive socioeconomic and environmental outcomes for sustainable and inclusive fisheries management. This includes research on the potential for impact investment to support effective management and sustainable financing of marine protected areas.

The team has also been contributing to the development of the UN International Year of Artisanal Fisheries and Aquaculture (IYAFA 2022). The year is designed to increase the visibility of small-scale fishers, fish workers and fish farmers, and their importance and contribution to food security and livelihoods (<https://www.fao.org/artisanal-fisheries-aquaculture-2022/supporters/en/>). We have become a partner in the Small-Scale Fisheries Resource and Collaboration Hub (SSF-Hub).

Our work on inclusive and responsible business has been boosted by the focus on a green and inclusive recovery post COVID-19. We developed a framework for FCDO to assess companies' commitment to and performance on climate, environment, and social issues as part of the Business Partnerships for the Global Goals Programme. We have also engaged in the emerging debates about the responsible extraction of critical minerals required to support a green transition. This includes membership of the European Partnership for Responsible Minerals (EPRM), a multistakeholder initiative involving supply chain actors, governments and civil society organisations, where we were elected to be one of two civil society members serving on the governance board.

Lessons learned

The move to more online working, accelerated by the COVID-19 pandemic, has had the positive side effect of enabling us to increase participation in our events, and reach a wider global audience than in-person events. Participating in online conferences has also enabled us to cut our travel-related carbon footprint, while maintaining engagement in international fora.

Our work on debt instruments for climate and nature has continued as a high-profile work stream with consistent media interest, policy impact and country level engagement. We developed a strong outreach and communications strategy as part of the work programme, and this has paid dividends.

Obstacles and opportunities

In the humanitarian sector, the UNITAR/UNHRC Global Platform for Action (GPA) on Energy has adopted our EDM approach as part of a virtual training and mentoring programme. This has built humanitarian agency capacity in locations across Africa, Asia, and the Middle East to better design energy services for Displaced Persons (DPs). IIED has co-designed the programme and taken part in training and mentoring. With very positive feedback from participants, success so far includes 11 fully developed funding concepts for energy service delivery, with four already funded and being deployed, directly benefiting DPs on the ground.

The food systems team, working with CCG, has secured funding from CIFF to look at food systems transformation in Africa in the face of climate change. An innovative proposal on 'Measuring and managing the environmental impacts of food imports for UKRI', was ultimately not funded but we are pursuing conversations with other possible donors for this work.

The work of the inclusive blue economy team for the World Bank will feed into development of a toolkit. This will be put out to tender, but we have received very positive feedback on our role and should be in a good position to secure the work.

Climate finance continues to be an expanding area for the inclusive green economy team. This includes work on transparency of climate finance and on estimates of climate finance needs. We are also seeking to build on our climate budgeting work with continued work in Ethiopia and elsewhere.

Nature finance is an emerging area, and we are developing collaboration with the NRG. This includes our ongoing work on insurance for human wildlife conflict, as well as new work on the amount of finance spent on IPLCs.

We are continuing our work on debt for climate and nature outcomes and there seems to be growing interest in this area, with increasing country level pilots by TNC, UN, World Bank and others. The Egyptian COP27 Presidency is also showing interest in a debt for climate initiative for the Sharm-el-Sheik conference.

The funding situation for several workstreams in the group remains challenging.

Green Economy Coalition (GEC)

SSMG hosts the secretariat for the [Green Economy Coalition \(GEC\)](#), a civil society network campaigning for a global transition to green and fair economies. It is strategically independent, and IIED is a member of the GEC steering committee.

GEC made significant progress on several of its work areas during the year:

1. Together with Partners for Inclusive Green Economy, GEC developed a policy statement setting out Ten Priority Options for a [Just, Green & Transformative Recovery](#) from COVID-19. During 2021/22, the [Green Economy tracker](#) was updated with recovery themes and expanded to new countries. The team also prepared a report for the UN Environment Assembly on building back greener in the context of COVID-19.
2. Along with the UN Research Institute for Social Development, we launched a new global research and action network to explore the promise of a new eco-social contract as a way of responding to pressing social and ecological challenges. The [network](#) will be a space for dialogue, debate, co-construction and action around defining new eco-social contracts; good practices for its design; and mechanisms for its application. It will bring together research, practice, advocacy, and policy decision-making communities, working for social, climate and environmental justice in a progressive knowledge and action alliance.
3. GEC has continued to champion the role of small, green-enterprises and has progressed this work through its hub partners. Building on European Commission (EC) funded work on the policy ecosystem for small, green enterprises, it formed a partnership with SEED, the civil society organisation promoting social and environmental entrepreneurship.
4. GEC also established a new East African regional hub and appointed a convenor, Anna Amumpiire. Three new East African think tanks applied for GEC membership (KIPPRA in Kenya, IPAR in Rwanda and REPOA in Tanzania) and commenced work to shape new national and regional action.

Obstacles and opportunities

While several GEC grants are coming to an end, we have been successful in attracting new EC funding and securing philanthropic finance. The new EC grant will be split between IIED and IIED Europe but will not cover country and regional hub activities, so a funding strategy is being developed for these.

The increasing policy focus on just transition to a low carbon economy and interest in social aspects of the transition, is an opportunity for us to promote our flagship policy work, the Green Economy Tracker and develop and secure funding for the new Social Contract.

Increasing inequality

The struggle for greater participation, rights and equality underpins every challenge we address. Accelerating elite wealth and growing inequality is undermining global solidarity and commitment to a shared future. Climate change, disruption to the world of work and disparities in access to digital technologies, if unchecked, will increase inequalities in income and power. In many countries, democratic freedoms and spaces for civic activism have declined. Women, as well as young, Indigenous and disabled peoples, are among those who too often go unheard.

A determination to promote inclusion and justice runs through everything we do: informing how we work, where and with whom.

Meeting the challenge

When we committed to address the challenge of increasing inequality in IIED's current five-year strategy, we never expected that a global pandemic would accelerate the urgency of this work. In 2021, we turned our focus inside IIED as well as out.

Inequality is embedded within the development and environment sectors, from where funding flows to and from, to colonial aspects of environmentalism, failures in climate justice and more. We must identify how we can live our values better, among ourselves and with others, if we are to be effective in promoting social and climate justice.

Our work is always — and must always be — based in partnership, and the process of learning, reflection and action on inequality was no exception. In October, IIED joined with the GEC to launch a blog series that challenges dominant approaches to the nature and climate crises and highlights the strengths of locally controlled and run conservation. This is a space created for the voices of Indigenous Peoples' organisations, activists and others. Contributors to date include Gustavo Sánchez of the Mesoamerican Alliance of Peoples and Forests (AMPB). This series is highly relevant to some of 2022's most critical policy spaces, including the fast-approaching IUCN Africa Protected Areas Congress and the much-anticipated Convention on Biological Diversity (CBD) Conference of Parties (COP15).

In 2021, our Gender Equality Champions Network (GECN) both pushed its agenda forward — exploring intersectionality in research design with partners and others — and reflected back, publishing an assessment of how well IIED teams are meeting the organisation's ambitions for gender equality in our research. Actions from the assessment form part of GECN's 2022 workplan, and IIED's CCG has publicly set out five steps they will take to place gender, intersectionality and social justice at the centre of their work on the climate crisis.

Our race and racism working group also took stock, publishing a statement on our progress towards becoming an actively anti-racist organisation and sharing our current thinking with other organisations. The group also completed internal research to identify colonial or racist narratives in the environment and development sector and specifically within IIED. A [full report](#) has been published on the IIED website. In December we also published an [external statement](#) about being an anti-racist organisation, outlining the journey to achieve this.

All-staff training on equity and inclusion throughout 2021 helped establish a shared practice of learning and action. An internal diversity, equity, and inclusion (DEI) audit to review IIED policies, practice, culture, and structure in relation to its ability to progress anti-racism is under way. The survey has been shared with all staff, associates, and the trustees. The findings from these processes will define next steps for the institute, with clear indicators for tracking progress against recommendations.

Lessons learned

IIED examined how the pandemic had a staggering impact on global inequality and interacted with the climate crisis.

The 2022 World Inequality Report showed that this year billionaires collectively own 3.5% of global household wealth, up from just over 2% in early 2020.

The failure to deliver COVID-19 vaccines to most of the global South on anything like the scale of delivery to rich countries was alarming (only 3% of people in low-income countries are fully vaccinated, while the figure exceeds 60% in both high-income countries and upper-middle-income countries).

In the first year of the pandemic, global carbon dioxide emissions fell by 6.4% — but they bounced back to near pre-pandemic levels in 2021. This tells us that the steep emissions cuts necessary to limit global warming to 1.5°C are not in sight. We lost a year of climate negotiations. COP26 did take place, and progress was made in many areas, but poorer nations were disadvantaged by the move to online negotiations.

Lockdowns hit the poor and vulnerable hardest: informal sector workers were denied income; women shouldered the burden of caring; people living in informal settlements had little opportunity for self-protection; and migrant workers were left without jobs or social networks. Particularly concerning, poorer children are most likely to have missed schooling, intensifying educational inequality.

Inequality between countries grew dramatically, reversing decades of convergence in GNP per capita. We are seeing a two-track economic recovery with developed economies due to return to pre-pandemic levels and developing countries seeing lower growth, rising debt and inflation.

Global challenges need global responses. Rich countries must contribute by reducing their emissions much faster than developing countries and provide adequate, accessible and high-quality climate finance. The pandemic has taught us that 'no one is safe until everyone is safe'.

Obstacles and opportunities

Intersectionality work has been embedded in institutional initiatives. A Global Engagement Theme (GET) has been approved for FY23 that will focus on 'Anti-racist narratives as enablers of equity and social justice'. The GET will progress implementation of several components of the anti-racist narrative work.

Two approved ILEs both support our work to combat intersectional inequality. The ILE on ethical dimensions of partnerships is pertinent, as donors move towards decolonising funding approaches towards direct access for the global South. This will also support a process of defining IIED's relevance as a global North partner and how we can work in ethical and effective ways. Another ILE addresses the ways in which LGBTQ+ issues affect climate action and urban inequality.

A grade five researcher has been recruited to support the intersectionality lead in working on integrating inequality and social justice approaches across the organisation.

Coherence in addressing inequality and intersectionality across the organisation will require dedicated and funded staff to drive the processes internally and externally.

Ongoing funding will be needed for intersectionality work to support justice approaches in research and across groups, and position IIED as a thought leader in this area.

Directorate, support functions and strategy and learning group

In advance of [IIED's 50th year](#), a new report considered how the organisation has worked within or influenced ten major sustainable development movements, including the drives for global climate justice, grassroots sustainable urbanisation and an inclusive green economy.

As an action research organisation, IIED has not produced an 'official history' to celebrate 50 years in the sustainable development sector, but rather commissioned a reflective research paper that seeks to review our work, suggest a framing and make an assessment that can inform future work.

In '[Connecting for common goals: exploring IIED's role in ten sustainable development movements](#)', author [Steve Bass](#) presents a mapping of the organisation's contributions within their contemporary context. He draws on interviews with staff and trustees, past and present, and on IIED annual reports, as well as his own career with the organisation and across the wider sector.

Investing in institutional performance

A huge change in IIED over the last two years is the fact that we have largely lost our physical, in-person community. The pandemic continued to disrupt daily life during 2021/22, although operational travel resumed early in 2022 for the first time since the onset of the pandemic in early 2020, which is hugely important for IIED. We also have the aspiration to globalise our workforce over time and for IIED to continue to be more distributed and not solely based in the UK. So increasingly the digital community is more important than the physical community. We have worked hard on internal and external digital communications and had some big dividends from the rapid boost to digital during the pandemic (most importantly, genuinely globalising the audience for our events). The future at IIED will be with a hybrid way of working — but there's more work to be done to find effective new ways to retain the sense of community and culture that is valued by all employees. We invested in an all-staff retreat in May, using an 'Open Space' highly participatory methodology. The event was a striking success and we will consider regular all-staff retreats as an option for reinforcing the bonds of community in a hybrid working system.

Strategy and Learning Group

The Strategy and Learning group (SLG) has continued to support the establishment of IIED Europe. We have developed IIED Europe's strategy and carried out an ambitious horizon scan survey, to gather research questions on the impacts of the EU from experts around the world.

SLG leads IIED relations with our frame funders, Sida and Irish Aid. We recently received confirmation that Irish Aid will renew our agreement for a further year at the same level (€2 million). This is a strong endorsement of IIED's work with Irish Aid to support their staff to develop ideas and capacity for climate action through the Learning Platform. Ireland is also a strong supporter of LIFE-AR. We have also received confirmation from Sida that funding in 2022/23 will be maintained at a similar level to 2021/22. Sida commissioned a series of seminars from IIED for all their staff; held in the first half of 2021, and then the series was resumed in January 2022. These events provided an effective means to build direct interaction with a broad range of contacts within Sida, and dialogue with senior Sida staff on key policy issues remains strong.

SLG also leads on our monitoring, evaluation and learning activities, and measurement of our impact, covered in the section on page 4.

Business development

Leila Fazal was appointed as the head of business development in December 2021. This appointment provided an opportunity for a SWOT analysis to be carried out to inform and shape the business development team's priorities. This highlighted the well-established partnerships and good working relations between colleagues involved in generating income. However, improvements were noted, including reducing the time taken in decision-making for funding prospects and internal databases in need of updating or replacement.

A business development strategy is expected to be completed by December 2022. This will include analysis of current income streams, a workplan and key performance indicators.

Support functions

There have been several key changes within support functions during the last year. A new chief operating officer (COO), Vicky Reynolds, was appointed in October 2021, but we were pleased to retain the previous COO, Deborah Harris, on a part-time basis as Company Secretary, ensuring continuity and retention of historic knowledge.

We tendered our IT Managed Services during the last year and subsequently appointed a new company, Rock, to manage our outsourced IT function. The transfer took place in February 2022 and the transition went smoothly, despite a few initial teething problems as we learnt each other's processes. We will be reviewing the integration, functionality and security of our IT applications, systems and processes over the coming year and will prepare an IT strategy, with assistance from Rock, to optimise our use of technology.

We also appointed Andrea Vogel as head of people in December 2021. During the previous year a new People Strategy had been developed and this is now being taken forward by the People Team. Our vision is to develop a workforce where people deliver their best each day and where they feel involved, engaged, inspired, appreciated, valued, fulfilled, happier and healthier at work. We have developed a set of principles for recruitment of a globally distributed workforce and are consulting with employees on a draft policy and procedures. Alongside this, we are implementing improvements in our Diversity, Equality Inclusion procedures, for example, ensuring we can collect relevant anonymised data to monitor the effectiveness of our proactive strategies. We have purchased and are implementing a new Learning Management System to improve the delivery and monitoring of employees' training and development objectives.

We have made further improvements in our financial management reporting, building on the work done to enhance systems and processes in the previous two years. We are continuing to review our systems and further work is planned to improve integration of applications within the organisation to increase efficiency. It is important that we manage our overheads and all our costs effectively during this time of rapidly increasing inflation, to provide value for money and cost-effective services for funders. We expect this to be a key focus of the finance team in the next couple of years.

During 2021/22 we were pleased to adopt the International Aid Transparency Initiative (IATI) standard for our FCDO funded projects. IATI is a global initiative to improve the transparency of development and humanitarian resources and their results to address poverty and crises. We now publish information about these FCDO funded activities using IATI's data standard and we expect to adopt the standard to publish information about other projects in the future.

Recognising employee commitment and excellence

The trustees continue to support and hugely appreciate the exceptional efforts of IIED staff, in what has been a successful year for the organisation. Colleagues have continued to deliver impact driven and high-quality research into current and critical sustainable development challenges and burgeoning issues of inequality.

Staff have shown resilience and focus while continuing to navigate through persistent pandemic restrictions, impacting on personal lives and professional activities, as well as responding to the geopolitical movements. Research groups and support functions have responded innovatively and proactively to deliver on a broad range of projects, while demonstrating value and efficiency. All this has been supported by strong partner and donor relationships which have given IIED the flexibility to evolve and adapt in order to deliver on projects.

Trustees commend the cross-institutional collaboration around anti-racist action and inclusivity initiatives and the commitment to embed them into organisational strategy. IIED has an agreement with the trade union Unite. We worked together closely throughout the year on policies and issues affecting employees. Staff wellbeing and development continues to be a priority for leadership teams and the Union along with initiatives to support and facilitate staff development.

Looking ahead

External context

Global action for tackling the climate and biodiversity loss crises is in a fragile place. The credibility of global action for mitigating climate change is under threat by the inability of the US at federal level to drive through the measures on which President Biden campaigned. A credible pathway to the vital Paris goal of keeping anthropogenic warming well below 2°C against pre-industrial levels — and ideally at 1.5°C — requires strengthened nationally determined contributions (NDCs) from some big emitters to be announced before COP27 in Sharm El-Sheikh. There is hope this may happen, but it is far from certain. And credible outcomes are needed to move the world forward on financing Loss and Damage, as well as meaningful progress on adaptation finance and reaching the overdue target of \$100 billion of climate finance a year.

The long-delayed COP15 of the Convention on Biological Diversity (CBD) will happen in Montreal in December 2022. Much remains to be done to ensure that the Global Biodiversity Framework — the main output that will lay out the roadmap for global action through to 2030 — will deliver the strength of direction needed for an inclusive and just pathway to a nature positive world.

The Russian invasion of Ukraine in late February has threatened massive change to the dynamics of global governance and global politics. While there are scenarios which could lessen the impact of the Ukraine war on global governance, this still looks like a world changing event and thinking through the implications is important. Some of the key issues that will shape the impact of the Ukraine war are:

Global governance

Huge shifts are happening. A major world power (Security Council Member, G20 and so on) has become a pariah — at least in terms of reactions by Europe, G7 and some Western-aligned countries. The G20 has been placed under extreme stress and did not function in the early part of 2022 (western countries walked out of a meeting of finance ministers in Washington DC because of the Russian presence). It now seems that the G20 will function through the rest of the year, but it is not clear what the cost will be to its effectiveness. The G20 plays a critical role in managing debt crises and if its effectiveness (not very high over the pandemic period) is further compromised by the Ukraine crisis, the impact could be highly problematic.

Global markets

The conflict in Ukraine is already having a massive impact on global grain and food oil markets. Russia and Ukraine supply 28% of globally traded wheat, 29% of barley, 15% of maize and 75% of sunflower oil. Russia and Ukraine contribute about half the cereals imported by Lebanon and Tunisia; for Libya and Egypt the figure is two-thirds. Given the stresses from climate change on top of this, there are concerns of long-term damage to food security in many parts of the world, raising risks of increased political instability. There is work to do on reimagining global food systems, including to increase resilience to shocks. Energy markets have also been impacted. Medium term, European countries will aim to increase renewables to reduce dependence on Russian oil/gas. In the short term, several European states have taken steps to produce more gas domestically or source from alternative sources, in sharp contrast to the COP26 rhetoric.

Geopolitical change

In a changing world, a lot of our issues will be increasingly determined by positions of non-Western powers (China and India most importantly). IIED will need to think differently about geographies of influence. Global social movements will be increasingly important to tackle destructive autocratic entities and leaders.

There will also be impacts on IIED's operating context. Rising military expenditures and support to resettling refugees might constrain bilateral funding for general development and climate action. IIED may need to focus operationally in areas where the global system is struggling. For example, our work on debt swaps for climate and nature action, can fill a vacuum in thinking and action on the global debt crisis, while the world struggles to come to terms with the disruption caused by the war in Ukraine.

The ramifications of the COVID-19 pandemic continue to affect the world in diverse ways. There is considerable evidence of a significant increase in global inequality with diverse drivers. The failure of the rich world and the multilateral system to provide good access to vaccines and therapies for lower- and middle-income countries has affected the dynamics of global governance and global co-operation and threatens to weaken trust in other areas where co-operation is vital, such as climate and biodiversity.

Organisational change

In September 2022 IIED's Director since June 2015, Dr Andrew Norton, stepped down, and was succeeded by Dr Tom Mitchell, previously Strategy Director for Climate-KIC. Under Andrew's leadership, IIED has developed a strategic approach, focusing on the big global challenges (inequality, climate, nature loss, urban risk and unsustainable markets) embodied in the 2019 strategy Make

Change Happen. In this period, IIED has increasingly worked with partners to drive positive change at all levels, from the local to the global.

Highlights have included:

- The impact of IIED's support to the LDCs in the climate negotiations throughout the period and particularly at the Paris Climate Conference of 2015
- A rich record of programmatic and policy action to open ways of getting climate finance to communities at the sharp end of the climate crisis
- Influential work to open debate and policy space for country debt to be used to finance action for climate and nature
- Work to highlight the possibility of inclusive urban transformation following the COVID-19 crisis
- Extensive work to promote and protect the rights of communities and Indigenous Peoples in action to address nature loss, and
- Promoting change through networks of farm and forest producer organisations.

The transition will allow Dr Mitchell to take stock of IIED's position, operations, and influence in time to consider appropriate directions for the next five-year strategy cycle (commencing April 2024).

Beyond the director transition, two other members of the senior team have left IIED. We said a sad farewell to Liz Carlile, our Director of Communications, while David Dodman, Group Director of the Human Settlements Group (HSG), has been appointed to lead the Institute for Housing and Urban Studies in Rotterdam. Both Liz and David made a significant contribution to the achievements of IIED over many years.

A new Director of Communications has been appointed, James Persad, who joins us from Fare Share, where he led a high-profile programme of advocacy and action on food poverty in the UK. Before that he worked for The Carbon Trust. For HSG we have made an internal interim appointment to allow time for the structure of the research groups to be reviewed by the new director.

IIED was formed in 1973 and we are celebrating its 50th birthday throughout 2022/23. A series of events and conversations will recognise our achievements and the crucial role our partners play in them; we will also be looking to the future and inviting voices from new places and spaces to join us. Our plans include:

- Shining a light on the work and ambitions of some of our partners
- Inviting former staff and friends to join our new 'alumni group' on LinkedIn, to help tell the story of the past five decades
- A series of articles with IIED staff — from the longstanding to those just starting out — considering our evolution, future ambition and what we have learned on the way, and
- A series of interviews with partners about the future of environment and development.

Our celebrations began with a 50th birthday celebration event held in June 2022, attended by more than 150 people, including most of our trustees and key figures from the organisation's past.

We have been looking closely at how we can use digital channels more effectively for building relationships with our current audience and raising our awareness with new audiences. We had training in developing digital content and examining more closely the timings and moments that our audiences respond to our copy. We are putting more time this year into using data more effectively to identify areas of greatest impact.

The great disruption of the pandemic, major shifts in cultural framing for development action (particularly around issues of race and racism), uncertainties in our market and the dramatic changes to our working environment, have stimulated a set of conversations about long-term change for IIED. Specifically, they have crystallised a challenge around how our culture and structure should evolve in a time of great and rapid change.

IIED is taking forward a number of exciting projects at this point with great potential for impact, including the following:

- We will continue to support LIFE-AR, where we are supporting the LDCs to transform climate finance, so it effectively reaches the grassroots level, where the impacts of the climate crisis are most acute
- With a new accountable grant from the UK FCDO Research and Evidence Division, NRG has begun scoping and setting up a research-to-action programme, 'Reversing environmental degradation in Africa and Asia (REDAA)'. The aim is to have the REDAA programme — including a grant facility — set up by March 2023 and supporting initiatives putting research into action, for environmental restoration and sustainable natural resources management in Africa and Asia.
- Work on the African Cities Research Consortium (ACRC – www.african-cities.org) has been picking up over recent months. HSG staff have been leading 'domains' on 'safety and security' and 'housing' and contributing to work on climate change and informality. The team has also been very involved in city work in Freetown and Harare and is taking part in the first all-consortium in-person meeting in Nairobi in May.
- In 2022, we will push for locally led action in land and marine areas to be central to delivering the Global Biodiversity Framework and transforming our relationship with nature. In a world facing multiple interlinked crises, everybody welcomes a 'win-win'. In June 2021, IIED and the Nature-based Solutions Initiative published an analysis of new data showing that nature-based interventions can deliver tangible development outcomes for local people. The report was downloaded more than 700 times within a month, with half the readership in the global South. We will continue to assess how far investments in nature can support development goals, without compromising biodiversity and keep these communities of practice talking right up to COP15.

IIED Europe

We have continued to drive forward with the establishment of IIED Europe. Given pressures on the budgets of European bilateral development agencies, and the increasingly fractious dynamics between the UK and the EU, IIED Europe feels more necessary than ever for both influence and business development. During the first quarter of 2022/23 IIED Europe contributed to a major Climate-KIC-led consortium bid for European Commission Mission Adaptation funding. If successful, this will enable the new organisation to recruit one or two staff members to work on local-level adaptation across 150 localities in the EU. We are exploring potential for a new four-year grant to GEC from the EC to be routed in part to IIED Europe. In the long run, philanthropic core funding for IIED Europe will likely be necessary to give it a firm basis for action and coordination with IIED research groups.

About IIED

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

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

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

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

Established in 1973, IIED has made important contributions to many milestones of sustainable development for almost 50 years. These include the Brundtland Commission of 1987, the 2002 World Summit on Sustainable Development in Johannesburg, the annual meetings of the UN Framework Convention on Climate Change (UNFCCC), the Rio+20 summit in 2012, the Paris Agreement on Climate Change and the Sustainable Development Goals in 2015.

Our longstanding body of research and communications work has consolidated IIED's reputation at the cutting edge of environment and development and at the nexus where these agendas overlap.

Together with our broad-based network of partners, we aim to shape a future where people and planet can thrive.

Box 2. Delivering public benefit

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

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

Structure, governance and management

The company is registered in England and Wales as a company limited by guarantee (registered no 2188452) and its activities are governed by the Memorandum and Articles of Association (dated 23 July 2008). It is also a registered charity in England and Wales (registered charity no 800066) and in Scotland (registration number SC 039864). In the US we are registered under s501 (c) (3) of The Internal Revenue Code as a publicly supported organisation exempt from federal income tax.

The objects for which the Company is established are:

3.1 To advance the education of the public by all charitable means;

3.2 To promote sustainable development for the benefit of the public by:

3.2.1 The preservation, conservation and protection of the environment and the prudent use of natural resources;

3.2.2 The relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities; and

3.2.3 The promotion of sustainable means for achieving economic growth and regeneration.

In this context “sustainable development” means development which meets the needs of the present generation without compromising the ability of future generations to meet their needs.

In addition, the Memorandum of Association allows the company to invest funds not immediately required while complying with the laws and restrictions governing the investment powers of charities.

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

Trustee appointment

The names of trustees are shown in the administrative information on page 34. The Board of Trustees (Board) consists of 12 trustees drawn from diverse geographical regions that correspond with the international focus of IIED's work.

Trustees retire by rotation; six years' continuous service (3+3) is the maximum, unless allowed exceptionally by the Board. The Board annually reviews its structure, size and composition (including the skills, knowledge and experience) and ensures that composition reflects IIED's mission with appropriate gender, cultural and geographic diversity. The Nominations sub-committee (NSC) ensures that candidates of the highest calibre, with appropriate and diverse mix of skills and experience, are put forward for selection by the Board. Trustee vacancies are advertised on the IIED website, charity and trustee websites as appropriate, and through IIED's networks.

Trustees attend an induction programme to familiarise themselves with the institute's operational activities and day-to-day management, as well as legal and regulatory requirements relevant to the trustees' roles and responsibilities.

Organisational structure

IIED's Board manages the business of the charity and exercises all the powers of the charity in accordance with the Articles of Association. The Board seeks to ensure that all activities are within UK law and agreed charitable objects. The work of the Board includes agreeing and overseeing IIED strategy and financial plans in line with its vision, mission and values.

During 2021/22 the Board held quarterly online meetings, taking into consideration environmental impact and COVID-19 travel restrictions.

The Finance Audit, Risk and Assessment sub-committee (FARA) oversees financial performance, assurance and risk management at IIED. Membership of FARA is drawn from the Board and currently comprises three trustees. The quorum is three trustees, one of whom must be the chair, vice chair or treasurer. FARA reports to the Board and meets four times a year, aligned with and in advance of Board meetings.

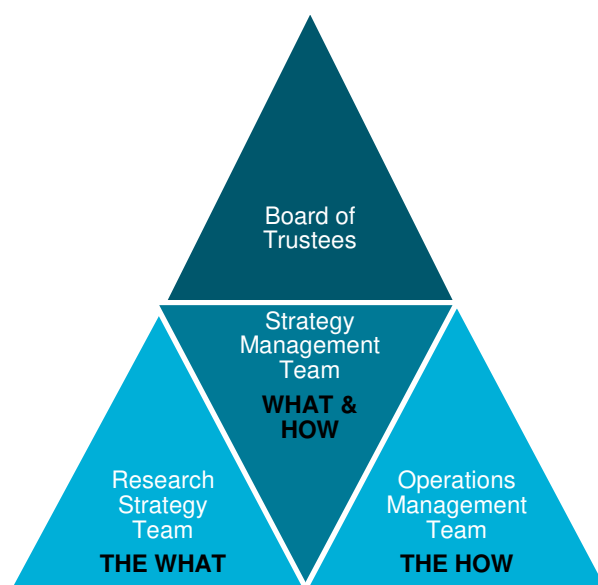
The Business Development sub-committee (BDSC) was previously called the Fundraising sub-committee. It reviews the fundraising and business development work at IIED. Membership is drawn from the Board and currently comprises three trustees, and the quorum is two trustees. BDSC meets at least twice a year and reports to the Board.

The NSC supports the Board in the execution of its responsibility to establish a formal and transparent procedure for the appointment of new trustees and to review annually the composition of the Board. Membership is drawn from the Board and currently comprises three trustees. The quorum is two trustees, one of whom is the chair. The NSC meets as needed to fulfil its responsibilities and reports to the Board.

The Board of Trustees assesses their performance against each of the principles of the Charity Governance Code annually. The last assessment was carried out in September 2021. This found that most of the outcomes in the code were met. There is an agreed action plan to improve certain areas, including further ongoing learning and development for trustees and active participation and involvement in the Race and Racism working group.

Members of IIED's senior management team attend Board meetings as well as meetings of Board sub-committees. The Board engages with the Union via representative attendance at Board meetings, and also with the Race and Racism working group with a trustee member of the working group.

The Board delegates the day-to-day running of the charity to the institute director, who is supported by three leadership teams: Strategy and Management, Operations Management and Research Strategy.



The institute's researchers work in four groups: Climate Change (CCG), Human Settlements (HSG), Natural Resources (NRG) and Shaping Sustainable Markets (SSM). The director, management and the research groups are supported by two other groups — Strategy and Learning (SLG) and Communications (Comms) — in addition to operating functions reporting to the chief operating officer.

During 2021/22 the Coronavirus Response Team (CRT) continued to meet and respond to the internal and external impact of COVID-19. The internal focus included staff wellbeing and supporting the transition towards hybrid working as the pandemic's effects reduced from 2022. The external focus considered the impact on partners and funder response to changing delivery plans.

IIED Europe

IIED Europe was established by IIED in late 2020 as a Stichting, a legally independent foundation based in the Netherlands, with a focus on global environmental and social change. It was created with objectives aligned to those of IIED, to contribute to achieving major progress towards the goals of sustainable development, and to enable IIED to maintain close collaboration with a range of European actors and policy processes post-Brexit. IIED Europe is a not-for-profit organisation but is not a registered charity in the UK. Three of IIED's trustees are the directors of IIED Europe. The trustees of IIED have, therefore, referred to the 'Charity Commission Guidance for charities with a connection to a

non-charity', to minimise any risks and conflicts of interest associated with the relationship between IIED and IIED Europe. Information about transactions with IIED Europe is provided in Note 11 on page 49.

Finance review

The statement of financial activities and balance sheet prepared by the trustees is set out on pages 39 to 40. While the performance shows a deficit of £407k, £202k of this represents planned investment in the new entity, IIED Europe. There was a significant increase in income and expenditure during the year, evidencing the continued need, and support for, our projects and programmes. However, the operating environment was still challenging throughout 2021/22. Restrictions on travel and staff absence, predominantly due to COVID-19, alongside short-term difficulties in recruiting the right people into roles, led to delays in completing some projects.

In an increasingly competitive funding environment, we are conscious of the need to be as efficient as possible. We have continued to invest in streamlining our internal processes during 2021/22 to reduce our overheads.

Income is higher than the previous year, £20.6 million against £18.2 million recorded in 2020/21. Payments to collaborating entities increased from £4.6 million in 2020/21 to £6.1 million in 2021/22, so a large proportion of the increased income was passed on to our in-country partners.

The average number of employees has increased to 146 (2021:140), with further expansion in our research activity (core function staffing remained static). We reduced our support costs from £4.6 million in 2020/21 to £3.9 million in 2021/22.

IIED has no public fundraising activity and therefore has no specific costs associated with raising funds to disclose. IIED is not a grant making organisation but makes payments to organisations it works in collaboration with, in countries across the world. Details of payments to collaborating organisations are disclosed in Note 14 to the Financial Statements.

Key management remuneration

IIED's senior management team is paid according to the pay scale negotiated with the union and is benchmarked against similar organisations. Two salaries are outside the pay scale (director, chief operating officer) and were agreed with the union prior to recruitment.

Investment policy

We invested our cash in fixed-term deposits during 2021/22. This policy produces an acceptable rate of return while giving us flexibility to access funds.

Related parties

Some IIED trustees are also trustees of other charities, or directors or senior officers in other organisations IIED works with as a normal part of its research activities. Where such work involves payment, they enter into arm's length contracts and any payments related to these contracts are detailed in Note 11 to these accounts. The Board operates a conflicts of interest policy.

Risk management

IIED's trustees are ultimately responsible for risk management and the effectiveness of our internal control systems. The scheduled reviews of institutional risk took place in 2021/22 (twice at full Board and twice at FARA). Regular review of the risk management process is delegated to FARA, which also oversees an assurance programme.

During 2021/22, IIED notified the Charity Commission of one serious incident. This related to a misdirected payment, which occurred as a result of cybercrime affecting one of our partner organisations in the global South. The Charity Commission was satisfied that the trustees had dealt with the incident quickly and appropriately. The Cyber Fraud Centre was also notified, although they could not investigate the incident due to the affected organisation not having any presence in the UK.

There were no other incidents in the year and no complaints were received.

Key risks

The following are the key strategic risks affecting IIED and mitigations being taken to minimise their likelihood or impact:

1. Political risks

There are risks associated with political change which could undermine global co-operation and aid commitments (US mid-terms, wars, rising inequality). Conflict, trans-national crime, and institutional collapse could also reduce our ability to operate in affected countries. The war in Ukraine could divert efforts away from global action for sustainable development.

To mitigate these risks IIED aims to diversify geographies of focus and develop models of action with independence from global multilateral processes. It is also looking for ways to engage and provide expertise in areas impacted, for example, food security arising from the war in Ukraine.

2. Climate and ecological breakdown

There is an ever-increasing risk that the pace of climate and ecological breakdown and rising inequality could outstrip IIED's repertoire of action and make policy response redundant. Climate breakdown could also severely disrupt operations and research.

IIED continually rethinks its repertoire of inclusive climate/nature positive action, including radical change, to mitigate these risks. We consider more radical options for change, including degrowth in northern contexts and supporting radical activism. We continue to develop digital modes of research practice and build the resilience of IIED operations and partner systems.

3. Cultural risks

Changing norms in some geographies, e.g., LGBTQ+ inclusion, can create reputational risks for IIED operating in countries with discriminatory cultures. There is also an increasing emphasis on decolonising practice which could render IIED's 'based in the north - work in the south' model ineffective.

IIED strives to ensure that our own work on intersectional disadvantage explores a broad range of issues of discrimination and seeks to drive positive change, e.g., our ILE on ethical dimensions of partnerships. We have a history of strong partnership working where we share global experience in northern contexts. We also now have a global workforce framework to enable recruitment in countries in which we work.

4. Recruitment risk

Climate change is becoming the central issue in global politics and there is increasing demand for knowledgeable employees skilled in climate change, e.g., adaptation finance. This poses a risk that we may lose skilled staff or have difficulties recruiting.

To mitigate this risk, we ensure we have robust recruitment and onboarding processes, and we provide a comprehensive staff benefits and remuneration package. We are also reviewing career development pathways within IIED.

5. Risks arising from changes in ways of working

In common with many organisations, IIED has adopted a hybrid way of working. This has many advantages but there is a risk that it may erode the cohesion and sense of belonging which is valued by all employees and partners. Having a more distributed, global workforce may also lead to higher legal costs and currency losses.

To mitigate these risks, IIED has engaged with staff throughout the last two years to build our hybrid and digital community through social media channels and virtual meetings and events. We are continuing to adapt our policies and procedures to fully embrace the hybrid working model and global workforce.

7. Business Development Risks

There is a risk that donors continue to reduce the allowable costs and overheads associated with projects, to the point where full cost recovery and funding of central operations is impossible, which would jeopardise the sustainability of IIED. Increased inflation and global recession also present risks that available funding for projects will fall short of the actual costs incurred. The war in Ukraine may also lead to reduced amounts of funding available for climate finance and bilateral aid. IIED is operating in a world of poly-crises, with funders pushing for systemic change. This results in increasing reliance on unrestricted Frame funding and also leads to stress and overwork affecting the wellbeing of staff.

To mitigate these risks, we continually look for opportunities to drive down costs and we engage actively with donors on a regular basis. We are looking for ways to increase our unrestricted funding and to expand and diversify the range of donors to reduce our reliance on any type of donor.

Reserves policy

IIED's reserves policy is aligned with the five-year strategy launched in April 2019.

To protect the organisation and its charitable programme against the risks of funding loss through income shortfalls and other unexpected financial losses, IIED's reserves policy sets a target for total unrestricted reserves of three to four months of operating costs and staff salaries, discounted by circa 30% given corrective action would be taken in the event of a going concern issue. This is c£2.3 million: trustees have therefore set the target range of free reserves (being total funds less restricted and designated funds) at between £1.9 million and £2.5 million.

Total funds at 31 March 2022 were £2.1 million (2020: £2.5 million). The total free reserves have decreased to £1.85 million (2021: £2.2 million). This falls short of the target range endorsed by the Board and our budget for 2022/23 aims to replenish reserves by £0.25 million to bring the free reserves back above £2 million.

The trustees recognise that, at this mid-point of IIED's strategy and with the appointment of the new Executive Director, it is timely for IIED to review its plans for the next couple of years. This review will be undertaken in the coming months and will include a review of the level of reserves that may be needed to achieve any growth plans over the next 2-5 years and further assessment of the financial risks and the full range of mitigation measures.

Statement of going concern

IIED's performance in 2021/22 was satisfactory. Whilst a deficit of £407k was made, £202k of this was planned investment in establishing the new entity, IIED Europe. There is a pipeline of projects for 2022/23 which gives IIED reassurance about the short- to medium-term future. IIED is funded through income from charitable activities in relation to commissioned research, both practical and academic, and contracted income for 2022/23 is, at the mid-year point, similar to the levels achieved in previous years.

Throughout 2021/22 and into 2022/23, IIED has been closely monitoring the delivery of its projects, including the ability of partners to carry out research. Although COVID-19 did impact the delivery of some projects, these delays have not been significant.

Trustees have continued to receive regular management accounts and business reports. The trustees considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of IIED's operations (including COVID-19), and a review of the budget and forecasts to March 2024.

IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs, to minimise any draw on reserves during 2022/23.

Having regard to the above, the trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Statement of trustees' responsibilities

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

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

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

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

In so far as the trustees are aware:

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

Auditors

Crowe U.K. LLP has indicated its willingness to continue in office and in accordance with the provisions of the Companies Act. We propose that they be reappointed auditors for the ensuing year.

This annual report of the trustees, under the Charities Act 2011 and Companies Act 2006, was approved by the Board of Trustees on 21 September, including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:



Dr Tara Shine

Chair

Glossary

CRT	Coronavirus Response Team
DFID	Department for International Development (UK) (1997-2020)
FCDO	Foreign, Commonwealth & Development Office (UK) (FCO merged with DFID on 20 September 2020)
FRS	Financial reporting standard
FY	Financial year
Hivos	Humanistisch Instituut voor Ontwikkelingssamenwerking (Humanist Institute for Cooperation)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
IIED	International Institute for Environment and Development
LIF	Learning and impact framework
LIFE-AR	LDC Initiative for Effective Adaptation and Resilience
LDCs	Least Developed Countries
MEL	Monitoring, evaluation and learning
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
SDGs	Sustainable Development Goals
Sida	Swedish International Development Cooperation Agency
SME	Small and medium-sized enterprises
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
WRI	World Resources Institute

IIED groups

Comms	Communications Group
CCG	Climate Change Group
FARA	Finance, Audit and Risk Assessment Committee (sub-committee of the Board)
BDSC	Business Development Subcommittee (sub-committee of the Board) (previously the Fundraising Subcommittee)
HSG	Human Settlements Group
NRG	Natural Resources Group
NSC	Nominations Subcommittee (sub-committee of the Board)
SLG	Strategy and Learning Group
SSMG	Shaping Sustainable Markets Group

Reference and administrative details

Trustees

Tara Shine (Chair) (appointed 14 September 2020) ^{FARA}
 Paul George (Vice Chair from 21 June 2022) (appointed 6 December 2021) ^{FARA}
 Les Campbell (Treasurer from 23 September 2021) ^{FARA (Chair)}
 Maarten van Aalst (appointed 6 December 2021) ^{NSC}
 Batkhishig Baival ^{NSC}
 Silvia Charpentier ^{BDSC}
 David Elston (retired 22 September 2021)
 Bara Gueye ^{NSC (Chair)}
 Michael Horgan (retired 21 June 2022) ^{FARA}
 Maria Mähl ^{BDSC (Chair)}
 Cheikh Mbow (appointed 6 December 2021) ^{BDSC}
 Angela McNaught (previous Treasurer, retired 22 September 2021) ^{FARA}
 Sheela Patel
 Alicia Perez-Porro (appointed 6 December 2021)
 Gabriel Quijandria (appointed 6 December 2021) ^{BDSC}
 Elizabeth Stephen (previous Vice Chair, retired 21 June 2022) ^{FARA}

^{FARA} Member of Finance, Audit, Risk and Assurance Committee

^{NSC} Member of the Nominations Sub-Committee

^{BDSC} Member of the Business Development Sub-Committee (previously Fundraising Sub-Committee)

Trustees are the directors of the company under the Companies Act 2006.

Director

Dr Andrew Norton (until 9 September 2022)

Tom Mitchell (from 5 September 2022)

Company Secretary

Deborah Harris

Registered office

Third Floor, 235 High Holborn, London, WC1V 7DN, United Kingdom

Registered company number: 2188452 Registered charity number: 800066 Registered OSCR number: SC 039864

Auditors

Crowe U.K. LLP
 55 Ludgate Hill
 London
 EC4M 7JW

Solicitors

Bates Wells LLP
 10 Queen Street Place
 London
 EC4R 1BE

Bankers

Barclays Bank plc
 1 Churchill Place
 London
 E14 5HP

Independent Auditor's Report to the Members and Trustees of International Institute for Environment and Development

Opinion

We have audited the financial statements of International Institute for Environment and Development ('the charitable company') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit' of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements, and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report, or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 32, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements, and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting — unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, The Charities and Trustee Investment (Scotland) Act 2005 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were employment legislation, health & safety legislation, General Data Protection Regulation (GDPR) and Anti-fraud, bribery and corruption legislation.


Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of grant recognition and contract income and the override of controls by management. Our audit procedures to respond to these risks included: enquiries of management, and the Finance, Audit & Risk Assessment Committee about their own identification and assessment of the risks of irregularities; sample testing and data analytics on journals; reviewing accounting estimates for biases; reviewing regulatory correspondence with the Charity Commission; sample testing of grant and contract income; and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of irregularity non-detection, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May
Senior Statutory Auditor

For and on behalf of:

Crowe U.K. LLP
Statutory Auditor
London, UK

Date: 30 September 2022

Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
INCOME AND EXPENDITURE							
Income from							
Bank interest		1	-	1	2	-	2
<i>Charitable activities</i>							
Climate change		1,490	4,272	5,762	1,107	3,575	4,682
Natural resources		578	6,436	7,014	619	5,450	6,069
Sustainable markets		282	1,330	1,612	163	1,327	1,490
Human settlements		170	2,047	2,217	212	1,921	2,133
Green Economy Coalition		1	1,571	1,572	-	1,256	1,256
Partnerships and development		73	1,157	1,230	993	83	1,076
Communications and publications		21	1,051	1,072	5	1,020	1,0245
Other		4	155	159	361	98	459
Total incoming resources	13	2,620	18,019	20,639	3,462	14,730	18,192
Expenditure on							
<i>Charitable activities</i>							
Commissioned studies and research	2	3,780	17,266	21,046	3,213	15,079	18,292
Total resources expended		3,780	17,266	21,046	3,213	15,079	18,292
Net income (expenditure)		(1,160)	753	(407)	249	(349)	(100)
Transfers between funds	8	753	(753)	-	(349)	349	-
Net movement in funds		(407)	-	(407)	(100)	-	(100)
Funds brought forward at 1 April 2021		2,505	-	2,505	2,605	-	2,605
Funds carried forward at 31 March 2022	9	2,098	-	2,098	2,505	-	2,505

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

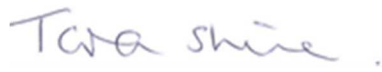
Balance sheet as at 31 March 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets	4	182	212
Intangible fixed assets	5	67	133
		249	345
Current assets			
Stocks		-	-
Debtors	6	2,786	2,259
Cash at bank and in hand		5,082	6,545
		7,868	8,804
Liabilities			
Amounts falling due within one year	7	(3,008)	(1,996)
Deferred revenue	7	(3,011)	(4,648)
		(6,019)	(6,644)
Net current assets		1,849	2,160
Amounts falling due after more than one year		-	-
Net assets		2,098	2,505
Funds			
Unrestricted reserves	9	1,849	2,161
Designated reserves	9	249	344
Total funds		2,098	2,505

Approved by the Board of Trustees on 21 September 2022

and signed on its behalf by:

Dr Tara Shine



Les Campbell



Registered company number: 2188452

Cash flow statement for the year ended 31 March 2022

	2022 £'000	2021 £'000
Net incoming / (outgoing) resources	(407)	(100)
Interest received	(1)	(2)
Foreign exchange	76	214
Depreciation	151	260
Disposals of tangible fixed assets	35	4
Increase / (decrease) in deferred revenue	(1,636)	785
(Increase) / decrease in debtors	(527)	1,434
Increase / (decrease) in creditors	1,012	300
Net cash (used in) /provided by operating activities	(1,297)	2,895
Cash flows from investing activities		
Purchase of tangible fixed assets	(91)	(58)
Interest received	1	2
Foreign exchange	(76)	(214)
Net cash used in investing activities	(166)	(270)
(Decrease) / Increase in cash during the year	(1,463)	2,625

Analysis of changes in cash during the year

	2021 £'000	Change in year £'000	2022 £'000
Cash at bank and in hand	6,545	(1,463)	5,082
	6,545	(1,463)	5,082

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting policies

1.1. Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Charities SORP (FRS102), applicable to charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

IIED meets the definition of a public benefit entity under FRS 102.

1.2. Going Concern

IIED's performance in 2021/22 was satisfactory. Whilst a deficit of £407k was made, £202k of this was planned investment in establishing the new entity, IIED Europe. There is a pipeline of projects for 2022/23 which gives IIED reassurance about the short- to medium-term future. IIED is funded through income from charitable activities in relation to commissioned research, both practical and academic, and contracted income for 2022/23 is at the mid-year point similar to the levels achieved in previous years.

Throughout 2021/22 and into 2022/23, IIED has been closely monitoring the delivery of its projects, including the ability of partners to carry out research. Although COVID-19 did impact the delivery of some projects, these delays have not been significant.

Trustees have continued to receive regular management accounts and business reports. The trustees considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of IIED's operations (including COVID-19), and a review of the budget and forecasts to September 2023.

IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs, to minimise any draw on reserves during 2022/23.

Having regard to the above, the trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

1.3. Income recognition

All incoming resources becoming available to the institute are recognised in the Statement of Financial Activities on the basis of entitlement, there is sufficient probability of receipt, and the amount can be quantified with reasonable accuracy. In respect of unrestricted income and restricted income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related grant or long-term contract income, income entitlement is considered to be conditional upon the delivery of a specified level of service, in accordance with FRS 102 and the Charities SORP. Income is therefore recognised to the extent the charity has delivered the service or activity. The time or expenditure incurred to date, as appropriate, is used as a reasonable estimate or approximation of the charity's performance and so income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet to reflect the matching of such income with future activities.

1.4. Incoming resources subject to restrictions

Grants and donations given for specific purposes are credited to a restricted fund, against which expenditure for that purpose is charged. Expenditure includes direct staff costs, other direct costs and, by agreement with the donors, an allowance for overheads calculated as a percentage of direct staff costs. The element of the overhead allowance that represents running costs which cannot be

separately identified to a specific piece of work, is credited to unrestricted funds in the Statement of Financial Activities (see note 3).

1.5. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

1.6. Expenditure

All expenditure is accounted for on an accrual basis.

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

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

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

1.7. Financial instruments

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

1.8. Fixed assets

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

Leasehold improvements: remaining period of lease

Office furniture and equipment: five years

Computer hardware: three years

Computer software: five years

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

1.9. Cash and cash equivalents

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

1.10. Provisions

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

1.11. Exchange rates

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

1.12. Leases

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

1.13. Unrestricted funds

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

Notes to the Financial Statements (continued)

2. Analysis of total resources expended

	Programme costs	Payments to collaborating entities	Support costs	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000
Charitable activities					
Commissioned studies and research					
Climate change	3,584	282	891	4,757	3,772
Natural resources	2,647	3,859	1,500	8,006	6,568
Sustainable markets	1,316	98	326	1,740	1,466
Human settlements	1,027	838	430	2,294	2,623
Green Economy Coalition	549	757	301	1,608	1,539
Strategy and learning	815	3	189	1,007	944
Communications and publications	1,083	-	249	1,332	1,380
Commissioned studies and research	11,021	5,837	3,886	20,744	18,292
Grants to IIED Europe	-	302	-	302	-
Total resources expended	11,021	6,139	3,886	21,046	18,292

Foreign exchange gains and losses recognised in the year amounted to a loss of £76k (2021: loss £214k)

3. Support costs

	2022	2021
	£'000	£'000
Premises	547	895
Finance	1,328	1,370
Director's office/trustees	629	657
IT services	635	597
Human resources	705	1,037
Systems development	42	59
Total	3,886	4,615

Support costs are allocated to activities on the following basis:

Programme costs	staff time spent on each activity
Publications	staff time spent on each activity
Payments	% based on the size of the payment
Governance costs	staff time
Management costs	staff time

	2022	2021
	£'000	£'000
Support costs include:		
Statutory audit fees	45	31
Grant audit fees	31	97
Other services carried out by the statutory auditor	2	5

Governance costs amounted to £61k (2021: £46k)

Resources expended include operating lease rentals of £315k (2021: £368k)

Notes to the Financial Statements (continued)

4. Tangible fixed assets

	Leasehold improvements	Furniture and fixtures	Office and computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2021	112	198	210	520
Additions	32	1	27	60
Disposals	-	(2)	(31)	(33)
At 31 March 2022	144	197	206	547
Depreciation				
At 1 April 2021	20	178	110	308
Charge for year	14	8	63	85
Disposals	-	(2)	(26)	(28)
At 31 March 2022	34	184	147	365
Net book value				
At 31 March 2022	110	13	59	182
At 31 March 2021	92	20	100	212

5. Intangible fixed assets

	Computer software	Total
	£'000	£'000
Cost		
At 1 April 2021	368	368
Additions	30	30
Disposals	(104)	(104)
At 31 March 2022	294	294
Depreciation		
At 1 April 2021	235	235
Charge for year	66	66
Disposals	(74)	(74)
At 31 March 2022	227	227
Net book value		
At 31 March 2022	67	67
At 31 March 2021	133	133

Notes to the Financial Statements (continued)

6. Debtors

	2022 £'000	2021 £'000
Less than one year:		
Grants receivable	839	745
Accrued income	1,527	1,158
Other debtors	51	78
Prepayments	369	278
Total debtors	2,786	2,259

7. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	1,217	997
Accruals	1,178	627
Other creditors	153	4
Social security and other taxes	459	368
Total	3,008	1,996

	1 April 2021 £'000	Incoming resources £'000	Resources expended £'000	31 March 2022 £'000
Deferred revenue	4,648	18,019	19,655	3,011

8. Analysis of net assets between funds

31 March 2022	Unrestricted £'000	Designated £'000	Restricted £'000	Total £'000
Tangible fixed assets	-	182	-	182
Intangible fixed assets	-	67	-	67
Debtors	420	-	2,366	2,786
Cash	2,187	-	2,895	5,082
Creditors	(758)	-	(2,250)	(3,008)
Deferred income	-	-	(3,011)	(3,011)
Net assets	1,849	249	-	2,098

31 March 2021	Unrestricted £'000	Designated £'000	Restricted £'000	Total £'000
Tangible fixed assets	-	212	-	212
Intangible fixed assets	-	133	-	133
Debtors	356	-	1,903	2,259
Cash	2,435	-	4,110	6,545
Creditors	(631)	-	(1,365)	(1,996)
Deferred income	-	-	(4,648)	(4,648)
Net assets	2,160	345	-	2,505

Notes to the Financial Statements (continued)

9. Unrestricted reserves

	1 April 2021 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2022 £'000
Total unrestricted reserves	2,160	2,620	849	(3,780)	1,849
Designated funds					
Fixed Asset Fund	345	-	(96)	-	249
Total reserves	2,505	2,620	753	(3,780)	2,098

	1 April 2020 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2021 £'000
Total unrestricted reserves	2,407	3,462	(496)	(3,213)	2,160
Designated funds					
Fixed Asset Fund	-	-	345	-	345
Building and capital fund	198	-	(198)	-	-
Total reserves	2,605	3,462	(349)	(3,213)	2,505

Building and Capital Fund

This designated fund was established to provide for dilapidations costs on Gray's Inn Road. IIED moved out of these premises in 2020/21 and so the balance on the Building and Capital Fund was transferred to the Fixed Asset Fund in the year ended 31 March 2021.

Fixed Asset Fund

The Fixed Asset Fund is designated to represent the net book value of fixed assets, and to exclude this value from the calculation of free reserves, recognising that these funds are not liquid and therefore, are not readily available to be spent on other purposes.

Notes to the Financial Statements (continued)

10. Employees

	2022	2021
	No.	No.
The number of employees during the year was:	146	140
Number of part time employees in above	33	28
The aggregate remuneration paid to employees was:	£'000	£'000
Wages and salaries	7,080	7,015
Social security costs	762	750
Other pension costs	505	508
	8,347	8,273
	2022	2021
	No.	No.
The number of staff whose remuneration fell within each of the following bands was:		
£110,000–£119,999	1	1
£100,000–£109,999	-	-
£90,000–£99,999	-	1
£80,000–£89,999	9	11
£70,000–£79,999	13	8
£60,000–£69,999	16	9

Termination payments of £35k were made in the year (2021 £21k). No amounts were outstanding at the year end.

The key management personnel of the charity comprise the director, chief operating officer, director of Climate Change, director of communications, director of Human Settlements, director of Natural Resources, director of Strategy and Learning, and director of Sustainable Markets. The total employee benefits of the key management personnel of the charity were £908k (2021: £821k).

No company pension scheme existed at 31 March 2022. Contributions are paid on behalf of employees to independently administered money purchase plans. The cost to the Group during the year was £505k (2021: £508k).

During the year, no trustee received remuneration (2021: £nil). Where claimed, expenses incurred on the institute's business were reimbursed. Due to the COVID-19 pandemic, travel for trustees was very limited during the year and all Board meetings took place virtually. The total expenses claimed by trustees during the year was £48 (2021: £nil). The number of trustees claiming expenses was one (2021: nil).

11. Related parties

IIED Europe

IIED Europe was established by IIED on 18 December 2020 as a Stichting, a legally independent foundation based in the Netherlands, with a focus on global environmental and social change. It was created with objectives aligned to those of IIED, to contribute to achieving major progress towards the goals of sustainable development, and to enable IIED to maintain close collaboration with a range of European actors and policy processes post-Brexit. IIED Europe is a not-for-profit organisation but is not a registered charity in the UK. Three of IIED's trustees are the Supervisory Board members of IIED Europe and three IIED employees are directors on the Management Board.

IIED Europe is currently controlled by IIED through the Stichting's Board composition and by virtue of the sole income in 2021/22 being the IIED grant funding. However, group accounts have not been prepared as the results of IIED Europe are not material to IIED's overall results. The intention is that

Notes to the Financial Statements (continued)

11. Related parties (continued)

IIED Europe will recruit further trustees in the near future, that will be independent of IIED and the company will generate its own funds. It is therefore expected that IIED's Financial Statements in future years will not require the results of IIED Europe to be consolidated.

IIED paid £202k to IIED Europe during the year, under a framework grant agreement which commenced on 1 April 2021. IIED's trustees have approved up to a total of £250k to be paid from IIED's reserves for the set up and initial running costs of the new organisation whilst it develops a business plan and strategy and submits applications for funding.

A further amount of £100k was awarded in March 2022 which our funder, Sida, agreed should be paid to IIED Europe from frame funds, to carry out a horizon scanning exercise to get stakeholder views on EU policy impacts in development countries. The results will inform the development of the strategic plan for IIED Europe. At the year end this amount of £100k was owed to IIED Europe and is included in Trade Creditors.

The Stichting International Institute for Environment and Development Europe is a foundation incorporated under the laws of the Netherlands, having its registered office at Plantage Middenlaan 2 K, 1018 DD, Amsterdam and is registered at the Chamber of Commerce under number 81230710.

The Stichting prepared its first accounts for the period from its formation on 18 December 2020 to 31 December 2021, which showed the following:

	2021 €
Total net liabilities at 31 December 2021	(26,965)
Income for the year	140,447
Expenditure for the year	(167,412)
Deficit for the year	(26,965)

The notes to the financial statements of IIED Europe include the following disclosure:

Disclosure of going concern

The equity of the foundation amounts to € 27.000 negative as at the balance sheet date. Negative equity can be an indication of the threat to continuity. The negative equity is the result of start-up losses. The foundation will be financed by IIED UK for the first years. This support will continue until 2023. This ensures continuity in the short term.

12. Commitments

At 31 March 2022 the company had obligations under non-cancellable operating leases as set out below:

	Land and buildings £'000	2022 other £'000	Land and buildings £'000	2021 other £'000
Due in less than one year	280	-	279	-
Due within one to five years	81	-	368	-
Due after more than five years	-	-	-	-

IIED had commitments on contracts to partners of £3 million at 31 March 2022 (2021: £10.6 million), £2 million due in less than one year (2021: £5.9 million) and £1 million due within one to five years (2021: £4.7 million). Payments are contingent upon specific funder-related milestones being met and have therefore not been included within grant liabilities.

IIED holds a lease signed in October 2020 for rent of London office premises for a term of 30 months at £12k per calendar month for three months and £20k per month thereafter.

IIED has an eight-year lease for premises in Edinburgh at a rent of £40k per annum to May 2029 (previously £36k plus VAT per annum to May 2021), with a lease break option in May 2024.

Notes to the Financial Statements (continued)

13. Income

	2022 £'000	2021 £'000	
Donors			
Government and government agencies	9,868	9,768	
International and multilateral agencies	1,885	2,668	
Foundations and NGOs	5,993	6,068	
Corporate	886	792	
Donor income received	18,632	19,296	
Other income			
Interest receivable	1	2	
Other income received	1	2	
Total	18,633	19,298	
Add: Income deferred from prior year	4,648	3,863	
Less: Income due to prior year	(1,158)	(1,479)	
Add: Income due from next year	1,527	1,158	
Less: Income deferred to next year	(3,011)	(4,648)	
Total incoming resources	20,639	18,192	
Government and Government Agencies			
Swedish International Development Cooperation Agency (Sida)	Sweden	3,406	3,361
Irish Aid	Ireland	1,715	2,697
Foreign Commonwealth & Development Office	United Kingdom	3,490	2,284
Department for Environment, Food & Rural Affairs	United Kingdom	315	448
Department for Business, Energy & Industrial Strategy	United Kingdom	277	-
The Secretary of State for Health	United Kingdom	145	399
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)	Germany	126	221
Swiss Agency for Development and Cooperation	Switzerland	88	-
Ministry of Economic Growth and Job Creation	Jamaica	78	149
Ministry of Environment, Sweden	Sweden	169	146
German Institute for Development (DIE)	Germany	-	37
GIZ	Germany	56	19
Amounts less than £10,000		3	7
Total Government & Government Agencies		9,868	9,768
International and Multilateral Agencies			
European Commission	Belgium	928	1,323
Asian Development Bank	Philippines	123	400
World Bank	Malaysia		292
World Bank, USA	United States	274	-
United Nations Food and Agriculture Organisation (FAO)	Italy	204	203
United Nations Environment Programme (Switzerland)	Switzerland	68	15
United Nations Office for Disaster Risk Reduction	Switzerland	32	23
The Collaborative Africa Budget Reform Initiative	South Africa	30	62

		2022 £'000	2021 £'000
United Nations Environment Programme (Asia & Pacific)	Thailand	30	-
Regional Centre for Mapping of Resources	Kenya	26	27
United Nations Office for Project Services (UNOPS)	Denmark	26	16
United Nations Development Programme (UNDP), Thailand	Thailand	25	36
UNDP, United States	USA	23	100
UNDP, Bangladesh	Bangladesh	24	34
UNDP Asia Pacific Regional Centre	Thailand	18	-
UNDP Asia Pacific Regional Centre	United States	11	-
UNEP, Nairobi	Kenya	5	31
UN Human Settlements Programme, Kenya	Kenya	-	20
World Food Programme	Italy	-	19
Organisation For Economic Co-Op & Development	France	-	14
International Fund for Agricultural Development (IFAD)	Italy	-	4
Amounts less than £10,000		38	49
Total International & Multilateral Agencies		1,885	2,668
Foundations and NGOs			
Economic and Social Research Council (ESRC)	United Kingdom	1,047	2,512
MAVA Foundation	Switzerland	907	846
Oxford Policy Management	United Kingdom	523	130
IKEA Foundation	Netherlands	321	261
United Nations University - EHS	Germany	267	-
SouthSouthNorth (Africa) NPC	South Africa	265	-
Wellspring Philanthropic Fund	USA	-	256
University of Manchester	United Kingdom	213	169
The British Academy	United Kingdom	209	299
Oak Philanthropy (UK) Limited	United Kingdom	187	-
Institute of Development Studies	United Kingdom	186	9
The William and Flora Hewlett Foundation	USA	186	-
World Resources Institute (WRI)	USA	-	172
Hivos	Netherlands	-	165
Arcus Foundation	United Kingdom	159	-
Rockefeller Philanthropy Advisors	USA	149	-
Open Society Foundations	USA	121	42
University of Southampton	United Kingdom	112	98
Schmidt Family Foundation	USA	111	58
IUCN, Switzerland	Switzerland	98	50
Stockholm Resilience Centre	Sweden	-	89
International Livestock Research Institute	Kenya	55	30
Arts & Humanities Research Council	United Kingdom	-	88
Arcus Foundation	United Kingdom	-	81
Sustainable Environment Management Action	Tanzania	-	69
FSD Africa	Kenya	-	64
LTS International Ltd	United Kingdom	50	64
Jamma International	United Kingdom	-	61
WWF Netherlands	Netherlands	-	59
New Venture Fund	USA	49	-
Angela Ruskin University	United Kingdom	44	-
IED	France	43	-
MISEREOR	Germany	42	-
World Conservation Monitoring Centre	United Kingdom	-	42
European Climate Foundation	Netherlands	42	34
E3G	United Kingdom	42	-

		2022 £'000	2021 £'000
United Nations Environment Programme	United Kingdom	39	-
University College London	United Kingdom	38	-
Katholische Zentralstelle fur Entwicklun	Germany	37	-
Global Wildlife Conservation	USA	-	36
International Development Research Centre	Canada	34	-
International Union for Conservation of Nature	Kenya	-	33
CITES Secretariat	Switzerland	33	-
Biovision Foundation for Ecological Development	Switzerland	33	-
Engineering and Physical Sciences Research	United Kingdom	32	26
Bernard Van Leer Foundation	Netherlands	30	-
Ground Truth Solutions	Austria	-	28
International Budget Partnership	USA	-	25
IHA Sustainability Ltd.	United Kingdom	-	23
Eventbrite	United Kingdom	22	-
Overseas Development Institute	United Kingdom	22	-
University of Evora	Portugal	21	-
Responsible Business Alliance Incorporation	USA	18	-
United Cities and Local Governments	Spain	17	5
Mercy Corps USA	USA	16	4
Meridian Institute	USA	-	16
Sustainable Market Foundation	USA	-	15
Water Witness International	United Kingdom	15	-
Save the Children Australia	Australia	13	-
Loughborough University Enterprises Limited	United Kingdom	-	13
Practical Action UK	United Kingdom	-	12
Environment for Development Initiative	Sweden	12	-
International Budget Partnership	USA	11	-
Global Resilience Partnership	Sweden	10	-
Anti-Slavery International	United Kingdom	10	-
Other amounts less than £10,000		102	84
Total Foundations and NGOs		5,993	6,068
Corporate			
PricewaterhouseCoopers London	United Kingdom	530	470
PricewaterhouseCoopers Limited, Kenya	Kenya	-	90
SAGE Publications Ltd	United Kingdom	85	43
Simusolar	Tanzania	72	30
Le Groupe-conseil baastel Itée	Canada	65	44
E-SUD DEVELOPPEMENT	France	46	17
Rainforest Alliance Inc	USA	26	-
The Palladium Group	United Kingdom	-	15
Adelphi research gemeinnützige GmbH	Germany	10	-
Mott MacDonald Ltd	United Kingdom	9	11
Altair Asesores S.L.	Spain	6	6
Unilever	United Kingdom	3	16
DAI Global Belgium SRL	Belgium	3	45
Amounts less than £10,000		31	5
Total Corporate		886	792

Notes to the Financial Statements (continued)

14. Payments to collaborating organisations

		2022 £'000	2021 £'000
Payments to organisations			
Columbia Center on Sustainable Investment	USA	546	265
Namati	USA	485	171
Le Centre pour l'Environnement et le Developpement	Cameroon	387	563
Imperial College London	United Kingdom	266	71
The Copperbelt University	Zambia	261	75
University of Ghana	Ghana	253	74
University of Oxford	United Kingdom	222	180
Samuel Hall	Kenya	184	347
Regional Universities Forum for Capacity Building	Uganda	175	74
University College London	United Kingdom	147	120
Trade and Industrial Policy Strategies	South Africa	138	-
The Environment and Climate Research Center	Ethiopia	120	167
University of the Witwatersrand	South Africa	-	143
University of Greenwich	United Kingdom	116	-
University of Reading	United Kingdom	114	108
IIED America Latina	Tanzania	108	3
Zambia Community Based Natural Resources	Zambia	92	61
IIED Afrique	Senegal	85	49
Reseau de lutte contre la Faim (RELUFA)	Cameroon	82	122
Urban Health Resource Centre	India	81	102
Economic Policy and Competitiveness Research Centre	Mongolia	75	36
International Union for Conservation of Nature And Natural Resources (IUCN)	Kenya	69	27
	Trinidad and Tobago	66	33
Caribbean Natural Resources Institute	Tobago	66	-
Durham University	United Kingdom	66	-
Cardiff University	United Kingdom	63	134
Training and Resource Support Centre	Zimbabwe	63	100
M.G. Silva Consultoria E.I.	Mozambique	-	82
Hivos East Africa	Kenya	-	68
Global Green Growth Institute	South Korea	59	53
Slum Dwellers International, Kenya	Kenya	54	46
Zimbabwe Congress of Trade Unions	Zimbabwe	54	33
Asian Coalition for Housing Rights	Thailand	52	-
Imperial College London	United Kingdom	48	-
Women's Legal Resources Centre	Malawi	47	125
University of Oxford	United Kingdom	47	-
International Union for the Conservation of Nature	Burkina Faso	46	23
Bankers without Boundaries	United Kingdom	43	-
Slum Dwellers International	Kenya	42	-
Finance Watch	Belgium	40	87
Advocates Coalition for Development and Environment (ACODE)	Uganda	40	72
	Trinidad and Tobago	40	-
Canari	Tobago	40	-
Sustainable Amazonas Foundation	Brazil	39	35
Tanzania Women Lawyers Association	Tanzania	38	77
Development Alternatives	India	37	70
Centre for Community Initiatives	Tanzania	37	36
Madhya Pradesh Council of Science and Technology	India	36	40

Kenya Forestry Research Institute	Kenya	36	27
Libélula Institute for Global Change	Peru	36	23
Tanzania Natural Resource Forum	Tanzania	33	26
Libelula	Peru	30	-
Zambia Land Alliance	Zambia	25	-
Community Self Reliance Centre	Nepal	24	67
The Natural Resources Institute			
at The University of Greenwich	United Kingdom	23	53
Loughborough University	United Kingdom	23	-
The Conservation Foundation	United Kingdom	22	37
Nanning Green Seed Poverty Alleviation Service Center	China	22	16
West Asia North Africa for Development	Jordan	21	-
Governo de Moçambique Governo Provincial	Mozambique	-	21
International Rescue Committee Inc	USA	-	20
International Centre for Climate Change	Bangladesh	20	6
Oxford Climate Policy	United Kingdom	-	18
Open Development Cambodia	Cambodia	19	-
Centro Terra Viva	Mozambique	19	-
Wildlife Conservation Society, USA	USA	17	23
Advocates Coalition for Environment and Development	Uganda	17	-
Fundación Foro Nacional por Colombia	Peru	17	27
Caritas Kitui	Kenya	15	-
ANARDE	Uganda	15	-
Aide et Action India	India	15	-
Kenyatta University	Kenya	14	-
Hashemite University	Jordan	14	-
South South North	South Africa	14	-
ADAD - Associacao para a Defesa do Ambiente	Cape Verde	14	3
PHIA Foundation	India	14	-
Fauna and Flora International	United Kingdom	12	22
Dialogue on Shelter Trust	Zimbabwe	12	15
Hakikazi Catalyst	Tanzania	10	-
Usman Ashraf	Finland	10	-
Uganda Wildlife Authority	Uganda	10	-
Echnoserve Consulting PLC	Ethiopia	9	36
Nepal Agriculture Cooperative Central Federation Ltd	Nepal	7	37
Village Enterprise Fund	Uganda	7	15
University of Warwick	United Kingdom	6	22
Zimbabwe Chamber of Informal Economy Associations	Zimbabwe	-	14
Maseno University	Kenya	3	12
Women's Refugee Commission	USA	3	25
AB Consultants	Kenya	2	11
Lok Chetna Manch (LCM)	India	2	26
WWF International	Switzerland	-	10
IUCN Senegal	Senegal	-	10
International Center for Living Aquatic Resources Management	Malaysia	(13)	17
Christian Aid	United Kingdom	-	(29)
Payments less than £10,000		175	126
IIED Europe	Netherlands	302	-
Total payments		6,139	4,608

Notes to the Financial Statements (continued)

15. Restricted funds

Project name	Balance at 31 March 2020 £'000	Income 2020/21 £'000	Expenditure 2020/21 £'000	Transfers 2020/21 £'000	Balance at 31 March 2021 £'000	Income 2021/22 £'000	Expenditure 2021/22 £'000	Transfers 2021/22 £'000	Balance at 31 March 2022 £'000
FRAME – various projects	-	5,345	(4,582)	(762)	-	5,163	(4,753)	(410)	-
Learning and Action Platform IWTCF	-	79	(79)	-	-	63	(63)	-	-
Enhancing PA Equity and Effectiveness	-	75	(75)	-	-	-	-	-	-
Why Eat Wild Meat?	-	81	(81)	-	-	62	(63)	1	-
Natural Capital Approaches, WCMC Darwin	-	17	(17)	-	-	13	(13)	-	-
Livelihoods Insurance 4 Elephants (LIFE)	-	53	(53)	-	-	78	(78)	-	-
Building Resilience in Ethiopia	-	216	(216)	-	-	489	(489)	-	-
SIDA – ADA Consortium Phase II	-	17	(11)	(6)	-	-	-	-	-
IPCC Co-ordinating Lead Author	-	8	(8)	-	-	8	(8)	-	-
BIOPAMA: Governance and equity of protected and conserved areas	-	72	(78)	6	-	137	(153)	16	-
ALIGN	-	780	(780)	-	-	1,770	(1,770)	-	-
GCA Local Adaptation Track MWIM	-	6	(11)	5	-	-	-	-	-
GIZ E-READI	-	14	(14)	-	-	1	(1)	-	-
IBFCCA Financing Climate Change Africa	-	25	(25)	-	-	62	(62)	-	-
LIFE-AR Phase II	-	981	(981)	-	-	1,084	(1,083)	(1)	-
FCDO – MGNREGS Extensions	-	344	(344)	-	-	280	(339)	59	-
GEC – Dialogues for Financial Reform	-	641	(641)	-	-	571	(591)	20	-
The state of planet-positive agriculture in Kenya, Ethiopia, Rwanda and Uganda	-	260	(260)	-	-	-	-	-	-
FCDO BP4GG	-	3	(8)	5	-	12	(16)	4	-
BEIS CASA Opportunity Fund	-	7	(7)	-	-	137	(137)	-	-
Covid, Cobalt and Community [Co-balt 19]	-	13	(13)	-	-	1	(1)	-	-

Project name	Balance at 31 March 2020 £'000	Income 2020/21 £'000	Expenditure 2020/21 £'000	Transfers 2020/21 £'000	Balance at 31 March 2021 £'000	Income 2021/22 £'000	Expenditure 2021/22 £'000	Transfers 2021/22 £'000	Balance at 31 March 2022 £'000
Impacts COVID-19 wild meat consumption	-	47	(47)	-	-	-	-	-	-
Covid Collective: SDI Kenya and MSJC	-	3	(7)	4	-	17	(17)	-	-
Establishing a Biocultural Heritage Trees, COVID and Politics	-	-	-	-	-	52	(57)	5	-
CF Training Initiative FSD Africa	-	39	(47)	8	-	111	(111)	-	-
Covid Collective: DoST, Zimbabwe	-	-	-	-	-	63	(63)	-	-
Covid Collective: DoST, Zimbabwe	-	13	(13)	-	-	15	(15)	-	-
Transformative Urban Coalitions: Catalysing Urban Partnerships	-	35	(38)	3	-	259	(271)	12	-
Achieving Planet-Friendly Agriculture	-	-	-	-	-	154	(154)	-	-
Covid Collective Manchester	-	10	(10)	-	-	8	(8)	-	-
Enhancing Action for Enabling LLA	-	-	-	-	-	320	(320)	-	-
Covid Collection ACHR	-	-	-	-	-	90	(90)	-	-
FCDO – Trafficking & Climate Change	-	-	-	-	-	63	(63)	-	-
Facilitating REDAA	-	-	-	-	-	62	(62)	-	-
LandCam: Securing land and resource rights and improving governance in forest areas of Cameroon	-	599	(674)	75	-	478	(478)	-	-
Empowering Communities in the context of Commercial Agriculture	-	500	(500)	-	-	160	(160)	-	-
Ecosystem-based approaches to adaptation: strengthening the evidence and informing policy	-	79	(86)	7	-	180	(183)	3	-
Implementing park action plans for community engagement to tackle IWT	-	70	(70)	-	-	53	(52)	(1)	-
Supporting smallholder farmers' decision making: managing trade-offs and synergies for sustainable intensification (SAIRLA)	-	27	(29)	2	-	-	-	-	-
Sentinel: Social and Environmental Trade-offs in African Agriculture	-	1,023	(1,091)	68	-	2,024	(2,045)	21	-
ECBI Training, Support, and Trust-Building Project	-	112	(112)	-	-	61	(15)	(46)	-

Project name	Balance at 31 March 2020 £'000	Income 2020/21 £'000	Expenditure 2020/21 £'000	Transfers 2020/21 £'000	Balance at 31 March 2021 £'000	Income 2021/22 £'000	Expenditure 2021/22 £'000	Transfers 2021/22 £'000	Balance at 31 March 2022 £'000
Support to achieve the NDC adaptation targets in the context of Paris Agreement	-	1	(1)	-	-	-	-	-	-
BRACED: Phase 2	-	14	(14)	-	-	-	-	-	-
Financing climate resilience through MGNREGS	-	11	(11)	-	-	59	-	(59)	-
Carrots and sticks	-	25	(25)	-	-	-	-	-	-
Phase I: Appraisal, design and testing of social protection and climate adaptation linkages at the district level, Mabote (Inhambane province), Mozambique	-	218	(218)	-	-	17	-	(17)	-
EARF	-	(51)	51	-	-	-	-	-	-
Other	-	2,918	(3,853)	934	-	3,809	(3,482)	(1,113)	-
Total restricted funds per SOFA	-	14,730	(15,079)	349	-	17,986	(17,266)	720	-

Notes to the Financial Statements (continued)

Restricted funds

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant project.

Frame funding – various projects

IIED currently receives institutional 'frame' funding from the Swedish and Irish Governments. It is provided to support delivery of the organisation's five-year institutional strategy. The funding enables IIED to explore new areas of research, which might otherwise be difficult to fund. It also supports exploration of new methodologies and ways of working, plus development and maintenance of effective systems for evaluation of our work, communicating with key audiences, and liaison with key actors in delivery of our work.

Learning and Action Platform IWTCF

Funded by the UK Government's Illegal Wildlife Trade Challenge Fund to collect, synthesise and share lessons in Tanzania, Zambia, regionally and internationally on community engagement against IWT.

Enhancing PA Equity and Effectiveness

Funded by the UK Government's Darwin Initiative to implement the Social Assessment for Protected and Conservation Areas (SAPA) methodology in Kenya, for more equitable and effective conservation.

Why Eat Wild Meat?

Funded by the UK Government's Darwin Initiative to understand more about why people eat wild meat and improve projects that promote alternatives, focusing on Cameroon.

Natural Capital Approaches, WCMC Darwin

Funded by the UK Government's Darwin Initiative via UNEP WCMC to include natural capital values and the cost of biodiversity loss in policy decision making for sustainable socioeconomic transformation.

Livelihoods Insurance 4 Elephants (LIFE)

Funded by the UK Government's Darwin Initiative to help the Sri Lankan and Kenyan governments to pilot new insurance schemes, learn from each other, and develop an effective national approach.

Building Resilience in Ethiopia (BRE)

The BRE programme covers Foreign, Commonwealth and Development Office (FCDO) humanitarian assistance in Ethiopia and is intended to contribute to the objective of an 'Ethiopia that is more resilient to climate and humanitarian shocks'.

SIDA – ADA Consortium Phase II

Funded by the Embassy of Sweden, this project is the ADA Consortium Transition Phase.

IPCC Co-ordinating Lead Author

Funded by the Department for Business, Energy and Industrial Strategy, lead author of Chapter 6 "Cities, Settlements and key infrastructure" of the Intergovernmental Panel on Climate Change (IPCC) Working Group II Contribution to the IPCC 6th.

BIOPAMA: Governance and equity of protected and conserved areas

Funded by the European Commission through International Union for Conservation of Nature and Natural Resources (IUCN), aimed at enhancing governance of Community-Based Natural Resource Management (CBNRM) for better conservation and social outcomes in Zambia.

ALIGN

Funded by FCDO, an initiative developed to promote, at scale, more responsible practices for land-based investments.

GCA Local Adaptation Track MWIM

Assisting the Global Center of Adaptation (GCA) in the co-creation of their Locally Led Action Track up to and beyond the UN Secretary-General's Climate Summit in September 2019.

GIZ E-READI

The delivery of technical assistance to the Enhanced Regional EU-ASEAN Dialogue (E-READI) project in the area of Natural Capital.

IBFCCA Financing Climate Change Africa

Funded by Sida through the Collaborative Africa Budget Reform Initiative, the Inclusive Budgeting and Financing for Climate Change in Africa programme supports stronger links between climate change policy and the budget process with Ministries of Finance as the key representatives.

LIFE-AR Phase II

Funded by FCDO, focusing on supporting the LDC Initiative for Effective Adaptation and Resilience.

FCDO – MGNREGS Extensions

Funded by FCDO, for Financing Climate Resilience through Mahatma Gandhi National rural employment guarantee scheme.

GEC – Dialogues for Financial Reform

An EC-funded project to build civil society participation for sustainable finance reforms: global coverage.

The state of planet-positive agriculture in Kenya, Ethiopia, Rwanda and Uganda

Funded by the IKEA Foundation to research into the state of planet-positive agriculture in Kenya, Ethiopia, Rwanda and Uganda.

FCDO BP4GG

Funded by FCDO and managed by Mott MacDonald with IIED as subconsultant to Mott MacDonald. This project is focused on business partnerships for global goals.

BEIS CASA Opportunity Fund

Funded by the Department for Business, Energy & industrial Strategy, for research on Building Resilience and Greening the COVID-19 Recovery in the Least Developed Countries.

Covid, Cobalt and Community [Co-balt 19]

Funded by Institute of Development Studies (IDS), on behalf of FCDO, it is the sub-project of the Covid 19 Social Science Research-Evidence Platform.

Impacts COVID-19 wild meat consumption

Funded by the UK Government's Darwin Initiative, to understand the impacts of COVID-19 on wild meat consumption in rural Cameroon.

Covid Collective: SDI Kenya and MSJC

Funded by IDS, on behalf of FCDO, to strengthen advocacy and mobilisation on the frontlines.

Establishing a Biocultural Heritage

Funded by the UK Government's Darwin Initiative, to establish a biocultural heritage territory to protect Kenya's Kaya forests.

Trees, COVID and Politics

Funded by IDS, on behalf of FCDO, the Covid 19 Social Science Research-Evidence Platform researches the topic: Trees kill Covid: Politics, tree-planting and post-pandemic rural resurgence.

CF Training Initiative FSD Africa

Funded by Financial Sector Deepening Africa, to focus on developing a climate finance training programme in sub-Saharan Africa.

Covid Collective: DoST, Zimbabwe

Funded by IDS, on behalf of FCDO, to identify transformative urban pathways.

Transformative Urban Coalitions: Catalysing Urban Partnerships

Funded by BMU (German Government) through United Nations University (UNU-EHS), aiming to drive systemic transformation towards sustainability in Latin America.

Achieving Planet-Friendly Agriculture

Funded by the IKEA foundation, to gain a better understanding of the decisions that different types of smallholder farmers take with regards to agricultural expansion, in order to identify entry points to reduce the social and environmental impacts of expansion.

Covid Collective Manchester

Funded by IDS, on behalf of FCDO, it is the sub-project of the Covid 19 Social Science Research-Evidence Platform.

Enhancing Action for Enabling LLA

Funded by FCDO, supports continued operationalisation, accountability scaling-up of Locally-Led Adaption (LLA), strengthening the foundations of a growing community of practice around LLA to ensure the balance of power remains with southern national and local actors.

Covid Collection ACHR

Funded by FCDO, to examine lessons from Asian Coalition for Housing Rights (ACHR) community-led responses to the pandemic, and explore how these strategies can influence official partnerships or other policy interventions in Thailand, Indonesia, Philippines and Myanmar.

FCDO – Trafficking and Climate Change

Funded by FCDO, to establish the causal link between climate change, migration and trafficking, and in-depth research at a regional level (India, Bangladesh and Nepal) to understand country and cross-country issues on trans-boundary migration and risks of trafficking.

Facilitating REDAA

Funded by FCDO, to understand how to improve the condition of natural landscapes in Africa and Asia in ways that enable people and nature to thrive together. It uses identification, adoption and replication of innovative approaches to halt and reverse degradation and improve management and restoration of ecosystems for the Reversing Environmental Degradation in Africa and Asia (REDAA) programme.

LandCam: Securing land and resource rights and improving governance in forest areas of Cameroon

An EC-funded project to secure land and resource rights and improve governance in Cameroon.

Empowering Communities in the context of Commercial Agriculture (EPIC)

Funded by FCDO, EPIC aims to empower rural producers and their wider communities to influence public decisions and private sector conduct in favour of more sustainable investments in commercial agriculture.

Ecosystem-based approaches (EbA) to adaptation: strengthening the evidence and informing policy

An International Climate Initiative project funded by BMU (German Government) to strengthen evidence on when and why EbA works best and inform policy at national and international levels.

Implementing park action plans for community engagement to tackle IWT

Funded by the UK Government's Illegal Wildlife Trade Challenge Fund to engage communities in Uganda to reduce IWT, focusing on the area around Murchison Falls National Park.

Supporting smallholder farmers' decision making: managing trade-offs and synergies for sustainable intensification (SAIRLA)

Funded by WUG International Ltd addresses the research question: 'How do smallholder farmers manage the trade-offs between production, sustainability, and other socio-economic and environmental factors?'

ECBI Training, Support, and Trust-Building Project

The ECBI programme works with climate negotiators from vulnerable developing countries to create a more level playing field in climate negotiations at the international level. It is funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).

Support to achieve the NDC adaptation targets in the context of Paris Agreement

Funded by GIZ, to support national monitoring systems to enable adaptation reporting.

BRACED: Phase 2

Building resilience and adaptation to climate extremes and disasters programme funded by Near East Foundation. Providing technical support for the design, set up and communication of climate finance and planning mechanisms, climate information systems, and the learning, monitoring and evaluation framework.

Financing climate resilience through MGNREGS

Funded by FCDO, focusing on financing climate resilience through MGNREGS.

Carrots and sticks

Incentives to Conserve Hilsa Fish in Myanmar funded by the Department for Environment, Food and Rural Affairs.

Phase I: Appraisal, design and testing of social protection and climate adaptation linkages at the district level, Mabote (Inhambane province), Mozambique

Funded by the Minister for Foreign Affairs and Trade of Ireland, to focus on social protection and climate adaptation linkages at district level.

EARF

This DFID (now FCDO) funded project ran from October 2017 to February 2020 and investigated systems of shelter provision in three East African cities — Nairobi in Kenya, Hawassa in Ethiopia, and Mogadishu in Somalia — to inform more inclusive, affordable housing interventions.

Other projects

All other projects have been grouped together under one heading for the purposes of these accounts.

INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT

England & Wales - Charity number 800066

Accounts

International Institute for Environment and Development

Trustees' report and accounts for the year ended
31 March 2021

Registered company number: 2188452

Registered charity number: 800066

Registered OSCR number: SC 039864

Contents

Trustees' report and accounts for the year ended 31 March 2021	1
Glossary	4
IIED groups	4
Reference and administrative details of the charity, its trustees and advisers	5
Structure, governance and management	6
Trustee appointment	6
Organisational structure	6
About IIED	9
Recognising staff commitment and excellence	10
Investing in institutional performance	10
A focus on strategy, learning and impact	10
Ensuring excellent communications	11
Our strategy	13
Analysis and assessment	13
Directorate and strategy and learning group	15
Selected highlights	15
Core research areas	15
The challenge: the climate crisis	15
Meeting the challenge	15
Lessons learned	16
Obstacles and opportunities	16
The challenge: an assault on the natural world	17
Meeting the challenge	17
Lessons learned	17
Challenges and opportunities	18
The challenge: increasing urban risk	18
Meeting the challenge	18
Lessons learned	19
Obstacles and opportunities	19
The challenge: unsustainable markets	19
Meeting the challenge	19
Lessons learned	20

Obstacles and opportunities	21
The challenge: increasing inequality	21
Meeting the challenge	21
Lessons learned	22
Challenges and opportunities	22
Crosscutting themes	22
Looking ahead	23
Finance review	25
Key management remuneration	25
Investment policy	25
Related parties	25
Risk management	25
Key risks	25
Reserves policy	26
Plans for future periods	26
Statement of going concern	27
Statement of trustees' responsibilities	28
Independent Auditor's Report to the Members and Trustees of International Institute for Environment and Development	29
Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2021	33
Balance sheet as at 31 March 2021	34
Cash flow statement for the year ended 31 March 2021	35
Analysis of changes in cash during the year	35
Notes to the Financial Statements for the year ended 31 March 2021	36

Glossary

CRT	Coronavirus Response Team
DFID	Department for International Development (UK) (1997-2020)
FCDO	Foreign, Commonwealth & Development Office (UK) (FCO merged with DFID on 20 September 2020)
FRS	Financial reporting standard
FY	Financial year
Hivos	Humanistisch Instituut voor Ontwikkelingssamenwerking (Humanist Institute for Cooperation)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
IIED	International Institute for Environment and Development
LIF	Learning and impact framework
LIFE-AR	LDC Initiative for Effective Adaptation and Resilience
LDCs	Least Developed Countries
MEL	Monitoring, evaluation and learning
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
SDGs	Sustainable Development Goals
Sida	Swedish International Development Cooperation Agency
SME	Small and medium-sized enterprises
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
WRI	World Resources Institute

IIED groups

Comms	Communications Group
CCG	Climate Change Group
FARA	Finance, Audit and Risk Assessment Committee (sub-committee of the Board)
FRSC	Fundraising Subcommittee (sub-committee of the Board)
HSG	Human Settlements Group
NRG	Natural Resources Group
NSC	Nominations Subcommittee (sub-committee of the Board)
SLG	Strategy and Learning Group
SSMG	Shaping Sustainable Markets Group

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

Trustees

Rebeca Grynspan (chair) (retired 16 June 2020)

Batkishig Baival

Les Campbell (re-elected 16 June 2020)

Silvia Charpentier

David Elston

Ahmed Galal (retired 16 June 2020)

Bara Gueye

Michael Horgan (re-elected 16 June 2020)

Maria Mähl

Angela McNaught (treasurer)

Sue Parnell (re-elected 16 June 2020, resigned 10 December 2020)

Sheela Patel

Tara Shine (chair) (appointed 14 September 2020)

Elizabeth Stephen (vice chair) (acting chair 16 June 2020 to 14 September 2020)

Trustees are the directors of the company under the Companies Act 2006.

Director

Dr Andrew Norton

Registered office

Third Floor, 235 High Holborn, London, WC1V 7DN, United Kingdom

Registered company number: 2188452 Registered charity number: 800066 Registered OSCR number: SC 039864

Auditors

Crowe U.K. LLP

55 Ludgate Hill

London

EC4M 7JW

Solicitors

Bates Wells LLP

10 Queen Street Place

London

EC4R 1BE

Bankers

Barclays Bank plc

1 Churchill Place

London

E14 5HP

The trustees present their annual report, including the director's strategic report, with the audited accounts for the year ended 31 March 2021. This report and the accounts have been prepared in accordance with the Companies Act 2006, the company's Articles of Association and Charities SORP (FRS102) applicable to charities preparing accounts in accordance with FRS 102: the financial reporting standard applicable in the UK and Republic of Ireland.

Structure, governance and management

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

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

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

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

Trustee appointment

The names of trustees are shown on the previous page. At 31 March 2021, the Board of Trustees (Board) consisted of 11 trustees drawn from diverse geographical regions which correspond with the international focus of IIED's work.

Trustees retire by rotation; six years' continuous service (3+3) is the maximum, unless allowed exceptionally by the Board. The Board annually reviews its structure, size and composition (including the skills, knowledge and experience) and ensures that composition reflects IIED's mission with appropriate gender, cultural and geographic diversity. The Nominations sub-committee (NSC) ensures that candidates of the highest calibre, with appropriate and diverse mix of skills and experience, are put forward for selection by the Board. Trustee vacancies are advertised on the IIED website, charity and trustee websites as appropriate, and through IIED's networks. Three trustee positions were held over from 2020 due to the uncertainty around COVID-19 and its impact on recruitment, and during 2020/21 the Board conducted an extensive review of its compositional criteria in advance of recruiting up to five trustee positions (to join in FY22).

Trustees attend an induction programme to familiarise themselves with the institute's operational activities and day-to-day management, as well as legal and regulatory requirements relevant to the trustees' roles and responsibilities.

Organisational structure

IIED's Board manages the business of the charity and exercises all the powers of the charity in accordance with the Articles of Association. The Board seeks to ensure that all activities are within UK law and agreed charitable objects. The work of the Board includes agreeing and overseeing IIED strategy and financial plans in line with its vision, mission and values.

In June 2020 Rebeca Grynspan stepped down as chair after six years in the role; the position was held on an interim basis by the Vice Chair Elizabeth Stephen. During 2020 the Board conducted an extensive recruitment and selection process for the new chair and the successful candidate, Dr Tara Shine, joined the Board in September 2020.

During 2020 the Board reviewed its ways of working, taking into consideration environmental impact and COVID-19 travel restrictions. The Board adopted a new schedule of more frequent meetings held both online and in person. The Board also agreed that the work of the Executive Committee (to oversee company business between full Board meetings) should be subsumed into Board business and that Committee was stood down. IIED's Board now meets in full four times a year.

The Finance Audit & Risk Assessment sub-committee (FARA) oversees financial performance, assurance and risk management at IIED. Membership of FARA is drawn from the Board and currently comprises five trustees and is quorate with three trustees, one of whom must be the chair, vice chair or treasurer. FARA

reports to the Board, and during 2020, FARA moved to meeting four times a year aligned with and in advance of Board meetings.

The Fundraising sub-committee (FRSC) reviews the progress of fundraising and business development work against the strategy and business plan. Membership is drawn from the Board and currently comprises three trustees. The Fundraising sub-committee meets at least twice a year and reports to the Board.

The NSC supports the Board in the execution of its responsibility to establish a formal and transparent procedure for the appointment of new trustees and to review annually the composition of the Board. Membership is drawn from the Board and currently comprises three trustees. The NSC meets at least twice a year and reports to the Board.

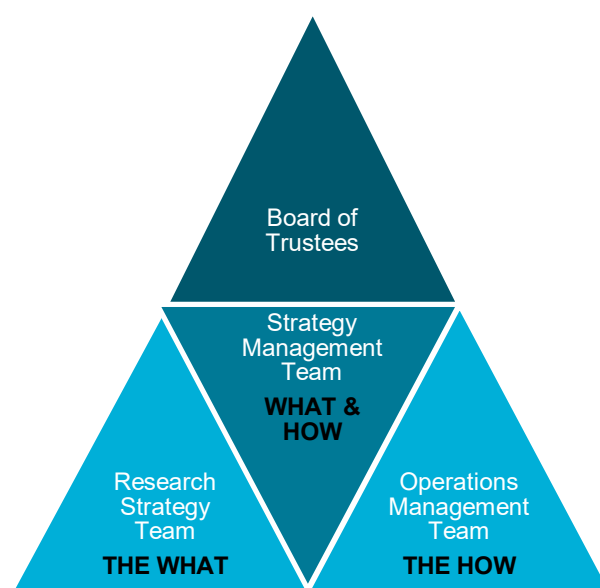
Members of IIED's senior management team attend Board meetings as well as meetings of Board committees and sub-committees. The Board engaged with the Union via representative attendance at Board meetings, and also with the Race and Racism working group with a trustee member of the working group.

During 2020-21, the Board and its sub-committees continued to meet remotely due to the coronavirus pandemic. Also due to the pandemic, other trustee recruitment for two vacancies was deferred in 2020; five trustee appointments will take place December 2021.

During 2020/21, the Board reviewed and approved the following policies: schedule of delegated authority, declarations of interest, safeguarding, treasury and reserves. During the year trustees received monthly management accounts, and reviewed a bi-monthly report monitoring the commercial health of the organisation during the coronavirus pandemic. In autumn 2020 with the London office lease approaching its end, the Board approved a move from the Gray's Inn Road office to a serviced office at High Holborn in London. In January 2021 trustees attended a risk management workshop led by the auditors Crowe LLP, and were joined by SMT for a discussion on the institute's appetite for risk to feed into a review of the risk management policy and approach.

IIED-Europe was established by IIED in late 2020 as a stichting, a legally independent foundation, based in the Netherlands with a focus on global environmental and social change. It was created to contribute to achieving major progress towards the goals of sustainable development, and to enable IIED to maintain close collaboration with a range of European actors and policy processes post-Brexit.

The Board delegates the day-to-day running of the charity to the director, who is supported by three leadership teams: Strategy and Management, Operations Management and Research Strategy.



The institute's researchers work in four groups: Climate Change (CCG), Human Settlements (HSG), Natural Resources (NRG) and Shaping Sustainable Markets (SSM). The director, management and the research groups are supported by two other groups — Strategy and Learning (SLG) and Communications (Comms) — in addition to operating functions reporting to the chief operating officer.

During FY21 IIED also established the Coronavirus Response Team (CRT), a cross-organisational, cross-functional group formed to assess and respond to the internal and external impact of COVID-19. The internal focus included staff wellbeing, developing a furlough policy in collaboration with the union, and supporting the move to homeworking; external focus considered the impact on partners and funder response to changing delivery plans.

About IIED

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

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

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

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

Established in 1973, IIED has made important contributions to many milestones of sustainable development for almost 50 years. These include the Brundtland Commission of 1987, the 2002 World Summit on Sustainable Development in Johannesburg, the annual meetings of the UN Framework Convention on Climate Change (UNFCCC), the Rio+20 summit in 2012, the Paris Agreement on Climate Change and the Sustainable Development Goals in 2015.

Our longstanding body of research and communications work has consolidated IIED's reputation at the cutting edge of environment and development and at the nexus where these agendas overlap.

Together with our broad-based network of partners, we aim to shape a future where people and planet can thrive.

Delivering public benefit

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

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

Recognising staff commitment and excellence

The trustees recognise, and are very grateful for, the outstanding efforts of IIED's staff during a most challenging year. As the world increasingly recognises the scale of the global challenges we face, the high quality research into sustainable development carried out by staff is more relevant than ever. Despite a wide range of personal challenges and in a wholly unpredictable environment, staff in the groups and support functions maintained their focus, adapting plans and working closely with partners and funders to meet our commitments. IIED's reputation is built on the dedication of its staff and its partners with whom we have built strong relationships over the years. These long standing relationships allowed teams across IIED to find new ways of working without the ability to travel and meet face to face. The Trustees of IIED recognise that funder flexibility and our continued pipeline of projects is evidence of our employees' ability to adapt, lead and deliver under pressure. The trustees will continue to do their utmost to support staff to deliver the strategy in a continually changing political and operational environment.

Investing in institutional performance

During 2020, the senseless and appalling killing of George Floyd triggered a profound reminder that racism is everywhere and needs to be addressed. IIED staff responded strongly to the Black Lives Matter movement, and an internal process of dialogue and reflection on race and racism was launched. A working group was established with staff from across the institute and including a trustee, the director, SMT and the people director. The Board is fully supportive of the change programme and receives regular updates from the working group.

IIED continued with its work to increase operational effectiveness during 2020/21. The institute developed a new people strategy which included training of mental health first aiders throughout the organisation, Living Wage and Disability Confident accreditation, and a review of the benefits package.

Within the finance function, further work took place to embed the finance system and develop improved monthly management accounts. An external review of financial controls was commissioned with no significant findings, and the suite of finance policies updated. A key deliverable was the development of a new overhead recovery model to enable more project specific costs to be charged directly to projects.

IIED adapted rapidly to remote working: from a technical perspective its key systems are cloud-based so there was minimal IT impact, but more importantly, the strong relationships across the institute and within teams enabled high quality collaboration and cooperation despite the challenges. As mentioned above, IIED's 10-year lease on its London Gray's Inn Road (GIR) office came to an end in December, providing a very timely opportunity to move to serviced offices giving greater long-term flexibility.

At the beginning of the year, IIED commissioned an external cybersecurity review. Subsequently, a new suite of policies was developed, and infrastructure and hardware security enhanced. The move out of GIR happened in parallel with completion of the project to transfer all of IIED's data to cloud storage.

IIED has an agreement with the trade union Unite. We worked together closely throughout the year to support adaptation to the new environment: collaboration on a wellbeing programme and a policy for staff furlough, and agreement on health & safety controls for a COVID-safe working environment during the periods that the offices were open.

A focus on strategy, learning and impact

We have now completed the second year of the 2019-24 strategy 'Make Change Happen' and have achieved two annual cycles of planning and reporting using the Learning and Impact Framework (LIF). The LIF annual plan and report constitute our principal accountability documents with our main institutional funders and they have let us know that they are very happy with the model, which provides them with a consistent and strategic overview of IIED's plans and the impacts of our work. A new one-year institutional funding arrangement was agreed with the Irish Government at €2m (£1.8m), with the intention from the Irish side of putting in place a multi-year agreement in 2022. The Swedish International Development Cooperation Agency (Sida) continues to support IIED through a five-year

grant from April 2019 for SEK175m (£2.9m per year). We are now in the second year of an additional funding allocation of SEK5m (£394k) per year for two years (ends March 2022) to support inputs to major global events on climate change and biodiversity.

The LIF is helping IIED focus more on effective learning. It is a principles-based model that requires all IIED researchers to reflect on what they want to change and how, and to gather evidence about both what is working and what is not working. It comprises a forward-looking planning document and a retrospective assessment document. It has enabled us to develop institutional practices to assess and reflect on the effectiveness and impact of our work. It explains how we organise our work to deliver on our strategic vision, how we monitor our impact, and how we learn and share lessons to continually improve. It also captures learning and evidence of impacts from our work and serves as an important point of reference for our partners, our trustees and our staff. IIED's website is used to share these learnings, at a project and institutional level.

Ensuring excellent communications

Our Communications Group works across IIED to deliver efficient, collaborative and innovative research communications that have the best chance of achieving impact and value for money. Our communications strategy has three key objectives: putting audiences first; creating content for impact; and enabling best practice communications and marketing. Over the last year, during the COVID-19 pandemic, we needed to respond to a change in working modalities for a number of our activities — particularly events — by moving to a fully online working environment. We achieved this with a good measure of success, and throughout this year have improved our digital working practices and experience. We also have considerable improvements in our engagement because of this. Our blog engagement doubled from 60,000 hits a year to 120,000. Our events programme has also more than doubled in participation.

Our day-to-day work supports two kinds of activities: ensuring IIED has a strong platform from which to deliver all the necessary institutional communications, and providing support to research groups on specific projects. Last year we produced print and digital outputs with format and content tailored to target audiences; we tested and refined new products; and we strengthened our ability to monitor and evaluate our work, feeding back what we had learned to our research groups for incorporation into new projects. This work continues and was supplemented with a project that looked at 'Flexible, agile, digital working: towards a new normal', which is helping us identify new strategic directions for ways of communicating across the organisation.

Over the last year we have continued our focus on four strategic directions: (1) a louder, bolder voice and encouraging IIED to sharpen its messaging (2) developing a greater connection to partners in key concentration countries (3) putting our digital strategy above print, while still delivering a relevant package for our key stakeholders and (4) becoming a much more "listening" organisation where we improve the ways we engage with new stakeholders, particularly younger audiences. We are planning to celebrate IIED's 50th birthday over the next year and will combine some of these activities with these elements to root IIED in a positive future.

The 2020 annual report took our digital approach even further, and we innovated with the format that has been highly successful and helped widen our repertoire of digital assets. Our media strategy continues to evolve and improve: we have shifted to a greater focus on influential mainstream and specialist media with an international reach. It has taken a while to build confidence inside and outside IIED, and we have seen more influential coverage over the last year and more interest from the media. A new media hiring this year should strengthen our ability to continue this strategy but build in some more in-country working with our partner constituencies.

Our record of creative content has continued to be stretched through working on a number of animations, audio visuals outputs, our Make Change Happen podcast and other event innovations. IIED's social media presence continues to grow, and we are developing more expertise in using statistics and data to deepen our engagement with current audiences as well as developing plans to reach new audiences. Our digital first strategy supports a continually growing and improving publications database of over 7000 outputs. Our work to maintain a first-class web platform that is

contemporary and attractive, also recognising that many of our audiences do not have easy access to the online environment, is geared to working well for those with little bandwidth and accessing content using mobile devices.

We continue to invest in our communications work and to share our skills and experience across the organisation and with our partners.

Our strategy

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

Our research takes valuable local solutions to influential global forums, achieving impact at many levels.

Our five-year strategy, *Make Change Happen*, outlines the nature of the ecological and social crises we face, and is structured around five challenges:

- the climate crisis
- an assault on the natural world
- increasing urban risk
- unsustainable markets
- increasing inequality.

The first four of these challenges each have a Research Group which leads our work in that space – namely the Climate Change Group, the Natural Resources Group, the Human Settlements Group and Shaping Sustainable Markets. Our work on inequality and inclusion is a cross-cutting theme that applies to all our work.

From early 2020, the COVID-19 pandemic has had huge global impacts, affecting the strategic context for IIED's work in all five of the global challenge areas that frame our strategy. In August 2020 we took stock of this changing context in a strategic reflection on the implications of the pandemic across all of IIED's work: [Making Change Happen in the Era of COVID-19](#).

Over the past year we pursued our research with partner organisations and continued communicating and engaging with those we wanted to influence in areas where we believe IIED can have the biggest possible impact in tackling these five challenges.

Under our strategy we renewed our commitment to strengthen our partnerships for change, and in the last year continued to harness the power of our growing network — from grassroots communities to multilateral institutions, from citizen-led social movements to policy advisors — to mobilise action at local, national and global levels.

Our new LIF evaluates our performance against the strategy and provides the structure for setting targets and tracking progress.

Analysis and assessment

Monitoring, evaluation and learning

IIED's emphasis on effective monitoring, evaluation and learning (MEL) reflects our determination to make change happen. IIED has implemented a comprehensive strategic framework that links together our [five-year strategy \(2019-2024\)](#), our institutional theory of change and our LIF.

During the period under review, our MEL team supported colleagues to enhance IIED's institutional MEL capacities. In particular, the team has been working with the forest team in the Natural Resources Group on a major review of the Global Environment Facility's support for Sustainable Forest Management and Reducing Emissions from Deforestation and Forest Degradation.

Learning and impact framework (LIF)

Our new LIF process was launched in May 2020 and is progressing well. The LIF enables us to gather evidence on IIED's contribution to longer-term outcomes and will provide a systematic reflection of our progress. All of the LIF documents are shared with our frame donors as our principal accountability tool.

The innovation of Impact and Learning Exercises (ILEs) has also proved valuable. Our first ILE on rethinking the settlement of investment disputes received strong media coverage, and our business process ILE on digital working generated great interest at our Donor Dialogue. We have three further ILEs in process on important areas (climate finance, nature and development, transformative urban pandemic recovery) and are planning two further ILEs with potentially significant strategic value.

The process of producing the ILEs has strengthened our research culture by introducing peer review at the concept note stage, as well as at the final product stage.

Stakeholder survey

To understand what our partners think about our work, we have carried out an annual stakeholder survey since 2014. This year we received 70 responses representing 34 different countries.

In line with our LIF, we have adopted new metrics that are better tailored to the current strategy. These are that, with partners, IIED: 1) Generates new types of evidence to support sustainable development; 2) Improves connections, interactions and power dynamics between different actors; and 3) Improves different actors' capabilities to create and use evidence.

Overall, IIED is achieving a solid score across all three dimensions.

A key takeaway from the survey is that respondents have the highest regard for the inclusiveness, innovation and practicality of our research methods and the relevance of our research to topical themes in sustainable development. 90% of respondents had read at least one IIED publication during the past year. Our way of working is recognisable for its strong focus on partner inclusion and participation, which stakeholders generally see as a necessary condition to achieve outcomes in the longer term. When asked whether IIED was a thought leader on gender issues, stakeholders gave us a solid four out of five on average.

Output statistics

During 2020, we undertook a major redevelopment of our [online publications library](#), integrating it with the main IIED website, adding new features, addressing security risks and setting up more accurate reporting systems for the institute.

More people visited [our website](#): we achieved 1,703,235 page views, a 36 per cent increase. We published 133 blog posts which were viewed 132,176 times (more than double the figure for the previous FY).

We observed a greater focus on online videos and events, an expected effect of the pandemic. Our [YouTube content](#) was viewed 95,636 times. We moved our events online and saw a significant increase in our reach: our online events were attended by at least 3,100 participants from 118 countries.

As an organisation, we now have more than 115,000 followers across our four main social media channels.

We have also seen increased media coverage of IIED, with more than 1,200 pieces in mainstream and specialist media outlets around the world.

Directorate and strategy and learning group

Selected highlights

As part of our strategy to position IIED as a respected think tank, we profile our work in influential international media outlets through the voice of our director, Andrew Norton. During the period under review, Andrew Norton has been quoted in media at least 19 times, including in reports by the BBC, Reuters, The Guardian and Mail Online. He published six blogs on the IIED website and three blogs on external sites, and he was also featured in 12 press releases and statements.

The Directorate led IIED's response to the coronavirus pandemic. This has included working with the Coronavirus Response Team to co-ordinate actions across four key areas: staff wellbeing, business development, business impact analysis and partnership.

The Directorate and SLG helped to develop the new COVID-19 Financial and Business Analysis report (produced bi-monthly and shared with trustees) and supported the shift to the Direct Cost Model for budgeting.

SLG has continued to lead work on MEL across the institute, further developing our skills on impact assessment, cost-benefit analysis and monitoring and evaluation. We have continued to advocate for better use of MEL and to build international partnerships to highlight the role of MEL as a tool for research and policy.

Every five years, IIED's main institutional funders commission an independent review of our work. This is a major undertaking, and the final report provides a hugely valuable assessment of the strengths and challenges facing the organisation, as well as shifts in the broader context in which we operate.

Our external review team is now in place and has produced a paper setting out the scope of the review and their proposed methodology. We will get feedback from our frame donors and from trustees over the coming months, and the work will take place during FY22.

Core research areas

The challenge: the climate crisis

Global responses lag behind essential action as climate impacts are powerfully felt in the world's poorest nations. The countries responsible for driving climate disruption must act urgently to curb emissions —: exceeding anthropogenic global warming of 1.5°C will spell disaster. Actions agreed up to this point — even if fully delivered — come nowhere near being sufficient to ensure that. At the same time, more climate finance is crucial to support poorer countries to build resilience and effect their own green transitions. In this area too, the world is lagging, having failed to deliver the \$100bn per annum of climate finance by 2020 that was first promised in 2009 at the Copenhagen COP. On top of the headline failure of volume there are also pressing needs to deliver more climate finance for adaptation, to vulnerable countries and to the local level – the communities at the frontline of the climate crisis.

We work with policy and research partners to redress the balance by helping vulnerable communities in low- and middle-income countries achieve climate resilience and development, and by pushing hard in every arena we can for ambitious global climate action.

Meeting the challenge

We worked closely with the Global Commission of Adaptation to support its locally-led action track, which focuses on expanding the amount of funding available for devolved and decentralised climate adaptation.

We developed the eight [Principles for locally led adaptation](#) to help ensure that local communities are empowered to lead sustainable and effective adaptation to climate change at the local level.

The January 2021 [Climate Adaptation Summit](#) saw 40+ governments, organisations and grassroots movements endorse the Principles, and since then more nations have endorsed them.

We have been asked by the UK Government to support their Adaptation Action Coalition to take up the Principles and to explore how partner governments might be interested in applying them.

We continued our support for the Least Developed Countries (LDC) Group at the UN climate talks. CCG has for some years supported the LDC Group to develop their LDC Initiative for Effective Adaptation and Resilience (LIFE-AR). We provided support directly to the frontrunner countries via technical meetings on setting up national platforms. Our ambition team supported the LDCs to hold their first-ever international summit – the Thimphu Ambition Summit, in December.

The team also helped the LDC Group develop their approach to virtual coordination of negotiating positions and to respond to increasingly unremitting climate diplomacy opportunities.

We supported The Gambia to launch work on developing long-term, low-emission, climate-resilient strategies and continued work to build the capabilities of junior UNFCCC negotiators, including women negotiators, through phase four of the [European capacity building initiative \(ecbi\)](#).

Social protection is a key tool to support the poorest to adapt to climate change. We are supporting governments to develop innovative solutions to deliver climate resilience impacts for [vulnerable rural communities in India](#). India's Ministry of Environment, Forest and Climate Change and the Director of the Ministry of Rural Development endorsed our concept note titled 'Strengthening Mahatma Gandhi National Employment Guarantee schemes contribution to climate resilience'.

We supported the UK's Climate & Development Ministerial meeting in March, leading on the Access to Finance theme.

Lessons learned

The biggest lessons that we learned this year relate to the rapid transition to online work and the implications for our climate action partnerships.

We learned that we have the capacity to rapidly adapt to changing circumstances and redesign our work in collaboration with our partners.

Trust is essential: the high degree of trust that we have built up with both our donors and our partners in the LDC Group has been vital to finding new solutions during the pandemic.

It is possible to host lively, interactive dialogues online. We took our flagship Community-based Adaptation conference [CBA14 online](#) in September, managing to retain its highly interactive format. This was a successful event with a hugely engaged community. We shared the many lessons we learned with colleagues and external partners.

Obstacles and opportunities

Our focus on deliberative dialogues has been affected by COVID-19, with many events moving online or postponed.

The UK has been given very positive feedback on our role at the Climate & Development Ministerial, and the COP26 team are looking for us to continue this work over the coming six months – including supporting the Taskforce on Access to Finance.

We will provide continued support to the LDC Group to enable them to successfully transition to virtual diplomacy and leverage virtual meeting spaces to articulate their climate ambition and enable their vision of climate-resilient green economic recovery.

The challenge: an assault on the natural world

We are in danger of losing the struggle to protect vital biodiversity, on land and in the ocean. A false choice between people and environment is causing many conservation efforts to overlook communities and lay waste to local livelihoods, as well as failing to protect wildlife. Meanwhile, agribusiness, extractives and other investment projects often take an aggressively short-term approach. Across the world, people who co-exist with, and rely on, natural resources — terrestrial and marine — see their rights and livelihoods eroded.

Environmental justice is at the heart of IIED. We believe solutions to the untenable pressures on the living planet must also be built on foundations of social justice. This can only be achieved through meaningful engagement with the people who feel the shifts in our natural world most keenly.

Meeting the challenge

Our legal tools team continued to explore how to support socio-legal empowerment in the context of international investment. The team produced numerous impactful media outputs, including a [successful multimedia 'longread'](#).

The legal tools team also published [a report](#) showing how international legal measures could increase the cost of shifting to green energy. This report generated much interest and was the subject of [an article in The Economist](#).

We signed an agreement for a new project on Advancing Land-based Investment Governance (ALIGN) which will run to 2025.

We continued our work on indigenous food systems, biocultural heritage and agricultural resilience. With partners in the UK, China, India and Kenya, we are researching indigenous food systems and the role of indigenous crops in agricultural resilience. The work is generating much interest.

The biodiversity team has continued to highlight nature's role in delivering development outcomes for poor people. The team also continued work with the International Union for the Conservation of Nature (IUCN) to deliver an [online learning series to help practitioners engage communities in tackling illegal wildlife trade](#). It has led online training on the [SAGE methodology](#) (site-level assessment for governance and equity) for potential facilitators in Bolivia and Honduras, Colombia and the Western Indian Ocean region.

In Cameroon, our partners in the [LandCam](#) project mobilised over 20 civil society organisations to draft a [land policy](#) document calling for an improved governance framework that recognises customary ownership and secures the rights of Indigenous Peoples and women. The document was presented to the Cameroon government.

IIED is a partner in the Forest and Farm Facility (FFF), a highly successful international collaboration that is providing support to forest and farm producer organisations across Africa, Asia and Latin America. A 2020 review of the [impact of the last two years of FFF work](#) shows: 58 policy changes driven by, and in favour of, organised forest and farm producer organisations (FFPOs); some 80 new or enhanced value-adding activities within FFPO businesses emerging from 259 business-related training events, as well as FFPO climate action scaled up across more than 70,000 hectares of forest landscape restoration.

Our project Empowering Producers in Commercial Agriculture (EPIC) supported small-scale rural producers in Malawi and Nepal, hosted webinars and published a research report [summarising our work](#).

Lessons learned

Travel restrictions and the shift to online engagement can impede the discussion of sensitive issues. Pandemic-related travel restrictions are a particular challenge where shared understanding and genuine partnership on sensitive political or ground-reality issues is essential.

The pandemic highlighted the vital role of local organisations in supporting resilience. Local organisations and their associations are the frontline in improving resilience and resisting regulatory rollback. We are analysing the sources of local organisational innovation - and how community organisations can be recognised and supported to cope with shocks and stresses.

Challenges and opportunities

As the pandemic's economic consequences unfold, the **policy space for regulating working conditions and secure livelihoods may shrink.** Our team continues to analyse this.

The **'build back better and greener' agenda** may offer opportunities for work that can explore innovations and long-needed policy reforms to support natural resource-based economies and resilience at the local level.

The challenge: increasing urban risk

We know the lowest-income nations will be home to the majority of urban growth over the coming decades. Increases in existing populations and the arrival of men, women and children will swell the cities of Africa and Asia. Climate change and conflict will play their part in mass movement. But these nations often lack the institutions and infrastructure necessary to counter the poverty, social exclusion and unhealthy environments that too often accompany dense, spiralling populations. The Sustainable Development Goals and the Paris Agreement cannot be achieved without towns and cities that are inclusive and resilient.

Our work in this area delivers on multiple fronts, placing local agency at the forefront for truly local-to-global impacts.

Meeting the challenge

HSG staff responded rapidly to the coronavirus pandemic and worked with partners to highlight the pandemic's impacts on low-income urban residents in the global South. Timely blogs helped establish our reputation as a source of reliable knowledge on the implications of COVID-19 in informal and low-income urban areas. Outputs included [coronavirus threat looms large for low-income cities](#) by Cecilia Tacoli and Eric Fèvre and [Dealing with COVID-19 in the towns and cities of the global South](#) by Diana Mitlin.

We amplified community responses through a series of online reports on [Grassroots Visions of Change](#), which gained a high readership.

We began work on a project that will compare the [experiences of refugees and internally displaced persons \(IDPs\) in cities and camps](#). Working in four countries — Afghanistan, Ethiopia, Jordan and Kenya — we will look at how cities can better respond to protracted displacement.

We also began work with the [African Cities Research Consortium](#) to look at urban development in some of Africa's biggest cities, using the lens of 'cities as systems'. This consortium, led by the University of Manchester, has the potential to make significant contributions to urban research and practice across the continent.

Our flagship journal, [Environment & Urbanization](#) (E&U), remains a significant part of our outreach. Both 2020 issues focused on [the roles of the state and communities in urban housing and land-use management](#). We initiated a rapid review process for papers on the pandemic and included a special section on this topic in the October issue.

Other notable outputs include a lively blog series on [The transition to a predominantly urban world](#), curated by IIED senior fellow David Satterthwaite.

As part of an Impact and Learning Exercise, we began work on identifying the essential components for a Transformative Urban Recovery from COVID-19 in the global South. We convened two workshops and [a related paper](#) will be published later in 2021.

Lessons learned

The context for urban research is changing. There is an ever-growing interest in urban issues, but often in ways that fail to prioritise the needs and priorities of low-income groups. We are considering how to address this.

COVID-19 will continue to profoundly affect many of the cities where we work. We are working with partners to understand the impacts that pandemic on low-income groups and to document how citizens groups are responding.

Obstacles and opportunities

HSG has been particularly hard-hit by the cuts to UKRI / Global Challenges Research Fund budgets. Three excellent research proposals which we submitted to UK Research funders were unsuccessful. We have been reprogramming work and actively seeking additional funding.

We anticipate that many new funding initiatives will be in the climate space and will analyse this in relation to urban issues. We will be producing various outputs on COVID-19 impacts in urban areas and will actively seek opportunities to deepen this work.

The challenge: unsustainable markets

From small family businesses to corporates, the private sector is struggling to keep pace with a host of global threats. Too often, good intentions fail to deliver real benefits for people or the environment, as businesses lack full knowledge of the supply chain or the realities on the ground.

Governments are also being challenged to count the true environmental, social and economic value of working with nature rather than exploiting it, from forests to fisheries. And until more equitable markets that preserve vital resources are a reality, our efforts to reduce poverty, combat climate change and protect biodiversity will suffer.

Transitions to a more sustainable and inclusive economy must address social, environmental and economic dimensions – this is crucial if we are to deliver the Sustainable Development Goals. We work to ensure that government and private sector policymaking treats inclusion and equality as central concerns, and that economic decision making fully includes the value of natural capital.

Meeting the challenge

The **inclusive green economy team** produced an [influential paper on debt swaps](#) to provide additional resources for climate, nature and post-COVID-19 recovery. The International Monetary Fund and the World Bank picked up on the work, and have established a platform with the UN and OECD on debt, climate and nature. Paul Steele and Sejal Patel were invited to join its technical advisory group. We secured funding to pilot the potential for swaps in [four West African countries](#): Senegal, Mauritania, Cape Verde and Guinea Bissau.

The team also worked on innovative financing for biodiversity conservation, an issue receiving increasing attention ahead of the Kunming CBD COP. [The paper](#) was picked up by the media, and the Ecologist magazine produced [an article based on this work](#).

The **energy team** are part of a consortium that won funding to provide technical assistance to Kenyan counties to support the devolution of energy to the county level. This recognises the [innovative technical approach for inclusive and cross-sectoral planning](#) that we have implemented in Kitui.

Financing access to energy, including leveraging private finance, continues to be an influential theme of the team's work. A paper published in September looks at the [potential for blending public and private finance to expand energy to renewable energy in Asia and Sub-Saharan Africa](#).

The **food systems team** secured a grant from the IKEA Foundation to help understand and define 'planet positive agriculture', and review evidence for transformative change in East African agriculture

and food systems. We are engaging in the increased international debate around food systems, in part prompted by the UN Food Systems Summit. Alejandro Guarin was invited to lead the livelihoods theme of a flagship LANCET Countdown report on global food systems, to be produced annually for the next ten years.

The **inclusive blue economy team** continued exploring how governments can use fiscal instruments to deliver positive socioeconomic and environmental outcomes for sustainable and inclusive fisheries management. This includes research on the potential for impact investment to support effective management and sustainable financing of marine protected areas.

We also held our 7th Fish Night event, this time looking at [gender equality in the seafood value chain](#). This online event attracted more than 200 participants.

Our work on **inclusive and responsible business** has been boosted by the focus on a green and inclusive recovery post COVID-19. We developed a framework for FCDO to assess companies' commitment to and performance on climate, environment and social issues as part of the Business Partnerships for the Global Goals Programme.

IIED's SSM Group hosts the secretariat for The [Green Economy Coalition \(GEC\)](#) - the premier civil society network campaigning for a global transition to green and fair economies. Co-founded in 2009 by IIED, IUCN, UNEP, and WWF, it now has a global membership of more than 50 organisations. It is strategically independent, and IIED is a member of the GEC steering committee.

GEC responded to the coronavirus pandemic by establishing a multi-stakeholder Green Recovery team and updating its Green Economy tracker with a [COVID-19 policy tracker](#). Together with Partners for Inclusive Green Economy, it launched a policy statement setting out [Ten Priority Options for a Just, Green & Transformative Recovery from COVID-19](#).

GEC is exploring the concept of a new [social contract](#) that would link human rights, economic reform and deliberative democracy. GEC also aims to create clarity around a policy ecosystem to support green small-to-medium enterprises. In January 2021, GEC and SEED organised an online roundtable on [How small enterprises can be better supported as part of the COVID-19 Green Recovery](#).

GEC continues to build its decentralised, multi-country hub structure with national hubs on six continents. The [GEC Amazon Green Economy Hub](#) launched in September 2020, and GEC also secured two years' funding to expand to an East African regional hub, based in Uganda and serving Kenya, Tanzania and Rwanda.

Lessons learned

The pandemic has disproportionately affected the livelihoods of the poorest and most excluded, especially women, in both developing and developed countries. This has far-reaching implications for inequality, both as the crisis continues and in the longer term. This makes IIED's focus on addressing the needs of these groups even more relevant.

While we were able to adapt much of our ongoing work to virtual engagement and working more closely with partners, this has **required working in different, often more time consuming, ways**, for example, developing ways to carry out interviews virtually that still enable inclusive participation and enable women's voices, in particular, to be heard. We need to build this additional time requirement into proposals in the short and medium term.

The inability to travel has had relatively little impact on relations with existing partners but it has been **challenging to identify and establish new partnerships**, particularly in new geographies for work. Establishing a central database of partner organisations and their areas of interest could help to address this.

Obstacles and opportunities

Many teams saw work disrupted; for example, the inclusive green economy team's work in Kenya and Sri Lanka on insurance for wildlife damage and a planned presentation about the work at the Oxford Wildlife conference were postponed.

We began developing new work looking at fisheries supply chains. This will complement our fiscal reform work by recording how the fish supply chain reacts to system shocks like COVID-19 and highlight the importance of building resilience strategies into fisheries management schemes.

We have been engaging in the debates around transition towards net zero and the potential for post-COVID-19 recovery to [accelerate green and inclusive transition](#). Green minerals have a key role to play in renewable energy (eg batteries) and digital technology (eg cobalt) and we are working on responsible ASM cobalt in the DRC, through [our engagement with the Global Battery Alliance](#).

The challenge: increasing inequality

The struggle for greater participation, rights and equality underpins every challenge we address. Accelerating elite wealth and growing inequality is undermining global solidarity and commitment to a shared future. Climate change, disruption to the world of work and disparities in access to digital technologies, if unchecked, will increase inequalities in income and power. In many countries, democratic freedoms and spaces for civic activism have declined. Women, as well as young, indigenous and disabled peoples, are among those who too often go unheard.

A determination to promote inclusion and justice runs through everything we do: informing how we work, where and with whom.

Meeting the challenge

The COVID-19 pandemic threatens to reverse years of work to reduce inequalities in developing countries. The world-wide shift to digital working exacerbates inequalities for those with poor online access and skills; public health responses to the pandemic (lockdowns) have been immensely damaging for those in the informal economy who receive no formal protection or sick pay; the burdens of caring for the sick fall disproportionately on women and girls; informal settlement dwellers are inevitably massively at risk due to high population densities and the lack of sanitary facilities; poor populations the world over are disadvantaged in accessing high quality healthcare; interruptions in schooling tend to damage those children whose hold on an education pathway is the most tenuous. Furthermore, the gross inequalities of access to vaccines and to stimulus finance threaten to impact poorer countries far harder than richer ones leading to huge inequalities in economic recovery trajectories.

We have highlighted COVID-19 stories of impact and resilience (particularly the significance of grassroots organisation in responding) [on our website](#) and engaged in developing policy responses with a particular focus on urban informal settlements.

IIED's work in the climate space focuses heavily on issues of global climate justice, through our work to support the LDC Group in climate negotiations and our narratives on local action and local finance ('Money Where it Matters').

The Climate Change Group continued work to [build the capabilities of junior and women UNFCCC negotiators](#) and are also looking to pilot a mentoring programme for junior women negotiators from LDCs.

We supported the LDC Group and other partners with the rapid transition to virtual working arrangements in response to the pandemic. Our support has included consultations to understand partner's current technical and bandwidth capacities, identifying how best to engage with those unable to download documents or participate in webinars and exploring options to repurpose project funds to improve their online capability with partners and donors.

We completed work with the World Bank and partners to understand how citizen engagement can [strengthen socially just locally-led climate action](#). This included exploring potential ways forward using digital tools, and highlighting the importance of investing in the political capabilities of women and other excluded groups.

IIED's research has highlighted continuing commercial pressures on land across the global South and, in particular, the continuing lack of women's voice in land governance. We are working with partners in Ghana, Senegal and Tanzania on interventions to strengthening women's voices and improving the [gender sensitivity of land policies](#). The latest phase of this project is testing innovative strategies to mainstream gender in approaches such as land demarcation and mapping, land-use planning and certification.

We also published series of blogs exploring core principles that can help to [strengthen women's land rights](#).

Lessons learned

Unequal access to digital tools has profound implications for equity in diplomacy. As the world has moved online in response to the coronavirus pandemic, negotiators for less developed nations in international processes are at risk of being left behind. In November 2020, IIED [surveyed climate negotiators](#) for the LDCs to understand how COVID-19 has impacted their work. Of the 46 country teams that responded, 90 per cent agreed that poor internet access affected their ability to participate in virtual meetings. Some negotiators were unable to attend any online meetings on climate diplomacy. Others had to withdraw from UNFCCC committees because they could not access virtual discussions. These challenges exist in other international processes too.

Pandemic recovery stimulus funding can be used to drive structural change that addresses inequality and exclusion. There is growing agreement that in the wake of the pandemic, governments and institutions must not return to 'business as usual'. This provides an opportunity to [address issues of inequality as governments seek to 'build back better'](#) and support an inclusive, green and sustainable recovery.

Challenges and opportunities

The pandemic has highlighted **the need to manage risk and build resilience among the most vulnerable**. We need to assess multi-dimensional risks such as pandemics, climate hazards, economic shocks and ecosystem degradation, and how they can exacerbate inequalities. We are engaging with partners on how multi-dimensional risks are deepening inequality, and exploring the long-term resilience approaches we need.

The new emphasis on digital working will continue. We need to build on the learning of the last year to ensure that all of our staff and partners are able to participate equally online. IIED has an opportunity to provide leadership on digital inclusion within the sector. In particular, greater understanding and action around accessibility are needed.

Crosscutting themes

We have put a huge effort into our **pandemic response**, reprogramming work schedules, negotiating new arrangements with donors, finding new ways of working with partners and adapting to delivering work without travel. We prepared thoroughly in advance for the shift to home working and ensured that we maintained regular communication with staff during the lockdown. We launched discussions across IIED on re-orienting our research and organised a webinar with frame donors about the crisis. We quickly began publishing COVID-19 reports and comment, and developed guidance on research ethics in the era of coronavirus for when field travel can restart.

As part of our commitment to mainstream **gender equality** in our work, IIED researchers carried out a structured analysis of past and ongoing research to see how effectively we incorporated gender and intersectional inequalities into our work. We are reflecting on the result and looking at the next steps.

We established a **Race and Racism working group** which has developed a draft work programme built on three headings: review, learn, reform. This is now moving to implementation. The goal is to strengthen our work on decolonising development and conservation practice, and to build IIED's capability to be a leading organisation in anti-racist action both internally and externally.

Across the institute, a range of formal and informal **learning initiatives** helped us to manage our performance and integrate best practices.

Robust impact analysis helped strengthen our pandemic response. We established a COVID-19 Business Impact Analysis system, which has brought tremendous benefits in terms of timely and focused reporting, strategic insights, improved risk assessment and management, and internal communication.

We saw further examples of **cross-team collaboration and synergies**. For example, the MEL team has been working with the forest team to deliver a major review of the Global Environment Facility's support for Sustainable Forest Management and Reducing Emissions from Deforestation and Forest Degradation. The review is assessing the impact and sustainability of the Global Environment Facility investment, which has been approximately \$2.8 billion in grants and an additional \$14 billion in co-financing.

Looking ahead

The global pandemic shock continues. Low-income and vulnerable countries are being hardest hit, threatening decades of progress and exacerbating inequalities. The gross global inequalities of access to COVID-19 vaccines threatens to leave poorer countries mired in the pandemic for years while richer ones are able to protect their populations and restart their economies. While many rich countries have secured enough vaccine supply to vaccinate their populations many times over, less than 1% of vaccine doses administered so far have been in Africa – and that number is still declining. The long-term implications for international solidarity and the capacity to act in our common interest are potentially severe.

In the shorter term, the outlook for IIED in the coming year has some significant uncertainties. Challenges include a tough funding environment, restrictions on travel, changed working environments and the potential for the pandemic to continue to shift geopolitics in unexpected ways.

There are also opportunities, such as the resumption of important international meetings on global issues and the possibility of using pandemic recovery stimulus spending to drive structural change in ways that tackle key crises.

On funding, we are responding on multiple fronts, including: starting a programme of outreach to philanthropies, thinking about bids to the reviving US climate finance market and the private sector, exploring consultancy opportunities, undertaking outreach to grow our group of frame donors, exploring bidding for non-ODA research opportunities, and extending our contact network in the EU.

We have established the legal entity and governance structure for IIED-Europe. It is clear that the European Commission will be a major site of policy leadership on a global scale on sustainable development, and IIED-Europe will enhance our ability to participate in this.

The pandemic and broader changes have accelerated the need for us to think about what processes we may need improve or introduce to ensure that IIED can be fit for the next 5-10 years. We have begun a wide-ranging conversation across the institute about long-term change which is laying the groundwork for IIED's next five-year strategy by stimulating creative thinking at all levels.

Some early points to emerge include:

- IIED can be a thought leader on decolonisation and diversity and influence others on increasing understanding and action on inequality.
- We need to drive new and deeper engagements with partners and funders.

- IIED can demonstrate good practice in digital leadership, particularly in terms of building global communities and supporting equitable online participation.
- Travel restrictions have hit our research and partner relationships hard. We need to be clear about when in-person engagement should be prioritised as restrictions ease.
- We will continue to explore opportunities for South-South-North knowledge exchange and adding staff in the global South.
- In response to funding challenges, we need to step up actions to share knowledge and strategies between IIED research groups and embrace more transparent ways of working.

We will pursue all of these ideas over the coming year. We have also commissioned our five-yearly External Review which takes place during 2021 and will report back at the end of FY22. This will consider the context in which IIED works, assess our impact and provide recommendations about our future strategy and approach to help inform the next 5-10 years of our work. The External Review will be published on our website.

Finance review

The statement of financial activities and balance sheet prepared by the trustees is set out on pages 32 to 33 and demonstrates a strong performance despite a wholly unpredictable environment:

- Income is very slightly lower than the previous year, £18.2 million against £18.4 million recorded in 2019/20.
- The average number of employees has increased to 140 (2020:133), with further expansion in our research activity (core function staffing remained static).
- Payments to collaborating entities increased from £3.6 million in 2019/20 to £4.6 million in 2020/21
- IIED ended the financial year 2020/21 with a relatively small shortfall of £99.6k.

IIED has no public fundraising activity and is not a grant making organisation; instead it works in collaboration with its partners, resulting in no fundraising activity and grant making disclosures being given.

Key management remuneration

IIED's senior management team is paid according to the pay scale negotiated with the union, and is benchmarked against similar organisations. Two salaries are outside the pay scale (director, chief operating officer) and were agreed with the union prior to recruitment.

Investment policy

We invested our cash in fixed-term deposits during 2020/21. This policy produces an acceptable rate of return while giving us flexibility to access funds.

Related parties

Some IIED trustees are also trustees of other charities or directors or senior officers in other organisations IIED works with as a normal part of its research activities. Where such work involves payment, they enter into arm's length contracts and any payments related to these contracts are detailed in Note 11 to these accounts. The Board operates a conflicts of interest policy.

Risk management

IIED's trustees are ultimately responsible for risk management and the effectiveness of our internal control systems. The scheduled reviews of institutional risk took place in 2020/21 (twice at full Board and twice at FARA). Regular review of the risk management process is delegated to FARA, which also oversees an assurance programme.

Throughout 2020/21, the institute continued to produce detailed reports every two months (in addition to monthly management accounts) on the impact of the pandemic on the business (income, operations, partners) which were shared with trustees.

During 2020/21, IIED notified the Charity Commission of one serious incident relating to potential loss following an audit of a project. Further detailed review of the project's finances took place, the significant majority of the findings were resolved, and the project's funder covered its costs in full. A review of project financial management and audit assurance, roles and responsibilities was carried out and new training and documentation developed. The Charity Commission closed the incident.

Key risks

As 2020/21 started, the ensuing year with the global pandemic and its impact on the institute's operations could not have been predicted. At the beginning of the year, IIED established a Coronavirus Response Team to monitor and respond to internal and external risks and issues. The impact of COVID-19 was addressed in the following ways:

- Other than a brief return to the office in autumn 2020, staff spent the majority of the year working at home. IIED had recently completed its programme to move all data and core systems to the cloud so the technological impact was minimal; instead, the institute's internal focus was on supporting employees in a challenging working environment. Working groups for health & safety and wellbeing were set up, and a furlough policy agreed with the union.
- The strategic risks anticipated from the pandemic were monitored throughout the year: being unable to engage in international travel to support research and policy engagement activities, and the reduction in aid budgets. Both of these risks materialised, with no operational travel and cuts to UK government research funding. Despite this, the institute maintained financial and operational stability throughout the year.
- Although IIED had planned to extend its London office lease for a further five years to 2025, as the pandemic continued it became apparent that the organisation had adapted well to remote working. The Board approved the proposal to terminate the Gray's Inn Road lease, and IIED left in December after 10 years, moving to serviced offices with a contract through to mid-2023. During 2022 we will review IIED's overall office requirements in advance of any change in 2023.

Other strategic risks to IIED continue to be political in origin:

- Global geopolitics undermining the global co-operation needed to address the climate crisis, and fuelling nationalism, thus diverting funding from international development. We have continued to develop relationships with new partners, and our business development strategy includes developing relationships with trusts and foundations.
- Continued deterioration in the relationship between the UK and the EU, impacting our access to funding and potentially to skilled staff. The establishment of the EU office with business development plans will be supported during the year by strategic use of reserves.

Reserves policy

IIED's reserves policy is aligned with the new five-year strategy launched in April 2019.

To protect the organisation and its charitable programme against the risks of funding loss through income shortfalls and other unexpected financial losses, IIED's reserves policy sets a target for total unrestricted reserves of approximately four months of operating costs and staff salaries less liabilities from employee benefits. This is c£2.2 million: trustees have therefore set the target range of free reserves (being total funds less restricted and designated funds) at between £1.9 million and £2.5 million.

Total funds at 2020/21 year end are £2.5m (2020: £2.6m). The total free reserves have decreased to £2.2m (2020: £2.4m), within the target range endorsed by the Board.

Plans for future periods

The preceding trustees' report provides information about research plans for future periods. Key cross-cutting institutional initiatives for 2021/22 include:

- The COP26 climate and COP15 biodiversity conferences which will be focal points for our policy influencing in 2021.
- Support for the newly-established IIED-Europe office in Amsterdam, building new partnerships and working on new projects together.
- Internal discussion about culture and strategy, with the findings of the Race & Racism working group feeding into our vision for a future IIED.
- As we settle into serviced offices, we will be able to more clearly identify any London office requirements beyond 2023 to support our strategy and reduce our carbon footprint.

Statement of going concern

IIED had a financially stable year in 2020/21. A small loss was made, but there is a pipeline of projects for 2021/22 which gives IIED reassurance about the short- to medium-term future. IIED is funded through income from charitable activities in relation to commissioned research, both practical and academic, and contracted income for 2021/22 is at the mid-year point similar to the levels achieved in previous years.

Throughout 2020/21 and into 2021/22, IIED has been closely monitoring the delivery of its projects, including the ability of partners to carry out research. Although COVID-19 did impact the delivery of some projects, these delays have not been significant. The primary COVID-related impact was the loss of UKRI funding to two major programmes, but one was approaching closure and adapted its final year programme, and the other has already had some success in generating alternative income to continue the majority of its work.

Trustees have continued to receive monthly management accounts and two-monthly updates on the impact of COVID-19, with information about mitigating actions. The trustees considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of IIED's operations (including COVID-19), and a review of the budget and forecasts to December 2022.

IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs, to minimise any draw on reserves during 2021/22.

Having regard to the above, the trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Statement of trustees' responsibilities

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

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

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

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

In so far as the trustees are aware:

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

Auditors

Crowe U.K. LLP has indicated its willingness to continue in office and in accordance with the provisions of the Companies Act, we propose that they be re-appointed auditors for the ensuing year.

This annual report of the trustees, under the Charities Act 2011 and Companies Act 2006, was approved by the Board of Trustees on 22 September 2021, including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:

Tara shine .

Dr Tara Shine

Chair

Date: 22 September 2021

Independent Auditor's Report to the Members and Trustees of International Institute for Environment and Development

Opinion

We have audited the financial statements of International Institute for Environment and Development ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 27, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focussing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, The Charities and Trustee Investment (Scotland) Act 2005 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were employment legislation, health & safety legislation, General Data Protection Regulation (GDPR) and Anti-fraud, bribery and corruption legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance, Audit & Risk Assessment Committee about their own identification and assessment of the risks of irregularities, sample testing and data analytics on journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, sample testing of grant and contract income, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May
Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London, UK

29 October 2021

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2021

	Note	Unrestricted Funds £	Restricted funds £	Total 2021 £	Unrestricted Funds £	Restricted funds £	Total 2020 £
INCOME AND EXPENDITURE							
Income from							
Bank interest		2,236	-	2,236	11,398	-	11,398
<i>Charitable activities</i>							
Commissioned studies and research income was received in the following areas of activity:							
Climate change		1,107,003	3,574,657	4,681,660	518,882	4,423,402	4,942,284
Natural resources		619,561	5,450,389	6,069,950	88,271	2,288,793	2,377,064
Sustainable markets		162,702	1,326,825	1,489,527	1,022,606	858,037	1,880,643
Human settlements		211,706	1,920,887	2,132,593	1,161,006	5,070,934	6,231,940
Green economy coalition		-	1,256,363	1,256,363	-	521,910	521,910
Partnerships and development		993,466	82,717	1,076,183	21,908	1,312,261	1,334,169
Communications and publications		4,669	1,020,128	1,024,797	17,475	1,067,227	1,084,702
Other		361,114	97,733	458,847	31,825	-	31,825
Total incoming resources	13	3,462,457	14,729,699	18,192,156	2,873,371	15,542,564	18,415,935
Expenditure on							
<i>Charitable activities</i>							
• Commissioned studies and research	2	3,213,012	15,078,752	18,291,764	2,858,129	15,721,809	18,579,938
Total resources expended		3,213,012	15,078,752	18,291,764	2,858,129	15,721,809	18,579,938
Net income/(expenditure)		249,445	(349,053)	(99,608)	15,242	(179,245)	(164,001)
Transfers between funds	8	(349,053)	349,053	-	(179,245)	179,245	-
Net movement in funds		(99,608)	-	(99,608)	(164,003)	-	(164,003)
Funds brought forward at 1 April 2020		2,604,952	-	2,604,252	2,768,955	-	2,768,955
Funds carried forward at 31 March 2021	9	2,505,344	-	2,505,344	2,604,952	-	2,604,952

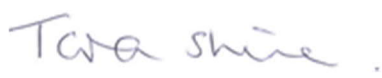
All amounts relate to continuing operations. There are no other recognised gains and losses other than those shown above.

Balance sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	4	211,755	344,718
Intangible fixed assets	5	132,915	206,455
		344,670	551,173
Current assets			
Stocks		-	-
Debtors	6	2,258,893	3,692,793
Cash at bank and in hand		6,545,229	3,920,080
		8,804,122	7,612,873
Liabilities			
Amounts falling due within one year	7	(1,995,678)	(1,695,846)
Deferred revenue		(4,647,769)	(3,863,248)
		(6,643,447)	(5,559,094)
Net current assets		2,160,675	2,053,779
Amounts falling due after more than one year		-	-
Net assets	8	2,505,345	2,604,952
Funds			
Unrestricted reserves	9	2,160,675	2,406,838
Designated reserves	9	344,670	198,114
Total funds	8	2,505,345	2,604,952

Approved by the Board of Trustees on 22 September 2021

and signed on its behalf by:

Dr Tara Shine 

Les Campbell 

Registered company number: 2188452

Cash flow statement for the year ended 31 March 2021

	2021 £	2020 £
Net incoming resources	(99,608)	(164,003)
Interest received	(2,236)	(11,398)
Foreign exchange	213,868	(89,246)
Depreciation	260,358	333,082
Disposals of tangible fixed assets	4,214	-
Increase / (decrease) in deferred revenue	784,521	999,328
(Increase) / decrease in debtors	1,433,901	1,557,231
Increase / (decrease) in creditors	299,832	(1,213,057)
Net cash used in operating activities	2,894,850	1,411,937
Cash flows from investing activities		
Purchase of tangible fixed assets	(58,069)	(246,734)
Interest received	2,236	11,398
Foreign Exchange	(213,868)	89,246
Net cash provided by (used in) investing activities	(269,701)	(146,090)
Increase in cash during the year	2,625,149	1,265,847

Analysis of changes in cash during the year

	2020 £	Change in year £	2021 £
Cash at bank and in hand	3,920,080	2,625,149	6,545,229
	3,920,080	2,625,151	6,545,229

Notes to the Financial Statements for the year ended 31 March 2021

1. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

IIED meets the definition of a public benefit entity under FRS 102.

Going Concern

IIED had a financially stable year in 2020/21. A small loss was made, but there is a pipeline of projects for 2021/22 which gives IIED reassurance about the short- to medium-term future. IIED is funded through income from charitable activities in relation to commissioned research, both practical and academic, and contracted income for 2021/22 is at the mid-year point similar to the levels achieved in previous years.

Throughout 2020/21 and into 2021/22, IIED has been closely monitoring the delivery of its projects, including the ability of partners to carry out research. Although COVID-19 did impact the delivery of some projects, these delays have not been significant. The primary COVID-related impact was the loss of UKRI funding to two major programmes, but one was approaching closure and adapted its final year programme, and the other has already had some success in generating alternative income to continue the majority of its work.

Trustees have continued to receive monthly management accounts and two-monthly updates on the impact of COVID-19, with information about mitigating actions. The trustees considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of IIED's operations (including COVID-19), and a review of the budget and forecasts to December 2022.

IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs, to minimise any draw on reserves during 2021/22.

There are no material uncertainties which cast doubt on the entity's ability to continue as a going concern.

Having regard to the above, the trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Income recognition

All incoming resources becoming available to the institute are recognised in the Statement of Financial Activities on the basis of entitlement, there is sufficient probability of receipt and the amount can be quantified with reasonable accuracy. In respect of unrestricted income and restricted income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related grant or long-term contract income, income entitlement is considered to be conditional upon the delivery of a specified level of service, in accordance with FRS 102 and the Charities SORP. Income is therefore recognised to the extent the charity has delivered the service or activity. The time or expenditure incurred to date, as appropriate, is used as a reasonable estimate or approximation of the charity's performance and so income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet to reflect the matching of such income with future activities.

Incoming resources subject to restrictions

Grants and donations given for specific purposes are credited to a restricted fund, against which expenditure for that purpose is charged. Expenditure includes direct staff costs, other direct costs and, by agreement with the donors, an allowance for overheads calculated as a percentage of direct staff costs. The element of the overhead allowance that represents running costs which cannot be separately identified to a specific piece of work is credited to unrestricted funds in the Statement of Financial Activities (see note 3).

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Expenditure

All expenditure is accounted for on an accrual basis.

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

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

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

Financial instruments

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

Fixed assets

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

Leasehold improvements: Remaining period of lease

Office furniture and equipment: 5 years

Computer hardware: 3 years

Computer software: 5 years

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

Cash and cash equivalents

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

Provisions

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

Exchange rates

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

Leases

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

Unrestricted funds

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

Notes to the Financial Statements (continued)

2. Analysis of total resources expended

	Programme costs £	Payments to collaborating entities £	Support costs £	2021 Total £	2020 Total £
Charitable activities					
Commissioned studies and research					
Climate change	2,582,792	237,927	951,710	3,772,429	5,960,918
Natural resources	2,095,040	2,815,645	1,656,864	6,567,549	5,242,416
Sustainable markets	1,043,260	52,881	369,838	1,465,979	2,212,504
Human settlements	888,011	1,073,370	661,769	2,623,150	2,014,048
Green economy coalition	727,997	423,029	388,356	1,539,382	751,118
Strategy and learning	700,359	5,104	238,023	943,486	1,049,207
Communications and publications	1,031,695	-	348,094	1,379,789	1,349,727
	9,069,154	4,607,956	4,614,654	18,291,764	18,579,938

Foreign exchange gains and losses recognised in the year amounted to a loss of £213,868 (2020: gain £89,246)

3. Support costs

	2021 £	2020 £
Premises	895,332	1,382,901
Finance	1,369,472	1,073,628
Director's office/trustees	656,998	539,787
IT services	596,556	573,403
Human resources	1,037,004	549,321
Systems development	59,292	6,181
Total	4,614,654	4,125,221

Support costs are allocated to activities as follows:

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

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

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

Governance costs - on the basis of staff time

Management costs - on the basis of staff time

	2021 £	2020 £
Audit fees		
Statutory audit	31,000	28,950
Grant audit	96,994	42,900
Other non-assurance services	5,220	-
Total	141,896	69,730

Governance costs amounted to £46,444 (2020: £78,928)

Resources expended include operating lease rentals of £368,376 (2020: £541,314)

Notes to the Financial Statements (continued)

4. Tangible fixed assets

	Leasehold improvements £	Furniture and fixtures £	Office and computer equipment £	Total £
Cost				
At 1st April 2020	1,680,004	201,298	427,896	2,309,198
Additions	5,735	2,114	50,220	58,069
Disposals	(1,573,457)	(5,149)	(268,882)	(1,847,488)
At 31 March 2021	112,282	198,263	209,234	519,779
Depreciation				
At 1st April 2020	1,480,983	174,252	309,245	1,964,480
Charge for year	112,792	8,887	65,139	186,818
Disposals	(1,573,457)	(5,149)	(264,668)	(1,843,274)
At 31 March 2021	20,318	177,990	109,716	308,024
Net book value				
At 31 March 2021	91,964	20,273	99,518	211,755
At 1st April 2020	199,021	27,046	118,651	344,719

5. Intangible fixed assets

	Computer software £	Total £
Cost		
At 1st April 2020	367,699	367,699
Additions	-	-
Disposals	-	-
At 31 March 2021	367,699	367,699
Depreciation		
At 1st April 2020	161,244	161,244
Charge for year	73,540	73,540
Disposals	-	-
At 31 March 2021	234,784	234,784
Net book value		
At 31 March 2021	132,915	132,915
At 1st April 2020	206,455	206,455

Notes to the Financial Statements (continued)

6. Debtors

	2021 £	2020 £
Less than one year:		
Grants receivable	745,058	1,646,669
Accrued income	1,157,588	1,479,411
Other debtors	77,767	33,951
Prepayments	278,480	532,762
Total debtors	2,258,893	3,692,793

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	996,999	593,313
Accruals	626,941	420,598
Other creditors	3,997	427,504
Social security and other taxes	367,741	254,431
Total	1,995,678	1,695,846

	1 April 2020 £	Incoming resources £	Resources expended £	31 March 2021 £
Deferred revenue	3,863,248	14,729,700	13,945,179	4,647,769

8. Analysis of net assets between funds

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	-	211,755	-	211,755
Intangible fixed assets	-	132,915	-	132,915
Debtors	356,247	-	1,902,646	2,258,893
Cash	2,435,366	-	4,109,863	6,545,229
Creditors	(630,938)	-	(1,364,740)	(1,995,678)
Deferred income	-	-	(4,647,769)	(4,647,769)

Net assets	2,160,675	344,670	-	2,505,345
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2020

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	146,604	198,114	-	344,718
Intangible fixed assets	206,455	-	-	206,455
Debtors	566,713	-	3,126,080	3,692,793
Cash	2,474,735	-	1,445,345	3,920,080
Creditors	(848,102)	-	(847,744)	(1,695,846)
Deferred income	(139,567)	-	(3,723,681)	(3,863,248)

Net assets	2,406,838	198,114	-	2,604,952
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Notes to the Financial Statements (continued)

9. Unrestricted reserves

	1st April 2020 £	Income £	Transfers £	Resources expended £	31st March 2021 £
Total unrestricted reserves	2,406,838	3,462,457	(495,609)	(3,213,011)	2,160,675
Designated funds					
Fixed Asset Fund	-	-	344,670	-	344,670
Building and capital fund	198,114	-	(198,114)	-	-
Total reserves	2,604,952	3,462,457	(349,053)	(3,213,011)	2,505,345
	1st April 2019 £	Income £	Transfers £	Resources expended £	31st March 2020 £
Total unrestricted reserves	2,496,689	2,873,371	(179,245)	(2,783,977)	2,406,838
Designated funds					
Building and capital fund	272,266	-	-	(74,152)	198,114
Total reserves	2,768,955	2,873,371	(179,245)	(2,858,129)	2,604,952

Building and Capital Fund: In FY20 IIED made an increase in the dilapidations provision which was payable under the terms of the lease on the Gray's Inn Road office. The site was vacated in December 2020, a payment in lieu agreed with the landlord and unused funds returned to free reserves.

As IIED has moved out of the Gray's Inn Road office the designated fund has been repurposed to a fixed asset fund and the opening balance of the Building and Capital fund has been transferred in during the year

Notes to the Financial Statements (continued)

10. Employees

	2021	2020
	No.	No.
The number of employees during the year was:	140	133
Number of part time employees in above	28	33
The aggregate remuneration paid to employees was:	£	£
Wages and salaries	7,015,039	6,210,239
Social security costs	750,211	664,847
Other pension costs	508,291	462,940
	8,273,541	7,338,026
The number of staff whose remuneration fell within each of the following bands was:	2021	2020
£110,000 - £119,999	1	-
£100,000 - £109,999	-	1
£90,000 - £99,999	1	-
£80,000 - £89,999	11	1
£70,000 - £79,999	8	10
£60,000 - £69,999	9	11

Termination payments of £20,602 were made in the year (2020: £nil). No amounts were outstanding at the year end.

The key management personnel of the charity comprise the trustees, the Director, Chief Operating Officer, Director of Climate Change, Director of Communications, Director of Human Settlements, Director of Natural Resources, Director of Strategy and Learning and Director of Sustainable Markets. The total employee benefits of the key management personnel of the charity were £821,439 (2020: £805,023).

No company pension scheme existed at 31 March 2021. Contributions are paid on behalf of employees to independently administered money purchase plans. The cost to the Group during the year was £508,291 (2020: £462,940).

11. Related Parties

During the year no trustee received remuneration (2020: £nil). Where claimed, expenses incurred on the institute's business were reimbursed. The total claimed during the year was £0 (2020: £30,075). The number of trustees claiming expenses was 0 (2020: 17).

Payments were made in respect of Director's expenses incurred for the management of the charity of £172 during the year (2020: £15,655)

Notes to the Financial Statements (continued)

12. Commitments

At 31 March 2021 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings £	2021 other £	Land and buildings £	2020 other £
Operating leases which expire in less than one year	279,333	-	327,667	19,633
Operating leases which expire within one to five years	367,527	-	129,333	6,544
Operating leases which expire over five years	-	-	-	-

IIED had commitments on contracts to partners of £10.6m at the year end (2020 £5.9m), £5.9m due in less than one year and £4.7m due within one to five years. Payments are contingent upon specific funder-related milestones being met and have therefore not been included within grant liabilities

IIED holds a lease signed in October 2020 for rent of London office premises for a term of 30 months at £12,000 per calendar month for 3 months and £20,000 per month thereafter.

IIED currently rents Edinburgh office premises at the rent of £36,000 per annum to May 2021 and thereafter £40,000 per annum to July 2024.

13. Income

		2021 £	2020 £
Donors			
Government and government agencies		9,768,212	9,930,873
International and multilateral agencies		2,667,884	2,576,051
Foundations and NGOs		6,067,900	7,325,145
Corporate		792,269	1,896,384
Donor income received		19,296,265	21,728,453
Other Income			
Interest receivable		2,236	11,398
Other Income received		2,236	11,398
Total		19,298,501	21,739,851
Add: Income deferred from prior year		3,863,247	2,863,920
Less: Income due to prior year		(1,479,411)	(3,804,000)
Add: Income due from next year		1,157,588	1,479,411
Less: Income deferred to next year		(4,647,769)	(3,863,247)
Total incoming resources		18,192,156	18,415,935
Government and Government Agencies			
Sida	Sweden	3,360,733	2,893,131
Irish Aid	Ireland	2,697,104	1,799,045
DFID - FCDO	United Kingdom	2,284,129	1,221,884
Department for Environment, Food & Rural Affairs	United Kingdom	448,353	616,742
The Secretary of State for Health	United Kingdom	398,941	598,647
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)	Germany	220,795	1,180,824
Ministry of Economic Growth and Job Creation	Jamaica	149,473	-
Ministry of Environment, Sweden	Sweden	145,555	164,027
German Institute for Development (DIE)	Germany	36,697	77,559
GIZ	Germany	18,122	1,741
GIZ	Germany	1,016	95,670
Niger Basin Authority	Niger	-	42,121
Embassy of Sweden, Kenya	Kenya	-	845,597
Ministry of Foreign Affairs, Ireland	Ethiopia	-	384,001
Amounts less than £10,000		7,294	9,890
Total Government & Government Agencies		9,768,212	9,930,879
International and Multilateral Agencies			
European Commission	Belgium	1,322,578	1,590,733
Asian Development Bank	Philippines	400,030	186,181
World Bank	Malaysia	291,502	286,380
United Nations Food and Agriculture Organisation (FAO)	Italy	203,388	266,582
United Nations Development Programme (United States)	USA	99,821	-
The Collaborative Africa Budget Reform Initiative	South Africa	61,491	-

		2021 £	2020 £
UNDP Thailand	Thailand	35,572	-
UNDP, Bangladesh	Bangladesh	34,159	-
UNEP, Nairobi	Kenya	31,471	-
Regional Centre for Mapping of Resources	Kenya	26,820	-
United Nations Office for Disaster Risk	Switzerland	23,283	-
UN Human Settlements Programme, Kenya	Kenya	20,283	16,806
World Food Programme	Italy	18,684	-
United Nations Office for Project Services (UNOPS)	Denmark	16,136	30,164
United Nations Environment Programme (Switzerland)	Switzerland	15,311	-
Organisation For Economic Co-Op & Development	France	13,620	42,969
International Fund for Agricultural Development (IFAD)	Italy	4,462	4,462
United Nations Development Programme (Switzerland)	Switzerland	-	118,480
United Nations Environment Programme (Asia & Pacific)	Thailand	-	11,789
Commonwealth Secretariat	United Kingdom	-	10,354
Amounts less than £10,000		49,273	11,151
Total International & Multilateral Agencies		2,667,884	2,576,051
Foundations and NGOs			
Economic and Social Research Council (ESRC)	United Kingdom	2,512,430	2,056,488
MAVA Foundation	Switzerland	845,432	850,949
The British Academy	United Kingdom	299,204	177,399
IKEA Foundation	Netherlands	260,413	-
Wellspring Philanthropic Fund	USA	255,742	350,989
World Resources Institute (WRI)	USA	172,321	300,825
University of Manchester	United Kingdom	169,218	92,571
Hivos	Netherlands	165,234	679,166
Oxford Policy Management	United Kingdom	130,138	17,466
University of Southampton	United Kingdom	97,714	56,549
Stockholm Resilience Centre	Sweden	89,396	225,694
Arts & Humanities Research Council	United Kingdom	87,896	86,958
Arcus Foundation	United Kingdom	80,670	73,395
Sustainable Environment Management Action	Tanzania	69,341	-
FSD Africa	Kenya	64,046	-
LTS International Ltd	United Kingdom	63,696	142,670
Jamma International	United Kingdom	61,380	-
WWF Netherlands	Netherlands	58,598	87,585
Schmidt Family Foundation	USA	57,911	82,395
IUCN, Switzerland	Switzerland	50,429	-
World Conservation Monitoring Centre	United Kingdom	42,211	11,468
Open Society Foundations	USA	41,849	-
Global Wildlife Conservation	USA	35,744	38,921
European Climate Foundation	Netherlands	34,214	99,465
International Union for Conservation of Nature	Kenya	33,176	-
International Livestock Research Institute	Kenya	30,354	109,709
Ground Truth Solutions	Austria	27,764	-
Engineering and Physical Sciences Research	United Kingdom	26,303	-

		2021 £	2020 £
International Budget Partnership	USA	24,550	-
IHA Sustainability Ltd.	United Kingdom	22,500	-
Meridian Institute	USA	16,350	-
Sustainable Market Foundation	USA	14,535	-
Loughborough University Enterprises Limited	United Kingdom	13,389	-
Practical Action UK	United Kingdom	11,780	-
Institute of Development Studies (IDS)	United Kingdom	9,254	16,758
WWF International	Switzerland	7,185	12,977
University of Edinburgh	United Kingdom	6,314	6,635
United Cities and Local Governments	Spain	4,801	19,737
Mercy Corps USA	USA	4,036	98,955
WWF Sweden	Sweden	2,063	64,532
WYG International Ltd	United Kingdom	1,703	239,412
Sustainable Use and Livelihoods Specialist Group	Australia	1,536	6,248
Near East Foundation	USA	-	198,607
New Venture Fund	USA	-	156,587
Overseas Development Institute	United Kingdom	-	140,995
Charles Stewart Mott Foundation	United Kingdom	-	79,770
Global Center on Adaptation	Netherlands	-	77,876
University of Evora	Portugal	-	56,592
International Union for Conservation of Nature	Burkina Faso	-	52,506
Christian Aid	United Kingdom	-	51,999
International Land Coalition	Italy	-	49,016
Tufts University	USA	-	44,826
Royal Society for the Protection of Birds	United Kingdom	-	40,000
Wellcome Trust	United Kingdom	-	35,456
Eventbrite	United Kingdom	-	32,580
International Institute for Sustainable Development	Canada	-	23,548
Institute of International Education	USA	-	21,832
ENDA Pronat	Senegal	-	19,077
Strathclyde University	United Kingdom	-	18,523
University of Oxford	United Kingdom	-	17,491
TRAFFIC International	United Kingdom	-	15,720
Wellbeing Economy Alliance	United Kingdom	-	15,000
British Council	United Kingdom	-	12,900
International Union for Conservation of Nature	South Africa	-	10,740
Conservation Through Public Health	Uganda	-	10,424
Climate-KIC Holding B.V. Netherlands	Netherlands	-	10,218
Global Resilience Partnership	Sweden	-	4,200
Other amounts less than £10,000		65,080	122,744
Total Foundations and NGOs		6,067,900	7,325,145
Corporate			
PricewaterhouseCoopers London	United Kingdom	470,111	585,579
Pricewaterhousecoopers Limited, Kenya	Kenya	89,650	276,978
DAI Global Belgium SRL	Belgium	44,827	78,067
Le Groupe-conseil baastel Itée	Canada	43,656	12,392
SAGE Publications Ltd	United Kingdom	43,467	41,606
Simusolar	Tanzania	29,935	-
E-SUD DEVELOPPEMENT	France	17,417	-
Unilever	United Kingdom	15,833	-

		2021	2020
		£	£
The Palladium Group	United Kingdom	15,461	-
Mott MacDonald Ltd	United Kingdom	11,150	-
Altair Asesores S.L.	Spain	6,188	42,227
KPMG International (UK)	United Kingdom	-	606,907
KPMG East Africa	Mauritius	-	191,268
DAI Europe LTD	United Kingdom	-	26,732
IPE Global limited	India	-	20,525
Amounts less than £10,000		4,574	14,103
Total Corporate		792,269	1,896,384

14. Payments to collaborating organisations

		2021 £	2020 £
Payments to organisations			
Le Centre pour l'Environnement et le Developpement	Cameroon	562,919	282,200
Samuel Hall	Kenya	347,438	-
Columbia Center on Sustainable Investment	USA	264,703	-
University of Oxford	Great Britain	180,316	133,289
Namati	USA	171,016	-
The Environment and Climate Research Center	Ethiopia	166,521	-
University of the Witwatersrand	South Africa	142,592	-
Cardiff University	Great Britain	133,872	-
Women's Legal Resources Centre	Malawi	124,576	47,450
Reseau de lutte contre la Faim (RELUFA)	Cameroon	121,877	88,497
University College London	Great Britain	119,617	123,566
University of Reading	Great Britain	108,249	112,202
Urban Health Resource Centre	India	101,845	123,690
Training and Resource Support Centre	Zimbabwe	100,087	57,434
Finance Watch	Belgium	86,929	-
M.G. Silva Consultoria E.I.	Mozambique	81,670	215,269
Tanzania Women Lawyers Association	Tanzania	76,917	4,050
The Copperbelt University	Zambia	74,861	83,225
Regional Universities Forum for Capacity Building	Uganda	73,951	95,750
University of Ghana	Ghana	73,709	78,571
Advocates Coalition for Development and Environment (ACODE)	Uganda	71,505	51,180
Imperial College London	United Kingdom	71,202	59,255
Development Alternatives	India	70,426	-
Hivos East Africa	Kenya	67,855	-
Community Self Reliance Centre	Nepal	66,702	63,629
Zambia Community Based Natural Resources	Zambia	60,706	10,483
Global Green Growth Institute	South Korea	53,440	-
The Natural Resources Institute at The University of Greenwich	United Kingdom	52,499	25,610
IED Afrique	Senegal	49,217	46,575
Slum Dwellers International, Kenya	Kenya	45,507	-
Madhya Pradesh Council of Science and Technology	India	39,457	-
The Conservation Foundation	Great Britain	37,436	36,162
Nepal Agriculture Cooperative Central Federation Ltd	Nepal	36,987	40,785
Echnoserve Consulting PLC	Ethiopia	36,410	-
Centre for Community Initiatives	Tanzania	36,000	-
Economic Policy and Competitiveness Research Centre	Mongolia	35,741	55,995
Sustainable Amazonas Foundation	Brazil	35,000	-
Caribbean Natural Resources Institute	Trinidad and Tobago	33,408	39,096
Zimbabwe Congress of Trade Unions	Zimbabwe	33,395	37,170
Kenya Forestry Research Institute	Kenya	27,403	20,000
Fundación Foro Nacional por Colombia	Peru	27,388	35,392
International Union for Conservation of Nature And Natural Resources (IUCN)	Kenya	26,496	157,187
Lok Chetna Manch (LCM)	India	26,049	20,000
Tanzania Natural Resource Forum	Tanzania	25,546	35,530

Women's Refugee Commission	USA	25,194	-
Wildlife Conservation Society, USA	USA	23,147	17,028
International Union for The Conservation Of Nature	Burkina Faso	23,057	48,204
Fauna and Flora International	Great Britain	22,529	99,228
Libélula Institute for Global Change	Peru	22,511	24,945
University of Warwick	Great Britain	22,233	9,612
Governo de Moçambique Governo Provincial	Mozambique	21,027	44,295
International Rescue Committee Inc	USA	20,103	-
Oxford Climate Policy	Great Britain	18,391	60,482
International Center for Living Aquatic Resources Management	Malaysia	17,028	30,708
Nanning Green Seed Poverty Alleviation Service Center	China	16,415	-
Village Enterprise Fund	Uganda	15,190	31,280
Dialogue on Shelter Trust	Zimbabwe	15,076	-
Zimbabwe Chamber of Informal Economy Associations	Zimbabwe	13,840	-
Maseno University	Kenya	11,687	-
AB Consultants	Kenya	11,280	33,646
WWF International	Switzerland	10,000	8,422
IUCN Senegal	Senegal	10,000	-
Institute for Financial Management and R	India	5,993	28,325
Pastoral Women's Council	Tanzania	4,951	16,580
Asociación ANDES	Peru	4,530	15,100
Institute of Policy Studies of Sri Lanka	Sri Lanka	4,331	20,136
Practical Action Consulting West Africa	Senegal	3,476	10,851
IIED America Latina	Tanzania	3,000	14,864
Association Nourrir Sans Détruire	Burkina Faso	2,659	18,468
Strong Roots	Congo (Brazzaville)	2,341	10,988
Zanzibar Civil Society Alliance on Climate Change	Tanzania	1,498	20,974
Universidade Eduardo Mondlane	Mozambique	206	19,605
Arid Lands Development Focus (ALDEF)	Kenya	(5,104)	70,090
Christian Aid	Great Britain	(28,790)	212,590
Christian Aid Kenya	Kenya	-	84,481
Womankind Kenya	Kenya	-	50,775
Merti Integrated Development Programme	Kenya	-	40,946
ENDA – Senegal	Senegal	-	36,156
Reidenviro Limited	Great Britain	-	33,783
African Population and Health Research Center	Kenya	-	32,291
Institute of Geographic Sciences and Natural Resources Research	China	-	25,000
Hakikazi Catalyst	Tanzania	-	24,782
Tropenbos DRC	Congo (Brazzaville)	-	23,275
Resource Equity	USA	-	17,756
Trade And Industry Policy Strategies (TIPS)	South Africa	-	14,491
Network for Environment and Sustainable	Cameroon	-	14,158
University of Southampton	Great Britain	-	12,300
Pamoja Youth Initiative	Tanzania	-	11,850
Balfour Beatty	Great Britain	-	11,750
Institute of Tropical Forest Conservation	Uganda	-	11,292
Payments less than £10,000		110,727	114,244
Total payments		4,607,956	3,604,993

15. Funds

Project Name	Balance at 31 March 2019 £	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	Balance at 31 March 2020 £	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Balance at 31 March 2021 £
FRAME - various projects	-	4,474,693	4,491,636	16,943	-	5,344,809	4,582,469	-762,340	-
Learning and Action Platform	-	132,208	132,208	-	-	78,640	78,640	-	-
IWTCF	-	-	-	-	-	-	-	-	-
Enhancing PA Equity and Effectiveness	-	160,911	160,911	-	-	75,166	75,166	-	-
Why Eat Wild Meat?	-	154,248	154,248	-	-	80,879	80,879	-	-
Natural Capital Approaches, WCMC Darwin	-	4,794	4,794	-	-	17,212	17,212	-	-
LIFE-AR DFID	-	369,171	372,498	3,327	-	-	-	-	-
Building Resilience in Ethiopia	-	14,439	17,757	3,318	-	215,960	215,960	-	-
SIDA - ADA Consortium Phase II	-	854,749	854,749	-	-	16,844	11,022	-5,822	-
IPCC Co-ordinating Lead Author	-	-	-	-	-	7,914	7,914	-	-
BIOPAMA: Governance and equity of protected and conserved areas	-	-	-	-	-	72,769	78,495	5,726	-
ALIGN	-	-	-	-	-	780,000	780,000	-	-
GCA Local Adaptation Track	-	171,722	171,722	-	-	5,701	10,713	5,012	-
MWIM	-	-	-	-	-	-	-	-	-
LIFE-AR Extension	-	264,189	279,167	14,978	-	-	-	-	-
GIZ E-READI	-	58,030	58,030	-	-	13,600	13,600	-	-
IBFCCA Financing Climate Change Africa	-	-	-	-	-	25,026	25,026	-	-
LIFE-AR Phase II	-	-	-	-	-	980,736	980,736	-	-
DFID/DAI - Asia Climate Resilience	-	26,733	26,760	27	-	-	-	-	-
DFID BP4GG	-	7,696	8,937	1,241	-	3,307	8,307	5,000	-

Project Name	Balance at 31 March 2019 £	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	Balance at 31 March 2020 £	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Balance at 31 March 2021 £
DFID - MGNREGS Extensions	-	2,179	2,179	-	-	343,650	343,650	-	-
GEC – Dialogues for Financial Reform	-	-	-	-	-	640,534	640,534	-	-
The state of planet-positive agriculture in Kenya, Ethiopia, Rwanda and Uganda	-	-	-	-	-	260,413	260,476	63	-
Trees, COVID and Politics	-	-	-	-	-	38,713	47,130	8,417	-
Covid, Cobalt and Community [Co-balt 19]	-	-	-	-	-	12,719	13,167	448	-
Impacts COVID-19 wild meat consumption	-	-	-	-	-	47,451	47,451	-	-
Covid Collective: SDI Kenya and MSJC	-	-	-	-	-	2,962	6,630	3,668	-
Covid Collective: DoST, Zimbabwe	-	-	-	-	-	12,917	13,463	546	-
Transformative Urban Coalitions: Catalysing Urban Partnerships	-	-	-	-	-	35,391	37,956	2,565	-
Covid Collective Manchester	-	-	-	-	-	10,199	10,199	-	-
CoNGOs	-	127,891	127,891	-	-	-	-	-	-
LEGEND	-	89,014	69,182	-19,832	-	-	-	-	-
Pathways to Accountability: Securing Women's Rights II	-	57,406	56,162	-1,244	-	-	-	-	-
LandCam: Securing land and resource rights and improving governance in forest areas of Cameroon	-	566,379	566,379	-	-	598,885	674,269	75,384	-

Project Name	Balance at 31 March 2019 £	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	Balance at 31 March 2020 £	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Balance at 31 March 2021 £
Empowering Communities in the context of Commercial Agriculture	-	420,095	420,095	-	-	500,137	500,137	-	-
Ecosystem-based approaches to adaptation: strengthening the evidence and informing policy	-	393,027	393,027	-	-	78,735	85,850	7,115	-
Implementing park action plans for community engagement to tackle IWT	-	102,685	102,685	-	-	69,867	69,867	-	-
Supporting smallholder farmers' decision making: Managing trade-offs and synergies for sustainable intensification (SAIRLA)	-	168,066	168,066	-	-	27,435	29,046	1,611	-
ECBI Training, Support, and Trust-Building Project	-	210,466	210,466	-	-	112,190	112,190	-	-
Support to achieve the NDC adaptation targets in the context of Paris Agreement	-	41,784	133,219	91,435	-	1,016	1,016	-	-
BRACED: Phase 2	-	79,251	79,251	-	-	13,755	13,755	-	-
Phase I: Appraisal, design and testing of social protection and climate adaptation linkages at the district level, Mabote (Inhambane province), Mozambique	-	379,958	379,958	-	-	217,943	217,943	-	-
Financing climate resilience through MGNREGS	-	286,176	286,176	-	-	10,889	10,889	-	-

Project Name	Balance at 31 March 2019 £	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	Balance at 31 March 2020 £	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Balance at 31 March 2021 £
Carrots and sticks	-	61,418	61,418	-	-	24,815	25,315	500	-
EARF	-	507,096	506,941	-155	-	-51,005	-51,005	-	-
Other	-	5,356,090	5,425,297	69,207	-	4,001,525	5,002,685	1,001,160	-
Total restricted funds per SOFA	-	15,542,564	15,721,809	179,245	-	14,729,699	15,078,752	349,053	-

Restricted Funds

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant project.

Frame funding – various projects

IIED currently receives institutional 'frame' funding from the Swedish and Irish Governments. It is provided to support delivery of the organisation's five-year institutional strategy. The funding enables IIED to explore new areas of research, which might otherwise be difficult to fund. It also supports exploration of new methodologies and ways of working, plus development and maintenance of effective systems for evaluation of our work, communicating with key audiences, and liaison with key actors in delivery of our work.

Learning and Action Platform IWTCF

Funded by the UK Government's Illegal Wildlife Trade Challenge Fund to collect, synthesise and share lessons in Tanzania, Zambia, regionally and internationally on community engagement against IWT.

Enhancing PA Equity and Effectiveness

Funded by the UK Government's Darwin Initiative to implement the Social Assessment for Protected and Conservation Areas (SAPA) methodology in Kenya, for more equitable and effective conservation

Why Eat Wild Meat?

Funded by the UK Government's Darwin Initiative to understand more about why people eat wild meat and improve projects that promote alternatives, focussing on Cameroon

Natural Capital Approaches, WCMC Darwin

Funded by the UK Government's Darwin Initiative via UNEP WCMC to include natural capital values and the cost of biodiversity loss in policy decision making for sustainable socioeconomic transformation

LIFE-AR DFID

LDC Initiative for Effective Adaptation and Resilience.

Building Resilience in Ethiopia (BRE)

The BRE programme covers DFID's humanitarian assistance in Ethiopia and is intended to contribute to the objective of an 'Ethiopia that is more resilient to climate and humanitarian shocks'.

SIDA - ADA Consortium Phase II

Funded by the Embassy of Sweden, this project is the ADA Consortium Transition Phase.

IPCC Co-ordinating Lead Author

Funded by the Department for Business, Energy and Industrial Strategy, lead author of Chapter 6 "Cities, Settlements and key infrastructure" of the Intergovernmental Panel on Climate Change (IPCC) Working Group II Contribution to the IPCC 6th.

BIOPAMA: Governance and equity of protected and conserved areas

Funded by the European Commission through International Union for Conservation of Nature and Natural Resources (IUCN), the project aims to enhance governance of Community-Based Natural Resource Management (CBNRM) for better conservation and social outcomes in Zambia.

ALIGN

Funded by Foreign, Commonwealth and Development Office (FCDO), the initiative is developed to promote, at scale, more responsible practices for land-based investments.

GCA Local Adaptation Track MWIM

Assisting the GCA in the co-creation of their Locally Led Action Track up to and beyond the UN Secretary-General's Climate Summit in September 2019

LIFE-AR Extension

Funded by Department of International Development, this project focusses on supporting the LDC Initiative for Effective Adaptation and Resilience.

GIZ E-READI

The delivery of technical assistance to the Enhanced Regional EU-ASEAN Dialogue Instrument (E-READI) project in the area of Natural Capital.

IBFCCA Financing Climate Change Africa

Funded by Sida through the Collaborative Africa Budget Reform Initiative, the Inclusive Budgeting and Financing for Climate Change in Africa programme supports stronger links between climate change policy and the budget process with Ministries of Finance as the key interlocutors.

LIFE-AR Phase II

Funded by Department of International Development and Irish Aid, this project focusses on supporting the LDC Initiative for Effective Adaptation and Resilience.

DFID/DAI - Asia Climate Resilience

DFID's Asia Regional Team is designing an 'Asia Regional Climate Resilience Platform'. This programme will make a significant contribution to the UK Government's objectives in Asia ensuring that growth in our partner countries is sustainable and forging new partnerships with rising powers to tackle global problems.

DFID BP4GG

Funded by DFID, this project is managed by Mott MacDonald with IIED as subconsultant to Mott MacDonald. This project is focused on business partnerships for global goals.

DFID - MGNREGS Extensions

Financing Climate Resilience through Mahatma Gandhi National rural employment guarantee scheme

GEC – Dialogues for Financial Reform

An EC-funded project to build civil society participation for sustainable finance reforms: global coverage.

The state of planet-positive agriculture in Kenya, Ethiopia, Rwanda and Uganda

Funded by the IKEA Foundation to research into the state of planet-positive agriculture in Kenya, Ethiopia, Rwanda and Uganda.

Trees, COVID and Politics

Funded by Institute of Development Studies (IDS), on behalf of Foreign, Commonwealth and Development Office (FCDO), the Covid 19 Social Science Research-Evidence Platform researches the topic Trees kill Covid: Politics, tree-planting and post-pandemic rural resurgence.

Covid, Cobalt and Community [Co-balt 19]

Funded by Institute of Development Studies (IDS), on behalf of Foreign, Commonwealth and Development Office (FCDO), it is the sub-project of the Covid 19 Social Science Research-Evidence Platform.

Impacts COVID-19 wild meat consumption

Funded by the UK Government's Darwin Initiative, the aim is to understand the impacts of COVID-19 on wild meat consumption in rural Cameroon.

Covid Collective: SDI Kenya and MSJC

Funded by Institute of Development Studies (IDS), on behalf of Foreign, Commonwealth and Development Office (FCDO), the project aims to strengthen the advocacy and mobilisation on the frontlines.

Covid Collective: DoST, Zimbabwe

Funded by Institute of Development Studies (IDS), on behalf of Foreign, Commonwealth and Development Office (FCDO), the project aims to identify the transformative urban pathways.

Transformative Urban Coalitions: Catalysing Urban Partnerships

Funded by BMU (German Government) through United Nations University UNU-EHS), the project aims to drive systemic transformation towards sustainability in Latin America.

Covid Collective Manchester

Funded by Institute of Development Studies (IDS), on behalf of Foreign, Commonwealth and Development Office (FCDO), it is the sub-project of the Covid 19 Social Science Research-Evidence Platform.

CoNGOs

Designed to contribute to achieving the anticipated impact of the DFID programme of support to the development of sustainable and secure community livelihoods in the Congo Basin.

LEGEND

Funded through ODI, LEGEND (Land: Enhancing Governance for Economic Development) was a DFID global programme to improve land governance as an essential and inclusive basis for economic development and strengthen land and property rights at scale.

Pathways to Accountability: Securing Women's Rights II

Funded by American Jewish World Service, this project works to secure women's rights through legal empowerment in the context of agricultural and other natural resource investments.

LandCam: Securing land and resource rights and improving governance in forest areas of Cameroon

An EC-funded project to secure land and resource rights and improve governance in Cameroon.

Empowering Communities in the context of Commercial Agriculture (EPIC)

Funded by the Foreign, Commonwealth and Development Office, EPIC aims to empower rural producers and their wider communities to influence public decisions and private sector conduct in favour of more sustainable investments in commercial agriculture.

Ecosystem-based approaches (EbA) to adaptation: strengthening the evidence and informing policy

An International Climate Initiative project funded by BMU (German Government) to strengthen evidence on when and why EbA works best and inform policy at national and international levels.

Implementing park action plans for community engagement to tackle IWT

Funded by the UK Government's Illegal Wildlife Trade Challenge Fund to engage communities in Uganda to reduce IWT, focussing on the area around Murchison Falls National Park.

Supporting smallholder farmers' decision making: Managing trade-offs and synergies for sustainable intensification (SAIRLA)

Funded by WUG International Ltd. this project will address the research question: "How do smallholder farmers manage the trade-offs between production, sustainability, and other socio economic and environmental factors?"

ECBI Training, Support, and Trust-Building Project

The ecbi programme builds the capacity of climate negotiators from vulnerable developing countries to create a more level playing field in climate negotiations at the international level and is funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).

Support to achieve the NDC adaptation targets in the context of Paris Agreement

Funded by GIZ, this project is supporting national monitoring systems to enable adaptation reporting.

BRACED: Phase 2

Building resilience and adaptation to climate extremes and disasters programme funded by Near East Foundation. Providing technical support for the design and setup and communication of climate finance and planning mechanisms, climate information systems, and the learning, monitoring and evaluation framework

Phase I: Appraisal, design and testing of social protection and climate adaptation linkages at the district level, Mabote (Inhambane province), Mozambique

Funded by the Minister for Foreign Affairs and Trade of Ireland, this project focusses on social protection and climate adaptation linkages at district level.

Financing climate resilience through MGNREGS

Funded by the Department for International Development, this project focusses on financing climate resilience through MGNREGS

Carrots and sticks

Incentives to Conserve Hilsa Fish in Myanmar funded by the Department for Environment, Food and Rural Affairs.

EARF

This DFID-funded project ran from October 2017 to February 2020 and investigated systems of shelter provision in three East African cities – Nairobi in Kenya, Hawassa in Ethiopia, and Mogadishu in Somalia – to inform more inclusive, affordable housing interventions.

Other Projects

All other projects have been grouped together under one heading for the purposes of these accounts.