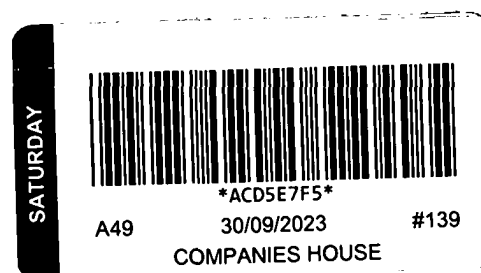


International Institute for Environment and Development

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)



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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:

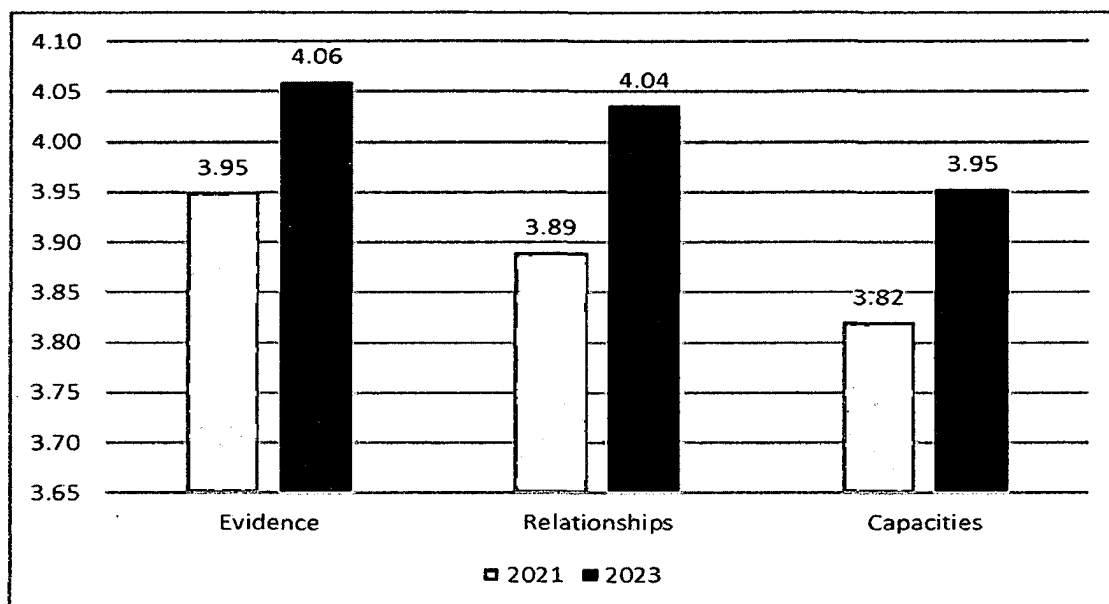
- Generates new types of evidence to support sustainable development.
- Improves connections, interactions, and power dynamics between different actors.
- Improves different actors' capabilities to create and use evidence.

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

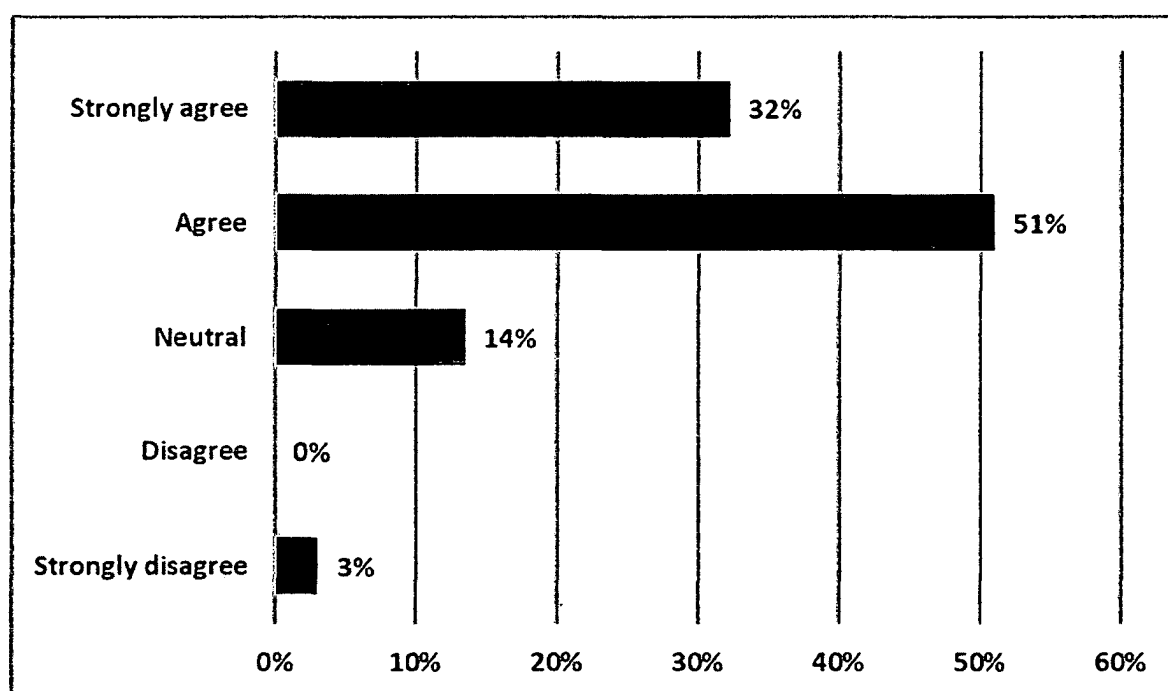
themes in sustainable development. Geographically, respondents based in Asia reported higher scores across the three dimensions, followed by those based in Africa. Conversely, those based in Europe reported the lowest scores for all three dimensions.

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



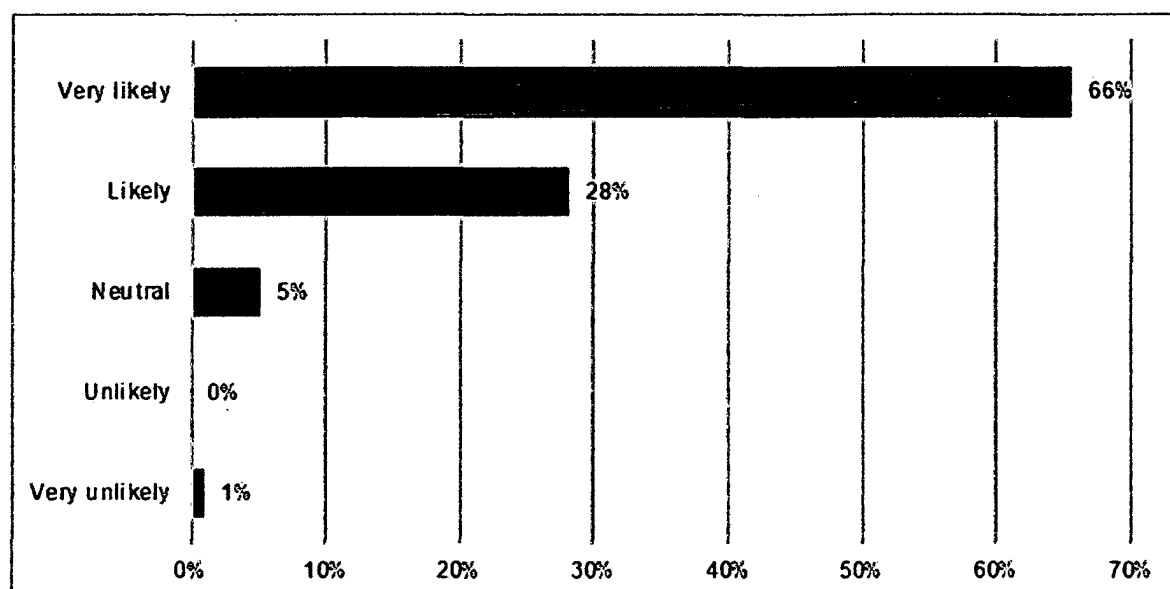
It is also important to highlight that 83% of the survey's respondents perceived IIED to be unique in what we do, with 14% expressing a neutral stance, neither agreeing nor disagreeing with the statement. No respondents disagreed with the statement, and only 3% strongly disagreed (see figure 2). Implying 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



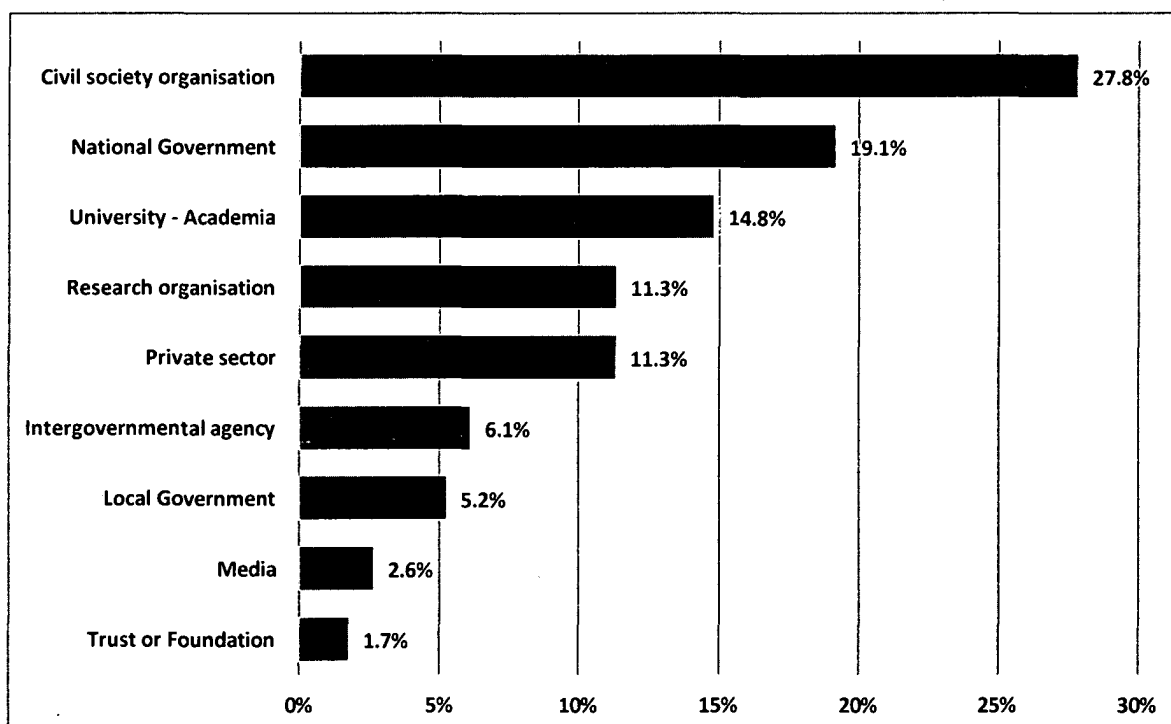
This finding is further supported by the responses to the question: *How likely are you to recommend IIED to a friend or a colleague?* 66% of respondents expressed a high likelihood of recommending IIED, and 28% a moderate likelihood of doing so. 5% maintained a neutral stance, and only 1% indicated 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)



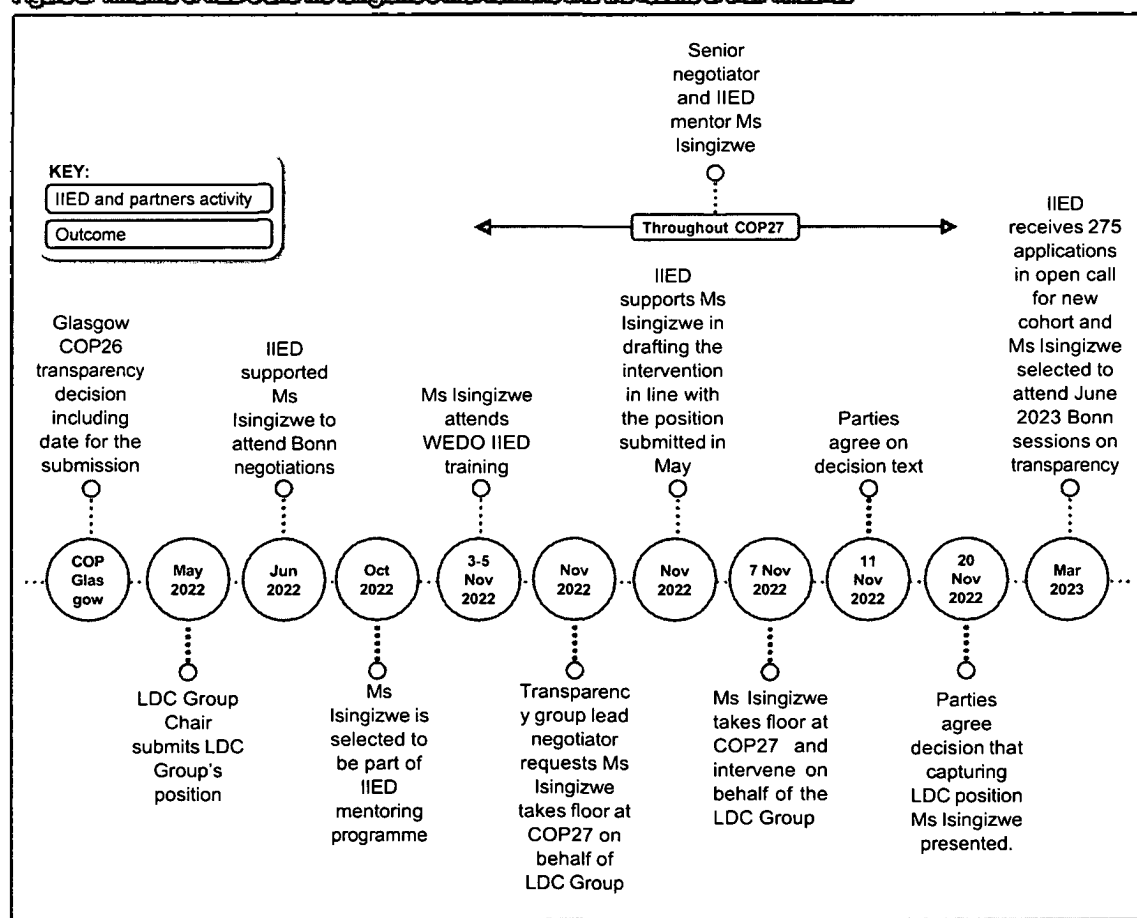
Box 2. Examples of change at different levels

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, Economies 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.

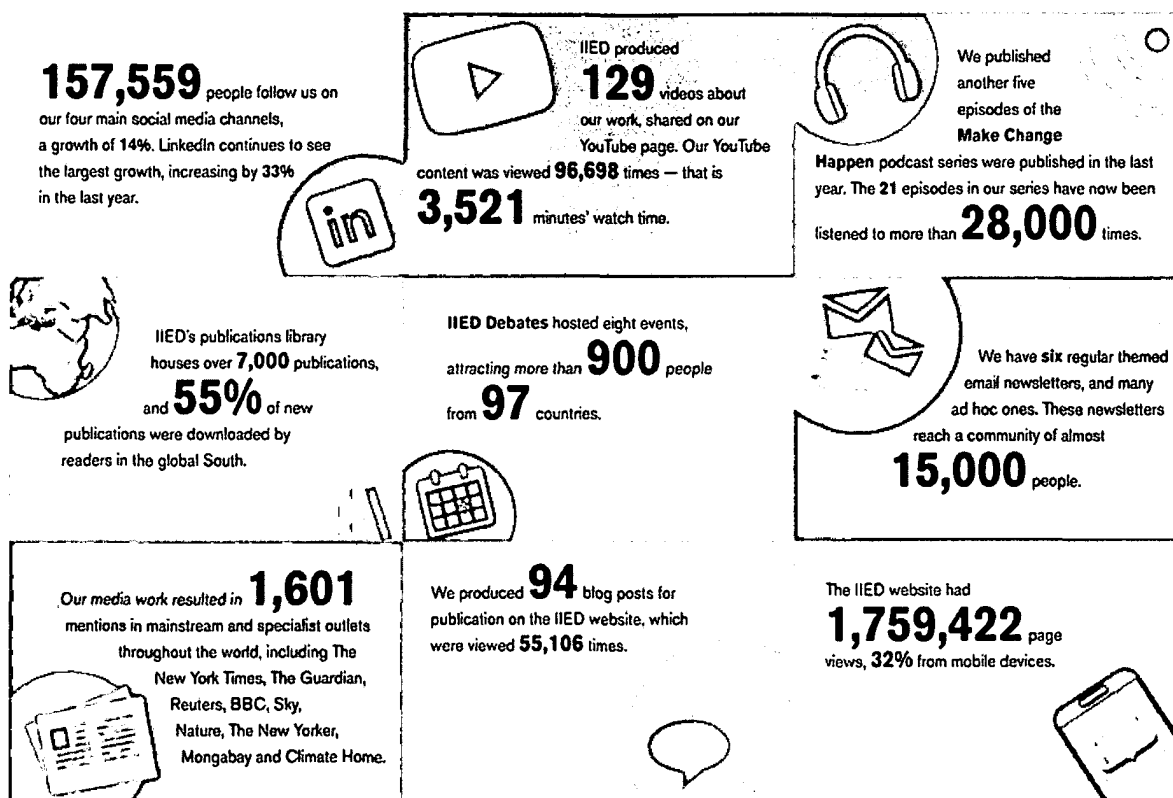
The communications team provided an enormous amount of expertise and support to the research teams across a broad range of content types:

- 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.

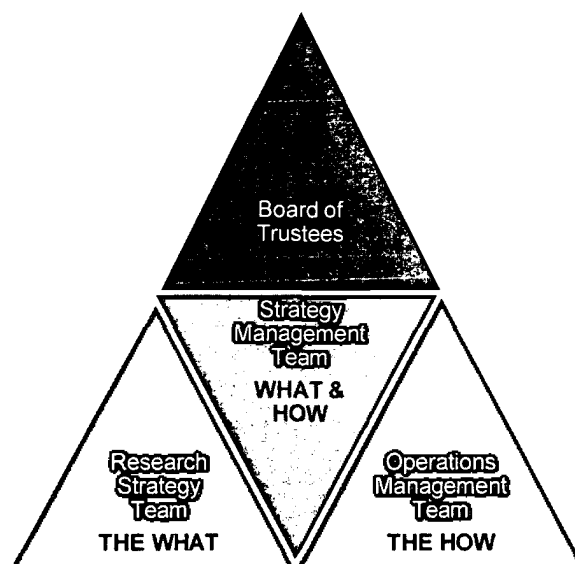
The Business Development sub-committee (BDSC) was previously called the Fundraising sub-committee. It reviews the progress of fundraising and business development work against the strategy and business plan. Membership is drawn from the Board and currently comprises three trustees. BDSC meets at least 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.

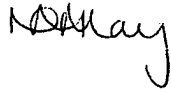
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of grant recognition and contract income and the override of controls by management. Our audit procedures to respond to these risks included: enquiries of management, 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	8	2,140	2,098
Funds			
Unrestricted	9	1,952	1,849
Designated	9	188	249
Total funds	8	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 No.	2022 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 No.	2022 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 £'000	2022 £'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 –	Sweden	24	12
Loughborough University	United Kingdom	21	-
International Development Research Center	Canada	20	34
Global Center on Adaptation	Netherlands	17	-
LTS International Ltd	United Kingdom	17	50
New York University (NYU)	USA	17	-
Conservation International	USA	16	-
Global Green Growth Institute	South Korea	14	-
World Vision Ireland	Ireland	13	-
TRAFFIC International	United Kingdom	13	-
Alliance for Responsible Mining	Colombia	12	-
Tufts University	USA	12	-
IIED Europe	Netherlands	11	-
IKEA Foundation	Netherlands	-	321
The British Academy	United Kingdom	-	209
Oak Philanthropy (UK) Limited	United Kingdom	-	187
International Livestock Research Institute	Kenya	-	55
Anglia Ruskin University higher education	United Kingdom	-	44
European Climate Foundation	Netherlands	-	42
E3G	United Kingdom	-	42
United Nations Environmental Programme	United Kingdom	-	39
Biovision Foundation for Ecological Deve	Switzerland	-	33
Bernard Van Leer Foundation	Netherlands	-	30
Eventbrite	United Kingdom	-	22
ODI	United Kingdom	-	22
University of Evora	Portugal	-	21
Responsible Business Alliance Incorporation	USA	-	18
United Cities and Local Governments	Spain	-	17
Mercy Corps USA	USA	-	16
Water Witness International	United Kingdom	-	15
Save the Children Australia	Australia	-	13
International Budget Partnership	USA	-	11
Global Resilience Partnership	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 Développement	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
IIED 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 Développement 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 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 (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.