

International Institute for Environment and Development

Trustees' Annual Report and Accounts for the year
ended 31 March 2022

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Introduction

The trustees present their annual report, including the directors' strategic report, with the audited accounts for the year ended 31 March 2022. This report and the accounts have been prepared in accordance with the Companies Act 2006, the company's Articles of Association and Charities Statement of Recommended Practice, applicable to charities preparing accounts in accordance with FRS 102: the financial reporting standard applicable in the UK and Republic of Ireland.

Our strategy

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

Our research takes valuable local solutions to influential global forums, achieving impact at many levels.

Our five-year strategy, ***Make Change Happen***, outlines the nature of the ecological and social crises we face, and is structured around five challenges:

- The climate crisis
- An assault on the natural world
- Increasing urban risk
- Unsustainable markets
- Increasing inequality.

The first four of these challenges each have a Research Group which leads our work in that space — namely the Climate Change Group (CCG), the Natural Resources Group (NRG), the Human Settlements Group (HSG) and Shaping Sustainable Markets Group (SSMG). Our work on inequality and inclusion is a cross-cutting theme that applies to all our work.

The world is dealing with multiple crises — the climate crisis, unprecedented biodiversity loss, rising inequalities and the COVID-19 pandemic. On top of these the Russian invasion of Ukraine layers severe challenges for peace, human rights, livelihoods, food security and multilateral governance and action. These challenges disproportionately impact vulnerable countries, groups and individuals by exacerbating pre-existing dynamics of marginalisation and exclusion.

The decisions taken in 2021 and 2022 by leaders will guide international and national efforts over the coming decade for climate, nature and people. Strong and urgent action is needed to address these interconnected crises, including to influence major decision-making moments this year and leverage pandemic recovery packages, to drive cohesive climate, nature and development outcomes.

2021 was dubbed a 'super year' for climate and nature due to the anticipated global programme of work on both climate and biodiversity. We launched our super year advocacy campaign in January, making strong links across IIED research areas to meet the complexity of urgent interconnected crises. We engaged effectively at the critical COP26 climate conference in Glasgow, driving ambition in the key areas of locally-led adaptation and adaptation finance in general, as well as supporting the Least Developed Countries (LDCs) to continue their effective engagement to push for a sustainable global future. We continue to engage in the key area of nature loss and have advocated for an inclusive and effective settlement to emerge from the long-delayed COP15 of the Convention on Biological Diversity, to be held in Montreal in December. The COVID-19 pandemic has exacerbated inequality — both within and between countries. It has also acted as a brake both on multilateral action for sustainable development and on social mobilisation at the grassroots to demand change. Add to that, it is contributing to a growing debt crisis in many low- and middle-income countries. Our multi-issue, multi-actor approach was exemplified by new research offering a potential 'triple win': a refreshed and refined financial system able to tackle the debt, climate change and nature emergencies together, working with developing countries to reduce poverty and get on the path to an inclusive green recovery.

We engaged closely with partners throughout the year, including government, business, academics, non-government organisations and civil society. In particular, we continued our work with local communities and people, to amplify their voices in the places where decisions that matter were made.

Two important strategic initiatives were taken forward over the course of the year. Firstly, we established IIED Europe based in Amsterdam, an independent Stichting. We did this to ensure that IIED's mission will continue to be taken forward effectively within the EU's policy and programme architecture, and to ensure that IIED's concerns with equity and sustainability via bottom-up action will continue to have influence in the important arena of the EU. Secondly, we continued to support the LDCs with the ground-breaking LDC Initiative for Effective Adaptation and Resilience (LIFE-AR). This is a southern-led initiative to change the paradigm of climate finance so it delivers better outcomes for communities at the sharp end of the climate crisis and suffering its worst effects. This is a very ambitious proposition and IIED's technical support is critical to its progress.

Analysis and assessment

Monitoring, evaluation and learning

IIED's emphasis on effective monitoring, evaluation and learning (MEL) reflects our determination to make change happen. IIED has implemented a comprehensive strategic framework that links together our [five-year strategy \(2019-2024\)](#), our institutional theory of change and our Learning and Impact Framework (LIF).

In 2021/22, we gathered outcome statements, tracked statistics related to our knowledge products, conducted an institutional evaluation and facilitated a cross-institutional learning week to reflect on achievements and spaces for improvement.

Learning and impact framework

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

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

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

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

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

Box 1 below highlights one example (of many) of each type of evidence of impact to illustrate how IIED operationalises its theory of change.

Impact and Learning Exercises (ILEs) are a means to support timely and high-impact activities and cross-institutional learning. They are designed to:

- Further IIED's internal learning and effectiveness, and
- Make a significant contribution to important broader policy processes and debates.

Our ILE on 'Flexible, agile, digital working: towards a 'new normal'' was completed in March 2021 but the report and its outcomes are still being used within IIED as we move towards a hybrid working model.

One ILE completed in 2021/22 was '[Nature 4 Development: improving evidence and dialogue on biodiversity and development](#)'. This brought together evidence that investing in nature delivers development outcomes for communities living in poverty, and enhanced dialogue between conservation and development communities.

One ILE continued throughout 2021/22 '[Rethinking investment treaties and dispute settlement to promote sustainable development](#)'. This project supports global efforts to reform the international investment regime by contributing technical analysis to ongoing reform processes and promoting informed public debate about policy reform issues.

There were two further ILEs in progress during the year:

- Addressing loss and damage: leveraging evidence and co-generating pathways to impact
- Revisiting smallholder inclusion in global value chains as a path for sustainable development

Reports from the above activities are expected to be published in 2022/23.

Stakeholder survey

To understand what our partners think about our work, we have carried out an annual stakeholder survey since 2014. However, we did not conduct a stakeholder survey in 2021/22. We made this decision having observed a significant drop in responses over the last couple of years, compared to previous surveys. We had an external review this year, which conducted a similar type of exercise with our partners. So, to avoid survey fatigue among our stakeholders, we decided to pause this exercise for a year and conduct it again in 2022/23.

Box 1. Examples of outcomes of IIED's work

Intermediate outcomes

- Changes in the body of evidence
 - **Media interest in the finding that rural women living in poverty in Bangladesh pay most for climate-related disasters:** The United Nations Development Programme (UNDP) report shifted the climate finance debate from international-level financiers to what Reuters called the household-level “silent financiers” — the women and men at the frontline of climate change.
- Improvements in actors' capacity to create and use evidence
 - **The Tanzania Women Lawyers Association (TAWLA) adapts its programme activities, demonstrating enhanced capabilities in using evidence:** IIED partner TAWLA has adapted its work promoting gender-sensitive bylaws to ensure project benefits reach villages in Kisarawe that have yet to establish women's committees. These are spaces where women get together to discuss land issues ahead of village assemblies.
 - **India's Ministry of Rural Development launches Climate Resilience Information System and Planning for MGNREGS (CRISP-M) tool:** We are working with India's Ministry of Rural Development (MoRD) to strengthen the Mahatma Gandhi National Rural Employment Guarantee Scheme's (MGNREGS) contribution to climate resilience at household level. This is the largest social protection scheme in the world, reaching more than 50 million households. Enabling it to reduce climate-related risks for vulnerable communities living in poverty, by integrating shock-responsive plans into its operation, will have significant impact.
- Changes in interactions and power dynamics driving equitable and sustainable development pathways
 - **Debtor governments and creditor institutions reach political commitments on climate and nature debt swaps:** The Seychelles and Maldives governments called for debt swaps linked to climate and nature, supported by representatives from key institutions in the international creditor landscape.

Longer-term outcomes

- Changes in governance and policies
 - **Uganda identifies a delivery mechanism to channel finance to local level:** The Ministry of Water and Environment (MoWE) established a decentralised climate finance (DCF) working group to oversee the design of a Devolved Climate Finance mechanism. This ensured it was embedded in the institutional and financial architecture of decentralised government structures to channel funds from national to local levels as part of planning, budgeting, and monitoring and evaluation systems.
- Changes in financial assets and agency
 - **US and Norway sign the LIFE-AR Partnership Compact and UK commits more funding:** At an event during COP26, John F Kerry, the US special presidential envoy for climate, and Norway's minister of international development, Hon. Anne Beathe Tvinning, signed the LIFE-AR Partnership Compact. This outcome is significant because it demonstrates a political commitment to implementing a historic shift away from business-as-usual approaches, towards a more effective, ambitious and equitable global response to the climate crisis.
- Changes in voice and rights
 - **Indigenous Peoples and Local Communities (IPLC) and forest and farm producer organisations (FFPOs) present their case to international negotiators and decision makers:** IPLC and FFPO representatives addressed climate change negotiators and decision makers at an official side event at COP26, making the case for their crucial role as agents of change in climate change mitigation, adaptation and resilience.

Our communications and output statistics

In 2021/22, we produced 111 publications, which were downloaded 24,716 times, for a publication/download ratio of 223:1. Peak download periods were May to August and October to November, and there was a drop in downloads between December 2021 and April 2022. The peaks coincide with the timing of major events: the 15th International Conference on Community-based Adaptation to Climate Change (CBA15), Nature-Based Solutions Conference, London Climate Action Week, United Nations (UN) High-Level Political Forum, G7 meeting and G20 finance ministers meeting all took place in May and June, and the United Nations Framework Convention on Climate Change (UNFCCC) 26th Conference of the Parties (COP26) was in November.

In terms of online engagement, we noted an outstanding increase in page views to the IIED website, with 1.9 million views in total — IIED's most successful year yet. Of these, 34% came from mobile devices. IIED also produced more digital content last year, publishing 132 blog posts, 36 news stories, ten Q&As and 205 videos. Total page views of blogs posts published was 84,007, with 636 page views per post on average, on a par with the previous year.

It is important to highlight that, at ~69%, the proportion of page views from mobile devices is far greater in the global South. Our social media presence grew by 21%, with followers on our four largest social platforms — LinkedIn, Twitter, Facebook and Instagram — reaching 137,888. This is an increase of 23,000, predominantly driven by our LinkedIn profile. On Twitter, we have 65,434 followers, allowing us to reach over 170 million people, when we consider our followers' followers.

IIED's media work resulted in 1,290 mentions in mainstream and specialist outlets around the world, 100 more than the previous year. These include *The Los Angeles Times*, *The Guardian*, Reuters, the BBC, Al Jazeera, *The Ecologist*, *Mongabay* and *The Conversation*. In this time, we issued 22 press releases, 12 media statements and three op-eds. The coverage received in *The Financial Times*, *China Dialogue*, CNBC, Reuters, *The Guardian*, *Mail Online*, *The Gulf Times*, *Climate Home*, BBC World Service and *The Japan Times* reached around 176 million consumers and had an advertising value equivalent (AVE) of £1.63 million.

Over the six weeks up to and including COP26, we had 609 media mentions, at least twice as many as any of the preceding four COPs and comparable to Paris in 2015 (639). AVE was £32.29 million compared to £30.5 million for Paris COP. Despite our successes, climate journalism is a very crowded space, and our share of voice (a metric used to measure how much attention we're getting in the media compared to other similar organisations) was lower than we hoped. We'll be putting a greater focus on how we compare with others this year and in future, and have been working to help focus and prioritise key messages for this crowded field.

In January 2022, we capitalised on the global attention being given to online word game Wordle to create a variation using environmental and climate-related words. This was designed to give our regular audiences something fun and unexpected while engaging with the public in a different way to get them thinking about environmental issues. By the start of May, [A Greener Wordle](#) had been played more than 400,000 times by people from 183 countries, and it has over 3,000 daily players. The game attracted media coverage in the *Washington Post*, the chief executive of the Gates Foundation shared his results on Twitter, and it's also been praised for being more environmentally-friendly than the original.

March was the time for our sixth Communications Learning Week (since 2011). Normally a four-day in-person event, this was our first attempt at a fully online meeting. We tailored the programme to run over four three-hour sessions, broken down to a mix of plenary and breakout groups. Lots of pre-checks with participants ensured that most attendees were able to join without any technical issues.

Our Comms Learning Week is not so much about training, as building a skilled community of practice and there is a great emphasis on exchanging ideas, case studies, and experiences of how things work in different countries. We had 17 participants from six countries in Sub-Saharan Africa, India and Indonesia, who gave positive and reflective feedback.

Figure 1. IIED communications in numbers, 2021/22



Core research areas

Responding to the climate crisis

Global responses lag behind essential action as climate impacts are powerfully felt in the world's poorest nations. The countries responsible for driving climate disruption must act urgently to curb emissions; exceeding anthropogenic global warming of 1.5°C will spell disaster, particularly in the world's poorest countries and communities. Commitments made up to this point take us to 1.8°C, but actual policies — even if fully delivered — are still well over 2°C. At the same time, more climate finance is crucial to support countries where people are living in poverty, to build resilience and effect their own green transitions. In this area too, the world is lagging, having failed to deliver the \$100 billion per annum of climate finance by 2020 that was first promised in 2009 at the Copenhagen COP. On top of the headline failure of volume, there are also pressing needs to deliver more climate finance for adaptation, to vulnerable countries and to the local level — the communities at the frontline of the climate crisis.

We work with the LDCs, and policy and research partners to redress the balance by helping vulnerable countries and communities achieve climate resilience and development, and by pushing hard in every arena we can for ambitious global climate action.

Meeting the challenge

IIED's super year climate advocacy wasted no time. At the Climate Adaptation Summit in January 2021, we saw 40 governments, climate funds and non-state actors endorse the eight principles for locally led adaptation. These were created by IIED, together with a wide range of partners, including BRAC International, Huairou Commission, International Centre for Climate Change and Development (ICCCAD), Makerere University Centre for Climate Change Research and Innovation (MUCCRI), Pan African Climate Justice Alliance (PACJA), Slum Dwellers International (SDI), Tebtebba and World Resources Institute (WRI) in consultation with other actors from the Global Commission for Adaptation. They call on governments, global institutions, and local and international NGOs to enable far greater local influence over adaptation action, especially from women, young people, children, disabled people, displaced people and marginalised ethnic groups. In May, the G7 officially welcomed the principles and by the close of COP26 in November, more than 70 actors had endorsed them.

Diverse supporters included organisations representing young people, women and Indigenous Peoples; nature-focused partners like Flora and Fauna International and IUCN (International Union for Conservation of Nature); and national development agencies, including the first two southern governmental supporters, Costa Rica and Nepal. This wide-ranging swell of support places local leadership firmly on the agenda for COP27.

We have been working with think tank E3G to support the Champions Group for Adaptation Finance and develop a work plan with the LDCs and small island developing states (SIDS). This is a coalition of climate finance provider countries committed to improving the quantity, quality and accessibility of adaptation finance. The original group was announced at September's UN General Assembly (Ireland, the Netherlands, Denmark, Sweden, the UK and Finland) and was ready just months later to make a call for action. At a COP26 side event organised by IIED and E3G, the Champions Group announced its five-point plan to accelerate adaptation finance solutions. This sent a strong message: adaptation must rise up the global climate agenda. Later in 2022, the Champions anticipate welcoming more donor countries and working with developing countries; this is a coalition to watch in the run-up to the coming year's climate summit, which many are calling 'the adaptation COP'.

COP26 also saw the US and Norway sign up to support the Least Developed Countries Initiative for Effective Adaptation and Resilience (LIFE-AR), a re-imagining of climate finance that would see 70% of funds reach local-level action. By the close of COP26, finance pledged for institutions and initiatives aligned with locally led adaptation hit approximately US\$1.5 billion.

While this funding is welcome, it has long been unclear how much adaptation finance reaches LDCs and how far this falls short of the amount needed. In July 2021, IIED provided the strongest estimate yet: LDCs have received less than 3% of the funds they need to adapt their societies and economies to

climate change. This figure, quoted by international media outlets, further backs the LDC group's call to localise international climate adaptation finance. In 2022/23, we will work with LDCs, SIDS, Southern-led social movements and others to hold governments to account, both on their finance commitments and on their endorsement of the locally led adaptation principles, which should see funds reach local communities and projects led by marginalised groups.

Sonam P Wangdi, Chair of the LDC Group, addressing the 15th International Conference on Community-based Adaptation to Climate Change, described COP26 as a chance to “scale up support for real actions on the ground”. Working with many partners, IIED responded to the opportunity. Besides focusing on locally led adaptation, we supported recognition and resources for local climate leadership before and during the UN conference.

Aside from the high-level commitments on LIFE-AR at COP26, there has been strong progress on the establishment phase in the six frontrunner countries. This focused on setting up in-country governance arrangements, including identifying the appropriate financial agent and reviewing policies and interventions to ascertain what might be the best delivery mechanism to be developed under LIFE-AR. The transition to a new chair of the LDC group has been slightly slowed by COVID-19 surges early in 2022, but we had a successful trip to Senegal in March, allowing the LDC leadership to discuss progress and the direction of travel.

The [peer-to-peer learning events](#) on Locally Led Adaptation (LLA) have helped the ten partners in the LLA consortium identify 20-30 good experiences. They have been captured as [video presentations](#), case studies, a visual map and insights in a synthesis paper (all in final production). The partners' consortium is currently developing a ten-year strategy for LLA and looking at approaches to deepen peer-to-peer learning, particularly around direct access to finance for LLA delivery. We are also developing methods for an approach to tracking climate finance and understanding its effectiveness and quality. This builds on the [Follow the Money](#) assessment of adaptation finance to the LDCs and the analysis showing only [10% is invested to also restore nature](#). And we are continuing to collaborate with SDI, the Huairou Commission, and Climate Justice Resilience Fund (CJRF) on the [frontline funds accelerator](#) that highlights the importance of constituency governed initiatives for more transformational outcomes.

To ensure local and community representatives could play a full part in the first wholly online Development and Climate Days (D&C Days) event, we worked with the Red Cross Red Crescent Climate Centre and others to bring together 806 grassroots representatives, researchers, development practitioners and policymakers from 127 countries for the most inclusive D&C Days event yet.

We co-hosted the COP26 side event ‘Recognition, rights, and finance for locally-led pathways towards just and equitable resilience’, supporting IPLCs to be heard as experts in climate change mitigation and resilience. Our event partners were Alianza Mesoamericana de Pueblos y Bosques (AMPB), the Ford Foundation, Fundación PRISMA El Salvador, Mainyoto Pastoralist Alliance, Rights and Resources Initiative, and Rainforest Foundation Norway.

Making space for LDCs, SIDS, civil society organisations and Southern climate activists, to hear and be heard on climate loss and damage before COP26, we co-convened with the International Centre for Climate Change and Development (ICCCAD) four ‘deliberative dialogues’. Participants shared knowledge, built relationships, and discussed action and support needed and their delivery and finance. With ICCCAD we co-published summaries of all four dialogues. We helped bring lived experience of loss and damage to life ahead of COP26 through powerful animations co-created with local climate activists and featuring Rwandans, Sierra Leoneans and Solomon Islanders describing, in local languages and in English, the human impacts, locally-led action and support needed. The animations were shown at Climate Week NYC and watched on our YouTube channel. In 2022, a story from Nepal will complete the series.

While COP26 did not deliver all we hoped, positive outcomes included an agreed process for reaching a post-2025 climate finance goal and a promise of doubling adaptation finance by 2025, both of which IIED — alongside the LDC Group — have argued strongly for. We will not lose our focus on this as post-2025 negotiations commence in 2022.

We have also been busy developing practical tools to support countries deliver better adaptation. These include collaborations with the governments of Kenya and Ethiopia on tools for Climate Resilient Development Planning for Financing Locally-Led Climate Action (FLLoCA) and BRE; a collaboration with Save the Children on [child centred adaptation](#); with START on [anticipatory climate action](#) and with Anti-Slavery International on a [toolkit on climate-induced migration and modern slavery](#).

Lessons learned

Over the last year, we have invested in improving our ways of working to strengthen our ability to connect with partners, while maintaining our culture of creativity and fun that helps balance the intense and challenging content of our work.

Returning to some in-person events has been helpful in reconnecting with our longstanding partners and allies, but we have sought to continue with virtual events where we can, to reduce our carbon footprint. Getting the balance right is something we are actively working on.

The 2020 super year, turned into two plus super years due to delays in events caused by the pandemic. The intensity of work has been high, with lots of people also having to take time off with COVID-19-related illness. The importance of managing realistic workloads and building in some redundancy to our delivery teams continues to be an area we are actively seeking to improve.

We also recognise that the leaders we work with have become fairly burnt out, with a consistently high number of influencing opportunities and pace of events. We need to work with these leaders to bring on more spokespeople and representatives to be involved in these processes.

Lively interactive events take significant planning — and skilled facilitation of these, whether virtual or in person also takes several people. We have learnt that the virtual events actually take more people and more planning as it is harder to adjust as you go along.

Obstacles and opportunities

The glass was very much half full at COP26 — we didn't get emission reductions needed, but we made significant inroads and we saw wins that we can take some credit for and must ensure we capitalise on. In the run up to COP27, there will be a considerable media focus on the progress of country level commitments that keep the goal of limiting warming to 1.5°C in the realm of the possible (in line with Intergovernmental Panel on Climate Change (IPCC) scenarios). The strategic target of doubling adaptation finance by 2025 will be a key area to track performance and has the potential to drive higher levels of finance into the adaptation space. The loss and damage negotiations were more constructive than ever before, with specific impacts and responses being discussed. Also, fossil fuels are finally in UNFCCC's climate text.

UK COP presidency gave us unparalleled access to shaping their narrative, although this also meant lots of urgent requests. We won't have the same access with COP27 in Egypt, and although we have positioned our narratives sufficiently to keep visibility, we will need to work hard to embed support in a wider group of countries across the LDCs and SIDS and beyond.

The impact of the Ukraine war on bilateral funding in 2022 has been significant. Combined with the UK cut in Development Aid to 0.5%, it means many programmes we are involved in, or for which we are likely to submit proposals for, are being put on a go-slow. Fewer calls are also meaning greater competition in the few that come out.

Addressing the assault on the natural world

We are in danger of losing the struggle to protect vital biodiversity, on land and in the ocean. A false choice between people and environment is causing many conservation efforts to overlook communities and degrade local livelihoods, as well as failing to protect wildlife. Meanwhile, agribusiness, extractives and other investment projects often take an aggressively short-term approach. Across the world, people who co-exist with, and rely on, natural resources — and who are best placed to look after these resources — see their rights and livelihoods eroded.

Environmental justice is at the heart of IIED. We believe solutions to the untenable pressures on the living planet must also be built on foundations of social justice. This can only be achieved through meaningful engagement with the people who feel the shifts in our natural world most keenly.

Meeting the challenge

Despite the major constraints of the pandemic, our partners have done great work with us during the year. Examples of impact include: the Zambia Land Use Alliance of NGOs and the Ghana Federation of Forest and Farm Producers — the latter with one million plus members — adopting and implementing a gender policy it developed with support from the Forest and Farm Facility (FFF), which IIED co-manages.

Through the FFF, and with local organisations in a range of countries, we brought together the evidence on '[Diversification for resilience: 30 options for forest and farm producer organisations](#)'. In a related area, our project on 'Indigenous biocultural heritage for sustainable development' produced a range of outputs, demonstrating clearly [Why traditional knowledge and Indigenous Peoples' rights must be integrated across the new global biodiversity targets](#).

After four and a half years of interdisciplinary research work to improve food security in sub-Saharan Africa, while at the same time working with partners to reduce inequalities and conserve ecosystems, we brought the [Sentinel](#) project (Social and Environmental Trade-Offs in African Agriculture) to conclusion. This involved country teams together sharpening their messaging on key findings, to build on the influence already achieved on policy in Ethiopia, Ghana and Zambia, with plans for further outreach and follow-on initiatives. Some further resources were also published by the project, including a free tool and training course on how to use analytical hierarchy processing methodology for '[Analysing trade-offs in land-use decision-making](#)'.

With the UN's first Food Systems Summit offering little opportunity for input from small-scale producers and representatives of food-insecure communities, these actors mobilised around their own agenda instead in 2021. IIED launched a 'food year' blog series before the summit to create a platform for partners to share views on food systems transformation. Contributors spanned continents and included representatives of the International Maize and Wheat Improvement Center and the Alliance for Food Sovereignty in Africa.

Indigenous Peoples were also largely missing from the summit, despite Indigenous food systems' resilience being proven yet again during the pandemic. With the International Network of Mountain Indigenous Peoples, we identified Indigenous communities keen to share experience and ideas: the Parque de la Papa (Peru), the Rabai community (Kenya), the Farmer' Seed Network (China), and the Lepcha and Limbu of the Eastern Himalayas (India). IIED hosted a series of webinars, led by the communities directly from their Biocultural Heritage territories, to ensure the world could hear and learn from the technical knowledge of these farmers, elders, women and youth. With local partners and interpreters, we set up live links, encouraged peer-to-peer learning and proved how, with solutions designed with equity in mind, technology can unify rather than exclude.

We also brought our partnership with other organisations on 'FutureDams' to a successful conclusion. With thousands of large dams currently planned or under construction around the world, this looked at how to ensure their benefits are maximised while minimising the negative impacts. In 'Sharing the benefits of hydropower to improve displaced people's livelihoods' we show the crucial role of establishing appropriate institutional arrangements and investing a proportion of hydropower revenues over the long term. And with Chinese investment in dams such a key feature, we asked: 'What drives safeguarding for China's hydropower projects in LDCs?'

We published much-needed evidence on the question '[Investing in Nature for Development: do nature-based interventions deliver local development outcomes?](#)', and followed it up with further case material from partners '[Nature-based solutions in action: lessons from the frontline](#)'. We also put a focus on finance for nature and IPLCs, concluding that '[Only a fraction of international climate adaptation finance for least developed countries found to also support nature](#)'; and strengthened our workstreams on biocultural heritage (building on IIED's most read blog of 2021, [Here's why Indigenous economics is the key to saving nature](#)) and on equity in governance of conserved areas (building on [Equity in conservation – what, why and how?](#)).

We were active in a range of events and policy arenas at COP26 and, before that, the World Conservation Congress, UN Food Systems and high-level segment of the biodiversity COP. We produced a wide range of policy-oriented research designed to engage with these arenas, and initiated two blog series: [Food year: exploring the policies and practices to transform our food systems](#), and [Putting social and environmental justice at the core of conservation, climate and development](#). We led the 'Financing a Resilient Future' theme of Development and Climate days, with sessions on climate budgeting in Africa (with CABRI), launching a new 'how-to' guide on Debt Swaps for Climate and Nature (with United Nations Economic Commission for Africa (UNECA), United Nations Development Programme (UNDP), United Nations Economic and Social Commission for Western Asia (UNESCA) and Potomac Group), supporting companies to use climate smart agriculture with associated renewable energy delivery models (with Acumen).

With partners Afrewatch in the Democratic Republic of Congo we published an issues paper on the changes needed to improve governance affecting [artisanal cobalt mining](#), which was well picked up by the international and Congolese press. In Ethiopia our legal tools team has worked with partners on rules of procedure for the soon-to-be established Federal Environmental Tribunal, setting out mechanisms to strengthen environmental justice. The team also produced a new legal paper exploring how tackling the most difficult land problems requires the rebalancing of rights and obligations of different groups, and legal briefs on issues of [rights and governance of land and resources](#).

Following a successful joint webinar with United Nations Conference on Trade and Development (UNCTAD) we published a joint policy brief on International Investment Agreements (IIAs) and Climate Action, aimed at supporting IIAs reform to ensure that investment policy is consistent with — and proactively advances — national, regional and global climate commitments. A related blog then focused on why Germany's recently proposed 'international climate club' needs to take on investment rules.

Lessons learned

Hybrid working — much more online work and much less office-based work — is here to stay. We need to balance where our workforce is based and travelling to and ensure hybrid systems that carry out often politically sensitive work, practice shared understanding with partners of ground-reality issues.

Food and energy crises in some regions, stemming from the war in Ukraine, and budget cuts with governments shifting spending to security and refugees, have changed the landscape of Natural Resources Group's (NRG) work substantially in this period.

Obstacles and opportunities

NRG continues to find effective focus in its work in international, national and local arenas, working with partners to improve the enabling environment and support for local organisations. These are the frontline for improving lives and resilience in the face of climate change and economic shocks, and for resisting and overcoming regressive governance.

Support for nature-climate action, and for IPLCs, was given a boost by some of the commitments made at COP26, and NRG continues to explore new prospects with partners. Processes related to Biodiversity COP15 — with its substantive meeting now planned for December 2022 — also provide a focus.

Transforming urban areas to address increasing risk

We know the lowest-income nations will be home to the majority of urban growth over the coming decades. Increases in existing populations and the arrival of men, women and children will swell the cities of Africa and Asia. Climate change and conflict will play their part in mass movement. But these nations often lack the institutions and infrastructure necessary to counter the poverty, social exclusion and unhealthy environments that too often accompany dense, spiralling populations. The Sustainable Development Goals (SDGs) and the Paris Agreement cannot be achieved without towns and cities that are inclusive and resilient.

Our work in this area delivers on multiple fronts, placing local agency at the forefront of truly local-to-global impacts.

Meeting the challenge

Urban areas have arguably been the ‘ground zero’ of the pandemic and people living in cities continue to experience a range of hardships beyond ill health. In the global South, strict lockdowns, lack of work, food scarcity and evictions have intensified the many challenges facing the poorest urban communities.

Early in the pandemic, our Human Settlements research group (HSG) led IIED’s efforts to share partners’ lived experiences and to apply local insights to opportunities for sustainable and socially-just recovery. Informed by these direct links to urban communities and their priorities, we began work in 2021 to seek nothing less than transformational change in southern cities.

Our framework for transformative urban recovery, launched in April, represents another multi-issue, multi-actor approach. The framework is designed to unify efforts to tackle the interconnected issues cities face; it works through inclusion and collaboration across all sectors and all levels, from community groups to government agencies. Rooted in the experiences of low-income urban communities in Zimbabwe, Kenya, India, Brazil, Liberia, Vietnam and South Africa, we co-created the framework with our project partners: Slum Dwellers International, Women in Informal Employment: Globalizing and Organizing (WIEGO), Cities Alliance and ICLEI – Local Governments for Sustainability. This shared vision for change struck a strong chord: the IIED issue paper proposing the framework (Better Cities after COVID-19) was downloaded more than 1,000 times in just six months, with 70% of readers based in the global South.

HSG had a busy and successful COP26, playing an active role organising the ‘urban pillar’ in the Resilience Hub and exploring the theme on ‘resilient cities and infrastructure’ in Development and Climate (D&C) Days. We were part of a small core team that launched the international Adaptation Research Alliance, with 100 organisations from 35 countries, and spoke on a panel as co-lead of the methods advisory group for the Race to Resilience campaign. Our group director, David Dodman, spoke on panels including a UKRI and Cities Alliance event on ‘Urban informality & inequality — a call for global climate justice’ and a World Resources Institute event on ‘Advancing equity in cities’. We also highlighted various projects in other events, including a D&C Day session on ‘How can climate action also support health, informal livelihoods, and inclusive urban transformations?’, and a Resilience Hub session presentation by our researcher, Alice Sverdluk, and our Zimbabwean partners on urban health and climate change.

In 2022, we are developing the framework to respond to priorities for COP27, engaging with people and organisations who are instrumental to sustainable urban change. This includes people living in cities, urban administrations, private companies and others — all of whom must battle a pandemic while also under pressure to manage the increasing impacts of climate change. The framework will be relevant to the aims of both the World Urban Forum coming up in June and COP27 at the end of the year. It will inform our work in a programme started in 2021 on transformative urban coalitions, seeking far-reaching, community-led change for urban areas in Argentina, Brazil and Mexico.

In 2021/22 we continued our major project on ‘Protracted Displacement in an Urban World’ (PDUW) that is comparing the [experiences of refugees and internally displaced persons \(IDPs\) in cities and camps](#). Working in four countries — Afghanistan, Ethiopia, Jordan and Kenya — we are looking at how cities can better respond to protracted displacement. In-country work has expanded rapidly, with ‘participatory forums’ in four cities (Addis Ababa, Amman, Jalalabad, Nairobi). They were well attended by city government officials, bringing together municipal actors, NGOs and community representatives to discuss how research and evidence on refugee experiences in the city can feed into more inclusive planning processes.

Our project on climate change and informal workers will come to a close in June with a series of internal and external workshops and webinars. This project was funded by the National Institute for Health Research and has generated a strong body of policy-relevant evidence in India and Zimbabwe.

We have launched a new [online collection](#) about IIED's work on housing, building on partnerships and research that informs community-led and resilient housing responses in cities of the global South. This is a significant step in expanding our work in this area with current and new partners.

Our flagship journal, [Environment & Urbanization](#) (E&U), remains a significant part of our outreach. Our April 2021 issue focused on education and learning for inclusive development. In urban areas, where both disparities and diversity can present challenges, education is a primary means for promoting inclusive development, and one of the more effective mechanisms by which social exclusion and growing gaps in equity can be addressed. The October 2021 issue focused on citizen participation planning. The papers in this collection explore many facets of the challenge of securing meaningful participation at scale. The journal has an impact factor of 4.066 and in the calendar year 2021 had 652,862 full-text downloads.

Lessons learned

The context for urban research is changing. There is an ever-growing interest in urban issues, but often in ways that fail to prioritise the needs and priorities of low-income groups. We have had some successes in inserting this approach into the global discourse, notably through recent work on 'Better Cities' (prepared in 2021/22 and launched at the World Urban Forum in June 2022).

HSG experiences in working closely with partners are helping to inform our approach to decolonising research and development. Trusted relationships built up over decades have helped us to have frank and open conversations about the ways in which we work equitably and effectively with partners, and where there is room for improvement.

There is a need and opportunity to broaden our understanding of marginalisation and disadvantage in urban neighbourhoods. Our exploratory work on issues of sexuality and vulnerability — in the face of forced migration and climate change — has formed the basis for a new ILE that will examine this in more detail in the coming years.

The war in Ukraine has raised attention to the plight of refugees in cities. However, much of this is based on Ukrainian refugees in European cities, and we will need to work to highlight the ways in which cities globally are responding (and can respond more effectively) to other refugee crises.

Obstacles and opportunities

HSG has been particularly hard-hit by the cuts to UK Research and Innovation/Global Challenges Research Fund budgets. Three excellent research proposals which we submitted to UK research funders were unsuccessful. We have been reprogramming work and actively seeking additional funding. We have been very successful in meeting the funding shortfalls through active outreach to philanthropic foundations, and also through subsequent successful bids to UK research councils.

The overall political and international development funding situations in the UK (and in many other places) continue to present challenges. However, there are some positive changes in the context of the group's work:

- The resumption of travel and exchanges. In this period, HSG staff have been able to travel to work closely with partners in countries including Kenya, Morocco, Sierra Leone, Jordan, Argentina and Zimbabwe. This has been significant in enabling deeper engagement on project work and deliverables, and in rekindling the 'partnership' mode of working that is significant to the group and IIED. We have also hosted partners from India and Tanzania in the High Holborn office.
- There are some indications of expanded funding for urban research, including the launch of a large facility by Foreign, Commonwealth and Development Office (FCDO) (Green Cities and Infrastructure) and a large urban resilience programme by United States Agency for International Development (USAID) (Asia Resilient Cities). We are exploring opportunities to be part of bids for both of these.

Tackling unsustainable markets

From small family businesses to corporates, the private sector is struggling to keep pace with a host of global threats. Too often, good intentions fail to deliver real benefits for people or the environment, as businesses lack full knowledge of the supply chain or the realities on the ground.

Governments are also being challenged to count the true environmental, social and economic value of working with nature rather than exploiting it, from forests to fisheries. And until more equitable markets that preserve vital resources are a reality, our efforts to reduce poverty, combat climate change and protect biodiversity will suffer.

Transitions to a more sustainable and inclusive economy must address social, environmental and economic dimensions — this is crucial if we are to deliver the SDGs. We work to ensure that government and private sector policymaking treats inclusion and equality as central concerns, and that economic decision making fully includes the value of natural capital.

Meeting the challenge

We secured funding from the MAVA Foundation to pilot the use of a performance bond for nature and climate to help address debt suitability and leverage finance for green and inclusive investment. We are working in four West African countries: Senegal, Mauritania, Cape Verde and Guinea Bissau. Debt restructuring and reallocation of IMF Special Drawing Rights are receiving significant attention at the international level and IIED's chief economist, Paul Steele, and researcher, Sejal Patel, were invited to join a working group with the International Monetary Fund (IMF), the World Bank (WB) and the Organisation for Economic Co-operation and Development (OECD) on these issues. We were also invited to participate in several discussions at the IMF/WB Spring 2022 meetings, where the idea of debt swaps — especially for climate — is gaining attention. In one meeting the Egyptian finance minister (also their high-level climate champion) expressed interest in an initiative to be launched at COP27. UNECA is keen to work with us on shaping this. We also fed into the UN Global Crisis Response Group report on the potential for swaps <https://news.un.org/pages/wp-content/uploads/2022/04/UN-GCRG-Brief-1.pdf>.

At COP26 we led the Financing a Resilient Future theme of D&C days, with sessions on climate budgeting in Africa (with CABRI); the launch of a new how to guide on 'Debt swaps for climate and nature' (with UNECA, UNDP, UNESCWA and Potomac Group); and the role of companies in supporting resilience using climate smart agriculture with associated renewable energy delivery models (with Acumen). The energy team co-hosted an event with UNDP at the SDG Pavilion on 'beyond the connection' looking at integrated energy solutions and associated planning across productive sectors. Our senior researcher, Ben Garside profiled local engagement processes we're engaged in with partners in Kenya, which identify and tailor energy delivery to local contextual factors and needs across SDGs.

We have undertaken a major review for UNDP on Global Climate Public Finance, involving consultations with Africa, Asia, Latin America and development partners, IMF, World Bank, UN and EU. At the household level we have conducted a climate household expenditure review (CHER) for Bangladesh showing that the average household spends 15% on addressing climate risks, rising to more than 30% for female-headed households.

Our energy team has been working with Kitui county government and local partners to deliver the first fully developed County Energy Plan (CEP) in Kenya using our Energy Delivery Model (EDM) approach. The Kitui CEP has strong cross-government and multi-stakeholder engagement. We also secured follow-up UK-PACT funding to work with the Ministry of Agriculture, Water and Livestock on energy-enabled solutions in irrigated horticulture and poultry — where we have a strong gender and climate focus.

Alejandro Guarin, our Food Systems Team Lead was invited to join the Food Systems Countdown Initiative (FSCI), a ten-year collaborative effort to monitor food systems in the run-up to the 2030 target date for the SDGs. In October 2021 they published an overarching framework for monitoring food systems in Food Policy Journal, explicitly including informal food workers and the informal food

economy as key components of the food system to track and monitor. Over the next ten years, the framework will track employment quality for food system workers across the world, including those who are employed casually or informally. It will also track how issues of importance to informal workers, such as the right to public space, change and evolve over the years.

Unilever commissioned us to develop the guidelines for implementing their principles for regenerative agriculture (providing smallholders with access to markets and training in business skills; and supporting income diversification, women's economic empowerment and the professionalisation of farmers' cooperatives). This involved providing an overview of the six principles, including their significance, trends, and implementation challenges, and developing seven case studies from across geographies and value chains. These included gherkins from India, coconut oil from the Philippines and palm oil from Honduras, reflecting the experiences of and lessons from implementing the six principles.

The inclusive blue economy team continued exploring how governments can use fiscal instruments to deliver positive socioeconomic and environmental outcomes for sustainable and inclusive fisheries management. This includes research on the potential for impact investment to support effective management and sustainable financing of marine protected areas.

The team has also been contributing to the development of the UN International Year of Artisanal Fisheries and Aquaculture (IYAFA 2022). The year is designed to increase the visibility of small-scale fishers, fish workers and fish farmers, and their importance and contribution to food security and livelihoods (<https://www.fao.org/artisanal-fisheries-aquaculture-2022/supporters/en/>). We have become a partner in the Small-Scale Fisheries Resource and Collaboration Hub (SSF-Hub).

Our work on inclusive and responsible business has been boosted by the focus on a green and inclusive recovery post COVID-19. We developed a framework for FCDO to assess companies' commitment to and performance on climate, environment, and social issues as part of the Business Partnerships for the Global Goals Programme. We have also engaged in the emerging debates about the responsible extraction of critical minerals required to support a green transition. This includes membership of the European Partnership for Responsible Minerals (EPRM), a multistakeholder initiative involving supply chain actors, governments and civil society organisations, where we were elected to be one of two civil society members serving on the governance board.

Lessons learned

The move to more online working, accelerated by the COVID-19 pandemic, has had the positive side effect of enabling us to increase participation in our events, and reach a wider global audience than in-person events. Participating in online conferences has also enabled us to cut our travel-related carbon footprint, while maintaining engagement in international fora.

Our work on debt instruments for climate and nature has continued as a high-profile work stream with consistent media interest, policy impact and country level engagement. We developed a strong outreach and communications strategy as part of the work programme, and this has paid dividends.

Obstacles and opportunities

In the humanitarian sector, the UNITAR/UNHRC Global Platform for Action (GPA) on Energy has adopted our EDM approach as part of a virtual training and mentoring programme. This has built humanitarian agency capacity in locations across Africa, Asia, and the Middle East to better design energy services for Displaced Persons (DPs). IIED has co-designed the programme and taken part in training and mentoring. With very positive feedback from participants, success so far includes 11 fully developed funding concepts for energy service delivery, with four already funded and being deployed, directly benefiting DPs on the ground.

The food systems team, working with CCG, has secured funding from CIFF to look at food systems transformation in Africa in the face of climate change. An innovative proposal on 'Measuring and managing the environmental impacts of food imports for UKRI', was ultimately not funded but we are pursuing conversations with other possible donors for this work.

The work of the inclusive blue economy team for the World Bank will feed into development of a toolkit. This will be put out to tender, but we have received very positive feedback on our role and should be in a good position to secure the work.

Climate finance continues to be an expanding area for the inclusive green economy team. This includes work on transparency of climate finance and on estimates of climate finance needs. We are also seeking to build on our climate budgeting work with continued work in Ethiopia and elsewhere.

Nature finance is an emerging area, and we are developing collaboration with the NRG. This includes our ongoing work on insurance for human wildlife conflict, as well as new work on the amount of finance spent on IPLCs.

We are continuing our work on debt for climate and nature outcomes and there seems to be growing interest in this area, with increasing country level pilots by TNC, UN, World Bank and others. The Egyptian COP27 Presidency is also showing interest in a debt for climate initiative for the Sharm-el-Sheik conference.

The funding situation for several workstreams in the group remains challenging.

Green Economy Coalition (GEC)

SSMG hosts the secretariat for the [Green Economy Coalition \(GEC\)](#), a civil society network campaigning for a global transition to green and fair economies. It is strategically independent, and IIED is a member of the GEC steering committee.

GEC made significant progress on several of its work areas during the year:

1. Together with Partners for Inclusive Green Economy, GEC developed a policy statement setting out Ten Priority Options for a [Just, Green & Transformative Recovery](#) from COVID-19. During 2021/22, the [Green Economy tracker](#) was updated with recovery themes and expanded to new countries. The team also prepared a report for the UN Environment Assembly on building back greener in the context of COVID-19.
2. Along with the UN Research Institute for Social Development, we launched a new global research and action network to explore the promise of a new eco-social contract as a way of responding to pressing social and ecological challenges. The [network](#) will be a space for dialogue, debate, co-construction and action around defining new eco-social contracts; good practices for its design; and mechanisms for its application. It will bring together research, practice, advocacy, and policy decision-making communities, working for social, climate and environmental justice in a progressive knowledge and action alliance.
3. GEC has continued to champion the role of small, green-enterprises and has progressed this work through its hub partners. Building on European Commission (EC) funded work on the policy ecosystem for small, green enterprises, it formed a partnership with SEED, the civil society organisation promoting social and environmental entrepreneurship.
4. GEC also established a new East African regional hub and appointed a convenor, Anna Amumpiire. Three new East African think tanks applied for GEC membership (KIPPRA in Kenya, IPAR in Rwanda and REPOA in Tanzania) and commenced work to shape new national and regional action.

Obstacles and opportunities

While several GEC grants are coming to an end, we have been successful in attracting new EC funding and securing philanthropic finance. The new EC grant will be split between IIED and IIED Europe but will not cover country and regional hub activities, so a funding strategy is being developed for these.

The increasing policy focus on just transition to a low carbon economy and interest in social aspects of the transition, is an opportunity for us to promote our flagship policy work, the Green Economy Tracker and develop and secure funding for the new Social Contract.

Increasing inequality

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

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

Meeting the challenge

When we committed to address the challenge of increasing inequality in IIED's current five-year strategy, we never expected that a global pandemic would accelerate the urgency of this work. In 2021, we turned our focus inside IIED as well as out.

Inequality is embedded within the development and environment sectors, from where funding flows to and from, to colonial aspects of environmentalism, failures in climate justice and more. We must identify how we can live our values better, among ourselves and with others, if we are to be effective in promoting social and climate justice.

Our work is always — and must always be — based in partnership, and the process of learning, reflection and action on inequality was no exception. In October, IIED joined with the GEC to launch a blog series that challenges dominant approaches to the nature and climate crises and highlights the strengths of locally controlled and run conservation. This is a space created for the voices of Indigenous Peoples' organisations, activists and others. Contributors to date include Gustavo Sánchez of the Mesoamerican Alliance of Peoples and Forests (AMPB). This series is highly relevant to some of 2022's most critical policy spaces, including the fast-approaching IUCN Africa Protected Areas Congress and the much-anticipated Convention on Biological Diversity (CBD) Conference of Parties (COP15).

In 2021, our Gender Equality Champions Network (GECN) both pushed its agenda forward — exploring intersectionality in research design with partners and others — and reflected back, publishing an assessment of how well IIED teams are meeting the organisation's ambitions for gender equality in our research. Actions from the assessment form part of GECN's 2022 workplan, and IIED's CCG has publicly set out five steps they will take to place gender, intersectionality and social justice at the centre of their work on the climate crisis.

Our race and racism working group also took stock, publishing a statement on our progress towards becoming an actively anti-racist organisation and sharing our current thinking with other organisations. The group also completed internal research to identify colonial or racist narratives in the environment and development sector and specifically within IIED. A [full report](#) has been published on the IIED website. In December we also published an [external statement](#) about being an anti-racist organisation, outlining the journey to achieve this.

All-staff training on equity and inclusion throughout 2021 helped establish a shared practice of learning and action. An internal diversity, equity, and inclusion (DEI) audit to review IIED policies, practice, culture, and structure in relation to its ability to progress anti-racism is under way. The survey has been shared with all staff, associates, and the trustees. The findings from these processes will define next steps for the institute, with clear indicators for tracking progress against recommendations.

Lessons learned

IIED examined how the pandemic had a staggering impact on global inequality and interacted with the climate crisis.

The 2022 World Inequality Report showed that this year billionaires collectively own 3.5% of global household wealth, up from just over 2% in early 2020.

The failure to deliver COVID-19 vaccines to most of the global South on anything like the scale of delivery to rich countries was alarming (only 3% of people in low-income countries are fully vaccinated, while the figure exceeds 60% in both high-income countries and upper-middle-income countries).

In the first year of the pandemic, global carbon dioxide emissions fell by 6.4% — but they bounced back to near pre-pandemic levels in 2021. This tells us that the steep emissions cuts necessary to limit global warming to 1.5°C are not in sight. We lost a year of climate negotiations. COP26 did take place, and progress was made in many areas, but poorer nations were disadvantaged by the move to online negotiations.

Lockdowns hit the poor and vulnerable hardest: informal sector workers were denied income; women shouldered the burden of caring; people living in informal settlements had little opportunity for self-protection; and migrant workers were left without jobs or social networks. Particularly concerning, poorer children are most likely to have missed schooling, intensifying educational inequality.

Inequality between countries grew dramatically, reversing decades of convergence in GNP per capita. We are seeing a two-track economic recovery with developed economies due to return to pre-pandemic levels and developing countries seeing lower growth, rising debt and inflation.

Global challenges need global responses. Rich countries must contribute by reducing their emissions much faster than developing countries and provide adequate, accessible and high-quality climate finance. The pandemic has taught us that 'no one is safe until everyone is safe'.

Obstacles and opportunities

Intersectionality work has been embedded in institutional initiatives. A Global Engagement Theme (GET) has been approved for FY23 that will focus on 'Anti-racist narratives as enablers of equity and social justice'. The GET will progress implementation of several components of the anti-racist narrative work.

Two approved ILEs both support our work to combat intersectional inequality. The ILE on ethical dimensions of partnerships is pertinent, as donors move towards decolonising funding approaches towards direct access for the global South. This will also support a process of defining IIED's relevance as a global North partner and how we can work in ethical and effective ways. Another ILE addresses the ways in which LGBTQ+ issues affect climate action and urban inequality.

A grade five researcher has been recruited to support the intersectionality lead in working on integrating inequality and social justice approaches across the organisation.

Coherence in addressing inequality and intersectionality across the organisation will require dedicated and funded staff to drive the processes internally and externally.

Ongoing funding will be needed for intersectionality work to support justice approaches in research and across groups, and position IIED as a thought leader in this area.

Directorate, support functions and strategy and learning group

In advance of [IIED's 50th year](#), a new report considered how the organisation has worked within or influenced ten major sustainable development movements, including the drives for global climate justice, grassroots sustainable urbanisation and an inclusive green economy.

As an action research organisation, IIED has not produced an 'official history' to celebrate 50 years in the sustainable development sector, but rather commissioned a reflective research paper that seeks to review our work, suggest a framing and make an assessment that can inform future work.

In '[Connecting for common goals: exploring IIED's role in ten sustainable development movements](#)', author [Steve Bass](#) presents a mapping of the organisation's contributions within their contemporary context. He draws on interviews with staff and trustees, past and present, and on IIED annual reports, as well as his own career with the organisation and across the wider sector.

Investing in institutional performance

A huge change in IIED over the last two years is the fact that we have largely lost our physical, in-person community. The pandemic continued to disrupt daily life during 2021/22, although operational travel resumed early in 2022 for the first time since the onset of the pandemic in early 2020, which is hugely important for IIED. We also have the aspiration to globalise our workforce over time and for IIED to continue to be more distributed and not solely based in the UK. So increasingly the digital community is more important than the physical community. We have worked hard on internal and external digital communications and had some big dividends from the rapid boost to digital during the pandemic (most importantly, genuinely globalising the audience for our events). The future at IIED will be with a hybrid way of working — but there's more work to be done to find effective new ways to retain the sense of community and culture that is valued by all employees. We invested in an all-staff retreat in May, using an 'Open Space' highly participatory methodology. The event was a striking success and we will consider regular all-staff retreats as an option for reinforcing the bonds of community in a hybrid working system.

Strategy and Learning Group

The Strategy and Learning group (SLG) has continued to support the establishment of IIED Europe. We have developed IIED Europe's strategy and carried out an ambitious horizon scan survey, to gather research questions on the impacts of the EU from experts around the world.

SLG leads IIED relations with our frame funders, Sida and Irish Aid. We recently received confirmation that Irish Aid will renew our agreement for a further year at the same level (€2 million). This is a strong endorsement of IIED's work with Irish Aid to support their staff to develop ideas and capacity for climate action through the Learning Platform. Ireland is also a strong supporter of LIFE-AR. We have also received confirmation from Sida that funding in 2022/23 will be maintained at a similar level to 2021/22. Sida commissioned a series of seminars from IIED for all their staff; held in the first half of 2021, and then the series was resumed in January 2022. These events provided an effective means to build direct interaction with a broad range of contacts within Sida, and dialogue with senior Sida staff on key policy issues remains strong.

SLG also leads on our monitoring, evaluation and learning activities, and measurement of our impact, covered in the section on page 4.

Business development

Leila Fazal was appointed as the head of business development in December 2021. This appointment provided an opportunity for a SWOT analysis to be carried out to inform and shape the business development team's priorities. This highlighted the well-established partnerships and good working relations between colleagues involved in generating income. However, improvements were noted, including reducing the time taken in decision-making for funding prospects and internal databases in need of updating or replacement.

A business development strategy is expected to be completed by December 2022. This will include analysis of current income streams, a workplan and key performance indicators.

Support functions

There have been several key changes within support functions during the last year. A new chief operating officer (COO), Vicky Reynolds, was appointed in October 2021, but we were pleased to retain the previous COO, Deborah Harris, on a part-time basis as Company Secretary, ensuring continuity and retention of historic knowledge.

We tendered our IT Managed Services during the last year and subsequently appointed a new company, Rock, to manage our outsourced IT function. The transfer took place in February 2022 and the transition went smoothly, despite a few initial teething problems as we learnt each other's processes. We will be reviewing the integration, functionality and security of our IT applications, systems and processes over the coming year and will prepare an IT strategy, with assistance from Rock, to optimise our use of technology.

We also appointed Andrea Vogel as head of people in December 2021. During the previous year a new People Strategy had been developed and this is now being taken forward by the People Team. Our vision is to develop a workforce where people deliver their best each day and where they feel involved, engaged, inspired, appreciated, valued, fulfilled, happier and healthier at work. We have developed a set of principles for recruitment of a globally distributed workforce and are consulting with employees on a draft policy and procedures. Alongside this, we are implementing improvements in our Diversity, Equality Inclusion procedures, for example, ensuring we can collect relevant anonymised data to monitor the effectiveness of our proactive strategies. We have purchased and are implementing a new Learning Management System to improve the delivery and monitoring of employees' training and development objectives.

We have made further improvements in our financial management reporting, building on the work done to enhance systems and processes in the previous two years. We are continuing to review our systems and further work is planned to improve integration of applications within the organisation to increase efficiency. It is important that we manage our overheads and all our costs effectively during this time of rapidly increasing inflation, to provide value for money and cost-effective services for funders. We expect this to be a key focus of the finance team in the next couple of years.

During 2021/22 we were pleased to adopt the International Aid Transparency Initiative (IATI) standard for our FCDO funded projects. IATI is a global initiative to improve the transparency of development and humanitarian resources and their results to address poverty and crises. We now publish information about these FCDO funded activities using IATI's data standard and we expect to adopt the standard to publish information about other projects in the future.

Recognising employee commitment and excellence

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

Staff have shown resilience and focus while continuing to navigate through persistent pandemic restrictions, impacting on personal lives and professional activities, as well as responding to the geopolitical movements. Research groups and support functions have responded innovatively and proactively to deliver on a broad range of projects, while demonstrating value and efficiency. All this has been supported by strong partner and donor relationships which have given IIED the flexibility to evolve and adapt in order to deliver on projects.

Trustees commend the cross-institutional collaboration around anti-racist action and inclusivity initiatives and the commitment to embed them into organisational strategy. IIED has an agreement with the trade union Unite. We worked together closely throughout the year on policies and issues affecting employees. Staff wellbeing and development continues to be a priority for leadership teams and the Union along with initiatives to support and facilitate staff development.

Looking ahead

External context

Global action for tackling the climate and biodiversity loss crises is in a fragile place. The credibility of global action for mitigating climate change is under threat by the inability of the US at federal level to drive through the measures on which President Biden campaigned. A credible pathway to the vital Paris goal of keeping anthropogenic warming well below 2°C against pre-industrial levels — and ideally at 1.5°C — requires strengthened nationally determined contributions (NDCs) from some big emitters to be announced before COP27 in Sharm El-Sheikh. There is hope this may happen, but it is far from certain. And credible outcomes are needed to move the world forward on financing Loss and Damage, as well as meaningful progress on adaptation finance and reaching the overdue target of \$100 billion of climate finance a year.

The long-delayed COP15 of the Convention on Biological Diversity (CBD) will happen in Montreal in December 2022. Much remains to be done to ensure that the Global Biodiversity Framework — the main output that will lay out the roadmap for global action through to 2030 — will deliver the strength of direction needed for an inclusive and just pathway to a nature positive world.

The Russian invasion of Ukraine in late February has threatened massive change to the dynamics of global governance and global politics. While there are scenarios which could lessen the impact of the Ukraine war on global governance, this still looks like a world changing event and thinking through the implications is important. Some of the key issues that will shape the impact of the Ukraine war are:

Global governance

Huge shifts are happening. A major world power (Security Council Member, G20 and so on) has become a pariah — at least in terms of reactions by Europe, G7 and some Western-aligned countries. The G20 has been placed under extreme stress and did not function in the early part of 2022 (western countries walked out of a meeting of finance ministers in Washington DC because of the Russian presence). It now seems that the G20 will function through the rest of the year, but it is not clear what the cost will be to its effectiveness. The G20 plays a critical role in managing debt crises and if its effectiveness (not very high over the pandemic period) is further compromised by the Ukraine crisis, the impact could be highly problematic.

Global markets

The conflict in Ukraine is already having a massive impact on global grain and food oil markets. Russia and Ukraine supply 28% of globally traded wheat, 29% of barley, 15% of maize and 75% of sunflower oil. Russia and Ukraine contribute about half the cereals imported by Lebanon and Tunisia; for Libya and Egypt the figure is two-thirds. Given the stresses from climate change on top of this, there are concerns of long-term damage to food security in many parts of the world, raising risks of increased political instability. There is work to do on reimagining global food systems, including to increase resilience to shocks. Energy markets have also been impacted. Medium term, European countries will aim to increase renewables to reduce dependence on Russian oil/gas. In the short term, several European states have taken steps to produce more gas domestically or source from alternative sources, in sharp contrast to the COP26 rhetoric.

Geopolitical change

In a changing world, a lot of our issues will be increasingly determined by positions of non-Western powers (China and India most importantly). IIED will need to think differently about geographies of influence. Global social movements will be increasingly important to tackle destructive autocratic entities and leaders.

There will also be impacts on IIED's operating context. Rising military expenditures and support to resettling refugees might constrain bilateral funding for general development and climate action. IIED may need to focus operationally in areas where the global system is struggling. For example, our work on debt swaps for climate and nature action, can fill a vacuum in thinking and action on the global debt crisis, while the world struggles to come to terms with the disruption caused by the war in Ukraine.

The ramifications of the COVID-19 pandemic continue to affect the world in diverse ways. There is considerable evidence of a significant increase in global inequality with diverse drivers. The failure of the rich world and the multilateral system to provide good access to vaccines and therapies for lower- and middle-income countries has affected the dynamics of global governance and global co-operation and threatens to weaken trust in other areas where co-operation is vital, such as climate and biodiversity.

Organisational change

In September 2022 IIED's Director since June 2015, Dr Andrew Norton, stepped down, and was succeeded by Dr Tom Mitchell, previously Strategy Director for Climate-KIC. Under Andrew's leadership, IIED has developed a strategic approach, focusing on the big global challenges (inequality, climate, nature loss, urban risk and unsustainable markets) embodied in the 2019 strategy Make

Change Happen. In this period, IIED has increasingly worked with partners to drive positive change at all levels, from the local to the global.

Highlights have included:

- The impact of IIED's support to the LDCs in the climate negotiations throughout the period and particularly at the Paris Climate Conference of 2015
- A rich record of programmatic and policy action to open ways of getting climate finance to communities at the sharp end of the climate crisis
- Influential work to open debate and policy space for country debt to be used to finance action for climate and nature
- Work to highlight the possibility of inclusive urban transformation following the COVID-19 crisis
- Extensive work to promote and protect the rights of communities and Indigenous Peoples in action to address nature loss, and
- Promoting change through networks of farm and forest producer organisations.

The transition will allow Dr Mitchell to take stock of IIED's position, operations, and influence in time to consider appropriate directions for the next five-year strategy cycle (commencing April 2024).

Beyond the director transition, two other members of the senior team have left IIED. We said a sad farewell to Liz Carlile, our Director of Communications, while David Dodman, Group Director of the Human Settlements Group (HSG), has been appointed to lead the Institute for Housing and Urban Studies in Rotterdam. Both Liz and David made a significant contribution to the achievements of IIED over many years.

A new Director of Communications has been appointed, James Persad, who joins us from Fare Share, where he led a high-profile programme of advocacy and action on food poverty in the UK. Before that he worked for The Carbon Trust. For HSG we have made an internal interim appointment to allow time for the structure of the research groups to be reviewed by the new director.

IIED was formed in 1973 and we are celebrating its 50th birthday throughout 2022/23. A series of events and conversations will recognise our achievements and the crucial role our partners play in them; we will also be looking to the future and inviting voices from new places and spaces to join us. Our plans include:

- Shining a light on the work and ambitions of some of our partners
- Inviting former staff and friends to join our new 'alumni group' on LinkedIn, to help tell the story of the past five decades
- A series of articles with IIED staff — from the longstanding to those just starting out — considering our evolution, future ambition and what we have learned on the way, and
- A series of interviews with partners about the future of environment and development.

Our celebrations began with a 50th birthday celebration event held in June 2022, attended by more than 150 people, including most of our trustees and key figures from the organisation's past.

We have been looking closely at how we can use digital channels more effectively for building relationships with our current audience and raising our awareness with new audiences. We had training in developing digital content and examining more closely the timings and moments that our audiences respond to our copy. We are putting more time this year into using data more effectively to identify areas of greatest impact.

The great disruption of the pandemic, major shifts in cultural framing for development action (particularly around issues of race and racism), uncertainties in our market and the dramatic changes to our working environment, have stimulated a set of conversations about long-term change for IIED. Specifically, they have crystallised a challenge around how our culture and structure should evolve in a time of great and rapid change.

IIED is taking forward a number of exciting projects at this point with great potential for impact, including the following:

- We will continue to support LIFE-AR, where we are supporting the LDCs to transform climate finance, so it effectively reaches the grassroots level, where the impacts of the climate crisis are most acute
- With a new accountable grant from the UK FCDO Research and Evidence Division, NRG has begun scoping and setting up a research-to-action programme, 'Reversing environmental degradation in Africa and Asia (REDAA)'. The aim is to have the REDAA programme — including a grant facility — set up by March 2023 and supporting initiatives putting research into action, for environmental restoration and sustainable natural resources management in Africa and Asia.
- Work on the African Cities Research Consortium (ACRC – www.african-cities.org) has been picking up over recent months. HSG staff have been leading 'domains' on 'safety and security' and 'housing' and contributing to work on climate change and informality. The team has also been very involved in city work in Freetown and Harare and is taking part in the first all-consortium in-person meeting in Nairobi in May.
- In 2022, we will push for locally led action in land and marine areas to be central to delivering the Global Biodiversity Framework and transforming our relationship with nature. In a world facing multiple interlinked crises, everybody welcomes a 'win-win'. In June 2021, IIED and the Nature-based Solutions Initiative published an analysis of new data showing that nature-based interventions can deliver tangible development outcomes for local people. The report was downloaded more than 700 times within a month, with half the readership in the global South. We will continue to assess how far investments in nature can support development goals, without compromising biodiversity and keep these communities of practice talking right up to COP15.

IIED Europe

We have continued to drive forward with the establishment of IIED Europe. Given pressures on the budgets of European bilateral development agencies, and the increasingly fractious dynamics between the UK and the EU, IIED Europe feels more necessary than ever for both influence and business development. During the first quarter of 2022/23 IIED Europe contributed to a major Climate-KIC-led consortium bid for European Commission Mission Adaptation funding. If successful, this will enable the new organisation to recruit one or two staff members to work on local-level adaptation across 150 localities in the EU. We are exploring potential for a new four-year grant to GEC from the EC to be routed in part to IIED Europe. In the long run, philanthropic core funding for IIED Europe will likely be necessary to give it a firm basis for action and coordination with IIED research groups.

About IIED

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

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

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

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

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

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

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

Box 2. Delivering public benefit

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

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

Structure, governance and management

The company is registered in England and Wales as a company limited by guarantee (registered no 2188452) and its activities are governed by the Memorandum and Articles of Association (dated 23 July 2008). It is also a registered charity in England and Wales (registered charity no 800066) and in Scotland (registration number SC 039864). In the US we are registered under s501 (c) (3) of The Internal Revenue Code as a publicly supported organisation exempt from federal income tax.

The objects for which the Company is established are:

3.1 To advance the education of the public by all charitable means;

3.2 To promote sustainable development for the benefit of the public by:

3.2.1 The preservation, conservation and protection of the environment and the prudent use of natural resources;

3.2.2 The relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities; and

3.2.3 The promotion of sustainable means for achieving economic growth and regeneration.

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

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

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

Trustee appointment

The names of trustees are shown in the administrative information on page 34. The Board of Trustees (Board) consists of 12 trustees drawn from diverse geographical regions that correspond with the international focus of IIED's work.

Trustees retire by rotation; six years' continuous service (3+3) is the maximum, unless allowed exceptionally by the Board. The Board annually reviews its structure, size and composition (including the skills, knowledge and experience) and ensures that composition reflects IIED's mission with appropriate gender, cultural and geographic diversity. The Nominations sub-committee (NSC) ensures that candidates of the highest calibre, with appropriate and diverse mix of skills and experience, are put forward for selection by the Board. Trustee vacancies are advertised on the IIED website, charity and trustee websites as appropriate, and through IIED's networks.

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

Organisational structure

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

During 2021/22 the Board held quarterly online meetings, taking into consideration environmental impact and COVID-19 travel restrictions.

The Finance Audit, Risk and Assessment sub-committee (FARA) oversees financial performance, assurance and risk management at IIED. Membership of FARA is drawn from the Board and currently comprises three trustees. The quorum is three trustees, one of whom must be the chair, vice chair or treasurer. FARA reports to the Board and meets four times a year, aligned with and in advance of Board meetings.

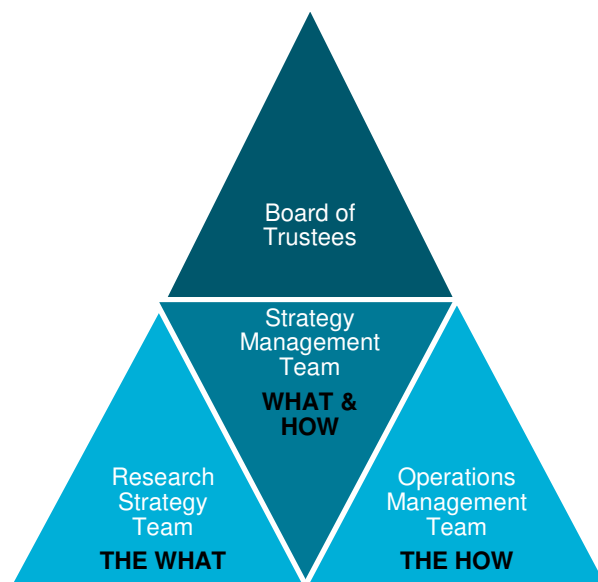
The Business Development sub-committee (BDSC) was previously called the Fundraising sub-committee. It reviews the fundraising and business development work at IIED. Membership is drawn from the Board and currently comprises three trustees, and the quorum is two trustees. BDSC meets at least twice a year and reports to the Board.

The NSC supports the Board in the execution of its responsibility to establish a formal and transparent procedure for the appointment of new trustees and to review annually the composition of the Board. Membership is drawn from the Board and currently comprises three trustees. The quorum is two trustees, one of whom is the chair. The NSC meets as needed to fulfil its responsibilities and reports to the Board.

The Board of Trustees assesses their performance against each of the principles of the Charity Governance Code annually. The last assessment was carried out in September 2021. This found that most of the outcomes in the code were met. There is an agreed action plan to improve certain areas, including further ongoing learning and development for trustees and active participation and involvement in the Race and Racism working group.

Members of IIED's senior management team attend Board meetings as well as meetings of Board sub-committees. The Board engages with the Union via representative attendance at Board meetings, and also with the Race and Racism working group with a trustee member of the working group.

The Board delegates the day-to-day running of the charity to the institute director, who is supported by three leadership teams: Strategy and Management, Operations Management and Research Strategy.



The institute's researchers work in four groups: Climate Change (CCG), Human Settlements (HSG), Natural Resources (NRG) and Shaping Sustainable Markets (SSM). The director, management and the research groups are supported by two other groups — Strategy and Learning (SLG) and Communications (Comms) — in addition to operating functions reporting to the chief operating officer.

During 2021/22 the Coronavirus Response Team (CRT) continued to meet and respond to the internal and external impact of COVID-19. The internal focus included staff wellbeing and supporting the transition towards hybrid working as the pandemic's effects reduced from 2022. The external focus considered the impact on partners and funder response to changing delivery plans.

IIED Europe

IIED Europe was established by IIED in late 2020 as a Stichting, a legally independent foundation based in the Netherlands, with a focus on global environmental and social change. It was created with objectives aligned to those of IIED, to contribute to achieving major progress towards the goals of sustainable development, and to enable IIED to maintain close collaboration with a range of European actors and policy processes post-Brexit. IIED Europe is a not-for-profit organisation but is not a registered charity in the UK. Three of IIED's trustees are the directors of IIED Europe. The trustees of IIED have, therefore, referred to the 'Charity Commission Guidance for charities with a connection to a

non-charity', to minimise any risks and conflicts of interest associated with the relationship between IIED and IIED Europe. Information about transactions with IIED Europe is provided in Note 11 on page 49.

Finance review

The statement of financial activities and balance sheet prepared by the trustees is set out on pages 39 to 40. While the performance shows a deficit of £407k, £202k of this represents planned investment in the new entity, IIED Europe. There was a significant increase in income and expenditure during the year, evidencing the continued need, and support for, our projects and programmes. However, the operating environment was still challenging throughout 2021/22. Restrictions on travel and staff absence, predominantly due to COVID-19, alongside short-term difficulties in recruiting the right people into roles, led to delays in completing some projects.

In an increasingly competitive funding environment, we are conscious of the need to be as efficient as possible. We have continued to invest in streamlining our internal processes during 2021/22 to reduce our overheads.

Income is higher than the previous year, £20.6 million against £18.2 million recorded in 2020/21. Payments to collaborating entities increased from £4.6 million in 2020/21 to £6.1 million in 2021/22, so a large proportion of the increased income was passed on to our in-country partners.

The average number of employees has increased to 146 (2021:140), with further expansion in our research activity (core function staffing remained static). We reduced our support costs from £4.6 million in 2020/21 to £3.9 million in 2021/22.

IIED has no public fundraising activity and therefore has no specific costs associated with raising funds to disclose. IIED is not a grant making organisation but makes payments to organisations it works in collaboration with, in countries across the world. Details of payments to collaborating organisations are disclosed in Note 14 to the Financial Statements.

Key management remuneration

IIED's senior management team is paid according to the pay scale negotiated with the union and is benchmarked against similar organisations. Two salaries are outside the pay scale (director, chief operating officer) and were agreed with the union prior to recruitment.

Investment policy

We invested our cash in fixed-term deposits during 2021/22. This policy produces an acceptable rate of return while giving us flexibility to access funds.

Related parties

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

Risk management

IIED's trustees are ultimately responsible for risk management and the effectiveness of our internal control systems. The scheduled reviews of institutional risk took place in 2021/22 (twice at full Board and twice at FARA). Regular review of the risk management process is delegated to FARA, which also oversees an assurance programme.

During 2021/22, IIED notified the Charity Commission of one serious incident. This related to a misdirected payment, which occurred as a result of cybercrime affecting one of our partner organisations in the global South. The Charity Commission was satisfied that the trustees had dealt with the incident quickly and appropriately. The Cyber Fraud Centre was also notified, although they could not investigate the incident due to the affected organisation not having any presence in the UK.

There were no other incidents in the year and no complaints were received.

Key risks

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

1. Political risks

There are risks associated with political change which could undermine global co-operation and aid commitments (US mid-terms, wars, rising inequality). Conflict, trans-national crime, and institutional collapse could also reduce our ability to operate in affected countries. The war in Ukraine could divert efforts away from global action for sustainable development.

To mitigate these risks IIED aims to diversify geographies of focus and develop models of action with independence from global multilateral processes. It is also looking for ways to engage and provide expertise in areas impacted, for example, food security arising from the war in Ukraine.

2. Climate and ecological breakdown

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

IIED continually rethinks its repertoire of inclusive climate/nature positive action, including radical change, to mitigate these risks. We consider more radical options for change, including degrowth in northern contexts and supporting radical activism. We continue to develop digital modes of research practice and build the resilience of IIED operations and partner systems.

3. Cultural risks

Changing norms in some geographies, e.g., LGBTQ+ inclusion, can create reputational risks for IIED operating in countries with discriminatory cultures. There is also an increasing emphasis on decolonising practice which could render IIED's 'based in the north - work in the south' model ineffective.

IIED strives to ensure that our own work on intersectional disadvantage explores a broad range of issues of discrimination and seeks to drive positive change, e.g., our ILE on ethical dimensions of partnerships. We have a history of strong partnership working where we share global experience in northern contexts. We also now have a global workforce framework to enable recruitment in countries in which we work.

4. Recruitment risk

Climate change is becoming the central issue in global politics and there is increasing demand for knowledgeable employees skilled in climate change, e.g., adaptation finance. This poses a risk that we may lose skilled staff or have difficulties recruiting.

To mitigate this risk, we ensure we have robust recruitment and onboarding processes, and we provide a comprehensive staff benefits and remuneration package. We are also reviewing career development pathways within IIED.

5. Risks arising from changes in ways of working

In common with many organisations, IIED has adopted a hybrid way of working. This has many advantages but there is a risk that it may erode the cohesion and sense of belonging which is valued by all employees and partners. Having a more distributed, global workforce may also lead to higher legal costs and currency losses.

To mitigate these risks, IIED has engaged with staff throughout the last two years to build our hybrid and digital community through social media channels and virtual meetings and events. We are continuing to adapt our policies and procedures to fully embrace the hybrid working model and global workforce.

7. Business Development Risks

There is a risk that donors continue to reduce the allowable costs and overheads associated with projects, to the point where full cost recovery and funding of central operations is impossible, which would jeopardise the sustainability of IIED. Increased inflation and global recession also present risks that available funding for projects will fall short of the actual costs incurred. The war in Ukraine may also lead to reduced amounts of funding available for climate finance and bilateral aid. IIED is operating in a world of poly-crises, with funders pushing for systemic change. This results in increasing reliance on unrestricted Frame funding and also leads to stress and overwork affecting the wellbeing of staff.

To mitigate these risks, we continually look for opportunities to drive down costs and we engage actively with donors on a regular basis. We are looking for ways to increase our unrestricted funding and to expand and diversify the range of donors to reduce our reliance on any type of donor.

Reserves policy

IIED's reserves policy is aligned with the five-year strategy launched in April 2019.

To protect the organisation and its charitable programme against the risks of funding loss through income shortfalls and other unexpected financial losses, IIED's reserves policy sets a target for total unrestricted reserves of three to four months of operating costs and staff salaries, discounted by circa 30% given corrective action would be taken in the event of a going concern issue. This is c£2.3 million: trustees have therefore set the target range of free reserves (being total funds less restricted and designated funds) at between £1.9 million and £2.5 million.

Total funds at 31 March 2022 were £2.1 million (2020: £2.5 million). The total free reserves have decreased to £1.85 million (2021: £2.2 million). This falls short of the target range endorsed by the Board and our budget for 2022/23 aims to replenish reserves by £0.25 million to bring the free reserves back above £2 million.

The trustees recognise that, at this mid-point of IIED's strategy and with the appointment of the new Executive Director, it is timely for IIED to review its plans for the next couple of years. This review will be undertaken in the coming months and will include a review of the level of reserves that may be needed to achieve any growth plans over the next 2-5 years and further assessment of the financial risks and the full range of mitigation measures.

Statement of going concern

IIED's performance in 2021/22 was satisfactory. Whilst a deficit of £407k was made, £202k of this was planned investment in establishing the new entity, IIED Europe. There is a pipeline of projects for 2022/23 which gives IIED reassurance about the short- to medium-term future. IIED is funded through income from charitable activities in relation to commissioned research, both practical and academic, and contracted income for 2022/23 is, at the mid-year point, similar to the levels achieved in previous years.

Throughout 2021/22 and into 2022/23, IIED has been closely monitoring the delivery of its projects, including the ability of partners to carry out research. Although COVID-19 did impact the delivery of some projects, these delays have not been significant.

Trustees have continued to receive regular management accounts and business reports. The trustees considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of IIED's operations (including COVID-19), and a review of the budget and forecasts to March 2024.

IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs, to minimise any draw on reserves during 2022/23.

Having regard to the above, the trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Statement of trustees' responsibilities

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

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

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

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

In so far as the trustees are aware:

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

Auditors

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

This annual report of the trustees, under the Charities Act 2011 and Companies Act 2006, was approved by the Board of Trustees on 21 September, including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:



Dr Tara Shine

Chair

Glossary

CRT	Coronavirus Response Team
DFID	Department for International Development (UK) (1997-2020)
FCDO	Foreign, Commonwealth & Development Office (UK) (FCO merged with DFID on 20 September 2020)
FRS	Financial reporting standard
FY	Financial year
Hivos	Humanistisch Instituut voor Ontwikkelingssamenwerking (Humanist Institute for Cooperation)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
IIED	International Institute for Environment and Development
LIF	Learning and impact framework
LIFE-AR	LDC Initiative for Effective Adaptation and Resilience
LDCs	Least Developed Countries
MEL	Monitoring, evaluation and learning
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
SDGs	Sustainable Development Goals
Sida	Swedish International Development Cooperation Agency
SME	Small and medium-sized enterprises
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
WRI	World Resources Institute

IIED groups

Comms	Communications Group
CCG	Climate Change Group
FARA	Finance, Audit and Risk Assessment Committee (sub-committee of the Board)
BDSC	Business Development Subcommittee (sub-committee of the Board) (previously the Fundraising Subcommittee)
HSG	Human Settlements Group
NRG	Natural Resources Group
NSC	Nominations Subcommittee (sub-committee of the Board)
SLG	Strategy and Learning Group
SSMG	Shaping Sustainable Markets Group

Reference and administrative details

Trustees

Tara Shine (Chair) (appointed 14 September 2020) ^{FARA}
 Paul George (Vice Chair from 21 June 2022) (appointed 6 December 2021) ^{FARA}
 Les Campbell (Treasurer from 23 September 2021) ^{FARA (Chair)}
 Maarten van Aalst (appointed 6 December 2021) ^{NSC}
 Batkhishig Baival ^{NSC}
 Silvia Charpentier ^{BDSC}
 David Elston (retired 22 September 2021)
 Bara Gueye ^{NSC (Chair)}
 Michael Horgan (retired 21 June 2022) ^{FARA}
 Maria Mähl ^{BDSC (Chair)}
 Cheikh Mbow (appointed 6 December 2021) ^{BDSC}
 Angela McNaught (previous Treasurer, retired 22 September 2021) ^{FARA}
 Sheela Patel
 Alicia Perez-Porro (appointed 6 December 2021)
 Gabriel Quijandria (appointed 6 December 2021) ^{BDSC}
 Elizabeth Stephen (previous Vice Chair, retired 21 June 2022) ^{FARA}

^{FARA} Member of Finance, Audit, Risk and Assurance Committee

^{NSC} Member of the Nominations Sub-Committee

^{BDSC} Member of the Business Development Sub-Committee (previously Fundraising Sub-Committee)

Trustees are the directors of the company under the Companies Act 2006.

Director

Dr Andrew Norton (until 9 September 2022)

Tom Mitchell (from 5 September 2022)

Company Secretary

Deborah Harris

Registered office

Third Floor, 235 High Holborn, London, WC1V 7DN, United Kingdom

Registered company number: 2188452 Registered charity number: 800066 Registered OSCR number: SC 039864

Auditors

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

Solicitors

Bates Wells LLP
 10 Queen Street Place
 London
 EC4R 1BE

Bankers

Barclays Bank plc
 1 Churchill Place
 London
 E14 5HP

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

Opinion

We have audited the financial statements of International Institute for Environment and Development ('the charitable company') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 32, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements, and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, The Charities and Trustee Investment (Scotland) Act 2005 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

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

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

Use of our report

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



Nicola May

Senior Statutory Auditor

For and on behalf of:

Crowe U.K. LLP
Statutory Auditor
London, UK

Date: 30 September 2022

Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
INCOME AND EXPENDITURE							
Income from							
Bank interest		1	-	1	2	-	2
<i>Charitable activities</i>							
Climate change		1,490	4,272	5,762	1,107	3,575	4,682
Natural resources		578	6,436	7,014	619	5,450	6,069
Sustainable markets		282	1,330	1,612	163	1,327	1,490
Human settlements		170	2,047	2,217	212	1,921	2,133
Green Economy Coalition		1	1,571	1,572	-	1,256	1,256
Partnerships and development		73	1,157	1,230	993	83	1,076
Communications and publications		21	1,051	1,072	5	1,020	1,024
Other		4	155	159	361	98	459
Total incoming resources	13	2,620	18,019	20,639	3,462	14,730	18,192
Expenditure on							
<i>Charitable activities</i>							
Commissioned studies and research	2	3,780	17,266	21,046	3,213	15,079	18,292
Total resources expended		3,780	17,266	21,046	3,213	15,079	18,292
Net income (expenditure)		(1,160)	753	(407)	249	(349)	(100)
Transfers between funds	8	753	(753)	-	(349)	349	-
Net movement in funds		(407)	-	(407)	(100)	-	(100)
Funds brought forward at 1 April 2021		2,505	-	2,505	2,605	-	2,605
Funds carried forward at 31 March 2022	9	2,098	-	2,098	2,505	-	2,505

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

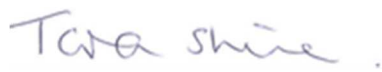
Balance sheet as at 31 March 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets	4	182	212
Intangible fixed assets	5	67	133
		249	345
Current assets			
Stocks		-	-
Debtors	6	2,786	2,259
Cash at bank and in hand		5,082	6,545
		7,868	8,804
Liabilities			
Amounts falling due within one year	7	(3,008)	(1,996)
Deferred revenue	7	(3,011)	(4,648)
		(6,019)	(6,644)
Net current assets		1,849	2,160
Amounts falling due after more than one year		-	-
Net assets		2,098	2,505
Funds			
Unrestricted reserves	9	1,849	2,161
Designated reserves	9	249	344
Total funds		2,098	2,505

Approved by the Board of Trustees on 21 September 2022

and signed on its behalf by:

Dr Tara Shine



Les Campbell



Registered company number: 2188452

Cash flow statement for the year ended 31 March 2022

	2022 £'000	2021 £'000
Net incoming / (outgoing) resources	(407)	(100)
Interest received	(1)	(2)
Foreign exchange	76	214
Depreciation	151	260
Disposals of tangible fixed assets	35	4
Increase / (decrease) in deferred revenue	(1,636)	785
(Increase) / decrease in debtors	(527)	1,434
Increase / (decrease) in creditors	1,012	300
Net cash (used in) /provided by operating activities	(1,297)	2,895
Cash flows from investing activities		
Purchase of tangible fixed assets	(91)	(58)
Interest received	1	2
Foreign exchange	(76)	(214)
Net cash used in investing activities	(166)	(270)
(Decrease) / Increase in cash during the year	(1,463)	2,625

Analysis of changes in cash during the year

	2021 £'000	Change in year £'000	2022 £'000
Cash at bank and in hand	6,545	(1,463)	5,082
	6,545	(1,463)	5,082

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting policies

1.1. Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Charities SORP (FRS102), applicable to charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

1.2. Going Concern

IIED's performance in 2021/22 was satisfactory. Whilst a deficit of £407k was made, £202k of this was planned investment in establishing the new entity, IIED Europe. There is a pipeline of projects for 2022/23 which gives IIED reassurance about the short- to medium-term future. IIED is funded through income from charitable activities in relation to commissioned research, both practical and academic, and contracted income for 2022/23 is at the mid-year point similar to the levels achieved in previous years.

Throughout 2021/22 and into 2022/23, IIED has been closely monitoring the delivery of its projects, including the ability of partners to carry out research. Although COVID-19 did impact the delivery of some projects, these delays have not been significant.

Trustees have continued to receive regular management accounts and business reports. The trustees considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of IIED's operations (including COVID-19), and a review of the budget and forecasts to September 2023.

IIED will continue to carefully monitor its pipeline, contracted income, and expenditure, particularly core costs, to minimise any draw on reserves during 2022/23.

Having regard to the above, the trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

1.3. Income recognition

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

1.4. Incoming resources subject to restrictions

Grants and donations given for specific purposes are credited to a restricted fund, against which expenditure for that purpose is charged. Expenditure includes direct staff costs, other direct costs and, by agreement with the donors, an allowance for overheads calculated as a percentage of direct staff costs. The element of the overhead allowance that represents running costs which cannot be

separately identified to a specific piece of work, is credited to unrestricted funds in the Statement of Financial Activities (see note 3).

1.5. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

1.6. Expenditure

All expenditure is accounted for on an accrual basis.

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

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

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

1.7. Financial instruments

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

1.8. Fixed assets

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

Leasehold improvements: remaining period of lease

Office furniture and equipment: five years

Computer hardware: three years

Computer software: five years

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

1.9. Cash and cash equivalents

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

1.10. Provisions

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

1.11. Exchange rates

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

1.12. Leases

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

1.13. Unrestricted funds

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

Notes to the Financial Statements (continued)

2. Analysis of total resources expended

	Programme costs £'000	Payments to collaborating entities £'000	Support costs £'000	2022 Total £'000	2021 Total £'000
Charitable activities					
Commissioned studies and research					
Climate change	3,584	282	891	4,757	3,772
Natural resources	2,647	3,859	1,500	8,006	6,568
Sustainable markets	1,316	98	326	1,740	1,466
Human settlements	1,027	838	430	2,294	2,623
Green Economy Coalition	549	757	301	1,608	1,539
Strategy and learning	815	3	189	1,007	944
Communications and publications	1,083	-	249	1,332	1,380
Commissioned studies and research	11,021	5,837	3,886	20,744	18,292
Grants to IIED Europe	-	302	-	302	-
Total resources expended	11,021	6,139	3,886	21,046	18,292

Foreign exchange gains and losses recognised in the year amounted to a loss of £76k (2021: loss £214k)

3. Support costs

	2022 £'000	2021 £'000
Premises	547	895
Finance	1,328	1,370
Director's office/trustees	629	657
IT services	635	597
Human resources	705	1,037
Systems development	42	59
Total	3,886	4,615

Support costs are allocated to activities on the following basis:

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

	2022 £'000	2021 £'000
Support costs include:		
Statutory audit fees	45	31
Grant audit fees	31	97
Other services carried out by the statutory auditor	2	5

Governance costs amounted to £61k (2021: £46k)

Resources expended include operating lease rentals of £315k (2021: £368k)

Notes to the Financial Statements (continued)

4. Tangible fixed assets

	Leasehold improvements	Furniture and fixtures	Office and computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2021	112	198	210	520
Additions	32	1	27	60
Disposals	-	(2)	(31)	(33)
At 31 March 2022	144	197	206	547
Depreciation				
At 1 April 2021	20	178	110	308
Charge for year	14	8	63	85
Disposals	-	(2)	(26)	(28)
At 31 March 2022	34	184	147	365
Net book value				
At 31 March 2022	110	13	59	182
At 31 March 2021	92	20	100	212

5. Intangible fixed assets

	Computer software	Total
	£'000	£'000
Cost		
At 1 April 2021	368	368
Additions	30	30
Disposals	(104)	(104)
At 31 March 2022	294	294
Depreciation		
At 1 April 2021	235	235
Charge for year	66	66
Disposals	(74)	(74)
At 31 March 2022	227	227
Net book value		
At 31 March 2022	67	67
At 31 March 2021	133	133

Notes to the Financial Statements (continued)

6. Debtors

	2022 £'000	2021 £'000
Less than one year:		
Grants receivable	839	745
Accrued income	1,527	1,158
Other debtors	51	78
Prepayments	369	278
Total debtors	2,786	2,259

7. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	1,217	997
Accruals	1,178	627
Other creditors	153	4
Social security and other taxes	459	368
Total	3,008	1,996

	1 April 2021 £'000	Incoming resources £'000	Resources expended £'000	31 March 2022 £'000
Deferred revenue	4,648	18,019	19,655	3,011

8. Analysis of net assets between funds

31 March 2022	Unrestricted £'000	Designated £'000	Restricted £'000	Total £'000
Tangible fixed assets	-	182	-	182
Intangible fixed assets	-	67	-	67
Debtors	420	-	2,366	2,786
Cash	2,187	-	2,895	5,082
Creditors	(758)	-	(2,250)	(3,008)
Deferred income	-	-	(3,011)	(3,011)
Net assets	1,849	249	-	2,098

31 March 2021	Unrestricted £'000	Designated £'000	Restricted £'000	Total £'000
Tangible fixed assets	-	212	-	212
Intangible fixed assets	-	133	-	133
Debtors	356	-	1,903	2,259
Cash	2,435	-	4,110	6,545
Creditors	(631)	-	(1,365)	(1,996)
Deferred income	-	-	(4,648)	(4,648)
Net assets	2,160	345	-	2,505

Notes to the Financial Statements (continued)

9. Unrestricted reserves

	1 April 2021 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2022 £'000
Total unrestricted reserves	2,160	2,620	849	(3,780)	1,849
Designated funds					
Fixed Asset Fund	345	-	(96)	-	249
Total reserves	2,505	2,620	753	(3,780)	2,098
	1 April 2020 £'000	Income £'000	Transfers £'000	Resources expended £'000	31 March 2021 £'000
Total unrestricted reserves	2,407	3,462	(496)	(3,213)	2,160
Designated funds					
Fixed Asset Fund	-	-	345	-	345
Building and capital fund	198	-	(198)	-	-
Total reserves	2,605	3,462	(349)	(3,213)	2,505

Building and Capital Fund

This designated fund was established to provide for dilapidations costs on Gray's Inn Road. IIED moved out of these premises in 2020/21 and so the balance on the Building and Capital Fund was transferred to the Fixed Asset Fund in the year ended 31 March 2021.

Fixed Asset Fund

The Fixed Asset Fund is designated to represent the net book value of fixed assets, and to exclude this value from the calculation of free reserves, recognising that these funds are not liquid and therefore, are not readily available to be spent on other purposes.

Notes to the Financial Statements (continued)

10. Employees

	2022	2021
	No.	No.
The number of employees during the year was:	146	140
Number of part time employees in above	33	28
The aggregate remuneration paid to employees was:	£'000	£'000
Wages and salaries	7,080	7,015
Social security costs	762	750
Other pension costs	505	508
	8,347	8,273
	2022	2021
	No.	No.
The number of staff whose remuneration fell within each of the following bands was:		
£110,000–£119,999	1	1
£100,000–£109,999	-	-
£90,000–£99,999	-	1
£80,000–£89,999	9	11
£70,000–£79,999	13	8
£60,000–£69,999	16	9

Termination payments of £35k were made in the year (2021 £21k). No amounts were outstanding at the year end.

The key management personnel of the charity comprise the director, chief operating officer, director of Climate Change, director of communications, director of Human Settlements, director of Natural Resources, director of Strategy and Learning, and director of Sustainable Markets. The total employee benefits of the key management personnel of the charity were £908k (2021: £821k).

No company pension scheme existed at 31 March 2022. Contributions are paid on behalf of employees to independently administered money purchase plans. The cost to the Group during the year was £505k (2021: £508k).

During the year, no trustee received remuneration (2021: £nil). Where claimed, expenses incurred on the institute's business were reimbursed. Due to the COVID-19 pandemic, travel for trustees was very limited during the year and all Board meetings took place virtually. The total expenses claimed by trustees during the year was £48 (2021: £nil). The number of trustees claiming expenses was one (2021: nil).

11. Related parties

IIED Europe

IIED Europe was established by IIED on 18 December 2020 as a Stichting, a legally independent foundation based in the Netherlands, with a focus on global environmental and social change. It was created with objectives aligned to those of IIED, to contribute to achieving major progress towards the goals of sustainable development, and to enable IIED to maintain close collaboration with a range of European actors and policy processes post-Brexit. IIED Europe is a not-for-profit organisation but is not a registered charity in the UK. Three of IIED's trustees are the Supervisory Board members of IIED Europe and three IIED employees are directors on the Management Board.

IIED Europe is currently controlled by IIED through the Stichting's Board composition and by virtue of the sole income in 2021/22 being the IIED grant funding. However, group accounts have not been prepared as the results of IIED Europe are not material to IIED's overall results. The intention is that

Notes to the Financial Statements (continued)

11. Related parties (continued)

IIED Europe will recruit further trustees in the near future, that will be independent of IIED and the company will generate its own funds. It is therefore expected that IIED's Financial Statements in future years will not require the results of IIED Europe to be consolidated.

IIED paid £202k to IIED Europe during the year, under a framework grant agreement which commenced on 1 April 2021. IIED's trustees have approved up to a total of £250k to be paid from IIED's reserves for the set up and initial running costs of the new organisation whilst it develops a business plan and strategy and submits applications for funding.

A further amount of £100k was awarded in March 2022 which our funder, Sida, agreed should be paid to IIED Europe from frame funds, to carry out a horizon scanning exercise to get stakeholder views on EU policy impacts in development countries. The results will inform the development of the strategic plan for IIED Europe. At the year end this amount of £100k was owed to IIED Europe and is included in Trade Creditors.

The Stichting International Institute for Environment and Development Europe is a foundation incorporated under the laws of the Netherlands, having its registered office at Plantage Middenlaan 2 K, 1018 DD, Amsterdam and is registered at the Chamber of Commerce under number 81230710.

The Stichting prepared its first accounts for the period from its formation on 18 December 2020 to 31 December 2021, which showed the following:

	2021 €
Total net liabilities at 31 December 2021	(26,965)
Income for the year	140,447
Expenditure for the year	(167,412)
Deficit for the year	(26,965)

The notes to the financial statements of IIED Europe include the following disclosure:

Disclosure of going concern

The equity of the foundation amounts to € 27.000 negative as at the balance sheet date. Negative equity can be an indication of the threat to continuity. The negative equity is the result of start-up losses. The foundation will be financed by IIED UK for the first years. This support will continue until 2023. This ensures continuity in the short term.

12. Commitments

At 31 March 2022 the company had obligations under non-cancellable operating leases as set out below:

	Land and buildings £'000	2022 other £'000	Land and buildings £'000	2021 other £'000
Due in less than one year	280	-	279	-
Due within one to five years	81	-	368	-
Due after more than five years	-	-	-	-

IIED had commitments on contracts to partners of £3 million at 31 March 2022 (2021: £10.6 million), £2 million due in less than one year (2021: £5.9 million) and £1 million due within one to five years (2021: £4.7 million). Payments are contingent upon specific funder-related milestones being met and have therefore not been included within grant liabilities.

IIED holds a lease signed in October 2020 for rent of London office premises for a term of 30 months at £12k per calendar month for three months and £20k per month thereafter.

IIED has an eight-year lease for premises in Edinburgh at a rent of £40k per annum to May 2029 (previously £36k plus VAT per annum to May 2021), with a lease break option in May 2024.

Notes to the Financial Statements (continued)

13. Income

	2022 £'000	2021 £'000	
Donors			
Government and government agencies	9,868	9,768	
International and multilateral agencies	1,885	2,668	
Foundations and NGOs	5,993	6,068	
Corporate	886	792	
Donor income received	18,632	19,296	
Other income			
Interest receivable	1	2	
Other income received	1	2	
Total	18,633	19,298	
Add: Income deferred from prior year	4,648	3,863	
Less: Income due to prior year	(1,158)	(1,479)	
Add: Income due from next year	1,527	1,158	
Less: Income deferred to next year	(3,011)	(4,648)	
Total incoming resources	20,639	18,192	
Government and Government Agencies			
Swedish International Development Cooperation Agency (Sida)	Sweden	3,406	3,361
Irish Aid	Ireland	1,715	2,697
Foreign Commonwealth & Development Office	United Kingdom	3,490	2,284
Department for Environment, Food & Rural Affairs	United Kingdom	315	448
Department for Business, Energy & Industrial Strategy	United Kingdom	277	-
The Secretary of State for Health	United Kingdom	145	399
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)	Germany	126	221
Swiss Agency for Development and Cooperation	Switzerland	88	-
Ministry of Economic Growth and Job Creation	Jamaica	78	149
Ministry of Environment, Sweden	Sweden	169	146
German Institute for Development (DIE)	Germany	-	37
GIZ	Germany	56	19
Amounts less than £10,000		3	7
Total Government & Government Agencies		9,868	9,768
International and Multilateral Agencies			
European Commission	Belgium	928	1,323
Asian Development Bank	Philippines	123	400
World Bank	Malaysia		292
World Bank, USA	United States	274	-
United Nations Food and Agriculture Organisation (FAO)	Italy	204	203
United Nations Environment Programme (Switzerland)	Switzerland	68	15
United Nations Office for Disaster Risk Reduction	Switzerland	32	23
The Collaborative Africa Budget Reform Initiative	South Africa	30	62

		2022 £'000	2021 £'000
United Nations Environment Programme (Asia & Pacific)	Thailand	30	-
Regional Centre for Mapping of Resources	Kenya	26	27
United Nations Office for Project Services (UNOPS)	Denmark	26	16
United Nations Development Programme (UNDP), Thailand	Thailand	25	36
UNDP, United States	USA	23	100
UNDP, Bangladesh	Bangladesh	24	34
UNDP Asia Pacific Regional Centre	Thailand	18	-
UNDP Asia Pacific Regional Centre	United States	11	-
UNEP, Nairobi	Kenya	5	31
UN Human Settlements Programme, Kenya	Kenya	-	20
World Food Programme	Italy	-	19
Organisation For Economic Co-Op & Development	France	-	14
International Fund for Agricultural Development (IFAD)	Italy	-	4
Amounts less than £10,000		38	49
Total International & Multilateral Agencies		1,885	2,668
Foundations and NGOs			
Economic and Social Research Council (ESRC)	United Kingdom	1,047	2,512
MAVA Foundation	Switzerland	907	846
Oxford Policy Management	United Kingdom	523	130
IKEA Foundation	Netherlands	321	261
United Nations University - EHS	Germany	267	-
SouthSouthNorth (Africa) NPC	South Africa	265	-
Wellspring Philanthropic Fund	USA	-	256
University of Manchester	United Kingdom	213	169
The British Academy	United Kingdom	209	299
Oak Philanthropy (UK) Limited	United Kingdom	187	-
Institute of Development Studies	United Kingdom	186	9
The William and Flora Hewlett Foundation	USA	186	-
World Resources Institute (WRI)	USA	-	172
Hivos	Netherlands	-	165
Arcus Foundation	United Kingdom	159	-
Rockefeller Philanthropy Advisors	USA	149	-
Open Society Foundations	USA	121	42
University of Southampton	United Kingdom	112	98
Schmidt Family Foundation	USA	111	58
IUCN, Switzerland	Switzerland	98	50
Stockholm Resilience Centre	Sweden	-	89
International Livestock Research Institute	Kenya	55	30
Arts & Humanities Research Council	United Kingdom	-	88
Arcus Foundation	United Kingdom	-	81
Sustainable Environment Management Action	Tanzania	-	69
FSD Africa	Kenya	-	64
LTS International Ltd	United Kingdom	50	64
Jamma International	United Kingdom	-	61
WWF Netherlands	Netherlands	-	59
New Venture Fund	USA	49	-
Angela Ruskin University	United Kingdom	44	-
IED	France	43	-
MISEREOR	Germany	42	-
World Conservation Monitoring Centre	United Kingdom	-	42
European Climate Foundation	Netherlands	42	34
E3G	United Kingdom	42	-

		2022	2021
		£'000	£'000
United Nations Environment Programme	United Kingdom	39	-
University College London	United Kingdom	38	-
Katholische Zentralstelle fur Entwicklun	Germany	37	-
Global Wildlife Conservation	USA	-	36
International Development Research Centre	Canada	34	-
International Union for Conservation of Nature	Kenya	-	33
CITES Secretariat	Switzerland	33	-
Biovision Foundation for Ecological Development	Switzerland	33	-
Engineering and Physical Sciences Research	United Kingdom	32	26
Bernard Van Leer Foundation	Netherlands	30	-
Ground Truth Solutions	Austria	-	28
International Budget Partnership	USA	-	25
IHA Sustainability Ltd.	United Kingdom	-	23
Eventbrite	United Kingdom	22	-
Overseas Development Institute	United Kingdom	22	-
University of Evora	Portugal	21	-
Responsible Business Alliance Incorporation	USA	18	-
United Cities and Local Governments	Spain	17	5
Mercy Corps USA	USA	16	4
Meridian Institute	USA	-	16
Sustainable Market Foundation	USA	-	15
Water Witness International	United Kingdom	15	-
Save the Children Australia	Australia	13	-
Loughborough University Enterprises Limited	United Kingdom	-	13
Practical Action UK	United Kingdom	-	12
Environment for Development Initiative	Sweden	12	-
International Budget Partnership	USA	11	-
Global Resilience Partnership	Sweden	10	-
Anti-Slavery International	United Kingdom	10	-
Other amounts less than £10,000		102	84
Total Foundations and NGOs		5,993	6,068
Corporate			
PricewaterhouseCoopers London	United Kingdom	530	470
PricewaterhouseCoopers Limited, Kenya	Kenya	-	90
SAGE Publications Ltd	United Kingdom	85	43
Simusolar	Tanzania	72	30
Le Groupe-conseil baastel Itée	Canada	65	44
E-SUD DEVELOPPEMENT	France	46	17
Rainforest Alliance Inc	USA	26	-
The Palladium Group	United Kingdom	-	15
Adelphi research gemeinnützige GmbH	Germany	10	-
Mott MacDonald Ltd	United Kingdom	9	11
Altair Asesores S.L.	Spain	6	6
Unilever	United Kingdom	3	16
DAI Global Belgium SRL	Belgium	3	45
Amounts less than £10,000		31	5
Total Corporate		886	792

Notes to the Financial Statements (continued)

14. Payments to collaborating organisations

		2022 £'000	2021 £'000
Payments to organisations			
Columbia Center on Sustainable Investment	USA	546	265
Namati	USA	485	171
Le Centre pour l'Environnement et le Developpement	Cameroon	387	563
Imperial College London	United Kingdom	266	71
The Copperbelt University	Zambia	261	75
University of Ghana	Ghana	253	74
University of Oxford	United Kingdom	222	180
Samuel Hall	Kenya	184	347
Regional Universities Forum for Capacity Building	Uganda	175	74
University College London	United Kingdom	147	120
Trade and Industrial Policy Strategies	South Africa	138	-
The Environment and Climate Research Center	Ethiopia	120	167
University of the Witwatersrand	South Africa	-	143
University of Greenwich	United Kingdom	116	-
University of Reading	United Kingdom	114	108
IIED America Latina	Tanzania	108	3
Zambia Community Based Natural Resources	Zambia	92	61
IIED Afrique	Senegal	85	49
Reseau de lutte contre la Faim (RELUFA)	Cameroon	82	122
Urban Health Resource Centre	India	81	102
Economic Policy and Competitiveness Research Centre	Mongolia	75	36
International Union for Conservation of Nature And Natural Resources (IUCN)	Kenya	69	27
	Trinidad and Tobago	66	33
Caribbean Natural Resources Institute	Tobago	66	-
Durham University	United Kingdom	66	-
Cardiff University	United Kingdom	63	134
Training and Resource Support Centre	Zimbabwe	63	100
M.G. Silva Consultoria E.I.	Mozambique	-	82
Hivos East Africa	Kenya	-	68
Global Green Growth Institute	South Korea	59	53
Slum Dwellers International, Kenya	Kenya	54	46
Zimbabwe Congress of Trade Unions	Zimbabwe	54	33
Asian Coalition for Housing Rights	Thailand	52	-
Imperial College London	United Kingdom	48	-
Women's Legal Resources Centre	Malawi	47	125
University of Oxford	United Kingdom	47	-
International Union for the Conservation of Nature	Burkina Faso	46	23
Bankers without Boundaries	United Kingdom	43	-
Slum Dwellers International	Kenya	42	-
Finance Watch	Belgium	40	87
Advocates Coalition for Development and Environment (ACODE)	Uganda	40	72
	Trinidad and Tobago	40	-
Canari	Tobago	40	-
Sustainable Amazonas Foundation	Brazil	39	35
Tanzania Women Lawyers Association	Tanzania	38	77
Development Alternatives	India	37	70
Centre for Community Initiatives	Tanzania	37	36
Madhya Pradesh Council of Science and Technology	India	36	40

Kenya Forestry Research Institute	Kenya	36	27
Libélula Institute for Global Change	Peru	36	23
Tanzania Natural Resource Forum	Tanzania	33	26
Libelula	Peru	30	-
Zambia Land Alliance	Zambia	25	-
Community Self Reliance Centre	Nepal	24	67
The Natural Resources Institute			
at The University of Greenwich	United Kingdom	23	53
Loughborough University	United Kingdom	23	-
The Conservation Foundation	United Kingdom	22	37
Nanning Green Seed Poverty Alleviation Service Center	China	22	16
West Asia North Africa for Development	Jordan	21	-
Governo de Moçambique Governo Provincial	Mozambique	-	21
International Rescue Committee Inc	USA	-	20
International Centre for Climate Change	Bangladesh	20	6
Oxford Climate Policy	United Kingdom	-	18
Open Development Cambodia	Cambodia	19	-
Centro Terra Viva	Mozambique	19	-
Wildlife Conservation Society, USA	USA	17	23
Advocates Coalition for Environment and Development	Uganda	17	-
Fundación Foro Nacional por Colombia	Peru	17	27
Caritas Kitui	Kenya	15	-
ANARDE	Uganda	15	-
Aide et Action India	India	15	-
Kenyatta University	Kenya	14	-
Hashemite University	Jordan	14	-
South South North	South Africa	14	-
ADAD - Associacao para a Defesa do Ambiente	Cape Verde	14	3
PHIA Foundation	India	14	-
Fauna and Flora International	United Kingdom	12	22
Dialogue on Shelter Trust	Zimbabwe	12	15
Hakikazi Catalyst	Tanzania	10	-
Usman Ashraf	Finland	10	-
Uganda Wildlife Authority	Uganda	10	-
Echnoserve Consulting PLC	Ethiopia	9	36
Nepal Agriculture Cooperative Central Federation Ltd	Nepal	7	37
Village Enterprise Fund	Uganda	7	15
University of Warwick	United Kingdom	6	22
Zimbabwe Chamber of Informal Economy Associations	Zimbabwe	-	14
Maseno University	Kenya	3	12
Women's Refugee Commission	USA	3	25
AB Consultants	Kenya	2	11
Lok Chetna Manch (LCM)	India	2	26
WWF International	Switzerland	-	10
IUCN Senegal	Senegal	-	10
International Center for Living Aquatic Resources Management	Malaysia	(13)	17
Christian Aid	United Kingdom	-	(29)
Payments less than £10,000		175	126
IIED Europe	Netherlands	302	-
Total payments		6,139	4,608

Notes to the Financial Statements (continued)

15. Restricted funds

Project name	Balance at 31 March 2020 £'000	Income 2020/21 £'000	Expenditure 2020/21 £'000	Transfers 2020/21 £'000	Balance at 31 March 2021 £'000	Income 2021/22 £'000	Expenditure 2021/22 £'000	Transfers 2021/22 £'000	Balance at 31 March 2022 £'000
FRAME – various projects	-	5,345	(4,582)	(762)	-	5,163	(4,753)	(410)	-
Learning and Action Platform IWTCF	-	79	(79)	-	-	63	(63)	-	-
Enhancing PA Equity and Effectiveness	-	75	(75)	-	-	-	-	-	-
Why Eat Wild Meat?	-	81	(81)	-	-	62	(63)	1	-
Natural Capital Approaches, WCMC Darwin	-	17	(17)	-	-	13	(13)	-	-
Livelihoods Insurance 4 Elephants (LIFE)	-	53	(53)	-	-	78	(78)	-	-
Building Resilience in Ethiopia	-	216	(216)	-	-	489	(489)	-	-
SIDA – ADA Consortium Phase II	-	17	(11)	(6)	-	-	-	-	-
IPCC Co-ordinating Lead Author	-	8	(8)	-	-	8	(8)	-	-
BIOPAMA: Governance and equity of protected and conserved areas	-	72	(78)	6	-	137	(153)	16	-
ALIGN	-	780	(780)	-	-	1,770	(1,770)	-	-
GCA Local Adaptation Track MWIM	-	6	(11)	5	-	-	-	-	-
GIZ E-READI	-	14	(14)	-	-	1	(1)	-	-
IBFCCA Financing Climate Change Africa	-	25	(25)	-	-	62	(62)	-	-
LIFE-AR Phase II	-	981	(981)	-	-	1,084	(1,083)	(1)	-
FCDO – MGNREGS Extensions	-	344	(344)	-	-	280	(339)	59	-
GEC – Dialogues for Financial Reform	-	641	(641)	-	-	571	(591)	20	-
The state of planet-positive agriculture in Kenya, Ethiopia, Rwanda and Uganda	-	260	(260)	-	-	-	-	-	-
FCDO BP4GG	-	3	(8)	5	-	12	(16)	4	-
BEIS CASA Opportunity Fund	-	7	(7)	-	-	137	(137)	-	-
Covid, Cobalt and Community [Co-balt 19]	-	13	(13)	-	-	1	(1)	-	-

Project name	Balance at 31 March 2020 £'000	Income 2020/21 £'000	Expenditure 2020/21 £'000	Transfers 2020/21 £'000	Balance at 31 March 2021 £'000	Income 2021/22 £'000	Expenditure 2021/22 £'000	Transfers 2021/22 £'000	Balance at 31 March 2022 £'000
Impacts COVID-19 wild meat consumption	-	47	(47)	-	-	-	-	-	-
Covid Collective: SDI Kenya and MSJC	-	3	(7)	4	-	17	(17)	-	-
Establishing a Biocultural Heritage Trees, COVID and Politics	-	-	-	-	-	52	(57)	5	-
CF Training Initiative FSD Africa	-	39	(47)	8	-	111	(111)	-	-
Covid Collective: DoST, Zimbabwe	-	-	-	-	-	63	(63)	-	-
Covid Collective: DoST, Zimbabwe	-	13	(13)	-	-	15	(15)	-	-
Transformative Urban Coalitions: Catalysing Urban Partnerships	-	35	(38)	3	-	259	(271)	12	-
Achieving Planet-Friendly Agriculture	-	-	-	-	-	154	(154)	-	-
Covid Collective Manchester	-	10	(10)	-	-	8	(8)	-	-
Enhancing Action for Enabling LLA	-	-	-	-	-	320	(320)	-	-
Covid Collection ACHR	-	-	-	-	-	90	(90)	-	-
FCDO – Trafficking & Climate Change	-	-	-	-	-	63	(63)	-	-
Facilitating REDAA	-	-	-	-	-	62	(62)	-	-
LandCam: Securing land and resource rights and improving governance in forest areas of Cameroon	-	599	(674)	75	-	478	(478)	-	-
Empowering Communities in the context of Commercial Agriculture	-	500	(500)	-	-	160	(160)	-	-
Ecosystem-based approaches to adaptation: strengthening the evidence and informing policy	-	79	(86)	7	-	180	(183)	3	-
Implementing park action plans for community engagement to tackle IWT	-	70	(70)	-	-	53	(52)	(1)	-
Supporting smallholder farmers' decision making: managing trade-offs and synergies for sustainable intensification (SAIRLA)	-	27	(29)	2	-	-	-	-	-
Sentinel: Social and Environmental Trade-offs in African Agriculture	-	1,023	(1,091)	68	-	2,024	(2,045)	21	-
ECBI Training, Support, and Trust-Building Project	-	112	(112)	-	-	61	(15)	(46)	-

Project name	Balance at 31 March 2020 £'000	Income 2020/21 £'000	Expenditure 2020/21 £'000	Transfers 2020/21 £'000	Balance at 31 March 2021 £'000	Income 2021/22 £'000	Expenditure 2021/22 £'000	Transfers 2021/22 £'000	Balance at 31 March 2022 £'000
Support to achieve the NDC adaptation targets in the context of Paris Agreement	-	1	(1)	-	-	-	-	-	-
BRACED: Phase 2	-	14	(14)	-	-	-	-	-	-
Financing climate resilience through MGNREGS	-	11	(11)	-	-	59	-	(59)	-
Carrots and sticks	-	25	(25)	-	-	-	-	-	-
Phase I: Appraisal, design and testing of social protection and climate adaptation linkages at the district level, Mabote (Inhambane province), Mozambique	-	218	(218)	-	-	17	-	(17)	-
EARF	-	(51)	51	-	-	-	-	-	-
Other	-	2,918	(3,853)	934	-	3,809	(3,482)	(1,113)	-
Total restricted funds per SOFA	-	14,730	(15,079)	349	-	17,986	(17,266)	720	-

Notes to the Financial Statements (continued)

Restricted funds

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant project.

Frame funding – various projects

IIED currently receives institutional 'frame' funding from the Swedish and Irish Governments. It is provided to support delivery of the organisation's five-year institutional strategy. The funding enables IIED to explore new areas of research, which might otherwise be difficult to fund. It also supports exploration of new methodologies and ways of working, plus development and maintenance of effective systems for evaluation of our work, communicating with key audiences, and liaison with key actors in delivery of our work.

Learning and Action Platform IWTCF

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

Enhancing PA Equity and Effectiveness

Funded by the UK Government's Darwin Initiative to implement the Social Assessment for Protected and Conservation Areas (SAPA) methodology in Kenya, for more equitable and effective conservation.

Why Eat Wild Meat?

Funded by the UK Government's Darwin Initiative to understand more about why people eat wild meat and improve projects that promote alternatives, focusing on Cameroon.

Natural Capital Approaches, WCMC Darwin

Funded by the UK Government's Darwin Initiative via UNEP WCMC to include natural capital values and the cost of biodiversity loss in policy decision making for sustainable socioeconomic transformation.

Livelihoods Insurance 4 Elephants (LIFE)

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

Building Resilience in Ethiopia (BRE)

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

SIDA – ADA Consortium Phase II

Funded by the Embassy of Sweden, this project is the ADA Consortium Transition Phase.

IPCC Co-ordinating Lead Author

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

BIOPAMA: Governance and equity of protected and conserved areas

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

ALIGN

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

GCA Local Adaptation Track MWIM

Assisting the Global Center of Adaptation (GCA) in the co-creation of their Locally Led Action Track up to and beyond the UN Secretary-General's Climate Summit in September 2019.

GIZ E-READI

The delivery of technical assistance to the Enhanced Regional EU-ASEAN Dialogue (E-READI) project in the area of Natural Capital.

IBFCCA Financing Climate Change Africa

Funded by Sida through the Collaborative Africa Budget Reform Initiative, the Inclusive Budgeting and Financing for Climate Change in Africa programme supports stronger links between climate change policy and the budget process with Ministries of Finance as the key representatives.

LIFE-AR Phase II

Funded by FCDO, focusing on supporting the LDC Initiative for Effective Adaptation and Resilience.

FCDO – MGNREGS Extensions

Funded by FCDO, for Financing Climate Resilience through Mahatma Gandhi National rural employment guarantee scheme.

GEC – Dialogues for Financial Reform

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

The state of planet-positive agriculture in Kenya, Ethiopia, Rwanda and Uganda

Funded by the IKEA Foundation to research into the state of planet-positive agriculture in Kenya, Ethiopia, Rwanda and Uganda.

FCDO BP4GG

Funded by FCDO and managed by Mott MacDonald with IIED as subconsultant to Mott MacDonald. This project is focused on business partnerships for global goals.

BEIS CASA Opportunity Fund

Funded by the Department for Business, Energy & industrial Strategy, for research on Building Resilience and Greening the COVID-19 Recovery in the Least Developed Countries.

Covid, Cobalt and Community [Co-balt 19]

Funded by Institute of Development Studies (IDS), on behalf of FCDO, it is the sub-project of the Covid 19 Social Science Research-Evidence Platform.

Impacts COVID-19 wild meat consumption

Funded by the UK Government's Darwin Initiative, to understand the impacts of COVID-19 on wild meat consumption in rural Cameroon.

Covid Collective: SDI Kenya and MSJC

Funded by IDS, on behalf of FCDO, to strengthen advocacy and mobilisation on the frontlines.

Establishing a Biocultural Heritage

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

Trees, COVID and Politics

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

CF Training Initiative FSD Africa

Funded by Financial Sector Deepening Africa, to focus on developing a climate finance training programme in sub-Saharan Africa.

Covid Collective: DoST, Zimbabwe

Funded by IDS, on behalf of FCDO, to identify transformative urban pathways.

Transformative Urban Coalitions: Catalysing Urban Partnerships

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

Achieving Planet-Friendly Agriculture

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

Covid Collective Manchester

Funded by IDS, on behalf of FCDO, it is the sub-project of the Covid 19 Social Science Research-Evidence Platform.

Enhancing Action for Enabling LLA

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

Covid Collection ACHR

Funded by FCDO, to examine lessons from Asian Coalition for Housing Rights (ACHR) community-led responses to the pandemic, and explore how these strategies can influence official partnerships or other policy interventions in Thailand, Indonesia, Philippines and Myanmar.

FCDO – Trafficking and Climate Change

Funded by FCDO, to establish the causal link between climate change, migration and trafficking, and in-depth research at a regional level (India, Bangladesh and Nepal) to understand country and cross-country issues on trans-boundary migration and risks of trafficking.

Facilitating REDAA

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

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

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

Empowering Communities in the context of Commercial Agriculture (EPIC)

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

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

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

Implementing park action plans for community engagement to tackle IWT

Funded by the UK Government's Illegal Wildlife Trade Challenge Fund to engage communities in Uganda to reduce IWT, focusing on the area around Murchison Falls National Park.

Supporting smallholder farmers' decision making: managing trade-offs and synergies for sustainable intensification (SAIRLA)

Funded by WUG International Ltd addresses the research question: 'How do smallholder farmers manage the trade-offs between production, sustainability, and other socio-economic and environmental factors?'

ECBI Training, Support, and Trust-Building Project

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

Support to achieve the NDC adaptation targets in the context of Paris Agreement

Funded by GIZ, to support national monitoring systems to enable adaptation reporting.

BRACED: Phase 2

Building resilience and adaptation to climate extremes and disasters programme funded by Near East Foundation. Providing technical support for the design, set up and communication of climate finance and planning mechanisms, climate information systems, and the learning, monitoring and evaluation framework.

Financing climate resilience through MGNREGS

Funded by FCDO, focusing on financing climate resilience through MGNREGS.

Carrots and sticks

Incentives to Conserve Hilsa Fish in Myanmar funded by the Department for Environment, Food and Rural Affairs.

Phase I: Appraisal, design and testing of social protection and climate adaptation linkages at the district level, Mabote (Inhambane province), Mozambique

Funded by the Minister for Foreign Affairs and Trade of Ireland, to focus on social protection and climate adaptation linkages at district level.

EARF

This DFID (now FCDO) funded project ran from October 2017 to February 2020 and investigated systems of shelter provision in three East African cities — Nairobi in Kenya, Hawassa in Ethiopia, and Mogadishu in Somalia — to inform more inclusive, affordable housing interventions.

Other projects

All other projects have been grouped together under one heading for the purposes of these accounts.