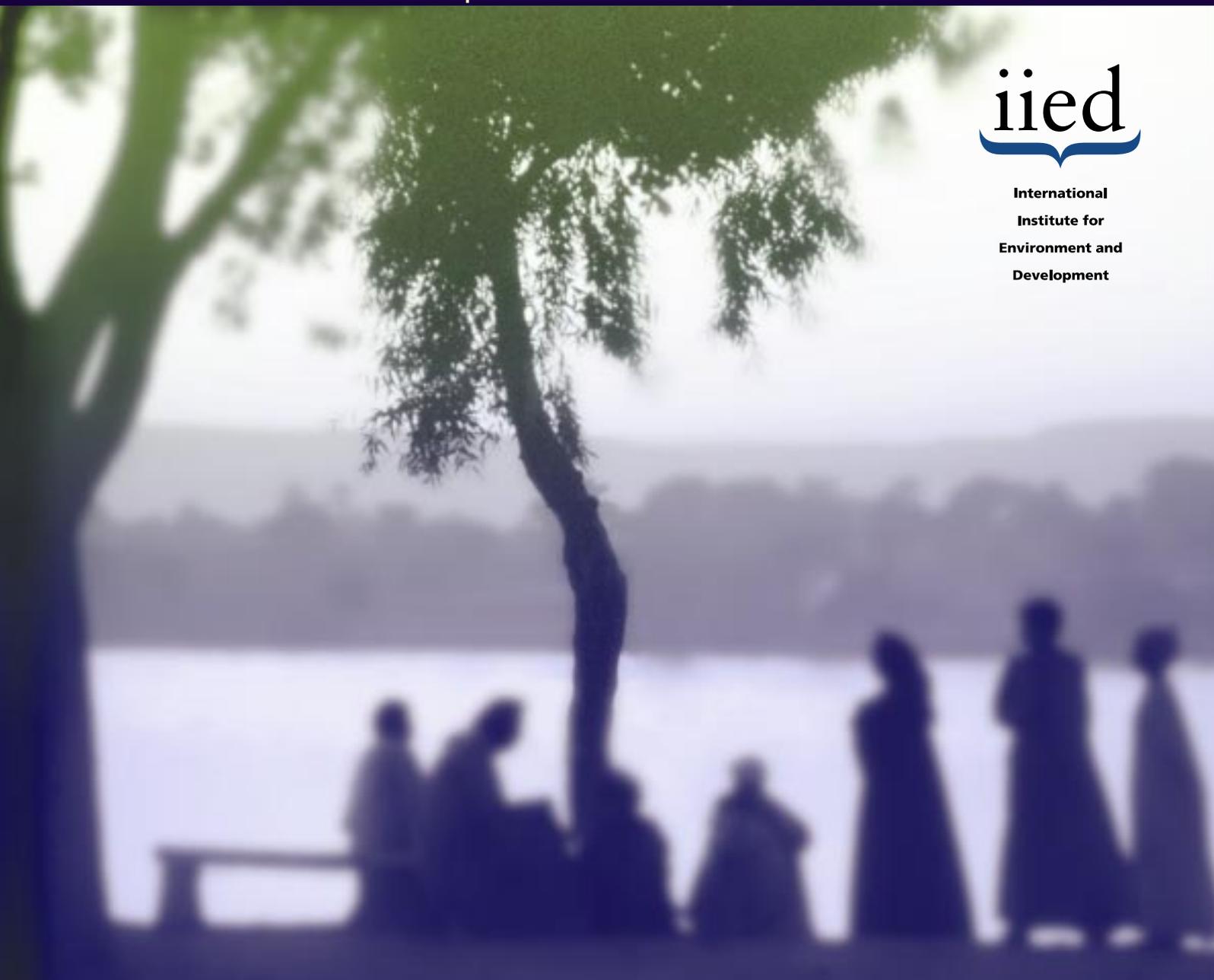


understand research
inform learn
advocate influence
engage analyse act

Annual Report 2002-03



International
Institute for
Environment and
Development



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REPORT

from the Chair

Shaping the Sustainability Agenda



This has been a remarkable year for IIED, culminating in the World Summit on Sustainable Development (WSSD) in Johannesburg. WSSD provided a crucial focus for everyone concerned with environment and development during the past year. And now that it is over many players will be directing their work towards implementing the positive outcomes of the Summit and making good its deficiencies.

IIED had a good Summit. Its book launches of

Words into Action (a special Summit publication of 50,000 copies), **Breaking New Ground** (the mining study) and the resource book for **Sustainable Development Strategies** were all well received.

The Summit also underlined one of the central integrating themes of IIED's work - the interdependence of environmental and development goals, and the need to tackle these in an integrated way. This interdependence was spelt out most fully in relation to the five key sectors to which the conference devoted the most attention - water, energy, health, agriculture and biodiversity.

All these themes have been the leitmotifs of IIED's work for the past 30 years, and it was good to see them taken up and amplified by the full chorus of participants at Johannesburg. Now the IIED team must redouble its efforts to retain the attention of the world as we move on to the next stage of implementation and monitoring of progress towards sustainable development targets.

Breaking New Ground made a seminal contribution to promoting sustainable development in one of the most critical and problematic industries of the world. It has already been taken up vigorously by the leading international mining companies and will clearly continue to have a potent influence for the future.

Financially IIED is in better shape. Overall activities have grown by 11% (leaving out the exceptional activity for the mining project) and reserves are now at 12.3% of total expenditure for 2001/02, making good progress towards the target of 25% of activities in unrestricted reserves which the Board has set as the goal for 2007.

Our international Board has continued to provide wise guidance both on the general strategy and policy of the organisation and on its effective and efficient management.

I shall be stepping down from the Chair of the Board at the Annual General Meeting in November 2002. I want to thank all the members of the Board for the contribution they have made and are continuing to make, and for the support they have given to the Chair and the Executive Director. Above all I want to salute the achievements of all the staff who have managed to make IIED one of the premier organisations in the sustainable development field, and one whose success and influence is still growing.

I am delighted also to be able to announce that I shall be handing over the chair to **Jan Pronk**. He has had a long and distinguished political career in the Dutch Government first as Minister for Development Cooperation and, more recently, as Minister for the Environment. He has played a leading part at Johannesburg and in many other international processes and negotiations on sustainable development. Above all he is, in Keats's fine words, someone "to whom the miseries of the world are misery, and will not let them rest". I am sure he will not let IIED rest in their task of turning excellent analysis of the problems of sustainability into ways of achieving practical measures and solutions on the ground.

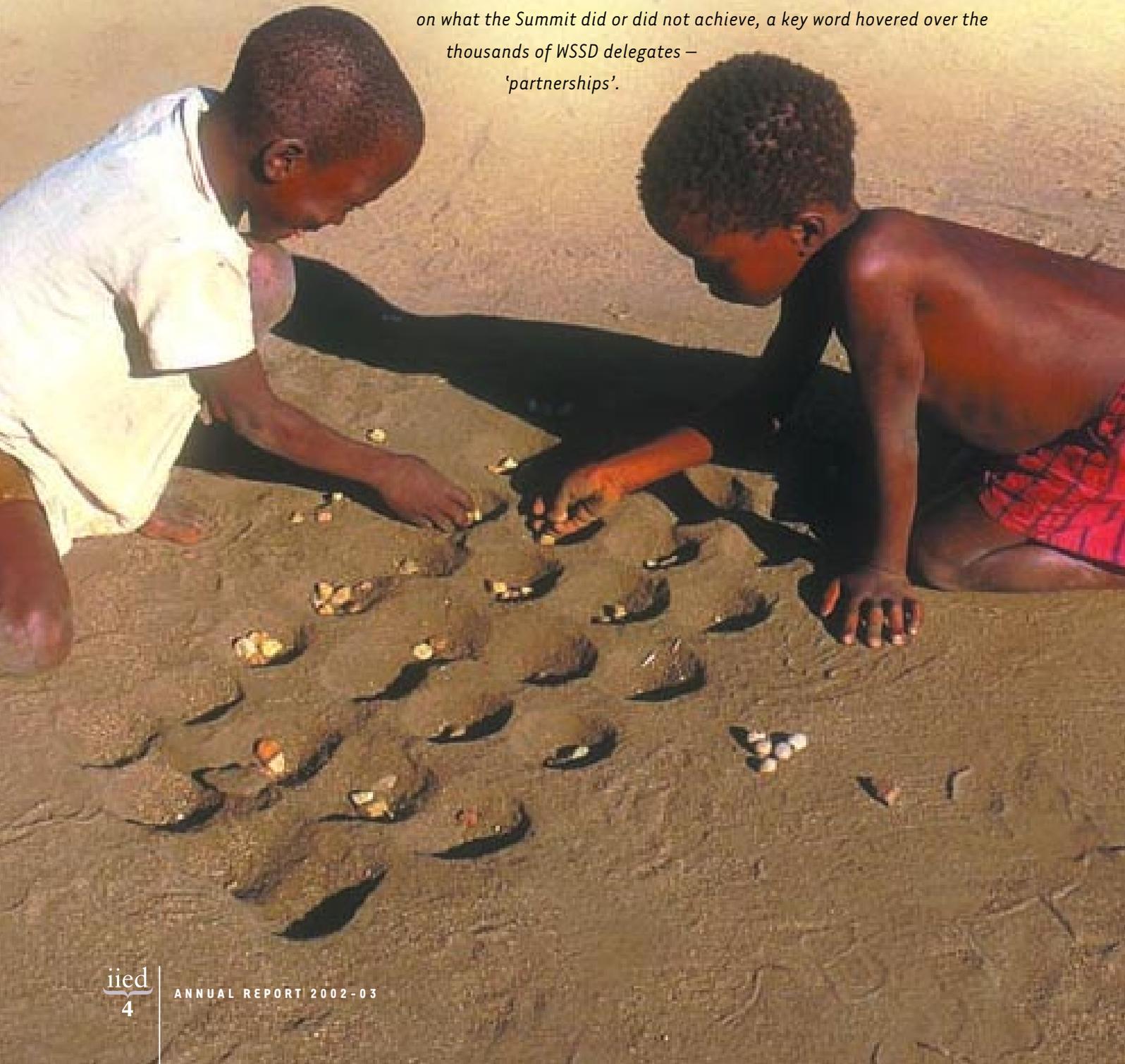
The 30 years since Stockholm have sadly not been sufficient to establish the goals of sustainable development as the central goals of societies throughout the world. But they have been amply sufficient to establish IIED as a key shaper of the sustainability agenda and debate. It is my hope and belief that the next thirty years will see IIED's message disseminated more widely, heard more clearly and implemented more fully.

Derek Osborn
Chair 1999-2002

REPORT from the Executive Director

Sustainable Partnerships

2002: the year of the World Summit on Sustainable Development (WSSD) in Johannesburg, the year when we were expected to advance international consensus and action on the future of the planet. Although no one can agree on what the Summit did or did not achieve, a key word hovered over the thousands of WSSD delegates – ‘partnerships’.



“ **At IIED we have been working at partnerships for over 30 years... It is through such collaborative work that we reach the best understanding and produce information and analysis that is of most use to policy-makers and law-makers and investors in development.** ”

There are many who are cynical about partnerships. For a partnership between rich and poor, North and South, some read master and servant; between civil society and governments, some read co-option; between governments and the private sector, some read corruption.

We are not quite so cynical. At IIED we have been working at partnerships for over thirty years. Of our hundred or so annual publications the majority are co-authored by individuals and organisations from both the North and the South. IIED does not claim multi-authored work as its own, because so much of knowledge and experience comes from individuals, communities and local and national public institutions and academies. It is through such collaborative work that we reach the best understanding and produce information and analysis that is of most use to policy-makers and law-makers and investors in development.

Our 250 or so ongoing projects – workshops; multi-stakeholder dialogues; support to government and intergovernmental agencies and departments, and work with local communities to advance their access to decision-making – are all examples of collaborative partnerships described in this **Annual Report**. It is important to be clear about what collaborations involve in the way of obligations and duties as well as intellectual property rights. To that end, we have published a draft code of conduct for collaborative research covering our relations with donors as well as our research partners. We believe that wherever possible we should be achieving in-depth, long-term relationships built on trust. A marriage of interests and offerings.

The Regional and International Networking Group (RING) of policy research institutes is an example. Several institutions agreed to link up after the Rio Earth Summit in 1992 and have been working collaboratively ever since. Now the RING is forming the nucleus of a wider collaboration, the Research Partnerships for Sustainable Development initiative, organised by IIED on behalf of the UN Department of Economic and Social Affairs (funded by the UN Foundation and UNDP), which has brought together research organisations from both the North and South to find the best way of working together to provide high quality, relevant and authoritative research to the UN system, national governments, and local communities.

Partnerships do not imply agreement on everything. Partnership is as much about debate and constructive disagreement as it is about consensus. We get, and relish, plenty of both. We need to test each other's ideas and claims. We need to challenge each other and ourselves. And we need to find and promote ways for the ordinary citizen, and especially the marginalised, to have real influence in global, national and local decision-making process. It is only then, as this **Annual Report** demonstrates, that we get closer to achieving the goal of sustainable development.

Finally, I would like to recognise the contribution of one partnership in particular – that of our outgoing Chair, Derek Osborn. He has been Chair since 1999 when I became Executive Director of IIED. To 'break in' a new chief executive is no easy task but Derek has been a firm guide with a lightness of touch. His previous high-level experience in government and UN processes has been of enormous assistance and his contribution to the World Summit on Sustainable Development is widely admired. We are delighted to welcome **Jan Pronk** as our new chair. Jan has been a central thinker and activist in development and environment debates for as long as IIED has been around. Our future will be as exciting as our past.

Nigel Cross
Executive Director

PROGRAMME

Overview

influence
direction alliances

Words into ACTION

*At its foundation over thirty years ago, IIED stood alone in exploring and promoting sustainable development. Happily, many more research institutions have since joined us. Yet IIED remains prominent – for **research that engages directly with real players and real action**. Two IIED initiatives, completed in the last year and received with wide acclaim, illustrate this: our Mining, Minerals and Sustainable Development project; and a resource book on Sustainable Development Strategies.*

► **Mining, Minerals and Sustainable Development (MMSD)** offers a vision for the sector's contribution to sustainable development (SD) – a vision produced through 23 global workshops, 175 studies and four diverse regional processes (see pages 26-27). It is also a vision backed up by practical recommendations developed by the stakeholders: from those at global level – a Dispute Resolution Mechanism, Product Stewardship Initiative, SD Support Facility and Minerals Legacy Initiative; to community SD plans and integrated planning facilities for mine closure at local levels. IIED's carefully managed process of debate and ideas exchange, involving industry, civil society and governments, leaves the sector ready to move forward on commitments.

► **Sustainable Development Strategies: A Resource Book** offers a tool kit for organising local, sectoral and national processes for SD (see pages 28-29). It is based on analyses with eight developing country teams which showed that the various national 'master plans' based on Agenda 21 were too comprehensive, too externally driven, too separate from local planning and investment mechanisms, and lay largely unimplemented. In contrast, potentials lie in a wide variety of regulatory and voluntary initiatives, and real success has arisen from mechanisms to integrate these, to learn from them, and to 'scale up'. Thus, the core of an effective sustainable development strategy is not a document but a system. A system comprising mechanisms for participation, analysis, planning, experimentation, investment, monitoring, accountability, and review. A system that, step-by-step, helps a society to move from broad SD concepts and objectives to mainstream changes. The Resource Book describes tried-and-tested approaches to such a system. The book and website (www.nssd.net) is exciting interest from many more groups and UN agencies.

Governance for Sustainable Development

Leading the way as an 'engaged' SD research institution, we are clearer than ever that improved governance for SD is a top priority. WSSD confirmed that we must improve efficiency, effectiveness and equity in production and consumption patterns. But progress is slow because the governance conditions for SD are not in place. We need to work towards greater clarity on what we call the '4Rs': the *rights* – to justice and well-being for people and ecosystems; and the *responsibilities, rewards* and *relationships*, not only of governments but also civil society and the private sector.

MMSD and the Strategies Resource Book offer visions and tools for improving governance. But IIED offers more, and in 2003 we will regroup our expertise in governance. Some highlights from this year include:

- Setting up work to improve roles of Southern government, local stakeholder and development assistance in *corporate social responsibility* (see pages 14-15)
- Improving *governance of increasingly globalised food systems* – in particular, developing a system to track UK supermarkets' progress towards a fairer and greener food system, 'Race to the Top' (see pages 30-31)
- Developing guidance on participatory policy processes for *protecting local peoples' rights to genetic resources and technology* (see pages 8-9)
- Supporting the *development of pastoralists' civil society organisations* in East Africa, helping them to improve their representation and engagement in policy processes (see pages 16-17)
- Developing a suite of 'power tools' – *techniques to enable marginalised groups* to analyse problems and engage in policy processes (see pages 22-23)
- *Reconciling urban agendas* – the 'brown' environmental health policy processes and the 'green' conservation processes in urban areas, and building local government capacity (see pages 24-25)
- Beginning to address the *equity and justice implications of adapting to climate change* by poorer communities (see pages 10-11)
- Identifying the conditions, in over 250 *markets for environmental services*, that ensure these markets also benefit disadvantaged groups (see pages 20-21)
- *Recognising Southern leadership* in a global network, Resource Centres for Participatory Learning and Action, by moving the coordination role from IIED to one of the Southern partners (see pages 12-13)

Finally, the WSSD witnessed how *multilateral-level governance gaps* constrain SD at all levels. International, multi-stakeholder partnerships are needed for problem solving, for action, and for accountability. There is much they can learn from the best national and local initiatives (including putting interminable negotiation on ice and entering into problem-solving partnerships). So this year, with the Regional and International Networking Group (RING) alliance of policy research organisations, we launched *Research Partnerships for Sustainable Development*. Inspired by WSSD Secretary-General Nitin Desai's call to IIED to strengthen the research community's voice, its major aim is to exert a powerful influence in reforming the UN system and multilateral environmental and trade agreements. It also aims to help IIED and the RING to reflect on our own '4Rs', and become fitter for rising to upcoming SD challenges.

Steve Bass

Director of Programmes

PROGRAMMES & Partnerships Development

Setting IIED's Cross-Cutting Agenda



The newly-established Programmes and Partnerships Development Unit (PPDU) is responsible both for IIED's cross-cutting programme strategy and for a wide range of alliances. It helps IIED to explore, develop and 'incubate' new initiatives, and to review more established IIED work. It also coordinates relations with many partners - both donors and institutional networks, such as the Regional and International Networking Group (RING) of policy research institutes.

World Summit on Sustainable Development (WSSD)

Over the last year IIED has been involved in a wide range of ways in preparations for the Johannesburg Summit. We have written articles and published reports and analyses of the critical themes, provided advice to governments and civil society organisations, attended preparatory meetings and engaged in debate. It is difficult to assess the value of the WSSD as a whole, but for IIED it provided a valuable means by which to reach new audiences and to share our ideas and research.

International Meetings

- ▶ *Financing for Sustainable Development* (January 2002): We co-hosted a seminar with the Heinrich Böll Foundation which focused on ways in which the International Conference on Financing for Development and WSSD could be more effectively linked.
- ▶ *National Sustainable Development Strategies (NSDS)* (January 2002): With the Department for International Development UK (DFID), United Nations Development Programme (UNDP) and UN Department of Economic and Social Affairs (DESA) we presented results from an experts meeting and set out how NSDS could form a key element in the WSSD Programme of Action.
- ▶ *Mining, Minerals and Sustainable Development* (March 2002): We held a meeting to share information on the MMSD process. This provided an opportunity to find out more about MMSD and to discuss ways in which the issues raised could be addressed at the Summit.
- ▶ *Research Partnerships for Sustainable Development* (July, August and November 2002): On behalf of UN DESA, we held three international workshops in Cambridge, Johannesburg and New York to explore the role of policy research in influencing SD policy and practice.

Regional Advisory Panels (RAPs)

The Regional Advisory Panels (RAPs) help inform and shape our programme and research strategy from a regional perspective. In 2002, we held three RAPs focusing on the role of the private sector in sustainable development, particularly in relation to corporate responsibility: the Asian RAP meeting in Bangkok in April; in St Lucia in October involving our partners from Latin America and the Caribbean; and in Nairobi in November for our partners in Africa.

Regional and International Networking Group (RING)

During the year the RING has been engaged in a range of collaborative and consultative activities. The group published a booklet on *Financing for Sustainable Development*, and contributed significantly to the IIED/RING *Opinion* Paper series for WSSD.

The RING also provided policy guidance and analysis for the United Nations Environment Programme's *Global Environment Outlook (GEO-3)*.

Other major collaborative initiatives have included the continued development of the research programme on 'a southern perspective on trade and environment', and the initiation of a UNEP/RING 'civic entrepreneurship' project. In January 2002 the Ring prepared a statement for WSSD, which was presented at the New York and Bali WSSD PrepComs.

Other activities, including collaboration with UNDP and IIED on the Research Partnerships for Sustainable Development initiative, and a joint programme of capacity strengthening, are planned for the coming year. (see www.ring-alliance.org).

NEW PUBLICATIONS



- ▶ *Evidence for Hope*. Edited by Nigel Cross, IIED/Earthscan Publications. 2002. To mark 30 years of international environmental conferences (originating in Stockholm in 1972) and 30 years of lively IIED history, leading contributors from the environment and development field draw on their accumulated experience to reflect on the lessons learned and to chart the path for future policy and practice across the spectrum of policy areas from agriculture and resource management, to energy, industry and institutional change.
- ▶ *Words Into Action*. Edited by Lilian Chatterjee, IIED/Faircount Publishing. August 2002. See p.13 for details.
- ▶ *The Future is Now*, Vol.3. Edited by Tom Bigg, IIED. January 2002. This volume addresses two broad areas: the challenges of realising effective sustainable development governance; and some of the particular issues which confront African countries, and which should be tackled post-WSSD.
- ▶ *Financing for Sustainable Development*. Edited by Tariq Banuri and Tom Bigg, IIED/RING. January 2002. This book states that debate in both the WSSD and FfD processes indicated an absence of creative thinking on the issue of financing, and on the challenges of globalisation. It argues that there is a crisis of legitimacy confronting the agencies and actors involved in development processes and presents some ideas and approaches which could usefully be acted upon in follow-up to both Summits.
- ▶ *Opinion* Papers. (available for download at: www.iied.org/wssd/pubs.html) Over 40 briefing papers which address the key policy challenges for decision-makers in the WSSD process. The papers were written by policy experts, many from the RING and other Southern organisations.

BIODIVERSITY & Livelihoods



conservation
traditional knowledge

Linking Biodiversity to Poverty Reduction



A key objective for the Biodiversity and Livelihoods Group (BLG) is to help minimise the negative impacts of biodiversity conservation on the poor, and strengthen the ability of the poor to benefit more from biodiversity. BLG is now developing a major new research project that will seek to develop the policy tools and institutional frameworks necessary to promote both biodiversity conservation and poverty reduction on a wider scale.

Reconciling Community – Conservation Conflicts

Faced with a diminishing resource base and increasing human population, conflicts between local people and conservation authorities continue to escalate. BLG is working with the Jane Goodall Institute to examine the need for conflict resolution techniques. This study seeks to provide pragmatic lessons and guidelines for conservationists and affected communities in both Africa and in North America.

Bringing Livelihood Issues Into Wildlife Trade Debates

BLG worked with TRAFFIC International to investigate the significance of international trade in wildlife at the local level and to explore the conservation and livelihoods impacts of trade regulations. A field study conducted with TRAFFIC's Tanzania office and with the Tanzania Forest Conservation Group enabled us to explore some of the issues in some depth with three forest-dependent communities in the East Usambara Mountains of north-east Tanzania.

Protecting Community Rights Over Genetic Resources and Traditional Knowledge

BLG has finalised its project on participation in policy on access to genetic resources and benefit-sharing, the findings of which were presented at the Global Biodiversity Forum (GBF) and Convention on Biodiversity (CBD) Working Group meetings in Bonn, October 2001. As a follow up to this work, BLG is developing a new project to examine the implications of customary law for the design of policy to protect community rights over traditional knowledge.

Biodiversity-based Sustainable Livelihoods

BLG carried out a field review of a UK Department for International Development-funded programme in the Mamiraua Sustainable Development Reserve in north-east Brazil. The aim was to articulate the lessons learnt in generating sustainable livelihoods for poor and marginalised groups living within and around an area of high biodiversity value.

“ **Most scientific assessments of biodiversity do not take into account the values of biodiversity to local people.** ”

Mainstreaming Biodiversity Into Development Policy

Many countries have developed National Biodiversity Strategy and Action Plans – a key CBD requirement. While their aim is to ‘mainstream’ biodiversity into development policy, this is proving to be an enormous challenge. Drawing on experience in a number of developing countries, this study aims to improve understanding of the constraints and opportunities to integrating biodiversity in development policy, including the role of strategies for sustainable development.

Assessing Local Biodiversity Values

Most scientific assessments of biodiversity do not take into account the values of biodiversity to local people. IIED has completed a review of assessment methods, evaluating their effectiveness in combining global and local values and identifying best bet mechanisms. We are also conducting a broader review of methods used to integrate social, economic and ecological objectives in natural resource assessments.

Mining, Biodiversity and Protected Areas

There has been much debate about whether or not mining should be permitted within protected area categories I-IV as defined by the World Conservation of Nature - IUCN. BLG facilitated a debate between mining and conservation communities, to identify solutions for moving forward from the current impasse. The results were encouraging – with responsible mining companies and conservation organisations agreeing that joint actions might be achievable on land outside these categories. A synthesis of the issues is published in the MMSD publication *Breaking New Ground* (see also p. 26-27 of this report.).

BLG’s International Advocacy and Advisory Work has Included:

- ▶ Working with the UNDP Equator Initiative on biodiversity and poverty issues
- ▶ Coordinating (with others) the Biodiversity section of the Response Options Section of the Millennium Ecosystem Assessment.
- ▶ Participating in international fora including the Global Biodiversity Forum, CBD Working Groups, World Intellectual Property Organisation’s Committee on Traditional Knowledge.

NEW PUBLICATIONS



- ▶ ***Making a Killing or Making a Living? Wildlife Trade, Trade Controls and Local Livelihoods.*** Biodiversity and Livelihoods Issues No 6. Dilys Roe, Teresa Mulliken, Simon Milledge, Josephine Mremi, Simon Moshia and Maryanne Grieg-Gran, IIED. 2002.
- ▶ ***Challenging the Assumptions of Eden: Community Wildlife Management in Southern Africa.*** Evaluating Eden Series No 6. Christo Fabricius, Eddie Koch and Hector Magome, IIED. 2002.
- ▶ **Case Studies on Participation in Access and Benefit-Sharing Policy:**
 - #1 ***South Africa’s Experience in Developing a Policy on Biodiversity and Access to Genetic Resources.*** R. Wynberg and Krystyna Swiderska.
 - #2 ***Speaking in Tongues: Indigenous Participation in the Development of a Sui Generis Regime to Protect Traditional Knowledge in Peru.*** Brendan Tobin and Krystyna Swiderska (Also available in Spanish). IIED. 2002.
 - #3 ***Experiences with Biodiversity Policy Making and Community Registers in India.*** Bansuri Taneja and Ashish Kothari, IIED. 2002.
 - #4 ***Developing the Philippines’ Executive Order No. 247 on Access to Genetic Resources.*** Krystyna Swiderska, E. Daño, O. Dubois, IIED. 2002.
- ▶ ***Participation in Policy-making for Access and Benefit-sharing: Case Studies and Recommendations.*** Bio-Briefs No. 2: Krystyna Swiderska, IIED. 2002.
- ▶ ***Building on Hidden Opportunities to Achieve the Millennium Development Goals: Poverty Reduction Through Conservation and Sustainable Use of Biodiversity.*** WSSD Opinion Paper. Izabella Koziell and Charles McNeill, IIED. 2002.
- ▶ ***Implementing the Rio Conventions: Implications for the South.*** WSSD Opinion Paper. Krystyna Swiderska. IIED. 2002.

CLIMATE Change



mitigation

targets

adaptation

Climate Change is Much More than Hot Air



The Climate Change Programme, one of the newest programmes in IIED, focuses on the interlinkages between climate change and sustainable development from the developing countries' perspectives. This includes both reducing greenhouse gas emissions (mitigating climate change) as well as coping with the adverse impacts (adaptation to climate change).

Background

Since the signing of the United Nations Framework Convention on Climate Change (UNFCCC) at the Rio Earth Summit in 1992, the Convention has come into force with over 180 countries having ratified it. During its first ten years the emphasis of the Convention process has focused almost exclusively on efforts to reduce the emissions of greenhouse gases (GHGs) due to human activities (including fossil fuel based energy use and transportation). This culminated in the signing of the Protocol in Kyoto, Japan in December 1997 (which was also signed by the US). The final details of the Kyoto Protocol were agreed at the sixth Conference of Parties (COP6) held in Bonn, Germany in June 2001 (at which point the US refused to participate any longer). The Kyoto Protocol is expected to come into force in early 2003.

For developing countries, the issue is *adaptation* to climate change (as developing countries are amongst the most vulnerable to climate change while also being least able to cope with the impacts). With the adoption of the Kyoto Protocol at COP6 the issue of

adaptation was finally addressed at COP7 held in Marrakech, Morocco in November 2001 where a number of new funds were created to assist the least developed countries (LDCs) to prepare national adaptation programmes of action. On the issue of mitigation, although the Kyoto Protocol targets for reducing their GHG emissions apply to the developed countries only ("Annex I" countries) there is scope for the involvement of developing countries through a mechanism called the Clean Development Mechanism (CDM) which enables them to benefit from actions to reduce GHG emissions they undertake.

Activities on Adaptation

IIED co-organised with the Tyndal Centre for Climate Change Research at the University of East Anglia a symposium on ***Adaptation to Climate Change: Setting the agenda for Development Policy Research*** at the Royal Society in London in late 2001 – one of the first such meetings to bring together the climate change and development communities.

“ **The issue is *adaptation* to climate change as developing countries are amongst the most vulnerable to climate change while also being least able to cope with the impacts.** ”

Since then IIED has embarked on a project to determine ways to raise the issue of adaptation to climate change amongst developing countries through two country case studies in Mali and Bangladesh (with support from the Shell Foundation). In early 2002, IIED prepared a literature review on Vulnerability and Adaptation to Climate Change and Sustainable Development on behalf of the Development Assistance Committee of the Organisation for Economic Cooperation (OECD), which was used for an expert workshop in Paris in March 2002.

IIED has also been working closely with a number of the major development funding institutions - the World Bank, United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), Global Environment Facility (GEF) and Department for International Development UK - to assist them in incorporating the implications of climate change in their development funding decisions. This included the organisation of a Round Table discussion on Adaptation on behalf of UNDP in Nairobi in February 2002.

In June 2002, IIED and the Stockholm Environment Institute (Oxford office) organised and delivered a two-week training course on Vulnerability and Adaptation to Climate Change to over 60 participants from developing countries who are carrying out research on the issues under a UNEP-sponsored research programme.

IIED has also organised side events on adaptation and development COP7 in Marrakech in November 2001 and the Subsidiary Bodies meeting in Bonn, Germany in June 2002.

Following COP7, IIED has been involved in assisting the expert group of LDCs to prepare the guidelines for the National Adaptation Plans of Action. IIED has also been leading an effort with support from UNDP and GEF to develop an Adaptation Policy Framework (APF) for the developing countries.

Activities on Mitigation

During 2002, IIED together with EcoSecurities of Oxford and the Edinburgh Centre for Carbon Management prepared a booklet on the CDM for forestry and land use managers in developing countries to prepare CDM projects for reducing greenhouse gas emissions.

IIED has also been advising the World Bank's Prototype Carbon Fund on the development of a new Community Development Carbon Fund aimed at supporting small-scale CDM projects in the less developed countries.

Steve Bass, IIED's Director of Programmes, continues to advise Shell Canada's independent Climate Change Advisory Panel.

IIED, the Foundation for International and Environmental Law and Development and the Tyndal Centre for Climate Change Research at the University of East Anglia have initiated a study focusing on the equity and justice implications of adapting to climate change.

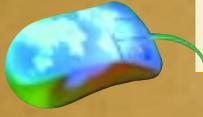
IIED and the Regional and International Networking Group (RING) of research institutes working on sustainable development held an event (Adaptation Day) at COP8 in New Delhi, India in October 2002.

NEW PUBLICATIONS



- ▶ **Opinion paper, *Climate change and SD: Views from the South***. Youba Sokona, ENDA Senegal; Adil Najam, SDPI Pakistan and Saleemul Huq, BCAS Bangladesh, IIED/RING. 2002.
- ▶ **Natural Resources Issues paper, *Laying the Foundations for Clean Development: Preparing the Land use Sector*** Louise Aukland, Pedro Moura Costa, Stephen Bass, Saleemul Huq, Natasha Landell-Mills, Richard Tipper and Rebecca Carr, IIED. 2002.
- ▶ **TIEMPO**, Issue 44/45, journal of IIED, Stockholm Environment Institute and University of East Anglia, September 2002.

COMMUNICATIONS & Information



impact
outreach profile

Communicating & Networking for Social Change



The Communications and Information (COIN) Programme seeks to enhance IIED's role as a broker of knowledge and information by connecting research, information and advocacy.

We deliver a co-ordinated and integrated communications and information service in support of IIED's research and activities by:

- ▶ editing and coordinating production of IIED's publications in a wide range of print and electronic formats, including multiple languages
- ▶ developing and maintaining website, intranet and extranet services for IIED and its partners
- ▶ providing specialist information services, including monitoring and assessment of information impacts
- ▶ developing and evaluating communications and media strategies
- ▶ developing and evaluating marketing and outreach/dissemination strategies
- ▶ organising national and international conferences and workshops
- ▶ developing and supporting knowledge and practice networks

- ▶ exploiting new and alternative technologies in information and communications (ICT) to bridge the digital divide (e.g. CD-ROMs, e-mail newsgroups and interactive websites)

Publishing

We have initiated a joint imprint with **Earthscan Publications** entitled ***Equity for a Small Planet*** where we will jointly commission work, including IIED and non-IIED authors. The first edition of the joint imprint is ***Evidence for Hope***.

We work with the largest worldwide distributor of environmental publications, **Earthprint**, to promote and disseminate our publications via an expanded worldwide mailing list, international exhibitions and online bookshop: www.earthprint.com.

“

If you search the world's biggest search engine, Google, for environment and development or for IIED's various Programmes, IIED will usually be listed among the top five results.

”

Informing

www.iied.org

If you search the world's biggest search engine, **Google**, for environment and development or for IIED's various Programmes, IIED will usually be listed among the top five results.

Our website has recorded a nearly 1000% increase in visitors since it was relaunched. We have also added a French-language sub-site with Programme **Sahel**, our Drylands Programme office based in Dakar, Senegal. We also host sites for several global networks, including: **nssd.net**; **ring-alliance.org**; **biodiv.net**; **rcpla.net**.

Networking

The Resource Centres for Participatory Learning and Action (RCPLA) Network, of which IIED is a member, brings together 17 organisations (6 in Africa, 5 in Asia, 2 in Europe, 2 in Latin America, 1 in North America and 1 in the Middle East) committed to social change and poverty eradication through information sharing and networking within the framework of participatory methodologies and approaches. Each member is itself at the centre of a regional or national network.

Members share information about activities in their respective countries, such as training programmes, workshops and key events. During the past year, as a commitment to Southern leadership, the Network coordination has moved from IIED to PRAXIS, an RCPLA member based in India.

Following a recent strategic review, members of the RCPLA Network have committed themselves in principle to forging partnerships and supporting the collective actions of community-based organisations and grassroots initiatives to inform and influence development policies in favour of poor and marginalised people.

During this year, IIED worked collaboratively with the following organisations in knowledge and information management: **Oxfam** (through joint mailings of our Publications Catalogues); **Institute of Development Studies UK** (through joint communication and publishing activities and the RCPLA Network); and **International Institute for Sustainable Development Canada** (through their sustainable development internship programme and through the Regional and International Networking Group).

NEW PUBLICATIONS



- ▶ **Words Into Action.** Edited by Lilian Chatterjee, IIED/Faircount Publishing. August 2002.
IIED's book for the World Summit on Sustainable Development identifies practical means of putting policies into action in all the key areas of WSSD. It attempts to combine the best ideas and perspectives from a broad range of "stakeholders" from the UN and national governments to NGOs and the private sector, from the North and South.
- ▶ **Publications Catalogue 2002-03.** Edited by Kimberly Clarke, IIED. August 2002.
We continue to believe that the best research, ideas and outcomes grow out of strong partnerships and collaborative relationships, reflected by the authors in our catalogue.
- ▶ **PLA Notes CD-ROM 1988-2001:** Edited by Paul Mincher and Cristina Zorat, IIED. June 2002.
This CD-ROM brings together the entire set of articles from Issues 1-40 in a fully searchable PDF format and contains more than 600 articles by various respected contributors. **PLA Notes** is the world's leading journal on participatory learning and action approaches and methods.

CORPORATE Responsibility for Environment & Development

Promoting Equitable Partnerships



The idea that businesses should behave responsibly is not new. But increasing concerns over the impacts of economic globalisation on poor countries and people have led to new demands for businesses, big and small, to play a central role in efforts to eliminate poverty, achieve equitable and accountable systems of governance and ensure environmental security.

A new business-oriented vocabulary has entered the mainstream of sustainable development, including terms like *corporate citizenship*, *ethical business* and *corporate social responsibility* (CSR). The basic idea is to understand business as part of society – not somehow separate from it.

Established in 2001, IIED's new programme on Corporate Responsibility for Environment and Development (CRED) is developing a range of projects and partnerships to drive forward the agenda on corporate citizenship for environment and development in the South. The aim is to highlight where and how corporate social responsibility can best contribute to sustainable development, particularly in middle and low income countries, and the kind of public policy and civil society interventions that are needed to support it.

CRED's work focuses on three key themes: promoting equitable participation among stakeholders in the tools of corporate citizenship; enhancing understanding and good practice on corporate citizenship for sustainable livelihoods; and building understanding of the enabling role of governments in promoting corporate citizenship for environment and development.

CRED led IIED-wide input to a European Commission green paper on corporate social responsibility, underlining the importance of considering the wider contribution of the EU to responsible business practice in developing countries and the need to promote the equitable inclusion of all stakeholders in corporate citizenship initiatives – not just those with the greatest resources or campaign clout.

“

CRED's work focuses on three key themes: promoting equitable participation among stakeholders in the tools of corporate citizenship; enhancing understanding and good practice on corporate citizenship for sustainable livelihoods; and building understanding of the enabling role of governments in promoting corporate citizenship for environment and development.”

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Early in 2002, CRED organised a workshop to bring together representatives of bilateral development agencies to share their experience of working on issues of corporate social responsibility. This was followed by a bulletin board discussion on corporate citizenship. The views of the participants – most of them from developing countries – informed the development of an IIED/RING WSSD *Opinion* Paper on corporate citizenship. The CRED team has carried out a review for the World Bank, mapping the range of public sector roles as providers of an enabling environment for CSR, with a particular focus on the world's poorer countries.

In 2002, IIED has been an active participant in the UN Global Compact policy dialogue on sustainability. The Programme actively welcomes engagement with the private sector within its overall themes.

Tourism

CRED's work builds on IIED's existing strengths, working in close collaboration with colleagues in other programmes such as FLU, BLG, SARL and EEP. The programme also provides a home for IIED's rapidly developing work on tourism, led by Dilys Roe.

Recent work on tourism at IIED has had a major focus on the links between tourism and poverty – IIED is a member of the tri-partite Pro-Poor Tourism team with Overseas Development Institute and International Centre for Responsible Tourism (see: www.propoortourism.org.uk). IIED also continues to

be an active participant in the UK Sustainable Tourism Initiative. While work continues in this area a scoping study identified a number of additional themes for IIED to pursue under the broad banner of 'tourism and sustainable development' including:

- ▶ *Corporate-Community Partnerships*
- ▶ *Governance for Responsible Tourism*
- ▶ *Corporate Social Responsibility*
- ▶ *Comparative Case Studies*

Some projects under these themes are already funded and ongoing, others exist as concept notes and proposals and more are ideas that might be pursued in the future.

Recent work has included:

- ▶ Collaborating with UNEP and Conservation International to "map" the overlay between high biodiversity areas, important tourism destinations and poor countries;
- ▶ Conducting a review of tourism standards for the Sustainable Trade and Innovation Centre, and of Green Globe 21 – the international tourism certification scheme – for the OECD;
- ▶ Working with the WILD project in Namibia to assess the financial contribution of tourism in communal areas to the regional and national economy.

New proposals are currently being developed on the impacts of tourism certification and on the role of government in setting the enabling framework for responsible tourism.

NEW PUBLICATIONS



- ▶ *Corporate Citizenship – Revisiting the Relationship between Business, Good Governance and Sustainable Development.* WSSD *Opinion* Paper. Halina Ward, Nicola Borregaard and Paul Kapelus, IIED/RING. 2002.
- ▶ *Development Agency Round Table on Corporate Social Responsibility: Round Table Report.* Tom Fox, IIED. 2002.
- ▶ *Corporate Citizenship and the Challenge of Sustainable Development,* CSR Monitor. Tom Fox and Halina Ward, GEE Publishing Ltd. 2002.
- ▶ *Standards and Sustainable Development.* Bill Vorley, Dilys Roe and Steve Bass. IIED paper commissioned for the Sustainable Trade and Innovation Centre. 2002.
- ▶ *Public Sector Roles in Strengthening Corporate Social responsibility: A Baseline Study.* Tom Fox, Halina Ward, Bruce Howard, World Bank. 2002.

TOURISM

- ▶ *The Tourism Industry and Poverty Reduction: A Business Primer,* PPT briefing No 2. Dilys Roe, Harold Goodwin and Caroline Ashley, IIED. 2002.

DRYLANDS



rights
pastoral marginalised

Collective Rights to Common Resources



Promoting better and more sustainable livelihoods for people in Africa's drylands – that's our overall objective. It means working in different ways, at multiple levels and in partnership with others. It involves brokering meetings, bringing diverse groups together and enabling the voices of less powerful people to be heard.

Global Processes

Global issues, such as trade and climate change, are increasingly to the fore. We live in a world where our connections are ever stronger. For example, climate scientists have now provided convincing evidence to link the downward shift in West Africa's rainfall since 1970 with rising levels of atmospheric pollution in Europe. Economically, our lives and opportunities are also closely tied-up. Take the cotton farmers of West Africa, facing bankruptcy and impoverishment with the big fall in world market prices. Yet US cotton growers keep producing millions of bales, driving world prices further down, since they face an assured price for their crop and subsidised production costs.

The world is meant to be building structures at global level to mediate such conflicting interests and establish rules of the game by which everyone agrees to do business. But there is a long way to go. In world fora, like the World Trade Organisation, decision-making remains dominated by the rich and powerful. Our Programme seeks to support fairer trade and access to markets for Africa's producers, making best use of new niche markets, and ensuring that small family farmers

are not squeezed out. To this end, we are working with West African partners to strengthen policies in favour of family farms and ensure they can thrive in a globalising economy.

Regional and National Processes

It is not just global processes that set harsh challenges for people living in the drylands. At the national level, governments can either promote or hinder people's livelihood strategies. Take pastoral groups, reliant on a mobile pattern of life and gaining access to common resources, like grazing, water and woodlands. The scarce and patchy rainfall patterns demand that herds keep moving to make the most of plentiful rains and pasture. Those designing government legislation face choices. They can promote privatisation, parcelling up the commons into individual plots, and establishing exclusive rights. Or, new laws can strengthen collective ownership of resources, and encourage inclusive systems of management.

Our work on land rights seeks to promote greater security of access and tenure, especially for more marginalised groups – such as migrants, women, and herding communities – who tend to lose out as land

“ **Our work on land rights seeks to promote greater security of access and tenure, especially for more marginalised groups – such as migrants, women and herding communities – who tend to lose out as land becomes scarcer.** ”

becomes scarcer. Working together with partners in East and West Africa, our activities link debates at national level regarding new legislation, with analysis of changing claims to land, and consequences for equitable access to resources at local level.

Governments must respond to many different pressures. If marginalised groups, such as pastoralists, are to get their interests more squarely onto the agenda, they need to develop more effective organisations and systems of representation, and learn how to lobby those in power. Despite decades of « development », pastoralists in Africa continue to experience high levels of marginalisation and poverty. Pastoral « development » policy has always been formulated by outsiders, with little knowledge or understanding of the pastoral way of life, and rationale which underlies it.

In collaboration with the Kenyan based Resources Conflict Institute (RECONCILE), we have launched a new regional East African programme to support pastoral civil society while also shifting the perceptions and prejudices of policy makers. A central feature is to design training, participatory research and advocacy activities in local languages to help local people fight for their interests. This work in East Africa builds on similar approaches developed by partners in Senegal,

the Associates in Research and Education for Development (ARED), who have pioneered literacy and work on community rights in local languages.

Local Processes

At the local level, the rapid spread of decentralised government provides a welcome set of new opportunities for people to manage their own resources and influence their development.

Making decentralisation work is our flagship programme in Burkina Faso, Mali, Niger and Senegal, aimed at building local capacity by working with others, to spread knowledge of innovative means to manage resources, strengthen participatory approaches to working with communities, and demonstrate more equitable and inclusive means of addressing conflict between users. We have also been promoting shared management of common property resources with partners in Mali, Niger, Ethiopia and the Sudan, and learning from experience with commons management in different settings.

Our work in West Africa benefits particularly from having an office in Dakar, Senegal, to promote a learning group approach and strengthen effective communication on decentralised management throughout the region.

NEW PUBLICATIONS



- ▶ **Haramata nos 40 & 41**
- ▶ **Drylands Issue Papers/Dossiers des Zones Arides**
Nos 105-112.
- ▶ **Pastoral Land Tenure Series**
No. 14 *Sustaining Livelihoods Across the Rural-Urban Divide: Changes and Challenges Facing the Beja Pastoralists of North Eastern Sudan*. Sara Pantuliano, IIED. 2002.
- ▶ **Managing Africa's Soils Series**
No. 26 *Participatory Diagnosis of Soil Nutrient Depletion in Semi-Arid Areas of Kenya*. L.N. Gachimbi, A. de Jager, H. van Keulen, E.G. Thurairira & S.M. Nandwa. 2002.
- ▶ **Land Tenure and Resource Access in West Africa**
Gaining Rights of Access to Land in West-Central Côte d'Ivoire. Mariatou Koné. 2002.
Negotiating Access to Land in West Africa: A Synthesis of Findings from Research on Derived Rights to Land. Philippe Lavigne Delville, Camilla Toulmin, Jean-Philippe Colin & Jean-Pierre Chauveau. 2002.
Making Land Rights More Secure : Proceedings of an International Workshop. Edited by GRET, IRD and IIED.
The Dynamics of Resource Tenure in West Africa. Edited by Camilla Toulmin, Philippe Lavigne Delville & Samba Traoré. 2002.
Cheminer avec le conflit : Compétences et stratégies pour l'action. Simon Fisher, Dekha Ibrahim Abdi, Jawed Ludin, Richard Smith, Steve Williams & Sue Williams. 2002.

I I E D A r o u n d

IIED Projects & Key Partners



- ▶ Biodiversity and Livelihoods Group (**BLG**)
- ▶ Climate Change (**CC**)
- ▶ Communications and Information (**COIN**)
- ▶ Corporate Responsibility for Environment and Development (**CRED**)
- ▶ Drylands
- ▶ Environmental Economics Programme (**EEP**)
- ▶ Forestry and Land Use (**FLU**)
- ▶ Human Settlements (**HS**)
- ▶ Mining, Minerals, and Sustainable Development (**MMSD**)
- ▶ Programmes & Partnerships Development Unit (**PPDU**)
- ▶ Sustainable Agriculture and Rural Livelihoods (**SARL**)
- ▶ Strategies, Planning, and Assessment (**SPA**)

t h e W o r l d

Projects & Key Partners in 2002



BLG

Brazil, India, Peru, South Africa, Tanzania, The Philippines

CC

Bangladesh, India, Kenya, Mali, Nigeria, Pakistan, Senegal, Zimbabwe

COIN

Canada, Norway, RCPLA Network: Bolivia, Canada, Egypt, India, Kenya, Mexico, Nepal, Nigeria, Senegal, Sri Lanka, Thailand, The Philippines, Uganda, UK, Zimbabwe

CRED

Brazil, Chile, Namibia, South Africa, The Gambia

Drylands

Benin, Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Mali, Mozambique, Niger, Senegal, Tanzania, Uganda, UK

EEP

Brazil, Cameroon, China, Costa Rica, Ecuador, Guyana, India, Indonesia, Kenya, South Africa, The Netherlands, The Philippines

FLU

Brazil, China, Costa Rica, Ecuador, Grenada, Guyana, India, Indonesia, Jamaica, Malawi, Mozambique, Papua New Guinea, South Africa, Trinidad and Tobago, Vietnam

Human Settlements

Argentina, Australia, Brazil, Colombia, India, Japan, Kenya, Mali, Mexico, Nigeria, Pakistan, Peru, South Africa, Tanzania, Thailand, Vietnam, Zimbabwe

MMSD

Angola, Australia, Bolivia, Botswana, Brazil, Burkina Faso, Canada, Chile, China, Ecuador, Ghana, Indonesia, India, Kazakhstan, Kyrgyzstan, Lesotho, Malawi, Mali, Mexico, Mozambique, Namibia, Papua New Guinea, Peru, Russia, South Africa, Swaziland, Tanzania, The Philippines, Uruguay, USA, Zambia, Zimbabwe

PPDU

Japan, Switzerland, RING: Argentina, Bangladesh, Brazil, Canada, Chile, India, Iran, Kenya, Nigeria, Pakistan, Senegal, Thailand, USA, Zimbabwe

SARL

Bolivia, Brazil, Burkina Faso, China, India, Indonesia, Kenya, Mali, Mozambique, Nigeria, Pakistan, Peru, Senegal, South Africa, Tanzania, Thailand, Uganda, UK, Vietnam

SPA

Bolivia, Burkina Faso, Ghana, Namibia, Nepal, Pakistan, Tanzania, Thailand

ENVIRONMENTAL Economics



Investing in People and the Environment



International trade, investment and environmental policy are increasingly complex and contentious, with multilateral negotiations stalled on several fronts. Some argue that further liberalisation would exacerbate social inequities and environmental damage. Others maintain that trade and private investment are essential for sustainable development. The Environmental Economics

Programme (EEP) has been exploring these issues, seeking to identify and promote practical means of bringing environmental values into the market place, in ways that benefit poor people and poor countries.

The Impact of Trade on Forest Management

How can trade play a positive role in promoting good forestry? The links between trade and forest management are complex. Thus, this three-year project, funded by the FAO, aims to assist policymakers formulate forest and trade policies based on a better understanding of the issues and the implications of different policy approaches.

A draft Issues Paper was prepared and presented in May 2002 to members of a Project Advisory Group and to other participants at the 32nd session of the International Tropical Timber Council held in Bali, Indonesia. Work is now underway on the following thematic studies: trends and drivers of forest land use, supply and demand and trade, including extra-sectoral influences; the links between forest trade and forest governance; links between trade, finance and the structure of the forest products industry, and their

implications for forest management; trends in tariff and non-tariff barriers affecting forest sector products; and the impact of new markets for environmental services on forestry.

Finance, Investment and Sustainable Development

Finance for sustainable development, which has been a priority issue for Southern governments since the Rio Earth Summit in 1992 and was a central issue at the Johannesburg World Summit on Sustainable Development, has been high on EEP's agenda.

We participated in a feasibility study, with European Partners for the Environment, the Asian and Pacific Development Centre (Malaysia) and the United Nations Environment Programme (UNEP), of a sustainable investment network focusing on investment in Asia and in particular foreign direct investment (FDI) from Europe to Asia. We presented a briefing paper on FDI

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Markets for environmental services offer an effective means of tackling economic, social and environmental problems in the forestry sector.

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and the role of financial institutions at an exploratory round table for this project which was subsequently developed into a more in-depth report on FDI in Asia and the challenges and opportunities for sustainable investment in the region. EEP led a session on investment for sustainable development at IIED's 30th anniversary workshop "Equity for a Small Planet" and also contributed to OECD/UNDP's *Sustainable Development Strategies: A Resource Book* by drafting the chapter on the financial basis for strategies.

EEP participated in two projects that explore finance and investment issues at a sectoral level in the forestry and the mining sectors: we prepared a report on the conditions for attracting private sector investment in international best practice plantations in Ghana, examining the principal barriers and incentives to private sector involvement and investment; and we played a key role in the Mining, Finance and Sustainability Initiative, a joint project of IIED's Mining, Minerals and Sustainable Development project, World Bank and UNEP, exploring the role that financial institutions can play in improving sustainability within the mining sector.

Markets for Forest Environmental Services and the Poor

The aim of this ongoing project is to explore how market-based approaches to environmental management can help reduce poverty, as well as satisfying economic and environmental aims, the focus being on recent initiatives to develop markets and other financial compensation mechanisms for forest environmental benefits (services). Our research findings, which show that markets for environmental services offer an effective means of tackling economic, social and environmental problems in the forestry sector, are targeted at developing country governments, private firms, donor agencies and other organisations working in the area.

Our main achievements this year were: the publication with IIED's Forestry and Land Use Programme of the results of our global review of over 250 markets for environmental services (MES) initiatives, focusing on carbon storage, watershed protection, biodiversity conservation and landscape beauty; collaboration with the World Bank on an edited volume of case studies of MES in forestry, launched at the WSSD; and, in collaboration with Forest Trends (USA), organising an international conference on MES in London in March 2002, which attracted several hundred participants from around the world.

NEW PUBLICATIONS



POVERTY INEQUALITY AND ENVIRONMENT SERIES

- ▶ **Land Tenure and Land Use in Southern Togo: Description of a Farm Household Survey.** Joshua T. Bishop, IIED. 2002.
- ▶ **Manejo de Vicuñas en Perú.** Gabriela Lichtenstein, Fernando Oribe, Maryanne Grieg-Gran and Sergio Mazzucchelli, IIED/IIED-America Latina. 2002.
- ▶ **Demand-Side Water Strategies and the Urban Poor.** Gordon McGranahan, IIED. June 2002.
- ▶ "Financial Institutions and the Greening of FDI in the Mining Sector" in **Foreign Direct Investment and the Environment: Lessons from the Mining Sector.** Maryanne Grieg-Gran, OECD. 2002.
- ▶ **Silver Bullet or Fools' Gold? Markets for Forest Environmental Services and the Poor.** Natasha Landell-Mills and Ina Porras, IIED. 2002.
- ▶ **Selling Forest Environmental Services: Market-based Mechanisms for Conservation and Development.** Edited by Natasha Landell-Mills, Joshua T. Bishop and Stefano Pagiola, Earthscan Publications. 2002.

FORESTRY & Land Use

resources instruments security



Power from the Trees



In past years, staff in the Forestry and Land Use (FLU) Programme have been heard to say, "I don't have time to sharpen the saw, I'm too busy sawing". This year we have managed to put down the metaphorical saw, step back a little and review our work. This has enabled our focus to become clearer on three strategic themes: Making governance change work for marginalised groups; Forestry enterprise for poverty reduction and forest security; and Environmental services: institutions and livelihoods.

Making Governance Change Work for Marginalised Groups

FLU's governance work is focused on national forest programmes, and on 'power tools' – instruments, methods and tactics for opening-up governance and reorganising forest assets and roles in favour of improved contributions of forests to livelihoods. Over this last year we have worked with several aid agencies to help reorient their support for forestry around poverty-reduction. In doing this we have urged a focus on the key forest governance challenges, which range from local to international, to:

- ▶ strengthen rights, capabilities and local decision-making
- ▶ reduce poor people's vulnerability – safety nets not poverty traps
- ▶ enable market opportunities to be seized by poor people
- ▶ recognise the power of good national and local forest governance to reduce poverty – but not through 'brute enforcement', good governance is about more than just rules

- ▶ stop marginalising forest communities through ill-considered conservation efforts and industrial forestry and start listening to poor people
- ▶ stop making international proposals and start implementing some

Work on key governance issues also continues with partners in several countries – such as South Africa, Brazil, Vietnam and Himachal Pradesh in India. This year FLU also began a major programme of support to a multi-institutional policy-level working group in Mozambique. The plan here is to develop institutional change management systems and specific instruments for improved forest concession management, community resource management, value-adding forest industrial processing and plantation investment, and practical law enforcement. It is an ambitious programme over a short period – but so far, so good.

Forestry Enterprise for Poverty Reduction and Forest Security

FLU's private sector forestry studies have produced major publications this year and many ideas have been

“ **Partnerships for development are spreading like wildfire, at least in rhetoric, and we sought to discover whether there is any substance beyond the hype. Our report identifies key challenges ahead centred on getting governance frameworks right, developing brokering roles and raising the equity stakes and bargaining power of communities.** ”

launched with our partners. An examination of company-community partnerships is amongst these. Partnerships for development are spreading like wildfire, at least in rhetoric, and we sought to discover whether there is any substance beyond the hype in a particular batch of these in forestry. Some 57 examples in 22 countries were reviewed – from informal arrangements and social responsibility efforts to out-grower schemes and joint ventures. Whilst some so-called partnerships are thinly veiled rip-offs or bald attempts to spruce up company image, others have produced significant returns to both local livelihoods and company profits. The report draws out lessons from experience and key challenges ahead centred on getting governance frameworks right, developing brokering roles and raising the equity stakes and bargaining power of communities.

Environmental Services: Institutions and Livelihoods

Various deals concerning forest environmental services are emerging around the world. Payments between land managers and water users in local watersheds for example, are premised on a simple fact: irresponsible land management plays a critical role in undermining water flows and quality, and good land management can have beneficial spin-offs for water. In our broader global review of markets for environmental services, we identified 61 efforts to set up payments for watershed services. While these examples vary in form and their level of sophistication, they offer some valuable preliminary insights into the potential opportunities for such market mechanisms to promote poverty alleviation. They also highlighted the very real dangers that markets pose to poorer groups. This analysis has stimulated a concerted investigation of the issues with partners in six countries, which will bear fruit in the coming year.

NEW PUBLICATIONS



INSTRUMENTS FOR SUSTAINABLE PRIVATE SECTOR FORESTRY SERIES:

COUNTRY STUDIES

- ▶ ***Raising the Stakes: Impacts of Privatisation, Certification and Partnerships in South African Forestry.*** James Mayers, Jeremy Evans and Tim Foy, IIED. 2001.
- ▶ ***Production, Privatisation and Preservation in Papua New Guinea Forestry.*** Colin Hunt (ed)., IIED. 2002.
- ▶ ***The New Foresters: The Role of Private Enterprise in the Indian Forestry Sector.*** Sushil Saigal, Hema Arora and S.S. Rizvi, IIED. 2002. (Plus six detailed sub-studies)
- ▶ ***Getting the Private Sector to Work for the Public Good: Instruments for Sustainable Private Sector Forestry in China.*** Lu Wenming, Natasha Landell-Mills, Liu Jinlong, Xu Jintao and Liu Can, IIED. 2002.
- ▶ ***Instrumentos para o manejo sustentável do setor florestal privado no Brasil: Uma análise das necessidades, desafios e oportunidades para o manejo de florestas naturais e plantações florestais de pequena escala.*** Virgilio M. Viana, Peter May, Lucineide Lago, Olivier Dubois and Maryanne Grieg-Gran, IIED. 2002.

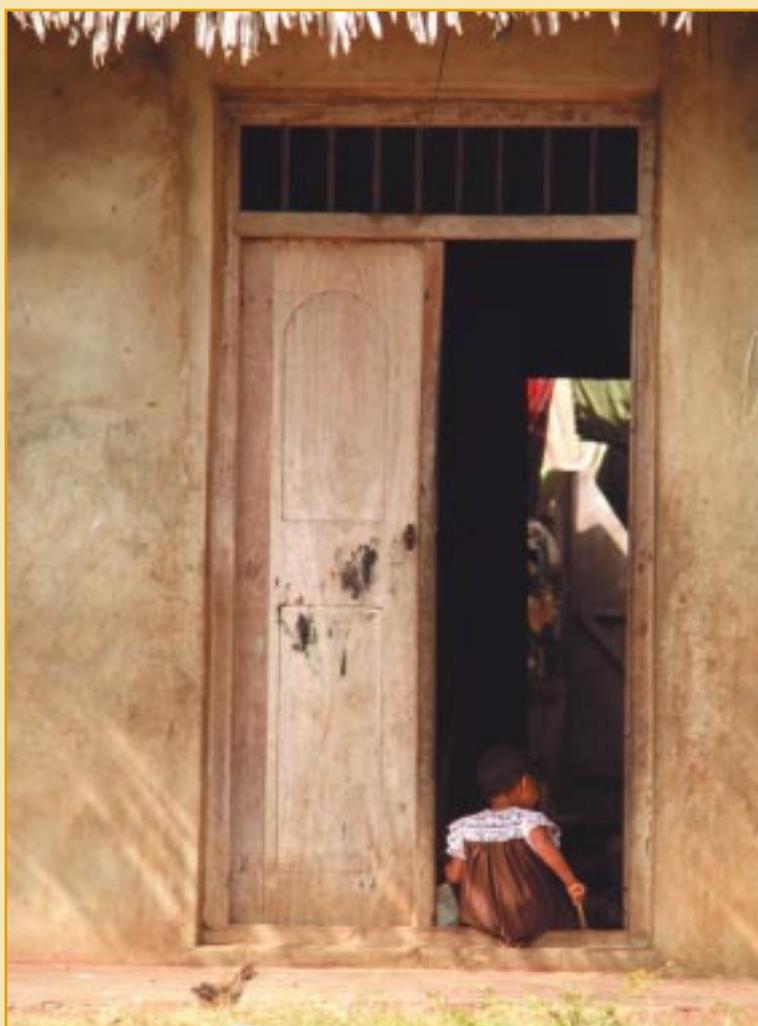
THEMATIC STUDIES

- ▶ ***Company-Community Forestry Partnerships: From Raw Deals to Mutual Gains?*** James Mayers and Sonja Vermeulen, IIED. 2002.
- ▶ ***Silver Bullet or Fools' Gold? A Global Review of Markets for Forest Environmental Services and Their Impacts on the Poor.*** Natasha Landell-Mills and Ina Porras, IIED. 2002.
- ▶ ***Power From the Trees: How Good Forest Governance Can Help Reduce Poverty*** James Mayers and Sonja Vermeulen, IIED. 2002.
- ▶ ***The Pyramid: A Diagnostic and Planning Tool for Good Forest Governance.*** James Mayers, Stephen Bass and Duncan Macqueen, IIED. 2002.

HUMAN Settlements



Working for and with the Urban Poor



Some of the most successful work of the Human Settlements Programme has been based on close and long-standing partnerships with groups working directly with urban poor groups in Africa, Asia and Latin America. This includes managing a small grants fund to help urban poor groups obtain land (or tenure of the land they occupy) and working with urban poor federations and their support NGOs in many different nations.

The *strategic priorities* for policy research currently being advanced by the Human Settlements Programme include:

- ▶ reducing urban poverty and inequality and improving urban livelihoods, especially through interventions that build on the strategies of the poor and respond to the challenges of globalisation;
- ▶ addressing the environmental hazards that contribute to a large share of ill-health, injury and premature death among urban populations (especially low-income groups);
- ▶ changing urban production, consumption and waste management patterns that waste scarce natural resources and contribute to resource depletion and ecological damage – while ensuring that these changes do not harm urban poor groups;
- ▶ exploiting the potential benefits that urban development can provide to rural areas (and vice versa) on the basis of a more accurate and country-specific understanding of the social, economic, political and demographic influences on urban development and rural-urban relations; and
- ▶ securing effective urban governance, recognising that most urban problems cannot be solved by any single institution and require more collaborative and integrated efforts from many groups and sectors.

Urban Poverty Reduction

During 2002, the Human Settlements Programme has continued to promote a broader understanding of urban poverty. It has researched and published case studies of government and NGO programmes that have sought to reduce poverty, and it continues to work on issues of housing finance and children's issues.

Micro-finance initiatives seek to build up the assets and investment capital of the poor. Work included production of the newsletter (*HiFi News*) and research and documentation of a number of innovative housing finance schemes. IIED has also worked with civil society organisations such as Shack/Slum Dwellers

“ **Reconciling the ‘Brown Agenda’, which focuses on immediate health burdens, and the ‘Green Agenda’, which focuses on longer-term ecological burdens, has been the theme of much of our work.** ”

International to strengthen local urban development initiatives. In February 2002, we organised an international workshop in collaboration with the London School of Economics for staff of international agencies on the development of decentralised funds for community initiatives.

Many children are disproportionately affected by the hazards to which low-income groups are exposed, so we produced an issue of **Environment and Urbanization** on building cities with and for children and youth. We also advised UNICEF’s Child-Friendly Cities Programme.

Urban Environmental Burdens

Reconciling the ‘Brown Agenda’, which focuses on immediate health burdens, and the ‘Green Agenda’, which focuses on longer-term ecological burdens, has been the theme of much of our work.

Programme research and policy work has supported efforts to ensure that cities contribute to sustainable development, placing particular emphasis on locally-driven initiatives in low income settlements. In collaboration with Southern partners, we have a series of case studies documenting Local Agenda 21s and other innovative attempts to create city-wide environmental initiatives (see publications below).

In collaboration with the Institute of Advanced Studies at the United Nations University in Tokyo, IIED has been exploring the contrasting spatial dimensions of urban environmental burdens in cities around the world, in a book entitled **Scaling the Urban Environmental Challenge: From the**

Local to the Global and Back. Programme staff are also contributing to the urban component of the **Millennium Ecosystem Assessment.**

IIED has been involved in work relating to private sector participation in urban environmental services provision, and staff are preparing a book on **Water and Sanitation and Cities** in collaboration with UN-Habitat, to be published in 2003.

Rural-Urban Linkages and Urban Change

Access to urban markets is critical to ensure higher and secure incomes for rural producers. A case study conducted in collaboration with the Indian NGO SPEECH has examined the role of state-organised Farmers’ Markets in the South Indian state of Tamil Nadu in increasing options for small and medium-scale vegetable and fruit producers. It also asked whether and how this type of initiative contributes to food security for low-income urban consumers, and examined their impact on street vendors, arguably the most vulnerable category of urban-based traders. A new case study has been developed with Vietnamese partners, looking at the role of rural-urban linkages in poverty reduction and in the balanced growth of the Red River Delta region, in the north of the country. A new working paper summarises the findings from the African case studies completed in 2001, and their implications for national and local policies.

Anticipated trends in the changing spatial distribution of urban populations and the social, economic, political and demographic factors that influence this are detailed in a new review of urban change being finalised in 2002.

NEW PUBLICATIONS



- ▶ **Environment and Urbanization:** Now in its 14th year of publication, this twice-yearly journal has a high representation of authors from Africa, Asia and Latin America. It goes to over 1,200 universities, teaching institutions, NGOs and individuals in Africa, Asia and Latin America, and has over 1,000 subscribers in high-income nations. It is highly cited in the research community. Five page summaries of each issue, called **E and U-Briefs**, are distributed in electronic form to reach a larger number of policy makers and professionals. The themes of the 2002 issues are:
 - **Globalization and cities** (Vol. 14, Issue 1)
 - **Building cities with and for children** (Vol. 14, Issue 2)
- ▶ **HiFi News:** The programme is also continuing to publish this twice-yearly newsletter with the Habitat International Coalition’s Working Group on Housing Finance and Resource Mobilisation. **HiFi News** contains information about housing finance projects and programmes in the South and details of recent publications
- ▶ **Urban Publications Online** (www.iied.org) lists a range of briefing papers and most of the recent working paper series including:
 - **Rural-Urban** Working Paper Series
 - **Urban Poverty** Working Paper Series
 - **Local Agenda 21** Working Paper Series

MINING, MINERALS & Sustainable Development

An Agenda for Change



The Mining, Minerals and Sustainable Development Project, commissioned by the World Business Council for Sustainable Development (WBCSD), was the most ambitious global study of minerals and their role in sustainable development undertaken to date. It was clear from the outset that its objective – to determine how the minerals sector could maximise its contribution to sustainable development at the global, regional, national and local levels – would be a major challenge.

Society's continuing need for various mineral commodities is clear. Equally clear is that simply meeting market demand for minerals will not achieve what society expects and insists on. Through a two-year process of global consultation and research, MMSD unearthed the most controversial problems of minerals development and its impacts on poverty, human well-being, the environment and other factors key to sustainable development. It looked at indigenous peoples' issues, efficiency and resource consumption, armed conflict, protected areas and biodiversity, corruption, human rights, management of mining waste and many others.

The project's principal findings are presented in the final MMSD project report – ***Breaking New Ground: Mining, Minerals and Sustainable Development*** – which concludes with an "Agenda for Change" for immediate and future actions. It focuses on practical concrete steps to improve the minerals sector's environmental and social performance and maximise its contribution to sustainable development.

The MMSD Process

- ▶ **Regional Partnerships.** The project included four regional partnerships, each with its own governance structure, research priorities, and process of consultation: Southern Africa, South America, Australia, and North America (excluding Mexico). The research issues, methods of consultation, and structure of the project were never exactly the same, reflecting the diversity of the regions. Yet there were often strikingly similar ways forward suggested as outcomes of the regional MMSD processes.
- ▶ **National Projects.** Through the regional partnerships, or in some cases directly from IIED, MMSD organised national efforts in approximately 20 countries. In some cases these were simply reconnaissance research reports; in others they included more ambitious research and consultation processes.

“

...it is imperative that we do more to ensure that mining's (environmental) fallout is mitigated and that local communities – in particular the millions of artisanal miners – share in the benefits.

Kofi Annan, United Nations Secretary-General

”

- ▶ **Global Workshops.** Some 700 people from diverse backgrounds attended the 23 global workshops or expert meetings hosted by MMSD. These dealt with issues from the handling of large-volume wastes and biodiversity to artisanal mining and the management of mineral wealth.
- ▶ **Commissioned Research.** Approximately 175 individual pieces of research were commissioned by IIED and by the regional partners in the course of the project. Much of this was discussed or debated at workshops and meetings.
- ▶ **Presentations, Communications, and Bulletins.** The project posted key documents on its website and received substantial communication in response. Over the course of the project, 21 Project Bulletins were sent to a list of more than 5000 people, updating them on project activities and asking for ideas and feedback and comments on the draft report.

The project had a structure that guaranteed its independence and the quality of its analysis and outcomes. MMSD's funding came from its Sponsors Group. It included 25 companies, four consulting groups, several donor governments, international organisations, one Foundation, and six non-governmental organisations. An Assurance Group made up of recognised individuals with experience from different constituencies of the minerals sector was established to ensure the quality, independence, and balance of the process and report. The Work Group (MMSD staff) executed project activities at the global level and coordinated regional efforts.

The Sponsors Group, the Assurance Group, and the Work Group were governed by a set of charters. A Project Coordinator worked on behalf of the WBCSD and facilitated communication and coordination among the three groups.

NEW PUBLICATIONS



- ▶ **Breaking New Ground: Mining, Minerals and Sustainable Development** (includes CD-ROM, which contains an e-book of the report automatically indexed and cross-referenced with full search facilities, MMSD regional reports, commissioned research, consultation process documents and more).

MMSD REGIONAL REPORTS

- ▶ **Facing the Future**
Australian Minerals & Energy Environment Foundation. 2002.
- ▶ **Mining, Minerals and Sustainable Development in Southern Africa**
University of the Witwatersrand and Council for Scientific and Industrial Research, South Africa. 2002.
- ▶ **Minería, Minerales y Desarrollo Sustentable en América del Sur**
Mineral Policy Research Initiative. International Development Research Centre (IDRC), Uruguay and Centro de Investigación y Planificación para el Medio Ambiente, Chile. 2002.
- ▶ **Towards Change: The Report of MMSD North America**
International Institute for Sustainable Development, Canada. 2002.

A full list of publications and working papers is available at www.iied.org/mmsd

STRATEGIES

Planning & Assessment

From Concept to Action



During the last year, the main focus of the Strategies, Planning and Assessment Programme's (SPA) work has continued to be on national strategies for sustainable development (NSDS). For the last three years, SPA has coordinated an initiative on NSDS for the Organisation for Economic Co-operation and Development (OECD).

The first phase of this work involved stakeholder dialogues in eight developing countries (Bolivia, Burkina Faso, Ghana, Namibia, Nepal, Pakistan, Tanzania and Thailand) to review experience of strategic planning for sustainable development, and several international workshops involving representatives from those countries and Development Assistance Committee (DAC) members. This culminated last year in DAC policy guidance on the nature of NSDSs and on how donors can best assist developing countries with their formulation and implementation, formally approved by aid ministers.

The second phase of the project, undertaken over the last year, has involved the compilation of a "resource book" on NSDSs by Barry Dalal-Clayton, Director of SPA, and Stephen Bass, Director of Programmes, IIED. It was published by OECD and United Nations Development Programme (UNDP) in association with Earthscan Publications, and was launched officially at the World Summit on Sustainable Development (WSSD) in Johannesburg. This publication provides flexible, non-prescriptive guidance on how to develop, assess and implement NSDSs. It sets out principles and

ideas on process and methods, and suggests how these can be used. It is based on an analysis of past and current practice, drawing directly from experience in both developed and developing countries and from a decade of work across IIED on strategic planning and policy development and implementation. The resource book (which includes a CD-ROM) has been developed with the help of inputs and information drawn from numerous organisations and individuals, and all chapters have been professionally peer reviewed.

This book is a cornerstone resource for a wide range of organisations and individuals concerned with sustainable development at national or local levels, as well as for international organisations concerned with supporting such development. While the focus is on integrated strategies for sustainable development, the approaches and methods covered are equally relevant to poverty and environment strategies, sectoral strategies, programme development and review.

During the preparatory process for WSSD, SPA co-hosted several side events on NSDSs at PrepComs,

“

Sustainable Development Strategies: A Resource Book -**“This is capacity building in a book”**Cielito Habito, *The Philippines*

”

working with UNDP, UN Department of Economic and Social Affairs, various national governments and several individual countries to promote understanding of the elements of effective NSDSs and debate on their role in delivering the WSSD outcomes. A UN forum on NSDSs was held in Ghana with Barry Dalal-Clayton as a resource person and Stephen Bass as facilitator and rapporteur. This resulted in UN guidelines on NSDSs which drew heavily on work by IIED for the OECD.

Funded by the Department for International Development UK and the Swedish International Development Agency, IIED has operated a website (www.nssd.net), providing detailed information about the work on NSDSs, the texts of a wealth of strategy-related documents, country information, and links to useful related websites. It has been used as a vehicle for developing the resource book with draft chapters placed on the site for comment and feedback. Plans are underway to develop the website as the prime global information source on NSDSs and related strategic planning, with information on a country-by-country basis.

The value and key role in sustainable development decision-making of SPA's work on strategies and supporting planning and assessment tools have been clearly demonstrated in the preparations for WSSD. IIED will continue this work but with a focus on the challenge to establish coordinated, participatory processes and systems for sustainable development.

Discussions have been held with various private sector organisations on how international corporations as well as small and medium-sized enterprises can build on and contribute to work on NSDSs, particularly in the post-WSSD period.

Post-WSSD, SPA is continuing to monitor progress with NSDSs and is working with UN organisations, development agencies and individual countries to promote use of the guidelines and resource book in the development and implementation of strategies. In parallel, it is also planned to initiate a major study on the experience of National Councils for Sustainable Development and similar multi-stakeholder fora in promoting sustainable development, and the opportunities to enhance their roles, particularly in developing and implementing NSDSs.

SPA will also be revitalising its work on environmental assessment with a focus on the performance of environmental impact assessment (EIA) in developing countries (using a methodology developed by IIED in Tanzania) and on strategic environmental assessment (SEA) – both tools which are key to operationalising strategies for sustainable development. It is also planned to develop an updated, web-based edition of IIED's successful and well-known *Directory of Impact Assessment Guidelines*.

NEW PUBLICATIONS



- ▶ ***Sustainable Development Strategies: A Resource Book***. Compiled by Barry Dalal-Clayton and Stephen Bass, OECD/UNDP by Earthscan Publications. 2002.
- ▶ ***Rural Planning in Developing Countries: Supporting Natural Resource Management and Sustainable Development***. Barry Dalal-Clayton, David Dent and Olivier Dubois, Earthscan Publications. 2002.
- ▶ ***Luangwa Integrated Resource Development Project in Zambia***. Wildlife and Development Series. Barry Dalal-Clayton and Brian Child. IIED. 2002.

SUSTAINABLE Agriculture & Rural Livelihoods

Regoverning Agri-Food Systems, Environment & Livelihoods



As processes of economic, environmental and social change become increasingly global, new forms of production, exchange, consumption and governance are emerging. No sector has been more affected by these global trends and changes than food and agriculture. The polarisation and economic marginalisation of much of family farming in the North and smallholder agriculture in the South is paralleled by a decline in agriculture's ability to serve its multiple roles in sustainable development. Agriculture as a sector is expected to provide a whole range of economic, social, and environmental services that include the management of natural resources, conservation of biodiversity, alleviation of poverty, rural employment and enterprise development, international trade and generation of foreign exchange, and food security.

The Sustainable Agriculture and Livelihoods (SARL) Programme is addressing these issues in order to increase the sustainability of food systems and strengthen the resilience of rural communities.

SARL's Response

In response to these changes, SARL is examining agri-food systems in selected countries and regions by focusing on the:

- ▶ *causes and consequences of agri-food restructuring and their impacts on the livelihoods of poor communities, small and medium enterprises and the environment;*
- ▶ *dynamics of initiatives that seek to regulate – or 'regovern' – markets and regenerate diverse, localised food systems to ensure long-term sustainability*
- ▶ *performance of key public sector agencies and private corporations involved in shaping the regional and international trade and marketing of agri-food products*

in order to inform and influence their policies and practices

Current Projects

(Publications mentioned are available at: www.iied.org/sarl)

- ▶ *Drawers of Water II: 30 Years of Change in Domestic Water Use and Environmental Health in East Africa* is assessing the causes and consequences of change in domestic water use and environmental health in 34 rural villages, towns and cities in Kenya, Tanzania and Uganda. A summary report and three country case studies have been published, along with a series of journal articles and technical papers.

“

The polarisation and economic marginalisation of much of family farming in the North and smallholder agriculture in the South is paralleled by a decline in agriculture's ability to serve its multiple roles in sustainable development.”

”

- ▶ **EROCHINUT: An Interdisciplinary Approach to Reducing Soil, Water and Nutrient Losses in China** is analysing the environmental and economic impact of land management changes on soil, water and nutrient losses in Sichuan, China. It seeks to develop an integrated research and planning methodology to assess the impacts of different land use scenarios on the viability of the local farming systems.
- ▶ **Institutionalising Participation for Natural Resource Management** seeks to examine the dynamics of institutionalising people-centred processes and scaling up participatory approaches in large, public bureaucracies for natural resource management in Indonesia, India, Burkina Faso, Senegal and Mexico. A literature review, annotated bibliography and background papers have been published.
- ▶ **Race to the Top: Tracking Supermarket Progress Towards a Fairer and Greener Food System** is an action-research project based on a process of constructive engagement between UK multiple retailers and a broad alliance of partner organisations coordinated by SARL and our Corporate Responsibility for Environment and Development Programme. A benchmarking and monitoring process has been launched, underpinned by rigorous analysis of supermarkets' performance against a set of environmental and social indicators (see www.racetothetop.org).
- ▶ **Rural-Urban Interactions** is a collaborative research initiative undertaken with our Human Settlements Programme and partners in Africa and Asia. In addition to analysing rural-urban dynamics in different settings, it initiates dialogue with local and national governments on the policy implications of rural-urban interactions. Papers on '**Rural-Urban Interactions and Livelihoods**' have been published.
- ▶ **Policies that Work (PTW) I & II** is a four-year, multi-country study of policies and processes that 'work': sustainable agriculture and regenerating rural economies. Eight country studies, several think pieces and a summary report of PTW I have been published. PTW II involves work in

Bolivia to identify policy options and processes for service provision by local economic organisations and how they can support the livelihoods of poorest rural households.

- ▶ **Promoting Land Rights in Africa: How Do NGOs Make a Difference?** is investigating the effectiveness of the strategies and methods NGOs use to influence land reform policy in Kenya and Mozambique. A final report, **Promoting Land Rights**, has been published.
- ▶ **Sustaining Local Food Systems, Agricultural Biodiversity and Livelihoods** is examining the dynamics of decentralisation and capacity building for the management of agricultural biodiversity in localised food systems and rural economies in Indonesia, India and Peru. It employs deliberative and inclusive procedures to involve poor rural people in policy processes that have a direct bearing on their food systems and livelihoods.

New Projects

- ▶ **Food Futures** is an interdisciplinary, multi-country project that seeks to assess different 'food, farming and rural futures' options through a set of facilitated stakeholder dialogues and empirical research.
- ▶ **Gender, Markets and Livelihoods in the Context of Globalisation** is analysing how gender roles and relations shape and are shaped by people's participation in export-oriented production in a changing global economic environment, with a view to improving livelihoods and addressing gender inequalities.
- ▶ **Marketing Sustainable Agriculture: An Analysis of the Potential Role of New Food Supply Chains in Sustainable Rural Development** aims to examine the competitiveness of new food supply chains in a global market of food production, processing and distribution in seven European countries.
- ▶ **Regoverning Markets: Securing Smallholder Participation in Changing Agri-Food Economies** is a new collaborative research project designed to analyse growing concentration in the processing and retail sectors of regional agri-food systems and its impacts and implications for rural livelihoods and communities.

NEW PUBLICATIONS



- ▶ **The Gatekeeper Series (GK 98-106)** highlights key topics in the field of sustainable natural resource management. Recent papers have examined the international pesticide industry's hazard reduction strategy, agro-ecological resistance to hurricanes in Central America, social networks and the dynamics of soil and water conservation in West Africa and global restructuring, agri-food systems and livelihoods.
- ▶ **PLA Notes (43-45)** enables practitioners of participatory research and development approaches to share their field experiences, conceptual reflections and methodological innovations. Recent issues have addressed advocacy and citizen participation, local government and participation and community-based animal health.

FINANCIAL Overview

Auditors' Statement

The Statement of Financial Activities and Balance Sheet are not the full statutory accounts but are a summary of the information which appears in the full accounts. The full accounts have been audited and given an unqualified opinion. The full accounts were approved by the Trustees on 25th September 2002 and a copy has been submitted to the Charity Commission and Registrar of Companies.

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Company. For further information the full annual accounts, including the auditor's report, which can be obtained from the Company's offices, should be consulted.

Independent Auditors' Statement to the Trustees of IIED

We have examined the summarised financial statements of the International Institute for Environment & Development.

Respective responsibilities of Trustees and Auditors

The Trustees are responsible for preparing the summarised financial statements in accordance with the recommendations of the charities' SORP.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements and Trustees' Report.

We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or

material inconsistencies with the summarised financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 "The auditors' statement on the summary financial statements" issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summarised financial statements are consistent with the full financial statements and the Trustees' Report of the International Institute for Environment & Development.

Kingston Smith

Chartered Accountants and Registered Auditors

DONORS 2001-2002

Governmental Organisations

Bundesministerium für Wirtschaftliche (BMZ), Germany
Canadian International Development Agency (CIDA)
Department for Environment, Food & Rural Affairs (DEFRA), UK
Department of Foreign Affairs & International Trade (DFAIT), Canada
Department for International Development (DFID), UK
Environment Canada
French Ministry of Foreign Affairs
Irish Embassy, Mozambique
Natural Resources Canada
Netherlands Ministry for Foreign Affairs (DGIS)
Norwegian Ministry Development Co-operation (NORAD)
Norwegian Ministry of Foreign Affairs
Royal Danish Ministry of Foreign Affairs (DANIDA)
Swedish International Development Co-operation Agency (SIDA)
Swiss Agency for Development and Co-operation (SDC)

International and Multilateral Agencies

European Commission
United Nations Department of Economic and Social Affairs (UNDESA)
United Nations Environment Programme (UNEP)
United Nations Food and Agriculture Organisation (FAO)
United Nations Children's Fund (UNICEF)
United Nations Office for Projects and Services (ONOPS)
World Bank

Foundations and Other Donors

ALTERRA
Conservation Law Foundation
European Partners for the Environment Secretariat
Esmee Fairbairn Foundation
Institute for Development Studies
International Union for the Conservation of Nature
Justus-Liebig University – Giessen
Loughborough University
MacArthur Foundation
National Lotteries Charity Board Community Fund
Natural Resources Institute
Rockefeller Foundation
The Ruben & Elizabeth Rausing Trust
University of Leeds
University of Trieste
University of Oxford
World Wide Fund for Nature

Corporate

NRI International Ltd
Coillte Consultants Ltd
COWI Denmark
Shell IPC
World Business Council for Sustainable Development (WBCSD)

INCOME & Expenditure for Year Ended 31st March 2002

	£ Unrestricted General	£ Unrestricted Designated	£ Restricted	£ 2001/02 Totals	£ 2000/01 Totals
Incoming Resources					
Government & Government Agencies	381,838	–	3,703,010	4,084,848	3,654,811
International & Multilateral Agencies	–	–	432,054	432,054	201,962
Foundations & NGOs	–	–	687,074	687,074	704,735
Corporate	255,146	–	2,706,955	2,962,101	2,494,015
Movements in Deferred Income	–	–	449,323	449,323	477,278
Investment Income	15,284	–	31,591	46,875	47,969
Trading Activities (Publishing)	82,324	–	–	82,324	114,395
Other	11,972	–	–	11,972	8,062
Total Incoming Resources	746,564	–	8,010,007	8,756,571	7,703,227
Resources Expended					
• <i>Cost of generating funds</i>					
Fundraising & Publicity	62,983	–	–	62,983	69,981
• <i>Charitable Expenditure</i>					
Grants	–	–	2,263,041	2,263,041	1,135,962
Programme Direct Costs	82,324	29,381	5,021,154	5,132,859	4,005,993
Support Costs	–	–	790,240	790,240	737,158
Management & Administration	57,515	–	–	57,515	69,228
Total Resources Expended	202,822	29,381	8,074,435	8,306,638	6,018,322
Net Income/(Expenditure) for the year before transfers	543,742	(29,381)	(64,428)	449,933	1,684,905
Transfer between Funds	(249,653)	249,653	–	–	–
Balance	294,089	220,272	(64,428)	449,933	1,684,905
Funds Brought Forward 1st April 2001	728,812	132,325	2,856,155	3,717,292	2,032,387
Funds as at 31st March 2002	1,022,901	352,597	2,791,727	4,167,225	3,717,292

BALANCE Sheet as at 31st March 2002

	£	£	£ 2001/02	£ 2000/01
Fixed Assets			153,781	193,313
Current Assets				
Stock	2,494			8,622
Debtors	1,934,911			1,991,471
Cash at Hand & in Bank	2,741,416			2,412,873
		4,678,821		4,412,966
Current Liabilities				
Creditors < 1 Year	492,412			471,695
Deferred Revenue	172,965			417,292
		665,377		888,987
Net Current Assets			4,013,444	3,523,979
Net Assets			4,167,225	3,717,292
Funds				
Restricted			2,791,727	2,856,155
Designated Funds			352,597	132,325
General Funds			1,022,901	728,812
Net Assets			4,167,225	3,717,292



I I E D

Nigel Cross Executive Director

Steve Bass Director of Programmes
Programmes and Partnerships Development Unit (PPDU)

SENIOR FELLOWS

David Satterthwaite
Camilla Toulmin

PROGRAMME DIRECTORS

Josh Bishop *Environmental Economics (EEP)*
(until July 2002)

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Luke Danielson *Mining Minerals & Sustainable Development (MMSD)*, (until September 2002)

Maryanne Grieg-Gran (acting) *Environmental Economics (EEP)*

Saleemul Huq *Climate Change*

James Mayers *Forestry and Land Use (FLU)*

Gordon McGranahan *Human Settlements (HS)*

John Thompson *Sustainable Agriculture & Rural Livelihoods (SARL)*

Halina Ward *Corporate Responsibility for Environment and Development (CRED)*

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Awa Faly Ba Project Officer, *Drylands*

Maimouna Dieng Administrative Assistant, *Drylands*

Fatou Ndiaye Project Officer, *Drylands*

Serigne Mansour Tall Project Officer, *Drylands*

We said goodbye to:

Helen Benterman *Personnel*

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Guy Collis *MMSD*

Caroline Digby *MMSD*

Justine Donnelly *PPDU*

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