

*Doorway
to a green
economy*

**Annual Report
2009/10**

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View from the *threshold*

As the world has stepped away from financial collapse and recession, we've moved onto the threshold of something new.

The massive global response to economic emergency was aimed largely at regaining the questionable footing we had before the crash. Yet it also included a choreographed wave of 'green stimulus' – at a level of funding that dwarfed all previous efforts to shift economies towards sustainability. Why was this? People in high places recognise that the shocks rocking the globe in the last two years are congruent – that the financial system's heart attack, the food price rollercoaster and the disasters looming with climate change all came about through obsession with short-term gain.

Debate on how to spend these stimulus funds highlighted dozens of green initiatives, ranging in scope from local to global. And it helped to

expose the outlines of an economic system that respects people and planet, and that doesn't sell out the future to pay for the present: what many are now calling a green economy.

It's not just think tanks and NGOs that are moving in this direction. The international establishment – the UN, the OECD and G20 countries – have all taken prominent steps into the green economy's doorway. More recently, governments have begun to replace their stimulus plans with sharp spending cuts – a further opportunity to hold short- and long-term priorities up to the light. But there's also a danger that these shifts in spending will bring no good to the world's poorest countries and people.

For IIED, this is an opening to bring long-simmering ideas before a global audience hungry for new ways forward on environment and development – and to channel the growing momentum through our network of partnerships and influence. It is also potentially a major movement, requiring many parties. So IIED has joined with development and environment organisations, trade unions, business groups and UN institutions, forming a new Green Economy Coalition.

One of the Coalition's first tasks is to help uncover the barriers and entry points to the green economy in poor countries. In the next year, we hope to illuminate what lies beyond the threshold.

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From our director



Camilla Toulmin

IIED's mission is to build a fairer, more sustainable world, using evidence, action and influence in partnership with others. This makes us something of a hybrid, combining practice in the field with thinking and reflection. And while it's sometimes hard to explain our wide range of activities, like all hybrids, we have a certain vigour.

So we test ideas in action by working with the governments in Kenya and Nepal to find ways to link their climate change adaptation plans with local initiatives. We use ideas to shape debates and offer new insights into long-standing problems, as when assessing risks to social justice in the rapidly moving debate over forests in climate policy. We engage in global processes to make them comprehensible and accessible to key constituencies, such as by bringing developing-country journalists to climate change negotiations.

We support grant-making in informal settlements to show how much can be achieved by harnessing the skills and inventiveness of local people and their organisations. We help build learning groups on forest governance or smallholder access to global markets. And we develop and assess tools to provide stronger legal options for local people seeking redress from mining companies, or to help government planners ensure environmental concerns are properly mainstreamed into budgets.

The tumult of the last 12 months has tested IIED's mission and partnerships. Huge expectations held by so many prior to the Copenhagen climate summit were dashed by the feeble outcome. We learned hard lessons from the failure of COP15 to agree an ambitious, fair climate deal.

First, the process of reaching agreement will be slowed by powerful vested interests and inertia opposing significant change. Second, adaptation to climate change, unfortunately, will be ever more important. Third, we need other vehicles to advance many of the same aims, such as shifting to low-carbon energy systems. Pushing for a green economy is one important way to move towards a more sustainable way of life. Our hybrid qualities position IIED well to take forward this new agenda, drawing on our assets – people, networks and knowledge built up over the years – to inform the new green agenda.

From our chair



Maureen O'Neil

From all quarters, we have a new emphasis on demonstrating results. But what do results look like for an organisation like IIED, which operates at the interface between ideas and action?

The 2009-10 Annual Report brings our achievements into focus. We have made solid progress in setting a strategic direction and laying out detailed plans, and in these pages you will get a flavour of the multiple activities underway in our four focal areas – combating the natural resource squeeze, strengthening adaptation to climate change, building cities that work for people and planet, and shaping responsible markets. Becoming a leader in communicating sustainable development issues has enabled us to multiply many times over the impacts of ideas and evidence generated through these activities.

At the heart of IIED's work is the conviction that new knowledge can unlock solutions to old problems. Ideas are powerful. People often imagine there is one single solution when faced with a problem, but our work shows there is often a range of options that offer a better way of addressing old and new concerns. As researchers and advocates, we propose new ways forward.

IIED's experience suggests that sustainable development can only happen when human and natural systems work in harmony, which demands that different perspectives are accorded equal weight, benefits are equitably shared and environmental goods and bads are properly valued. Working with partners, we seek to supply the ideas, evidence and practical guidance that can help us move towards more sustainable outcomes.

IIED

in brief

Our mission: To build a fairer, more sustainable world, using evidence, action and influence in partnership with others.

How to use this book

In this section you'll find essential information on IIED: who we are, what we do, our mission, our ways of working, and the basics of our new five-year strategy. Overleaf you'll find 'snapshots' of the year's highlighted projects, treated more fully in 'Grounded growth' and 'IIED in depth'.

In 2009 IIED became the host institute for a new cross-sectoral Green Economy Coalition, and this year's report focuses our work through the lens of the green economy movement.

'Outlook', on page 10, offers insights on the economic transition ahead from coalition partners in the business and nonprofit spheres.

'Grounded growth', on page 16 brings together shorter pieces on a range of the year's projects, organised to show how they address three core goals of a greener economy.

'IIED in depth', on page 48, chronicles the big projects at IIED this year.

'Fresh perspectives', on page 72, showcases the personal experiences of three researchers collaborating with IIED through our International Fellows programme. In this section you can also see our staff list, trustees and donors, and finally, on page 80, our financial summary for the year.

Once you've read this report you might want to know more about the projects outlined in it. To find links to background material and longer treatments, see www.iied.org/ar2010

Why we're here, what we do

The International Institute for Environment and Development is a policy research organisation based in London and working on five continents.

Launched in 1971 by economist Barbara Ward, IIED has played a shaping role in the milestones of sustainable development, from the Stockholm Conference of 1972 and the Brundtland Commission of 1987 to the 2002 World Summit on Sustainable Development in Johannesburg. The institute has been a key contributor to many other international policy processes and frameworks, such as the Intergovernmental Panel on Climate Change (IPCC), the

Millennium Ecosystem Assessment (MEA), and the UN conventions on climate change, desertification and biological diversity. This deep involvement has consolidated IIED's reputation as an institute at the cutting edge of environment and development work.

Through research and action on climate change, human settlements, natural resources, sustainable markets and the threads that run through them all, such as governance, IIED – with its legal subsidiary FIELD and its broad-based network of partners – is making a future where people and planet can thrive.

To find out more about IIED in general, see www.iied.org.

FIELD
Foundation for International
Environmental Law and Development

The Foundation for International Environmental Law and Development (FIELD) is an independent IIED subsidiary staffed by a group of public international lawyers.

How we work

IIED's work takes three forms: research, advice and advocacy.

IIED publishes in journals and maintains high research standards, like an academic institute; advises government, business and development agencies, like a consultancy; and argues for change in public policy, like an advocacy organisation.

Three core principles guide our work:

A focus on 'local to global', bottom-up solutions ensures the concerns of poor, vulnerable and marginalised people are heard by international policymakers.

An openness to flexible, adaptable solutions means we approach challenges with the necessary mix of perspectives and expertise.

A tradition of challenging conventional wisdom through original thinking has helped to reframe issues and prompted healthy debate.

The importance of partnerships

Partnerships are key to the way IIED works. By forging alliances with individuals and organisations ranging from urban slum dwellers to global institutions, IIED ensures that national and international policy better reflects the agendas of poorer countries and communities.

Our partners range from individuals working in other NGOs, academia, indigenous peoples' groups, international organisations and multilateral agencies such as the UN. Others are alliances IIED either steers or works closely with, such as Shack/Slum Dwellers International (SDI), a network of urban poor federations and NGOs in Africa, Asia and Latin America. And IIED plays an active part in international networks such as the International Union for Conservation of Nature (IUCN).

Our 2009-2014 strategy

IIED is guided by a five-year strategy focused on four major trends and associated challenges. You can see these below.

At the end of this period, in 2014, we will be at the brink of the target year for achieving the Millennium Development Goals (MDGs). A new consensus on global priorities, institutions and frameworks will need to be forged by 2015. Our four strategic challenges have been identified with this coming responsibility in mind.

To find out more about our 2009-2014 strategy, see www.iied.org/pubs/pdfs/G02532.pdf



Snapshots of project highlights through the year

Use this subsection as a miniguide to the year's project reports, organised by relevant IIED research group.

Climate Change

Adaptation after Copenhagen

page 54

With the failure of UN climate talks to reach a binding agreement, it's more important than ever to raise awareness of climate change impacts and build capacity to adapt. In the Least Developed Countries, IIED-backed adaptation alliances are developing support networks and information hubs that will be essential for resilience.

Community-based conference

page 46

IIED held its fourth international conference on community-based climate change adaptation on a front line of the problem – Dar es Salaam, Tanzania. Delegates toured sites where communities are hedging against climate threats with their own knowledge, techniques and resources, and practitioners were drawn into lively exchanges through multilingual talks and video symposia.

FIELD

Fishy flags

page 20

More than a thousand large-scale fishing vessels sail under 'flags of convenience' – that is, they are effectively owned or controlled in one country but fly the flag of another. A new report from FIELD describes how foreign flags let unscrupulous operations sidestep regulations, and is raising political pressure to ban the practice.

Birth of a FIELD

page 37

2009 marked the 20th birthday of the organisation that became the Foundation for International Environmental Law and Development – and that helped to give rise to a then-unheard-of area of international law. In FIELD's two decades, new legal frameworks have become legion, and today the foundation is turning to the next frontier: implementation.

Our four goals:

1 Tackling the 'resource squeeze'

2 Demonstrating climate change policies that work for development

3 Helping build cities that work for people and planet

4 Shaping responsible markets

Human Settlements

Extraordinary influence page 38

The IIED journal *Environment and Urbanization* hasn't followed a conventional model for academic publishing – yet it's now ranked one of the most influential publications in its field. Unusual choices like accepting papers in other languages and expanding access through free subscriptions have helped make it a leading platform for urban issues in the global South.

Disaster-proofing cities page 42

Climate change is multiplying disaster risks in a world that is more than half urban – and where the Haitian earthquake in January showed how vulnerable cities can be to catastrophe. Yet extreme events often leave better-prepared cities unscathed. IIED is finding out how so-called 'natural' disasters can be prevented through community action.

Doing density right page 52

To afford to live near the centres of cities, low-income residents need dense housing. Governments typically treat high-rise developments as the only viable high-density model – but this is wrong, reports an IIED fellow in Karachi. Incremental development on small plots can, with the right support, achieve high density at a lower cost, and can result in friendlier and healthier settlements.

Natural Resources

Fair sharing of genetic gems page 32

The global South is rich in genetic resources – like rare crop varieties and medicinal herbs – that can become profitable for Northern 'bioprospectors'. Agreement is close on the first binding international protocol on accessing and sharing this wealth, and the negotiations are being informed by IIED research on how best to protect bio-cultural heritage.

Beyond 'land grabs' page 36

Africa, Asia and Latin America are seeing waves of foreign investors rush to buy up agricultural land. To follow up our widely read 2009 report on 'land grabs', IIED has been exploring land-investment alternatives – such as contract farming or joint ventures – that keep local people in control of land while still yielding attractive profits for investors.

Up-and-coming energy source page 45

OECD nations have plans to rapidly expand their use of power plants fired by biomass, mainly wood. Yet in some low-income countries, where biomass energy is one of the largest industries, the sector is criminalised. IIED is looking into better governance that will let biomass energy drive greener economies, not black markets.

Learning groups show muscle page 50

IIED's Forest Governance Learning Groups draw together 'governance-connected' individuals from a mix of agencies and link the knowledge and interests of marginalised people to those currently in control. Now an independent review shows the small, learning-centred groups are having big impacts on policy.

The poverty-conservation link page 58

It's been an axiom that conserving biodiversity helps poor people who make their living from healthy ecosystems. But research on this connection is sparse, and the real-world overlap between conservation and poverty alleviation seems to be more complex. At an IIED-led conference, experts explored the state of the field and highlighted some unexpected findings.

Farmer-led food research page 60

Typically, agricultural researchers see farmers as the final recipients of innovations painstakingly developed by scientists and experts – and often blame the end-users if the new crops or policies don't work for them. IIED is working to upend this system by helping farmers' and citizens' groups shape agendas and funding for food research.

New dams for West Africa page 62

New dams are being planned across Africa as governments confront growing energy demand, food insecurity and climate change. With IIED's facilitation, people facing displacement have been able to participate in planning the relocation process – while at the regional level, we're advising river-basin authorities on managing impacts across national borders.

Write this way page 68

Many practitioners working with participatory processes, especially women, are wary of publishing in academic journals or are too busy to write – so their valuable perspectives and learning are lost. In 'writeshops' run by IIED's international journal *Participatory Learning and Action*, practitioners get time and support to think and write – and to be published, often for the first time.

Sustainable Markets

Accountability in the pipeline page 26

While BP accepts the duty of cleaning up the Deepwater Horizon oil spill in the Gulf of Mexico, its internal reports have faulted contractors for the blown-out rig. In the oil and gas industry – which is pushing the limits of new technology in increasingly fragile environments – accountability chains are complex. A suite of IIED projects aim at managing risks and responsibility in the oil and gas sector.

Payments to the poor page 30

In 2004, Costa Rica introduced new policies designed to make it easier for poor farmers to receive payments for protecting forests. But have the reforms succeeded? Although there have been scattered local field studies, no one had systematically evaluated the impacts nationwide. An assessment of social impacts by IIED helped to fill this gap – and found that, although the program has moved in the right direction, poor farmers are not the main beneficiaries of the social reforms.

Poor producers, global markets page 64

How can small-scale producers become an integral part of more formalised markets? IIED has been exploring models for linking small-scale and poor producers to these demanding markets, as well as delivery and contracting that give poor people at the base of the economic pyramid a more powerful role. We're also looking at approaches to development that let vulnerable groups make choices in capitalising on market opportunities.

Communications

Papers that change policy page 70

One of IIED's most effective tools for influencing policy is pithy and credible briefing papers that quickly give decision makers a handle on timely issues. Thanks to a communications model that guides researchers to package their findings in highly persuasive reports, many IIED briefings have had tangible impacts on governance.

Governance for sustainable development

Managing a uranium rush page 22

Rising energy prices have sparked a search for uranium reserves, and Namibia is prime territory for prospecting. To manage the impacts, a Strategic Environmental Assessment has been carried out – and reviewed using a new method developed at IIED.

Strategy for sustainability page 23

One of the world's fastest-growing economies, Botswana, has set itself a 2016 target for getting onto a sustainable footing. A National Strategy for Sustainable Development is in the works, and the government is seeking IIED's expert guidance to map its path.

Making local organisations heard page 44

National governments and international donors often overlook small local organisations and agencies that provide crucial services, from clean water to voter registration. But an IIED-backed profile series is allowing these groups to send important messages about how international funding and frameworks can better support their work.

Going mainstream page 66

New tools for planning and assessment will be key to mainstreaming environment and development into policy. Strategic Environmental Assessment has made headway worldwide, and IIED is exploring instruments that interweave all three pillars of sustainable development: environment, society and economy.



Outlook

The Green Economy Coalition seeks a fair and resilient economy that provides a better quality of life for all, within the ecological limits of one planet.

Re-engineering global growth is not a job for one leader, one organisation or one sector. It will need commitment and fresh thinking right across the economy – from local to international, from North and South, from companies, customers and workers, from politicians and from citizens.

To illuminate a few of the angles on this broad field of play, we asked two bright lights about what they see ahead. Both are part of the Green Economy Coalition, a new alliance where cross-sector contacts are sparking creativity. Started in 2009 and hosted by IIED, the coalition brings together environment, development, trade

union, consumer and business groups with the common cause of accelerating the transition to a green economy – defined as an economy that's fair, resilient and provides a better quality of life for all, within the ecological limits of one planet. Here you'll get glimpses of their shared sense of direction.



“We are living in a period where the risks of disruptions in social, ecological and economic systems are both evident and imminent. The creation of the Green Economy Coalition is a positive answer to this situation, helping to turn it from a threat into an opportunity to mainstream existing solutions towards a safer, fairer and more sustainable world.”

Aron Belinky
Green Economy and Global
Projects Coordinator
Vitae Civilis, Brazil

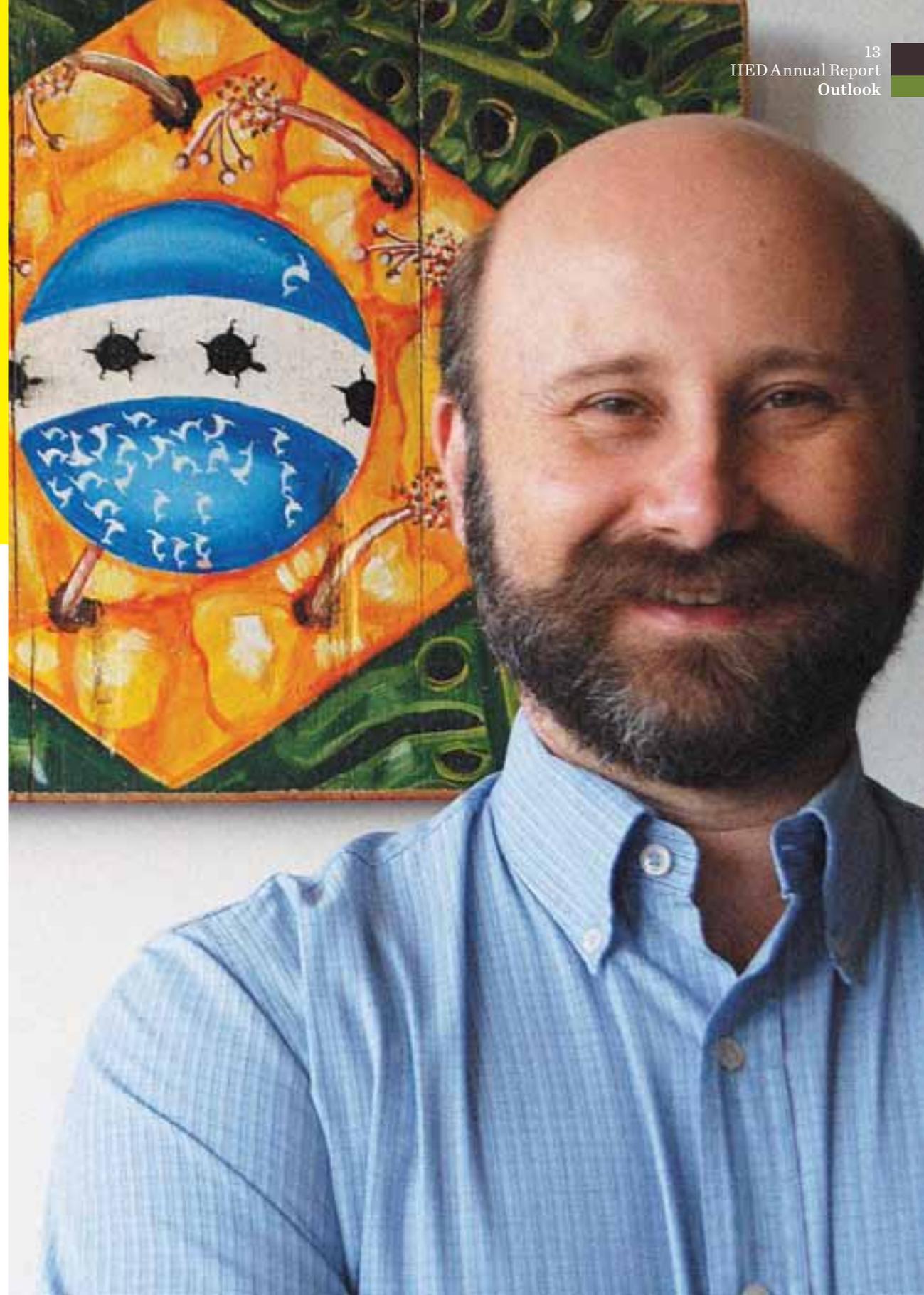
No matter how broadly the world agrees on the need for change – in theory, in conversations or at negotiating tables – it’s still a struggle to make it real.

This is something we’ve learned on a journey of more than 20 years at Vitae Civilis, working for sustainable development and for a culture of peace in Brazil and internationally. Yet we’ve also discovered how durable the belief is of those who, like us, are striving for a transformation.

The Rio Earth Summit of 1992 laid a foundation on which a series of international conventions and other instruments have been constructed. The global community continues to sharpen its message on acceptable aims for economies. But enforcement of such agreements is still weak and the obstacles posed by powerful interests entrenched in the status quo are hardly moving. To bring about shifts on the ground, we urgently need to nurture global social movements and forge alliances that cut across society.

The idea of a green economy – understood not just as environmentally sound economic activity, but as a system that brings together environmental sustainability, social justice and responsible management – is a potent tool for the transition from airy words and intentions to effective actions and commitments.

Humankind already has most of the pieces needed to solve the puzzle of sustainability, but is still reluctant to put them together. We see the creation of the Green Economy Coalition as a key step to overcome this impasse and we are proud to be part of it.





“What will this ‘business as unusual’ look like? It should start with the recognition that human welfare is deeply intertwined with societal and environmental contexts.”

Dorothea Seebode

Innovation for Sustainable Development
Royal Philips Electronics,
Philips Research, Germany

‘Business as usual is over.’ This conclusion is drawn by more and more people – both privately and as professionals representing organisations that want to contribute to the world’s health and well-being.

In the ‘Vision 2050’ project of the World Business Council for Sustainable Development, for example, 29 participating corporations are demanding aligned action to tackle the challenges ahead. The group’s aim is to create conditions that support decent lives for all people, within the limits of the planet we share. It is possible – if we can free up human creativity and channel it toward a common goal.

What will this ‘business as unusual’ look like? It should start with the recognition that human welfare is deeply intertwined with societal and environmental contexts. Respecting and strengthening the links will require new models for business, value creation, financing and pricing, as well as new technologies, distribution channels, and ways of working together and handling information. Fundamentally, we need to innovate innovation.

It will not be easy. Courage and clear vision are needed, along with the open-minded attitude that every failure is also an opportunity. Companies, along with other organisations and individuals, will have to let go of old habits and beliefs, yet they must also stay profitable within the current business context. In this spirit, Philips participated in the Vision 2050 project to help draw a roadmap for the future, and we also joined the Green Economy Coalition right from its start in 2009.

Both initiatives are platforms to think and act beyond the conventional scope of business. Through them, we have the chance to explore what it will mean to co-create conditions and solutions that lead to sustainable health and well-being for all.

Grounded growth: a first look at the year's projects

Our economy doesn't just need to be the right colour. It needs to take the right shape. It should slash global carbon emissions, certainly, but should also go further to guard natural assets such as fisheries and forests. It should create 'green jobs' for a rising population of new workers as well as encouraging innovative business models that empower poor producers.

But while more and more mainstream players are making noise about a green economy, few fully agree on what it will look like



and how we'll know when we're there. Now is the time to translate expanding political will into a shared vision grounded in concrete goals. IIED is steering an agenda that is fundamentally pro-poor and respectful of natural resources – one that builds robust, far-flung support on issues where we've led the way for decades.

IIED has argued that the strongest 'green economy' initiatives will distinguish themselves by meeting three objectives. They will value and protect the **biosphere** that

nourishes global wealth and sets ecological limits; improve **social justice** so that the world's poor can develop hardier livelihoods and seize new economic opportunities; and build **resilience** against change in financial systems, social systems and ecosystems.

In the next pages, you'll read about recent breakthroughs and ongoing successes at IIED that are contributing to these key economic aims, both individually and as a whole. The stories told here reflect work guided by the institute's

strategic goals – focusing on better governance of natural resources, development-oriented climate change policies, sustainable cities and responsible markets. They also bear the stamp of our distinctive way of working, in which evidence and practical experience are tapped for solutions that trump conventional thinking, and advocacy at the highest levels is informed by participatory learning at the grassroots. The new economy we're helping to shape is one that is built from the bottom up.

Biosphere

Initiatives that protect the environment, which nourishes global wealth and sets ecological limits.



Illegal fishing: stopping masked marauders

Over a thousand large-scale fishing vessels sail under foreign 'flags of convenience'.

An estimated 11 to 26 million tonnes of fish are caught illegally each year. Developing countries, which have fewer resources to fight pirate fishing, are often targeted for plunder: actual catches in West Africa, for instance, are 40 per cent higher than reported catches. And thanks to a loophole in maritime law, unscrupulous fishing operations can escape oversight by becoming masked marauders – decking themselves out in a foreign nation's flag.

Over a thousand large-scale fishing vessels sail under 'flags of convenience' – that is, they are effectively owned or controlled in one country but fly the flag of another. Flags of convenience are provided mainly by Cambodia, Honduras and Panama, but also by land-locked countries such as Bolivia and

Mongolia. International law requires a flag state to police fishing practices, but many of those countries lack the resources and will to do so. In contrast, the business interests that profit from the ships are likely to come from East Asia and Europe.

Not all foreign-flagged vessels are after an unlawful catch. But for owners seeking to circumvent management and conservation rules, flags of convenience are a common strategy – and a cheap and convenient one. Registrations can be bought for a few hundred dollars over the internet. Backed by shell companies, joint ventures and hidden owners, vessels may re-flag several times in a season.

Illegal fishing has come under new scrutiny in two major international measures – an agreement on

port-state actions and a European Community regulation – after a successful NGO-led campaign backed with legal advice from IIED's subsidiary, the Foundation for International Environmental Law and Development (FIELD). Now, FIELD is seeking a ban on flags of convenience for fishing vessels. Our 2009 report *Lowering the Flag*, published in collaboration with the Environmental Justice Foundation, has raised political pressure to address this governance gap, influencing recent EU and Commonwealth decisions. The next step? We've laid out the possibility of international legal action against a country that offers its flag as a mask for fishy operations.



An estimated 11 to 26 million tonnes of fish are caught illegally each year. Actual catches in West Africa are 40 per cent higher than reported catches.

“Flags of convenience are the scourge of today’s maritime world. This practice affects both fisheries and transport, although oil spills, given their spectacular dimension, mobilise public opinion more easily than the pernicious damage done to the marine environment by fishing vessels.”

Franz Fischler, former EU Commissioner for Fisheries

Testing a tool for greener planning



Namibia is a magnet for uranium prospectors. They're drawn to its rare combination of accessible surface deposits and a stable, pro-mining government – and recently their numbers have swelled. Volatile oil and gas prices have made nuclear energy more attractive, sparking a search for new reserves of the radioactive metal.

A Namibian uranium rush has already begun, with expansion of existing mines at Rossing and Langer Heinrich, two new mines under construction and a flood of prospecting. Namibia's government, alert to possible environmental and social risks of further exploration and mining, placed a moratorium on new prospecting licenses in 2007. In 2008 it commissioned a strategic environmental assessment, or SEA (see page 66) and then asked IIED to review the SEA process and its technical quality.

Such reviews of SEAs have been rare until now because there was no established, generic methodology for them. But in 2009 IIED was commissioned by the Canadian International Development Agency to develop just such a method. Namibia became one of the first real-world test cases.

IIED got involved early on with the team running the uranium mining SEA – the Namibian-based Southern Africa Institute for Environmental Assessment – guiding them to focus on strategic concerns. We formally reviewed the draft and final reports, which prompted the team to sharpen its analysis and address missing issues. At the review's end, we participated in public disclosure meetings to present the findings. Now, IIED is continuing to help the Namibian government to implement the SEA's recommendations and manage its uranium rush.

The SEA review

The new procedure for reviewing strategic environmental assessments doesn't aim to find faults. Instead, it looks for opportunities to solve problems with an SEA and improve practices. It checks that the SEA process is:

- fully compliant with relevant national and international requirements (including laws, guidelines and commitments);
- fit for purpose and relevant to the needs of decision makers;
- effective in achieving positive environmental benefits and good outcomes in development cooperation.

This approach builds on internationally agreed principles and is now being voluntarily tested by an OECD task team on SEA and others.

“We must allow Botswana to benefit from its rich natural capital, without undermining the future existence of that capital.”

Botswana President Ian Khama

Helping Botswana think sustainable development



Botswana's gemstone wealth has supported an economic transformation: one of the world's poorest nations in 1965 is now a middle-income country with one of the fastest-growing economies, averaging about a 9 per cent growth every year. The country's impressive track record of good governance and economic growth has been supported by prudent macroeconomic and fiscal management – with earnings funnelled into education and infrastructure or reinvested. Yet Botswana still suffers high levels of poverty and inequality and generally low human development indicators.

What's more, diamonds aren't forever in a developing economy – so preserving renewable resources, especially biodiversity, has become an increasing concern. And success in attracting foreign investment also

brings pressure to loosen protections for people and ecosystems. In recent years, the president of Botswana has pledged to avoid these pitfalls of short-term development. The country's *Vision 2016*, published in 1998, includes the goal that 'by the year 2016, economic growth and development in Botswana will be sustainable'. With the 2016 target in mind, in 2009 the government decided to develop a national strategy for sustainable development (NSSD), along with an environmental mainstreaming initiative known as the Green Government Programme that focuses on practical, short-term interventions.

The UN Development Programme is working with the government on this strategy, and in 2009 they enlisted IIED to help think through possible approaches. We ran a workshop on developing Botswana's NSSD and

mainstreaming environment into policymaking, planning and decision-taking. The event, chaired by the Minister of Environment and closely monitored by the President, brought together stakeholders from government, the private sector and civil society to learn about international good practice in NSSDs, debate national experience in addressing sustainable development and consider ways forward.

We are now in discussions with the government on how we can further support the strategy process. Our role, currently being drafted into a memorandum of understanding, might involve offering advice and expertise, and facilitating a learning and leadership group on environmental mainstreaming and developing a green economy.

“Botswana has done well in developing a conducive policy environment for effective natural resources management, but we still experience challenges as far as biodiversity conservation and sustainable development are concerned.”

In the coming years, biodiversity declines could take place and our environment will be increasingly disrupted and less able to provide for our people’s needs.”

Botswana President Ian Khama

Promoting responsible practice in the oil and gas industry

The Deepwater Horizon debates highlight the complex chains of accountability in the oil and gas industry, at a time when companies are pushing the limits of new technology in increasingly fragile environments.

US President Barack Obama held BP responsible for cleaning up the catastrophic oil spill in the Gulf of Mexico in April 2010. BP accepted the clean-up duty, but only partial blame for the blow-out. Its internal report argued that its contractors were at fault. The Deepwater Horizon debates highlight the complex chains of accountability in the oil and gas industry, at a time when companies are pushing the limits of new technology in increasingly fragile environments.

IIED is exploring how risk and responsibility are managed throughout oil and gas contracting chains. In 2010, IIED and WWF-Russia published the report *Responsible Contracting Chains in the Russian Oil and Gas Industry*. Another report was published with local partners in Kazakhstan. In July 2010, IIED launched a multi-stakeholder consultation with the participation of the International Petroleum Industry Environmental Conservation Association (IPIECA) and its member companies. The aim is to develop guidance for the industry on managing contracting chains to meet sustainability goals.

And this is just one of several IIED initiatives aimed at improving practice in the oil and gas industry. We're also:

- **Strengthening the capacities of government to negotiate and civil society to scrutinise oil and gas deals.**

In 2009, IIED and its legal subsidiary, FIELD, ran workshops for local organisations in Ghana and Kazakhstan on oil, gas and mining investment contracts. In 2010 we published a guidance manual for host governments and civil society organisations. A two-year project in Kazakhstan, which facilitated debate between government, industry and NGOs, was recently completed.

- **Helping industry staff understand and promote sustainable development.**

A collaboration with local BP staff in Azerbaijan, based on idea-sharing and mentoring, concluded in 2010 with the publication of *Agents of Change: Reflections on a Working Partnership between IIED and BP in Azerbaijan*.

- **Creating opportunities to find local development solutions in Nigeria.**

IIED's SUNGAS project in the Niger Delta is exploring sustainable energy options with industry, government and civil society. The project includes using gas that is currently burned off during oil extraction to power a local community.



Social justice

*Activities that empower
the world's poor to develop
hardier livelihoods and
seize new economic
opportunities*

4

Payments for environmental services: *pro-poor or business as usual?*

Several years ago, Costa Rica's landmark programme for protecting forests was showing cracks under its surface. The Payment for Environmental Services programme (Pagos por Servicios Ambientales, or PSA), started in 1997, had become a role model for initiatives worldwide that pay landowners to preserve valuable ecosystems – seemingly a win-win-win for forests, the local economy, and the communities who thrive on both. But in the early years of the scheme, research by IIED and other organisations such as the World Bank reported that the rules for participation tended to favour wealthy or well-connected participants, undermining PSA's potential to reduce poverty.

This skew prompted policy reform in 2004. Among other changes, to make payments accessible to poor farmers priority was given to applicants from areas with a low social development index. The changes were widely hailed – but have they succeeded in encouraging the poor to participate?

Although there were scattered local field studies, no one had systematically evaluated the reforms' impacts nationwide – until this year, when IIED presented a first large-scale assessment. Its bottom line: although the programme has moved in the right direction, the immediate beneficiaries of the added social filters are not the poorest farmers.

Engaging with FONAFIFO, the organisation that administers the PSA, IIED researchers developed a national database showing who has been participating in the scheme over its 11 years of operation. We found that even within poorer areas, larger farms and private companies have captured most payments. Moreover, increasing poverty in Costa Rica means that most regions now receive a high score for the incidence of poverty. To accurately target poor farmers, a more refined filter is needed. IIED's research suggests simple measures that will exclude companies and limit the number of contracts one person can hold – putting more payments in the hands of small landowners who have the most to gain from environmental payments.



Sharing nature's wealth: a new convention on genetic resources

Biodiversity is priceless. From distinctive crop varieties to medicinal herbs, the South is rich in rare biological treasures. And when indigenous and local people offer up these genetic resources and related traditional knowledge, 'bioprospectors' from developed countries can reap scientific breakthroughs, patents and profits. But for the providers in Southern countries and communities, there's often no guarantee of sharing in the rewards.

That's set to change. For the first time, agreement is close on an international protocol that will legally bind Northern countries where genetic resources are used, as well as Southern provider countries. Due to be finalised in Nagoya, Japan, in October 2010, the framework covers benefit-sharing as well as rules for access to resources.

While industrialised and developing countries battle for their national interests, IIED has been working to defend the rights of communities who depend on genetic gems for subsistence, and who conserve and improve these resources. In a five-year research project with partners in China, India, Kenya, Panama and Peru, we've defined new approaches for safeguarding the traditional knowledge and biological riches of local cultures. Our findings back the formal statements and submissions we're injecting into the negotiations, along with our side events, briefing papers and press releases. We've engaged directly with the UK government to inform the EU position and published an opinion article on the BBC website urging a fair agreement.

IIED's collaborative studies emphasise the links between traditional knowledge, genetic resources, landscapes, cultural values and customary laws. This community 'bio-cultural heritage' needs protection as a whole. We've developed practical tools to help: communities can use bio-cultural protocols, for example, to set out customary laws and describe their culture's approach to sharing genetic resources. And registers recording local varieties and their traditional uses can help to protect community rights. These are also key for monitoring and managing biodiversity and traditional knowledge, and promoting their local use, so that they can be protected and fairly shared for generations to come.

While industrialised and developing countries battle for their national interests, IIED has been working to defend the rights of communities who depend on genetic gems for subsistence, and who conserve and improve these resources.





We're pushing forward on research that explores how the thirst for land can be channelled to benefit small farmers and developing countries. Using alternatives to land grabs, foreign backers can get a fair return on investment while local people keep control of their land.

Exploring alternatives to the 'land grab'



Many who envision a green economy describe land that sustains people's livelihoods as 'natural capital'. Recently, a global rush on agricultural land has communicated the same message, albeit with money instead of metaphor. Spurred in part by food price spikes and a biofuel boom, international investors are recasting ordinary crop fields as sought-after commodities, with large-scale buyups roaring through Africa, Central and Southeast Asia, Eastern Europe and Latin America.

IIED published an influential report in May 2009 that discussed the scale, trends, drivers and early impacts of land acquisitions. In the last year, we followed up with case studies from Mozambique and Tanzania – and pushed forward research that explores how the resurgent interest in agricultural investment can be

channelled to benefit small farmers and developing countries.

One important avenue is designing alternative business models that skip land acquisitions altogether – for instance, contract farming, joint ventures, management contracts and new supply-chain relationships. Where properly structured, these models enable foreign backers to get a handsome return on investment while local people keep control of their land and participate in the enterprise. Together with the UN Food and Agriculture Organisation, the International Fund for Agricultural Development and the Swiss Agency for Development and Cooperation, we've put out a report on the alternatives and organised an international workshop in Mozambique. There, collaborating with the government's rural

development agency and Maputo-based Centro Terra Viva, we led farmer support groups, private sector companies and government in sharing lessons from experience with more inclusive business models.

We've also published a guide, based on courses we ran in Ghana and Central Asia, for training government officials, legislators and NGOs on contracts for natural resource investments – in mining and drilling as well as agriculture. And we've been testing ways to run legal-literacy trainings for communities affected by natural resource investments in Ghana, Mali and Senegal. For host countries and communities to get a better deal, governments need to be ready to negotiate advantageous contracts, and civil society must scrutinise the negotiations and their results.

Twenty years at the top of their FIELD

With international environmental law no longer a distant concept, it's time to see to it that multiplying treaties are matched by sound action and accountability.

It's the late 1980s, in the aftermath of the Chernobyl disaster. Rules on transboundary pollution hardly exist, nor in fact does international environmental law. Tasked with mapping this unfamiliar territory, two young British barristers head to Washington DC, where they band together with like-minded US environmental lawyers and begin to bring a new legal field into being.

So began IIED's legal arm, the Foundation for International Environmental Law, or FIELD, which celebrated its 20th anniversary in October. In the decades since, that unheard-of legal arena ballooned. Negotiations on environment and sustainable development continue to proliferate – and grow ever more complicated to understand, let alone shape. FIELD is helping countries, civil society and indigenous peoples' groups to become skilled users of legal tools in this rapidly evolving arena.

Early on, the group threw themselves into an issue just emerging on the world's radar: climate change. FIELD lawyers helped shape the UNFCCC – the landmark treaty at the heart of current climate negotiations – and in 1990 helped build a coalition of small island states and low-lying countries, whose very existence is under threat as global warming drives up sea levels. The Alliance of Small Islands States (AOSIS) amplified these countries' voices; the coalition routinely draws widespread media attention and punches above its weight at policy meetings.

Today, FIELD's work crosses the spectrum of environmental and sustainable development challenges, from biodiversity to oceans governance. We advocate for international environmental law that doesn't short-change developing nations, and we're concerned with how agreements play out in practice. Implementation needs to be effective and fair to politically marginalised groups and other local communities. During negotiations that often focus on narrowly conceived national interests, IIED and FIELD play an important role in standing up for the unheard (see page 32). With international environmental law no longer a distant concept, it's time to see to it that multiplying treaties are matched by sound action and accountability.



Environment and Urbanization: oddball journal becomes an international star

IIED's Environment and Urbanization is ranked by Journal Citation Reports as the third most influential urban journal, and the top publication among those that focus on cities in low- and middle-income nations.

At its 1989 launch, IIED's journal *Environment and Urbanization* didn't seem likely to win many fans among academics in Europe or North America. Granted, it addressed a nagging gap: international journals at the time had little to say on urban issues in the global South. But it was a strange cousin to conventional publications.

Modelled on the successful Spanish-language journal *Medio Ambiente y Urbanización*, started in 1982 by IIED-América Latina, *Environment and Urbanization* encouraged practitioners to write alongside researchers. It accepted

manuscripts in French, Portuguese and Spanish, as well as English. Unlike most urban journals, the majority of papers it published were on Africa, Asia and Latin America and by authors from these regions. Any teaching institution or NGO in a low- or middle-income nation could subscribe for free and student subscriptions were offered at cost price. When it hit the web in 1995, all but the four most recent issues were freely accessible.

These unexpected moves were capped with one more: the journal came to be highly regarded in the academic world. From 2002,

Environment and Urbanization was on the list of the international journals that receive a ranking from Journal Citation Reports. In 2006, one of the world's top journal publishers, Sage Publications, took it on without changing its policies – it is still available at no charge to institutions in Africa, Asia and Latin America, with free full-text archives on the web for all but the latest issues. Today, more than 7,000 institutions and individuals are subscribers, and the website saw more than 220,000 downloads of papers in 2009.

Meanwhile, its influence is increasing: by 2010, Journal Citation Reports ranked it the third most influential urban journal and the top publication among those that focus on cities in low- and middle-income nations. And in 2010, IIED supported the launch of a sister journal, *Environment and Urbanization-Asia*, edited, produced and published in Asia.

We didn't get here by following the crowd. A journal moulded to the need for more urban research and reflection in Africa, Asia and Latin America – and more access to research – turns out to have a new formula for success.



Resilience

Strategies that enable developing countries to cope with change in financial systems, social systems and ecosystems.



Not-so-natural disasters in an urbanising world

We question the idea of a 'natural' disaster. There is nothing natural about a lack of drains or crowded informal settlements on land at risk of flooding or landslides.



"Parliament has collapsed. The tax office has collapsed. Schools have collapsed. Hospitals have collapsed." Haiti's president, appealing for aid after the 2010 earthquake that killed over 200,000 people and crushed the homes of more than a million in Port-au-Prince, described just how devastating a natural disaster can be to an unprepared city.

Cities that concentrate hundreds of thousands of people in poor-quality housing, without basic infrastructure, health care and emergency services, are deeply vulnerable to storms, floods, earthquakes and fires, not to mention disease epidemics and industrial disasters. Urban areas now house over half of all humans, most of them in Africa, Asia and Latin America – where more and more cities have a third or more of their populations in informal settlements. Is the urbanising world creating more disaster risks?

Not necessarily. In fact, cities can be among the safest places to live and work when disasters strike – if resilience has been built in.

More than 20 years ago, some specialists began to question the idea of a 'natural' disaster. There is nothing natural about a lack of drains or crowded informal settlements on land at risk of flooding or landslides. City governments or civil society groups who fight these risk factors can stop extreme weather or earthquakes from causing disasters.

IIED and its partners, including SPARC, IIED-América Latina and the Asian Coalition for Housing Rights, have been documenting how community-based organisations formed by urban poor groups are reducing disaster risks. We're now working with the International Strategy for Disaster Reduction agency to learn more from such

community-driven initiatives. We also prepared the Red Cross's *2010 World Disasters Report*, themed on urban disasters, and next year we're examining the latest research on community-driven disaster risk reduction in a special issue of our journal *Environment and Urbanization*.

This research is particularly important for a new urban challenge: facing the impacts of climate change. Not-so-natural disasters highlight the many overlaps between good development, disaster risk reduction and climate change adaptation. Shaky cities like Port-au-Prince are in more danger than ever, but the community efforts we study could work fast to catalyse local government action and shore them up.



Now you see them: local organisations get an international profile

There's a common weakness among organisations that are indispensable for development: they tend to be invisible.

Much of what the poor require – schools, clean water, sanitation, health care, rule of law, voter registration – must be obtained from local government agencies or local NGOs. Many barriers to poverty reduction are local: local power structures, land-owning patterns and anti-poor politicians, bureaucracies and regulations – and these need local actions and organisations to overcome them. But such small local organisations are often overlooked by national governments and international agencies, even though most aid programmes are only as effective as the local organisations they fund.

IIED is working to allow these organisations to be heard. We're supporting groups from Africa, Asia and Latin America and the Caribbean in documenting what they do, identifying their strengths and limitations, and discussing what constrains the scale and scope of their achievements. Some are local NGOs, some are grassroots organisations and some are partnerships; all know the local context intimately and are held to account by local people.

Many operate on very small budgets, outside the main funding flows. Yet they are not isolated from larger governance issues: much pro-poor political change has been catalysed by local innovations and pushed through by grassroots organisations.

To date, we've published 12 local organisation profiles and another five are being prepared. Beyond tallying impacts, the profiles let those making a difference in low- and middle-income countries suggest how international funding and frameworks can better support their work and the work of their partners. They also challenge practices at international funding agencies that limit support for local initiatives.

These donors have libraries of reports – and usually whole PR departments – to argue for their methods. The local organisations that can contribute so much to poverty reduction need new channels that give their strong, clear voices a comparable influence.

Small local institutions are often overlooked by national governments and international agencies, even though most aid programmes are only as effective as the local organisations they fund.

Transforming an illegal industry into the future of energy

Expanding forest-dependent communities in countries such as Malawi need both food and energy to cook it with. Biomass energy, from both wood and charcoal, supplies 88.5 per cent of the country's energy needs and represents its third largest industry after tobacco and tea, employing 133,000 people. But the thriving trade, which mostly provides cooking fuel to the poorest, has been deemed entirely illegal. Government policies that have historically written off biomass energy as a driver of deforestation, a health threat to women bent over smoky stoves, and a hallmark of poverty, are only now being recast.

Yet in richer nations, biomass energy is taking on an entirely different image: as an up-and-coming favourite for far-sighted energy policy. OECD countries currently derive only 6 per cent of their energy from biomass – principally wood, but also agricultural and landfill waste – but change is afoot. In the UK, for example, newly approved electricity plants fired mostly by wood chips will require 5-6 times

more woody biomass annually than the nation now produces. The International Energy Agency predicts that the biomass-based share of the global energy mix will triple to 30 per cent by 2050.

This biomass boom is riding on several advantages – which may go untapped in developing countries that criminalise the sector:

- Biomass can be grown and harvested at home, improving local and national energy security.
- It is nearly carbon-neutral if efficiently converted, because the crops that produce biomass soak up CO₂ as they grow.
- It is a flexible energy source, readily converted into heat, electricity, liquid or gas.
- With advances in conversion technology, it is increasingly cost-competitive with other energy sources, including fossil fuels.
- Because biomass must be grown, the production cycle is labour-intensive compared with energy alternatives – meaning more jobs.
- Unlike oil, gas and coal, biomass is renewable and, if well managed, sustainable.

For those tasked with powering development, renewable, expandable energy sources are badly needed. IIED is working with partners in India, Kenya, Malawi and the UK to look at how to optimise the impacts of an expected expansion in biomass energy use on ecosystems and poor people in developing economies. By exploring better governance systems, we aim to turn an illegal economic powerhouse, rife with corruption and pounding the poor with black-market prices, into a mainstay of healthy green economies.

The International Energy Agency predicts that the biomass-based share of the global energy mix will triple to 30 per cent by 2050.

Meeting on the front lines of adaptation

In the slums of Kinondoni in Dar es Salaam, Tanzania, local people are testing whether rubbish works as a flood defence. It may not look like a neat fix, but this technology is cheap, accessible and urgently needed to prevent makeshift houses and toilets from disintegrating in the area's worsening rains. Not far away, in the coastal villages of Kisarawe district, many crop fields have been ruined by creeping saltwater – but the community is beginning to bounce back by switching to sustainable mangrove harvesting.

In community-based adaptation to climate change, the keys to resilience come from local people – the experts on the front lines where they live. And when it comes to spreading the lessons learned at the community level, IIED is finding that the same principle applies: for best results, go local.

At our fourth international conference on community-based adaptation – the first of the series to convene in Africa – participants spent two days on field trips near the conference centre in Dar es Salaam,

looking close-up at Kinondoni, Kisarawe, and other sites where homegrown adaptation efforts are taking root.

Of the 200-plus attendees, more than 100 were from Africa – far more than make it to a typical meeting in Geneva or London. Community-based workers shared the stage with representatives of the World Bank and the UK's aid department. Some of the presentations – whose themes ranged across agriculture and pastoralism, urban issues, best

practices, funding and working at scale – were held in French as well as English. They also weren't limited to the polite language of PowerPoint slides: video sessions introduced visceral images and human stories and touched off lively debates about participants' own experiences.



“I see a lot of commitment and energy coming out of this very worthwhile endeavour.”

Atiqur Rahman, International Fund for Agricultural Development



“Your initiative is a great asset for least developed countries. We are planning to support a CBA workshop in Nepal along with our partners.”

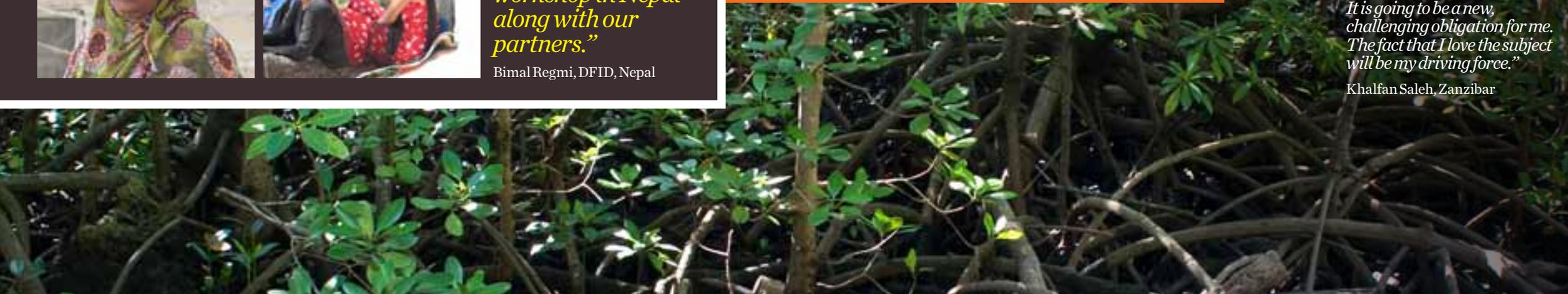
Bimal Regmi, DFID, Nepal

“I learnt what other organisations are doing. I will introduce some of [these approaches] in the communities where my organisation works.”

John Kanthungo, Assemblies of God Relief and Development Services, Malawi

“I returned home as a different person, with a spirit of change that has already been shared with my colleagues. I will be supported to start sensitising farmer group representatives on community-based adaptation to climate change. It is going to be a new, challenging obligation for me. The fact that I love the subject will be my driving force.”

Khalfan Saleh, Zanzibar



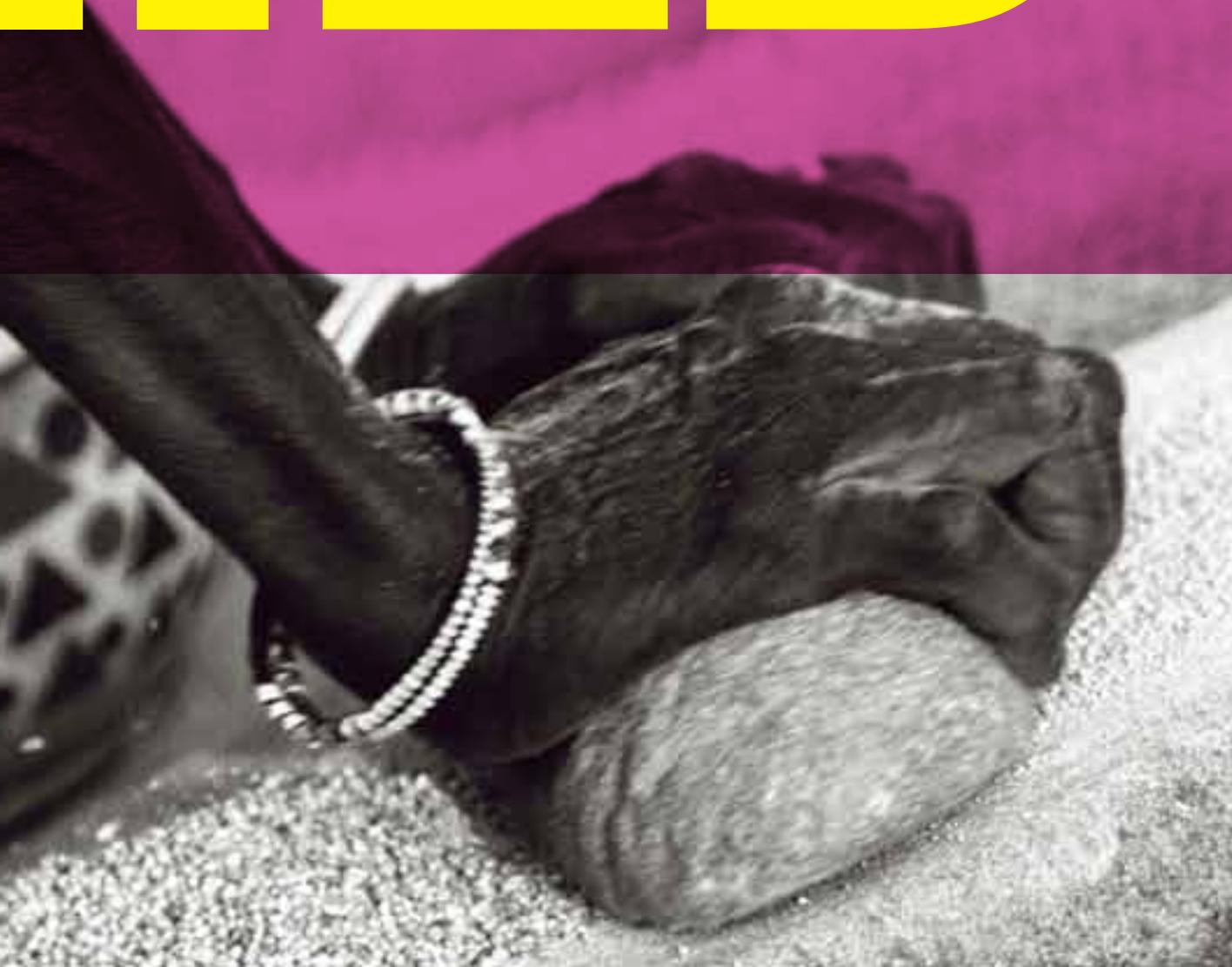
IIED in depth

In a fully realised green economy, there is no outside. Natural resources don't arrive at the boundary as 'inputs', and waste 'outputs' aren't treated as though they evaporate from the system. The poor aren't outsiders either, and it's no cause for congratulation if countries see jobless growth or allow natural and human resources to be recklessly exploited.

The case for incorporating environmental impacts into economic calculations was forcefully argued as early as 1989, when the economist David Pearce, then working with IIED, published his seminal *Blueprint for a Green Economy*. Today, many projects in IIED research groups such as Climate Change and Sustainable Markets are aimed squarely at fixing market failures and highlighting how sustainable practices add economic value. And in a wider sense, almost all our work seeks to better integrate people and processes that have been kept out of policymaking and debate.

The next section looks in depth at broad initiatives and high-impact work at IIED – and in the process, touches on a wide range of approaches to bringing the outside in. We're developing new tools for mainstreaming environmental concerns into policy platforms, and discovering which cutting-edge business models can help poor and small-scale suppliers thrive in global markets. We've convened local citizens' groups to plan for disruptive dam-building and for food research that meets farmers' needs. Our networks on climate change adaptation and forest governance are amplifying once-marginalised voices at the national and global levels.

We support unpublished developing-world practitioners in writing their first papers, and our own specialists in creating must-read briefings that prompt policymakers to act. In some cases we're closely studying connections that had been glossed over, such as where poverty reduction and conservation meet; in others, we're finding that supposed problems such as crowded urban settlements, which planners have fought to expunge, can become vibrant solutions in their own right.



Justice in the woods: the Forest Governance Learning Group

With time and modest support, learning groups can make concrete reforms in forest governance that address core issues of rights and sustainable forest management.

The FGLG connects marginalised people – local groups who have unique insights into forest management but are cut off from decision-making – to those currently in control.

When the government of Uganda proposed to give away a third of the protected Mabira Forest Reserve to sugar producers in 2006, members of a team working on forest governance were incensed. The Forest Governance Learning Group (FGLG) Uganda team – drawn from an eclectic mix of agencies and committed to forging stronger forest policy – found the economics of the proposal weak and its judgment about social and environmental impacts careless. There are better ways to foster local agricultural development, they argued.

With other groups, FGLG-Uganda filed court cases, arranged public debates, harnessed the power of the media and risked arrest and prosecution over their support for the cause. As the issue grew hotter, civil society took to the streets and a vibrant nationwide campaign began against murky governance decisions and loss of public land critical to local livelihoods. Eventually, the decision was reversed and preservation of the reserve secured – for the time being.

Making the connection

The Mabira campaign's success hinged on a resonant message: forest governance is a matter of social justice.

This is the rallying cry of the Forest Governance Learning Group, a network of ten country teams in Africa and Asia facilitated by IIED. The FGLG connects marginalised people – local groups who have unique insights into forest management but are cut off from decision-making – to those currently in control. The connections give rise to reforms, ensuring forests are managed sustainably and protecting those who live and work in them.

FGLG researches issues with the marginalised, convenes diverse opinion formers and decision makers, and builds bridges between separated stakeholders. Driven by in-country priorities and the results of their research on the ground, these teams of 'governance-connected' people have been

Small groups, big impacts

In 2009, IIED commissioned an independent review of FGLG to measure its impacts and trace the links between the teams' work and positive changes. The results show that the fresh tactics and broad networks cultivated by the groups have led to significant and widespread results. Along with the Mabira action and other successes, the influence of FGLG was also evident, for example, in Mozambique, where investments in overly exploitative logging deals have been questioned and prevented by high-level intervention, and in Vietnam, where changes to governance frameworks have been making locally beneficial community forestry more practical.

developing wide-ranging practical tactics to push through policy changes. They seize opportunities for influence wherever they appear, and since the programme's start in 2003, they have had far-reaching effects.

As learning groups, the FGLG teams organise around the idea that good decisions can be made only when they are based on engagement with diverse stakeholders, learning and pragmatic choices. This approach doesn't mean all study and no action, as a review of FGLG impacts makes clear (see 'Small groups, big impacts'). With time and modest support, groups of key individuals can make concrete governance reforms that address core issues of rights and sustainable forest management.

What makes learning groups powerful?

FGLG has found that limited resources stretch furthest when groups have:

- clear and widely understood goals that allow action to be flexible;
- inspirational conveners;
- wide support networks.

Most fundamentally, learning groups' effectiveness depends on hearing and acting on the concerns of people usually left out of policymaking.

The future of forests

New problems in forest governance are continually emerging. 'Land grabs' are on the increase, for example, as land for food and fuel grows more valuable (see page 36). And old problems refuse to go away: rights remain in the wrong hands, and knowledge and skills are often weakest in the places where they are needed most. With forest-based climate change strategies such as REDD – reducing emissions from deforestation and forest degradation – presenting opportunities and a few dangers, calls are growing louder for more effective and integrated approaches to forestry. FGLG teams will continue to navigate new paths – by listening and responding to those who are affected as well as those who can effect change.

Making urban density work for all

High-rises are not the only path to high density. Planned settlements with compact individual houses can be more densely populated than apartment buildings – without jeopardising the physical and social environment.

High population density is an urban necessity, so sound urban development means getting density right. Unfortunately, both market forces and government planners are often inclined to get it wrong, particularly for low-income residents.

Many urban poor end up living in informal settlements at city margins that become engulfed by sprawl and eventually end up occupying 'prime real estate' in city centres. Here, they can be vulnerable to pressure, and eviction, by governments and planners. 'Slums' may be overcrowded and unsanitary, but the high-rise estates the poor are often forced into are frequently worse.

Viable alternatives exist, according to a new study led by Karachi architect and IIED Visiting Fellow Arif Hasan. The research, backed by IIED and the United Nations Population Fund, examined the history and current makeup of four low- and middle-income Karachi settlements through fieldwork, interviews, site plans and municipal records. Three are 'plot' settlements with small houses; one is an apartment complex.

Hasan and his colleagues surveyed residents about their concerns and also looked at plot size and shape, affordability, open spaces and flexibility of design. After determining how density has been achieved to date, the group carried out computer-based modelling exercises demonstrating that it should be possible to achieve safe, liveable and dense settlements through small plot sizes, relaxed density regulations and technical support for incremental development.

The high-rise fallacy

Hasan focused on density because dense housing is the only way low-income residents can afford to live in central locations. Existing regulations close off most of the routes through which low-income communities could densify their own settlements. Governments sometimes relocate displaced low-income residents in high-rise apartments on the grounds that they are the sole means for communities to achieve high densities. The building bylaws reflect this, and prescribe higher maximum densities for high-rise developments.

But as the case studies and computer models reveal, the logic behind the bylaws is flawed. High-rises are not the only path to high density. Planned settlements with compact houses on small plots can comfortably match the maximum density rates allowed for high-rise apartments. In fact, they can even exceed them – and do so without jeopardising the physical and social environment. Studies show that the vast majority of low-income families prefer plots, on which they can build homes incrementally. Plots are more affordable, can house a growing and extended family, and allow for home businesses.

Planning gradual growth

Incremental growth is generally an ad hoc process. Can it instead be managed to achieve high densities within better social and physical environments? Remodelling showed that residents could live comfortably in 'ground plus two'-floor houses on small plots, or in terraced houses, if they were allowed to expand their dwellings gradually while maintaining crucial public spaces. The models managed to factor all of this in at densities similar to or higher than Karachi's regulated maximum. Learning from these models could make density work for much of the world's urban population, but good design is not enough to bring them to life. Infrastructure planning is needed, and an effective advisory body – either governmental or NGO-based – must work closely with residents' associations.

Engaging locally and internationally

To bring these ideas to other stakeholders, Hasan and his colleagues have:

- sought the opinion of developers in the remodelling of apartment blocks;
- discussed bylaws with local authorities, exploring opportunities for experimentation;
- used the results as course materials at a local university.

International engagement began with the launch of IIED's 'satellite' site www.urbandensity.org at the recent Rio Urban Forum. The website critically reviews the issue and offers video, images and three-dimensional conceptual designs. Work on urban density and environmental burdens has also been initiated, with the aim of bringing these two strands of density work together over the coming years.





Climate change adaptation: the power of networks

In Nepal:
“The network has a Google Group discussion forum where more than 300 members are affiliated, representing government, NGOs, INGOs, CBOs and media groups.”

Apar Paudyal, CLACC fellow, Local Initiatives for Biodiversity, Research and Development, Nepal

One of 2009's most significant events was not so much a milestone as the dramatic failure to reach one. Urgently anticipated around the world and attended by over 100 world leaders determined to affirm their power by making a deal, the Copenhagen conference on climate change ultimately came up short: governments ended the meeting without a binding framework for international action. Negotiators are still scrambling to salvage the lost

opportunity, but a successor to the soon-to-expire Kyoto Protocol remains elusive. With no end in sight to business as usual, the hope of preventing severe climate impacts has weakened. It has never been more important to raise awareness of these impacts and strengthen capacity to cope with them.

IIED's CLACC programme – for capacity-building in Least Developed Countries for adaptation to climate change – is working to

empower the populations most at risk. Much of the global South is already struggling with climate-related crises: this year, heavy March rains caused lethal landslides in Uganda, while the worst floods in Pakistan's history have hit at least 14 million people. In the Least Developed Countries, local NGOs and community-based organisations are trying to find their role in anticipating and responding to such threats.



Info flow

To draw together these groups, each of the 12 CLACC partner organisations has established a national network. Some, like ZERO in Zimbabwe, are built from scratch; others take advantage of existing coalitions, capitalising on their connections and experience. The country networks hum with knowledge that, in turn, flows to smaller NGOs. Through CLACC's information hubs, multiple layers of action can gain a better grasp of national and international climate change policy processes and learn how to influence and benefit from them.

Connected through CLACC, civil-society organisations are developing shared strategies and coordinating their lobbying activities. Once high-level strategies are set, CLACC networks can work together to monitor the results and flag up any weaknesses in implementation.

At the community level, our training of trainers helps reach those hit by climate impacts. Among the poorest communities of Least Developed Countries, understanding of climate change is often sparse. Yet these groups' deep and detailed knowledge of local environments can be invaluable in finding solutions (see page 46). CLACC networks can transmit this first-hand understanding into national adaptation plans.

Incubating expertise

Research led by CLACC helps shape climate policy. Since 2003 CLACC fellows have studied shifting disease patterns, climate change in cities and the economics of adaptation. Given their research successes, the fellows are increasingly recognised as experts in their fields and often become leaders of their national networks. They bring their insights to international events, appear frequently in the media, and advise policymakers and climate negotiators; in Bangladesh, Benin and Sudan, they joined official government delegations to the Copenhagen climate talks.

In the aftermath of those talks, CLACC coalitions held dissemination workshops to explain the breakdown in negotiations to local partners. And as international climate policy continues to develop, our networks will be broadcasting new opportunities. Where climate change is bearing down hardest, we're building up the core of a resilient society: a sprawling, interconnected system of information and support.

In Uganda:
"Last year we had a national activity – our members come from all parts of the country. This year we would like to have regional meetings in the north, west and east."

Susan Nanduddu, CLACC fellow, Development Network for Indigenous Voluntary Association, Uganda

In Tanzania:
"We are now planning to run a training course on basic knowledge of climate change."

Euster Kibona, CLACC fellow, Environmental Protection and Management Services, Tanzania

CLACC partners

Region	Regional coordinating partner	Least Developed Countries	Country partner organisations
South Asia	Bangladesh Centre for Advanced Studies, Bangladesh	Bangladesh Bhutan Nepal	CARITAS Bangladesh Royal Society for Protection of Nature Local Initiatives for Biodiversity, Research and Development
West Africa	Environmental Development Action In The Third World, Senegal	Benin Mali Mauritania	Organisation des Femmes pour la Gestion de l'Énergie, de l'Environnement et la promotion du Développement Intégré Amade-Pelcode TENMIYA
East Africa	African Centre for Technology Studies (ACTS), Kenya	Sudan Tanzania Uganda	Sudanese Environment Conservation Society Environmental Protection and Management Services Development Network for Indigenous Voluntary Association
Southern Africa	ZERO Regional Environment Organisation, Zimbabwe	Malawi Mozambique Zambia	Coordination Unit for the Rehabilitation of the Environment Action Group for Renewable Energies and Sustainable Development Energy and Environmental Concerns for Zambia

Poverty and conservation: *re-examining the links*



Does conserving biodiversity ease poverty? The link has been taken as a given in some policy instruments – not least the UN Convention on Biological Diversity (CBD), whose target is 'to achieve by 2010 a significant reduction of the current rate of biodiversity loss at the global, regional and national level as a contribution to poverty alleviation and to the benefit of all life on earth.' But the correlation between stemming biodiversity loss and alleviating poverty is an assumption, not a scientific fact.

In reality, expert opinions vary on how much communities can get out of preserving local ecosystems and rare wildlife – and the evidence base is surprisingly thin. Claims are often made on the basis of a few case studies, a limited set of contexts or localised definitions of success or failure. And some striking research results run counter to the CBD's win-win paradigm:

- Biomass – that is, the sheer abundance of plants and wildlife – may go further than biodiversity towards meeting immediate needs and thus alleviating poverty, at least in the short term.
- Cash benefits from conservation could be less important to poor people than they are to policymakers.

These were among the findings to emerge from an April symposium on poverty and conservation. Organised by IIED with the UN Environment Programme World Conservation Monitoring Centre and the African Wildlife Foundation, the meeting set out to challenge prevailing myths, identify research and policy priorities, and – in a field confounded by research gaps – to lay out what we know about connections, overlaps and conflicts between saving biodiversity and improved wellbeing.

Sifting through the research

The presentations and discussions supported some of the basic beliefs that run through documents like the CBD – while also raising caveats.

- There is close geographic overlap between poverty and key areas of global biodiversity – although the overlap between biodiversity and the value of ecosystem services is not as clear.
- The poor depend disproportionately on biodiversity for their needs – in terms of food, fibre, income, and insurance against risk.
- Biodiversity conservation can be a route out of poverty – although more often it acts as a safety net to keep people from becoming ever-poorer.

The more unexpected conclusions coming out of the conference could change approaches to both biodiversity and poverty. For instance, researchers are finding that it's often folly to anticipate an immediate economic boost from biodiversity-friendly programmes.

Biodiversity is, however, a star performer in a different role: risk management, insurance and sustainability. A diverse resource base gives people the choice to switch to alternatives when conditions change – whether that means one season's failed harvest, or climate change arising over decades. This is particularly true for local communities who rely on a wide variety of cultivars. And biodiversity underpins the delivery of essential ecosystem services on which the poor directly depend.

Another reported twist shows cash payments aren't necessarily the highest priority of the poor – even though this is how policymakers envisage poverty reduction. Communities have many objectives beyond cash for engaging in conservation – environmental, political, social and cultural – and this is consistent with the idea that poverty is not simply the result of low income but also reflects shortages of other resources that meet human needs.

The ape experience

IIED is looking into ways to measure the impact of ape conservation on people. Early efforts to defend chimpanzee, bonobo and gorilla populations in strictly controlled protected areas often led to conflicts with local communities – and sometimes outright hostility – when people were restricted from accessing forest resources they had used for generations. Governments and NGOs have since developed strategies that aim to create benefits for local people and reduce their reliance on resources within conservation parks.

Supported by a grant from the Arcus Foundation, our Poverty and Conservation Learning Group is helping conservation workers exchange lessons from these experiences. Further down the line, the project will encourage development organisations to pay more attention to the role of biodiversity conservation in improving the lives of the poor. As these discussions proceed, we can expect surprising results to keep popping up.

Democratising food and agricultural research

“Farmers are excluded from decision-making processes that have major implications for their livelihoods, such as how research is planned, managed, used and shared. Citizen juries are a way to make democracy accessible to the small and the voiceless people who are excluded from the mainstream democratic processes.”

PV Satheesh, Deccan Development Society, India

From dryland India to the mountains of Peru, scientific experts hold sway over new crop varieties, farming methods and agricultural policies. Innovations arise through years of patient tinkering in labs, conference rooms and experimental plots – and when they finally hit real fields, even the most promising can fail. When they do, farmers are often blamed for their ignorance and inability to farm correctly. The innovators rarely ask whether something is wrong with the research itself.

IIED is developing a different approach to improving agriculture. We want a system in which the voices of small-scale producers are heard in the research and development process – and have real influence in shaping it.

In 2005-2007, IIED held conversations with farmers, pastoralists, indigenous peoples, policymakers and representatives of social movements in France, India, Indonesia, Italy, Malaysia, Mali and Peru. The discussions have grown into an initiative for farmer- and citizen-led research that's now unfolding across the globe, in West Africa, South Asia, West Asia and the Andes.

In each region, IIED teams are involving local people in the participatory design of research. Through tested tools such as citizens' juries and farmer-led videos, we're asking those who are meant to be reaping the fruits of food and agricultural science to set the research agenda and help frame the policies that support it.

We've seen strong bottom-up decision-making coming through:

- In India, the Alliance for the Democratization of Agricultural Research in South Asia has facilitated farmer-scientist dialogues, studies of public-private partnerships in agricultural research, and a major citizens' jury involving women, indigenous people and other voiceless groups in Indian society.
- In West Africa, a similar process culminated in two citizens' juries on the governance and future direction of agricultural research in Mali.
- In Bolivia and Peru, participatory action research with indigenous communities has led to a surge of knowledge exchange among local communities and is bringing recognition to indigenous innovation systems. Four parallel dialogues between farmers and scientists are being held in 2010, as a run-up to a citizen jury event.

Strengthening citizens' influence

We use best practice for including citizens in deliberations on the governance of food and agricultural research – and make sure that the process is competent, trustworthy and fair.

- Every regional project has formed safe spaces for small farmers to communicate and act, and uses participatory methods – citizens' juries, consensus conferences, visioning exercises, participatory video projects that get groups to create their own films, and other culturally appropriate techniques – that inspire thoughtful deliberations.

- Our participatory approaches include women and other marginalised groups – and help to strengthen their influence.

- Carefully designed safeguards such as independent oversight panels ensure that the process is inclusive of different opinions, representative, fair and rigorous. Safeguards are combined in mutually reinforcing ways to give broad credibility to the discussions and prevent them being taken over by any one perspective or interest group.

- The four sites all have mechanisms for linking formal decision-making bodies with citizen spaces in which expert knowledge is put under public scrutiny. By working with intermediary organisations and social movements, we ensure that the farmers' recommendations are made to count in decision-making – both nationally and internationally.

Small-scale producers involved in the citizens' juries have made specific policy recommendations on key questions: What food and agricultural research do we need? For whom? Why? How? Where? And what impacts are we aiming for? The juries' advice is now driving national and international policy dialogues, giving formerly excluded farmers a say in governance and strategic priorities.

It's a shift that turns food research inside out. Before, science had the right answers. Now, it's the farmers who have the right questions.



“Throughout the world, publicly-funded research shapes the choices that are available to farmers, food workers and consumers, and the environments in which they live and work. There is an increasing need to explore ways of democratising the governance of science and technology, ensuring that it continues to serve the public good rather than narrow economic interests.”

Michel Pimbert, IIED



Dams and displacement in West Africa

When the huge Akossombo dam was built in Ghana in 1965, the local people refused to believe it was possible to block the broad, fast-flowing Volta river with a man-made structure. Today, local people facing a dam project often don't appreciate that it will disrupt not just the river but their lives – forcing resettlement and social transformation.

Africa has many fewer dams than other continents, but pressure is building to close the gap. Facing growing energy demand and the need for new water supplies to help adapt to climate change and ward off food insecurity, governments show renewed interest in major infrastructure construction. Dams are on the drawing board throughout the continent.

At three large dam projects – in Taoussa, Mali; Kandadji, Niger; and Fomi, Guinea – IIED is partnering with the International Union for Conservation of Nature, through the Global Water Initiative, to help minimise ecological impacts and ensure that the people being displaced are involved in planning the changes to their lives and livelihoods.

Community level: coming face to face with change

Working with the Niger Basin Authority, IIED brought five residents of the three new dam sites on a knowledge-sharing visit to the Sélingué dam in Mali. For many, this was the first time they had seen a dam and grasped the extent of the reservoir and the height of the dam wall. People at Sélingué talked

“We now understand the reality of our situation and are better equipped to defend our interests.”

A marabout from a village affected by Taoussa Dam



about their experience 20 years ago when building of the dam forced them to move, and discussed how to smooth the transition. Among their recommendations:

- Allocate enough land for housing and farming to every child of 15 years and above, to allow for population growth.
- Agree on resettlement sites before moving starts.
- Establish a coordination committee to negotiate, sign contracts and follow up on commitments made by government and contractors.
- Encourage people in areas receiving the settlers to keep an open mind and accept the incoming people.
- Keep well-organised archives of all paperwork in case of legal appeal.

- Itemise all household assets before moving.
- Make sure belongings are protected from being stolen in transit.
- During the move, find ways of keeping settlers and host populations well-informed about what happens next.

Regional level: plans that push boundaries

While consulting with affected communities, IIED is also contributing directly to high-level decision-making about new dams. As part of an expert panel set up by the Economic Community of West African States (ECOWAS) through its Water Unit, IIED has reviewed the social and environmental impacts of large dams and how these have been addressed in West Africa.

Because the effects of dams ripple across national borders, the panel has urged river basin agencies to take a central role in establishing a regional framework for conducting impact studies of these transboundary projects. Planners must ensure the affected people benefit directly, while keeping an eye on uncertainties and managing risks. ECOWAS can capitalise on its collective experience by exchanging lessons between organisations, and monitoring the process to make sure all actors play their part.

In a series of workshops with its 16 member states, ECOWAS is seeking feedback from the major River Basin Agencies – the next step in forging regional policy.

Looking at both sides of inclusive economic development

International institutions too often fail to consider how poor people might boost their own decision-making power and design business strategies that work better for them.



The push for 'corporate social responsibility' has seen more and more companies funding development projects in low- and middle-income countries. But corporate philanthropy is unlikely to see poor communities through turbulent times, especially when bottom lines are being shaken. In the post-crisis economy, a stable foundation for sustainable livelihoods can be built on business partnerships rather than business benevolence.

With this goal in mind, new initiatives are pushing businesses to bring poor people into key roles as producers and suppliers. The aim is to create 'inclusive growth', in which marginalised groups begin to take part in formal markets and development becomes core to corporate well-being.

The poor are already included in a number of global markets – for example, as suppliers of bulk coffee and cotton, artisanal miners and wage labourers – but generally under very unfavourable terms. Advocates of inclusive economic development are looking instead at higher-value formal markets. But there's rarely a straightforward path to bring small-scale producers and local business into these markets.



Widely dispersed and with little capital, these groups face high barriers to entry.

Most significant is the lack of market linkages – the systems and agreements that establish an ongoing exchange between buyers and producers. For buyers, market linkages must provide a reliable supply of safe, high-quality products and services at a competitive price and with low transaction costs. For producers, market linkages must allow for sharing of risk and reward.

To market, to market

IIED has been investigating how to build market linkages, delivery and contracting, with an eye on sustainable outcomes. This includes:

- Promoting use of local contractors in oil and gas supply chains, and checking that contracting chains meet international standards for environmental and social protection (see page 26).
- Locally driven delivery of energy services, where local communities become not just energy consumers, but producers, distributors and utility managers.



- Alternative investments in agriculture that use deals with smallholders to secure supplies of food, fibre and fuels for regional or international markets – without buying up land (see page 36).
- Pushing modern retailers to purchase high-value produce from smallholders through new business models and market intermediaries. These middlemen can be pivotal in maintaining successful and sustainable trading relationships by aggregating supplies, monitoring for compliance with standards and quality control, building production capacity and providing financial and technical advice.

The other side of inclusion

The argument for inclusive markets has a flip side, one that is common to many interventions in the name of 'development'. Often, these initiatives see the poor as passive recipients of an agenda set externally. International institutions and businesses too often fail to consider how poor people might boost their own decision-making power and form business strategies that work better for them.



Over the past year, IIED's work with the Hivos Knowledge Programme on Smallholder Agency in the Globalised Market has established a global Southern-driven learning network. The network is looking at policy mechanisms and organisational structures that can empower the poor to deal directly with market opportunities, risks and volatility.

In the next year, we'll be looking at how to link artisanal miners to globalised markets, and how communities can use communication technologies to build their economic influence and take ownership of market-related knowledge.

And as the movement towards a green economy gathers strength, we'll be working to link our work on business models, energy supply chains and investment to this new agenda. In an economy that's both environmentally friendly and socially inclusive, the biggest players won't simply support the world's poor for nothing – it needs to pay.

Environmental mainstreaming: taking the strategic route

In an acclaimed 2009 review, IIED tackled a core question of sustainable development – what does it take to integrate environment in development decisions and institutions?



Our report, *The Challenges of Environmental Mainstreaming*, describes how donors have focused mainly on inserting environment alongside existing strategies to fight poverty, without truly aligning them. Donors have also begun to narrow their perspective, seeing environmental issues largely in terms of climate change. In contrast, stakeholders in developing countries – local communities, civil society and, increasingly, government officials – take a much broader view. In their eyes, a healthy environment underpins their economies and livelihoods.

“Governments make countless speeches and policy statements that are peppered with environmental good intentions but they rarely make the environment central to the key decisions and institutions that shape economies and people’s daily lives.”

Barry Dalal-Clayton, IIED

“Too few governments use tools for mainstreaming the environment into their policies and actions, and those that do rarely make good use of them.”

Steve Bass, IIED

Toolkit for mainstreaming

Through our work with partners in a range of countries, we’ve been engaging directly with these local actors and examining the tactics and tools they use. Their efforts to link environment and development at the heart of local and national policies – to achieve ‘environmental mainstreaming’ – span planning and organisation, deliberation and engagement, spreading information, decision management, voluntary and indigenous techniques. IIED’s newly launched website *Environment Inside* is designed as a rolling online resource to track this expanding array of approaches.

Within the mainstreamers’ toolkit, certain types of assessments are emerging as key methods – especially those applied very early in planning and decision-making. Since the 1990s, an increasing number of countries have been adopting such up-front approaches, particularly strategic environmental assessment, or SEA.

IIED is a leader in promoting good SEA practice. We produced an acclaimed SEA sourcebook in 2005 and now serve as the technical secretariat to an OECD task team promoting SEA uptake in development cooperation and in partner countries. To push for more effective SEAs, we recently developed a quality-review

methodology – which the OECD task team has now adopted for voluntary testing. This year, Namibia sought IIED’s help to review the government’s SEA of uranium exploration (see page 22).

Beyond SEA

Of the ‘three pillars’ of sustainable development – environment, society and economy – SEA addresses mainly one: the environment. For a more comprehensive approach, tools are needed that treat the three pillars in an integrated way. This is the role of sustainability appraisals.

An international study led by IIED, soon to be published by Earthscan, reveals a rich, and sometimes bewildering, array of approaches to sustainability appraisal. Though there has been much experimentation, no method yet seems to genuinely integrate all three pillars.

The next step will be to examine which experiments have worked well, and why. We’ll aim to develop a simple yet robust, adaptable and cost-effective framework for sustainability appraisal, testing it on real policies and projects. We’ll also be looking across IIED’s research groups and partners for opportunities to take up strategic assessment tools more widely in our work.

What is SEA?

- Strategic environmental assessment (SEA) is an umbrella term for environmental analyses and participatory processes carried out early in decision-making – preferably in the very first stages.
- Unlike environmental impact assessment (EIA), which focuses on specific projects, SEA is applied upstream, to policies, plans and programmes – commonly in the energy, transport, waste and water sectors and in land-use planning.
- Currently, SEA systems are in place in all 27 EU member states, and an increasing number of developing countries are gaining experience of the tool. Vietnam, for instance, is using SEA for national and sector planning – with IIED’s help.
- Development agencies – most notably the World Bank – are increasingly emphasising the use of SEA. Aid modalities are now focusing less on projects and more on budget and sector support and poverty reduction, and SEA is ideally suited to these new needs.
- SEA has also been formalised in several international legal instruments, including a European Union directive.

Writers' bloc: supporting Southern authors through the publication process

At the edge of a sprawling Indian city, village 'self-help groups' discuss how to monitor rapid changes in their environment. In an online social network, members on multiple continents swap state-of-the-art techniques for small forest enterprise. Participatory processes like these can empower poor and marginalised groups to shape their own development.

The practitioners who run such projects are no less in need of a forum to share their experiences. Published papers are the accepted medium – but for many practitioners from the South, particularly women, there are daunting barriers to

publication, including language constraints and lack of confidence.

IIED's participatory writeshops help them jump the hurdles. At each writeshop, participants work together to draft articles for a themed issue of *Participatory Learning and Action*, the flagship IIED journal. They give each other feedback as 'critical friends' and receive coaching and support through the writing process. And they come away with more interest in writing and new skills for documenting practices and supporting other writers – not to mention an international journal publication under their belts.

Tips for writeshop success

- Keep it small – no more than 12 participants.
- Have a mixture of more and less experienced writers.
- Have plenty of editors to provide support.
- Build on existing writing experience. Share tips and constraints.
- Choose a venue away from people's workplaces, so they aren't tempted to go back to the office.
- Video or record people as they talk about their work. Many find talking easier than writing.
- Develop objectives, key audiences and key messages for the publication together.

In their words

Reactions from participants in a writeshop on community-led sanitation in Africa, held in Nairobi, Kenya in January 2010:

“Enjoyed experimenting”
“I appreciated having space and time to write”
“Much easier than writing on your own”

“I gained confidence”
“I realised the time, effort and thinking involved in writing”
“I will write more articles in the future”

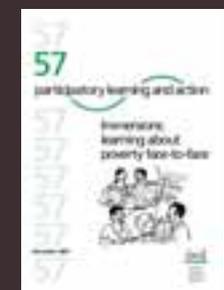
Platform for influence

Through *Participatory Learning and Action*, local voices reach a wide audience and can directly influence policy.

• **PLA 60, Community-based adaptation to climate change** was the most downloaded publication on the IIED website between January and June 2010 and was widely read by practitioners in the field.

• **PLA 59, Change at hand: Web 2.0 for development** drew from the first-ever international conference on 'Web2forDev' – using web services to share information and collaborate online for work in agriculture, rural development and natural resource management.

• **PLA 57, Immersions: learning about poverty face to face** looked at opportunities for development professionals to learn about poverty directly by staying with families in poor communities. The UK Conservative Party, which leads the new coalition government, has promised immersions for all staff at the Department for International Development, and PLA 57 will be a key resource.



Communications: building better briefings



No matter how powerful its insights, policy research can't hit hard unless decision makers discover and champion it. Influencing policy is a complex, continuous process that requires many different tools: policymakers need a handle to grab hold of complicated issues. At IIED, this takes the form of credible, short, readable briefing papers – about 20 every year – together with opinion pieces, web features and our new pocket book series, Big Ideas in Development.

Our communications team doesn't simply copyedit reports by experts. We help IIED researchers and partners hone their skills in creating high-quality briefings, emphasising pithy writing, context at a glance, and clear calls to action. Paired with this communications support is IIED's 'research refresh' programme, which builds capacity in our junior researchers and improves rigour in all our work. The result is papers that deliver incisive findings to new audiences in the policy domain and beyond.

From paper to policy

Among last year's influential reports:

- Lorenzo Cotula's briefing on land acquisitions in Africa was mentioned in the McCollum Bill tabled in July 2009 before the US Congress ('Global Food Security Act of 2009') and was presented to the UK All Party Parliamentary Group on Agriculture and Food for Development, in January 2010.

- Ced Hesse's briefing on the value of pastoralism was distributed to Members of the European Parliament (MEPs) who acknowledged they had never before considered pastoralism in development terms. MEP Gay Mitchell agreed to be the pastoralists' 'champion', and bring the issue to the parliament agenda – having been convinced of its relevance for EU programmes and development policies.

- Jamie Skinner's briefing showed that US\$250 million has been wasted on rural water projects in Africa that dug wells but did not plan for their upkeep. It had a 30-point checklist of what such projects should be doing. A Danida spokesperson (quoted in Danish newspaper Information) said the briefing was a 'wake-up call'.

- Our briefings on climate finance and reduced emissions from deforestation have fed into negotiations under the UN Framework Convention on Climate Change, providing vital analysis for both OECD and non-OECD parties. As governments failed to meet their 2009 deadline for a comprehensive global climate deal, it's yet to be seen whether our policy recommendations will be taken up.

Briefings were downloaded 37,750 times in 2009-10, up 370 per cent from last year and nearly 20 times the rate three years ago. The Climate Change finance briefing produced in 2010 was downloaded 1,800 times in February alone. Each briefing also reaches 4,500 journalists and is sent to more than 14,000 people on the IIED new publication mailing list.

What makes a must-read briefing?

- Policy briefs must be succinct, but more importantly, they must be well-written and accessible to broad audiences that vary in their levels of understanding.
- They must be based on rigorous research and strong connections with partners and local communities, and be informed by a good understanding of national and international contexts.
- It often takes an editor to help a researcher formulate key policy messages in a simple but comprehensive way. When researchers have confidence in their editor, they will find more opportunities to develop targeted briefings for policymakers.
- Policy briefs can only be effective if their target audiences find out about them. Each briefing needs a communications strategy to accompany it and identify the best means (such as mailings, press releases or meetings) to disseminate the paper's key messages.

Spreading the word

Beyond our institute, we've supported others who recognise IIED's expertise – such as Irish Aid and the new Climate and Development Knowledge Network – to devise their own policy brief programmes. To IIED researchers, partners and outside organisations alike, it's evident that these documents can be strong communication tools. What they often need, and we can offer, is practical help in generating pieces that make an impact.

“Your COP summary for policymakers is excellent. Very helpful indeed! Thanks for putting it together!”

Anja Kollmuss, Stockholm Environment Institute

“Your briefing on the negotiating blocks and positions [at COP15 in Copenhagen] is really a masterpiece. So thank you, and congratulations for your great effort!”

Philip Mellen, Nordic Agency for Development and Ecology

Fresh perspectives:

International Fellows

At the heart of our projects are partnerships. Some allies we team up with are groups of organisations, from grassroots alliances to international networks. Others are individuals from civil society, government, business or academic institutions, rooted in their own perspectives and cultures, who keep our approach sensitive and relevant.

In setting up our International Fellows programme, we set out to demonstrate the international character of our institute, our commitment to exchanging viewpoints

with people and organisations around the world and our wish to strengthen the network of friends, colleagues and partner organisations with whom IIED works. Fellows have one 'home' research group and many opportunities to form connections across groups – and with other fellows – through an annual meeting and interdisciplinary projects. They cross-pollinate ideas here, and their ties to IIED can help them fertilise initiatives in their own organisations and countries. Here, three veteran fellows share their experiences.



Diego Muñoz Elsner
Sustainable Markets Group

A specialist in rural development and the role of small-scale producers, Diego coordinates the Global Learning Network on Small Producer Agency in the Globalised Market, a Southern-led learning group backed by IIED, Hivos and the Bolivian research institute Mainumby (see page 65). He was in charge of the UK Department for International Development's rural development agenda in Bolivia until 2007 and has consulted for the Bolivian government, joined international working groups, and done fieldwork with private companies, state enterprise and NGOs. He is now Executive Director of Mainumby-Nakurutú.

"IIED is much more open to new ideas and approaches – and that's what researchers in the developing world need."

I've worked closely with IIED for 14 years and I had a part in conceiving the international fellowship scheme. The idea came up around 1998 when I was on a field trip in Bolivia with IIED's Bill Vorley.

We wanted to address the very weak framework of research institutions in most developing countries. In Bolivia, for example, there are two or three major organisations doing research – but they are strictly tied to certain funding sources, and therefore to certain research topics and methods.

IIED, in contrast, is much more open to new ideas and approaches. And that's exactly what researchers here need – a respected but flexible partner that can serve as an umbrella organisation.

When I and my colleagues set up Mainumby to look at economic issues around small producers, it was important that it be a research institution, not a consultancy or development organisation. In my experience, development projects are actually very expensive research projects. Rather than relying on these short-term aid-based experiments, we want to create a strong social research base for Bolivian public policy. And the credibility we gain from working with IIED puts us in a much better position.

My fellowship also allows us to connect the work we do in Bolivia with similar issues and institutions across continents. Many contacts I've made would not have been easy without my link to IIED. And these connections give our institute a broader, more global view of the issues we work on.

“I found from the start that, as partners of IIED, we were able to communicate what we were doing to a much larger audience.”

Lwandle Mqadi
Climate Change Group



Lwandle is a Senior Policy Advisor in Climate Change and Sustainability at Eskom, South Africa's largest electricity utility, and has previously worked as a sub-Saharan Africa Regional Manager for the Gold Standard Foundation, as well as for EcoSecurities and the South South North Project. She is interested in the links between energy development, sustainable development and emerging issues in climate change policy and climate finance, and especially in how these links can work for developing countries.

At IIED you are exposed to many different research groups, and you're able to branch out into new areas. My fellowship started in 2006, when I was in the South South North Project. With IIED's Climate Change Group, we began looking into various approaches, tools and methodologies for community-based adaptation to climate change projects in Southern Africa.

We were breaking fresh ground – creating dedicated adaptation projects, as well as showing how existing development work could take on adaptation goals and gain access to new international climate funds.

It was exciting and challenging. And I found from the start that, as partners of IIED, we were able to communicate what we were doing to a much larger audience.

I then joined the private company EcoSecurities as well as the Gold Standard Foundation, which both focus on developing projects that generate greenhouse gas emissions offsets under the Kyoto Protocol's Clean Development Mechanism (CDM). At IIED, I started working with the Sustainable Markets Group as well as the Climate Change Group, looking at ways for adaptation projects to be compensated by markets, similar to the way mitigation projects are.

More recently, I've begun to interact with IIED's energy studies group, prompted by my new role at the South African utility Eskom. My focus is shifting from project development to shaping policies for sustainable energy, and my links to IIED will keep me in touch with cutting-edge work in this area.

Throughout my fellowship, I've been exposed to the latest international thinking and world-class researchers in my field. It challenges me to be constantly innovative – and to review and benchmark my work against top international research.

“IIED's dynamic culture poses a challenge. I need to be quick to track the evolution in thinking.”

Lyuba Zarsky
Sustainable Markets Group



Lyuba has consulted with the OECD, the Asian Development Bank, the UN Development Programme and the Australian government as an expert in economic globalisation and sustainable development. Before becoming an academic some four years ago, she co-founded and co-directed the Nautilus Institute for Security and Sustainability in Berkeley, California, aiming to embed social and environmental ethics in the governance of the global economy. Now she is Associate Professor in the International Environmental Policy Program of the Monterey Institute of International Studies in California.

Some years back, a job came up at IIED that made me salivate. They wanted someone to head a programme on business and sustainable development. The position suited me to a tee, and I coveted the opportunity to work with an organisation that I considered to be among the most innovative and effective in the world. But there was a drawback: I lived in California and could not move my family to London. Still, IIED wanted to harness my 25 years' experience of research and advocacy, especially in helping to develop new strategic directions.

So we found another way. I was ushered into the International Fellows programme, which was just being born.

At the Monterey Institute of International Studies, I head a 'Business, Sustainability and Development' track, and train graduate students for jobs in NGOs, international organisations, business and government. One of my students was recently an intern at IIED and there's strong synergy in my relationship with the Sustainable Markets team: I bring my academic experience to enrich the team's big-picture thinking, and in turn, I learn about and channel my work into on-the-ground initiatives.

IIED's dynamic culture poses a challenge. I need to be quick to track the evolution in thinking – and sometimes, personnel – so that my contributions can be on the mark.

It's been a very fruitful process. I have attended and occasionally facilitated retreats for the Sustainable Markets Group, co-authored research reports and briefing papers, and designed my own project on climate-resilient development. We're currently collaborating to develop an overarching framework for integrated energy projects – the group's next evolutionary stage.

Staff list

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Barry Dalal-Clayton
Saleemul Huq
David Satterthwaite

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Simon Anderson
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Catherine Baker (left 2009)
Achala Chandani (joined 2009)
Hohit Gebreegziabher
Pamela Harling (left 2009)
Ced Hesse
Beth Henriette
Marie Jaecky
Nanki Kaur (joined 2009)
Hannah Reid
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Christèle Riou
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Jamie Skinner
Krystyna Swiderska
Khanh Tran-Thanh

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Emma Blackmore (joined 2010)
Abbi Buxton (joined 2010)
Muyeye Chambwera
Ethel del Pozo-Vergnes
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Abi Alabede (joined 2009)
Neil Armstrong (left 2009)
Brian Barban
Rae Gardner (left 2010)
Noelle O'Connor (joined 2010)
Jorge Rios (left 2010)
Debra Spencer
Franca Torrano (left 2010)
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Donatella Gnisci
Caroline Johnston
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Partnerships

Tom Bigg
Head
Alastair Bradstock
Lucie Fry
Sarah Henson (left 2009)

International Fellows

Mozaharul Alam, Bangladesh
Florencia Almansi, Argentina
Kojo Amanor, Ghana
Cynthia Awuor, Kenya
Hernán Blanco, Chile
Celine d'Cruz, India
Jiří Dusík, Czech Republic
Taghi Farvar, Iran
Marie Monimart, France
Lwandle Mqadi, South Africa
Diego Muñoz Elsner, Bolivia
Isilda Nhantumbo, Mozambique
Victor Orindi, Kenya
Coral Pasisi, Fiji
Jesper Stage, Sweden
Lyuba Zarsky, USA



IIED is grateful to the organisations listed for financial support over the year 2009/10

Trustees and...

Board of trustees

Maureen O'Neil
Chair, Canada

Alan Jenkins
Vice Chair, UK

Peter Ratzer
(retired as Trustee and Treasurer 24 November 2009)
Treasurer, UK

Frank Kirwan
(appointed Trustee and Treasurer 24 November 2009)
Treasurer, UK

Julio Berdegue
Mexico

Margaret Catley-Carlson
(retired 18 June 2009)
Canada

Teresa Fogelberg
The Netherlands

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China

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(retired 18 June 2010)
US/UK

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Denmark

Anna Maembe
Tanzania

Pancho Ndebele
South Africa

Sheela Patel
India

Francisco Sagasti
(appointed 24 November 2009)
Peru

Responsible operations at IIED

IIED is committed to reducing the environmental impact of our operations. We are cutting greenhouse gas emissions through reducing long and short haul flights, peer interrogation of travel schedules, and greater use of remote communication tools, among other approaches.

IIED staff have a target to reduce carbon emissions from air travel by 5 per cent, year on year. We are also exploring the introduction of an internal carbon tax on air travel and conducting an external review of workplace requirements, including an analysis of property and adaptation potential.



Donors

Government and government agencies

AusAid, Australia

British Council, Tanzania

Canadian International Development Agency

Department for Environment, Food and Rural Affairs, UK

Department for International Development, UK

Dutch Ministry of Foreign Affairs
Foreign and Commonwealth Office, UK

GTZ, Germany

Irish Aid, Department of Foreign Affairs

Ministry of Foreign Affairs, France

Norwegian Agency for Development Cooperation

Norwegian Embassy, Mozambique

Norwegian Ministry of Environment

Royal Danish Ministry of Foreign Affairs

Swedish International Development Cooperation Agency

Swiss Agency for Development and Cooperation

International and multilateral agencies

European Parliament

European Commission

European Parliaments for Africa

International Fund for Agricultural Development

United Nations

United Nations Environment Programme

United Nations Food and Agriculture Organization

United Nations Habitat

United Nations Development Programme

World Bank

Foundations and NGOs

African Centre for Technology Studies

Arcus Foundation

Bill and Melinda Gates Foundation

Care Denmark

Christensen Fund

Commonwealth Foundation

Cordaid

COWI

Danish 92 Group

Ecologic Institute

Economic and Social Research

Environmental Justice Foundation

Forest Trends

Forests Monitor

Gordon and Betty Moore Foundation

Howard G. Buffett Foundation

Humanist Institute for Cooperation with Developing Countries

Imperial College London

Indufor Oy

Institute of Development Studies

International Centre for Integrated Mountain Development

International Development Research Centre

International Federation of Red Cross and Red Crescent Societies

International Institute for Sustainable Development

International Union for Conservation of Nature

Jersey Overseas Aid

Kimmage Development Studies Centre

Oxfam-Kenya

Oxfam-Netherlands

Oxfam-UK

Oxford Climate Policy

Rainforest Alliance

Rufford Maurice Laing Foundation

Sigrid Rausing Trust

SOS Sahel

SouthSouthNorth

Stockholm Environment Institute

Sustainable Food Lab

Swedforest International

Technical Centre for Agricultural and Rural Cooperation

Tufts University

University of Wolverhampton

Waterloo Foundation

Woods Hole Research Center

WWF-International

WWF-Switzerland

WWF-UK

Corporate

British Petroleum Company

Auditors' statement

The Statement of Financial Activities does not constitute the full statutory accounts but is a summary of 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

28 September 2010 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 auditors' report and trustee's report

should be consulted. These can be obtained from the Company's offices.

Independent Auditors' statement to the Trustees of IIED

We have examined the summary financial information of the International Institute for Environment and Development.

Respective responsibilities of Trustees and Auditors

The Trustees are responsible for preparing the summary financial information in accordance with United Kingdom Law and the recommendations of the charities' SORP. Our responsibility is to report to you our opinion on the consistency of the summary

financial information with the full financial statements and the Trustee's Annual Report. We also read the other information contained in the summarised Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial information.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board for use in the United Kingdom.

Financial summary

Consolidated income and expenditure for the year ended 31 March 2010

Opinion

In our opinion the summary financial information is consistent with the full financial statements and the Trustees' Annual Report of the International Institute for Environment and Development for the year ended 31 March 2010.

Kingston Smith LLP
Chartered Accountants
and Registered Auditors
Devonshire House
60 Goswell Road
London EC1M 7AD
United Kingdom

Income and expenditure

Incoming resources

Incoming resources from generated funds

	Unrestricted funds General £	Unrestricted funds Designated £	Restricted funds Core activities £	Restricted funds Grant management £	Group total 2009/10 £	Group total 2008/9 £
Voluntary income	2,326	–	4,000	–	6,326	16,542
Investment income	23,574	–	(5,741)	31,548	49,381	365,226
	25,900	–	(1,741)	31,548	55,707	381,768

Incoming resources from charitable activities

Commissioned studies and research	31,021	23,531	9,427,302	4,695,602	14,177,456	12,280,185
Publications	46,035	–	6,852	–	52,888	57,051
	77,056	23,531	9,434,155	4,695,602	14,230,343	12,337,236

Other incoming resources

	201	1,181	2,218	–	3,600	17,866
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Total incoming resources

Resources expended

Charitable activities

Commissioned studies and research	12,059	126,242	11,758,059	7,204,081	19,100,441	9,557,963
Publications	46,389	–	–	–	46,389	343,799
Governance costs	–	–	87,244	–	87,244	231,131

Total resources expended

Net income/(expenditure) for the year before transfers

Transfers between funds	44,709 (31,062)	(101,531) 73,898	(2,410,671) (42,836)	(2,476,931) –	(4,944,423) –	2,603,977 –
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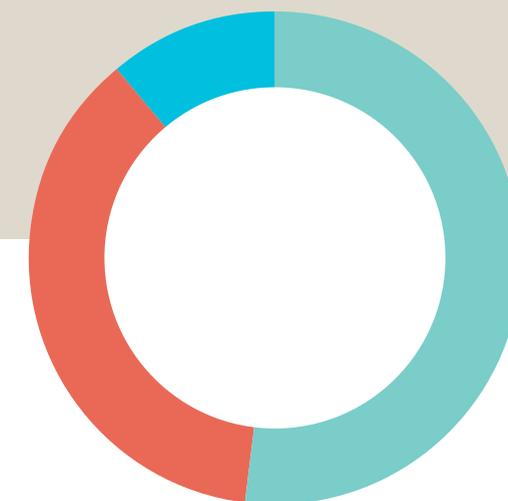
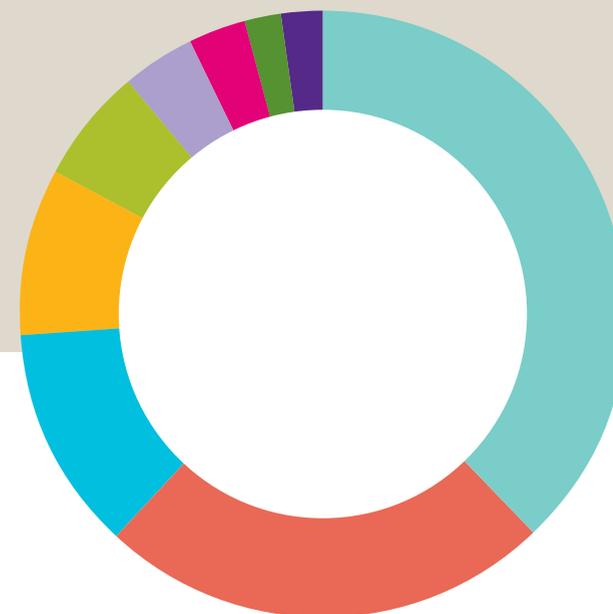
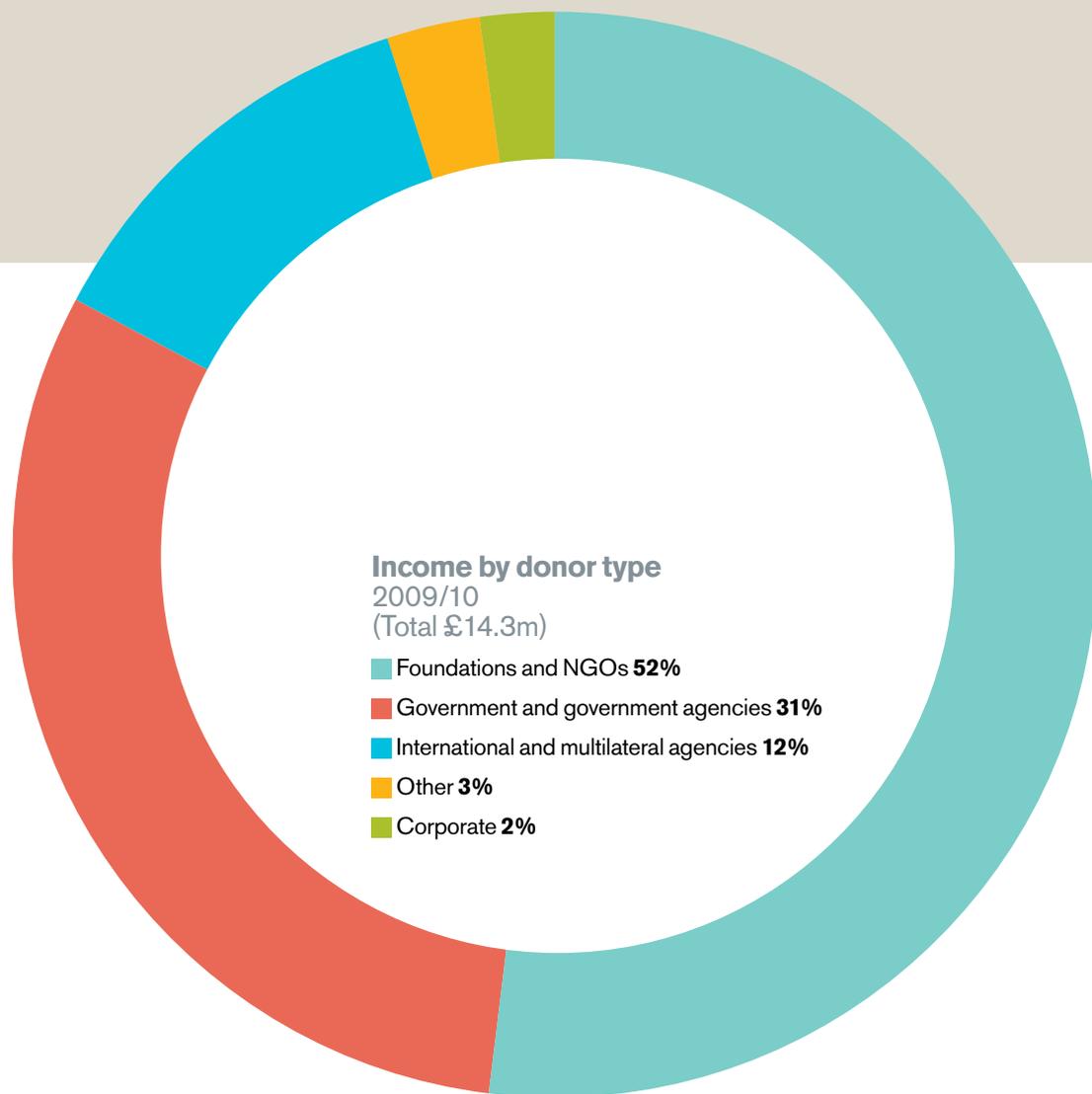
Net movement in funds

Funds brought forward at 1 April 2009	2,642,499	1,139,640	2,453,507	2,476,931	8,712,577	6,108,600
Funds carried forward at 31 March 2010	2,656,146	1,112,007	–	–	3,768,154	8,712,577

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

Financial summary

continued



How to contact us

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8 left, Fareena Chanda; middle, Giuseppe Bizzarri/FAO; right, Nguyen Thanh Hai
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17 left, Stefan Flöper; middle, Walter Astrada/FAO; right, Marco Dormino/UN
18-19 Adrian Assalve/istock
20 left, US Navy/Mass Communication Specialist 2nd Class R. J. Stratchko
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27 top, US Coast Guard/Petty Officer 3rd Class Patrick Kelley; left, US Navy/Petty Officer 2nd Class Jonathen E. Davis; right, US Coast Guard/Petty Officer First Class John Masson
28-29 Giuseppe Bizzarri/FAO
30-31 Hans Hillewaert
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36 top, Guiseppe Bizzarri/FAO; left, Peter di Campo/FAO; right, Marie Monimart
38-39 Mark Edwards
40-41 Espen Rasmussen/Panos
42 Marco Dormino/UN
43 Logan Abassi/UN
45 Erik Patel
46-47 Fanny Schertzer
46 left and right, Corinne Schoch
47 Corinne Schoch
48-49 Marie Monimart
50-51 Alistair McNeilage
53 left and right, Fareena Chanda
54-55 Espen Rasmussen/Panos
56 left, Giulio Napolitano/FAO; right, Alessandra Benedetti/FAO

58-59 top, Martha Robbins; bottom, Jacob Holdt
61 left and right, Khanh Tran-Thanh
62-63 World Wind/NASA
63 left, hunink89/stock.xchng; right, Hugues
64 Asim Hafeez/FAO
65 left, Giuseppe Bizzarri/FAO; middle, Jeanette Van Acker/FAO; right, Giulio Napolitano/FAO
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69 left and right, Angela Milligan
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