



Telling Our Stories.
Writing Our Future.

iisd International Institute for Sustainable Development
Institut international du développement durable

2013-2014 Annual Report



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*Our vision: Better living for all—sustainably
Our mission: To champion innovation, enabling societies
to live sustainably*

The International Institute for Sustainable Development (IISD) contributes to sustainable development by advancing policy recommendations on international trade and investment, economic policy, climate change and energy, and management of natural and social capital, as well as the enabling role of communication technologies in these areas. We report on international negotiations and disseminate knowledge gained through collaborative projects, resulting in more rigorous research, capacity building in developing countries, better networks spanning the North and the South, and better global connections among researchers, practitioners, citizens and policy-makers.

IISD is registered as a charitable organization in Canada and has 501(c)(3) status in the United States. IISD receives core operating support from the Government of Canada, provided through the International Development Research Centre (IDRC), from the Danish Ministry of Foreign Affairs and from the Province of Manitoba. The institute receives project funding from numerous governments inside and outside Canada, United Nations agencies, foundations and the private sector.

From the Chair



Year of Renewal

This year has seen IISD concentrate on our strengths and reconfigure ourselves to successfully promote sustainable development in policy and practice. Thanks to President Scott Vaughan and our dedicated staff, associates and partners, we've been able to put into action our plan for renewal. This has been the case regarding our longstanding areas of work, but was also demonstrated by the tireless and spirited drive throughout a successful negotiation process that led to IISD's acquisition of the renowned Experimental Lakes Area freshwater research facility.

Strong leadership, a dedicated team and a refocusing of our energies will ensure that we utilize our position as one of the world's leading think tanks to tackle the most pressing economic, environmental and social challenges currently facing our world.

Issue spotlight

As we near 2015, we find ourselves at a critical juncture. The international development community is already reflecting on the efficacy and legacy of the United Nations Millennium Development Goals (MDGs) as their 2015 conclusion fast approaches. We now have the opportunity to set the path that we want to see the sector take as a new set of Sustainable Development Goals (SDGs) are established that will build upon the MDGs and converge with the post-2015 development agenda. Our Reporting Services team is there on the ground at all of the important meetings to cover the processes and ensure that interested parties have access to all the relevant information.

This past year, whether in the media or on our front doorsteps, we have all seen the destructive effects of climate change. The United Nations Climate Change Conference (COP 19) in Warsaw in November 2013 gave us a glimmer of hope, with nation states agreeing

to cut emissions, but there is much work to be done in the run up to COP 21 in Paris in 2015. IISD's work in reducing harmful subsidies for fossil fuels will prove crucial, as will our climate change mitigation policy analysis. Tools we are developing, such as in our Climate Resilience and Food Security in Central America (CREFSCA) project, are already empowering communities in the most vulnerable areas of the planet to improve their climate resilience.

Our team and partners

We can never underestimate the value that our talented and dedicated team of staff, researchers and associates brings to IISD. This is in addition to the steadfast support of the Board of Directors, which added Leiv Lunde this past year. Patricia Moles-Rivero now serves as our international vice-chair and Michael Vukets is our Canadian vice-chair. The role of corporate secretary is now filled by Janice Gair, who brings to her appointment a vast institutional knowledge from over two decades at the institute. 2013-14 marks the last year of service on the Board for Emőke Szathmáry, Michel De Broux, Maurice Biron, Pedro Moura Costa, Jiahua Pan, Emmanuelle Sauriol, Bruce Schlein and Vicky Sharpe. We are grateful for their substantial contributions.

Finally, I would like to recognize all of our partners, such as the European Union, the governments of Denmark and Switzerland, Canada's International Development Research Centre and the provinces of Ontario and Manitoba, for their continued support. We value our privileged relationships with private sector actors, foundations and individual donors and are honoured by their generous contributions—it has been an exceptional year.

Daniel Gagnier,
Chair, Board of Directors

Continuity and Transformation

This has been an important year for IISD. Our five-year strategic plan has been updated, with the overarching objective of driving integration and forwarding coherent, compelling and holistic solutions to sustainability challenges. Decades after sustainable development was articulated, too often science, economic policy, business approaches and international regimes work separately or with growing antagonism. Too often, policy incoherence prevails. For example, promised policies to constrain carbon pollution are overwhelmed by the billions of dollars national treasuries spend to pump up the fossil fuel sector with wasteful subsidies. Too often, governments miss obvious opportunities that could advance sustainability, such as aligning huge pools of public spending on procurement to green standards like low-carbon, clean energy systems.

The IISD five-year strategic plan builds on core strengths that have made our work respected worldwide, while matching continuity with key emerging areas of work like financial market reform, transformative energy systems, resilience and freshwater management.

A milestone of the year has been the agreement for IISD to assume management of the Experimental Lakes Area (ELA). It is a unique whole-lake, whole-ecosystem scientific research facility located in Canada. For 45 years, the facility has been instrumental in shaping environmental and human health policies related to fresh water. As IISD begins a new chapter in our 25-year history by taking over the ELA, we are inspired by committed scientists, donors and policy-makers across Canada and around the globe, and grateful for their support to keep ELA open. For me, this underscores Canadians' profound commitment to independent science, based on the simple principle that science-based policy cannot proceed without an absolutely robust foundation. A key focus of IISD's work this coming year will be to shape an action plan that bridges the scientific research of the IISD-ELA with policy.

From the President



Another milestone has been our increased work in China, a country with both extraordinary challenges in environmental quality and extraordinary examples of policy commitment and innovation. With the opening of an office in Beijing, IISD has deepened partnerships to help integrate sustainability criteria into financial markets through green bonds, to improve accountability through environmental auditing systems and to assess how international investment instruments or green procurement can become policy platforms to propel sustainability. The key partnerships include the Development Research Center of the State Council, several state ministries, and the China Council for International Cooperation on Environment and Development (CCICED).

In the fall of 2013, IISD was proud to partner with the United Way of Winnipeg to launch *Peg*—a next-generation set of urban sustainability indicators that provides a mirror for the state of social, economic and environmental conditions in one of Canada's largest cities (Winnipeg—the headquarters of IISD). Given the critical importance of evidence to guide key community-based decisions—from public health and educational achievement levels to green spaces—IISD is actively working to replicate *Peg* within Canada and elsewhere, including China and Mexico City. We are proud of our partnership with the United Way in this initiative.

To support these and other actions, IISD continues to review and update key support systems like communications, information technologies and project management, with the single goal of making these as innovative, rigorous and integrated as the substantive areas of our work. I am pleased to welcome Hans Herrmann to IISD as managing director to coordinate these different steps. I remain grateful to all IISD staff, associates and senior fellows for their passionate and tireless commitment to sustainability.

Scott Vaughan,
President

It seems as though working in international law had always been in the cards for Nathalie Bernasconi-Osterwalder. Becoming a lawyer had been a life goal since she was very young, and she is now able to live out her ambition, working as a senior international lawyer and head of the Investment Program at IISD.

“As a child, you maybe have a rosy picture of what you can achieve through the law,” she says. “What really made me want to study law was the pursuit of justice. Later on, I got very interested in international law as a way for countries to come together to find solutions in a peaceful way.”

A dual citizen of Switzerland and Canada, Nathalie has always had an international perspective on her field of work and after further specializing her interests, she now focuses on international economic law, working to address the inequalities that exist between different states. It makes sense, therefore, that Nathalie was part of the IISD team that contributed significantly to the United Nations Commission on International Trade Law’s (UNCITRAL’s) revision of its arbitration rules: a process whereby organizations and countries worked together to ensure UNCITRAL adopted new rules that guarantee transparency in investor-state arbitrations and access for everyone.

The seven-year process began back in 2006 when UNCITRAL began revising its arbitration rules. IISD had already identified a gaping hole in the rules: one of transparency. Whether the arbitrations involve an investor challenging a state’s legitimate environmental or equity measure, or demanding hundreds of millions or even billions of state dollars, these are issues that affect and should be of great interest to the general public. IISD’s goal was therefore very clear.

“What we wanted to do in UNCITRAL is increase transparency so that the public and other governments involved in similar arbitrations could know what is going on behind those closed doors,” says Nathalie.

After gaining observer status in the working group set up to revise the arbitration rules, Nathalie is pleased to state that IISD was instrumental in stoking a debate surrounding transparency in the process, one that just did not exist before. Nathalie explains that IISD also had the expertise to “provide specific legal language and a framework on how this could work,” all of which she says is reflected in the final result of the rules.

IISD’s Nathalie Bernasconi-Osterwalder is committed to bringing transparency to international legal processes.



A Commitment to Justice Drove the Successful Push for International Trade Law Transparency





There were some surprises along the way. Nathalie did not expect the number of developed countries who took a stance against transparency early in the process, and were very reluctant to see its potential benefits. Other developing countries, such as Argentina and South Africa, were very much in favour of heightened transparency. Ultimately, however, throughout the seven years, countries were able to come together to collaborate toward a common goal.

Finally, on April 1, 2014, the UNCITRAL Rules on Transparency in Treaty-based Investor-State Arbitration (“Transparency Rules”) came into effect. It represented a resounding success for all the work Nathalie and the team had put in. “The successful outcome is that we now have UN rules that are widely used that ensure transparency in investor-state arbitrations.”

But surely an outcome to such a high-level process is of interest to only international trade lawyers? Not so, says Nathalie. For her, this is a result that affects everyone, because at the core is a question of the public’s right to know: “The fact is that, in investor-state arbitration, the number of cases being brought against states is increasing. Ultimately what happens in those cases has a direct impact on each and every one of us.”

Outcomes can affect democratic processes, as investors are able to challenge any kind of government measure. Moreover, these cases can result in great costs coming out of the public purse, and therefore taxpayers’ pockets. The Transparency Rules simply ensure that the public has access to all this information.

Even after such a great success, the team will not rest on its laurels. They are already hard at work on a second process: to apply the new rules to treaties that are already in effect as well as to other processes, such as those under the International Centre for the Settlement of Investment Disputes. They are also working on broader institutional reform and looking at different mechanisms to improve dispute settlement and to provide alternatives, including an appeals mechanism.

Ultimately, Nathalie is pleased to have seen diverse nations working together towards a shared goal—one of her major motivations in becoming a lawyer. In terms of the UNCITRAL process, she reveals that her proudest moment was when “at one point the discussion really became independent of IISD,” she says. IISD began the discussion, provided options for how the issue could be addressed, and provided the expertise and framework, “but at some point the states really began to work together and adopted this issue, making it their own.”

"The fact is that in investor-state arbitration, the number of cases being brought against states is increasing. Ultimately what happens in those cases has a direct impact on each and every one of us."



Indicator System Displays Power of Well-Being Data, Community Partnerships

The “unbearable extremes of weather” aside, Heather Block loves her native Winnipeg, Canada, and speaks proudly of it. “I love that combination of feeling like you’re in a small town (you can always find a mutual connection between people), but having access to all the benefits of living in a city.” She has contributed to her city’s betterment throughout her working life. Having worked as a social worker and in community development, she is now the director of Strategic Initiatives at the United Way of Winnipeg, with whom IISD partnered on the *Peg* project.

“*Peg* is Winnipeg’s community-indicator system,” says Block, “and what that means is that we have identified eight different areas of well-being and within each of those, we have identified a number of indicators that we track year by year to see how we are doing.” The project tracks things such as how much citizens are recycling, how many children are in care, the rate of diabetes and how many students are graduating high school, and presents the results in visually appealing yearly reports as well as on its website (mypeg.ca) and through social media.

“No one indicator by itself is a good way of telling how we are doing as a city. It’s really about looking at a suite of indicators and tracking our progress year by year.” The intention is then to use that information as evidence to justify and aid actions and improvements in those sectors, hence the tagline, *Tracking Progress, Inspiring Action*.



The December 2013 launch of Peg brought the community together to reflect on the social, economic and environmental indicators of urban well-being.

United Way of Winnipeg had been reaching out to Winnipeggers to ask them what they thought was needed to improve community engagement. Heather notes that “one of the questions that kept coming up was: how can we know if all of our time, energy and investments are making a difference?” Clearly an indicator system was needed. Out of this was born a partnership between United Way of Winnipeg and IISD, whose energy and vision came together to create Winnipeg’s first community-indicator system.

Heather is extremely pleased that the two organizations collaborated on *Peg*: “It has been a true partnership and the right partnership.” IISD’s skills and specialized knowledge in data collection was paired perfectly with United Way of Winnipeg’s intricate knowledge of the city and its people. According to Heather, IISD could not be better collaborators, due to an attention to detail and smooth working relationship that made the project development a smooth process, as did the support of IISD’s president, Scott Vaughan.

There were, of course, some bumps along the road. Heather knows that it is always difficult to find sustained funding for projects like these, especially when they do not work on an immediate need.

United Way of Winnipeg and IISD worked together, however, to secure cross-sectoral funding, which also ensured some broader credibility for the project’s outputs.

After the years of consultation, planning, development and data collection, *Peg* was unveiled at an event on December 2013, along with the launch of its accompanying website. Months later, the impact of the project can already be seen. Heather speaks of organizations submitting proposals for funding that cite data from *Peg*, meetings with education system policy-makers to develop curricula using *Peg* indicators and the development of new data sets that will enhance the project.

In fact, it seems that the sky is the limit for the *Peg* system. From Ontario and Saskatchewan, to cities in countries as diverse as Colombia, Mexico, United Arab Emirates, Hungary and China, there has already been great interest in replicating the system, and IISD is currently in talks with some of these countries’ local governments. Heather underlines that all of these indicator systems would be as different from each other as the cities themselves, but that the basic infrastructure and process from *Peg* can and should be replicated in any city in the world.

For Heather, however, it is all about changing the conversation, with the goal of ultimately creating real-world change. She recalls the day before Bell Canada’s mental health awareness “Let’s Talk” campaign, when United Way of Winnipeg and IISD disseminated one of the more concerning findings of *Peg*: that one in four Winnipeggers has been diagnosed with an anxiety or mood disorder over the last five years. “The next day, when the campaign was launched, what I saw on Twitter was that our figure was being used and cited by so many users and in so many tweets about the campaign... [I knew] we had added to, and perhaps changed, the dialogue that was happening that day. And that’s what it’s all about.”

Peg: "It has been a true partnership and the right partnership."



Jason Potts decided early in his career to use his expertise in sustainability standards to help agricultural producers in developing countries. While completing his degree in ethics and the economy, he became active in Fairtrade, the largest and most widely recognized standard-setting and certification body that aims to ensure farmers and artisans get a fair price for their products. Through his work with Fairtrade, Jason realized the importance of economic markets in promoting sustainable production and business practices. By the time Jason finished a law degree focused on sustainable trade, he had identified voluntary sustainability standards (VSSs) as an effective market-based tool capable of helping agriculture producers in developing countries.

When Jason started his career in 2002, VSSs were largely operating in niche markets and had not yet attracted mainstream attention. In an effort to promote sustainable commodity production, Jason co-founded and coordinated the Sustainable Commodity Initiative (SCI), a joint initiative managed by IISD and the United Nations Conference on Trade and Development (UNCTAD). By 2003 the SCI had identified five priority areas for the promotion of sustainable production practices across global supply chains: 1) strengthening technical assistance, 2) supporting access to market information, 3) improving access to finance, 4) strengthening the evidence base on impacts and 5) facilitating the development of supportive policy.



SSI Data Collection Collaborative Workshop

SSI Review Improves Global Understanding of Voluntary Sustainability Standards

In order to help meet the needs of the SCI, three cross-cutting initiatives were immediately formed: the Sustainable Commodity Assistance Network (SCAN), which provides customized technical assistance; the Committee on Sustainable Assessment (COSA), which builds an evidence base on impacts; and the Finance Alliance for Sustainable Trade (FAST), which increases access to finance.

Most recently, the State of Sustainability Initiatives (SSI) became the fourth initiative to help facilitate the SCI by supporting access to market information. As part of this initiative, Jason led a team of IISD researchers in analyzing 16 of the most important VSSs currently active in the agriculture, forestry and biofuels sectors, both from a systems/characteristics perspective and from a market/trends perspective.

In order to promote data efficiency and accuracy, Jason teamed up directly with the International Trade Centre (ITC) and the standard-setting bodies themselves to collect, combine, verify and share data annually. The report, known as the *SSI 2014 Review*, was able to account for US\$31.65 billion in trade value and quickly became the first report of its kind to not only establish a reliable international baseline for reporting on sustainability standards, but also to track and compare the global market performance of standard-compliant commodities.

“We needed this information and data to feed into the last priority area of the SCI, facilitating the

development of supportive policy for sustainable products and markets,” said Jason. “Up until now, the SCI has focused the majority of its attention on the first four priorities, given that they really are prerequisites for the fifth. How can you make the case for supportive policy if you don’t have the other pieces answered?”

To illustrate how some of the findings from the *SSI 2014 Review* might feed into policy making, Jason points to the global market section, where they found a greater concentration of sustainable production in relatively more developed countries like Brazil, Columbia and others in Latin America. “This is exactly the information that we need to direct development agency support to ensure that countries in other places like Africa and Asia, who are arguably in the most need, also have access to this market. This is something we can’t rely on the markets to sort out; the markets just don’t care about equity. Our role is to point out when that is the case and the *SSI 2014 Review* helps us do just that.”

When looking at the next important steps in developing sustainability standards, Jason points to a number of additional areas where governments can step in to support the adoption of sustainable practices. Over the next few years, Jason will focus on constructing a supportive policy framework to encourage the adoption of sustainable practices at this level.

“This is exactly the information that we need to direct development agency support to ensure that countries in other places like Africa and Asia, who are arguably in the most need, also have access to this market.”





Scott Young (4th from left), knew his museum needed to tell the story of the world's most threatened lake. He turned to IISD's water policy experts and a cutting-edge exhibit was born.

One-of-a-Kind Interactive Museum Exhibit Makes Freshwater Policy Issues Real for Youth



Scott Young used to be an astronomer before he turned his attention from the skies to the Earth's most endangered lake, Lake Winnipeg. Unlike many people who grew up in Manitoba, Canada, Scott did not spend his childhood summers visiting the renowned freshwater lake; yet developing *Lake Winnipeg: Shared Solutions*, an exhibit at the Manitoba Museum, he could not help but be impressed by its majesty and beauty.

The idea for *Shared Solutions* came from a need to educate the public about how urgent the lake's situation is, why the lake is in such poor health and what we can do to save it. According to Scott, who is the museum's manager of Science Communications & Visitor Experiences, few people understood the multitude of contributing factors when they first began to develop the exhibit, nor did they understand their role in improving the lake's health.

A partnership between the Manitoba Museum and IISD, the exhibit's centrepiece is an interactive, multiplayer video game, the very first integration of virtual reality/video simulation technology and pure water science in Canada. "It looks at the number of factors that affect the health of the lake," says Scott, "and it allows users to take control of the lake and play out a number of scenarios to see the effects that they will have."

"IISD had all the knowledge to make the science happen for the exhibit," Scott says. IISD was the content lead, and its foundational work in freshwater health was essential in its development. Scott also greatly appreciated IISD's capacity to be a link to other organizations, with numerous useful contacts that helped the exhibit to "become as comprehensive as it can be." He also had a great time working with IISD and notes that IISD staff could not have been easier to collaborate with. "The folks at IISD are very passionate and very driven."

But it was not all smooth sailing on the lake. The exhibit was the first of its kind in Canada, so a lot of work was needed to ensure all the data was available and incorporated successfully into the game. Lake Winnipeg is also a hot-button topic, with many stakeholders disagreeing about "who is to blame." However, Scott remembers that putting everyone in a room to meet during the development phase really helped to start a dialogue between the different factions and led to a greater level of mutual understanding.

And after the years of collaboration, consultation and development, the million-dollar exhibit was finally unveiled on World Water Day, March 22, 2014, and has proven to be a massive success ever since. "We intended the audience to be older children, aged 11+, because they are the ones who are starting to become engaged in these issues and can do something."

Scott is delighted, however, that children as well as adults are enjoying and learning from the exhibit, and says that every weekend swathes of families come to use it; so much so, in fact, that they are having to develop a system to ensure museum-goers do not spend too long playing the game.

Scott believes there is so much potential for the exhibit as we move forward. There was great interest at the recent Canadian Association of Science Centres conference in May 2014 in replicating the exhibit, which

would potentially use this model to take scientific concepts and present them in a user-friendly and interactive way. Scott has also been in talks about recreating the exhibit and "won't be surprised to see the exhibit popping up in other museums sometime soon."

So what has Scott himself taken away from *Shared Solutions*? "I had that idealistic disconnect that allowed me to think that what I did, as just one person doesn't really make any difference," he says. "But working on the exhibit makes you realize that you are a part of the problem." Scott made up his mind to become part of the solution by taking proactive steps in own home, such as buying lake-friendly detergents and not fertilizing his lawn. "You can't work on an exhibit like this and learn all of this valuable information and then ignore it. It becomes part of you and makes you want to be part of the solution."

"You can't work on an exhibit like this and learn all of this valuable information and then ignore it. It becomes part of you and makes you want to be part of the solution."





The philosopher asked:
“If a tree falls in the forest,
and no one is around to hear
it, does it make a sound?”

Those of us who care about sustainability could ask an analogous question, and one with far more practical implications: If a small number of individuals are discussing the future of our planet, and the rest of us don't know what they are saying, are the things they discuss relevant? Are the decisions they reach valid?

For over 20 years, IISD Reporting Services' *Earth Negotiations Bulletin* (ENB) has

been ensuring this question is moot. Through our work, the world is granted a set of experienced ears that have access to spaces that would otherwise be silent.

No tree falls silently in the forest while ENB is on the watch.

In 2013 IISD Reporting Services covered 94 meetings with a team of expert associates, writers, editors and videographers from around the world. Notably, we expanded our coverage to include video, ensuring that we are not only the ears of the multilateral environmental agreement process, but also the eyes.



Kimo Goree (middle) has guided IISD Reporting Services since the beginning, building a legacy of trusted coverage of international processes.

Dedicated Team Continues to Tell the Sustainable Development Story

Video brings a new dimension to our coverage, allowing us to tell the visual story of the international policy development process and capture, live, the unexpected moments and emotions that are all too often part of the untold story. With our cameras in place at the beginning of the nineteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP 19) in Warsaw, Poland, IISD Reporting Services was able to capture the emotional opening statement of Nadarev Saño, member of the Philippines Climate Change Commission, and broadcast to the world his pledge to fast during the meeting.

In addition to adding video coverage, we also began the move to social media in 2013, making our publications accessible on Facebook and providing live coverage of meetings via Twitter (on @IISDRS

and @enbclimate). Our expansion into the fast-paced world of social media has allowed us to reach policy-makers where they are while providing them with the real-time information that they need.

Where 2012 saw IISD Reporting Services providing valuable coverage at Rio+20, the United Nations Conference on Sustainable Development, 2013–2014 sees us continuing on that thread by covering a key outcome of that meeting: the creation of the Sustainable Development Goals (SDGs) through the Open Working Group (OWG) established in January 2013 by the U.N. General Assembly. By July 2014 we will have covered all 13 of the OWG's meetings, providing essential reading for anyone wanting to know how the OWG arrived at the conclusions that will be included in its report to the U.N. General Assembly.

In addition to the ENB at OWG meetings, our sustainable development and post-2015 policy and practice online knowledge bases have been tracking additional activities and reports that are feeding into the development of the SDGs and the post-2015 development agenda. Conference reporting services coverage continues to expand into new areas such as health, inequalities and conflict.

Since 1992 ENB has reported on sustainable development policy as it has unfolded and provided the definitive open and transparent record to decision-makers and observers from around the world. In that time, we have published 3,343 daily and summary editions of the ENB and have over 158,000 subscribers to our publication.

"Since 1992 ENB has reported on sustainable development policy as it has unfolded and provided the definitive open and transparent record to decision-makers and observers from around the world."



Danilo Alberto Mazanares Guillen is clearly an *orgullosa* Honduran, speaking proudly of the rich and diverse physical beauty of his homeland. It pains him, therefore, to see that the effects of climate change in his region in the south are already taking their toll.

“This is what we are experiencing firsthand,” he says. “In my area of Honduras [the south], we traditionally had only two seasons: summer and winter. And our agricultural systems are set up in harmony with that. In recent years, however, we have been unable to depend on stable weather patterns, with uneven rainfall and increased natural disasters such as hurricanes and droughts, all of which destabilize our food systems.”

It is a sad fact that many of the countries that will bear the brunt of the increasingly evident effects of climate change on food systems are among the poorest countries on Earth, and tend to have the weakest infrastructures. Honduras is no exception. Danilo, however, is certainly not one to sit back in the midst of such destruction. His impressive portfolio illustrates how active and passionate he is about strengthening Honduras’s food security. Not only is he a professor at the National

Autonomous University of Honduras at the regional campus Centro Universitario Regional del Litoral Pacífico (CURLP), but he is also currently acting as the secretary of the Cadena Agroalimentaria (Food and Agriculture Chain) in Maraón in Honduras and secretary of the Committee on Food and Nutritional Security in his region on the Gulf of Fonseca in the south of Honduras (supported by CURLP).

“The committee represents a strong cross-section of parties affected by and interested in food security in the region: non-governmental organizations, government departments, private companies, academics, farmers and civil society,” he explains. “We have created a space for dialogue where everyone can come together to debate questions around food security with the ultimate goal of coming up with solutions. Needless to say, climate change factors heavily in our discussions.”

CURLP became a core partner when IISD began to develop its CRiSTAL Food Security (Community-based Risk Screening Tool – Adaptation and Livelihoods) as part of its greater Climate Resilience and Food Security in Central America (CREFSCA) project. This project aims to help improve climate resilience and food security at different scales in Guatemala, Honduras and Nicaragua.



Danilo Alberto Mazanares Guillen took action to protect his homeland, Honduras, from climate change, and to improve food security.

Climate Change Tool Builds Community Resilience, Food Security

CRiSTAL is a decision-support tool for local governments, development practitioners and communities. It is designed to help users understand the key elements of their food system, assess how sensitive these elements are to climate variability and change, identify options for improving the resilience of the food system and design indicators to help monitor the food system's climate resilience over time. The Excel-based tool was designed to allow users to organize and record information in a systematic way, and to automatically generate a series of summary reports. CURLP's contributions were invaluable in the development in the tool, bringing the rich and representative perspectives of those in Honduras who know the food systems best.

"Next came the practical application. Communities were selected and CRiSTAL was put to the test," says Danilo. And what was the verdict? Danilo cites CRiSTAL as an essential part of the fight to manage food security in his region. He notes that CRiSTAL's real strength is its ability to build capacity among its users. It encourages users to take multiple factors at all levels into account when analyzing a food system, from people's daily eating habits to higher-level commercial processes. "This is what will be needed as the burden of climate change becomes all the greater: for those who work in food systems to be empowered and skilled to deal with a changing food system."



Participants in a CRiSTAL training in the Fiji Islands. It is highly recommended that new users acquire training to benefit the most from the tool.

CRiSTAL is not the only tool in IISD's CREFSCA program that has proved useful to Danilo's team. It seems as though the Food security Indicator & Policy Analysis Tool (FIPAT), which focuses its analysis on national and subnational levels, including public policies and their capacity to support resilience, will also be of great use. "There are

currently laws that exist federally in Honduras that are meant to sustain food security. However, when we got down to analyzing them using FIPAT, we came to realize that the laws were inadequate and, in some cases, contained errors. It's early days, but our next step is to take this to the National Congress. We want to get those laws changed."

"This is what will be needed as the burden of climate change becomes all the greater: for those who work in food systems to be empowered and skilled to deal with a changing food system."





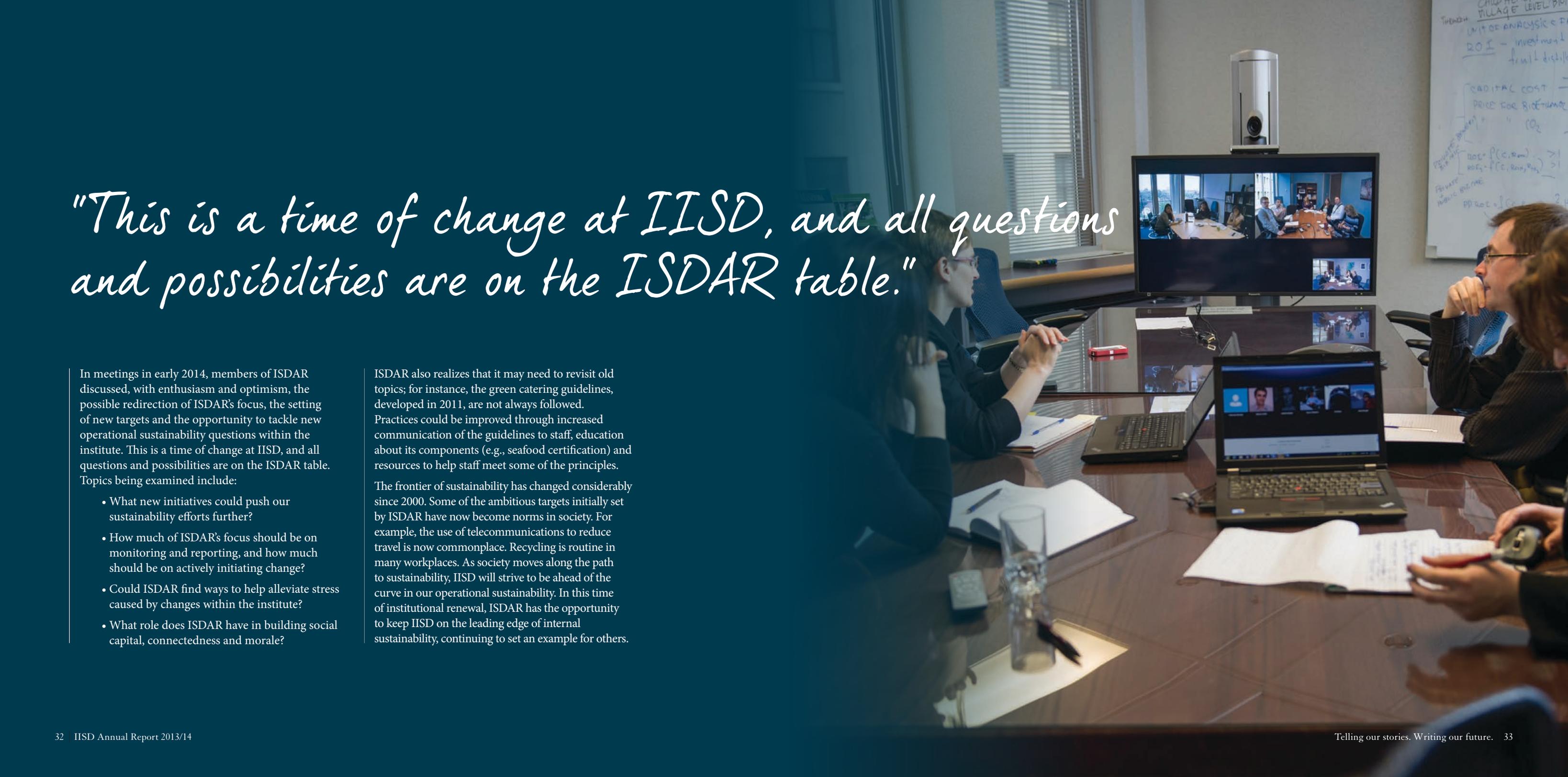
At IISD, it is not enough to advise others on how to enact principles of sustainable development. It has always been important that we demonstrate sustainability ourselves. To pursue that end, IISD created the Internal Sustainable Development Assessment and Reporting Team (ISDAR) in 2000, with a mandate of monitoring, assessing and reporting on operational sustainability at the institute.

In the 14 years since it was created, ISDAR has seen successes in all three of the sustainability pillars (environmental, economic and social). Specific examples include:

- Increased use of telecommunications to reduce carbon emissions from travel
- Consistently high participation in the annual Canadian Commuter Challenge in our Winnipeg and Ottawa offices (94 per cent in 2014!)
- Improvements in sustainable procurement in our offices
- Increased cultural diversity in the workplace
- Creation of a training and development fund for staff

In fact, some of ISDAR's initiatives were so successful that nearly half of the 34 targets initially set were met by 2006. However, reaching these targets then begs the question: what is next?

IISD Seeks New Frontiers of Internal Sustainability



"This is a time of change at IISD, and all questions and possibilities are on the ISDAR table."

In meetings in early 2014, members of ISDAR discussed, with enthusiasm and optimism, the possible redirection of ISDAR's focus, the setting of new targets and the opportunity to tackle new operational sustainability questions within the institute. This is a time of change at IISD, and all questions and possibilities are on the ISDAR table. Topics being examined include:

- What new initiatives could push our sustainability efforts further?
- How much of ISDAR's focus should be on monitoring and reporting, and how much should be on actively initiating change?
- Could ISDAR find ways to help alleviate stress caused by changes within the institute?
- What role does ISDAR have in building social capital, connectedness and morale?

ISDAR also realizes that it may need to revisit old topics; for instance, the green catering guidelines, developed in 2011, are not always followed. Practices could be improved through increased communication of the guidelines to staff, education about its components (e.g., seafood certification) and resources to help staff meet some of the principles.

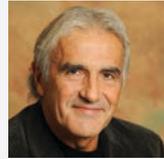
The frontier of sustainability has changed considerably since 2000. Some of the ambitious targets initially set by ISDAR have now become norms in society. For example, the use of telecommunications to reduce travel is now commonplace. Recycling is routine in many workplaces. As society moves along the path to sustainability, IISD will strive to be ahead of the curve in our operational sustainability. In this time of institutional renewal, ISDAR has the opportunity to keep IISD on the leading edge of internal sustainability, continuing to set an example for others.



Daniel Gagnier
Chair, IISD Board of Directors (Canada)



Scott Vaughan
President and CEO, IISD (Canada)



Maurice Biron
Chairman/CEO, Hedonmark (Canada)



Stephanie Cairns
Principal, Wrangellia Consulting (Canada)



Pedro Moura Costa
Co-founder, EcoSecurities & Founding Partner, E2 (Brazil)



Michel De Broux
Lawyer, Former VP, Hydro-Quebec CapiTech Inc. (Canada)



Hugo Delorme
Director, Government Relations, NATIONAL (Canada)



Emmanuel Ikazoboh
Chairman/CEO, Hedonmark Management Services (Nigeria)



Charles Loewen
Board Director, The C.P. Loewen Family Foundation (Canada)



Leiv Lunde
Director, The Fridtjof Nansen Institute (Norway)



Claude Martin
Honorary Advisor and past Director General, WWF International (Switzerland)



Andrea Moffat
Vice President, Corporate Program, Ceres (Canada)



Patricia Moles-Rivero
Former Brazil Country Manager, Petra Foods Pte (Brazil)



Papa Kwesi Nduom
CEO, First National Savings and Loans (Ghana)



Carlos Nobre
Senior Scientist, Center for Earth System Science (CCST) - National Institute for Space Research (INPE) (Brazil)



Jiahua Pan
Director, Institute for Urban and Environmental Studies, Chinese Academy of Social Sciences (China)



Emmanuelle Sauriol
Former General Manager, LVM Ltd. (Canada)



Bruce Schlein
Director, Corporate Sustainability, Citi (United States)



Vicky Sharpe
President and CEO of Sustainable Development Technology Canada (Canada)



Emőke Szathmáry
President Emeritus and Professor, University of Manitoba (Canada)



Felix von Sury
Former Executive Director, Intercooperation (Switzerland)



Michael Vukets
Founding Partner, Michael Vukets & Associates (Canada)



Erna Witoelar
Member of Executive Board, Indonesia Biodiversity Foundation (Indonesia)



Alan Young
Director, Corporate Programs, Canadian Boreal Initiative (Canada)

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David Runnalls
Mohamed Sahnoun
Maurice Strong
Franz Tattenbach

Founding Chair

Lloyd McGinnis

IISD Team

The IISD team is a diverse group of talented, motivated men and women from around the world. While anchored in Winnipeg, Geneva, Ottawa, Beijing and New York offices, IISD is a colourful, international tapestry of staff, associates and young interns who bring their unique experiences, perspectives and energy to our work. The individuals listed here served with IISD in 2013–2014.

Staff

Jocelyn Andrew
Rod Araneda
Sumeep Bath
Christopher Beaton
Nathalie Bernasconi-Osterwalder
Livia Bizikova
Susan Boning
Jessica Boyle
Richard Bridle
Johnvee Calaguian
Christopher Charles
Lasse Toft Christensen
Katherine Clark
Kieran Clarke
Karin Clegg
Diane Conolly
Jennifer Covert
Heather Creech
Maxine Cunningham
Ramon Dator
Julie Dekens
Maria dela Cruz
Fariba Di Benedetto-Achtari
Jason Dion
Lael Dyck
Daniella Echeverría
Ramona Fryza
Janice Gair
Philip Gass
Ivetta Gerasimchuk
Pauline Gerrard
Bill Glanville
Karen Goulding
Richard Grosshans
Mark Halle
Anne Hammill
Garth Hardy
Melissa Harris
Hans Herrmann
Mariana Hug
Gabriel A. Huppé
Marius Keller
Lucy Kitson
Kerryn Lang
Faye Leone
Tilmann Liebert
Jason Macki
Jason Manaique
Angela Marceciuk
Victoria Mark
Stacy Matwick
Matthew McCandless
Laura Merrill
Tom Moerenhout
Christina Moffat
Grace Mota
Elias Mukozi
Jo-Ellen Parry
Elka Parveva-Kern
Nona Pelletier
Oshani Perera
Jacqueline Pilon
Deborah Roosen
Dimple Roy

Marlene Roy
Katia Salemo
David Sawyer
Myriam Schmid
Ian R. Seymour
Mirela Sterjo
Darren Swanson
Shelly Swidinsky
Kylie Swystun
Flavia Thomé
Charles Thrift
Joel Trenaman
Laura Turley
Henry Venema
Brad Vincelette
Damon Vis-Dunbar
Jun Wei
Peter Wooders
Alicia Natalia Zamudio
Karla Zubrycki

Associates

Ben Akoh
Maja Anđjelkovic
Mark Anielski
Stephan Barg
Dale Beugin
David B. Brooks
Pamela Chasek
Aaron Cosbey
Alec Crawford
Heather Creech
Frédéric Gagnon-Lebrun
Peter Hardi
Tara Laan
Michelle Laurie
Richard Lawford
Andrew A. Lennox
Caroline Lewko
Scott McFatridge
Howard Mann
Deborah Murphy
Ingeborg Niestroy
Jean Nolet
Bryan Osborne
Leslie Paas
Jean Perras
Jim Perry
Joe Petrik
Jason Potts
Daniel Rubenstein
Doug Russell
Todd Scaletta
Cory Searcy
Sabrina Shaw
Robert Smith
David Souter
Seton Stiebert
Natalie Swayze
Dagmar Timmer
Bishunarine Tulsie
Stephen Tyler
Vivek Voora
Christian Weber
Robert Wolfe

Reporting Services

Soledad Aguilar
Oluwatomilola Akanle
Jennifer Allan
Lauren Anderson
Beate Antonich
Asheline Appleton
Melanie Ashton
Graeme Auld
Paula Barrios
Charles Thrift
Nienke Beintema
Virginia Benninghoff
Rishikesh Ram Bhandary
Dan Birchall
Alice Bisiaux
Robynne Boyd
Pamela Chasek
Vivienne Caballero
Qian Cheng
Claudio Chiarolla
Jennifer Covert
Joanna Dafeo
Deborah Davenport
Nicole de Paula Domingo
Francis Dejon
Richard de Ferranti
Daniela Diz Pinto
Peter Doran
Louison Dumaine
Noha El Hadad
Angeles Estrada
Socorro Estrada
Bo-Alex Fredvik
Claudia Freidrich
Mongi Gadhoum
Myriam Gadhoum
Sandra Gagnon
Johannes Gnann
Tasha Goldberg
Leonie Gordon
Langston James "Kimo" Goree VI
Maria Gutierrez
Reem Hajjar
Kate Harris
Camellia Ibrahim
Cherelle Jackson
Sikina Jinnah
Harry Jonas
Stefan Jungcurt
Manu Kabahizi
Hal Kane
Resson Kantai
Tallash Kantai
Pui Khemaros
Pia Kohler
Hélène Kom
Elena Kosolapova
Kati Kulovesi
Ana Maria Lebeda
Alexandra Lefevre
Jennifer Lenhart
Faye Leone
Aaron Leopold
Elaine Limjoco
Kate Louw

Mari Luomi
Suzi Malan
Jonathan Manley
Leila Mead
Alice Miller
Chad Montfrea
Elisa Morgera
Mike Mouzourakis
Diana Movius
Aki Mori
Wangu Mwangi
Ryo Nakamura
Kate Neville
Diego Noguera
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Dorothy Nyingi
Kate Offerdahl
Olivia Pasini
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Teya Penniman
Cristina Perez
Elizabeth Press
Rishikesh Ram Bhandry
Gmelina Ramirez-Ramirez
Eugenia Recio
Stefan Renckens
Keith Ripley
Nathalie Risse
Tanya Rosen
Liz Rubin
Laura Russo
Annalisa Savaresi
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Maja Schmidt-Thomé
Mark Schulman
Anna Schulz
Natasha Schwartz De Diego
Mihaela Secrieru
Anju Sharma
Ruth Robinson Smith
Matt Sommerville
Hussain Talabani
Daniela Tarizzo
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Elsa Tsioumani
James Van Alstine
Annelies van Gaalen
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Lynn Wagner
Catherin Wahlen
Jaime Webbe
Brett Wertz
Liz Willetts
Nancy Williams
Peter Wood
Kiara Worth
Sean Wu
Kunbao Xia
Yulia Yamineva

Conceptual Framework for IISD's Strategic Plan

IISD's 2010–14 Strategic Plan: Areas of Thematic Focus and Goals

Trade Policies that Combat Climate Change

GOAL #1: Trade-related policy instruments are used to address climate change in a way that is environmentally effective and minimally damaging for development.

Sustainable Investment

GOAL #2: Transform international, regional and national investment frameworks and processes so as to effectively foster and promote sustainable investment.

GOAL #3: Investment flows support sustainable development by disseminating climate-friendly goods and technologies.

Phase-Out of Subsidies That Undermine Sustainable Development

GOAL #4: The phase-out of subsidies that undermine sustainable development.

Sustainable Markets and Responsible Trade

GOAL #5: To improve understanding of the actual and potential impacts of voluntary sustainability initiatives on global markets and sustainable development.

GOAL #6: To ensure that global markets provide positive opportunities for sustainable livelihoods and poverty reduction among those most in need.

GOAL #7: Enable governments to use sustainable public procurement as a catalyst policy for demonstrating leadership on sustainable development and on promoting sustainable production and consumption.

A Constructive Catalyst Within International Negotiations

GOAL #8: An international climate change regime that effectively addresses mitigation, adaptation, technology and financing.

GOAL #9: An international climate change regime that provides opportunities for developing countries in the adoption of technology transfer and low-carbon growth.

North American Approaches to Climate Change

GOAL #10: A constructive and progressive energy and climate change relationship between Canada and the United States.

Adaptation, Risk Reduction and Resilience

GOAL #11: Adaptation metrics able to assess, monitor and prioritize proposed efforts to reduce vulnerability to climate change are available to and understood by development practitioners in developed and developing countries, contributing to a significant increase in the implementation of sustainable measures that support adaptation to climate change.

GOAL #12: Decision-makers routinely consider and integrate the consequences of a changing physical climate into the formulation and implementation of development policies, thereby facilitating adaptation to climate change.

GOAL #13: A reduction in the risk that climate change poses to political and economic stability.

Communicating the Value of Ecological Goods and Services (EGS)

GOAL #14: Lake Winnipeg – that a strategic management plan for the Lake Winnipeg Watershed is developed based on EGS principles.

GOAL #15: Ecohealth – Human health and well-being is improved through EGS investments.

Environmental Management for Peace and Security

GOAL #16: Environmental management is effectively integrated into peacebuilding assessments, mandates and operations, and reinforced by international development and environmental governance.

GOAL #17: Conflict-sensitive conservation and environmental management are widely implemented in conflict-affected and conflict-prone regions.

Transparency and Accountability: The Role of Reporting Services

GOAL #18: To ensure the availability of neutral, trusted, timely and accessible information and analysis at the international/multilateral level that strengthens policy formulation processes; to improve transparency and accountability in intergovernmental negotiations and a level playing field of information.

GOAL #19: Provide a “one-stop shop” of intelligence, news and analysis that fosters informed policy formulation in critical areas such as climate change and, potentially, one or more other topics such as water and energy.

GOAL #20: Closer cooperation and collaboration among policy-makers and other stakeholders in key multilateral environmental agreements, leading to better mutual understanding and improved policy formulation.

GOAL #21: Stronger, better-informed policy formulation processes at the regional levels. This includes fostering transparency and accountability, building communities and improved knowledge management systems at the regional level.

GOAL #22: To contribute in a meaningful way to IISD's wider goals and other programs.

Global Connectivity

GOAL #23: The Internet (and its related technologies and services) is harnessed by Internet policy and sustainable development stakeholders, working together to support transitions to greener economies and more sustainable societies.

GOAL #24: Critical mass of institutions and individuals working toward sustainable development is secured, through the promotion, support and evaluation of new models of Information and Communication Technology-enabled multiple stakeholder collaboration, learning and action.

GOAL #25: The next generation of leaders, in Canada and internationally, is prepared to think and act for sustainable development, using approaches that capitalize on a more connected world.

Accountability for a Sustainable Economy

GOAL #26: The role of accountability in a sustainable economy is clearly established and new accountability mechanisms are in place for the 21st century.

GOAL #27: To bring about a significant improvement in the level of compliance with and enforcement of agreed environmental standards, measures and rules in international organizations and conventions.

GOAL #28: To secure priority political attention to the need to set clear and measurable sustainability targets at the national and subnational levels and to implement robust accountability measures to ensure their realization.

2013-2014 marks the end of an exciting thematic phase for IISD. Our new strategic plan is informed by the changing sustainable development landscape, and builds upon our strengths moving ahead.

iisd International Institute for Sustainable Development Institut international du développement durable

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of
The International Institute for Sustainable Development

The accompanying summary consolidated financial statements, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of operations and changes in unrestricted net operating assets for the year then ended and related notes, are derived from the audited consolidated financial statements of the International Institute for Sustainable Development for the year ended March 31, 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our reports dated June 25, 2014. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by Canadian Generally Accepted Accounting Principles. Reading the summary financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Institute.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with criteria determined by the Board of Directors.

Auditor's responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the International Institute for Sustainable Development for the year ended March 31, 2014, is a fair summary of those consolidated financial statements, in accordance with the criteria noted above.



Chartered Accountants

Winnipeg, Manitoba
June 25, 2014

Deloitte.

Deloitte LLP
360 Main Street
Suite 2300
Winnipeg MB R3C 3Z3
Canada
Tel: (204) 942-0051
Fax: (204) 947-9390
www.deloitte.ca

Consolidated Statement of Financial Position

March 31, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 2,236,082	\$ 974,234
Marketable securities	6,657,397	4,878,659
Accounts receivable	15,627,814	13,928,508
Prepaid expenses and deposits	209,197	137,650
	24,730,490	19,919,051
CAPITAL ASSETS	145,066	210,382
	\$ 24,875,556	\$ 20,129,433
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,692,319	\$ 1,688,273
Deferred revenue	17,323,077	12,109,946
	19,015,396	13,798,219
COMMITMENTS		
NET ASSETS		
Net assets invested in capital assets	145,066	210,382
Reserve for program development	3,503,659	4,085,437
Innovation Fund	-	9,972
Campaign Fund	-	10,529
Unrestricted net operating assets	2,211,435	2,014,894
	5,860,160	6,331,214
	\$ 24,875,556	\$ 20,129,433

Consolidated Statement of Operations and Changes in Unrestricted Net Operating Assets

For the Year Ended March 31, 2014

	2014	2013
REVENUE		
Designated grants	\$ 14,687,207	\$ 13,981,637
Operating grants	1,463,164	2,491,130
Innovation Fund	11,213	21,550
Interest	123,936	130,491
Other revenue (expense)	804,476	(185,530)
TOTAL REVENUE	17,089,996	16,439,278
EXPENSES		
Projects		
Trade and Investment	6,440,475	4,760,721
Reporting Services	3,409,797	3,916,714
Climate Change and Energy	1,420,841	2,861,912
Natural and Social Capital	1,376,276	1,587,618
Leadership and Learning	70,791	582,811
New Project Development	1,283,699	291,682
Innovation Fund	11,214	21,550
	14,013,093	14,023,008
Corporate and Shared Services	3,527,456	3,308,958
TOTAL EXPENSES	17,540,549	17,331,966
EXCESS OF EXPENSES OVER REVENUE	(450,553)	(892,688)
APPROPRIATION TO UNRESTRICTED NET OPERATING ASSETS		
Net assets invested in capital assets	65,316	54,115
Reserve for program development	581,778	264,493
INCREASE (DECREASE) IN UNRESTRICTED NET OPERATING ASSETS	196,541	(574,080)
UNRESTRICTED NET OPERATING ASSETS, BEGINNING OF YEAR	2,014,894	2,588,974
UNRESTRICTED NET OPERATING ASSETS, END OF YEAR	\$ 2,211,435	\$ 2,014,894

Note on Funding Arrangements

Designated grants | IISD receives funding from a variety of public and private sources to finance specific projects relating to its strategic objectives. Projects may carry on over more than one year. The related designated grants are recorded when the funding commitment is made and recognized in revenue as the projects progress. A comparative summary of designated grant funding committed during the year is as follows:

	Funding Commitments	
	2014 (\$000's)	2013 (\$000's)
Governments and agencies		
Canada	\$ 4,079	\$ 2,263
International	9,582	10,209
	13,661	12,472
United Nations agencies	1,278	643
International organizations	946	1,432
Philanthropic foundations	1,220	898
Private sector and other	2,043	1,068
	\$ 19,148	\$ 16,513

Designated grants and other revenue are summarized by activity area as follows. Other revenue includes publication sales, honorariums and, in the case of Corporate and Shared Services the net foreign exchange gain recognized at March 31, 2014 in the amount of \$665 thousand (2013 – \$219 thousand loss):

Activity Area	Other Revenue (\$000's)	Innovation Funds (\$000's)	Designated Grants (\$000's)	2014 Total (\$000's)
Trade and Investment	\$ 74	\$ -	\$ 7,049	\$ 7,123
Reporting Services	4	-	3,739	3,743
Climate Change and Energy	35	-	1,452	1,487
Natural and Social Capital	13	-	1,699	1,712
Leadership and Learning	-	-	55	55
New Project Development	9	-	693	702
Corporate and Shared Services	669	-	-	669
	804	-	14,687	15,491
Innovation Fund	-	11	-	11
	\$ 804	\$ 11	\$ 14,687	\$ 15,502

Note on Funding Arrangements (Continued)

Innovation Fund | In 2005 the Board of Directors established the IISD Innovation Fund. Contributions received from donors from inception up to March 31, 2014 of \$483 thousand, were used in developing new ideas for a better world and to meet the needs of the future. Grants of \$483 thousand have been awarded to specific Innovation Fund projects over the past number of years. The Innovation Fund balance at March 31, 2014 is \$nil (2013 - \$10 thousand).

Campaign Fund | In 2007 the Board of Directors initiated a fundraising campaign that closed during the current year. Contributions received from donors since inception up to March 31, 2014 of \$1.306 million were used for projects involving young professionals in sustainable development, climate change-related initiatives, community initiatives and other program needs. Grants of \$1.306 million have been awarded to specific projects over the past number of years, which met the campaign criteria. The Campaign Fund balance at March 31, 2014 is \$nil (2013 - \$10 thousand).

Operating Grants | IISD has funding agreements with the Government of Manitoba and the International Development Research Centre (IDRC) for six and five year periods ending March 31, 2019 and March 31, 2018 respectively. Both of these agreements provide for a blend of operating grants and contributions in support of research that is consistent with the interests and priorities of these funders. March 2013 the IDRC agreement was amended to extend it for five years to March 31, 2018 for a total of \$5 million over the extension period. August 2013, the Government of Manitoba's agreement was renewed for a further six years for a total of \$6 million over the term of the agreement. In addition, an agreement with the Ministry of Foreign Affairs of Denmark for 2013–2014 provided for a core contribution of \$339 thousand (1,760,000 DKK) and is included in revenue for the year.

A summary of the operating grant funding is as follows:

	Funding Commitment (\$000's)	Funding Recorded		Funding Commitment Remaining (\$000's)
		2014 (\$000's)	Prior years (\$000's)	
Government of Manitoba	\$ 4,347	\$ 724	\$ -	\$ 3,623
International Development Research Centre	2,000	400	-	1,600
Ministry of Foreign Affairs of Denmark	339	339	-	-
Operating grant revenue	\$ 6,686	\$ 1,463	\$ -	\$ 5,223

Consolidated Schedule of Operations By Activity Area (\$000's)

For the Year Ended March 31, 2014

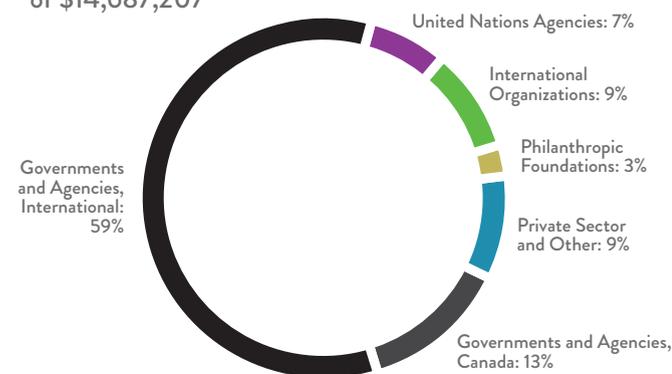
The following table summarizes expenses incurred in each of the IISD's activity areas:

	Trade and Investment	Reporting Services	Climate Change and Energy	Natural and Social Capital	Leadership and Learning	New Projects	Innovation Fund	Corporate and Shared Services	2014 Total	2013 Total
Revenue	\$ 7,123	3,743	1,487	1,712	55	702	11	669	\$ 15,502	\$ 13,818
Personnel	3,360	888	949	867	69	377	8	2,108	8,626	8,581
Board - Expenses	-	-	-	-	-	-	-	118	118	107
Travel	559	1,029	134	89	1	79	-	125	2,016	2,152
Publishing	198	7	35	23	1	26	-	37	327	255
Consulting	1,692	1,318	247	348	1	664	3	70	4,343	4,327
Meetings	498	-	40	31	(1)	17	-	36	621	367
Supplies and Other	98	61	7	13	-	21	-	268	468	579
Research Material	11	-	2	1	-	-	-	44	58	41
Telecommunications	16	38	5	3	-	5	-	112	179	207
Office Rent	-	66	-	-	-	95	-	542	703	615
Amortization	8	3	2	1	-	-	-	67	81	101
Total expenses	6,440	3,410	1,421	1,376	71	1,284	11	3,527	17,540	17,332
Excess of revenue (expenses) over designated grants and other revenue	\$ 683	\$ 333	\$ 66	\$ 336	\$ (16)	\$ (582)	\$ -	\$ (2,858)	\$ (2,038)	\$ (3,514)
Excess of expenses over designated grants funded by:										
Operating grants									1,463	2,491
Interest									124	130
Excess of expense over revenue									\$ (451)	\$ (893)

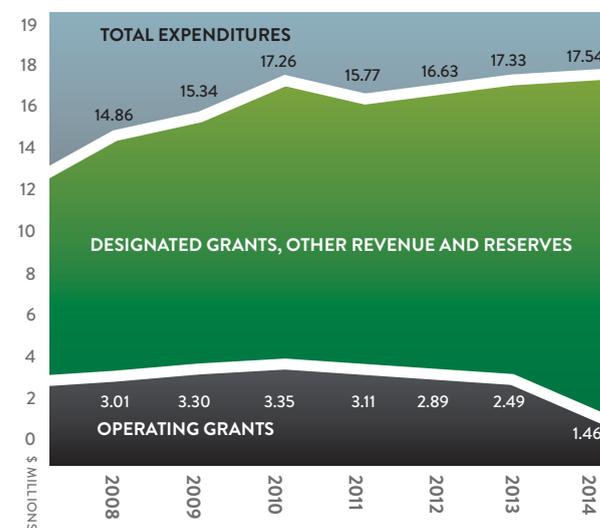


2013–2014 Designated Grant Revenue by Donor

Total designated grant revenue of \$14,687,207



2008–2014 IISD Financing Trend



Consolidated Schedule of Designated Grants Committed (\$000's)

For the Year Ended March 31, 2014

Government of Canada (and Agencies)		
International Development Research Centre (IDRC)	\$	1,886
Department of Foreign Affairs, Trade and Development (DFATD)		1,098
Environment Canada		220
Agriculture and Agri-Food Canada		28
Aboriginal Affairs and Northern Development Canada		12
Natural Resources Canada		7
		3,251
Governments of provinces		
Ontario		506
Manitoba		296
Quebec		16
Nova Scotia		6
Newfoundland and Labrador		4
		828
Governments of other nations		
European Union		2,812
Switzerland		
Swiss Agency for Development and Cooperation (SDC)		1,182
State Secretariat for Economic Affairs (SECO)		1,142
Federal Office for the Environment (FOEN)		203
Federal Department of Foreign Affairs		63
Federal Office for Agriculture (FOAG)		12
		2,602
Denmark		
Danish Ministry of Foreign Affairs		1,630
Germany		
Federal Ministry for the Environment (BMU)		114
Bundesverband Deutscher Pflanzenzüchter e.V. (BDP)		2
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)		790
		906
Norway		
Norwegian Agency for Development Cooperation (Norad)		376
Ministry of Foreign Affairs		211
Ministry for the Environment		46
Directorate for Nature Management		28
		661
Sweden		
Swedish International Development Cooperation Agency (SIDA)		320
United Kingdom		
Foreign & Commonwealth Office (FCO)		160
New Zealand		
Ministry of Foreign Affairs and Trade		129

Consolidated Schedule of Designated Grants Committed (\$000's) (Continued)

For the Year Ended March 31, 2014

Finland			
Ministry of Foreign Affairs	95		
Ministry of Agriculture and Forestry	26	121	
Japan			
Institute for Global Environmental Strategies (IGES)	75		
Japan Water Forum	22	97	
Taiwan			
Taiwan Economic and Cultural Office (TECO)		53	
Korea			
Ministry of Environment	24		
Ministry of Foreign Affairs	16	40	
Hungary			
Ministry of Rural Development		32	
Belgium			
Environment, Energy and Mobility		19	
		9,582	
United Nations agencies			
United Nations Environment Programme (UNEP)		\$ 732	
United Nations Framework Convention on Climate Change (UNFCCC)		175	
United Nations Food and Agriculture Organization (FAO)		169	
Permanent Mission of Turkey to the United Nations		82	
United Nations Industrial Development Organization (UNIDO)		35	
United Nations Centre for Regional Development (UNCRD)		26	
United Nations Economic Commission for Europe (UNECE)		20	
United Nations Office at Geneva (UNOG)		15	
United Nations Development Programme (UNDP)		14	
Others (under \$10,000)		10	
		1,278	
International organizations			
World Bank		\$ 166	
International Council on Mining and Metals (ICMM)		132	
Global Environment Facility (GEF)		80	
Intergovernmental Panel on Climate Change (IPCC)		60	
Center for International Forestry Research (CIFOR)		59	
International Renewable Energy Agency (IRENA)		55	
African Development Bank		48	
Inter-American Development Bank		46	
Commonwealth Secretariat		44	
Nordic Council of Ministers		41	
International Hydropower Association		39	
International Institute for Environment and Development (IIED)		31	
European Federation for Transport and Environment (T&E)		31	

Consolidated Schedule of Designated Grants Committed (\$000's) (Continued)

For the Year Ended March 31, 2014

Institute for Advanced Sustainability Studies Potsdam (IASS Potsdam)		30	
Rights and Resources Initiative		26	
Caribbean Community Secretariat (CARICOM)		16	
Red Cross/Red Crescent Climate Centre (RCCC)		14	
Asian Development Bank		10	
Others (under \$10,000)		18	
		946	
Philanthropic foundations			
Mava - Fondation Pour La Nature	\$	592	
Rockefeller Brothers Fund (RBF)		210	
Conservation International Foundation		139	
United Way of Winnipeg		88	
The Winnipeg Foundation		60	
The RBC Blue Water Project		50	
The Gail Asper Family Foundation Inc.		31	
Walter and Duncan Gordon Foundation		20	
TD Friends of the Environment Foundation		15	
The Thomas Sill Foundation Inc.		10	
Others (under \$10,000)		5	
		1,220	
Private sector and other			
Manitoba Hydro	\$	1,120	
IVL Swedish Environmental Research Institute		265	
Sustainable Development Strategies Group (SDSG)		194	
Tokyo Institute of Technology		102	
Makerere University		63	
Yukon College		48	
Oxfam Novib		47	
HSBC Bank PLC		36	
North/South Consultants Inc.		20	
Economic Development Winnipeg Inc.		20	
Shell Canada		20	
Berkman International Inc.		14	
Saudi Arabian Oil Company		14	
MDF Associates Inc.		13	
Friends of the Earth Europe		12	
Enbridge		10	
Suncor		10	
TransCanada Corporation		10	
Others (under \$10,000)		25	
		2,043	
	\$	19,148	



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