

**Stiftelsen The Stockholm Environment Institute**

Org nr 802014-0763

## **ANNUAL REPORT 2014**

1 January – 31 December 2014

# Contents

---

<b><i>SEI Director's Report 2014</i></b>	<b>4</b>
Operations	4
Key events during the year and after the year end	5
Expected future development	6
Environmental impact	7
Human resources	7
Significant risks and uncertainties	8
<b><i>Financials</i></b>	<b>9</b>
Income Statement	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the financial statements	13
<b><i>Communication achievements in 2014</i></b>	<b>21</b>
Communication highlights in summary	22
Events	22
SEI publications	25
SEI's innovative annual report	26
SEI website statistics	26
Media coverage	28
Climate and Development journal	28
SEI on Twitter	29
<b><i>SEI Stockholm Centre Director's Report 2014</i></b>	<b>30</b>
Summary assessment of major developments in the centre in 2014	30
Staff and financial situation	31
Short description of selected projects/activities	32
Brief outlook for 2015	34
<b><i>SEI Asia Centre Director's Report 2014</i></b>	<b>35</b>
Major developments in 2014	35
Staffing, organization, and financial situation	36
Selected projects and activities	36
Brief Outlook for 2015	40
<b><i>SEI York Centre Director's Report 2014</i></b>	<b>42</b>
Major developments in the Centre in 2014	42

Staff, centre organization and financial situation _____	43
Brief description of selected projects/activities _____	44
Brief outlook for 2015 _____	45
<b><i>SEI Africa Centre Director's Report 2014</i></b> _____	<b>47</b>
Major developments in SEI Africa in 2014 _____	47
Staff, Organisation and Financial Situation _____	47
Selected Projects _____	48
Brief Outlook for 2015 _____	49
<b><i>SEI Oxford Centre Director's Report 2014</i></b> _____	<b>51</b>
Major developments at SEI Oxford in 2014 _____	51
Staff, centre organization and financial situation _____	51
Short description of selected projects/activities _____	52
Brief outlook for 2015 _____	55
<b><i>SEI US Centre Director's Report 2014</i></b> _____	<b>57</b>
Major developments at SEI-US in 2014 _____	57
Staff, Centre organization and financial situation _____	57
Selected projects/activities by SEI research area _____	59
Brief Outlook for 2015 _____	61
<b><i>SEI Tallinn Centre Director's Report 2014</i></b> _____	<b>62</b>
Major developments in the centre in 2014 _____	62
Staff, centre organization and financial situation _____	62
Selected activities and projects _____	64
Brief Outlook for 2015 _____	68

## SEI Director's Report 2014

### Operations

The Stockholm Environment Institute (SEI) is an international and independent non-profit research institute established in 1989 by the Swedish Government. SEI's vision is *"A sustainable, prosperous future for all"* and our mission is *"To support decision making and induce change towards sustainable development around the world by providing integrative knowledge that bridges science and policy in the field of environment and development"*. SEI is a distributed institute, with centres or offices in Bangkok (Thailand), Boston, Davis and Seattle (USA), Oxford (UK), Stockholm (Sweden), Tallinn (Estonia), York (UK) and Nairobi (Kenya). The combined centres include close to 200 staff members.

SEI carries out integrated policy oriented research on environment and development, tackling overarching systems issues like climate change, energy systems, vulnerability and governance, as well as specific challenges related to water resources, air pollution, urbanization, sustainable consumption and production etc. The systems approach includes increasingly integrations across sectors and issues, such as the Water-Food-Energy Nexus research, applied from a global to a local scale and understanding resources flows through trade and producer to consumer chains. The environment-development interactions and interdependences are at the centre of SEI's work.

SEI's four integrated research themes represent different perspectives on sustainable development and serve as cross-centre platforms for synthesis, learning, exchange, and leadership:

- **Managing Environmental Systems** is concerned with the interaction between natural resources and human development, and how to make viable and sustainable choices in environmental systems as they link to social systems.
- **Reducing Climate Risk** is concerned with pathways to high-efficiency; low-carbon energy systems; the role of carbon markets and bio-resources; vulnerability analysis and adaptation planning; and the integration of adaptation and disaster risk reduction into development plans.
- **Transforming Governance** is concerned with political and social change and the building of institutions at all levels in order to empower stakeholders and build their capacity, improve policy, build resilience, and transform society for sustainability.
- **Rethinking Development** examines the unfolding of a future of growing uncertainty, in which environmental factors have begun to bring about serious social, economic and geopolitical changes.

The themes generate and develop new research ideas and identify challenges that our work should address, while the theme leadership functions as an institute-wide collective that, together with the Research Director and Policy Director, guides the development of research and enhances its quality and relevance.

SEI also has a number of signature tools and platforms, such as:

- LEAP: Supporting innovation in energy planning and climate mitigation.
- REAP: Unravelling the implications of consumption across scales and jurisdictions.
- WEAP: Managing water for social development and environmental protection.
- weADAPT: Brokering knowledge and developing capacity on climate adaptation.

These tools form an important part of SEI's capacity development capacities and offer direct support to decision-makers at various scales around the world.

## Key events during the year and after the year end

For SEI as a whole, 2014 continued to be a year of progressive development and growth. SEI's core financial sustainability continued to strengthen through increased support from the Swedish government through Formas (from SEK 27 million in 2013 to SEK 28 million in 2014), and through an amendment (in late 2013) by Sida, providing an additional SEK 4,8 million in addition to the annual SEK 25 million provided through the 2011-2014 Sida Programme Support. These increases made it possible to continue to invest resources in key strategic research areas as well as some core functions of the institute (leadership, management and organization). The additional funding from Sida enabled further investments in strategic research collaborations in Southern Africa (SADC) and East Africa (Water-Food-Energy nexus in Ethiopia) as well as capacity building related to climate science (write-shop held in Nairobi). The government core support also included SEK 7 million dedicated to co-financing, which has enabled SEI to enter into research programmes requiring such funds while at the same time strengthening SEI's financial sustainability, not least at the centre level.

The negotiations for a new, long-term collaborative agreement with Sida were initiated in 2014. A tentative agreement was reached in December, which would further strengthen Sida's support to the organization through a five year core support agreement with an annual contribution of SEK 35 million. This support is the key enabler of the SEI initiatives and thus plays a fundamental role in the further development of SEI's science to policy capacity, not least from a development perspective.

The turnover of SEI global (pro forma) in 2014 was SEK 163 million, of which the SEI Foundation accounts for SEK 121 million. The final result of SEI global (pro forma) was SEK +2,4 million, of which the SEI Foundation SEK +1,7 million. The results in 2014 are very strong seen from a historical perspective.

The organization also continued to grow in terms of number of staff, from 181 in 2013 to 193 in 2014 (from 153 FTE in 2013 to 166 FTE in 2014). One leadership change occurred in 2014, with the recruitment of Michael Lazarus as the new Centre Director at SEI-US.

The SEI Board met four times in 2014, with the annual more extensive meeting held at SEI US in Boston in September. This Board meeting also included a presentation by researchers at the centre as well as a seminar in collaboration with Tufts University. The Science Advisory Council met once in 2014, in conjunction with SEI's 25<sup>th</sup> Anniversary in October.

SEI places great emphasis on transparency along with independence and scientific rigour. For the second consecutive year SEI received the highest possible 5-star rating in the 2015 report published by Transparify. SEI was among just eight European institutions to receive a 5-star rating.

Based on our work in 2014, SEI has been ranked as the 2<sup>nd</sup> most influential environment think tank in the world, according to the Global Go To Think Tank Index. The index is based on an assessment of more than 6,500 think tanks, and is published in the 2014 Global Go To Think Tank Index Report, compiled annually by the University of Pennsylvania's Think Tanks and Civil Societies Program.

### *The new SEI Strategy outlines the strategic directions*

A key SEI wide development process in 2014 was the preparation of the new 2015-2019 SEI Strategy (to be launched in February 2015 – see <http://www.sei-strategy.org>). The strategy was developed through a consultative process, involving all SEI staff as well as discussions with key boundary partners. It has also included consultations with the SEI Board, who formally adopted the new strategy at their meeting in December 2014, as well as with the Science Advisory Council.

### *Reaching the objectives*

This Annual Report presents examples of the research activities and outcomes of the SEI global institute and provides evidence of how The Foundation fulfils its objectives according to its statutes:

“The primary objective of the Foundation shall be to initiate, carry out and disseminate studies and other research on the assessment and development of technologies, policies and related environmental management techniques and strategies for an environmentally sustainable development of society. Within its field of activities, the Foundation shall co-operate with organizations, public authorities, institutions, companies and individuals world-wide.”

The SEI Foundation has in 2014 contributed to reaching the objectives as above primarily in three ways:

- Through cooperation and interaction with Swedish and other government authorities, institutions and agencies (e.g. Ministry of Environment, Ministry of Foreign Affairs, Sida, UN agencies, etc);
- Through projects where specific issues and questions were addressed;
- Through intensified co-operation within the SEI global organization itself and strengthening of its research capacity and competence in fields of importance as and where they are recognized.

The objectives as described in the statutes are operationalized through the SEI Strategy, which is the main guiding document for the Institute.

More information on SEI’s work and key activities in 2014 is provided under the sections on communications and under the respective SEI centres. SEI’s broader communications work, not least, serves as a way to illustrate the extensive breadth of SEI’s projects and activities.

## Expected future development

The outlook for 2015 is a year of continued financial stability and moderate growth. The core support from the Swedish government through Formas is maintained at the same level as 2014 at SEK 28 million, and the new expected agreement with Sida provides a platform for further development of SEI’s science to policy capacity. A number of projects funded through the EU Horizon 2020 funding programme have been secured and will be initiated during the year.

### *Strategy development and continued growth*

The strategy outlines SEI’s strategic goals in seven areas with the following overarching objectives:

- **Scientific Research:** To enhance the quality and impact of our problem and solution driven scientific research.
- **Policy Engagement:** To provide effective decision support and engage in key policy arenas
- **Capacity Development:** To strengthen the capacity of individuals, organizations and institutions to make decisions that promote sustainable development
- **Communications:** To produce and share knowledge more effectively, in partnership with decision-makers.
- **Tools, Platforms, and ICT:** To advance the technical development, accessibility, and application of our tools, platforms, and ICT environment.
- **Organization and Finance:** To be a diverse, attractive, and financially robust organization where the best researchers and professionals can thrive.
- **Monitoring and Learning:** To be a learning organization that – alongside our partners – continuously takes stock and learns from experience to deliver ever better results.

Under each area, a number of goals have been defined, which will be assessed annually at an institutional level as well as from the respective centres. In order to streamline reporting and facilitate the assessment of progress, a working group within SEI has developed a Results Based Framework. Templates for centre-level annual work programmes as well as annual reports have also been prepared.

From 2015, SEI will invest institutional resources in research on key issues around sustainable development that we are particularly well placed to address. The SEI Initiatives, which were identified through a competitive, bottom-up process in 2014 as part of the strategy development process, will function as hubs for research supported by both core and project funding. They should also support SEI's further development and growth and catalyse additional, external funding as well as further recruitments. Eight initiatives are in the pipeline to start operate from 2015:

- **The Behaviour and Choice initiative** will examine how to bring about changes in behaviour, choice and decision-making at the (to begin with) household level.
- **The Fossil Fuels and Climate Mitigation initiative** aims to understand the factors that support movement towards and away from fossil fuel development through high quality and timely research.
- **The Low Emission Development Pathways initiative** will study the effects of integrated mitigation of short-lived climate pollutants as well as other air pollution and greenhouse gases, and the realization of multiple benefits.
- **The Climate Finance initiative** aims to untangle key controversial issues that have emerged as impediments to the mobilization, delivery and scaling up of climate finance.
- **The Producer to Consumer Sustainability initiative** aims to understand the sustainability implications of the evolving trade, production and consumption patterns of major traded commodities in an increasingly resource-scarce and globalized world.
- **The Transforming Development and Disaster Risk Reduction initiative** will connect disaster risk reduction (DRR) with inclusive, equitable and sustainable development.
- **The Water, Energy and Food Nexus initiative** will apply a nexus toolkit to address interconnected water, energy and food development challenges at different levels.
- **The Sustainable Sanitation initiative** will seek to inject new momentum into the search for sustainable ways to boost sanitation provision in low- and middle-income countries through new research, knowledge exchange, capacity building and advisory services.

## Environmental impact

The aim of the SEI environmental policy is to carry out our work as sustainably as possible, aiming to minimize our own negative impact on the environment. This includes aspects such as reducing carbon footprint by switching to more environmentally friendly modes of travel and using video conferencing and other communication technologies wherever possible.

We also aim to reduce waste, energy and water consumption in our office buildings. An example of this in 2014 has been the installation of energy saving measures in the SEI Stockholm and HQ office lighting.

The SEI Stockholm and HQ office is as of December 2013 located in the office building Garnisonen in Stockholm, which has recently received a gold rating according to the rating system LEED (Leadership in Energy and Environmental Design). LEED is an international rating system which classifies buildings according to energy efficiency, waste management, infrastructure and management.

## Human resources

### *Salary survey/mapping*

During 2014, in accordance with Swedish labor laws, a salary survey was carried out of all staff employed at HQ and the Stockholm Centre. The objective was to detect, correct and prevent unfair salary differences that are directly or indirectly related to gender. The survey was done jointly with the Stockholm Centre Staff Union.

### *Monitoring and adjustment of work environment*

The relocation of the Stockholm Centre and HQ in December 2013 was a major change of the work environment. During 2014, the activity based office setting was monitored and followed up, so that the office is adjusted to the needs of the organization.

### *Global staff survey*

In collaboration with the global SEI staff representatives, SEI Management completed a global staff survey, with the objective to get all staff members' opinion on how the organization is functioning and areas for further improvements. The result of the survey was presented to all staff, followed by internal workshops at all centers with identified prioritized areas for all centers to improve.

### *Implementing the HR system*

The implementation of the new HR system that was procured during 2013 continued in 2014, with the introduction of a new recruitment system that improved the recruitment processes.

## **Significant risks and uncertainties**

The main risk affecting SEI's sustainability, which has been recognized and is handled operationally and strategically by SEI Management, is the relatively high dependence on funding provided by the Swedish Government. The increased collaboration with the Swedish Government is at the same time regarded a strength.

The activities of SEI are exposed to currency risks related to fluctuations in expected and contracted payments in projects, but on the whole the financial risks are relatively low.

Apart from the above, risks are mainly addressed in regular operations through appropriate risk management procedures in project planning and implementation.



## Financials

The SEI Stockholm Centre, in addition to its function as a centre, is also the headquarters of the Institute as a whole and a head office for the SEI Foundation. The SEI Foundation includes SEI Stockholm, SEI Asia, SEI Africa and the subsidiary SEI Oxford Office Ltd (registered in UK under company No. 4404220, not consolidated). The global institute also includes SEI Tallinn (The Estonian Institute for Sustainable Development, established in 1992 and registered in Estonia as an independent non-profit foundation with reg. No. 90000966), SEI US (Stockholm Environment Institute U.S., Inc. registered 2006 in Massachusetts with EIN 20-4659308 as a 501c3 non-profit organization) and SEI York (Environment Department, The University of York).

The financial reports on the following pages refer to the SEI Foundation only, registered in Stockholm under the organization number 802014-0763 (see also the notes to the financial statements). The Foundation recorded the net result for the year 2014 at SEK 1 667 245. The net income, after adjustments made according to the tax return legislation, will be applied against the accumulated deficit (i.e. no taxable income for the 2014 income year).

The annual core grant from the Swedish Government was in 2014 increased to SEK 28 million (from SEK 27 million in 2013) and is maintained at the same level in 2015. In 2014 a total of SEK 7 million (SEK 5 million in 2013) of the annual core grant was specifically allocated to co-funding of research activities and projects.

In 2014 SEI invested in new equipment (computers and furniture) at a total acquisition value of SEK 999 311. No extraordinary investments are expected in 2015 apart from some investments in the SEI website.

### Appropriation of accumulated results (amounts in SEK)

The equity of the SEI Foundation at the beginning of 2014:	13 131 265
Net profit for the year 2014:	<u>1 667 245</u>
Final balance:	14 798 510

<b>KEY FIGURES</b>					
<i>SEK million and Number of staff</i>					
<b>SEI Foundation</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Turnover	121,2	107,9	100,8	102,0	108,6
Net Income	1,7	3,1	-0,1	0,8	0,7
Equity	14,8	13,1	10,0	10,1	9,3
No. of staff end of period	98,0	87,0	72,0	74,0	89,0
<b>SEI Global Research Institute (pro forma, not consolidated)</b>					
Turnover	163,5	150,1	139,1	138,6	149,6
No. of staff end of period	193	181	164	168	177
Swedish Government Grant as % of turnover	17%	18%	12%	9%	8%

## Income Statement

<i>Amounts in SEK</i>	<i>Note</i>	<i>2014-01-01 - 2014-12-31</i>	<i>2013-01-01 - 2013-12-31</i>
Government grant		28 000 000	27 000 000
External project funding	2	92 654 952	79 924 457
Sundry income	3	568 244	960 692
<b>Total income</b>		<b>121 223 196</b>	<b>107 885 149</b>
Personnel costs	4	-53 970 870	-46 673 149
Travel costs		-1 092 545	-925 015
External costs in projects	5	-53 208 438	-46 124 613
Other costs	5	-11 237 644	-10 959 327
Depreciation	6	-1 014 503	-839 995
<b>Operating profit/loss</b>		<b>699 197</b>	<b>2 363 050</b>
<b><i>Result from financial investments</i></b>			
Interest income and similar profit items		989 472	884 055
Interest expense and similar loss items		-21 424	-138 876
<b>Profit after financial items</b>		<b>1 667 245</b>	<b>3 108 229</b>
<b>Net Profit for the year</b>		<b>1 667 245</b>	<b>3 108 229</b>

## Balance Sheet

Amounts in SEK	Note	2014-12-31	2013-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Tangible assets</i>			
Furniture and office equipment	6	2 274 148	2 289 340
		2 274 148	2 289 340
<i>Financial assets</i>			
Investments in group companies	7	1 439	1 439
Other long term receivables	8	1 250 000	1 250 000
		1 251 439	1 251 439
<b>Total fixed assets</b>		<b>3 525 587</b>	<b>3 540 779</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Accounts receivable, customers		2 792 402	1 882 944
Other receivables	9	1 108 824	1 097 884
Prepaid expenses and accrued income	10	4 347 339	566 343
		8 248 564	3 547 171
<b>Cash and bank balances</b>		<b>52 578 775</b>	<b>59 899 628</b>
<b>Total Current assets</b>		<b>60 827 339</b>	<b>63 446 799</b>
<b>TOTAL ASSETS</b>		<b>64 352 925</b>	<b>66 987 578</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Balance brought forward		13 131 265	10 023 036
Profit for the year		1 667 245	3 108 229
		14 798 510	13 131 265
<i>Current liabilities</i>			
Advance payments	11	36 008 263	38 315 217
Accounts payable, suppliers		5 052 957	6 786 150
Liabilities, SEI Centers/affiliated companies abroad	12	2 923 763	1 566 700
Other liabilities		2 192 227	1 393 624
Accrued expenses and deferred income	13	3 377 204	5 794 622
		49 554 415	53 856 313
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>64 352 925</b>	<b>66 987 578</b>
<b>Pledged assets and contingent liabilities</b>			
<b>Pledged assets</b>			
Floating charge		1 000 000	1 000 000
<b>Contingent liabilities</b>			
	14	—	—

## Cash Flow Statement

<i>Amounts in SEK</i>	<i>2014-01-01 - 2014-12-31</i>	<i>2013-01-01 - 2013-12-31</i>
Net profit/loss from operations	1 667 245	3 108 229
Non-cash items (depreciation) 6	1 014 503	839 995
<b>Net cash generated (used) in operating activities before changes in operating assets &amp; liabilities</b>	<b>2 681 748</b>	<b>3 948 224</b>
Increase (-) / decrease (+) in short-term receivables	-4 701 393	3 471 258
Increase (+) / decrease (-) in short-term liabilities	-4 301 898	18 894 663
<b>Cash flow before investments</b>	<b>-6 321 543</b>	<b>26 314 145</b>
<b>Investing activities</b>		
Deposited as collateral with the landlord 8	–	-1 250 000
Capital expenditures (acquisition of equipment) 6	-999 311	-2 211 688
Proceeds from the sale of equipment	–	–
<b>Net cash provided by investing activities</b>	<b>-999 311</b>	<b>-3 461 688</b>
<b>Net cash flow after investing &amp; financing activities:</b>	<b>-7 320 854</b>	<b>22 852 457</b>
<b>Cash at beginning of year</b>	<b>59 899 628</b>	<b>37 047 171</b>
<b>Cash at end of year</b>	<b>52 578 775</b>	<b>59 899 628</b>

## Notes to the financial statements

### Note 1 General accounting principles

The financial statements have been prepared in accordance with BFNAR 2012:1 Annual Report guidelines (K3) issued by the Swedish Accounting Standards Board. Comparative information from 2013 has been calculated without any impact on the income statement or balance sheet.

#### **Accounting currency**

The Annual Report is presented in Swedish kronor (SEK) and the amounts are in SEK unless otherwise stated.

#### **Valuation principles**

Assets and liabilities have been valued at acquisition value if not otherwise stated below.

#### **Revenues**

Successive revenue recognition is applied to all those assignments whose outcome can be satisfactorily calculated. Revenues from assignments carried out on a current account basis are recognized in the income statement at the pace of completion. The degree of completion of an assignment is determined by comparing costs incurred to date with the estimated total contract costs. If it is probable that total assignment costs will exceed total contract revenue, the expected loss is immediately recognized as an expense in full. If there is significant uncertainty regarding payment or associated costs, no revenue is recognized.

#### **Tangible fixed assets**

Tangible fixed assets are recognized as assets if it is probable that economic benefit will accrue at a future date and if the acquisition value of the asset can be measured reliably. Tangible fixed assets are recognized at cost less accumulated depreciation based on estimated economic useful life.

The following principles for depreciation have been used:

Furniture and office equipment	5 years
--------------------------------	---------

#### **Leasing**

All leasing agreements are classified as operational leasing which implies that lease payments are expensed on a straight-line basis over the lease term.

#### **Asset impairment**

The carrying values of the Foundation's assets are reviewed at every closing date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable value is estimated. An impairment loss is charged to the income statement. The recoverable value is the greater of fair market value less costs to sell and value in use.

#### **Income tax**

Income tax is not recognized in the income statement due to remaining deficits from previous years.

#### **Receivables**

Receivables have been individually assessed and are reported at the amount expected to be received.

#### **Receivables and liabilities in foreign currency**

Receivables and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the balance sheet date. Exchange differences arising on translation are recognized in the income statement.

***Employee benefits***

The Foundation's pension plans include both defined contribution pension plans and defined benefit pension plans. Obligations for all pension plans are recognized as expenses in the income statement as incurred.

***Group accounting***

The Foundation, as a parent company to SEI Oxford Office Ltd according to Note 6, does not set up group accounting, applying the 3§, chapter 7 of the Annual Accounts Act. Purchase of services from the subsidiary in 2014 amounted to SEK 3 238 030 (2 076 169), sales to the subsidiary in 2014 amounted to SEK 200 797 (0).

***Estimates and assumptions***

In the preparation of financial statements it is necessary for Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Those estimates and assumptions that can imply a risk for significant adjustments in accounted values are primarily valuation of work in progress in projects.

Incurred events within the Foundation or its environment may make it necessary to revise these estimates and assumptions. On an annual basis a review is made to determine whether there is any indication that the value of assets is lower than the accounted value. In such a case the asset's recoverable value is estimated, equal to the greater of fair market value less costs to sell and value in use.

**Note 2 External project funding**

	2014-01-01		2013-01-01
External project funding received from the following sources:	- 2014-12-31		- 2013-12-31
Swedish International Development Cooperation Agency (Sida)	49 528 462	53,45%	37 667 124
Swedish Research Council for Envir., Agr.Sc. and Spatial Planning (FORMAS)	5 339 689	5,76%	4 331 491
Stiftelsen för miljöstrategisk forskning (Mistra), through SMHI	3 872 334	4,18%	4 042 949
European Commission	3 587 601	3,87%	1 283 454
Blue Moon Fund	2 365 448	2,55%	0
Swedish Civil Contingencies Agency (MSB)	2 306 163	2,49%	1 567 845
United Nations (UNEP, UNESCO, UNOPS, UNU, UNISDR)	2 188 447	2,36%	5 628 899
Riksbankens Jubileumsfond	1 899 801	2,05%	1 416 737
International Livestock Research Institute (ILRI)	1 871 668	2,02%	692 326
Naturvårdsverket (Swedish EPA)	1 652 513	1,78%	1 349 773
Bill & Melinda Gates Foundation	1 452 123	1,57%	2 054 560
World Resources Institute (WRI)	1 433 544	1,55%	0
Nordic Climate Facility (NCF), through NEFCO	1 255 858	1,36%	985 462
European Environment Agency (EEA)	1 237 873	1,34%	1 043 672
Stockholmshem	1 197 082	1,29%	1 015 339
Miljödepartementet (Swedish Ministry of Environment)	1 014 482	1,09%	669 992
NordForsk	925 449	1,00%	2 554 628
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	779 485	0,84%	240 020
SINTEF Energi AS	754 296	0,81%	916 927
International Center for Biosaline Agriculture (ICBA), through SIWI	698 633	0,75%	269 238
Jordbruksverket (Swedish Board of Agriculture)	550 000	0,59%	1 354 782
US AID, through PACT	526 775	0,57%	0
Stiftelsen för miljöstrategisk forskning (Mistra)	504 196	0,54%	-
The National Environment Research Council (NERC), through Univ of Oxford	503 476	0,54%	40 645
SNV Netherlands Development Organization	479 228	0,52%	0
UNEP (CCAC) through Wageningen University	385 349	0,42%	0
AEA Technology plc	377 477	0,41%	0
Nordic Council of Ministers	371 876	0,40%	242 659
The Commonwealth Scientific and Industrial Research Organization (CSIRO)	349 530	0,38%	5 848
Swedish Defence Research Agency (FOI)	335 569	0,36%	229 291
International Water Management Institute (IWMI)	327 624	0,35%	53 611
Södra Skogsägarna ekonomisk förening	312 551	0,34%	0
ECOFYS Netherlands BV	294 960	0,32%	-
Swedish University of Agricultural Sciences (SLU)	273 793	0,30%	223 758
Commonwealth Secretariat	228 266	0,25%	-
USER-Chiang Mai University	192 731	0,21%	0
Asia-Pacific Network for Global Change Research (APN)	86 469	0,09%	-
African Wildlife Foundation (AWF)	80 123	0,09%	-
Swedish Meteorological and Hydrological Institute (SMHI)	79 724	0,09%	-
CGIAR Challenge Program on Water & Food, through AIT	79 079	0,09%	101 116
Swedish Society for Nature Conservation (SSNC)	72 675	0,08%	-
Stockholms universitet	62 160	0,07%	96 940
The Prince of Wales's Charitable Foundation	59 809	0,06%	-
Swedish Secretariat for Environmental Earth System Sciences (SSEESS)	59 467	0,06%	0
The Sustainability Institute	56 950	0,06%	0
KTH Royal Institute of Technology	52 885	0,06%	401 583
CGIAR Challenge Program on Water & Food, through IWMI	49 125	0,05%	1 574 261
Chalmers University of Technology	47 226	0,05%	25 500
VINNOVA - Swedish Governmental Agency for Innovation Systems	45 225	0,05%	428 195
Regeringskansliet (Government Offices of Sweden)	26 976	0,03%	52 167
Other	422 707	0,46%	7 363 665
	92 654 952	100,00%	79 924 457

**Note 3 Sundry income**

	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31
Reimbursement of travel & other expenses	184 766	408 510
Rent & associated costs recovered from affiliated researchers	381 572	551 909
Miscellaneous	1 906	273
	<u>568 244</u>	<u>960 692</u>

**Note 4 Employees and personnel expenses**

	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31
<b>Average number of employees</b>		
Sweden	64	58
<i>(of which men)</i>	51%	52%
Thailand	18	14
Kenya	5	3
<i>(of which men)</i>	46%	64%
Total	<u>87</u>	<u>75</u>
<i>(of which men)</i>	50%	55%

**Board of Directors and Management**

	2014-12-31	2013-12-31
Board of Directors, number of members	7	7
<i>(of which men)</i>	43%	43%
Management Team, number of members	15	15
<i>(of which men)</i>	53%	53%

**Salaries, other remunerations and social fees**

	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31
To the board members and Executive Director	1 032 048	1 032 048
To other employees	36 805 060	33 512 462
Total	<u>37 837 108</u>	<u>34 544 510</u>
Social fees	15 185 239	13 271 655
<i>(of which pension costs)</i>	<i>(4 722 581)</i>	<i>(4 003 055)</i>

SEK 250 038 (previous year 226 411) of the pension costs relate to the Executive Director

**Salaries and other remunerations  
by country**

	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31
Sweden	30 173 980	29 428 115
Thailand	6 079 774	4 167 480
Kenya	1 583 354	948 915
Total	<u>37 837 108</u>	<u>34 544 510</u>

**Terminal Benefit**

The Executive Director is entitled to a severance settlement amounting to one year's salary.



## Note 5 Audit fees and Leasing Agreements

	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31
Audit fee Mazars SET	107 040	98 400
Consultant's fee project audits (Mazars SET & others)	135 050	218 703
	<u>242 090</u>	<u>317 103</u>
<i>Leasing costs</i>	<i>2014-01-01 - 2014-12-31</i>	<i>2013-01-01 - 2013-12-31</i>
Office premises Stockholm	4 036 382	3 114 870
Office premises Bangkok	486 779	453 888
Office premises Nairobi	37 665	–
Copy machines	62 411	103 423
	<u>4 623 237</u>	<u>3 672 181</u>

### *Additional information on leasing agreements*

#### *Office premises Stockholm*

Base office rent is SEK 3 200 000 per year.

In 2014 the cost was reduced by a rebate of SEK 485 000.

Total costs in agreement include heating, cooling, waste disposal, electricity, archive rent, and property tax.

The agreement includes a clause on index regulation, and is valid until 31 December 2018.

At 2014-12-31 contracted nominal future payments are SEK 15 369 024 excl. VAT and index adjustment.

#### *Office premises Bangkok*

Rent is THB 1 874 880 per year (= SEK 445 096).

The agreement is valid until 30 September 2016.

At 2014-12-31 contracted nominal future payments are THB 3 281 040 (= SEK 778 919).

#### *Office premises Nairobi*

Agreement is currently being re-negotiated.

#### *Copy machines*

Agreement SEK 4.248 per month excl. VAT.

The agreement is valid until December 2016.

At 2014-12-31 contracted nominal future payments are SEK 97 704 excl. VAT.

## Note 6 Furniture and office equipment

	2014-12-31	2013-12-31
<i>Gross value</i>		
Opening balance	6 569 190	4 357 502
Acquisitions	999 311	2 211 688
Sale	-70 000	–
Discarded	-8 828	–
	<u>7 489 673</u>	<u>6 569 190</u>
<i>Accumulated depreciation</i>		
Opening balance	-4 279 850	-3 439 855
Sale	70 000	–
Discarded	8 828	–
Depreciation charged	-1 014 503	-839 995
	<u>-5 215 525</u>	<u>-4 279 850</u>
Net book value	<u>2 274 148</u>	<u>2 289 340</u>

## Note 7 Investments in group companies

<i>Companies/corporate identity number/registered office</i>	<i>Nominal value one share</i>	<i>Number of shares</i>	<i>Share (%)</i>	<i>Book value</i>
SEI Oxford Office Ltd, 4404220, Oxford	£1	100	100,0	1 439

## Note 8 Other long term receivables

Deposit according to the contract with SEI's landlord Vasakronan Fastigheter, for the duration of the lease of the office premises (currently until 2018-12-31). The deposited amount will earn interest\* income which belongs to SEI and will be repaid to SEI together with the deposited amount upon termination of the lease.

(\* the amount deposited with Vasakronan's bank account with Handelsbanken, with interest currently STIBOR T/N minus 0,6%)

## Note 9 Other receivables

	2014-12-31	2013-12-31
Preliminary tax paid	973 344	973 344
Other receivables	135 480	124 540
	<u>1 108 824</u>	<u>1 097 884</u>

## Note 10 Prepaid expenses and accrued income

	2014-12-31	2013-12-31
Prepaid rent	1 142 916	–
Advance payments to project partners	2 950 769	419 815
Other prepayments	253 654	146 528
	<u>4 347 339</u>	<u>566 343</u>

**Note 11 Advance payments**

	<i>2014-12-31</i>	<i>2013-12-31</i>
Work in progress, costs incurred	-309 292 682	-265 743 152
Accrued interest revenue on advances (specified per project)	227 502	100 000
Deductible: advance payments	<u>345 073 443</u>	<u>303 958 369</u>
	36 008 263	38 315 217

The balance is reported as a liability, since the advance payments are higher than the accrued income. Interest income, accrued as a general liability on advance payments, is included in Other liabilities.

The advance payments liability includes an amount of SEK 1 774 368 which is part of the Government core grant earmarked for co-funding (SEK 5 million in 2013 and SEK 7 million in 2014) and allocated to projects but not yet fully utilized according to the principles of accrual.

**Note 12 Liabilities, SEI Centers/affiliated companies abroad**

	<i>2014-12-31</i>	<i>2013-12-31</i>
SEI Tallinn	281 706	274 269
SEI US	1 654 806	1 138 427
SEI Oxford	<u>987 251</u>	<u>154 004</u>
	2 923 763	1 566 700

**Note 13 Accrued expenses and deferred income**

	<i>2014-12-31</i>	<i>2013-12-31</i>
Accrued holiday pay	1 364 666	2 614 000
Accrued salaries and social charges	1 658 330	1 457 754
Sundry accruals	<u>354 208</u>	<u>1 722 868</u>
	3 377 204	5 794 622

**Note 14 Contingent liabilities**

According to the agreement\*) signed with The University of York, describing the cooperation between SEI Foundation and the University, which is hosting the SEI York Centre, SEI Foundation undertakes to underwrite all eligible costs of the SEI York Centre, including contribution towards University administrative cost. Revenues of the centre will be set against eligible cost at the end of each academic year and, in the event of shortfall, SEI Foundation will make payment to the University on receipt of the University's invoice. (\* Currently contracted for the period 1st August 2011 - 31st July 2016)

Stockholm 2015-03-13



Lidia Brito



Andreas Carlgren



Stephen F. Lintner



Ingrid Petersson



Allan Polack



András Szöllösi-Nagy



Astrid Söderbergh Widding



Kerstin Niblaeus  
Chair

Our audit report was submitted 2015-05-11



Håkan Sten  
Authorised Public Accountant



Fredrik Gunnarsson  
CFO University of Gävle

## Communication achievements in 2014

We believe that scientific insights can guide us through change and should inform decision making and public policy. Communication is the interface between science and policy. It is embedded in our research and enables our engagement with decision makers. Our approach to communications is focused on the needs of our partners and is based on credibility, building relationships, and engaging in dialogue. In communicating our research we aim to reveal the interdependence of development and environment issues; describe the complex relationships between people, nature and social systems; and strive for a complete picture rather than looking at aspects of a problem in isolation.

Based on our work in 2014, SEI has been ranked as the 2nd most influential environment think tank in the world, according to the Global Go To Think Tank Index. The index is based on an assessment of more than 6,500 think tanks, and is published in the [2014 Global Go To Think Tank Index Report](#), compiled annually by the University of Pennsylvania's Think Tanks and Civil Societies Program.



**Think Tanks & Civil Societies Program**  
**The Lauder Institute**  
*The University of Pennsylvania*

**2014 Global Go To Think Tank Index Report**

Top Environment Think Tanks  
Table 18

1.	World Resources Institute (WRI) (United States)
2.	Stockholm Environment Institute (SEI) (Sweden)
3.	Worldwatch Institute (United States)
4.	Brookings Institution (United States)
5.	Center for Climate and Energy Solutions (C2ES) (United States)
6.	Chatham House (United Kingdom)
7.	Ecologic Institute (Germany)
8.	Potsdam Institute for Climate Impact Research (PIK) (Germany)
9.	International Institute for Sustainable Development (IISD) (Canada)
10.	Center for Environmental Research (UFZ) (Germany)

## Communication highlights in summary

**Audiences:** Increase in visitors to SEI website from Asia and Africa. Engagement with business and industry deepened through events for the financial sector and Nordic business leaders.

**Events:** Successful events for all target audience groups and key stakeholders/funders: Science Forum, Almedalen, 25<sup>th</sup> anniversary to name three. Increased support to researchers attending conferences – producing blogs, reports and live tweeting on a regular basis.

**Media:** Successful blog strategy with articles in [The Guardian](#), [RTCC](#), and [ThompsonReutersFoundation](#) (among others). SEI research featured in print and online media all over the world, from the LA Times to The Nation, El País to The New Indian Express. Regular appearances by a wide range of SEI experts on Swedish radio and television. (A selection of media coverage is summarised on the [SEI website](#).)

**Multimedia:** new formats such as in the films [De Svenska Älvorna](#), [SOOT!](#) and *SEI 25<sup>th</sup> Anniversary Film*.

**Online:** 20 percent increase in number of visitors to SEI website, compared to 2013. Over 50 percent increase in followers on SEI Twitter accounts.

**Publications:** 76 peer reviewed journal articles, 52 factsheets and briefs, groundbreaking online interactive Annual Report.

**Training:** Communication workshops and training sessions held at all SEI Centres on topics ranging from social media to academic referencing tools. Over 45 SEI researchers active on Twitter.

## Events

### SEI Science Forum

The [SEI Science Forum 2014](#) gathered more than 90 researchers from SEI's global organization and 100 invited guests to share the research and insights of scientists across the Stockholm Environment Institute. The Forum focused on SEI's work to build understanding and support policy development related to a range of environment and development challenges. Selected partners from science, research, policy, business and civil society were invited to discuss future sustainability challenges in order to help SEI shape its future research agenda as it advances its efforts to bridge science and policy.

### Gordon Goodman Lecture

On Friday, March 14th 2014, Dr Sybil Seitzinger, Executive Director of the International Geosphere-Biosphere Programme, gave an open lecture on the origins of Earth system science and how this led to the concept of the Anthropocene – the notion that humanity has pushed Earth into a new geological epoch. Dr Seitzinger was joined by a panel of distinguished experts to discuss what this concept might mean culturally and politically. The panel included: Dr Richard J.T. Klein, SEI; Emma Lindberg, Ministry of the Environment (Sweden); and Dr Johan Rockström, Stockholm Resilience Centre.

### A Swedish perspective on the IPCC report

On 31 March, SEI and the Swedish Meteorological and Hydrological Institute (SMHI) hosted a seminar to provide an overview of the IPCC report and discuss its implications for Sweden. The event was organized in partnership with the SMHI-hosted National Centre for Climate Change Adaptation and the National Platform for Disaster Risk Reduction. Although Sweden is not considered to be highly vulnerable to climate change, it is experiencing changes in rainfall, temperatures and winter

conditions, among other impacts. Recent SEI work has highlighted [flood risks](#), for example, as well as adaptation needs in Sweden's [forestry sector](#). Ongoing SEI work is also emphasizing the importance of [indirect impacts](#) – how climate change effects in other countries affect Sweden through global trade, supply chains, and other means. Speakers included SEI experts, lead authors of the IPCC, government agencies and representatives of Swedish businesses. This is an example of how SEI is trying to connect research to decision makers in the public and private sector. The event was webcast on the SEI website and was one of the most visited pages on the website in 2014.

#### **'New Environmentalism' with European Commissioner for the Environment**

SEI, the EU Commission and Stockholm University hosted [a seminar on 'New Environmentalism' with Dr. Janez Potočnik](#), EU Commissioner for the Environment, on 20 March. European Commissioner for the Environment Dr Janez Potočnik spoke about the need to change the economies of the EU – particularly how we produce and consume goods – in order to avoid future resource shortages. The seminar was opened by Astrid Söderbergh Widding, Vice-Chancellor of Stockholm University, and moderated by SEI Executive Director Johan L. Kuylenstierna. The event was webcast and video is available on demand.

#### **SEI at Sweden's political week**

SEI convened and participated in [19 seminars and debates at Almedalsveckan](#), Sweden's largest political event. From 30 June - 4 July 2014 SEI will led discussions on a variety of topics including:

- making governments and businesses work together to tackle climate change;
- maximizing climate benefits;
- reducing food waste to help feed the world;
- sustainable cities as drivers for sustainable energy;
- happy consumers as dangers to society; and
- a competitive and innovative Sweden in 2018.

#### **Nordic Business Leaders Seminar (New Climate Economy)**

On 27 June, members of the Global Commission on the Economy and Climate came to Stockholm for an exclusive dialogue with Nordic business leaders on the economy and climate change. Participation in this event informed the Commission's groundbreaking report, *The New Climate Economy*, to be released in September 2014.

#### **The Thinking Ahead seminar series with KTH**

In 2014 three Thinking Ahead seminars took place with the aim of stimulating debate between KTH and SEI experts and identifying potential collaborations. They are an integral activity under the [new cooperation agreement signed between SEI and KTH in January](#). The new extended partnership reinforces collaboration between the partners in strategic areas such as international energy and water issues, climate research, policy analysis, and international governance.

#### **Launch of Better Growth, Better Climate, UN Climate Summit and COP20**

On 17 September, the New Climate Economy project released its flagship report [Better Growth, Better Climate](#). SEI helped design the project and led research on energy, China, air pollution, and urban development. The SEI communications team was a part of the team that launched the report across the globe and provide significant support in editing and framing the report. The report has been instrumental in debunking the notion that growth and climate action are incompatible.

One week after the launch of *Better Growth, Better Climate*, SEI was in New York for the **UN Climate Summit** with two key partnerships advancing knowledge and action: the Climate and Clean Air Coalition and the New Climate Economy project. At the Climate Summit, the New Climate Economy report was the centrepiece of a thematic discussion on climate, health, and the economic case for action. The CCAC presented five action plans challenging governments, businesses and civil society to

raise their ambition in specific sectors, and it facilitated a work session on industry and SLCPs. SEI's communications team was engaged by the CCAC to support the outreach at the summit. The CCAC also screened the film *SOOT!* at its High-Level Assembly. SEI provided the scientific input to the film.

The **Lima Climate Change Conference (COP20)** ran from 1 to 13 December, and 11 SEI staff observed the negotiations and participating in side-events and related external activities. SEI hosted a side-event with the Energy Research Centre of the Netherlands (ECN), *Low-carbon development for Latin America: Analytical support tools and integrated analyses*. The event focused on the potential for Latin American countries to pursue low-carbon development and climate change mitigation, with insights from the [CLIMACAP/LAMP](#) project and from projects using SEI's LEAP (Long-range Energy Alternatives Planning) tool. SEI co-hosted *Assessing and Reviewing Contributions under a 2015 Agreement: Toward Paris and Beyond*, a side-event focused on how intended nationally determined contributions should be organized and assessed in the lead-up to the COP21 in Paris. Speakers, including SEI's Harro van Asselt, reflected on how the INDC review process could be used to enhance mitigation ambition.

### **SEI's 25th Anniversary**

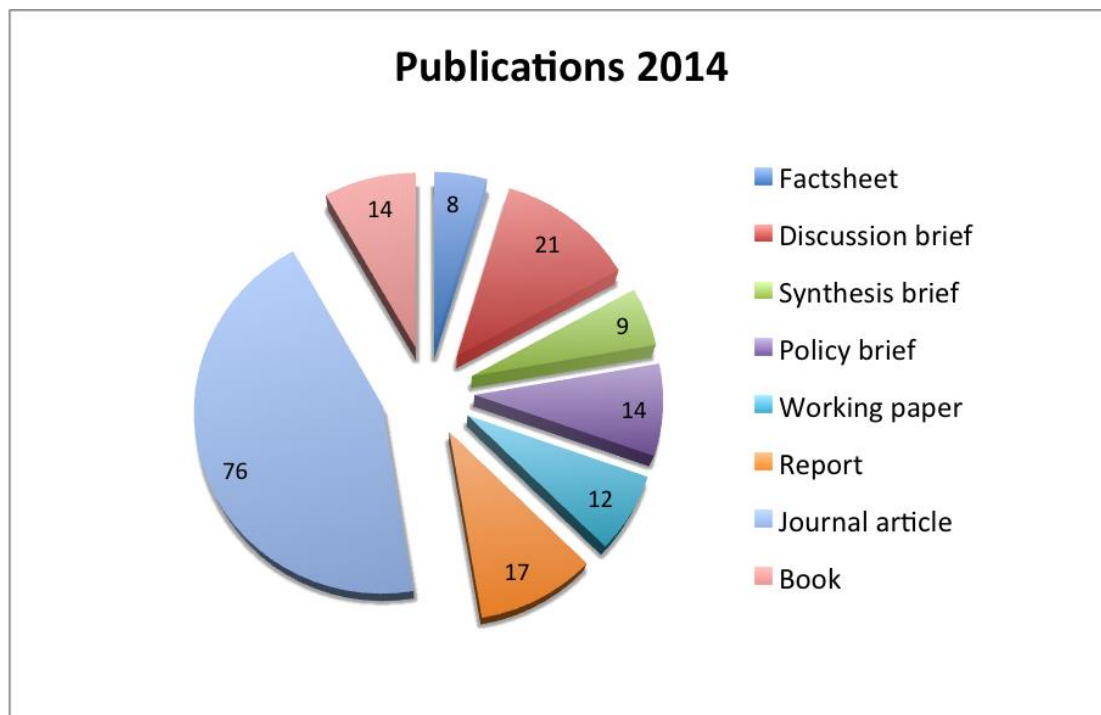
Twenty-five years ago, the Swedish Government established SEI as an independent, international research institute devoted to bridging science and policy to support sustainable development. The world has changed dramatically since then, yet SEI's mission is as relevant as ever. On Wednesday, 22 October, SEI researchers and guests brought that mission to life through stories and images from their work on everything from clean cookstoves, to water economics, to global trade. They also reflected on what it takes to truly bridge science, policy and practice – which, as Cambridge University Prof. Susan Owens noted, is rarely “simple and straightforward”. Researchers led the audience on a journey from Scottish whisky distilleries, to soy fields in the Brazilian Amazon, to illegal sawmills in Borneo, linking science, to policy, to the impact of environmental challenges on ordinary people. HMK Carl XVI Gustaf attended the day-long event with HRH Crown Princess Victoria and offered his congratulations and a call to action. The event was webcast and is available on demand on the SEI website. (On Monday, 17 November, the Asia Centre hosted a day-long seminar to celebrate its 10th anniversary, look back on its achievements to date, and share ideas and perspectives on the Centre's current and future work.)

### **International symposium on climate and energy (Paris)**

On the occasion of the state visit by His Majesty King Carl XVI Gustaf of Sweden to France in December 2014, Stockholm Environment Institute and the Institute for Sustainable Development and International Relations (Iddri) arranged an international symposium on climate and energy. The international symposium was opened by the President of the Republic of France, François Hollande, and His Majesty King Carl XVI Gustaf of Sweden. The symposium covered climate change, energy security and economic development. Speakers include the French Minister for Ecology, Sustainable Development and Energy, Ségolène Royal, the Swedish Minister for Energy, Ibrahim Baylan, the Director of the International Energy Agency, Maria van der Hoeven, and the Chairman of the Board of Ericsson and AstraZeneca, Leif Johansson. The event generated press coverage in France and photos from the event are available on the [SEI Flickr account](#).



## SEI publications



Of the 171 publications that SEI produced in 2014, the largest proportion were peer reviewed journal articles. However, in total 52 short form publications (factsheets, policy, discussion and synthesis briefs) were prepared for lay audiences (e.g. policy makers and decision makers from the private sector).

According to the statistics from the SEI website, the publications from 2014 that received most hits on the website included, in chronological order:

[Fossil fuel supply, green growth and unburnable carbon](#) (Discussion brief)

[Greenhouse gas emissions implications of the Keystone XL pipeline](#) (Working paper)

[Cross-sectoral integration in the Sustainable Development Goals: a nexus approach](#) (Discussion brief)

[SEI Research Synthesis: The water-energy-food nexus](#) (Synthesis brief)

[Addressing the risk of double counting emission reductions under the UNFCCC](#) (Working paper)

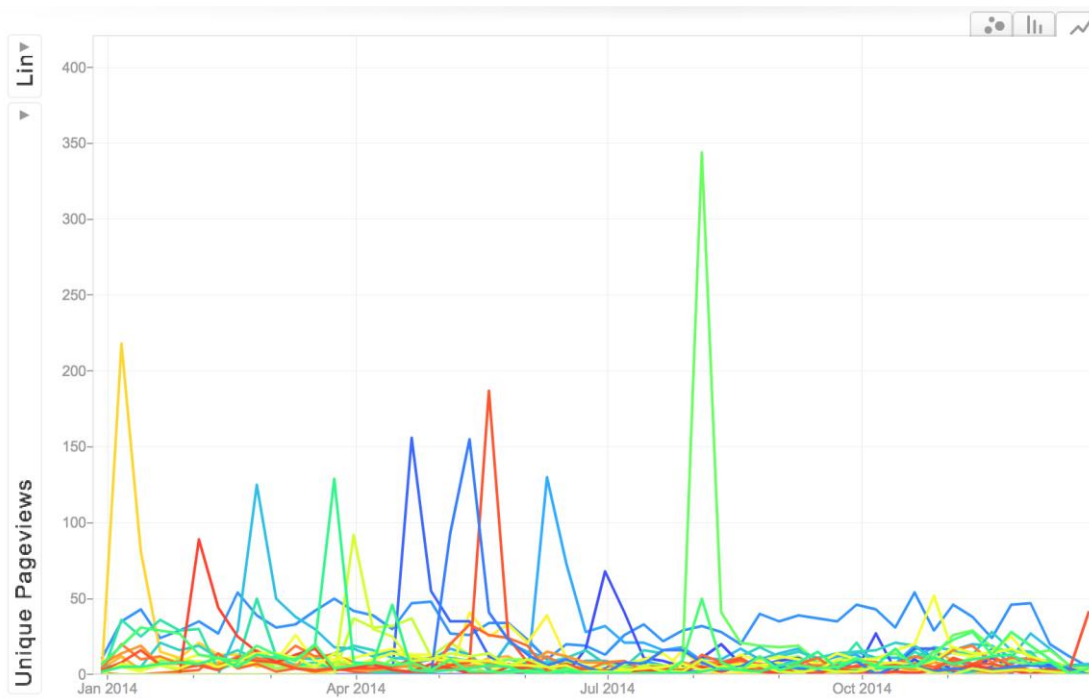
[Can carbon revenues help transform household energy markets? A scoping study with cookstove programmes in India and Kenya](#) (Project report)

[Climate risks, regional integration and sustainability in the Mekong region](#) (Book)

["Living well, within the limits of our planet"? Measuring Europe's growing external footprint](#) (Working paper)

[Impact of the Keystone XL pipeline on global oil markets and greenhouse gas emissions](#) (Journal article)

[The emerging oil palm agro-industry in Palawan, the Philippines: Livelihoods, environment and corporate accountability](#) (Working paper)



Top publications 2014 (Google analytics)

By cross-referencing these statistics with media monitoring and our activity on social media (see below), it is clear that there is a correlation. And we have been able to trace the impact of the journal article on *Keystone XL* (the highest spike in the graph below) from the scientific press, which first wrote about the study, to mainstream newspapers (such as the *LA Times*), to 24-hour news channels across the U.S. The communications team responded by handling, then briefing and preparing the research team for media interviews (print, radio and live television). In addition, we prepared a Q&A on the SEI website (see section on SEI website).

### SEI's innovative annual report

Based on the groundbreaking online interactive annual report platform developed in 2013, SEI developed an improved version for 2013. The [annual report for 2013](#) remains fully online and interactive – and it works on mobile devices. To provide a human face to SEI's research, the report includes a video wall of interviews with SEI staff explaining what motivates their work. The navigation and visual experience (UX) was streamlined and provided additional impact from the use of photographs taken by Mattias Klum. The report allows the user to navigate through SEI's work on a world map and visually explore the connections between its activities. Not only did the report have a greater reach and impact than is possible to achieve with a printed report, it also allowed SEI to present a greater quantity of information in a more user-friendly way, while using fewer financial and physical resources in the production process. Feedback on the report has been extremely positive and we have been contacted by a number of peer organizations who want to follow our lead (others have just copied the concept – and admitted so to us!).

### SEI website statistics

In 2014, the SEI website had 568,429 **page views**. Compared to the previous twelve months this is a small decline. However, on average our visitors stay for over two minutes on each page, which in combination with the slightly lower number of page views may mean that we are better at directing our target audiences to the information they are seeking (for example through links shared on social media or online media outlets). In 2014 the website had 119,204 **unique visitors**. Of these, an estimated 35 percent were new visitors. **The number of unique visitors increased by over 20 percent compared to 2013.** This is a very significant leap and suggests that SEI is more visible and

relevant to our target audiences. It seems likely that the increase is partly down to our efforts to (i) increase our presence on social media channels (including the large number of individual SEI researchers who are now actively promoting their research and SEI) and (ii) increase the amount of accessible, multimedia material (in 2014, we published over 100 short 'news items' on the website as well as dozens of blog posts hosted by online news outlets). The website was visited by people from 219 countries or territories, with the top-five sources being Sweden, United States, United Kingdom, Germany and India. Asia is a growing source of visitors to the SEI website, since 2012 this segment has grown by 1.3 percent each year. In 2014, we also saw increasing engagement from Africa, with a 1.5 percent increase in visitors.

According to the statistics from the SEI website, the news items from 2014 that received most hits on the website included, in chronological order:

[The SEI Science Forum](#) (with webcast)

[SEI ranked number two among world's environment think tanks](#)

[Seminar on the IPCC report on climate impacts and adaptation: a Swedish perspective](#) (with webcast)

[SEI briefs Swedish parliament on latest research](#)

[Global review of 169 think tanks rates SEI among 'transparency leaders'](#)

[Unlocking the true potential of forests](#) (blog post)

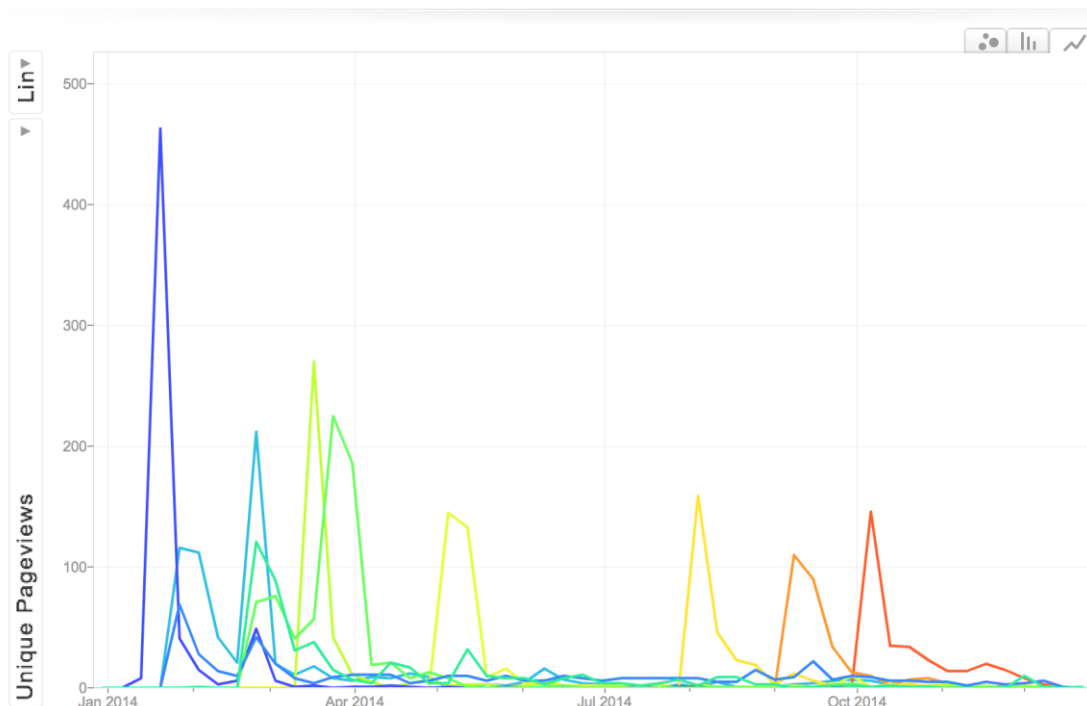
[Q&A: Keystone XL, global oil supplies, and climate implications of fossil fuel infrastructure](#)

[Better growth and a better climate: Why it pays to tackle both together](#)

[Have Brazil's deforestation policies hit the limits of their effectiveness?](#)

[Join us for the seminar "What Could the Sustainable Development Goals Mean for Sweden and Europe?"](#)

[SEI expert briefs Brazilian Senate on sustainability in the mining and energy sectors](#)



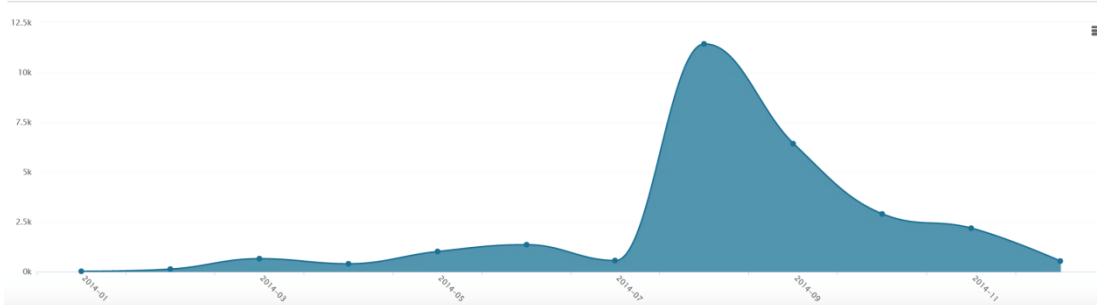
Top news items 2014 (Google analytics)

A few of these are worth exploring in a bit more detail. For the seminar on the IPCC report, the communications team was not only responsible for the event, webcast and live tweeting. The team was also instrumental in securing media interviews for SEI experts. Moreover, we provided media training before the event. For the three news items on forest and the amazon, this was a topic on which we wanted to raise SEI's profile. Starting with a blog post, we leveraged high profile peer reviewed research to generate more short form material (including a comment article in *Science* and op-ed in ThompsonReutersFoundation) that generated interest from policy makers in South America and culminated in one of SEI's researchers briefing the Brazilian Senate.

## Media coverage



Utveckling engagemang



Mentions of SEI in all media, 2015

There is a clear peak and tail in media coverage in 2014. This is caused by:

- the release on 10 August of a new study in *Nature Climate change* on the greenhouse gas emissions associated with the Keystone XL pipeline (see publications section above)
- the launch of *Better Growth, Better Climate* on 17 September (see events section above)
- the launch of a [report on cities](#) at the UN Climate Summit on 25 September (incidentally, on 23 and 24 September SEI managed to have two researchers on different Swedish radio stations explaining what was being discussed at the summit in New York: <http://sverigesradio.se/sida/avsnitt/433898?programid=1637> and <http://sverigesradio.se/sida/avsnitt/433353?programid=4459>)
- articles inspired by studies and commentary on Brazilian environmental policies in October (see website section above)
- the UNFCCC COP20 in Lima in December (e.g. <http://www.sei-international.org/sei-in-the-media/2999>)

Looking in more detail, other topics and studies that received particular attention in 2015 include the launch of the [IPCC 5<sup>th</sup> Assessment Report \(WGII\)](#), [energy in Africa](#), [palm oil in the Philippines](#) and [Sweden's preparedness for flooding](#).

The digitalization of the media means that statistics on media coverage now insect with social media metrics. Our most shared media mentions concerned articles on Keystone XL, the study for the C40 partnership on cities and a study on climate equity.

### Climate and Development journal

SEI's journal *Climate and Development* brings together research interests that were previously dispersed over a range of different journals focusing on either climate change or development.

In the latest Journal Citation Reports (from 2013), *Climate and Development* was listed with an 'Impact Factor' of 1.143. Of particular note is that the recent IPCC report makes use of articles from the journal. The Working Group II contribution to the IPCC report (on impacts, vulnerability and adaptation) cites a total of 35 articles from *Climate and Development*, while the Working Group III contribution (on mitigation) cites 11 articles. 12 of these 46 articles are cited in more than one IPCC chapter.

In 2014 a total of 47 manuscripts were published in print, and 29 published online. Of these, 22 articles were open access (in a special issue and as an offer in conjunction with World Environment Day). The number of submissions from developing countries continues to rise – in 2014 there were more submissions from Indian authors than any other country. The journal actively encourages submissions from developing-country experts, while maintaining the highest academic standards.

*Climate and Development* is part of Online Access to Research in the Environment (OARE) and Access to Global Online Research in Agriculture (AGORA), through which subscribers in developing countries have free or low-cost online access to the journal.

### **SEI on Twitter**

SEI made substantial strides on Twitter in 2014. First, the communications team provided five workshops to introduce researchers to the benefits and techniques of engaging on social media. This resulted in over forty SEI researchers become active on Twitter (increasing the visibility of their work and helping the credibility of the institutional accounts). Second, the communications team invested time in regular tweeting and creating tailored content (e.g. images specially edited for Twitter). Third, we have made links between the institutional accounts and the accounts for *Climate and Development*, SIANI and weADAPT. Fourth, we have made Twitter an integrated part of our communications approach: it supports media relations (in some cases replacing the traditional press release), it helps to bring SEI authored blog posts and publications to a wider public, it broadcasts SEI events live and it drives traffic to the website. The result is that the number of followers on SEI's accounts has grown substantially. @SEIresearch has increased by over 70 percent (from 2300 to 4000 followers) and @SEIclimate has increased by 50 percent (from 10,000 to 15,000 followers). Both accounts have high-quality followers including climate, sustainability and development experts, journalists, activists, government agencies and officials.

## SEI Stockholm Centre Director's Report 2014

### Summary assessment of major developments in the centre in 2014

During 2014 the SEI Stockholm Centre continued to implement agreed objectives to increase institutional performance focusing on team building, portfolio management and quality, fund raising and systems review. We continued to assess how we could work more efficiently and create systems to support internal learning. A direct result of this is a new HR system that will move HR issues into the electronic domain. 2014 was also the first year in our new office and we reviewed our policies for how to work in an "activity based office". We held a one day retreat in August which focused on how we work in the office to get feedback from all staff on office set up and ambiance. In general the activity based office structure works well and Stockholm and HQ colleagues are making good use of the new facilities. We have the ability to host SEI visiting colleagues and other visiting researchers creating a dynamic and creative working environment.

We participated actively in the design of the new SEI strategy and prepared our second SEI centre workplan. The pilot phase of work planning at the centre level has resulted in work planning as regular task for all centres. The Work planning process is designed to increase SEI wide institutional learning, map out priorities at the centre level related to how we work and provide a good overview of ongoing projects and set the stage for further fund raising.

We reviewed the centre organizational set up including our Unit Head structure and concluded that we need to restructure our internal organization. The figure A below illustrates the management philosophy behind the restructuring. The team based structure is at the core of how we work. Teams have different form and shape. A Stockholm Centre Management Team (S-MT) provides overall decision making and guidance related to centre operations and HR issues. The S-MT Centre Director is the key contact to the SEI Executive Team (Stockholm CD is part of the ET) and the SEI Management Team (MT). Three operational Units are set up to support the day-to-day operations in the centre and to ensure staff development. The team members in the Operational Units are partly clustered according to their substantive interest and partly from an operational perspective. Two new Heads of Unit were appointed during the year.

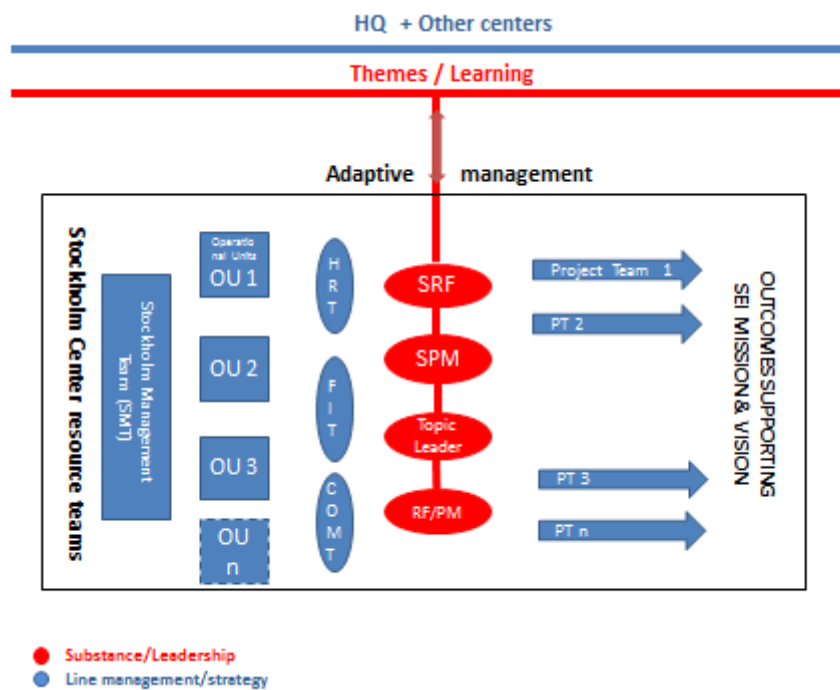
We are a project based organization and deliver outputs and outcomes in project teams. Project teams span across Operational Units and involve colleagues from other SEI centres including external partners. Each project has a project manager who sits in one operational unit to ensure follow up and quality. From an institutional learning perspective we rely on our SEI institutional wide theme function in which our senior, mid and junior staff engage. HR, Communication and Finance teams are central to our outreach and operational capacity and play a fundamental role in how we work. This management structure allows for an adaptive management set up that is able to scale according to our needs.

The three Operational Units are described below:

**The Resources and Development** Unit focuses on natural resources management and innovation with a strong focus on low income countries. The work we do relates to sustainable land management in rural landscapes, innovative technologies for improved health and well-being (e.g. sustainable sanitation and household energy) and the water-energy-food (WEF) nexus. In 2015 the team will continue to develop and conduct projects which address development issues pertaining to resources use and management, supply chains, trade and resilience.

**The Governance and Institutions Unit** spans a wide range of fields across all four SEI Research Themes. The projects are directed towards understanding and further developing the links between people and policy, governance and decision-making processes across a range of different sectors, geographies and scales. The focus on processes such as social learning, stakeholder engagement and governance in its broadest sense, is a unifying component in the work of the unit.

**The Climate, Energy and Society Unit** focuses on the causes and consequences of climate change, and the relationships with a range of other related environment and development issues. Subjects like air pollution, ozone, water and dry lands problems are obvious cases, but biodiversity and the nitrogen cycle etc. also need to be considered in the perspective of climate change. The research work of the Unit includes energy and other resource challenges that impact on climate and environment more broadly and how these play out in different development contexts as well as the social and environmental challenges that emerge from the accelerating pace of change in e.g. the Arctic. Unit members are engaged in work extending across scales from very local (i.e. household energy, local level efforts to reduce energy use), to global (IPCC and UNFCCC processes, Green Climate Fund and adaptation finance).



**Fig A. Stockholm Centre management and operational structure**

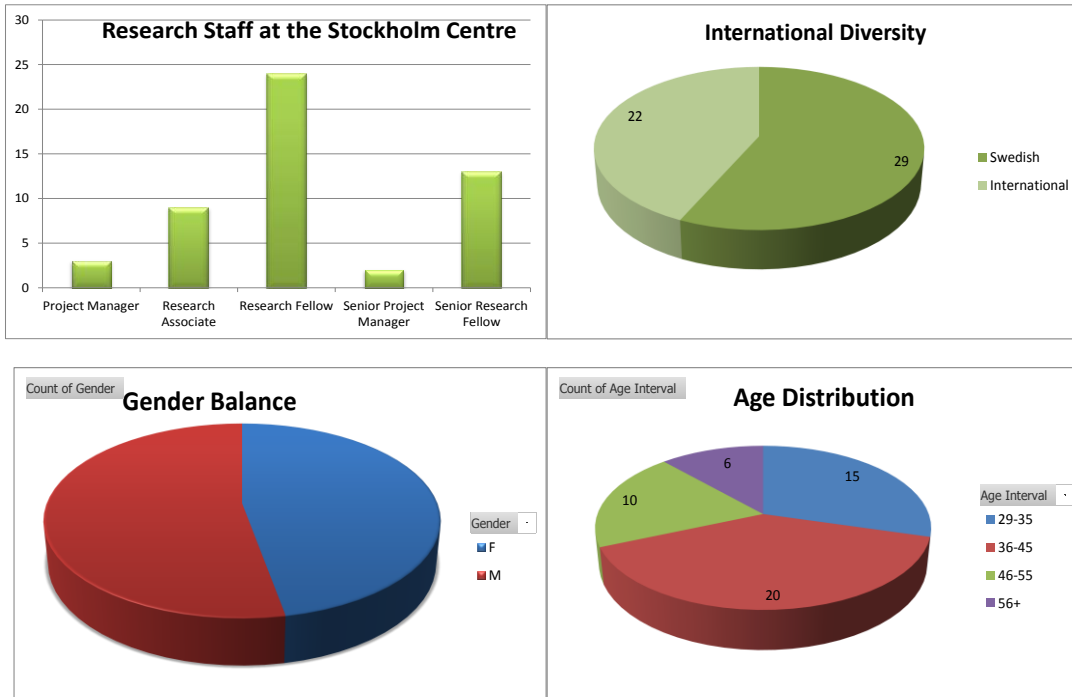
### Staff and financial situation

At the end of 2014 the Stockholm Centre employed 53 staff members. In addition, 17 HQ staff work in the Stockholm Office. The total number of employees in Stockholm, including HQ and the Stockholm Centre was 70.

The Stockholm Centre research staff is composed of 13 Senior Research Fellows, 2 Senior Project Managers, 24 Research Fellows, 3 Project Managers and 9 Research Associates. 24 of our staff members hold a PhD.

In 2014 we successfully recruited 4 staff members to the Stockholm Centre; 1 Senior Project Manager, 2 Research Fellows and 1 Senior Research Fellow. We had one Research Fellow who transferred from the Stockholm Centre to the Oxford Centre, three staff members that resigned from their positions (two of which were on extended leave of absence) and two staff members that retired.

There are currently staff of 17 different nationalities employed at the Stockholm Centre.



The Stockholm centre had a very strong financial result in 2014, with a surplus of SEK 2,6 million based on a turnover of SEK 79 million. The main explanation of this result was a high chargeability ratio of research staff on projects. The final year of the Sida Program Support agreement was a significant contributing factor enabling this high level of chargeability, with the completion of this large project portfolio. 2014 also marked the first full year at the new office location, and the office costs were well in line with expected levels.

### Short description of selected projects/activities

As we move into 2015 the centre is managing about 60 active projects. Below are a few projects listed for illustrative purposes:

**SES AMAZON-New spatially explicit approaches to understand Amazonian social-ecological systems and actor-specific deforestation responsibility: implications for REDD policies.** The on-going environmental degradation of the Amazon threatens key ecosystem services (ES) of local and global importance, and is driven by the socio-economic interactions of a large array of actors. The project will apply a social-ecological systems (SES) perspective integrating natural and social sciences to quantify and compare those actor-specific trade-offs in the Brazilian Amazon.

**UN Sustainable Development Goal (SDG) preparation and support.** This project supports the establishment of sustainable development goals (SDGs) in the United Nations system. The first phase supported the Swedish government in their work with Colombia and others to get the SDGs into the Rio+20 Outcome Document. The second phase supported the establishment of the Independent



Research Forum (IRF 2015, visit [irf2015.org](http://irf2015.org)) to support the development of the actual goals, following the Rio+20 conference. The third phase implements support and analysis to the Open Working Group for SDGs and national governments, as they prepare for and engage in the intergovernmental negotiations in 2015.

**Resilience-Increasing Strategies for Coasts – toolKIT (RISC-KIT).** Resilience-Increasing Strategies for Coasts – toolKIT (RISC-KIT) will develop methods, tools and management approaches to increase coastal zone resilience to low-frequency, high-impact hydro-meteorological events. RISC-KIT will deliver concrete products to help attain UNISDR Disaster Reduction Goals. These products will enhance forecasting, prediction and early warning capabilities, improve the assessment of long-term coastal risk and optimize the mix of prevention, mitigation and preparedness measures

**The Mistra-SWECIA programme , phase 2.** Mistra-SWECIA is a 8 year (2008-2015) five-partner Swedish research program on climate, impacts and adaptation targeting the forestry sector. SEI leads the largest research component, on the process of adaptation, thus making it one of the largest research projects at the Stockholm centre.

**The IMPRESSIONS** project will develop and apply a novel participatory methodology that explicitly deals with uncertainties and strong non-linear changes focusing on high-end climate change, but also including intermediate warming levels. This new methodology will create a coherent set of high-end climate and socio-economic scenarios covering multiple scales. These scenarios will be applied to a range of impact, adaptation and vulnerability models that build on theories of complex systems and address tipping elements as key characteristics of such systems.

**The Global Commission on the Economy and Climate and the New Climate Economy.** The Global Commission on the Economy and Climate is a major international initiative to analyse and communicate the economic benefits and costs of acting on climate change. Chaired by former President of Mexico Felipe Calderón, the Commission comprises former heads of government and finance ministers and leaders in the fields of economics and business. The New Climate Economy is the Commission's flagship project. It provides independent and authoritative evidence on the relationship between actions which can strengthen economic performance and those which reduce the risk of dangerous climate change. The New Climate Economy report was published in September 2014, and the overall work continues in 2015.

**The Arctic Resilience Report (ARR).** ([www.arctic.council/arr](http://www.arctic.council/arr)) The ARR addresses the resilience of linked social-ecological systems in the Arctic. Coordinated by a joint Secretariat at the Stockholm Environment Institute and the Stockholm Resilience Centre, the project is a collaboration between Sweden and the United States under the Arctic Council. The project is engaging experts from diverse disciplinary, geographic and sectoral contexts to integrate knowledge about potentially abrupt and irreversible changes in these systems. Impacts of these changes are likely to be felt by not only the peoples of the Arctic, but also the rest of the world. The ARR interim report was published in 2013, the final scientific report is due in May 2016, and a compilation of policy-targeted insights will be delivered at the conclusion of the US Arctic Council Chairmanship in 2017.

**PRINCE- Policy Relevant Indicators for National Consumption and Environment.** The main objective of this project is to understand and quantify the environmental impacts associated with Swedish Consumption, both in Sweden and abroad. Specific research questions include: What is the environmental pressure of Swedish consumption abroad and how can this pressure be monitored in a consistent and policy-relevant manner? The project contains both method development and

application of methods. The project is a corner stone of the new SEI initiative on production to consumption sustainability and will bring new tools and opportunities for this work area at SEI.

### **Brief outlook for 2015**

Moving into 2015 we have a new strategy approved for the next five year period. We have established ourselves in our new offices and undertaken significant restructuring on how we work. Our operational results from a financial perspective were good which indicates that our work to improve work efficiency is delivering results. This puts us in a good position for 2015 in terms of delivering high quality results in the three domains of science, policy and capacity building.

We will lead four initiatives and participate in all of the 8 initiatives in different forms. We have three theme leaders out of four in the centre which allows us to take a leadership position in support of the themes for the benefit of the SEI as a whole.

Continued investment in our staff will be essential. We are carrying out e.g. project management training and will implement a revised staff development process which is more clear on results to achieve including involving new parameters for discussion such as interpersonal skills. Our ambition is to increase the feedback loops between staff and management to ensure we work as a one centre team. We will enter into a new collaboration agreement between the local union and management at both HQ and Centre level to ensure that collaboration follows a structured process. The fundamental elements of the collaboration includes regular staff meetings (once per month), Operational Unit meetings (once per month), and regular union and management meetings (once per 6 weeks).

Continued recruitment of highly competitive staff in a competitive manner will be critical for the centre to continue deliver solid results over time. Staff is our key asset and our strengthened routines to select staff in a rigorous process are delivering results. Hiring is time consuming but it is necessary to allow these processes be implemented fully. We are also exploring staff exchange between the Stockholm Centre and the Asia and Africa centres to increase collaboration funding permitting. Finally, as part of a growth strategy and on an exceptional basis we will accept research/project management staff that bring own financing to the SEI acquired in partnership with Centre Staff.

## SEI Asia Centre Director's Report 2014

### Major developments in 2014

Developments at the Asia Centre during 2014 are best understood in the context of recent history. The centre underwent profound changes between 2012 and 2013, with a substantial loss of staff and the recruitment of new, mainly senior staff. During 2013 the centre was in a “start-up” mode, in which new staff sought to build up programs from a thin base. Additionally, our main ongoing program, the Sustainable Mekong Research Network (SUMERNET), was up for renewal in 2013 and so could not provide substantial funding. Our collective fund-raising efforts paid off and at the start of 2014 the centre was 100% funded throughout the year even with anticipated new hires. This gave us considerable breathing room to consolidate the gains we had made in 2013, but much work remained. The funding base was unevenly spread across programs and in some cases there was a mismatch between funding and available expertise. Of the centre's two research groups – People, Environment and Development: Resilience in Asia (PEDRA) and Managing Resources for Sustainable Development (MR4SD) – MR4SD was essentially over-funded and PEDRA under-funded, in part due to strategic decisions taken at Centre level to subsidize rates on some projects. Staff in MR4SD ended up over-committed, as two new recruitments in the MR4SD program, one senior and one mid-level, decided to leave at the end of their probationary period after discussions with the centre management team.

Despite these challenges, the Asia Centre had a very good year on most counts. In the staff survey, centre staff gave higher than average ratings on all categories. Their main concern, consistent with the unbalanced funding, was about work-life balance. We therefore made that the main focus of our annual retreat. We completed all projects that had to finish in 2014 in good time, including Sida PS projects, and ended the year with a small positive balance on a total turnover of nearly 15 million SEK. Our funders are pleased with our performance, and staff were able to attract further funding, which leaves us in a healthy position at the start of 2015. We accomplished this despite dedicating overhead funds in 2014 to renovating the centre, including installing efficient air conditioners and window film, replacing the carpet with new flooring to address allergic reactions, and buying new tables to accommodate our larger staff and larger number of interns. The centre also produced several scholarly outputs. Often in collaboration with staff from other SEI centres, our staff contributed to a total of 8 published peer-reviewed papers, 4 book chapters, and 2 books, with others under review, in press, or in preparation, and several staff served on graduate student committees and taught individual classes or short courses at universities in Bangkok. With our new Communications Coordinator, we did much better at sharing the work of the centre with the world. By the end of the year, researchers were routinely involving the Communications Coordinator in their work.

Following the Stockholm Centre's lead, the Asia Centre decided to add a separate career track for programme managers. Staff on this track are evaluated on their ability to manage projects and secure funding, but their primary goal is to collaborate with researchers to bridge science and policy. They are therefore mainly evaluated on their ability to achieve policy impact in the projects they manage. This has added much-deserved professional stature to the largest programme in the centre, SUMERNET, whose main aim is to achieve policy impact by supporting regional researchers and, in the current phase, through a regional assessment. We maintained a roughly two-to-one ratio of researchers to programme managers over the year.

## Staffing, organization, and financial situation

The Asia Centre has a two-tier leadership structure, as in SEI as a whole. The Executive Team (ET), responsible for day-to-day management, consists of the Centre Director, Deputy Director, and Office Manager. The Management Team (MT), responsible for strategic direction and major policy decisions, consists of the ET and the leaders of the two research groups and the staff representative is sometimes invited to participate in its meetings. The Office Manager is line manager of the administrative team, while research group leaders are line managers of research and programme management staff. The Centre Director is line manager of the other members of the ET, the Communications Coordinator, and the IT Specialist.

At the end of 2014, the centre had eight research staff (6 PhD, 2 Master's) and four programme management staff (1 PhD, 3 Master's), including the Centre and Deputy Directors. Other staff included the Office Manager, Communications Coordinator, IT Specialist, and three administrative support staff.

Financially, the centre ended 2014 with a balance of about 200 thousand SEK on a total turnover of nearly 15 million SEK. We have diversified our funding base away from a nearly exclusive reliance on Swedish funds to a mixed portfolio. While most of our funding still comes from Sweden, during 2014 we had projects funded by the EU, USAID, GIZ, CCAC, CGIAR, Blue Moon Fund foundation, USER, and other donors.

## Selected projects and activities

Of the Asia Centre's two research groups, PEDRA is mainly aligned with the SEI-wide themes Reducing Climate Risk (RCR) and Transforming Governance (TG), while MR4SD is mainly aligned with Managing Environmental Systems (MES) and Rethinking Development (RD). However, these are not strict boundaries. Also, several projects and programs have staff from both groups.

The following list of projects is a selection of the many projects we had over the year. These were selected because they are large and are either ongoing or have received funding for a further phase.

<b>Project</b>	<b>Sustainable Mekong Research Network (SUMERNET) Phase III</b>
<b>Funder</b>	Sida and the Lower Mekong Public Policy Initiative (LMPPPI)
<b>Budget</b>	20.0 mln SEK over 3.5 years
<b>Research Group (Theme)</b>	Both groups (MES)
<b>Collaborating centres</b>	US centre
<b>External partners</b>	Several: see <a href="http://www.sumernet.org/partners">http://www.sumernet.org/partners</a>

### Summary

The Sustainable Mekong Research Network (SUMERNET) is an initiative for research and policy engagement bringing together research partners working on sustainable development in the countries of the Mekong Region: Cambodia, China, Lao PDR, Myanmar, Thailand and Vietnam. Launched in 2005, SUMERNET is a network of organizations in the Mekong Region that supports policy-relevant research and outreach activities to inform and engage policy-makers, planners and stakeholders. It pursues an evolving agenda in response to questions and policy issues that arise in the region. SEI hosts the SUMERNET Secretariat and has primary responsibility for management and securing funding.

### Activities in 2014

During 2014 SUMERNET launched a call for concept notes in the following thematic areas: climate compatible development, sustainable regional economic integration, and ecosystem services for local development. From the 39 concept notes received by SEI, 10 concept notes were shortlisted to be developed into full research proposals. The SUMERNET Secretariat held a proposal-writing workshop for short-listed project teams and subsequently selected seven proposals that will be funded.

<b>Project</b>	<b>Sida Conference Strategic Fund</b>
<b>Funder</b>	Sida
<b>Budget</b>	10.3 mln SEK
<b>Research Group (Theme)</b>	Both groups (TG)
<b>Collaborating centres</b>	SEI-wide on an <i>ad hoc</i> basis, with specific funding for Stockholm
<b>External partners</b>	China-ASEAN Environmental Cooperation Centre (CAEC) Asia-Europe Foundation (ASEF)

### Summary

The goal of the fund is to enable different groups and stakeholders to share knowledge in regional forums and other strategic events. To have greater policy impact for sustainable development through informed dialogue, events funded under the programme bring representatives from government, the private sector, and civil society together with researchers, and feature active exchanges between participants. The programme seeks events likely to change participants' behavior in their everyday practice to ultimately benefit the citizens of the region, with particular attention to the poor and vulnerable groups.

### Activities in 2014

In the 2014 funding cycle the programme funded the following events:

- CAEC: ASEAN-China Environmental Cooperation Forum
- ASEF: Green Growth and Sustainable Development Goals: A Development Agenda for Post-2015 (held 2013)
- GEGG Foundation: Myanmar Green Economy/Green Growth Forum (held 2013)
- ICEM: Mekong Protected Areas and Climate Change: Implications for Livelihoods and Development
- WOCAN: Regional Dialogue on the Inclusion of Women in Landscape Management
- RRC.AP: 4<sup>th</sup> Asia Pacific Climate Change Adaptation Forum
- FIAN International: Rights-based governance beyond borders: The role of extraterritorial obligations (ETOs)

<b>Project</b>	<b>Mekong Partnership for the Environment (MPE)</b>
<b>Funder</b>	USAID
<b>Budget</b>	3.3 mln SEK over 4 years
<b>Research Group (Theme)</b>	Both groups (MES)
<b>Collaborating centres</b>	
<b>External partners</b>	Pact (prime) Chiang Mai University

### Summary

The Mekong Partnership for the Environment Project (MPE) is a USAID-funded initiative to advance informed multi-stakeholder dialogues in LMI partner counties on the anticipated social and environmental costs and benefits of regional development projects. The project seeks to (1) increase

the capacity of civil society to influence development decisions that have significant anticipated social and environmental impacts; (2) strengthen regional platforms for multi-stakeholder participation in development decision-making; and (3) increase public access to quality, timely information on environmental and social costs and benefits of development projects. Furthermore, as a crosscutting objective, the project seeks to enhance the capacities of Civil Society Organizations (CSOs) and regional institutions.

#### **Activities in 2014**

During 2014, SEI staff collected data for a baseline assessment of civil society organizations (CSOs), information nodes and multi-stakeholder dialogue entry points and processes. Staff conducted an online survey, which was translated into Vietnamese, Burmese, Khmer, Thai and Lao languages. The collected data was analyzed by Pact.

SEI led the Gender Equity and Social Inclusion Assessment (GESI) to guide project work. The assessment examined the degree of individuals and organizations' involvement in gender and environment activities through research, services delivery, and advocacy. SEI seconded a staff member to Pact part-time, who worked with the MPE team to develop and revise gender indicators based on results and recommendations of the GESI report and provided comments and gender inputs to the CSO survey and the design of the CSO event held in late July.

SEI staff participated in training sessions on Social and Environmental Soundness, working with the participants in gender sessions to revise training processes and materials on gender equality, women's empowerment and gender analysis tools.

<b>Project</b>	Ayeyarwady Futures
<b>Funder</b>	Blue Moon Fund and SEI Matching Funds
<b>Budget</b>	2.5 mln SEK for one year (2 <sup>nd</sup> phase funding from Blue Moon Fund secured in 2015)
<b>Research Group (Theme)</b>	MR4SD (MES)
<b>Collaborating centres</b>	US Centre
<b>External partners</b>	Ministry of Transport's Directorate of Water Resources and Improvement of River Systems (DWIR), the Secretary of the National Water Resources Committee Myanmar Environment Institute (MEI)

#### **Summary**

SEI and partners in the Mekong Region seek to support Myanmar to move towards to sustainable development through evidence-based participatory planning processes. Specific goals include: building awareness of the values and limitations of particular tools for integrated, basin-level, analysis, planning and management; strengthening the capacity of state and civil society actors to engage in deliberations on water resources planning and development strategies and decisions; and, guiding the design of emerging institutional frameworks for water governance in the river basin so as to increase their commitments to environmental and social sustainability.

#### **Activities in 2014**

During 2014 the program:

- Carried an inception tour, including meetings with NGOs in Yangon and high government officers and parliamentarians in Nay Pyi Taw, followed by an inception workshop
- Signed a three-year collaborative agreement with Directorate of Water Resources and Improvement of River Systems (DWIR), the Secretary of the National Water Resources Committee

- Signed a Memorandum of Agreement with the Myanmar Environmental Institute (MEI)
- Following consultation with DWIR, carried out a field study in the Chindwin River Basin (the main tributary of Ayeyarwady River Basin)
- Carried out a training on decision support tools for water resource management, focusing on hydraulic modeling for assessing climate variability and change
- Brought selected workshop participants to Bangkok for intensive training on specific tools
- Organized and led a consultation meeting on the Chindwin Futures Assessment, where attendees proposed an initiative to establish a Chindwin River Basin Organization
- Conducted diagnostic institutional analysis for a better understanding on different actors concerned with water resources management in the Ayeyarwady River Basin
- Set up a HEC-RAS model for Chindwin river to simulate water levels, which is important for planning navigation and other purposes

<b>Project</b>	CCAC Manure Knowledge Kiosk for Southeast Asia
<b>Funder</b>	Climate and Clean Air Coalition (CCAC) and SEI Matching Funds
<b>Budget</b>	4.0 mln SEK over 1.5 years
<b>Research Group (Theme)</b>	MR4SD (MES)
<b>Collaborating centres</b>	York
<b>External partners</b>	Wageningen University Food and Agriculture Organization of the UN (FAO) International Livestock Research Institute (ILRI) Centro Agronómico de Investigación y Enseñanza (CATIE)

### Summary

The project seeks to integrate manure management practices into livestock systems in Southeast Asia and improve existing practices to reduce short-lived climate pollutants (SLCPs) and other harmful emissions to the environment, capture methane as an energy source, and optimize nutrient utilization for crop production by managing and removing barriers to action with a view toward enhancing food security and sustainable development.

### Activities in 2014

During 2014 the project:

- Identified and connected with key stakeholders including farmers, medium and large scale livestock production units, organizations and networks active in manure management, the private sector, and research institutes in Thailand, Viet Nam, and Bangladesh
- Developed a survey for needs assessment and for exploring and characterizing existing technologies in the region;
- Identified case studies and scoping studies
- Launched the MKK in Asia on 21 May at the “Diary Asia—Toward Sustainability” Regional FAO meeting
- Organized the start-up meeting of the MKK project in Bangkok
- Participated in the high level meeting on SNAP to reduce SLCPs
- Funded and monitored scoping studies in Thailand, Vietnam and Bangladesh
- Assisted partners to develop proposals for Opportunities for Practice Change (OPCs)
- Enrolled experts from Asia in the MKK roster of experts
- Helped organize and hosted the Advisory Board Meeting at the SEI Asia Centre
- Piloted a crowdsourcing activity in Thailand with the team in Wageningen University

<b>Project</b>	SEI Initiative on Transforming Development and Disaster Risk Reduction
<b>Funder</b>	Programme Support New Initiatives
<b>Budget</b>	0.5 mln SEK over one year (with further funding anticipated)
<b>Research Group (Theme)</b>	PEDRA (RCR)
<b>Collaborating centres</b>	SEI-wide
<b>External partners</b>	Several external partners have expressed interest

### **Summary**

The purpose of the project is to establish a new SEI-wide initiative on integrated research for building resilience to disaster risks with a dedicated team, financial support through core funding, and a clearly articulated program strategy. The initiative would build capacity within SEI to conduct high quality research that aims to integrate diverse research areas and sectors relevant to disaster resilience, including natural resource management, development, health, poverty reduction, disaster risk reduction and climate change adaptation. It would also position SEI as a credible and one of the most compelling organisations conducting integrated research on disaster resilience within the next five years.

### **Activities in 2014**

The goal of the project in 2014 was to establish interest in the new initiative across SEI, reach out to external partners, and write a full proposal. The initiative held a planning workshop in Bangkok with participants from across SEI and contacted potential external partners. The response was very positive. The team submitted a full proposal, but was asked to revise it. They completed revisions in January 2015.

### **Brief Outlook for 2015**

The Asia Centre began 2015 with roughly three quarters of the year's needed funding in hand. While not as substantial as in 2014, this is quite a good achievement and closer to what we would expect in future years. We are sponsored by the Thailand International Development Cooperation Agency (TICA), and for the first time SEI received a three-year MoU from TICA.

We expect to see new programmes take hold in the coming year, including the SEI-wide Initiative on Transforming Development and Disaster Risk Reduction, and centre-led programmes on gender and energy. Centre staff are also involved in other cross-SEI initiatives, including on the water-energy-food nexus, the fossil fuel economy, and trade and development. The centre expects to focus particularly on cross-centre collaboration, particularly with the Africa Centre. We also plan to establish more firmly the new programme management professional track. We will be assisted in this by Matthew Fielding, who is being seconded from the Stockholm Centre.

Following the theme of our annual retreat, we will make a determined effort to improve the work-life balance in the centre in the coming year. Part of this will involve a better balance of our funding. As the memory of our transition in 2012 and 2013 fades, the centre is developing its own culture. The centre culture is overall very positive, as the staff are both hardworking and sociable. However, some challenges have arisen. Some of these have been raised by the staff through the staff representative, and the MT is deciding how to address them. Also, some mid-level research staff must increase their peer-reviewed output in order to advance in their careers. Both the MT and the Communications Coordinator are addressing this, and mid-level researchers will likely be submitting papers early this year.



We expect to finish the year with more research and programme management staff and increased turnover compared to last year. We have already begun recruiting a few positions for the MR4SD research group, and anticipate further hires in the PEDRA group, while both groups have submitted proposals and have proposals in preparation. We will also strengthen our intern program, which has been *ad hoc* up to this point. A committee has been formed of the CD, the two research group leaders, and an intern representative, to design a more intentional program.

## SEI York Centre Director's Report 2014

### Major developments in the Centre in 2014

During 2014 we finalised our SEI York centre strategy, this was developed to make the most of SEI York's unique position, being the second largest of SEI's seven centres but also being embedded within the Environment Dept. at the UoYork. This offers opportunities in terms of access to a wide range of academic and policy focussed researchers covering topics that have breadth and depth in terms of research disciplines, research skills, expertise and partnerships. At the end of 2014 we initiated discussions to renew the MoU between SEI and the UoYork with a view to signing a new agreement in summer 2015. These initial discussions highlighted the importance of defining the unique mandate of the York Centre so that we realise the opportunities afforded us by being part of the UoYork for the mutual benefit of both SEI and UoYork. We identified a number of exciting opportunities that could be explored going forwards: continued development of the SEI York PhD programme; the possibility of SEI York hosting an MSc in International Sustainable Development; offering continued professional development (CPD) training courses in the use and application of our SEI tools – enhancing SEIs capacity building mandate.

SEI York will be moving into a new bespoke building in Sept. 2015. This building will house the Environment Dept., SEI York, YESI (York Sustainability Institute - an interdepartmental centre tasked with enhancing interdisciplinary research across the University) and BioArch (a research group of the Archaeology Dept. focussing on understanding how humans interacted with their environments using archaeological data). This will provide a great opportunity for SEI York to become even more integrated with other researchers and departments across the University, co-location within the same building will enhance the development of unique and exciting research ideas for the future. We have continued to develop our PhD programme at SEI York. We now have 9 PhD students supervised by SEI York staff members. These students are working in a variety of different areas from developing accurate emission inventories for vehicles that make up urban traffic fleets in sub Saharan countries, understanding different agricultural water management technology options to assessing the influence of different management options on UK upland peatlands and their ability to provide a range of ecosystem services.

We continue to raise the profile of SEI York within the University and hosted a successful SEI York 25th Anniversary Annual Seminar in November on 'Healthy Planet's - Healthy People' with a focus on Sustainable Development Goals for human health and well-being. SEI York staff also contributed to the SEI Anniversary celebrations held in Stockholm with 2 speakers (Jenny Roe and Kevin Hicks) and provision of musical entertainment. Jennie Barron and Patrick Bueker hosted an extremely successful SEI wide MES theme meeting during Dec 2014 which was attended by MES representatives from all SEI Centres. Finally, AnneMarieke de Bruin enjoyed an SEI staff exchange with the US Davis office during Sept-Oct 2014 to advise on participatory research methods and project monitoring and evaluation.

We have undergone a number of staff surveys in recent years (led both by SEI and the UoYork). These have identified a number of areas that we need to improve i. work related stress, career development of staff, management of good and poor performance, enhanced communication between SEI and UoYork. Over the past 6 months we have run a very successful set of bespoke training courses provided by UoYork staff that have dealt with a range of topics including line management, having difficult conversations, time management, performance review etc... These have been very well received and we hope to see the improvements in our research project management and delivery in forthcoming years.

We have also developed a 'Research Support' group in SEI York, this comprises support staff who provide skills and expertise in areas such as computer programming, software development, mobile app technology, web based spatial manipulation of data, as well as consolidating our expertise in our

communication methods (such as publications, graphic design and videos). We hope to profile this expertise across the rest of SEI so that we can share access to these skills which can be of benefit to a range of research projects, impact and outcome.

### Staff, centre organization and financial situation

In 2014 we had ~37 staff (equating to ~30 full time equivalent (FTE) members of staff, ~22 research staff and 7 support staff). Our research staff are flexibly aligned to 5 research areas which fit within the SEI wide theme structure. We also have 9 PhD students supervised by SEI York staff and 5 SEI Associates connected to the York Centre.

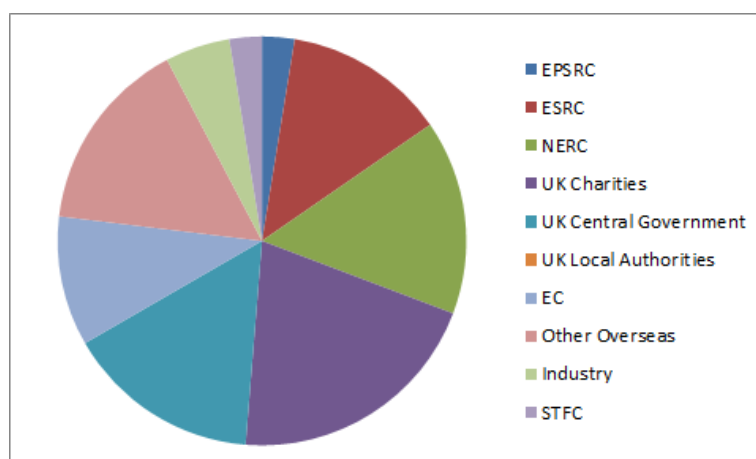
We had a rather challenging financial year in the York Centre due to difficulties with one particular project – an EU project that had been running for 4 years. This project was able to achieve some very impressive research outcomes but unfortunately, due to issues surrounding the project's contract, ended up making a loss of £150k (a loss of £83k for SEI York and £67k for the UoYork). Had this particular project deficit not occurred, the SEI York accounts would have been ~£67k in surplus at the end of the UoYork financial year (end July 2014). With TEST, we made a small but significant deficit of £18k.

During 2014 we submitted ~36 research proposals to a total value of £5, 428k. The success rate by proposal value is given in Table 1 which shows that we still have some work to do to make the transition from smaller, shorter terms projects to larger, longer terms projects. However, the wide variety of the funders that we apply to is demonstrated in Fig 2.

**Table 1.** SEI York UoYork proposal submissions for a 12 month period (Dec '13 to '14)

No of proposals	Value	Results	Hit Rate
14	< £20k	5 awarded, 5 rejected, 4 awaiting decision	50%
14	£20k to £100k	4 awarded, 7 rejected, 3 awaiting decision	35%
6	£100k to £200k	1 awarded, 3 rejected, 2 awaiting decision	25%
3	£200k to £500k	2 rejected, 1 awaiting decision	5% (?)
2	> £500k	All rejected	0%

**Fig 2.** Submission by funder shown as a fraction of total submissions made by SEI York in 2014.



During 2014 we saw the following staff recruitments: Dr. Jon Ensor (senior researcher in human rights and socio-ecological resilience; community-based adaptation to climate change; food systems; and rights-based development) and Chloe Hart (administrative support). We said goodbye to Elena

Dawkins who left us to take up employment in the SEI Stockholm Centre (after having been seconded to Stockholm from May/June 2013) and Dr. Jennie Barron who will take up an exciting position with International Water Management Institute (IWMI) in Colombo, Sri Lanka. Dieter Schwela also converted from an SEI York staff member to an SEI Associate.

### **Brief description of selected projects/activities**

During 2014 SEI York won 15 new research projects totalling £1.004k. Ten of these projects are affiliated with the MES theme. These include CCAC related research that will see continued development and application of the toolkit and SLCP project work in Latin America. We also won a 4 year project funded by the Norwegian Research Council that will explore the effects of air pollution and climate extremes (droughts and heatwaves) on arable productivity in South Asia (India and Nepal). A number of smaller projects which will run for 2015 will investigate the sustainable out scaling of fodder -livestock system opportunities for smallholder farming systems in Volta and parts of Niger using the TAGMI tool.

Other new projects are split between the TG and RD themes covering a wide variety of project work such as investigating textile dye industries in Bangladesh, continued development and application of the NET positive tool to assess the sustainability of SMEs and an extension of the 'Moors for the Future' project to raise awareness of how moorlands and the species they support are responding to climate change.

These new projects mean that SEI York is currently delivering on nearly 40 research projects with a total value of ~£3.5M. We still have a larger fraction of smaller value projects with 10 projects < £20k, 17 between £20k and £100k, 7 between £100k and £200k and 3 projects above £200k. The work on these projects is conducted within an arrangement of 6 research groups whose key foci are described below.

Our **Atmosphere, climate change and biogeochemical cycling** group, closely aligned to the MES theme is the largest and longest running of our research areas, building on ecosystem risk assessment work conducted within the UNECE Long Range Transboundary Air Pollution Convention and extending into developing countries in South Asia and Southern Africa. Most recently, this work has focussed on assessing the options and benefits of reducing short-lived climate pollutants (SLCPs) as well as climate change mitigation. We have been successful in winning a number of funding awards that will help develop tools and expertise that can inform the Climate and Clean Air Coalition (CCAC). These projects will see the development of national action plans to develop bespoke mitigation options that can improve air quality for the benefit of near term climate, human health and food supply. The development of National Action Plans to identify SLCP mitigation options showcases the very practical application of some of our most high profile scientific research.

Our **Agricultural Water Management and Governance** group, also conducting research within the MES theme, investigates improving agricultural livelihoods in semi-arid parts of Africa and Asia and has strong links to the SEI centres in these regions. Important aspects are our partnerships and collaborations which extend from global and regional organisations through to farmers on the ground. This ensures that this governance related research has meaningful and practical impacts at a range of institutional levels. For example, projects that have targeted the development and wider implementation of agricultural water management technologies have used a series of methods including stakeholder workshops, training sessions and learning events to inform Government representatives, local and international NGOs, and farmer and livestock keeper representatives of the key messages arising from our research activities. This group is continuing under the leadership of both Steve Cinderby and Jon Ensor as Jennie Barron leaves to take up a new position with IWMI.

Our **Sustainable Consumption, Production (SCP) and Trade** research group performs work under the RD theme, and explores social and environmental impacts associated with economic activity at urban and local authority, national and international scales. We also have close connections with business and industry in this research area. A key component of the group's work lies in using the Input-Output and Trade Analysis (IOTA) model to assess international trade flows and their associated driving forces in relation to environmental impacts. This model is helping to develop the UK Government's Sustainable Development and Green Economy Indicators, and provides an indicator of the UK's impacts on overseas biodiversity.

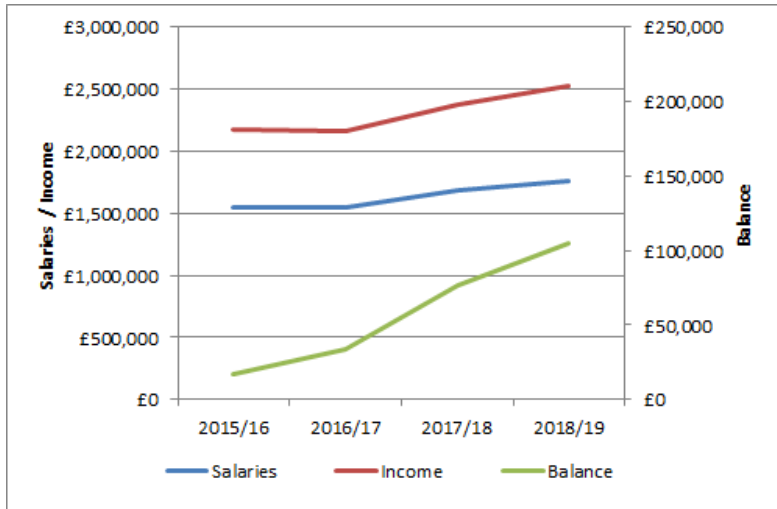
Finally, our **Human wellbeing and behavioural change** research group has a strong track record in understanding the influence of the environment on human wellbeing using a variety of novel bio-medical monitoring methods. This research has investigated how best to promote resilience in local communities across the UK, often focussing on particularly vulnerable sectors of society. For example, our research has shown that higher levels of green space in poor urban communities are associated with lower stress levels, this evidence is being used to direct Scottish policy on health and wellbeing and green infrastructure, and to help improve the quality of life in deprived communities along Scotland's 'central belt'.

SEI York also has a long history of **engaging the public in scientific research and decision-making**. Our strength is in the diversity of these activities. We engage with the public at various scales, in different locations across the globe, and at many different levels and stages of the research process. The development of our SEI York communications and software development team, and ensuring this group works closely with the SEI wide communications team, has also helped ensure that our research is made available to policy makers and decision takers in a wide variety of formats enhancing the public and policy engagement of our research.

### Brief outlook for 2015

During 2015 we look forward to a successful renegotiation of the MoU to ensure the SEI York centre is optimising the benefits of its unique position for both SEI and the University. These negotiations provide a good opportunity to ensure the partnership provides a clear mandate for the SEI York centre and that opportunities are realised, or identified for the future. We hope to be able to make a number of recruitments in 2015, for example to bolster our research team in the 'Atmosphere, climate change and biogeochemical cycling' group so that we can build on the success of our research into SLCPs. Support from SEI HQ in this, and other planned recruitments, is extremely important for the York Centre which has struggled in recent years to build a reserve of funds for such positions. The move to the new building will see a large amount of change for the SEI York staff and there is some understandable trepidation associated with this move to 'activity zone' offices. Ensuring this new office space is furnished appropriately will be important to ensure our researchers are able to continue to work as effectively as possible. We plan to continue to develop our PhD programme and look forward to welcoming a new intake of PhD students in October 2015. Finally, the Medium Term Plan projections for SEI York are shown in Fig 3 below. These show that over the coming 4 years (2015/16 to 2018/19) a net balance of £17k, £43k, £76K and £105k could be expected based on current grants, assumptions over success rates of proposal submissions and future staffing levels.

**Fig 3.** Projected salaries, income and net balance for the coming 4 year period at SEI York.



## SEI Africa Centre Director's Report 2014

### Major developments in SEI Africa in 2014

Following its relocation in mid-2013 from Dar es Salaam to Nairobi, in 2014 the SEI Africa Centre grew dramatically, beginning the year with four full-time researchers and ending with a staff of eight. This included: the recruitment of a junior energy researcher to support our growing sustainable energy programme; an intern who won a prestigious DFID/ESRC/NERC-funded Ecosystem Services for Poverty Alleviation (ESPA) fellowship to become a staff member with full funding to work on a Stockholm-based ESPA project; our first support staff member, an administrative officer to manage our finances and general office operations; and an intern to focus on mapping urbanization research issues, a new focal area of work which SEI Africa is developing. Thus, we met our 2013 goal of achieving a total staff complement of 7-8 by the end of 2014. Further, we completed two additional recruitments by the end of 2014, both of whom will join us in the first quarter of 2015: a mid-level researcher for water, land use and ecosystems and a 50% FTE communications officer.

In addition to the increase in staff, SEI Africa underwent another important transition: moving into new offices in September 2014, when the construction of a new building at its host institute, World Agroforestry Centre (ICRAF), was completed. As a result, our office size jumped from only 15m<sup>2</sup> to a spacious 56m<sup>2</sup>; we now four offices that provide a total of 10 workstations plus a small (5-person) meeting space. While the new space is adequate for our current staff complement, we have some concerns about our ability to grow further, as ICRAF has indicated no additional space will be available until 2017. We are in the process of raising this issue with ICRAF's senior management.

In addition, buoyed by additional staff, our project portfolio expanded, with the greatest number of new projects driven by our sustainable energy programme. These included an IDRC-funded project on county energy planning in Kenya, validation of SNV's improved cookstove initiatives and a workshop on climate mitigation and energy access as part of the New Climate Economy project.

Also in 2014, SEI Africa staff completed a four-year EU FP7 project on vector-borne diseases as part of a consortium of 16 partners, with SEI leading one of the work packages and executing the final project activity, the development of decision support tools for disease management in the five East African Community countries. We also led one of three working groups on the Economics of Land Degradation Initiative. Furthermore, we joined a consortium with Sustainability Institute at Stellenbosch University and UNU-INRA in Ghana to work on a UNEP/GIZ project to build a toolkit for operationalizing the green economy at sub-national level in Africa. Lastly, SEI Africa staff participated in 5 Sida-funded Programme Support (PS) projects in 2014.

### Staff, Organisation and Financial Situation

SEI Africa is building its work around four themes: Sustainable Energy Pathways; Climate Risk Reduction; Transforming Rural Livelihoods; and Managing Urban Change. In 2014, SEI Africa's senior staff members were: the centre director, who focuses on ecosystem services; the deputy director, who also heads the sustainable energy programme; and the programme leader for climate change. In terms of junior staff, we had two research associates working on energy issues and an intern undertaking a mapping study for our new urbanization theme. Further, in mid-2014 we recruited an administrative officer: the first support person SEI Africa has employed over the six years of our existence. In fall 2014, we undertook a recruitment process for a mid-level water researcher, who will begin in January 2015. Lastly, we added a communications officer, who will start in March 2015 on a 50% basis (the remainder of her time will be spent working for GIZ providing communications for the centre director's main research project). In expanding our staff, we are pleased that we were able to create a diverse team, with 8 of our 10 staff members drawn from 4 different countries in sub-Saharan Africa. Also of note: we arrived in Nairobi in mid-2013 with no Kenyans on staff but, as

of March 2015, 50% of our staff will be Kenyan, two of whom joined us through an international recruitment process.

The growth of the SEI Africa centre in 2014 is also reflected in an increased turnover as compared to previous years, with an expanded project portfolio. The year ended with a small deficit, which is not unexpected given the transitional period following the move to Nairobi and a number of new staff.

## Selected Projects

- **Economics of Land Degradation:** in 2014, SEI Africa received two new grants from GIZ to support the project's stakeholder engagement outreach, led by SEI Africa staff. As part of this, we worked with UNDP to undertake country consultations in Kenya, Tanzania and Sudan and with the University of Leeds to undertake regional consultations in South America and country consultations in the Philippines and Laos.
- **Global Commission on the Economy and Climate Phase 1:** SEI was part of a consortium of seven economic and policy research institutes in the US, China, Europe, India, Korea and Ethiopia, tasked with producing better and more comprehensive evidence on whether and how climate policy can be made compatible with strong economic performance. This was done through the Commission's flagship project, the New Climate Economy. The project aimed to engage directly with decision makers in both the public and private sectors in a variety of countries and synthesise existing knowledge with original research and analysis. Linking with colleagues from SEI Stockholm, SEI Africa was involved in the project by way of exploring the issue of how climate mitigation impacts upon efforts to increase access to modern energy services. The way in which we explored this issue was through a workshop in Nairobi, bringing together experts, including practitioners from government and NGOs, largely from the East Africa region. The workshop provided inputs to the New Climate Economy report on the issue of energy access and also led to an SEI discussion paper on the impact of low-carbon strategies on energy access imperatives. The gathering of stakeholders highlighted SEI's convening power in Africa and helped strengthen our networks on energy and climate: networks we hope to build up on in 2015 with the second phase of the Commission's work.
- **SNV improved cookstove validation mission:** SNV contracted SEI to validate their improved cookstove interventions and provide suggestions for improvement. Led by SEI Africa and involving staff from SEI Stockholm, SEI Asia and ICRAF, the project investigated four SNV cookstove projects, one each in Kenya, Rwanda, Nepal and Cambodia. Fieldwork was undertaken in each country between October-November and a workshop to discuss preliminary results was held in Nairobi in December. The purpose of this project is to help SNV develop a common understanding of what "good quality" improved cookstove interventions might mean, based on an "ideal" theory of change/intervention logic and what has worked in SNV's projects. The intention is that this project leads to a longer-term engagement between SNV and SEI on cookstove market transformation issues.
- **Developing a framework for local participation in County level energy planning in Kenya:** in early 2014, IDRC - a strategic partner for SEI Africa - funded a 1-year project to explore energy planning in Kenya's newly-devolved county system. Led by SEI Africa, in partnership with Practical Action, the project explored the notion that local participation is crucial for effective energy decision making and planning, and that achieving such participation requires direct engagement with citizenry. Although the policy space for such participation has been created by the Kenyan constitution, county energy planners have no clear path to follow in order to actually undertake participatory energy planning. This project aimed to work with one county in Kenya, Migori County, to jointly develop a framework that can serve to



institutionalise the use of participatory processes in energy planning. From a research perspective, this project contributed to the literature on participatory energy planning in low-income settings and informed the planners as well as organisations working on energy. Activities included a 500-household survey to get a baseline on household energy use that the county did not previously have and focus group discussions in all 8 sub-counties in the county to identify existing participatory mechanisms that county energy planners could utilise. We worked with local research assistants, training them on survey techniques and building up their capacity, which can be used by the county in the future.

- **Development of a Toolbox for Operationalizing Green Economy Transitions at a Sub-National Level in Africa:** SEI Africa directs SEI's involvement in a consortium led by the Sustainability Institute at Stellenbosch University and the United Nations University's Institute for Natural Resource Assessment (UNU-INRA), working on a UNEP-funded project to develop a toolbox for operationalizing the green economy in Africa. The development of the toolbox is the first stage in an initiative to pilot the toolbox and then roll it out in 5 African countries over 3 years. SEI colleagues from the York, Stockholm and Africa centres were involved in components of the toolbox related to climate smart agriculture and food security (SEI Africa), integrated water resource management (SEI Stockholm), sustainable fishing (SEI York) and implementation support tools (SEI Africa). In 2015, the toolbox shall be adapted to national and local contexts and a critical number of trainers and multipliers at regional and national level will be trained in the application of the toolbox.
- **Africa Nexus:** this project, funded by Sida PS funds and managed by SEI Africa, aimed to identify key nexus problems and advance the agenda of development and sustainability in Africa. The project's three work packages involved: providing inputs into SEI's global nexus strategy for the sub-Saharan region and developing further project proposals on investigating nexus issues in Rwanda and Ethiopia; working with SIWI, CSIR and IAGS to develop the WES value proposition "Integrating Water and Energy Planning Southern Africa Case as a Global Proxy" into a full programme proposal for SEI, including specific work packages for SEI Africa; and working with the Swedish Defence Research Agency (FOI) to convene a meeting with Sida, Ministry of Foreign Affairs, SIWI and others to write a paper on integrating security and environmental analytics for sustainable development, using the Nile region as a case study.
- **Climate and Development Capacity Building:** As part of Sida PS funds to support Climate and Development editorial support and writeshops, SEI Africa facilitated a capacity-building writeshop of prospective developing-country authors on the topic of transitions to modern energy systems in Africa. The writeshop involved a week-long training and mentoring on writing skills, choosing journals and focusing arguments. It was held in Nairobi in August and involved 14 participants (early career researchers) from Ethiopia, Kenya, Tanzania and Uganda. The focus on East Africa was largely due to budgetary constraints, but was also designed to link up researchers from the region to encourage future collaborations. Mentors for the writeshop included an SEI Africa staff member, an SEI associate and two lecturers from the University of Nairobi and Kenyatta University. The feedback from participants and local mentors was that this writeshop was not only enjoyable but extremely important given the limited training that African researchers get on this in the formal education system. One participant has already had their paper published since attending the writeshop.

## Brief Outlook for 2015

In 2015, we will focus on developing a new theme: managing urban change. We made a decision in 2014 that an urbanization programme would be highly relevant for SEI Africa to pursue, given the fact that Africa is the fastest-urbanizing region and that in-migration to megacities are creating major development challenges for African governments. It also allows us to support and expand relevant

research currently being undertaken by SEI staff in other centres, such as: sustainable sanitation; urban metabolism; sustainable transport; and air pollution. We also have the advantage of building a strong partnership with UN-HABITAT, whose headquarters are located adjacent to our ICRAF offices, as well as with Sida's regional office in Nairobi, which has urbanization as one of its priority area. To accomplish this, in 2014 we brought onboard an intern to complete a mapping study of (i) SEI-wide research related to urbanization; (ii) key strategic issues for urbanization in sub-Saharan Africa; and (iii) potential partner organizations.

Given our rapid staff expansion in 2014, as well as the two recruitments joining us in early 2015, we plan to add only one additional research position by April 2015: a junior researcher in urbanization. However, in mid- to late-2015, additional staff that may be added if required would mostly likely be a mid-level researcher to focus on urbanization issues and possibly junior researchers in areas such as LEAP and WEAP, all depending on the demands of our project work.

In 2015, we also expect to develop projects and funding proposals relevant to our four focal areas, in order to increase our profile and policy impact in sub-Saharan Africa as well as to support the recruitment of further new staff in 2016. Further, we will host students from the region for internships and MSc/PhD studies, as we did in 2014, to contribute to our mission of capacity building. We will also continue our hosting of MSc and PhD students affiliated with other SEI centres while undertaking research in sub-Saharan Africa.

Lastly, as a small centre, we strive to build collaboration with other SEI centres on our programmatic areas. To accomplish this, we will utilize staff exchange visits for our newest staff members and encourage visits to SEI Africa by staff from other centres. We will also continue to disseminate biannual newsletters to keep staff across SEI aware of our work and our potential to support proposal and project development.

## SEI Oxford Centre Director's Report 2014

### Major developments at SEI Oxford in 2014

Completion of several long term and high profile projects in 2014 (in particular COBAM) has provided a boost to academic journal paper output. The weADAPT newsletter, new initiatives and collaboration with staff across SEI has raised the profile of the weADAPT portal within and outside SEI. In 2014 weADAPT achieved 10,000 visits/month with 8000-9000 unique visits/month on average, covering 190 countries.

Diversity of research capability at Oxford has increased with climate finance and law expertise with the addition of Harro van Asselt to the team.

The soon to be completed EC funded work (emBRACE, EcoADAPT, IMPACT2C) means that there is pressure at the Oxford Centre to identify long term sources of funding going into the next funding phase. Several Sida funded PS projects also came to a close in the final quarter of 2014.

However SEI Oxford has contributed to six EC submitted H2020 projects (with others ongoing), two H2020 has been successful and we have further substantial roles in the DFID/NERC Future Climate for Africa proposal.

The end of year accounts are showing a positive result which means that the period until new funding begins and news about H2020 projects is received it will not be necessary to start cutting costs. Securing long-term funding for weADAPT activities remains a fundamental challenge though we have made good use of SEI's baseline support this year for weADAPT from Government Core and ongoing collaboration with SEI communication's team.

### Staff, centre organization and financial situation

Total income for Oxford 2014 in the order of £577,000 with a likely operating gain of £95,000. For 2015 the forecast is based on current estimated project (and government core) income of £458,000 and the figure for 2016 is similar. The break-even income has been calculated as £457,550 at the current staffing level.

Ruth Butterfield continued in the role of Centre Director in 2014. Harro van Asselt transferred employment from the Stockholm Centre to the Oxford Centre, in agreement between the two Centres, in April 2014. Michael Rastall left to pursue as Masters degree at University College London. As two staff were on parental leave from April and June (Monica Coll Besa and Anna Taylor) our plan to cover some of this was to employ a Knowledge Manager for weADAPT. Anneli Sundin arrived in October and also took over the role of Communication node. SEI Oxford renewed the lease on building in April 2014 for another 5 years. Three staff members are registered PhD students. We hosted two interns - Caroline Lumosi (University of Wageningen) and Daniela Anguilano (Università degli Studi di Foggia) and feedback that we have received from them and their tutors has been extremely positive.

### Transforming Governance Theme Co-lead

Sukaina Bharwani continued our strong link with Transforming Governance theme through her theme co-leader role introducing a focus on vulnerability, livelihoods and participatory 'mixed

methods' and developing the new theme space on weADAPT for tools and methods to support research on governance (<https://weadapt.org/transforming-governance>), based on staff demand. Naturally, much of the research at SEI Oxford also contributes to the Reducing Climate Risk theme.

#### **PMEC node**

Richard Taylor has continued in his role as PME node and the confidence of staff in using the system has considerably increased over the last year.

#### **Communications node**

This is considered as particularly important in Oxford. We have continued to develop and monitor our Centre Communications plan throughout the year competently supported by Anna Taylor, Michael Rastall and Anneli Sundin.

#### **SEI Initiatives**

Ruth Butterfield is listed as a WP leader for the **Transforming Disaster Risk Reduction and Development** initiative. This initiative has very strong links to the expertise on climate change adaptation and knowledge management of the Oxford Centre. Harro van Asselt, together with Michael Lazarus, have successfully secured the **Fossil Fuel Development and Climate Change Mitigation** initiative.

### **Short description of selected projects/activities**

Climate Change and Forests in the Congo Basin: Synergies between Adaptation and Mitigation (COBAM) - Despite funding from the African Development Bank grant to the Economic Community of Central African States (ECCAS) for financing the Congo Basin ecosystems conservation support program (PACEBCo) being cut for the final year of the COBAM project, SEI finalised its deliverables to project leader CIFOR in June 2014. Many joint papers and reports were completed for the COBAM project, following analysis of interviews and household surveys and workshops in Cameroon, Equatorial Guinea and Rwanda. Further publications, including data analysis and model development are planned with internal funding in 2015.

#### **weADAPT**

The weADAPT team together with researcher Magnus Benzie have, during December 2014/January 2015, developed a space on the platform for the SEI project [Adaptation without Borders](#) – with outputs from the project, including films and stories from Senegal, Discussion and Policy Briefs and an online Prezi. A role for weADAPT is also being developed with Oxfam GB for the CARIAS ASSAR project, led by the University of Cape Town. SEI Oxford and Africa also have an existing role in the CARIAS PRISE project led by ODI and we are in discussions with IDRC regarding the general communication of CARIAS results through weADAPT.

weADAPT, the SEI-led online knowledge portal on climate adaptation benefited from support and collaboration with the SEI Communications team in 2014 which allowed for further knowledge management, implementation of an improved social media strategy and the support of two new initiatives on Transforming Governance and Disaster Resilience. A UK Trademark is almost secured for "weADAPT". weADAPT has 10,000 visits/month with 8000-9000 unique visits/month on average, covering 190 countries.

There are approximately 2600 registered users and almost 600 registered organisations. It now has 14 Themes and 9 Networks and weADAPT presentations have been in the top 5% of all Slideshares viewed in 2013 and 2014.

### **Climate Knowledge Brokers**

Following attendance at various events during 2014, including the 2014 CDKN Climate Knowledge Brokers workshop organised by IDS, REEEP and CDKN in Brighton in October. This was followed up with an event on '[Creating a Smart Network for Climate Knowledge](#)' at ODI (Overseas Development Institute) in October to publicise the new network hub and to discuss how it can support climate and development. Sukaina is on the Steering Committee of the Climate Knowledge Brokers Network which is now led by REEEP.

### **IDRC/DFID CARIAS Adaptation at Scale in Semi-Arid Regions (ASSAR) project**

weADAPT platform started a collaboration with Oxfam GB towards the end of 2014. They are part of the innovative research to be carried out by the 5 year project on Adaptation at Scale in Semi-Arid Regions (ASSAR), funded by the Canadian IDRC (International Development Research Centre) and DFID. It is part of the CARIAS (The Collaborative Adaptation Research Initiative in Africa and Asia) program. Together with Oxfam GB we have created a [Network space for the ASSAR project](#) on weADAPT for them to share their resources and outputs. We are also collaborating on a [mini user survey](#) that will help fill knowledge gaps and needs for climate change adaptation in semi-arid regions. This survey will feed into the ASSAR research strategy that will be decided on later this spring and has had 90 responses so far. SEI Oxford hope to continue collaborating with Oxfam GB in the ASSAR project, which is led by UCT. We are in discussions about this and IDRC will be releasing a new call for participation with existing consortia soon, which we will apply to with Oxfam GB and possibly others.

### **emBRACE**

The emBRACE project (Building Resilience Amongst Communities in Europe) (2011-2015) in April 2014 entered the third and final reporting period. In May 2014 the 2nd Project Meeting took place in Bolzano and SEI reported on WP4's progress. In 2014 much case study work took place. In particular, SEI has been supporting work in North England and Italian South Tirol cases. In terms of SEI Oxford staff, Richard and Anneli have been working on the project. Lydia Pedoth from the European Academy (EURAC), Bolzano, a partner in the emBRACE project, whilst hosted at York, visited the Oxford Centre in November.

### **EcoADAPT**

EC FP7 EcoAdapt is a four-year EC project focused on Latin America which seeks to assist communities in these landscapes to develop their ecosystem-based adaptation strategies. The project aims at building adaptation strategies that are technically and socially robust that are relevant to water resources and natural resources management in order to ensure current and future water availability (quantity and quality) taking into account local development needs under a changing climate. Project coordinator is CATIE. This process is supported by exploratory scenario analysis, participatory agent-based modelling and social validation via hybrid forums. Mapping and analysis of the socio-institutional relationships have been completed in WP2 led by SEI (Tahia Devisscher with Monica Coll Besa). weADAPT has been used as a knowledge sharing platform (in WP1) to upload co-generated material, and EcoADAPT network page has been developed <https://weadapt.org/initiative/ecoadapt>.

For the final activities SEI is involved in WP4 – use different participatory methods to screen the suggested adaptation strategies will be finalised in 2015. A project meeting was held in December 2014 in Peru in parallel to the COP.

### **PS project: Strengthening climate adaptation planning through novel learning techniques**

This project had the ambition to design and test a model for supporting the planning of locally relevant climate adaptation programmes and projects through providing a combination of face-to-face and virtual (web-based) learning opportunities that are responsive to the specific needs of a participant group away from the useful centres of information and training. In collaboration with SEI Asia and local partners in Mataram, on the island of Indonesia and Dumaguete, the Philippines and BMKG in Jakarta, training has been successfully delivered and feedback received from participants (practitioners, authorities, researchers including climatologists or technicians operating at the sub-national level). As a result of the training and feedback supplementary training module have been added to weADAPT, where all communication and materials have been held. As a final output an SEI publication in Lessons Learnt is in preparation.

### **PS project: Climate Actor Mapping for Adaptation (CAMA)**

This project involved building SEI's capacity to carry out innovative network visualisations of scientific debates and boundary partners to strategically address gaps in SEI's climate adaptation research competence and partner profile in Africa and Asia. This involved a mutual collaboration with Science Po medialab on their EC FP7 EMPAS project on citizen science (see [climaps.org](http://climaps.org)). It also attempted to improve our participatory tools on knowledge elicitation, by leveraging ongoing data collection in other projects i.e. COBAM. As a result of this project, which is now complete, several larger proposals have been and continue to be submitted with Science Po medialab (e.g. ISSC, H2020). weADAPT will also be hosting many of the visualisations of the EMPAS project to collect community feedback from potential users of the data.

### **PS project: Reconceptualising Environment and development as change processes**

Governance in the fields of "environment" and "development" is ostensibly about creating conditions for changing or shaping human behaviour. Creating change is more complex than a physically defined problem and an economically efficient and technically compelling solution. It requires a deep understanding of the interplay between social, cultural and psychological factors that influence the way people make decisions and judgments. What this means is that designing effective, workable policies and actions, whether at the global or local level, requires a good understanding of how human beings make decisions. SEI Oxford led the climate adaptation case study in this project and a briefing is being produced as an output based on Bharwani et al., 2015.

### **NORD-STAR**

As part of the NORD-STAR Centre of Excellence, Harro has been examining how Nordic donors (rather than recipient countries) seek to mainstream climate risks in their official development assistance policies and practices. In collaboration with SEI-Stockholm, representatives from development agencies, and other knowledgeable stakeholders have been interviewed, leading to policy briefs on mainstreaming in Sweden (published) and Denmark (in press).

### **Orchestrating International Climate Policy**

This PS project addressed an issue that has received increasing levels of attention in the international climate policy discussions, namely the complexity of global climate governance. It applied a new concept emerging from the academic literature ('orchestration'), and assess how the international climate regime could position itself in the institutional complex for climate change. As part of the project, Harro has published a journal article and a book chapter. Furthermore, he has participated actively in a number of workshops (in Bonn, Oxford and Lima) on the topic, leading to a joint letter

with academics and NGOs to the UN Secretary-General, as well as a paper submitted to a top-ranking journal (Science). The project was awarded follow-up finance through the Swedish Research Council in 2013; this has led to a new project, led by Lund University, called NAVIGOV (Navigating Institutional Complexity in Global Climate Governance).

### **Scaling Up Climate Finance in 2014 and Beyond**

As part of this project, Harro contributed to a study of the UNFCCC's registry for Nationally Appropriate Mitigation Actions (NAMAs). The study, carried out for the European Commission's DG Clima offers a critical analysis of the design and functioning of the NAMA Registry, and through interviews with developing country government officials and representatives of financial institutions, provides insights into how users have perceived the Registry. The report was approved by DG Clima in December 2014.

### **Events at Conference of Parties 2014**

Tahia Devisscher organised, together with Toby Gardner and Javier Godar, a discussion forum [Moving targets: Challenges and opportunities for sustainability in "frontier" landscapes](#) at the Global Landscapes Forum 2014 during the COP20 in Lima, Peru. This was a collaboration between the EcoAdapt project and the SIANI network. The event focused on ways to improve land use governance in frontier landscapes, including ways to engage diverse actors, resolve conflicts, and address everyone's needs and concerns.

During the COP20 in Lima, Tahia Devisscher presented at the launch of the Latin American [Climate Knowledge Brokers](#), participated in the Development & Climate Days ([Zero-Zero initiative](#)), co-organised a session at the Global Landscapes Forum, presented in the EcoAdapt Steering Committee meetings, and attended COP side-events and a workshop on Adaptation to Climate Change in Latin America organised by the Secretariat of Strategic Affairs of the Brazilian Presidency.

Together with CICERO and the German Development Institute, Harro van Asselt organised and presented at a well-attended side event at COP 20 in Lima on the assessment and review of intended nationally determined contributions under a 2015 climate change agreement. He also contributed to a meeting on 'Catalyzing Climate Action at All Levels', organised by NRDC, Oxford University and the Stanley Foundation.

## **Brief outlook for 2015**

### **Proposals**

Six proposals have been submitted to various EC Horizon 2020 programme calls and CARISMA and PLACARD have so far been successful. A proposal was also submitted to the DfID/NERC Future Climate for Africa programme based on our existing pilot project for the same programme. This is led by the University of Cape Town.

The PLATform for Climate Adaptation and Risk reduction (PLACARD) (2015-2019) project will be coordinated by Fundação da Faculdade de Ciências da Universidade de Lisboa (FFCUL) and SEI involvement from Stockholm (Richard Klein plus others) and Oxford (Sukaina Bharwani, Ruth Butterfield, Richard Taylor) will establish a comprehensive coordination and knowledge exchange platform for CCA and DRR for multi-stakeholder dialogue and consultation to address gaps and fragmentation challenges in current CCA and DRR research. SEI will be involved in this work through

international governance and institution expertise, stakeholder engagement and dialogue and online communication and brokering. PLACARD's vision is to become a recognized platform associated with high quality dialogue, knowledge exchange and collaboration between CAA and DRR communities.

Harro van Asselt, together with colleagues at SEI Stockholm, led the proposal for CARISMA ('Coordination and Assessment of Research and Innovation in Support of climate Mitigation Actions'), co-ordinated by Radboud University in The Netherlands. SEI will lead a work package on policy, and contribute to several other work packages. The project will run from February 2015 until August 2018.

Harro van Asselt submitted a successful proposal to the Swedish Research Council (Formas) titled 'From emissions to extraction? The political economy and governance of leaving fossil fuels in the ground' (SEK 6 536 000), involving also SEI-Stockholm, CICERO (Norway) and the University of Cape Town (South Africa). The project will run from April 2015-March 2018.

### **Developments**

- SEI Oxford Centre will be hosting an SEI Board meeting on 28 and 29th September 2015.
- We will be targeting high profile conferences this year –e.g. International Scientific Conference- Our Common Future under Climate Change, July 2015 Paris, France and the 21<sup>nd</sup> Conference of Parties also in Paris, December 2015.
- Increase staff capacity (1 new staff member – 3 interns scheduled in 2015)
- Communicating and translating climate information in credible, timely and relevant ways that build capacity to address climate risks in different contexts; written into the FCFA proposal. Ongoing discussion and visits from and with CSAG at the University of Cape Town will further this area of expertise.
- Online knowledge integration and brokering – using ICT innovations to bridge disparate and distributed communities by fostering the learning and sharing of information across locales, this will be developed further in the H2020 PLACARD project and the SEI DRR initiative. weADAPT will be migrated to a new Content Management System to improve flexibility in sharing with other platforms and to ensure its longevity.
- Decision support remains a strong focus of the work in Oxford and will continue in our contribution to case studies in 2015 in EC projects IMPACT2C, EmBRACE and IMPRESSIONS.
- Integrating qualitative and quantitative methods for decision support and generating new knowledge on climate-related vulnerability and adaptation – coupling technical and local knowledge to support decision-making- through the IMPRESSIONS projects.
- Integrate weADAPT into proposals - develop new authors/editors, strategic links to other large networks and portals
- Build further capacity for Agent-based modelling as becoming an increasing focus, development and documentation is planned for 2015, building on COBAM project.



## SEI US Centre Director's Report 2014

### Major developments at SEI-US in 2014

The US Centre had a productive 2014. Amid staffing and office situations that were remarkably stable, the Centre's major developments were largely in the form of notable advances in research, tools, and publications. We took significant strides further developing and applying our "robust decision support" framework, which underpins several new activities in the water area, and provides the basis for a number of exciting new efforts in the coming year. Our work on climate-resilient infrastructure in Africa led to accolades and further work in the region. SEI-US researchers co-led the establishment of three new SEI initiatives: on the water-energy-food nexus, on fossil fuel supply and climate change mitigation, and on short-lived climate pollutants (SLCPs) and low-emission development strategies (LEDS).

Through partnerships with key initiatives and institutions, from the New Climate Economy to the UN Special Envoy on Cities, we firmly established a work programme on cities and climate change. Our LEAP work and collaborations continued to expand in extent and influence, including support for countries as they prepare their Intended Nationally Determined Contributions for the Paris COP this December. And our climate equity work, leveraging the newly released Climate Equity Reference Calculator and key contributions to the IPCC Fifth Assessment Report, advanced the conversation regarding "fair shares" through a number of widely-read publications. We describe these and other key activities further below.

Institutionally, the principal development at SEI-US was the transition to a new Centre Director chosen through a competitive process. Charlie Heaps, who led the US Centre through its successful move from the Tellus Institute to its status as an independent entity associated with Tufts University, closed out an eight-year tenure as CD. Charlie shepherded us from a collection of [9] relatively independent researchers in 2006 to the well-organized, highly collaborative Centre of [24] that we are today, with thriving offices in three locations. Michael Lazarus took over as Centre Director on Jan. 1, 2015.

Other important US Centre developments and activities of note in 2015 include hosting of the SEI Board meeting and the launching of Gender and Diversity Committee. We hosted the Board meeting this past fall on Tufts campus, which included a half-day symposium, with a panel that combined presentations from SEI-US researchers and Tufts professors, and attendance by the Tufts community. The Gender and Diversity Committee is expected to complete work in 2015 by enhancing our institutional understanding of how the different dimensions of diversity and gender play a role in our success, efficiency, and interactions with others. We hope translate these findings into our internal, hiring, and related policies in the coming year.

### Staff, Centre organization and financial situation

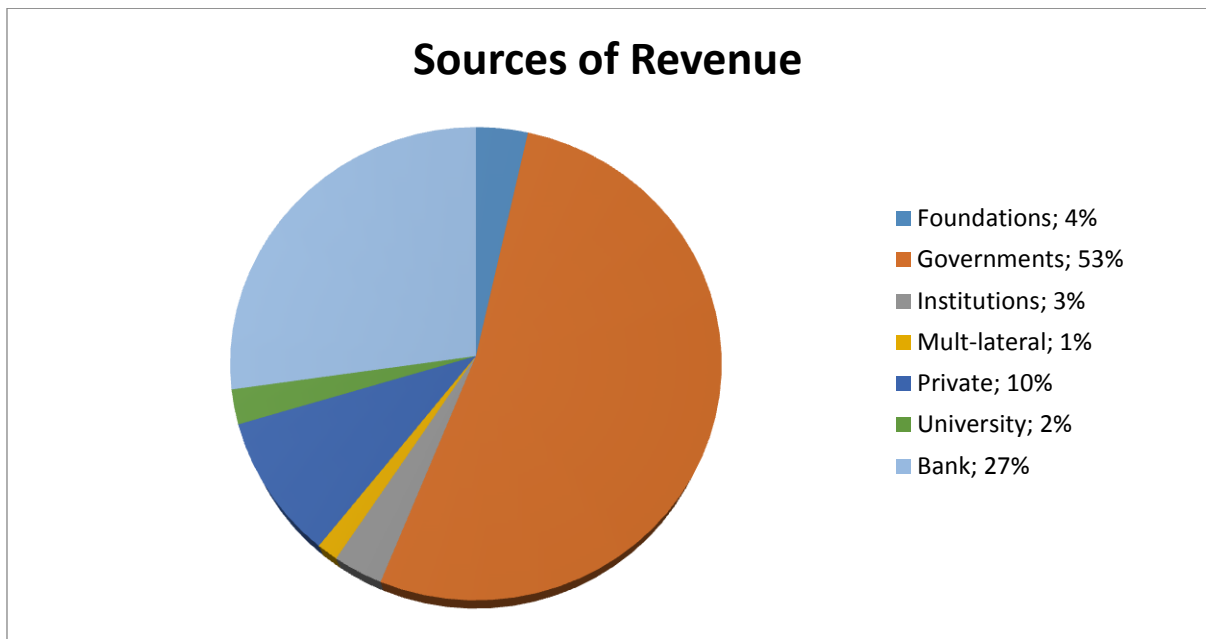
As noted above, 2014 was remarkably stable from an organizational standpoint. For perhaps the first year ever, there were no staff changes – we began and ended the year with 24 staff, of whom 14 were in Senior Scientists, 8 scientists and analysts, and 2 in administration. We begin 2015 with a record number of promotions (6), indicative of the high quality and success of current staff.

The Water Group remains the largest research area in the US with 14 staff, and operates as a relatively tightly organized and integrated unit. Another 8 staff work on energy and climate, spread across a number of thematic focus areas, from equity to modelling to policy.

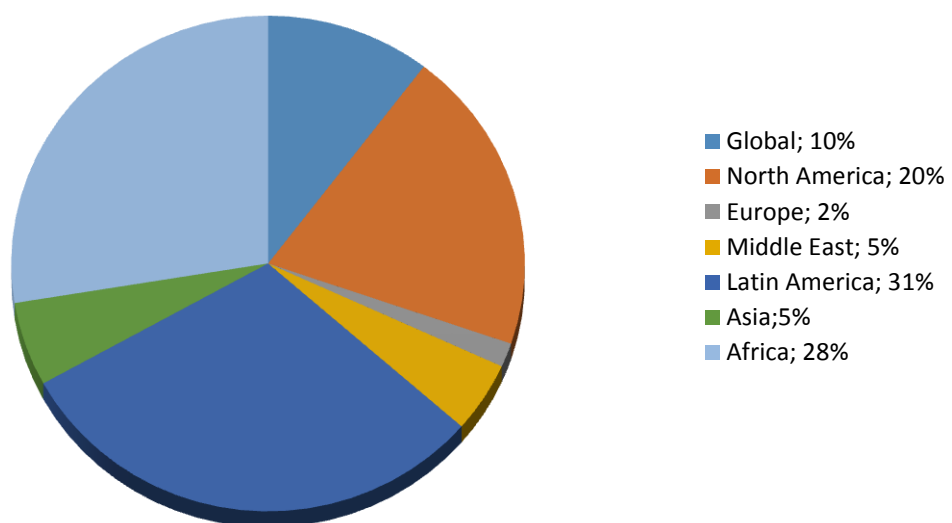
We continue to occupy the same three office spaces in Seattle, WA (in a building shared with numerous social and environmental NGOs); Davis, CA, and Somerville (on the Tufts University campus). We are close to capacity at the Somerville office, and are reinitiating a search for space that offers improved staff interaction and greater room for growth, while maintaining proximity and

connection to Tufts. As past efforts have shown, these are not easy criteria to fulfil in the Somerville office space market.

The US Centre's financial situation remains strong. In 2014, we had \$4.8 million in revenue (turnover), a roughly 10% increase over 2013. We ended the year with an increase in net assets of \$24,500. As shown below, SEI-US researchers continued to procure substantial contract and grant awards through local, regional, and national governments, representing approximately half of Centre revenue (inclusive of subcontracts). Projects with a Latin American and African focus contributed the largest fractions of revenue at 31% and 28%, respectively, while US-focused projects provided another 20% of revenue.



### Geographic Foci



## Selected projects/activities by SEI research area

### Water

The Water Group continues to apply and extend SEI's WEAP (Water Evaluation And Planning) system in innovative ways to support water resource planning and climate change adaptation around the world. A particularly successful approach has been to apply WEAP in a "robust decision support" framework in which we work with stakeholders to identify vulnerabilities and uncertainties in watersheds – including climate change but also demographic trends, land use changes, new policies, etc. – and then consider potential adaptation/management strategies to address them. Using WEAP, we then model scenarios to show how the application of different strategies might affect vulnerability. The entire process is iterative and highly participatory, and builds capacity both among professional planners, and among stakeholders in the community. We are currently applying this approach in Yuba County, in California's Central Valley, as part of the county's 5-year update of its water resource management plan, as well as in two watersheds in Peru, through the USAID-funded PARA-Agua project. As a next step, we are preparing a major foundation proposal to the Rockefeller Foundation.

We are developing a WEAP model of the principal river basin, the Sacramento, that supports California agriculture as well as servicing urban needs. This work will support the development of a plan to secure environmental flows. This project places us at the heart of a contentious policy process, but one of great importance to sustainable water use in California.

The second phase of the "urban metabolism" project, which applied an analytical framework first developed for Bangalore, India, to other cities in India and to Bangkok, Thailand, was completed in 2014 with a workshop in Bangkok that engaged many key stakeholders. The project also continues to make an impact in India, where our work with local partners has drawn media attention. We are currently preparing a next phase of foundation supported work.

A major World Bank-funded project assessing infrastructure needs in Africa in the context of climate change is near completion, and has highlighted the need for capacity-building in the region to better understand what constitutes climate-resilient infrastructure. SEI is now embarking on a project in Lesotho, also funded by the World Bank that will focus on building such capacity in the country's water sector.

The Water Group also continues to build capacity around WEAP in particular. We began doing online trainings in 2014, and will continue in 2015. We are also exploring new approaches to WEAP training, including a possible partnership with Tufts University that will also be linked to the SEI Initiative on the water-energy-food nexus, led by Annette Huber-Lee in SEI-US.

### Climate and Energy

SEI's work on cities and climate change mitigation, which involves partnerships with C40 and Special Envoy Michael Bloomberg, continues to grow and make an impact. Our analysis of cities' potential contribution to global climate change mitigation was presented at the UN Secretary-General's Climate Summit in September, and there is now interest in doing similar analyses at the country level.

Seattle-based staff also supported a task force commissioned by the governor of Washington to find the best ways to meet the state's climate goals. SEI advised the governor's office and facilitators working with business, labour and environmental leaders, developing a clear and straightforward framework to help stakeholders understand the policy options available to meet their goals.

A two-year PS-funded project on fossil fuel infrastructure continued to make an impact, particularly with regard to the proposed Keystone XL pipeline. SEI's analysis of the pipeline's climate implications was published in *Nature Climate Change* and received extensive media coverage. The U.S.

Environmental Protection Agency reached out to SEI and expressed an interest in applying SEI's analytical approach, and civil society organizations discussed and disseminated SEI's findings, which are still being cited and discussed in the media today. In 2015, SEI will continue to build on this work through the new SEI Initiative on fossil fuels development and climate change mitigation, and will be organizing a conference session on fossil fuel supply in Paris in July.

The Seattle office will be adding staff in 2015 to enable us to expand our work in these areas.

SEI issued a major new release of LEAP (Long-range Energy Alternatives Planning) in 2014, with notable improvements in the system's speed and optimization capabilities that make it much easier to use in workshops with stakeholders, changing the model and reviewing the results in real time. LEAP now has more than 21,000 registered users worldwide, and as countries begin developing their Intended Nationally Determined Contributions (INDCs) under the United Nations Framework Convention on Climate Change, we have seen a surge in interest in using LEAP to explore different mitigation options. A particularly high-profile application is in the Philippines, where SEI is now starting a USAID-funded project to conduct cost-benefit analysis of mitigation options for the country's INDC.

We are also completing a project in Azerbaijan and Kazakhstan for which we developed LEAP models and an advanced LEAP curriculum that we delivered to policy-makers last fall. There is particular potential to build on this in Azerbaijan, where the LEAP model will likely be included in the INDC.

We continue to be active in Mexico as well, with an ongoing project with the National Institute of Ecology and Climate Change applying Monte Carlo analysis to the country's energy system to explore potential mitigation actions. In addition, SEI has worked with Mexico and other Latin American countries as part of the CLIMACAP partnership, which also aims to help shape INDCs. At the UN Climate Change Conference in Lima in December, SEI co-hosted a side-event with CLIMACAP partners about mitigation potential across Latin America, including the use of LEAP. LEAP itself was presented by Charlie Heaps to participants at the 2014 UNFCCC COP meeting in Lima, Peru in December. We have also been closely engaged in a number of INDC capacity efforts funded by the European Union including the efforts of the ClimaSouth and ClimaEast programs to build capacity in North Africa and Eastern Europe and the ECRAN programme designed to build capacity among EU accession candidate countries.

LEAP capabilities continue to be expanded. Through a project in the Zambezi region that also involves the Water Group, the LEAP-WEAP linkage is being advanced. In partnership with the York Centre, the Energy Group is developing a toolkit to examine approaches to reducing short-lived climate pollutants (SLCPs), linking models in LEAP and impact assessment tools developed in York. This work will be further expanded through the Special Initiative on low-emissions development strategies and SLCPs.

The LEAP team has been closely engaged in a range of international climate mitigation and Low Emissions Development initiatives in 2014 including the U.S. Governments LEAD program in S.E. Asia, the LEDS-Global Partnership, the UNDP's Low Emissions Capacity Building Programme, The Climate and Clean Air Coalition (CCAC) and UNEP's Facilitating Implementation and readiness for Mitigation (FIRM) program.

### **Climate Equity**

As the Parties work towards a major new climate agreement to be approved at the UN Climate Change Conference in Paris in late 2015, equity has become one of the most high-profile issues. SEI has contributed to those discussions on multiple fronts, including through Sivan Kartha's role as a Co-ordinating Lead Author of a key chapter of the Intergovernmental Panel on Climate Change (IPCC) *Fifth Assessment Report*, and expert presenter at the UNFCCC on the equity-related findings of the IPCC, and through the launch of the online Climate Equity Reference Calculator, which allows users to

examine countries' "fair shares" under different notions of equity, and compare them with countries' actual contributions to the global climate effort.

SEI applied the calculator to an analysis of Norway's "fair share" that was widely discussed, and the news site RTCC (Responding to Climate Change) used the calculator to examine the UK's contribution. Many civil society organizations have used it, including as a key input to internal strategy formulation and public outreach campaigns, and SEI has also provided expert advice on equity issues. For the Lima conference, SEI published a detailed report and discussion brief using the calculator highlighting twelve countries to show the value of analysing INDCs from an equity perspective – and the feasibility of such an analysis even if there is no agreement on what burden-sharing formula would be equitable. This work will continue in 2015, with a focus on the equity implications of INDCs as they are submitted, and on how civil society and other Parties can push countries to ratchet-up their ambition.

### **Brief Outlook for 2015**

We have begun to draft our first Centre Work Plan, which will reflect a number of activities already under way or under consideration. For example, we plan to add staff, including at senior and mid-level positions, that will help us solidify existing work areas (cities, fossil fuels, energy modelling) as well as expand into new ones. We have two active job postings in the areas of energy and climate, and also actively exploring additional potential senior hires that could further diversify our research areas.

We are exploring ways to deepen professional development activities through courses and trainings from technical writing to communications. We also aim to continue to strengthen ties and broaden connections to our partner universities (Tufts University, University of California at Davis, and University of Washington) through a range of activities including joint proposal development, lectures and teaching opportunities for US staff, and perhaps considering additional US Board members from these institutions. We may also consider options to further diversify our funding streams, in particular how to enhance our success in foundation support.

We will undertake two retreats for 2015, one for the Water Group (near Davis) in May, and Centre-wide (likely in Seattle) in the fall. We will use these events as opportunities to develop new strategic directions for our research SEI-US retreat and consider alternative approaches to how we organize and manage our work.

## **SEI Tallinn Centre Director's Report 2014**

### **Major developments in the centre in 2014**

One of the highlights of 2014 was the international 'Sustainable Development Forum 2014: Blue economy in the vulnerable Baltic Sea' organized by SEI Tallinn on 28th October. The Forum was dedicated to the Gulf of Finland Year and was attended by approximately 120 professionals, politicians, business and media representatives from both Estonia and other areas of Europe. The marine-centred blue economy is receiving increased attention at both the Baltic Sea Region and EU level. The blue economy is seen as having the possibility to accelerate economic growth and to create new jobs related to aquatic environments. However, the environmental impact of growing pressures accompanying the blue economy should be taken into account. At the Forum, SEI Tallinn honoured outstanding enterprises of the Estonian marine sector with the green economy promotion award "Friend of the Baltic Sea 2014." The Forum was attended by Swedish Crown Princess Victoria and Prince Daniel and a speech was given by the Crown Princess. The Sustainable Development Forums have been organized biannually by SEI Tallinn since 2001. The Forum was supported by the Estonian Environmental Investment Centre and Government Office in Estonia.

2014 was the final year of the current SEI strategy (2009-2014) and the year of developing new strategy (2015-2019). All Tallinn centre staff has been involved in the development process and are looking forward to implement a unified vision "A sustainable, prosperous future for all" in collaboration with other SEI centres.

SEI Tallinn is a separate association under the SEI umbrella and is governed by the same Board of Directors. As SEI Tallinn is a non-profit research organisation incorporated in Estonia as a foundation it has its own governing body – Supervisory Board. As of April 2014, SEI Tallinn has a new three-member Supervisory Board. The Chairman is Jakob Granit (SEI Global Deputy Director and Stockholm Centre Director) and the members are Erik Puura (Vice Rector for Development of the Tartu University, PhD in Chemical Engineering) and Linnar Viik (IT College lecturer and member of the Council, member of the European Institute for Innovation & Technology Governing Board and Estonian Research and Development Council).

### **Staff, centre organization and financial situation**

#### **Staff**

There were no changes in the composition of the staff in 2014. The number of employees was 21, two of which were on parental leave. The full time equivalent of employees as of 31.12.2014 was 16. During 2014, SEI Tallinn had an increase in the number of colleagues with doctoral degrees. Helen Poltimäe defended her PhD at Tartu University in Estonia. There are a total of seven experts in SEI Tallinn with doctoral degrees and eleven with master's degrees, one of which is participating in a doctoral programme. The qualification and self-development are important for the Institute. In 2014, the support for participation of employees at scientific conferences and international courses was continued through the SEI Tallinn Training Fund.

The employees' satisfaction with their work and work environment is important, and therefore, for the first time, the Stockholm Environment Institute carried out the staff satisfaction survey through all the centres. The results were analysed in all the SEI centres and the key issues were identified.

## **Centre organisation**

SEI Tallinn Centre research work is carried out in centre programs: *Sustainability Methods, Environmental Management, Climate and Energy and Environmental Economics*. Our Centre research, development and capacity building projects are re-classified according to the SEI thematic structure. We contribute to all research themes, though more into themes: Rethinking Development, Transferring Governance and Reducing Climate Risks, and less so to Managing Environmental Systems. SEI Tallinn is represented in the leadership of a cross SEI research Theme – Rethinking Development.

The daily activities of SEI Tallinn are coordinated by a single-member Management Board (Director Tea Nõmmann) who is reporting to the the SEI Executive Director and to the Supervisory Board of SEI Tallinn. Members of the Supervisory Board are appointed by the founder, Stockholm Environment Institute.

Belonging to the SEI international network SEI Tallinn follows the SEI strategy and policies, and staff is involved in the management and operation. The Centre Director is a member of the SEI Management Team (MT), which consists of all Centre Directors and other Directors. MT is a decision making body in terms of SEI Wide policies and strategies. Dr. Kaja Peterson, the Program Director of SEI Tallinn was a member of SEI research leadership group (Theme Leadership - TL) and a co-leader of SEI research theme - Rethinking development. TL members also evaluate SEI innovative project ideas funded by SEI. SEI Tallinn communications expert participates in the SEI international communications team and publications publishing teamwork. Assistant to the CD manages and coordinates the Institute's performance monitoring system (Planning, Monitoring, Evaluation and Communication - PMEC) in SEI Tallinn.

In 2014 SEI Tallinn cooperated with the following SEI centres: SEI Africa; SEI York; SEI Stockholm; SEI US; and SEI Asia.

## **Environmental Management and the welfare of employees**

The aim of SEI Tallinn's environmental policy is to 'walk our talk' and to undertake its activities as sustainably as possible to minimize its negative environmental impacts. The financial accounting system of SEI Tallinn (Directo) has been developed so that environmental impacts are monitored on an ongoing basis. SEI Tallinn is monitoring the following environmental parameters annually: energy consumption (heating, electricity; business air travel CO<sub>2</sub> formation; paper and water consumption. SEI Tallinn's main environmental impact is caused by the business related air travel necessary for many of the international projects. The impact of electricity used to heat the office and supply the IT equipment is neutralised via use of green energy.

The well-being of employees is ensured, in addition to good and interesting work, by the pleasant working environment and health. SEI Tallinn takes care of their employees' health by organising regular health checks and supporting the staff health prevention annually. In 2014 also the physical environment of the Institute was improved through the renovation and renewal of several common premises, bringing freshness and colour into the working environment.

## **Communications**

In 2014, SEI Tallinn had a part-time communications expert (recruited in 2013). Quantitatively measured, over 50% more press releases about SEI Tallinn activities were created and uploaded to

the website than the previous year and there was a third more media coverage. At the end of the year, the first quarterly newsletter of SEI Tallinn was launched. It communicates to the people on the registration based email list, a summary of the main news and publications of the period.

### **Financial situation**

2014 was financially a year of great challenge for SEI Tallinn. In recent years, a significant part of funding has come from various European Commission funding programs (Interreg, Horizon, etc.). As 2014 was a so-called gap-year in EU funding programs, i.e., the funding within the preceding period had ended and the funding round of the beginning period was not open yet, a funding decline was foreseen. The fiscal year 2014 ended with break-even result, though total volume of revenue decreased about 25% compared to 2013. The biggest financiers of SEI Tallinn were the Stockholm Environment Institute (core funding and project co-funding), the Estonian Environmental Research Centre, the Estonian Ministry of Environment and the Estonian Environmental Investment Centre.

### **Selected activities and projects**

The scale of SEI Tallinn activities is very broad: scientific research, applied research, expert opinions, trainings, consulting, lectures, disseminating outcomes and publication of research results, as well as participation in various expert commissions.

Research studies and publications: In 2014 altogether 41 projects were carried out. About half of them were international cooperation projects. The analysis of important societal issues or new problems and the collection of needed data take time. Therefore, we also note the duration of our work, i.e., nearly half of the projects had a duration of more than one year, a little over one-fifth of the projects lasted for the duration of six months to a year and a third of the projects (applied research, expert evaluations, training, counselling) were carried out in less than half the year. Some projects listed below:

- ENDURANCE (2013-2016) is a project co-funded by Intelligent Energy Europe with 30 partners across Europe aiming to assist cities and regions with developing Sustainable Urban Mobility Plans (SUMPs) by facilitating networking, mutual learning and sharing of experience and best practice across countries. ENDURANCE builds 25 national networks and an overarching European network making use of the existing EPOMM (European Platform on Mobility Management) structure.
- FP7 project FLAGSHIP - Forward Looking Analysis of Grand Societal Challenges and Innovative Policies. This project aims at driving change, supporting the policy shift from adapting to changes through short-term policy responses, towards anticipating, welcoming and managing changes properly.
- FP7 project APRAISE - Assessment of Policy Impacts on Sustainability in Europe. The analysis of consistency between the environmental policies - between the offshore wind farms and the Natura 2000 objectives - was prepared by SEI Tallinn in APRAISE.
- FP7 project LIAISE - Linking Impact Assessment Instruments and Sustainability Expertise was finalised.
- The analyses of energy efficiency and energy measures of the Energy Sector Development Plan 2030+ transportation sector as well as a Natura ex-ante evaluation. The environmental impact assessment associated with the transport scenarios was carried out.



- Determination of biomass and fossil carbon content in combustible municipal waste in Estonia.
- Study on Analysis of food waste and food loss in Estonian households and food service sector.
- Planned municipal waste collection reform in Estonia - environmental and socio-economic impact assessment.
- Socio-economic impact assessment of the possible waste-to-energy tax/charge in Estonia.
- Food spill study in households and catering facilities.
- The compilation and analyses of Estonian electricity sector CO<sub>2</sub> baseline, based on the UN FCCC CDM Executive Board guidelines. The study revealed that the carbon footprint of Estonian electricity generation has declined from approximately 1,100 kg of greenhouse gases generated from 1 MWh of electricity production in 2006 to 920 kg per 1 MWh.
- NORSTRAT - Nordic power road map 2050: Strategic choices towards carbon neutrality. SINTEF Energi AS / Nordic Energy Research
- Coordination of European Green Key in Estonia. Green Key is a voluntary eco-label for tourism facilities promoting sustainable tourism and aims to contribute to the prevention of climate change by awarding and advocating facilities with good initiatives.
- Sustainable innovation labs - Developing innovation platforms for the benefit of sustainable and socially responsible growth in cooperation with Estonian Academy of Arts in Estonia and with partners in Latvia and Cyprus. ERASMUS +
- Developing the methodologies of mapping and assessing marine and inland water ecosystem services - the project's overall aim is to contribute to decrease of biodiversity loss in riverine habitats and of ecosystems in the European Union. SEI Tallinn role is to analyse non-monetary and monetary values of pilot water bodies and develop recommendations for the assessment methods for ecosystem services.
- Developing a Programme of Measures for the Estonian marine waters in order to achieve the goals set out in the EU Marine Strategy Framework Directive (MSFD). The programme of measures will increase the ability to manage pressures in order to achieve or maintain good environmental status of marine waters. The project is implemented with two Estonian marine institutes.

**Research in collaboration with SEI centres:**

- Bridging global to national goals of sustainability: operational testing of the SEI methodology on effectiveness in implementation of UN multilateral environmental agreements in Estonia and Tanzania. An initiative of SEI Tallinn and in cooperation with the SEI Africa Centre. Funded by the SEI Programme Support Fund (SIDA).
- Risks of, and responses to, the new fossil fuel economy/Uue fossiilkütuste majanduse riskid. SEI US / SEI Programme Support (SIDA)
- New Approaches in Economic Modelling for Sustainable Development. SEI York and Asia / SEI Programme Support (SIDA)
- Connecting SMEs for a green economy. SEI York / EC FP7 Environment.
- Measure What Matters - The initiative that seeks better alignment between corporate, national and global indicators of success and sustainability. SEI York/ MAWA Foundation

## **Publications**

In 2014 SEI Tallinn experts published altogether 17 publications: (articles, monographs, presentations, policy views and other creative activities).

Two scholarly articles in journals:

Ahtiainen, H.; Artell, J.; Czajkowski, M.; Hasler, B.; Hasselström, L.; Huhtala, A.; Meyerhoff, J.; Smart, J.; Söderqvist, T.; Alemu, M.; Angeli, D.; Dahlbo, K.; Fleming-Lehtinen, V.; Hyytiäinen, K.; Karlõševa, A.; Khaleeva, Y.; Maar, M.; Martinsen, L.; Nömmann, T.; Pakalniete, K.; Oskolokaite, I.; Semenien, D. (2014). Benefits of meeting nutrient reduction targets for the Baltic Sea – a contingent valuation study in the nine coastal states. *Journal of Environmental Economics and Policy*, 3.

Leal Filho, W., Moora, H., Stenmarck, A., Kroupiene, J. (2014) An Overview of Approaches towards Sustainable Waste Management in Baltic Sea Region Countries. *Research Journal of Environmental and Earth Sciences*, 6. Pp.134 – 142.

Two monographs:

Peterson, K., P. Kuldna, P. Peev, M. Uustal (2014). Reviewing the coherence and effectiveness of implementation of multilateral biodiversity agreements in Estonia. Project Report, SEI Tallinn Series of Publications No 25, Tallinn.

Peterson, K. (2014). [Environmental Assessment screening decisions and motivation: case of Tallinn city]. SEI Tallinn Series of Publications No 26, Tallinn.

One dissertation:

Poltimäe, H. (2014). The distributional and behavioural effects of Estonian environmental taxes. (DISSERTATIONS RERUM OECONOMICARUM UNIVERSITATIS TARTUENSIS 49) Doctoral thesis, Tartu: Faculty of Economics and Business Administration, University of Tartu, Estonia. University of Tartu Press.

Altogether seven Research project reports were published, two Conference abstracts were presented and four Popular science articles and two Briefs were published.

## **Input to policymaking**

Policy development processes in the Baltic Sea Region and European Union - In 2014 SEI Tallinn participated in several works of implementation assessments of the European Union policies / legislation requested by the European Commission. In collaboration with an international team led by BiPRO, the assessment of compliance of waste management plans of EU member states was conducted (Assistance to the Commission on the assessment of Waste Management Plans and on compliance monitoring and support of the implementation of the Waste Framework Directive. Assessing the quality of waste management plans in EU member states).

In cooperation with adelphy Consult GmbH, the evaluation study of the implementation of the European Union environmental management system EMAS was carried out (Supporting the evaluation of the implementation of the EU Eco-management and Audit Scheme (EMAS) Regulation 1221/2009, European Commission contract 070307/3013/667137/SER/ENV.A1).

SEI Tallinn has provided services for European Commission assessing European Structural Investment Funds operational programs implementation for period 2017-2013 and ex ante assessment of 2014-2020 Operational Plans' relevance to the Community Climate Goals. SEI Tallinn expert has also actively participated in policy dialogue between the European Commission and stakeholders on new policy initiatives either directly or through Environmental NGO networks like Green Budget Europe and Transport and Energy, etc.

SEI Tallinn experts participated in the social and economic analysis working group set up for the implementation of the European Commission's Marine Strategy Framework Directive in order to exchange information and to harmonize the methods of compiling the programme of measures for the Estonian Maritime Strategy.

Policy processes in Estonia - Under the leadership of Dr. Moora, two studies were conducted evaluating the socio-economic impact resulting from the imposition of the proposed municipal waste energy usage fees and the environmental and socio-economic impact of planned municipal waste collection reform carried out under the government's action plan.

Dr. Kaja Peterson held the position of co-chairman for the Estonian Commission of Sustainable Development (SAK) for the period of two years (2013-2014). SAK organized thematic discussions (Integration Strategy, renewal of the National Reform Programme "Estonia 2020", process of Sustainable Development Goals – SDG, and national alcohol, drug and tobacco policy) with expert participants.

Work in commissions and working groups: SEI Tallinn experts share their expertise participating in various national and local committees and working groups. SEI Tallinn experts gave their assessments to the following national processes and documents - Environmental Impact Assessment Reports (TAK, ENMAK 2030+, PAK), Framework Plan for Environmental Charges; Framework of the National Climate Policy; and National Strategy for Climate Adaptation. Experts were involved in the compilation of the policy proposals and plans of EKO, including the Transport Development Plan (TAK) 2014-2020, the National Energy Development Plan (ENMAK) 2030+, National Oil Shale Development Plan 2016-2030, impact assessment of the national waste management policy and regulation.

### **Capacity building**

SEI Tallinn mission - to motivate sustainable change – makes it important to share knowledge with key stakeholders. In 2014 numerous trainings were conducted on themes such as impact assessment, environmental education, business and institutional ecological footprint reduction, as well as energy conservation. For example:

- Impact Assessment Training for public officials in November-December 2014 (Client - Government Office)
- Education for Sustainable Development – a series of training courses for teams of primary and gymnasium teachers and non-formal education specialists (Client - Environmental Board)
- Strategic Leadership towards Sustainability, lectures in Tallinn Technical University (Client - Tallinn Technical University, Department of Environmental Engineering)
- Reducing ecological footprint – training for SMEs (SEI Tallinn, financier Estonian Environmental Investment Centre)

- Promotion and implementation of Green Office scheme in Estonia - a series of training courses for businesses and public bodies (SEI Tallinn, financier Estonian Environmental Investment Centre)
- Coordination of Green Key and trainings in Estonia (Client - Enterprise Estonia (EAS))
- Conducting Energy Saving Workshops at regional environmental education conferences for teachers (Service for government authorities, Client - Environmental Board)
- Film clips competition jury (Design contest for the environmental education content film clips organized by the European Social Fund Program" Development of Environmental Education") (Client - Environmental Board)

### **Brief Outlook for 2015**

In 2015 SEI Tallinn shall continue its ongoing work and further development of its competence in the field of analysing policy impact on sustainable development, environmental management, climate and energy research, as well as environmental economics. Our goal in 2015 is the implementation of the global cross-SEI organization strategy (2015-2019) in collaboration with other SEI centres.

Various EU funding program calls will be open in 2015 - Horizon 2020, INTERREG Europe, Baltic Sea Region and Central Baltic. We are preparing numerous societally important and value-adding applications for international funding with our partners.

Financial outlook for 2015 has improved compared to 2014 and due to successful proposals and new projects our budget forecast is already 15% higher compared to 2014.

In 2015 new projects financed by EEA (ENFRA and BioClim) have started and will start (the EU BONUS Go4Baltic). The EU FP7 project Flagship will be completed. At the time of the annual report compilation in February 2015 there are about 17 projects in progress.

## **AUDITOR'S REPORT**

To the board of Stockholm Environment Institute  
Corporate identity number 802014-0763

### **Report on the annual accounts**

We have audited the annual accounts of Stockholm Environment Institute for the year 2014.

### ***Responsibilities of the Board of Directors and the Managing Director for the annual accounts***

The Board of Directors and the Managing Director are responsible for the preparation and fair representation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundations's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinions***

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Stockholm Environment Institute as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act.

### **Report on other legal and regulatory requirements**

In addition to our audit of the annual accounts, we have examined the administration of the Board of Directors and the Managing Director of Stockholm Environment Institute for the year 2014.

### ***Responsibilities of the Board of Directors and the Managing Director***

The Board of Directors and the Managing Director are responsible for administration under the Foundations Act and the Foundations Ordinance.

### ***Auditor's responsibility***

Our responsibility is to express an opinion with reasonable assurance on whether we, based on our review, found that any Board Member or the Managing Director acted in contravention to the Foundations Act or the Foundations Ordinance. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the foundation. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Foundations Act or the Foundations Ordinance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

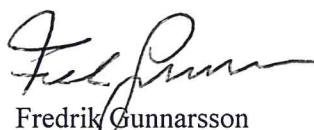
### ***Opinions***

The Board Members and the Managing Director have not acted in contravention of the Foundations Act, the Foundations Ordinance and the Annual Accounts Act.

Stockholm <sup>11/15</sup> 2015



Håkan Sten  
Authorized Public Accountant



Fredrik Gunnarsson  
Lay Auditor