

Stiftelsen The Stockholm Environment Institute

Org nr 802014-0763

Annual Report

1 January - 31 December 2013

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DIRECTOR'S REPORT FOR THE FINANCIAL YEAR 2013

SEI in a nutshell

The Stockholm Environment Institute (SEI) is an international and independent non-profit research institute established in 1989 by the Swedish Government. SEI's mission is to support decision-making and induce change towards sustainable development 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 approximately 180 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 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. SEI's research is organised within four overarching and cross-institute themes: Managing environmental systems; Reducing climate risk; Transforming governance, and Rethinking development (see the SEI Strategy 2010-2014 at <http://www.sei-international.org>).

Development and growth in 2013

For SEI as a whole, 2013 has been a year of progressive development and growth. SEI's financial capacity has continued to strengthen by the Swedish government's decision to continue the increase in core support, from 17 million in 2012 to 27 million in 2013. This increase made it possible to continue to invest resources to strengthen the core functions of the institute (leadership, management and organization), but in particular allowed investments in two high-profile research/policy work areas; the New Climate Economy and the Short Lived Climate Pollutants / Climate and Clean Air Coalition. The increase also included, for the first time, a component to provide so called matching funds/co-financing (SEK 5 million in 2013), which has enabled SEI to be more proactive in exploring project funding requiring such resources (EU funding for example, but increasingly also other funding sources). The matching funds/co-financing have had a major positive impact both in terms of operations but also as an important component to strengthen SEI's overall financial conditions and sustainability.


With 2013, a slow downward trend (within the Foundation) in terms of turn-over and number of staff has been halted and reversed. Staff numbers have increased in all three u

Foundation's centres and contributed significantly to the positive development of the organization in 2013. The new staff have both contributed to existing research and policy areas but some also represent new investments to strengthen SEI's overall, broad capacity. This also includes project management capabilities, which is essential as SEI is increasingly involved with (or leading) major, international and often complex projects.

Another important success in 2013 was that SEI Asia secured SEI's first, regional framework agreement with a bilateral donor (Sida), which enables more long-term planning capacity/investments. This, together with other successful fund raising, led to a remarkable improvement of SEI Asia's financial situation in 2013. All in all, the improved financial situation (which includes also a major turn-around at SEI York) has made it possible to embark on a more ambitious growth plan in terms of recruitments and other investments in 2013, in particular within the Foundation.

The leadership and management changes that were initiated in 2012 became fully operational and "tested" in 2013. The changes have served SEI well, and have increased both efficiency as well as transparency in decision making, management and administration. In 2013, additional major changes included the recruitment of a new Centre Director at SEI Asia, Dr. Eric Kemp-Benedict (previously based at SEI US Centre). The relocation of SEI Stockholm Centre /HQ to new premises in Stockholm in December has enabled SEI to build its brand as an independent research and policy think tank and allow the establishment of a proactive and innovative meeting point for environment-development issues in Stockholm. The centre has also a capacity to host visiting researchers from across SEI as well as other organizations. SEI Africa was also relocated from Dar es Salaam to Nairobi, and is now hosted by the CGIAR institute ICRAF, with premises next to the UN Compounds in Nairobi.

The Board met four times in 2013, with the annual more extensive meeting held at SEI York. This Board meeting also included a presentation by researchers at the centre as well as a seminar at the University of York. Three board members left the SEI Board in 2013 and three new Board members were elected; the Director General of The Swedish Research Council Formas (Dr. Ingrid Petersson), the Vice Chancellor of Stockholm University (Professor Astrid Söderbergh-Widding) and the Nordea Bank, Head of Asset Management (Allan Polack). The Science Advisory Council met twice in 2013; in conjunction with the SEI Science Forum in January and a second time in December to discuss, in particular, the SEI Strategy Process.

More information on SEI's work and key activities in 2013 is provided below 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 breath of SEI's projects and activities. 

SEI Foundation's Financial Director's Reports

The SEI Stockholm Centre, besides 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 the legal entity of SEI Stockholm, SEI Asia, SEI Africa and the subsidiary SEI Oxford Office Ltd (registered in UK under company No. 4404220, not consolidated). The institute as a whole is also including 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).

This Director's Report present samples of the research efforts and activities of the whole of the SEI international institute and at the same time laying down some evidence of how The Foundation is fulfilling its purpose 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 during 2013 fulfilled its objectives as above primarily in three ways:

- Directly through firsthand contacts, cooperation and interaction with Swedish and other government authorities, institutions and agencies (examples: Ministry of Environment, Ministry of Foreign Affairs, Sida, UN, etc);
- Indirectly in numerous project assignments where specific issues and questions were addressed (described and exemplified in the preceding text);
- Through intensified cooperation 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 SEI management and staff are currently working on SEI's new Strategy for the next 5-year period 2015-2019. In this process, the management assessed SEI's development opportunities as very good with currently known (and) manageable risks, considering the ever increasing demand on outcomes from SEI's efforts in the field of bridging science and policy. Some of the main risks affecting the SEI's sustainability, which have been recognized and are handled operatively and strategically by the management, are:

- Relatively high dependence on funding provided by the Swedish Government and in it relatively low volume of core funding;
- An increase in competition from existing but also many new organizations working within the same field as SEI.
- Securing a broad set of skills (substantive areas, research/management etc).

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 2013 at SEK 3 108 229. The positive financial outcome can be ascribed mainly to greater efficiency achieved in projects' execution combined with improved funding conditions as an effect of added funding through core funds, also dedicated to co-funding according to the Government instruction. 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 2013 income year). The annual core grant from the Swedish Government was in 2013 increased to SEK 27 million (17) and for the year 2014 to SEK 28 million. Minimum SEK 5 million of the grant was specifically allocated to co-funding of research activities and projects. In 2014 the corresponding research co-funding amount shall be minimum SEK 7 million.

In 2013 SEI invested in new equipment (computers and furniture) to the total acquisition value of SEK 2 289 340 and made a deposit of SEK 1 250 000 in connection with taking up a new lease of office premises from 1st December 2013. Though most of the investments in ICT and furniture were executed in the last few months of 2013, before and in connection to the move of The Foundation to new premises in December 2013, some completing investments in further improvements of the working environment can also be expected in 2014.

The Foundation's move to new premises (with a visiting address Linnégatan 87D, 115 23 Stockholm) was successfully performed in the middle of December 2013 with beginning of 2014 in full operations in offices more suitable to the research activities with flexible space for meetings and workshops. The move of the SEI Africa centre during the summer 2013 from Dar es Salaam (Tanzania) to Nairobi (Kenya, hosted by ICRAF) was cost effective.

Appropriation of accumulated results (amounts in SEK)

The equity of the foundation at the beginning of 2013: **10 023 036**
 Net profit for the year 2013: **3 108 229**
 Final balance: **13 131 265**

Key figures in SEK million / number of staff:

SEI Foundation:	2013	2012	2011	2010	2009
Turnover	107,9	100,8	102,0	108,6	116,5
Net Income	3,1	-0,1	0,8	0,7	0,3
Equity	13,1	10,0	10,1	9,3	8,6
No. of staff end of period	87,0	72,0	74,0	89,0	73,0
SEI Global Research Institute (not consolidated/proforma):					
Turnover	150,1	139,1	138,6	149,6	167,0
No. of staff end of period	181	164	168	177	160
Swedish Government Grant as % of turnover	18%	12%	9%	8%	7%

Income Statement

<i>Amounts in SEK</i>	<i>Note</i>	<i>2013-01-01 - 2013-12-31</i>	<i>2012-01-01 - 2012-12-31</i>
Government grant		27 000 000	17 000 000
External project funding	1	79 924 457	82 115 800
Sundry income	2	960 692	1 657 415
Total income		107 885 149	100 773 215
Personnel costs	3	-46 673 149	-40 645 622
Travel costs		-925 015	-649 998
Consultancy fees / Subcontracting	4	-46 124 613	-50 711 745
Other costs	4	-10 959 327	-9 735 571
Depreciation	5	-839 995	-447 211
Operating profit/loss		2 363 050	-1 416 932
<i>Result from financial investments</i>			
Interest income and similar profit items		884 055	1 313 656
Interest expense and similar loss items		-138 876	-277
Profit after financial items		3 108 229	-103 553
Net Profit for the year		3 108 229	-103 553

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Balance Sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2013-12-31</i>	<i>2012-12-31</i>
ASSETS			
Fixed assets			
<i>Tangible assets</i>			
Furniture and office equipment	5	2 289 340	917 647
		<u>2 289 340</u>	<u>917 647</u>
<i>Financial assets</i>			
Investments in group companies	6	1 439	1 439
Other long term receivables	7	1 250 000	–
		<u>1 251 439</u>	<u>1 439</u>
Total fixed assets		3 540 779	919 086
Current assets			
<i>Current receivables</i>			
Accounts receivable, customers		1 882 944	4 633 908
Other receivables	8	1 097 884	1 680 675
Prepaid expenses and accrued income	9	566 343	703 846
		<u>3 547 171</u>	<u>7 018 429</u>
<i>Cash and bank balances</i>		59 899 628	37 047 171
Total Current assets		63 446 799	44 065 600
TOTAL ASSETS		66 987 578	44 984 686

Balance Sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2013-12-31</i>	<i>2012-12-31</i>
EQUITY AND LIABILITIES			
Equity			
Balance brought forward		10 023 036	10 126 589
Profit for the year		3 108 229	-103 553
		<u>13 131 265</u>	<u>10 023 036</u>
Current liabilities			
Advance payments	10	38 315 217	15 742 902
Accounts payable, suppliers		6 786 150	4 990 867
Liabilities, SEI Centers/affiliated companies abroad	11	1 566 700	2 333 347
Other liabilities		1 393 624	6 821 428
Accrued expenses and deferred income	12	5 794 622	5 073 106
		<u>53 856 313</u>	<u>34 961 650</u>
TOTAL EQUITY AND LIABILITIES		66 987 578	44 984 686

Pledged assets and contingent liabilities

Pledged assets			
Floating charge		1 000 000	1 000 000
Contingent liabilities			
	13	—	—

Cash Flow Statement

<i>Amounts in SEK</i>		<i>2013-01-01</i> <i>- 2013-12-31</i>	<i>2012-01-01</i> <i>- 2012-12-31</i>
Net profit/loss from operations		3 108 229	-103 553
Non-cash items (depreciation)	5	839 995	447 211
Net cash generated (used) in operating activities before changes in operating assets & liabilities		3 948 224	343 658
Increase (-) / decrease (+) in short-term receivables		3 471 258	2 051 900
Increase (+) / decrease (-) in short-term liabilities		18 894 663	-5 121 912
Cash flow before investments		26 314 145	-2 726 354
Investing activities			
Deposited as collateral with the landlord	7	-1 250 000	-
Capital expenditures (acquisition of equipment)	5	-2 211 688	-356 879
Proceeds from the sale of equipment		-	-
Net cash provided by investing activities		-3 461 688	-356 879
Net cash flow after investing & financing activities:		22 852 457	-3 083 233
Cash at beginning of year		37 047 171	40 130 404
Cash at end of year		59 899 628	37 047 171

Notes to the financial statements

Amounts in SEK if not else stated

General accounting principles

The Annual Report has been prepared in accordance with the Annual Accounts Act and the guidelines issued by the Swedish Accounting Standards Board, no change in the applied principles since previous year.

Valuation principles

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

Grants received during the year have been valued at market value and are reported in the income statement.

Work in progress

Income recognition on work in progress has been calculated as follows:

Cost on a project is booked upon receipt of invoices, time sheets etc. Income is recognised with the same amount as the cost, which means no profit is recognised before the project is finally closed. In case of a loss, it is recognised as soon as it is foreseeable.

Receivables

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

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency have been recalculated at the exchange rate at year end according to recommendation no 8 of the Swedish Financial Accounting Standards Council (Redovisningsrådet).

Exchange gains and losses on trade receivables and liabilities are included in the operating profit/loss, while exchange gains/losses on financial assets and liabilities are shown as financial items.

Principles for depreciation of fixed assets

The principles for depreciation are based on the original acquisition value and the estimated economic useful life. In case of a permanent depreciation of value, the acquisition value will be written down.

The following principles for depreciation have been used:

Tangible fixed assets

Furniture and office equipment	5 years
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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 2013 amounted to SEK 2 076 169 (791 184), no sale to the subsidiary was recorded.

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Stiftelsen The Stockholm Environment Institute

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Note 1 External project funding

External project funding received from the following sources:

	2013-01-01 - 2013-12-31		2012-01-01 - 2012-12-31
Swedish International Development Cooperation Agency (Sida)	37 667 124	47,13%	40 066 503
United Nations (UNEP, UNESCO, UNOPS, UNU, UNISDR)	5 628 899	7,04%	5 365 851
Swedish Research Council for Envir., Agr.Sc. and Spatial Planning (FORMAS)	4 331 491	5,42%	2 248 617
Stiftelsen för miljöstrategisk forskning (Mistra), through SMHI	4 042 949	5,06%	2 473 626
NordForsk	2 554 628	3,20%	952 340
Swedish Postcode Foundation	2 313 208	2,89%	3 186 792
Bill & Melinda Gates Foundation	2 054 560	2,57%	168 566
PricewaterhouseCoopers Services Ltd, CDKN	1 694 804	2,12%	1 480 173
CGIAR Challenge Program on Water & Food, through IWMI	1 574 261	1,97%	3 426 060
Swedish Civil Contingencies Agency (MSB)	1 567 845	1,96%	1 890 378
Riksbankens Jubileumsfond	1 416 737	1,77%	1 304 143
Jordbruksverket (Swedish Board of Agriculture)	1 354 782	1,70%	1 139 780
Naturvårdsverket (Swedish EPA)	1 349 773	1,69%	2 509 042
European Commission	1 283 454	1,61%	2 299 512
Culture Foundation of the Swedish Postcode Lottery	1 200 000	1,50%	-
European Environment Agency (EEA)	1 043 672	1,31%	1 121 101
Stockholmshem	1 015 339	1,27%	-
Nordic Climate Facility (NCF), through NEFCO	985 462	1,23%	-
Nordic Energy Research (NER through SINTEF Energi AS)	916 927	1,15%	1 718 097
International Livestock Research Institute (ILRI)	692 326	0,87%	619 222
Miljödepartementet (Swedish Ministry of Environment)	669 992	0,84%	702 844
3C AB (Combat Climate Change)	497 855	0,62%	2 357 973
VINNOVA - Swedish Governmental Agency for Innovation Systems	428 195	0,54%	-
KTH Royal Institute of Technology	401 583	0,50%	464 150
Stockholm International Water Institute (SIWI)	269 238	0,34%	191 675
Nordic Council of Ministers	242 659	0,30%	321 974
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	240 020	0,30%	219 482
Swedish Defence Research Agency (FOI)	229 291	0,29%	185 962
China Council for Intl. Coop. on Envir. and Dev. (CCICED), through SFU	216 979	0,27%	-
Okeanos Foundation	207 113	0,26%	1 181 930
World Wildlife Fund (WWF)	181 454	0,23%	342 529
Sinclair Knight Merz Pty Ltd	118 245	0,15%	241 186
CGIAR Challenge Program on Water & Food, through AIT	101 116	0,13%	-
Oxfam International	100 000	0,13%	-
Svenska kyrkan (The Church of Sweden)	100 000	0,13%	-
Stockholms universitet	96 940	0,12%	133 200
Asian Development Bank (ADB)	71 233	0,09%	-
International Water Management Institute (IWMI)	53 611	0,07%	-
Regeringskansliet (Government Offices of Sweden)	52 167	0,07%	285 000
The National Environment Research Council (NERC)	40 645	0,05%	-
Chalmers University of Technology	25 500	0,03%	29 325
University of Maryland	20 211	0,03%	83 754
The Commonwealth Scientific and Industrial Research Organization (CSIRO)	5 848	0,01%	699 276
Other	866 320	1,08%	2 499 175
	<u>79 924 457</u>	100,00%	<u>81 909 237</u>

Note 2 Sundry income

	2013-01-01 - 2013-12-31		2012-01-01 - 2012-12-31
Reimbursement of travel & other expenses	408 510		407 179
Rent & associated costs recovered from affiliated researchers	551 909		1 250 124
Miscellaneous	273		112
	<u>960 692</u>		<u>1 657 415</u>

Note 3 Employees and personnel expenses

	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Average number of employees		
Sweden	58	52
(of which men)	52%	56%
Thailand	14	11
Kenya	3	–
(of which men)	64%	45%
Total	75	63
(of which men)	55%	54%

Salaries, other remunerations and social fees

To the board members and Executive Director	1 032 048	1 029 151
To other employees	33 512 462	26 853 092
Total	34 544 510	27 882 243
Social fees	13 271 655	11 883 766
(of which pension costs)	(4 003 055)	(3 719 398)

SEK 226 411 (previous year 217 690) of the pension costs relate to the Executive Director

**Salaries and other remunerations
by country**

	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Sweden	29 428 115	25 236 398
Thailand	4 167 480	2 645 845
Kenya	948 915	–
Total	34 544 510	27 882 243

Terminal Benefit

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

Note 4 Audit fee

	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Audit fee Mazars SET	98 400	77 040
Consultant's fee project audits (Mazars SET & others)	218 703	137 752
	317 103	214 792

Note 5 Furniture and office equipment

	2013-12-31	2012-12-31
<i>Gross value</i>		
Opening balance	4 357 502	4 000 623
Acquisitions	2 211 688	356 879
	<u>6 569 190</u>	<u>4 357 502</u>
<i>Accumulated depreciation</i>		
Opening balance	-3 439 855	-2 992 644
Depreciation charged	-839 995	-447 211
	<u>-4 279 850</u>	<u>-3 439 855</u>
Net book value	<u>2 289 340</u>	<u>917 647</u>

Note 6 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 7 Other long term receivables

Deposit according to the contract with SEI's landlord Vasakronan Fastigheter AB, for the duration of the lease off 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 8 Other receivables

	2013-12-31	2012-12-31
SEI Oxford Office Ltd, short-term receivable	–	597 700
Other receivables	1 097 884	1 082 975
	<u>1 097 884</u>	<u>1 680 675</u>

Note 9 Prepaid expenses and accrued income

	2013-12-31	2012-12-31
Other prepayments	566 343	703 846
	<u>566 343</u>	<u>703 846</u>

Note 10 Advance payments

	2013-12-31	2012-12-31
Work in progress, costs incurred	-265 743 152	-418 462 846
Accrued interest revenue on advances (specified per project)	100 000	–
Deductible: advance payments	303 958 369	434 205 748
	<u>38 315 217</u>	<u>15 742 902</u>

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.


Note 11 Liabilities, SEI Centers/affiliated companies abroad

	2013-12-31	2012-12-31
SEI Asia		326 185
SEI Tallinn	274 269	221 392
SEI US	1 138 427	1 785 770
SEI Oxford	154 004	–
	<u>1 566 700</u>	<u>2 333 347</u>

Note 12 Accrued expenses and deferred income

	2013-12-31	2012-12-31
Accrued holiday pay	2 614 000	2 000 000
Accrued salaries and social charges	1 457 754	1 312 017
Sundry accruals	1 722 868	1 761 089
	<u>5 794 622</u>	<u>5 073 106</u>

Note 13 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 2014-03-10



Lidia Brito



Andreas Carlgren



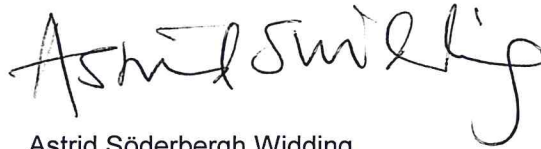
Ingrid Petersson



Allan Polack



András Szöllösi-Nagy



Astrid Söderbergh Widding



Kerstin Niblaeus
Chairman

Our audit report was submitted 2014- 04-08



Håkan Sten
Authorised Public Accountant



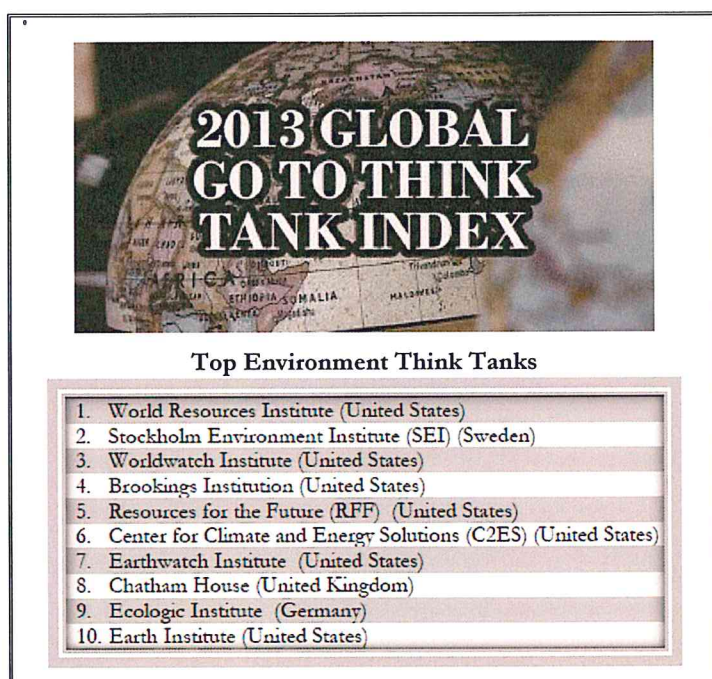
Fredrik Gunnarsson
CFO University of Gävle



Communication achievements in 2013

In communicating our research SEI aims to expose 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. Making an impact requires a dialogue that connects our research with the right people, in the right way, at the right time. The communication challenge is three-fold: understanding who we wish to influence; translating science-based research findings into effective messages; and identifying and executing opportunities for listening and getting our messages across to our target audience.

For 2013 the Global Go To Think Tank Index ranked SEI as the 2nd most influential environment think tank in the world, up from sixth position in 2012, eighth place in 2011 and tenth place in 2010. The index is based on an assessment of more than 6,500 think tanks, and is published in the [2013 Global Go To Think Tank Report](#), compiled annually by the University of Pennsylvania's Think Tanks and Civil Societies Program.



Communication highlights in 2013

Communication highlights and key events include the [Gordon Goodman Lecture](#) in March, the launch of the [Arctic Resilience Interim Report](#) at the [Kiruna ministerial meeting](#) in May, the [World Water Week](#) in September, the launch of the [Global Commission on the Economy and Climate](#) and the [New Climate Economy](#) project. SEI's research input to the [Climate and Clean Air Coalition High Level Assembly](#), SEI's engagement in developing the new Sustainable Development Goals in the global [IRF2015](#) project and SEI's research contribution to the UN



report [Catalyzing Water for Sustainable Development and Growth](#) are among SEI's key achievements in 2013.

Highlights also include outreach activities and events in connection to the release of the [Summary for Policy makers](#) from the Intergovernmental Panel on Climate Change, [SEI's research advice to policy makers](#) in connection to the international climate change negotiations as well as a high-level event on [Environmental history](#) at the Royal Dramatic Theater, celebrating the Swedish King's 40 year on the throne.

Key events in 2013

SEI Science Forum

The [SEI Science Forum 2013](#) gathered more than 80 researchers from SEI's global organization and 70 invited guests in a conversation spanning the policy landscape that makes up the new global development agenda. The purpose of the forum is to strengthen the interaction between research areas within SEI, discuss future research ideas and present them to an external audience including policy makers. A book of research abstract was produced as well as [videos](#) published on the SEI website and YouTube.



Gordon Goodman Lecture

Prof Anna Tibaijuka, Minister for Lands, Planning and Human Settlements Development of Tanzania, held the annual [Gordon Goodman lecture](#) on sustainable development and the rapid urbanization at the Royal Swedish Academy of Science. Anna Lindstedt, Ambassador for Climate Change from the Ministry of the Environment participated in the panel discussions held by Bo Kjellén, former climate change negotiator and Robert Watt, SEI Director of Communications. The audience consisted of policy makers from the Ministry for Foreign Affairs, the Ministry of the Environment as well as academia and business leaders.



SEI at Sweden's political week

SEI was convening and participating in [12 seminars and debates](#) and at 2013's Almedalsvecka, Sweden's largest political event. SEI led discussions on sustainable consumption, planetary boundaries, Sweden's food security, how Sweden can pay its share of climate change costs, sustainable growth, and how the business community can support policies for global development.



SEI at World Water Week

SEI was the co-sponsor and convenor of several events at 2013 year's [World Water Week](#) conference, held in Stockholm in September. SEI also celebrated the award of the [2013 Stockholm Water Prize](#) to Dr. Peter Morgan, of Zimbabwe, a [key partner](#) in SEI's Ecological Sanitation Research Programme and a pioneer in the water, sanitation and hygiene field. Dr. Morgan was part of the Stockholm Water Prize laureates' seminar on the topic "[Scaling Sanitation](#)" ([webcast live](#)).



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Seminar: “Corporate Choices in a Changing Climate”

As the IPCC began issuing its Fifth Assessment Report, SEI, the Haga Initiative and Nordea hosted an in-depth discussion of climate risks and opportunities for business, 20 September in Stockholm; “[Corporate Choices in a Changing Climate](#)”. This was a high-level event in which the Swedish Minister for Financial Markets attended together with about 150 participants primarily from the private sector. This seminar was an introduction to multiple events organized in Stockholm during the release of the IPCC – Physical Science Basis report.



Public event: “Climate change: The state of the science”

SEI and partners organized a major public event, at Kulturhuset in Stockholm, for the launch of the IPCC Fifth Assessment Working Group I Summary for Policymakers. *Climate Change: the state of the Science* was the first open event at which IPCC Working Group I co-chairs presented the findings of the newly-approved report to the general public and policy makers.



Given the significance of the climate change challenge, the idea was to give the public an opportunity to discuss the report with the authors. The event was sold out, with 500 participants, and was also live-streamed with around 5000 viewers worldwide. [Videos and photos](#) were produced and the event was followed closely by a journalist from the Economist as well as [Vetenskapsradion](#) and [other media](#).

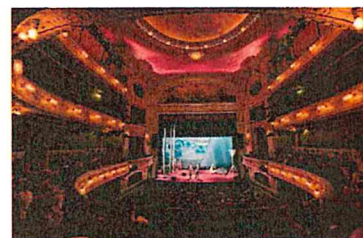
The International Climate Change Negotiations

SEI presented research findings and engaged in several events during the [international climate change negotiations](#), the 19th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC), held in November in Warsaw. The communications team coordinated the events, media outreach and prepared the latest SEI publications on climate issues, for example transparency in adaptation finance, the PROVIA guidance and the Climate and Clean Air Coalition. Read SEI’s [op-ed articles](#).



Performance: “För miljön i tiden”

On November 23 art, science, politics, business and royals were gathered at the Royal Dramatic Theatre to watch the unique performance “[För miljön i tiden](#)” (for the environment through the times). SEI and partners brought four decades of environmental history to life in a stage show, to celebrate H.M. King Carl XVI Gustaf. The show recognized the challenges facing the planet, and the King’s ongoing engagement with environmental issues.



Through dialogue, acting, music and film, the show charted Sweden’s environmental journey through four decades and into the future, from an awakening in the 1970’s until today’s global climate conferences. The show asked the question, what can be done when the world needs more action but too little is being taken? View the [press release](#), the reporting from [TT](#) and reportage from [UR Samtiden](#).

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Ecosystem services with Pavan Sukhdev

A seminar with the 'green economics' expert Pavan Sukhdev, hosted by SEI, SIANI and partners focused on the role of ecosystem services in our economy and how to include their value in the financial systems we use. The event was attended by around 200 people from policy, governmental agencies as well as business.



SEI research publications and news stories

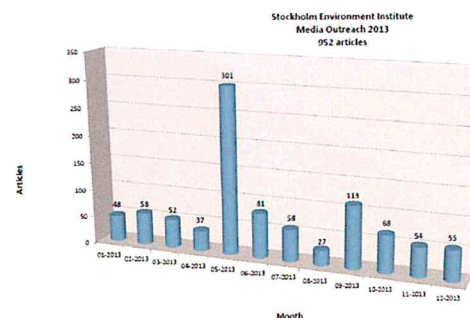
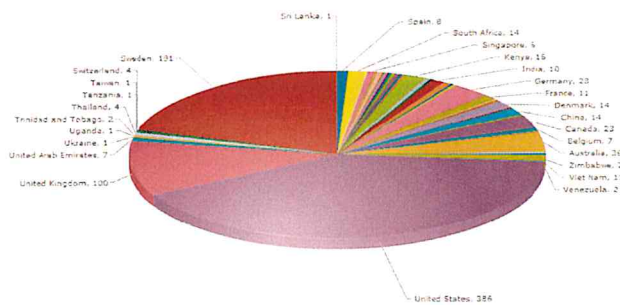
In 2013 SEI researchers published 177 research publications on the SEI website, either in the SEI publications format or with partners (see annex 1). SEI researchers also contributed to a broad range of journal articles, book chapters, discussion briefs etc (see annex 2). SEI communications team also wrote and published 75 news stories on the SEI website (see annex 3) in 2013.

SEI innovative annual report

SEI took an innovative approach with its annual report for 2012, making it fully online and interactive. 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.

Media coverage in 2013

An analysis of media articles available free online that mentioned the 'Stockholm Environment Institute' in 2013 reveals a total of 952 articles. The media outreach was highest in the United States followed by Sweden and the United Kingdom.



The 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 2013 the Journal Citation Reports, Climate and Development was listed with an 'Impact Factor' of 1.000. The number of submissions from developing countries has risen by more than 140% in the past year, from 24 to 58. The journal actively encourages submissions from developing-country experts, while maintaining the highest academic standards.

"The journal Climate and Development fills a vital gap in the literature, essentially because decisions related to climate change and development would both need to be based on the nexus between these two issues. The Journal, therefore, covers extremely important space, and it is inevitable that its value will be enhanced over time."

R. K. Pachauri, Chair of the Intergovernmental Panel on Climate Change (IPCC)

The SEI website and newsletter statistics 2013

In 2013, the SEI website had 611,616 page views from 98,817 unique visitors. Of these, an estimated 55 percent were new visitors. The number of unique visitors increased 3.8 percent compared to 2012 or 32 percent compared to 2011, with an almost 50 percent increase compared to 2010, the first full year for which SEI has statistics. The website was visited in 2013 by people from 214 countries or territories, with the top-five sources being Sweden, United States, United Kingdom, Germany and Thailand. Visitors are evenly spread across the globe, with notably growing interests in Asia.

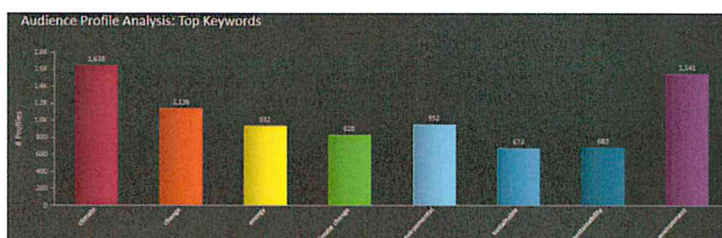
The SEI newsletter is distributed on a monthly basis and had 3,757 subscribers by the end of 2013. With subscribers from 134 countries, the biggest group is from Sweden (42 percent) followed by the USA (10 percent), UK (6 percent), India (3 percent) and Germany (2 percent).

SEI on Twitter

SEI made a substantial growth in followers on Twitter during 2013. The accounts @SEIclimate, @SEIresearch and @ClimDevJournal are all managed by SEI's global communications team. The @SEIclimate account now reached 10 000 followers including high-quality followers including climate, sustainability and development experts, journalists, activists, government agencies and officials.

@SEIresearch has 2300 followers and many more staff at SEI is tweeting about our research than previous years.

Top key words on the Twitter account @SEIclimate, see picture:



SEI Stockholm 2013 Centre Director Report

Major Developments in 2013

During 2013 the SEI Stockholm centre set a number of strategic objectives that focused on team building, portfolio management and quality, fund raising and systems review. This included exploring options to work more efficiently and create systems to support internal learning and development. In early 2013, the centre management concluded that the office space rented from Akademiska Hus in Kräftriket (SEI were sub tenants to the Stockholm Resilience Centre) would become too small (both SEI and SRC had quite ambitious plans of expansion) and was not fully adapted to the ambitions to change the working mode to foster team building and institutional learning. A process to identify a new office space and relocate to the central part of Stockholm was therefore initiated and the choice fell on “Garnisonen”.

Strong inputs from all colleagues were secured in the relocation process, which was completed in mid-December 2013. The new office is established with an activity based environment that allows colleagues to work on different tasks without having a set office desk. This office set up allows for flexibility in terms of meeting different work tasks and provides a “collective good” to SEI globally since it allows for guest researchers to visit and work in Stockholm. The new office also offers improved opportunities to serve as an active meeting point, hosting seminars, workshops and other types of events. The land lord, Vasakronan, also has strong environmental profile.

2013 also saw the first consolidated SEI Stockholm centre work plan. This process was set in motion as a way to begin to identify shared priorities and to increase learning across the research units and with other SEI center colleagues. The ambition is to take advantage of the diverse skill sets we have in Stockholm and together with our research colleagues in the other 6 research centers within a global theme structure. It also serves to identify innovative research and advisory work that highlights SEI’s unique profile vis-à-vis other environment and development research organizations.

On the systems side, new and more effective management and administrative procedures were implemented and a new Human Resources and salary system, that will make the administration of our staff resources more efficient, was identified. The centre has also invested in leadership training for unit heads to improve our management skills.

In addition, investments have been made to increase the capacity of the centre to better monitor and coordinate ongoing projects, and to establish support when needed or warranted to ensure quality. Project management is in focus, fostering a culture where deadlines are met or renegotiated, and that projects are managed responsibly within the financial constraints of a project budget. We sought to foster a culture of learning together and supporting one another when project implementation is difficult.

The financial situation of the centre has continued to improve through a balance between increased core support and successful external fund raising. The access to “matching

funds” has enabled a more proactive approach to EU funding and the centre has secured three major EU FP7 research projects in 2013.

SEI Stockholm Centre Research Units

The **Bioresources Unit** focuses on natural resources management and innovation with a strong developing country focus. In 2014, some example of projects include: agriculture and rural landscapes; innovative technologies for improved health and well-being at the local scale in developing countries; water, energy, and food nexus at different scales; and emerging areas such as chemicals management and Disaster Risk Reduction (DRR).

The **European Unit** spans a wide range of fields across all four SEI Research Themes. The projects have a centre of gravity in Sweden and Europe, but a number of staff members also work in projects outside Europe. 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 and geographies with a focus on Climate change, mitigation and adaptation; Sustainable consumption and production; and Regional analyses and assessments.

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. This include 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).

Moving forward in 2014

In 2014, the centre will be taking a more outward-looking approach and engage fully in the preparation of the new SEI global strategy (2015-2019). The current agreement for program support that SEI has received from Sida (Sida PS) will also end in 2014 and the centre will engage fully in the design of a new program support proposal. The proposal will link closely to the new SEI strategy and the special initiatives identified, including core existing competencies in centres. Projects in 2013 have allowed centre staff to increasingly work more closely with colleagues in the US, Asia and Africa Centres – an ambition that will continue. The centre will continue its effort to establish a culture of “working as a team” with all centres and will continue to invest in that strategy.

With the ambition to establish an office space that is a true value to Stockholm staff, HQ staff, SEI staff globally and partners, investments will continue to ensure that new office routines are implemented as effective as possible. This will include effective synergies between the research units and staff. The new model of activity based work will take time to adapt to, but is something that the centre management expect will create additional synergies and efficiency improvements. As the centre is co-located with the SEI HQ, the

centre will take the advantage of close interaction with HQ staff for the benefit of SEI as a whole.

Project quality at entry and during implementation will continue to be closely monitored so that ways to improve project implementation, management and follow-up will be identified and implemented at the centre but also in cross centre work that the centre is involved in. In a similar manner, the centre will invest in portfolio review capacity per research unit and themes within the units in order to identify when and how investments can be made in project development and recruitment. A system of an enhanced “research/ advisory business” support will be explored. With increased understanding of core capacities that come from strengthened work and administrative routines, the centre management will review the work structure and organization of the centre in 2014.

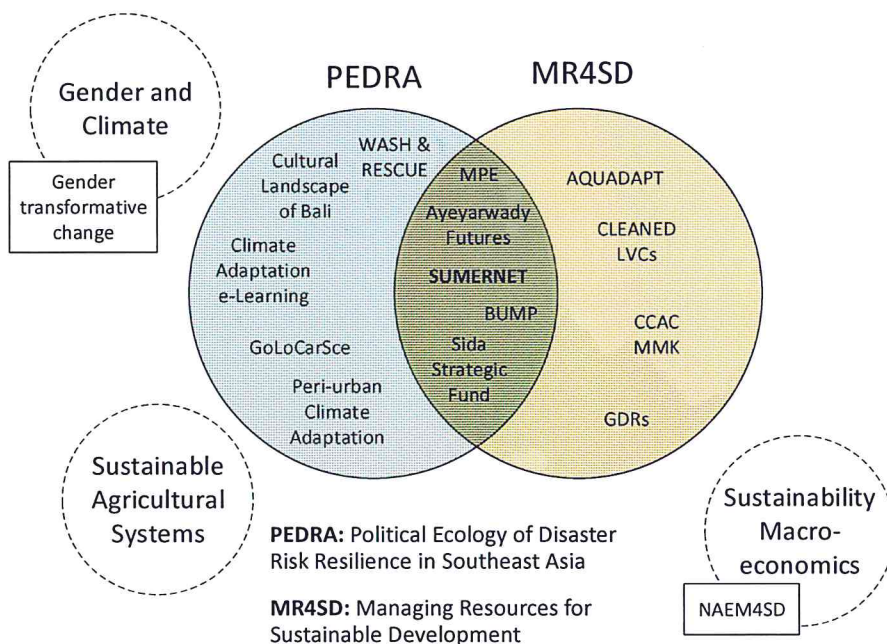


SEI Asia 2013 Centre Director Report

Major developments in 2013

The Centre underwent a substantial transformation in 2013, beginning with a large turnover in staff. Some seconded and long-term staff left and the centre brought in new senior-level staff to build programs. These new programs complemented the existing, and long-standing, Sustainable Mekong Research Network (SUMERNET) program, which received renewed funding during 2013. The centre also invited a long-standing collaborator to become an SEI Associate, which has proven to be a very positive step. The result of all this activity has been a dynamic and growing centre with an increasingly secure funding base.

The current structure of the centre is shown in the diagram below. There are two established research groups. The group Political Ecology of Disaster Risk Resilience in Southeast Asia (PEDRA) is mainly composed of social scientists who work on disaster risk reduction and climate adaptation. However, more recently the centre has hired two hydrologists with a specialization in flood risk management, who bring their physical science perspective to the centre's disaster management work. The group Managing Resources for Sustainable Development (MR4SD) focuses on water and land resources. More recently, staff began developing new programs in Gender and Climate, Sustainable Agricultural Systems, and Sustainability Macro-economics.



Several major projects lie at the intersection of the PEDRA and MR4SD groups. The most important of these in terms of long-term commitment from SEI and financial contribution to the centre is the Sustainable Mekong Research Network (SUMERNET) program, which is entering its third phase; SEI hosts the SUMERNET Secretariat. The

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Sida Strategic Fund is a new and important program for the centre. Through it, SEI provides funds to conferences and other events in the Mekong region with the goal of fostering long-term sustainability. The Ayeyarwady Futures and Mekong Partnership for the Environment (MPE) projects are high-profile projects focused on civil society engagement for national and regional development. The Ayeyarwady Futures project has led to the signing of an agreement with a department within the government of Myanmar.

How the Centre has contributed to the fundamental mission of SEI

The fundamental mission of SEI is to bridge science and policy in the pursuit of sustainable development. The centre contributes to this mission in several ways, and the SUMERNET program is central to this work. From its inception, SUMERNET has had as a goal the sustainable development of the Mekong sub-region. The strategy of SUMERNET is to support regional researchers to strengthen the evidence base for policy debates. SUMERNET grantees are required to form cross-border consortia. They are also required to engage with boundary partners throughout each SUMERNET-funded project in order to increase the likelihood that research results will be taken up. The program carries out capacity-building activities with regional research partners in order to strengthen regional capacity for policy-relevant research.

While SUMERNET is a unique, complex, and long-term program, each of the projects the centre undertakes support SEI's mission. Some of these, such as Ayeyarwady Futures, do this through stakeholder dialogues and capacity building. Others, such as AQUADAPT, do this through original, policy-relevant research. Some, such as the Sida Strategic Fund, are aimed at immediate application, while others carry out research that is expected to have a longer-term impact.

Moving Forward in 2014

The Asia centre will lead an SEI-wide initiative, on disaster risk reduction, and is proposing a second SEI-wide initiative, on gender and climate. The centre is also seeking funding and partners for an initiative on sustainable agricultural systems, which has a strong potential to link to work in other centres. The centre director's work on macroeconomics for sustainability is likely to gain additional resources as part of the Global to local Climate change adaptation and mitigation scenarios (GoLo CarSce). Given the current level of funding and the likelihood of further projects coming in through the year, the centre expects to hire more junior and mid-level staff. This will put a strain on the current seating capacity, so the centre will change the office furniture and layout. The new layout will increase the number of seats while at the same time provide a more open feel to the office.



SEI Africa 2013 Centre Director Report

Staff, organization and financial situation

The SEI Africa Centre, established in 2008, is financially part of the SEI foundation. In 2013, the centre relocated from Tanzania, where it had been hosted since its opening by the University of Dar es Salaam, to Nairobi, Kenya. The centre is now based on the World Agroforestry Centre (ICRAF) campus, located next to the UN compound. The centre grew from 2 staff members at the start of 2013 to 4 by the end of 2013, through two strategic recruitments: one each in the areas of climate change and energy. In 2014, the centre expects to employ a mid-level energy researcher to assist with funded projects in that area and a junior administrative person. One MSc intern started in February 2014 and a PhD intern is expected to start in the summer, bringing the total staff complement to 7-8 by mid-2014.

The move to Nairobi brought immediate and significant benefits in terms of strategic partners. Our new location on the ICRAF campus has already fostered new collaboration, with a joint SEI-ICRAF bioenergy research workshop held only four months after our arrival. Additionally, the ICRAF campus includes 14 other hosted institutions, many of which SEI staff has already met with and begun discussions on partnership. We are also now located adjacent to the UN compound and have taken advantage of that to meet frequently with various staff and units of UNEP, UNDP and UN-HABITAT.

Further, our presence in Nairobi resulted in an invitation for SEI to present a research forum at an influential UNEP event in October 2013. The Global South-South Development Expo in Nairobi brought together a diverse range of stakeholders to consider the expo theme: *Building Inclusive Green Economies: South-South Cooperation for Sustainable Development and Poverty Eradication*. Working with colleagues from the Asia, Stockholm, US and York centres, SEI Africa presented a half-day forum on the Water-Energy-Food Security Nexus. The forum included examples of operationalizing the nexus in Africa, Latin America and Asia, followed by a panel discussion. Speakers included two ambassadors, the executive directors of UNEP and ICRAF and a deputy minister from Thailand. In addition to the forum, SEI Africa had a booth on the exhibition floor during the 5-day Expo, which showcased SEI research from around the globe.

The Embassy of Sweden is at the direct proximity of the new SEI Centre location. This is the largest bilateral Swedish embassy in the world and includes a large regional Sida contingent. This allows for closer and more frequent contact with one of our most important donors in Africa. Beyond our immediate area, Nairobi hosts a range of other donors, research institutes and universities on which to draw for partnerships and collaboration. Lastly, our move to ICRAF has resulted in a dramatic improvement in our logistical arrangements: fast and reliable internet, uninterrupted power supplies, access to IT services as well as other administration and personnel support.

External projects include a 4-year FP7 project focused on developing decision support tools, in which SEI leads a work package, and a GIZ-funded project on the economics of

land degradation and ecosystem goods and services. In addition, the Africa Centre very much benefited from the Sida-funded Programme Support (PS) project funding. The criteria set for proposals for this funding gave additional preference for projects including the Africa and Asia centers. As a result, SEI Africa was included in 6 PS projects involving staff from the Asia, Oxford, Stockholm, Tallinn and US centers. This has proved very useful in building lasting and substantive collaboration with our colleagues around the globe, as well as in expanding the research areas and skillsets of our staff. We will also aim to look for ways to leverage our PS projects into larger projects to be funded externally.

Moving Forward in 2014

For 2014, SEI Africa will continue to develop projects and funding proposals relevant to our four focal areas (climate risk reduction; sustainable energy pathways; transforming rural livelihoods; and managing urban change) in order to increase our profile and policy impact in sub-Saharan Africa and support the recruitment of new staff. We will also continue to host students from the region for internships and MSc/PhD studies, as we did in Tanzania, to contribute to our mission of capacity building.



SEI Oxford 2013 Centre Director Report

Staff and organization

In September 2013 SEI Oxford achieved full Centre status after a decision by the SEI Board and also completed the legal transition to a not-for-profit organization. By the end of 2013 there were a total of 11 (9 FTE) staff members including one new full time member of staff, and five SEI Associates linked to the Oxford office.

Selected activities and Projects

In 2013 SEI Oxford successfully secured a new portfolio of cross-centre Sida funded PS projects from the Transforming Governance, Reducing Climate Risk and Rethinking Development themes - on Strengthening Adaptation Planning in South East Asia, Climate Actor Mapping for Adaptation (CAMA), Reconceptualising Environment and Development and New Approaches in Economic Modelling. The first, in collaboration with SEI Asia has aimed to build capacity for new communities of practice around adaptation planning through training and online knowledge products in small island communities in Indonesia and the Philippines. The second is in collaboration with both SEI Africa and Asia who have mapped partnership networks in their respective regions (providing inputs to the respective SEI Centre strategy documents) as well as mapping important and emerging scientific debates in developing world, to address gaps in our research competence.

EC 7th Framework Programme project *Mediation* came to an end during 2013. The main output was a platform (the Mediation Adaptation Pathfinder – MAP) for guidance on tools and methods for impacts, vulnerability and adaptation research. The platform has links to weADAPT and to the European portal, CLIMATE-ADAPT. The MAP may also provide a foundation for the PROVIA electronic guidance and the integration with global (not only European) case studies from weADAPT will be a valuable contribution. An output from the project was the publication of 10 policy briefs on “Choosing Salient Approaches and Methods for Adaptation” that provide guidance on the many approaches to methods for decision making; Oxford staff coordinated and edited these briefs and were authors on 9 of them: <http://weadapt.org/knowledge-base/adaptation-decision-making/mediation-technical-briefing-notes>.

EC 7th Framework Programme project *EcoAdapt* is a four-year EC project on “ecosystem-based strategies and innovations in water governance networks for adaptation to climate change in Latin American landscapes” which started in 2012. It is implemented in model forest landscapes located in Argentina, Bolivia and Chile and seeks to assist communities in these landscapes to develop their ecosystem-based adaptation strategies. This process is being supported by exploratory scenario analysis, participatory agent-based modelling and social validation via hybrid forums. SEI Oxford is leading Work Package 2 in this project and also has a role in different project tasks until the end of the project in 2015. weADAPT articles and geo-referenced placemarks, as well as scientific journal papers, have been created by project partners. The preliminary work from the socio-institutional was presented by SEI Oxford staff at the Annual International Conference 2013 held at the Royal Geographical Society (with IBG)



in London in August 2013: <http://weadapt.org/knowledge-base/ecoadapt/annual-international-conference-2013-at-the-royal-geographical-society-with-ibg-in-london>.

SEI Oxford supported the 7th annual conference on Community Based Adaptation which was held in Dhaka in 2013. We created a movie showcasing the CBA projects which had been contributed to weADAPT in advance of the 7th annual conference. It was shown during the conference and also streamed live through a webcast: <http://weadapt.org/gicba> A 'Climate Change and Forests in the Congo Basin: synergies between adaptation and mitigation' COBAM project Working Paper and Brief were published in Spring 2013 on current vulnerability of forest communities in the Tri-National de La Sangha landscape, Cameroon by SEI Oxford and CIFOR staff. In May 2013, SEI Oxford staff met the CIFOR team in Cameroon for a one-week training on Knowledge Elicitation tools (KnETs). These tools have been applied in the project sites and the results will be combined with agent-based modelling to explore different scenarios that enable synergies to be identified between adaptation and mitigation strategies at the local level.

SEI Oxford staff presented some of the results from the fieldwork at the 9th Conference of the European Social Simulation Association (ESSA 2013) in Warsaw in September 2013 focusing on how these results will feed into a social simulation model and a paper is under review for the Journal of Artificial Societies and Social Simulation (JASSS). The work was also presented and at the Central African Forest and Institutions conference in Paris in September 2013. However, 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) has been cut. As a result, there is no 2014 budget available for 4-year COBAM project which has been a major focus of research of SEI Oxford Centre.

weADAPT – the SEI-led online knowledge portal on climate adaptation which allows practitioners, researchers and policy makers to access credible, high quality information, and to share lessons learnt. At the end of 2013 the portal has 2000+ case studies and articles including training materials, assessments, tools and guidance to support all aspects of the climate adaptation cycle. Since its inception at the 5th Community Based Adaptation conference in Bangladesh in April 2011 weADAPT has received more than 183,270 unique visits from 224 countries showing a remarkable rate of growth (61% increase in unique visits from 2013 compared with 2012) which continues to increase monthly, through the use of social media and innovative links with other portals e.g. Mediation Common Platform, CIFOR website, Climate Information Portal, AfricaAdapt etc. A new website design was launched at the end of 2013 and was well received by staff and external partners at the SEI Science Forum in January 2014. A UK trademark for weADAPT is being pursued and this will be the basis for a global trademark. We have now established a permanent link to Environmental Change Institute, University of Oxford Masters programmes with annual training on weADAPT during their 'Climate Week'.

The Flooding in Cape Town under Climate Risk (FliCCR) project, funded by IDRC and DFID, aimed to understand and support governance systems that influence decisions



relating to inland flooding and sea-level rise in the city of Cape Town, South Africa. To this end, the project set out to identify and address the deficit in understandings and responses to flooding in Cape Town. The approach drew on concepts of collaborative governance, to understand current challenges and opportunities around managing flood risks. Stakeholder engagement was a key methodological component of the study; particularly the efforts to create a shared understanding of flooding risks and responses. SEI's main role was in the sea level rise and coastal flooding risks component of the project. Within the coastal focus, work has been focused on (1) a fine-grained understanding of the storm surge risk (2) a more nuanced approach to how this risk might be understood and inputted into local decision making and (3) the formulation of appropriate sea-level rise responses, with a special emphasis on a coastal set-back line that complies with provincial and national legislation as an adaptive measure.

Moving Forward in 2014

Completion of several long term projects in 2013 (UNITAR, CDKN, EC MEDIATION, FLiCCR) means that there is more pressure to identify long term sources of funding going into the next funding phase. Our involvement in two EC projects are in the consortium development stage and we are directly involved in three Horizon 2020 proposals. Some areas that have been identified:

- Continue to develop strong basis for cross-centre projects and initiatives. SEI in Oxford is a partner with SEI Stockholm for the EC IMPRESSIONS project
- Decision support remains a strong focus of the work in Oxford and will continue in our contribution to case studies in 2014 in EC projects IMPACT2C, EmBRACE and Healthy Futures.
- 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 a increasing focus
- Increase staff capacity (1 new staff member, 2-3 interns in 2014)
- New round of EC proposals should be a route to employ new staff and expand skill base further

Looking ahead, we see key opportunities and demand to grow our existing research and capacity in the directions of:

1. Rapid urbanization in developing countries – working with concentrated informality and marginalization;
2. Communicating and translating climate information in credible, timely and relevant ways that build capacity to address climate risks in different contexts;
3. Online knowledge integration and brokering – using ICT innovations to bridge disparate and distributed communities by fostering the learning and sharing of information across locales;
4. 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.

These are areas where we see a match between growing policy demands, sufficient



expertise within SEI and partnership prospects to stimulate growth in these directions and we will focus proposal writing in these areas.

Some challenges for the future:

- To raise our profile as a Centre and not-for profit company, with the support of the Foundation Communications team.
- Funding for the COBAM project has been cancelled for 2014 which will have significant impacts on our ability to capitalize on the field work, development and application of new methods and tools over previous 3 years. This has added to the pressure to secure longer term funding to cover current staff.
- Securing long-term funding for weADAPT activities remains a fundamental challenge.



SEI York 2013 Centre Director Report

Currently SEI York comprises 29.5 FTE staff of whom 24 FTEs are research staff. There is a balanced complement of staff on different research grades. SEI York also employs ~5.5 FTE staff providing financial and administrative support as well as support in the communication of our research to policy makers and the public. Over the past 10 years the SEI York centre has had an average annual turnover of approximately £2M; this gives an annual average research income of ~£150k to £175k per FTE for our grade 7 and above research staff. Of this £2M research income ~ 30% is from SEI York Core and Sida 'Programme Support' funding. Other important funders are the UK central government (15%), and the EC (12%, comprising mostly EU Framework funding), Other overseas (9%) and UK Charities (8%). UK Research Council funding currently only comprises 5% of our total income, in the future we would like to see an increase in this particular funding stream.

Major developments in 2013

The SEI York Centre has been under new leadership during 2013, with Dr. Lisa Emberson having taken over as Centre Director in December 2012. Under this new leadership the Centre has developed new systems to improve project management, with time plans being developed to allow staff to plan their annual work activities more effectively. We are also introducing additional project management systems (using existing UoYork project management tools) to ensure we have a better overview of the financial and deliverable status of projects. These systems, and their implementation, will continue to be improved in 2014.

The Centre has continued to show an improvement in its finances over the course of 2013. The UoYork use a 'research modeller' tool to project the likely funding situation over the coming 5 years. This model works on the UoYork financial year which runs from August to July. In Jan 2013, this tool projected a deficit of £120k, by the end of July this deficit had been reduced to a value of only £8k. Similarly, the projection for the 2013/14 period was estimated at £132k; half way through this financial period we are now projecting a surplus of ~£15k. These figures would suggest that we are coming out of a financially rather unstable period in the York Centre.

We recruited a senior research leader in August 2013 through which we hope to build links between our environmental research and the human health and well-being research community, this is especially important since this is an emerging research field in the UK and Europe.

We also continue to build stronger relationships with the UoYork. The UoYork Inter Departmental Centre – YESI (York Environmental Sustainability Institute) has been important in helping us do this through facilitating links and connections with other Departments across campus. This allows us to become involved in more inter-disciplinary, and larger research projects, increasing the potential policy impact of our research and the breadth of research issues that we can address. SEI York also made an important contribution to the Environment Dept. and UoYorks REF (Research Excellence

Framework) which is a UK government led assessment of higher education establishments. SEI York particularly contributed by providing evidence of the policy relevant impact of our research and through a good number of high profile, high impact, peer reviewed journal papers. Through these endeavours, we are engaging more with the senior establishment within UoYork and raising the profile of SEI within the University.

During 2013 we have also consolidated our PhD programme in SEI York. We have an arrangement with the Environment Dept. (where our PhD students register) to access PhD fees so that SEI York staff supervision time can be covered. Through this mechanism we are able to host PhD students in a financially viable way; the additional research performed by these students within our institute helps increase both the breadth and depth of our research and allows us to branch into new areas that complement our core research strengths. We would like to explore possibilities of widening the scope of this PhD programme to be of benefit to the wider SEI, in the first instance to investigate student exchange schemes with other Centres.

Contribution to the mission of SEI

We have four core research areas within SEI York. These are described below and for each is presented an example of the different ways in which our research contributes to the SEI mission.

Our **Atmosphere, climate change and biogeochemical cycling** group 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. This work provides a good example of the style of our research, taking scientific evidence and translating it into accessible information for policy-making decisions. The work conducted by SEI under the Climate and Clean Air Coalition (CCAC), championed by Hilary Clinton's office in the U.S. State Department, allows our research to explore practical and bespoke mitigation measures for SLCPs in developing countries (e.g. Ghana, Mexico, Bangladesh). 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 **Sustainable Consumption, Production (SCP) and Trade** research group 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.



Our **Agricultural Water Management and Governance** group undertakes extensive research into 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.

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.

Moving Forward in 2014

During 2014 we will be preparing to move into new premises with this relocation planned for Sept 2015. This will see SEI York housed in the same building as the Environment Dept. and YESI which will strengthen our collaborative research opportunities with these key UoYork partners.

We hope to make a new senior recruitment in the field of 'Human Rights, Environment and Development'. This may also provide the foundation upon which to begin raising the profile of SEI in the UK, particularly with key UK funders (e.g. Dfid) and UK Government Depts. and charities and UK Research Councils.

We will continue to develop our research tools and have some exciting opportunities to start to link tools developed in the SEI York Centre with SEI wide tools (namely WEAP and LEAP). This will allow us to tackle environmental issues from a more holistic



perspective e.g. investigating the combined impacts associated with air pollution, climate change and water availability as well as energy planning and low emission development scenarios (LEDs) and human health and agro-ecosystem impacts associated with SLCPs.

There is also a need to continue to build stronger partnerships with the UoYork, for this we need to maintain our recently improved financial situation and also continue to raise the profile of the policy impact of our SEI York research. We also need to publicise how our research expertise, tools and techniques can be of substantial benefit to the wider UoYork as defining of 'pathway to impact' of research becomes a core mission of academic research.



SEI Tallinn 2013 Centre Director Report

Staff, organization and financial situation

SEI Tallinn Centre research work is carried out as previously by 4 centre programs: Sustainability Methods (SM), Environmental Management (EM), Climate and Energy (CEA) and Environmental Economics (EE). 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: Reducing Climate Risks (2), Transferring Governance (3), and Rethinking Development (4) and less so to Managing Environmental Systems (theme 1). SEI Tallinn is represented in the leadership of a cross SEI research Theme 4 – Rethinking Development.

SEI Tallinn staff at the end of 2013 is 22 persons (5M/17F). Concerning research qualification we have 6 PhD and 12 Master's degree researchers. Two staff members are currently PhD students.

New 5 year renting contract was signed with the City of Tallinn at the same premises SEI Tallinn has been lodged since its establishment in 1992. As the premises are wearing down the centre management considered moving, but due to financial constraints in 2014 the relocation was postponed.

SEI Tallinn financial situation for 2013 has been stable and the budgetary targets were fulfilled. SEI Tallinn researchers submitted 32 proposal and tenders during 2013. 55% of proposals were submitted for EC funding schemes (BONUS, IEE, Leonardo, Life+, Norwegian mechanism, FP7, DG ENV). 35% project proposals were submitted to Estonian funding sources (primarily to Environmental Investment Centre) and the rest were tenders to the sectoral ministries.

Selected activities and projects

Opportunities for Competitive Low-Carbon Economy in Estonia by 2050: The focus of the study was on mapping, and by using LEAP, forecasting the GHG emissions until the year 2050 and evaluating various policy scenarios aiming at mitigating the emissions. The Nordic-Baltic Climate Forum in Tallinn (Oct 23-24, 2013). SEI Tallinn Centre was one of the organizers. The Forum had high level participation from the governments (environment ministers from Estonia, Finland and Sweden), international organisations: OECD, IEA, WB, and the academia.

RECO Baltic 21 Tech: Towards Sustainable Waste Management in the Baltic Sea Region. Project supported the development of waste management decision-making and development of the waste management systems as well as generated 20 investment projects (over 50M Euros) in the Baltic Sea Region (BSR) to meet actual demands. The waste management plans and strategies of participating countries were reviewed based on the life cycle approach.

The energy efficiency scenarios of transportation of the long term energy policy of Estonia 2030.

FP7 APRAISE: Coherence of EU environmental policy. SEI Tallinn is studying the coherence of Renewable Energy Directive and Habitats and Bird Directive in the context of offshore wind energy production.

FP7 LIAISE: Regulatory and policy impact assessment. SEI Tallinn organised an international conference on impact assessment and a three day partners meeting in Tallinn in March 2013.

Impact of Estonian Environmental Taxes: The study analyzed environmental usage from 2000-2011, the impact of environmental charges on enterprises investment decisions and the opinions of the enterprises on current charges system. The results are used in the process of revising environmental fees for 2016-2020.

GES-REG: Interreg project on Good Environmental Status through Regional Coordination and Capacity Building carried out study on economic and social analyses of EU Marine Strategy Framework Directive implementation in EST, FIN, LAT and SWE. SEI Tallinn analyzed also preferences in the conflicting situation of planned marine protected area vs. offshore wind park as well as willingness to pay for reducing risk for oil pollution, introduction of alien species and improving marine water quality.



SEI US Center Director's Report 2013

Major developments in 2013

2013 saw significant achievements at SEI's US Center in terms of major new areas of research, new staff joining the Center and very positive developments in the working environment of the Center's three offices in Somerville, Davis and Seattle.

We continued our research, capacity building and policy engagement efforts around integrated energy and water resources planning, climate change mitigation, adaptation and equity. However, in 2013 some exciting new focus areas emerged within these broader topics of research.

Highlights included the development of practical quantitative tools for assessing the water-energy nexus; new decision-support approaches for water resource planning based on the concept of robust decision-making, new approaches to assessing the climate and economic implications of major fossil fuel infrastructure investments; and a new toolkit for planning actions on short-lived climate pollutants (SLCPs). The role of cities in promoting climate change mitigation has also emerged as a major focus of our climate mitigation work. Building on our recent well-regarded assessment of the city of Seattle, we have been engaging with a number of groups that focus on the role of cities for climate change mitigation including C40, ICLEI, and the World Bank. We have also begun the development of a new tool, based on our LEAP software, designed to meet the needs of city-scale climate planners.

These new areas all contributed to our core work of supporting climate change and sustainability practitioners, both in the developing world and here in the US, through the provision of tools, methods, studies, technical support and capacity building. This work continued in 2013 including our work to improve our two flagship software tools, LEAP and WEAP. LEAP has been upgraded to allow it to better support the type of analyses required for LEDS (Low Emission Development Strategies) and SLCP analysis (for example through the addition of new "industrial strength" optimization capabilities), while WEAP has been integrated with the Nature Conservancy's methodology for measuring ecosystem impacts. We have also been working to implement plant growth modeling capabilities into WEAP, a development that will allow for better assessment of agricultural water demands and the impacts of climate change on the agriculture sector.

US Center staff also engaged in a number of high profile projects in 2013. These included a timely assessment of the Keystone XL pipeline in the US - a report that has since been cited in the US Government's own environmental impact assessment of this controversial proposal. We have also been working to complete our ground-breaking assessment of climate change vulnerability and adaptation in Quito, Ecuador for CDKN. In terms of the international climate negotiations, we have continued to contribute to the works of the IPCC. Our staff members have been working on Working Group 3 of the IPCC's Fifth Assessment Report as lead authors on the chapter dealing with sustainable development and equity, as advisors to the AOSIS group of countries or as authors on the PROVIA Guidance on Assessing Vulnerability, Impacts and Adaptation to Climate Change, a



major project coordinated by UNEP. SEI-US staff members have also been providing support to the burgeoning field of Low Emission Development Strategies (LEDS), supporting various UNDP, UNEP, EUROPEAID and USAID programmes. We have also been supporting the activities of the Climate and Clean Air Coalition (CCAC), a coalition of governments and other actors focused on the need to reduce emissions of Short Lived Climate Pollutants (SLCPs). Our work includes developing a new toolkit for helping countries to plan actions for reducing SLCP emissions as well as supporting the CCAC in developing and executing its communications strategy, for example at COP19 and at the CCAC 2013 meeting in Mexico City.

Another major area of development has been our engagement with institutions in Latin America. This has included a major project for US-AID that is developing capacity for climate change adaptation in water resource management in Colombia's coffee-growing region, as well as work with local stakeholders to study vulnerability to water scarcity in El Alto, Bolivia supported by the Inter-American Development Bank (IADB) and the Challenge Program on Water and Food (CPWF) and the Lincoln Institute of Land Policy. We have also been part of the EuropeAid CLIMACAP project that is building capacity for assessing GHG mitigation opportunities in various Latin American institutions.

Finally, US center staff had a strong presence at various high profile conferences in 2013, including the World Water Week in Stockholm and the COP in Warsaw.

Staff Development

2013 also marked a turning point for the Center in terms of staff recruitment. After losing some key staff in recent years, we recruited three senior researchers whose expertise will greatly enhance our future development in areas of the water programme and modeling program and strengthen the LEAP team in the Seattle office. Additional members of staff are already being added in early 2014.

More importantly, 2013 was a year of culture change at the Center, with more collaboration and improved communication among our programs and offices. This was due in part to new research programs that have brought us together, such as the energy-water nexus work, which spans both the water and energy programs. Similarly, our new city-scale and "unburnable carbon" work spans both Seattle and Somerville. The beneficial changes in office culture have also been due in part to the introduction of regular monthly all-staff meetings and our decision to invest in high quality video conferencing equipment in all three offices - all of which makes it much easier to get to know and then work productively with colleagues in different offices. 2013 ended on a major high note, with a two-day staff retreat in Davis, California during which we talked about our vision for the Center, staff development needs, and most excitingly the "big research ideas" that we want to pursue in the coming five years. These ideas formed the basis for the US center's contribution to the wider SEI strategic planning process.

Key Challenges and Expected Developments in 2014

While 2013 was a very positive year for the US Center it was not without its challenges. In particular, we experienced some growing pains in terms of the management of some



very large projects. These challenges were exacerbated by the need to manage distant research partners and by currency fluctuations in non-dollar denominated projects. In 2014, we are determined to learn the lessons from these difficulties. In particular, we will invest in our project management capabilities and institute systems for assessing the risks of potential large projects and for monitoring and verifying our performance on ongoing large projects.

We are also determined to act on the positive suggestions from staff that came from the retreat. In particular, the Center's Management Committee will be taking up the task of improving staff development opportunities and also examining what we can do to improve the diversity of the workplace (for example by improving our hiring and related HR practices). We hope to draw upon the wisdom of the HR team in Stockholm and staff in other Centers to help us with this.

Overall, US center staff are very optimistic about SEI's future. As Center Director, I can state that the team here is brimming over with great ideas on how to advance SEI's mission of bridging science and policy for sustainable development, and enthusiastic about actively collaborating with SEI colleagues around the world. To further encourage this, the Center supported 11 staff to attend the SEI Science Forum. We have also been actively engaged in the strategic planning process and expect to take a leading role in helping many of the new Special Initiatives to succeed.



AUDITOR'S REPORT

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

Report on the annual accounts

We have audited the annual accounts of Stiftelsen The Stockholm Environment Institute for the year 2013.

Responsibilities of the Board of Directors and the Executive Director for the annual accounts

The Board of Directors and the Executive 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 Executive 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 the annual accounts on the basis of our audit. We conducted our audit in accordance with generally accepted auditing standards. This means that the Authorised Public Accountant has conducted his audit in accordance with International Standards on Auditing in Sweden and with generally accepted auditing standards in Sweden. Those standards require that the Authorised Public Accountant comply with ethical standards and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatements.

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 Executive 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 Stiftelsen The Stockholm Environment Institute as of 31 December 2013 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 Executive Director of Stiftelsen The Stockholm Environment Institute for the year 2013.

Responsibilities of the Board of Directors and the Executive Director

The Board of Directors and the Executive 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 Executive 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 management, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the foundation in order to determine whether any member of the Board of Directors or the Executive Director is liable to the foundation or if there are any grounds for dismissal. We also examined whether any member of the Board of Directors or the Executive Director has, in any other way, acted in contravention of the Foundations Act, the Foundations Ordinance or the Annual Accounts Act.

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

Opinions

In our opinion the Board Members and the Executive Director have not acted in contravention of the Foundations Act, the Foundations Ordinance or the Annual Accounts Act.

Stockholm 8/9 2014



Håkan Sten
Authorized Public Accountant



Fredrik Gunnarsson
Lay Auditor