



ODI Annual Report and Financial Statements

For the year ended 31 March 2020

Overseas Development Institute

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Report of the trustees

Objectives and activities

Charitable objectives and mission

ODI's primary objective, as set out in its Articles of Association, is 'to promote the study and discussion of and the exchange of information upon the economic and social development of nations, and the influence thereon of various policies, actions and institutions'.

ODI's mission is to promote poverty reduction, the alleviation of suffering and the achievement of sustainable livelihoods. ODI achieves this by locking together high-quality applied research, practical policy advice and policy-focused dissemination and debate.

Our strategic priorities

ODI's new five-year strategy was launched in May 2018. The strategy is anchored in the challenges we all face, encompassing climate change, violent extremism, authoritarianism, financial instability, inequality, the backlash against human rights, especially women's rights, pandemics, the impact of technology and the future of work. Many of these challenges are interrelated, and responses require multifaceted and evidence-based solutions. The strategy brings together ODI's multiple perspectives, disciplines and tools to both understand and respond to these complex problems. We work with a wide range of partners to collect evidence, find and test creative solutions and engage with actors with the power and influence to change policy and practice. Our multidisciplinary approach combines research, advisory work, convening and communications.

The strategy is framed around four thematic areas:

1. Ending extreme poverty and reducing inequality.
2. Transforming economies and the future of work.
3. Ensuring sustainable water, land, food and energy.
4. Preventing conflict and violence and addressing fragility.

And two cross-cutting themes focused on the approaches needed to enable progress and address the risks associated with making change happen:

5. Managing and mitigating risks.
6. Unlocking the enablers of progress, with a particular focus on politics, finance and technology.

Refreshing our strategy

ODI's strategic priorities must and will continue to evolve in response to external changes, and as ODI plays its role as an organisation that sets agendas through identification of new important areas of focus. During this year, we

began a process of refreshing the strategy and will complete this exercise once we understand the implications of the Covid-19 crisis and other factors on ODI's strategy.

Our six decades of experience instils confidence in the research we undertake, the evidence we publish and the ideas we propose. But looking ahead, ODI will need to evolve again to remain relevant in a world marked by rapidly changing norms, technology and power structures, which affect everything from consensus on the future of our planet to how people consume food, energy and information. Increasingly, many of the major challenges facing the world – climate change, violent extremism, rising authoritarianism, financial instability, inequality, pandemics, the future of work, a backlash against human rights, especially women's rights – affect rich and poor countries alike.

ODI is refreshing its strategy to ensure we are positioned to adapt to global challenges. Responding to these challenges requires new approaches that transcend old aid paradigms. Looking ahead to the next five to 10 years, ODI will need to evolve from a think tank focused on international development to one with a greater emphasis on economic, foreign, security and other policies affecting marginalised and vulnerable populations around the world, and in so doing accompany and help shape the debate and drive change in the development and humanitarian sectors. ODI's ambition will be to influence global debates as they affect richer and poorer countries alike, and engage beyond the traditional 'development sector', and beyond lower-income countries.

In fact, we are already doing this in some parts of the organisation. We are increasingly engaged in testing new approaches to blended finance to improve cooperation between public and private actors working on development and humanitarian issues. Our work on gender norms is starting to look at developed countries as well, and of course the migration research and debates we have been convening cut across North and South. The same is true of our work on fossil fuels and the nascent body of work on digital societies.

To achieve this, we will need to become a more global and diverse organisation, with presence and networks in Europe, the US and key emerging economies and markets. This will also mean rethinking partnerships and donor arrangements. ODI will aim to be a think tank whose work is built on truly genuine partnerships, which looks at the value it can add complementing the capacity of others, as we have already done in joint work with think tanks in Somalia and Afghanistan; universities in Sudan, Ethiopia and Gaza for example.

Ensuring that we have the right staff to deliver a new vision for ODI will be key, including staff with skills that enable us to engage more creatively with global challenges, that go beyond a traditional development mindset, and more effectively with youth and other civil society movements that influence public policy, along with internal structures that allow a more flexible, collegiate and efficient way of working, building on the transformative work we have started this year.

If we are to fulfil the long-term direction set out above, ODI aims to meet the following medium-term strategic objectives by the end of FY24/25:

- ODI is recognised internationally as a leading think-tank leading debates on global policy and responding to emerging challenges and opportunities. ODI@60 is leading this shift and we will also be refreshing our brand towards the end of 2020 to better reflect our global outlook and ambitious plans for the future;
- ODI is a more global organisation, shifting to a global network-led model for delivering ODI's research, advisory and policy influence through strengthening partnerships and alliances in different countries. We will also explore establishing an ODI presence in other continents, either ourselves or through partnerships with other organisations, and we will diversify our income base;
- ODI is a financially sustainable organisation, with updated and more agile business models that adjust to and optimise income and costs on a continuous basis; and

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- ODI is a more effective organisation internally, ensuring that all ODI work is purpose and strategy-driven, the organisation is cost-effective, innovative and agile, we have effective value-based leadership and management, and staff are empowered within an agreed framework of behaviour, performance and accountability.

Achieving these strategic objectives is supported by the continued implementation of our internal transformation process, ODI Futures, which made significant progress this year.

Our activities in 2019/20

ODI works across a wide range of sectors and issues with a direct impact on the well-being of the world's poorest people. We have 12 core programmes, a public affairs and communications department and a central team ensuring the successful operation of the Institute. While each programme focuses on its specific area of expertise, larger pieces of work cut across programmes and draw multidisciplinary teams together.

ODI hosts important networks and consortia, including the Humanitarian Practice Network (HPN) and the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP). We also host long-term multi-partner research initiatives, such as the Secure Livelihoods Research Consortium (SLRC), Gender and Adolescence: Global Evidence (GAGE), Building Resilience and Adaptation to Climate Extremes (BRACED) and the Global Property Rights Index (Prindex). We run a Fellowship Scheme that places graduate economists and statisticians in public policy institutions around the world across 40 countries. ODI also publishes two academic journals, *Development Policy Review* and *Disasters*.

Public benefit

In setting the objectives above and planning ODI's activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Achievements and performance: a strategic overview

Over the course of 2019/20, ODI produced influential work across all areas of its strategy and we began to advance towards the medium-term strategic objectives that have emerged from our strategy refresh. We have identified the following examples to illustrate the impact we have made this year through high-quality research, country-based activities and world-class public affairs and communications. ODI's website gives comprehensive coverage of the range and depth of the work we do across each strategic area.

Sustainability: tackling the climate emergency

We said that over five years we would bring together the development, humanitarian and climate communities to integrate sustainability approaches, and highlight the links between climate change and the lives of the poorest people. That we would support governments, international organisations and the private sector to make decisions based on an enhanced understanding of future climate and resource trends and how to effectively manage and mitigate emerging risks. And that we would facilitate transitions in energy, water, food systems and land, and a shift to more sustainable and efficient production and consumption

To achieve impacts on sustainability this year, ODI contributed to building public momentum and supported businesses, campaigners and progressive policy-makers with robust data and practical solutions to help the world achieve its climate commitments.

Contributing to the growing anti-coal movement

Japan, one of the largest providers of public finance for coal overseas, hosted the 2019 G20 summit, and around the world we saw mounting pressure on governments to stop their support to coal. We helped amplify and equip this

growing movement with our [G20 coal subsidies report](#). The report was picked up in the media over 500 times, including in key financial outlets, and provided campaigners with independent evidence to support their calls for action. We circulated a social media pack to [magnify the collective message](#) and our top tweet received over 20,000 impressions.

Following the UK Parliament Environmental Audit Committee's inquiry into UK Export Finance (UKEF) financing and climate goals, for which [ODI provided written](#) and [oral evidence](#), UK Prime Minister Boris Johnson announced that UKEF will no longer fund coal. While the commitment [had little impact in and of itself](#), it sets a vital precedent for other exclusions on the grounds of climate change.

Influencing the levers of change

We worked with our partners across Europe, providing evidence to officials in the European Commission and campaigners across EU Member States to demand change from the European Investment Bank. In November, the Bank became the first multilateral bank to commit to [ending financing all fossil fuel projects by 2021](#).

Building on the definition set out in our [G20](#), [G7](#) and [European fossil fuel subsidy](#) reports, our partner, the Global Subsidies Initiative, helped establish a definition for tracking fossil fuel subsidies as an indicator for measuring progress against [Sustainable Development Goal 12](#). This represents a huge step forward for reform, which had been hampered by the lack of a globally agreed definition.

Throughout the year ODI's experts were called on to provide commentary and analysis for diverse audiences – from [Channel 4 news](#) to [Extinction Rebellion radio](#). We've given grassroots campaigners and the public tangible and informed policy recommendations, and supported decision-makers to make changes. And we've seen a discernible shift in the public narrative, with [Newsnight's exposé on UK Export Finance](#) and increasing coverage of government financing for fossil fuels.

Delivering our message on a global stage

We collaborated with other leading research institutions, including the Stockholm Environment Institute and the United Nations Environment Programme, to produce the first ever assessment of [the gap between governments' plans for fossil fuel production and their global climate commitments](#). The message was clear: the world is on track to produce far more fossil fuels than is consistent with limiting global warming to even 2°C.

Launched ahead of the world's largest annual climate change conference, COP25, the report received widespread coverage in hundreds of media outlets. It was also endorsed by key decision-makers, including [UNFCCC Executive Secretary Patricia Espinosa](#), [UN Secretary-General António Guterres](#) and [Spanish](#) and [Swedish](#) environment ministers. The report's findings were cited by government officials in Norway and the US, and the authors have been invited to engage with policy-makers in Brussels and Ottawa.

‘One of the most important pieces of research in years’
– noted climate author Bill McKibben

Managing risk: by putting conflict on the global disaster risk reduction agenda

We said that we would ensure decision-makers in government, the private sector and civil society are better informed about how to identify and manage risks, trends and opportunities. We would foster collaboration between those working on climatic, conflict, pandemic and economic risks to identify joined-up approaches to addressing

these challenges. And we would identify opportunities, tools and partnerships to scale up investments that effectively prevent risks, build resilience and improve millions of lives.

More than half of all deaths from climate and natural hazard-related disasters occur in the world's most fragile states. So, to achieve impact on managing risk this year, ODI's work put conflict firmly on the global disaster risk reduction (DRR) agenda, paving the way for better policy, programming and financing architecture that can respond to disaster risk around the world.

Securing high-level support

Our evidence has shown governments that addressing DRR in conflict contexts is vital to supporting the most vulnerable – and to achieving global DRR and development goals. We provided the technical input to multiple cross-ministry meetings with the German government who, along with many other donors, are now including this agenda when setting their development priorities.

We continued to work closely with the United Nations Office for Disaster Risk Reduction (UNDRR), who this year invited us to present our research findings and are now raising the issue with member states. In response to increased interest among developing country governments, we delivered several high-level briefings in New York and Geneva. The United Nations Special Representative of the Secretary-General for Disaster Risk Reduction Ms Mami Mitzouri commended ODI's influential evidence-based research and lent her support to the agenda, agreeing to be interviewed for our [podcast series](#), which has received more than 4,500 listens.

Getting conflict on the global DRR agenda

We helped to shape the wider DRR debate, contributing to the first ever dedicated chapter on aspects of fragility in the [Global Assessment Report on Disaster Risk Reduction 2019](#). The chapter drew on findings from [our paper on DRR strategies in conflict contexts](#), and subsequently helped shape [original research in Afghanistan, Colombia, Lebanon and Chad](#).

At the 2019 Global Platform on Disaster Risk Reduction, held in Geneva, ODI experts spoke at a number of side events, [delivered an official statement](#) and convened a closed-door ministerial briefing that was attended by more than 35 government delegates from 15 countries. For the first time, the [Global Platform Chair's Summary](#) made explicit mention of conflict; former head of the UN Science and Technology Advisory Group Professor Virginia Murray described the inclusion a major achievement, resulting explicitly from ODI's work in bringing this agenda to the fore.

Influencing regional intergovernmental positions

Through our engagement with the Regional Ministerial Conferences, we helped inform regional policy dialogue in Africa, Arab States region and Asia and successfully ensured declarations and regional DRR plans recognised and included the intersection of disaster and conflict risk. For example, inclusion of this intersection is now explicit in the Africa Regional DRR Strategy and the Tunis Declaration. In Asia, the topic has been picked up by the Asian Disaster Preparedness Center (ADPC), who introduced a new workstream on disasters and conflict to its intergovernmental Regional Consultative Committee in 2020.

Through [documentary videos and multimedia](#) we were also able to bring the issue to a wider audience. Our social media explainer was watched by more than 2.5 million people which amounted to more than 500,000 video views, 7,200 likes/reactions, 193 comments and 709 shares.

Economies and work: building a new UK–Africa trade and investment partnership

We said that we would increase support to enable lower income and fragile countries to make decisions and attract investments that create inclusive and sustainable economic transformation and job creation. We would work closely with global institutions to impact rule-making and policy-making and create incentives for positive change. And we would assess the dynamic impacts of demographics, migration, globalisation and technology on economies and societies.

To achieve impact on economies and work this year ODI looked at how the UK's exit from the European Union would change the way that it engages with the rest of the world. We thought this moment offered opportunities for the UK and its partners to redefine their relationships for the better; to create more 'win-wins', boost growth and lift the poorest out of poverty. ODI's research has been at the forefront of thinking on trade and investment post-Brexit, with a particular focus on the challenges and opportunities facing sub-Saharan Africa.

Throughout 2019 and early 2020 our experts were involved in shaping key decisions about the future of UK trade and investment and provided [rapid analysis of the government's proposals for trade post-Brexit as they emerged](#). We were one of 16 core members of the UK Department for International Trade's Strategic Trade Advisory Group, a forum for high-level strategic discussions between government and stakeholders in order to shape future trade policy. Crucially we brought a development perspective to these discussions.

Influencing the UK–Africa Investment Summit

In January 2020, the UK government convened its high-profile UK–Africa Investment Summit in London, bringing together governments and businesses from across the continent. ODI attended the exclusive event, where DIT [announced its new Trade Connect programme](#), which aims to stimulate imports from countries across Africa into the UK. Trade Connect is the UK's first such programme in 20 years and follows the work that ODI did during 2019 to assess what more the UK can do to promote greater trade and investment. DIT and DFID acknowledged privately that the programme was informed by ODI research and encouraged us to publicise [the announcement](#).

Alongside the Summit, we published [new research](#) setting how to expand UK investment in Africa. Our report was covered in international media outlets, including [Foreign Policy](#), and we gave interviews to the [BBC World Service](#) and [CNBC Africa](#). Plus, with an audience of over 150 British and African policymakers, investors and entrepreneurs, there was standing room only at [our report launch event](#). The lively discussion was chaired by former UK cabinet minister Paul Boateng – with speakers from UNECA, DFID and others. Following the event, we also signed a [Strategic Partnership Agreement with Trademark East Africa](#) to promote trade and investment through communities of practice that unite public and private stakeholders.

Ahead of the Summit, we announced that Arkebe Oqubay, Senior Minister and Adviser to the PM of Ethiopia, would join ODI as a Distinguished Fellow. We shared video clips of him speaking about his experience and he [wrote a widely shared article](#) for ODI on Africa's economic transformation in a piece that was shared widely. We also [published a joint proposal with the All Party Parliamentary Group on Trade out of Poverty](#) recommending that the Prime Minister establish a joint Africa–UK Prosperity Commission. This should seek to develop long-term partnerships with developing countries to boost bilateral trade and investment and enhance mutual benefits. Former UK Trade Minister, Greg Hands, and former Deputy Chair of the AU Commission, Erastus Mwencha, penned a [lengthy op-ed also in The Daily Telegraph](#) supporting the proposal as did Theo Clarke MP in [Parliament](#).

Following the Summit, we wrote a [submission to the House of Lords International Relations Committee](#) inquiry into the UK and Sub-Saharan Africa, which brought together our new research and our proposal for a Prosperity Commission and the insights of our new Distinguished Fellow. Moreover, we were invited to give oral evidence to the Committee's inquiry and we await the Committee's final report.

Poverty and inequality: changing the narrative on blended finance

We said we would put the global commitment to end extreme poverty and address corrosive inequality at the top of international, national and subnational agendas. We would proactively influence policy and investment choices to prioritise the poorest and most marginalised people first, and will track and analyse the progress being made. And that we would bring together partners and data to galvanise action and accountability.

In developing countries alone, an extra \$2.5 trillion a year is needed to achieve the Sustainable Development Goals. Mobilising private finance is at the heart of global discussions on how to fill this gap, and blended finance has become synonymous with the need to shift the development financing needle from ‘billions to trillions’. However, a lack of understanding about both the potential and the limitations of blended finance has undermined effective aid allocation – so ODI set about addressing this to achieve impact on poverty and inequality this year.

Before the publication of the widely quoted ODI report ‘[Blended finance in the poorest countries: the need for a better approach](#)’ high financial leverage ratios (the ability of one dollar of official development finance to mobilise higher multiples of private finance) were at the core of policy makers arguments for investing aid in blended finance. But our report found the opposite to be true – that leverage ratios were very low indeed. It challenged the narrative and provided concrete evidence that expectations about the potential of blended finance to fill the SDG financing gap were completely unrealistic. The report punched through the billion to trillions myth and has served as a key reference piece which has helped recalibrate the narrative around blended finance and informed a more nuanced understanding and discussion about its potential to fill the SDG financing gap. This included at the [OECD private finance for sustainable development conference 2020](#), where blended finance was noticeably decoupled from the billions to trillions narrative, and OECD colleagues were no longer presenting them as synonymous.

Ongoing engagement

The report was launched to coincide with the Spring meetings of the World Bank and IMF and the UN Financing for Development Forum in April 2019 where discussions on blended finance took centre stage. Its ground-breaking findings made headline news in [DevEx](#) and [Thomson Reuters](#). The report was also been picked up in national press, for example in the mainstream Danish newspaper [Information](#) and the Norwegian development press [Bistandsaktuelt](#), and informed political discussions in the Danish Parliament. The authors worked closely with key institutions and stakeholders throughout the research and embarked on extensive targeted engagement after publication, including with the United Nations Inter-agency Task Force on Financing for Development, the World Bank, OECD, multilateral development banks and leading donor governments. As always, this ongoing engagement beyond the report has enabled us to maximise the impact of our evidence and analysis with decision-makers and thought leaders.

Fragility and conflict: improving understanding of financing for crises

We said we will identify and encourage operational and behavioural changes in the way that international actors understand conflict, and prevent and respond to crisis. This includes more devolved humanitarian action, where local response is genuinely valued, supported and enabled. We would develop new approaches to de-risk investments that support inclusive growth in fragile and conflict-affected countries. And that we would deepen understanding of the drivers of armed conflict and violence, including violent extremism, and will develop ideas and evidence to incentivise investments in prevention.

Amid increasing funding gaps for growing humanitarian needs in crises around the world, the humanitarian system is having to find new ways to finance effective responses. So, to achieve impact on preventing conflict and addressing fragility this year, our work shone a light on new approaches to understanding global and local-level finance, which could fundamentally change the system’s business model.

Championing innovative finance for crises at a high level

There is growing appetite within the humanitarian sector to use a wider range of financial tools beyond grants, including insurance and investment, and among traditional donors to explore different uses of grant funding to attract investor capital. Meanwhile, capital markets are interested in investing in so-called ‘frontier markets’, where risks have traditionally been perceived as too high, and are more and more aware of the need to generate social returns alongside market returns.

But the innovative finance sector is very underdeveloped in humanitarian crises and fragile contexts, and is still unproven and met with some scepticism to even run pilot projects.

Through our participation in the World Economic Forum’s (WEF’s) [Global Future Council on the Humanitarian System](#) and our membership of the high-level group and community of practice of the WEF’s [Humanitarian Investing Initiative](#), ODI has positioned itself as a key thought leader in the emerging space for innovative financing in the humanitarian sector. ODI experts have provided a humanitarian voice in workshops organised by WEF and the Boston Consulting Group. We have briefed donor groups on how to incorporate these approaches and provided advice on how to implement innovative finance, including through work to understand the elements of organisational readiness needed to do this.

To contribute to bridging the gap in understanding between the humanitarian and finance worlds, ODI launched a highly successful report on [New Financing Partnerships for Humanitarian Impact](#) at the World Economic Forum Annual Meeting in Davos in 2019. This continued to influence the debate around ‘responsible finance’ and environmental, social and governance standards for finance during 2019–20, including at the 2020 WEF Annual Meeting.

Changing the narrative on local funding

The more traditional \$27 billion of international humanitarian assistance given in grant funding in 2018 supported almost 100 million people affected by conflict and disaster. But [HPG’s two-year research project](#), which was completed in 2019, found that this international support for crisis response represents only a small portion of a larger set of resources that the international system does not see or ‘count’: what we know about is only ‘[the tip of the iceberg](#)’. At the global level, our research estimates that international humanitarian assistance comprises as little as 1% of resource flows to countries affected by humanitarian crises. For example, the remittance flows to countries affected by humanitarian crisis that bypass the humanitarian system altogether amount to at least \$400 million annually.

Using an animated [infographic](#) and [blog](#) summarising the research, we engaged with thought leaders and policy-makers to push the humanitarian system to incorporate a broader understanding of what resource flows actually make a difference to people in need

Enabling: through adaptation to complex public policy challenges

We said we will help our partners to understand how innovations in finance and technology can scale up impact and citizen engagement, while mitigating the negative aspects of rapid disruption. We would support development actors at all levels to make decisions based on better evidence and increased understanding of institutions and politics, and to increase their effectiveness and accountability by adapting their strategies and implementation. And that we would provide an evidence base and collaborative platform to address both the challenges and the potential of migration and displacement.

The Covid-19 pandemic has upturned how governments are operating globally. Public organisations have rapidly had to adapt to a new normal. ODI's work on adaptive management has long supported better policy responses to such complex, unpredictable and political challenges. To achieve impact on unlocking enablers this year we built further on ODI's work on [adaptive management](#) and '[thinking and working politically](#)' (TWP), which has been instrumental in nudging international actors to work in more adaptive and politically aware ways.

Adapting how aid works

This year, we developed a framework of '[adaptive rigour](#)' for assessing how well monitoring, evaluation and learning (MEL) systems support effective adaptation. This has been incorporated widely into MEL design, including OECD's [results for development principles](#) and a [BEAM Exchange evidence review](#).

Our work continues to embed politically smart and adaptive ways of working within donor organisations: our [LearnAdapt project](#) has developed key internal guidance for DFID staff on how to design and manage adaptive programmes, and our popular [Political Economy Analysis in Action](#) course with The Policy Practice has trained more than 200 DFID staff and over 150 other participants worldwide this year in embedding political thinking in day-to-day programming.

We continue to lead and support numerous programmes globally that are intended to work in more adaptively and politically aware ways, including bringing a political economy lens to the replenishment exercise of the [Afghanistan Reconstruction Trust Fund](#); joining a [Learning, Evidence and Advocacy Partnership](#) to support governance reform in Nigeria and understand DFID's contribution; exploring [whether and how evidence informs policymaking in a multi-country initiative](#); and documenting [adaptive engagement with gender issues in Myanmar](#).

Responding to the Covid-19 pandemic

ODI's research has also rapidly re-oriented to inform the Covid-19 response. From early February, our analysis explored [which countries are most economically vulnerable to the pandemic](#). Around two-thirds of our [ODI fellows](#), posted with governments globally, worked on their governments' COVID policy responses across a range of areas from economic planning to health, social security and statistics. Our research on [adaptive leadership in the Covid-19 response](#) was a precursor to us convening a [high-level panel including the WHO's special envoy on Covid-19](#), attended by over 350 people from 35 countries. And in Sierra Leone, we are documenting how three INGOs adapt as the pandemic dramatically alters the context for [their work on teenage pregnancy](#).

ODI adapting to a changing world

Over the last year, ODI itself has worked, through our *ODI Futures* process, to become a more agile organization better fit to respond to a changing world. The process was problem-driven, involving extensive diagnosis with stakeholders and inclusive design of solutions to strengthen ODI's strategy, business model, processes, structures, culture and ways of working; recognising the importance of alignment across all these areas and broad ownership of changes. Longer-term, we have recognised the need to develop a culture of continuous improvement and resilience based on a more agile mindset across ODI, so that we continue to adjust ourselves over time.

The first major test of ODI's own agility has been its response to the Covid-19 crisis. We not only rapidly pivoted our programme work, summarised above, but also acted quickly internally. We shifted entirely to online work, and conducted contingency and scenario planning to best prepare the organisation to weather and adjust to inevitable changes in ODI's operating context.

A global reset: building a better world beyond coronavirus

It was in this financial year that the Covid-19 pandemic began. It continues to affect everyone's lives in real time, and the economic crisis underway is severe. ODI sought to play a proactive and constructive role in helping leaders [respond to the pandemic](#), and also begin thinking beyond to the [global reset](#) required to build a better world.

Our early work on the [potential economic impacts of the Coronavirus in low and middle-income countries](#) contributed some of the first analysis to emerge since the outbreak when many still saw this as a problem for China. It gained extensive media coverage, including in [Bloomberg](#) and the [Economist](#). Its recommendations were picked up directly by The Philippines' Finance Minister who [shared the report with the national press](#) and set out domestic actions echoing ODI recommendations. We also worked with the ONE campaign on [analysis](#) to inform the G20 meeting on debt relief and economic stimulus for Africa. A rapid reaction briefing paper on [Adaptive leadership in the coronavirus response](#) (put together in March but finally published at the beginning of April), was then instrumental in securing the participation of WHO Special Envoy for Covid-19, David Nabarro, and the former Chief Executive of NHS London, Dame Ruth Carnall, in a subsequent [online event](#) attended by 350 people tuning in from 35 countries.

Global engagement

ODI moved swiftly to implement hosting high profile events virtually ahead of the UK lockdown. We took the strategic decision to invest in our capacity by enhancing our video conferencing platforms, which meant all public and closed-door conversations could be directed and [entirely hosted remotely](#). We have quickly reaped the rewards by seeing increasing growth in audience numbers. Experts rapid analysis and commentary shared by our researchers also contributed to some of our most impressive digital engagement through blogs and social media.

As we planned for our sixtieth anniversary year, ODI had already set out to challenge decision-makers and thought leaders to think differently about global challenges. We had begun that conversation in January at the WEF in Davos with a high level roundtable on [Unlocking opportunities for growth in Ethiopia](#). But the coronavirus crisis raised the stakes and we set about reorienting our ODI@60 dialogues to imagine the world beyond coronavirus. As Chief Executive, Sara Pantuliano, set out in her blog '[We won't get back to normal because normal was the problem](#)', the pandemic created an added opportunity for us to accelerate systemic change, and think radically yet realistically about how to manage the recovery, rebuild differently, recalibrate social values and provide more sustainable and equitable pathways for the future. And this is exactly the conversation that with our series of online dialogues launched in April, '[A global reset: building a better world beyond coronavirus](#)', we seek to progress.

Maintaining our external visibility

Taking a considered and strategic approach to external engagement has helped us deliver policy impact and increase our media coverage over the last year. We maximise our influence by looking ahead to key decision-making moments and planning accordingly, deliberately timing our research promotion and events when policy-makers are in the market for solutions.

Over the year we secured over 2,790 media hits and continued to deploy our experts for media commentary and reactions to current and global affairs. This included our engagement on Coronavirus, particularly ODI's early analysis of [low and middle-income countries' economic vulnerabilities to health pandemics](#); calling out the [G20's continued provision of coal subsidies](#); and our evidence on the [contribution migrants are making to the UK economy](#). Our digital and social media channels continue to perform well, with over 1.2 million visitors to odi.org and increased engagement in all areas. Our blogs got 43% more visitors than last year, with expert commentary on the [Coronavirus](#) recording record page views. We now have 117K followers on Twitter, 74K on Facebook, 45K on LinkedIn and 20K subscribers to the ODI newsletter. Global leaders and policy makers regularly engage with and promote our social media content, for example The Elders promoted our [G20 coal report](#) and Mami Mizutori tweeted about ODI when she spoke on our [disasters and conflict collide](#) work in Geneva.

Our top infographics were the [updates to the Principled Aid Index](#) with over 2K visits, and our top podcast was a series on [when disasters and conflict collide](#), with around 1.5K visits to the series landing page. Our most viewed video published this period was also [updating the Principled Aid Index](#) with 1.2K views.

We launched 235 publications and hosted 72 events in London and around the world, with over 8,000 participants in person, and online audiences over 5,000. Some of our most high level strategic convening included roundtables on: Tackling Inequality to Unlock the Power and Potential of Women and Girls with UN Deputy Secretary-General, H.E. Amina Mohammed; and [Financing the end of extreme poverty](#) in the margins of the UN General Assembly with OECD DAC Chair, Susanna Moorehead, Canadian Minister, Elissa Goldberg, and ‘father of the SDGs’ Ambassador David Donoghue. Sara Pantuliano represented ODI at the World Economic Forum’s Annual Meeting in Davos, where she hosted the first event in our ODI@60 series on [unlocking opportunities for growth in Ethiopia](#). We were proud to be able to convene an all-star cast including Deputy Prime Minister of Ethiopia, Demeke Mekonnen Hassen, UN Deputy High Commissioner for Refugees, Kelly Clements, and the CEOs of the Ikea Foundation, MTN Group and Hela clothing. We also held well attended events at ODI in London on [Merging international NGOs: would less be more?](#), a hustings ahead of the 2019 General Election on [UK’s future global leadership on women’s rights and sustainable development](#) and ODI’s now renowned [annual public financial management for better public services conference](#).

ODI continued to provide written evidence to UK parliamentary committees, including the House of Lords’ EU External Affairs Sub-Committee inquiry on [how climate change is affecting developing countries](#).

As members of the [European Think Tanks Group](#), ODI experts played a central role in producing the network’s flagship briefing: [Agenda for Europe](#), which set out policy priorities for the European Commission 2019–24 and was launched at an [event in Brussels](#) featuring key stakeholders from the European Parliament, Commission, Ethiopian government and civil society.

This year, senior minister and special adviser to the Prime Minister of Ethiopia, Arkebe Oqubay, and former Director-General for Development and senior political adviser at the European Commission, Stefano Manservigi, joined ODI as [Distinguished Fellows](#).

ODI Fellowship Scheme

The ODI Fellowship Scheme gives highly qualified postgraduate economists and statisticians the opportunity to work in national public sectors as civil servants. Since the scheme began in 1963, ODI has worked with more than 40 country governments and regional organisations to place over 1,100 Fellows in postings around the world. Postings are under four broad streams: economics, statistics, financial inclusion and health. This year the Fellowship Scheme posted 46 new ODI Fellows to 20 countries and regional organisations, with a focus on countries with low incomes and high levels of poverty.

The advent of Covid-19 required an intensive logistical operation to repatriate ODI fellows back to their home countries. Each placement was reviewed carefully and as a result 17 Fellows remained in their country of posting while 80 fellows returned, although each fellow has been able to retain contact with their host Government. In some cases, this has involved health economists playing pivotal roles in the health response to the pandemic and most fellows are at the heart of planning and implementing fiscal and monetary responses to the crisis. Fellows have been able to directly support their partners as well as drawing lessons and insights which have been [made available](#) in a set of ODI publications which have been widely disseminated.

Our staff and values

ODI began its journey almost 60 years ago. The Cold War, decolonisation, the birth of development banks and agencies, the green revolution – all created an acute need for evidence and engagement about what was and wasn't working in development. Throughout its growth and evolution, ODI has stood as a key partner to actors and institutions seeking progress and an end to poverty and conflict. To deliver on ODI's ambitions, we will continue to evolve to ensure we are a valuable partner for the future. These changes will be guided by the values embedded in our strategy and cover:

- **Commitment to independence.** Our work is independent from our funders. Staff are encouraged to challenge donor thinking and policy and the wider development consensus.
- **An emphasis on quality.** We ensure best practice, innovative approaches and continuous improvement in our research, policy advice, communications and public affairs.
- **Fairness, diversity and equality.** We treat all staff and partners fairly and with respect.
- **Working together.** We continuously seek to foster better relationships throughout the organisation. We believe that, by working together in a supportive environment, we will achieve more and have greater impact.
- **Transparency and accountability.** We report openly on our use of public funds, and fully communicate our work to our donors, research subjects and partners.
- **Sustainability.** We use resources in a sustainable way, conscious of our impact on the environment.

Our people are our greatest asset and our success is testament to their hard work, entrepreneurial spirit, skill and dedication. We aim to:

- Further enhance our inclusiveness and the diversity of our staff and partners.
- Reduce our gender pay gap to 5% in either direction.
- Track our carbon footprint and make significant cuts on a clear path to carbon neutrality.
- Ensure that all our publications and digital platforms meet a high standard of accessibility for disabled people and those with impairments.
- Phase out the use of terms such as 'developing' and 'developed', which create false distinctions between countries and communities.

Financial and operational performance

Through a series of measures, we have improved our financial position in 2019/20, generating an unrestricted surplus of £1,008k (2019: £761k deficit). Compared to last year, we have seen ODI Sales delivering more than 100% increase in research revenue in 2019/20, from £3,145k to £7,019k. Gift aid has also doubled from £761k to £1,434k. Our programmes have optimised and consolidated their work, realising increases in cost recovery and reduced costs. In addition, the Central Support areas have delivered further efficiency, seeing a netcost reduction of £350k, most notably staff cost reduction of £480k. Our internal transformation process, ODI Futures, has guided many of these improvements.

While we are on the course of rebuilding our reserves, we have seen a decrease in research activities within restricted funds. This is partly due to the timing of our funders releasing funding and partly due to programmes having spent down accumulated restricted reserves to deliver projects. As the future external funding environment becomes more challenging, we are continuously reviewing our income, costs and cost recovery and are prepared to take appropriate actions to address these challenges.

Reserves policy

The creation and maintenance of reserves is critical to enabling ODI to manage risk and respond to unexpected shocks. As such, the Charity's reserves fulfil an important element of Trustees' responsibilities towards the charity's stakeholders.

The Trustees regularly evaluate the level of reserves, using Charity Commission guidance. When considering the appropriate level of reserves to hold, the Trustees review the level of organisational risk and the potential impact of a major incident. At the latest review, the Trustees felt that a level of unrestricted reserves in the range £3-7m would be sufficient to mitigate the current organisational level of risk.

ODI is committed to holding unrestricted reserves within the target range and the Trustees have tasked management with developing a plan to start rebuilding the reserves over the next five years.

As part of the total unrestricted reserves, ODI also holds one designated fund. The first represents the net book value of the tangible fixed assets held by the Charity. These assets are of fundamental importance to the Charity in carrying out its objectives. As such, a decision was made to separate the fund from the free unrestricted funds in order to demonstrate that these cannot be realised with ease to meet ongoing expenditure. At 31 March 2020 the value of the assets held in this designated fund was £890k (2019: £935k). The second designated fund represented the planned future investment in ODI's finance and project management systems.

ODI has carried-forward restricted funds that are used for specified purposes laid down by the donor. A full description of each fund can be found in note 18 to the financial statements.

Investment policy

The Institute's investments are managed by Veritas Investment Limited. The funds are held in a variety of market investments and are being managed in accordance with the risk, liquidity and ethical requirements of ODI. As at the 31 March 2020 the investment portfolio was valued at £1.82m (2019: £1.88m). Investment performance is regularly reviewed by the Trustees against a benchmark of CPI +3%. Further details of the investments can be found in the note 13 to the financial statements.

Approach to fundraising

The charity is aware of the Charities (Protection and Social Investment) Act 2016 and the Trustees support the aims of this legislation. The majority of the charity's income comes from other charitable and statutory bodies. The charity undertakes very little direct fundraising activity involving individual donors. The charity considers the origin of unsolicited donations and legacies. The charity does not share with or purchase any donor data from third parties. In 2019/20 the charity did not engage with independent professional fundraisers and did not receive any complaints in relation to fundraising or raise any matter with regulators.

Principal risks and uncertainties

The Trustees undertake a full risk assessment on an annual basis and monitor progress quarterly. This process is supported by the Finance, Audit and Risk Committee of the Board, who assess risk in detail at each of their quarterly meetings. The aim is to identify the major risks to the Institute and to ensure that measures are taken to mitigate the impact of these risks as far as is practical. The internal risk-management processes are integrated into the annual business planning and reporting cycle, which has enabled improved decision-making by the Board. The key risks identified by the Board during 2019/20 were:

- **Strategic** – there is a risk that continuing changes in the external environment, not least due to the Coronavirus crisis, will make it more difficult for ODI to deliver its mission as the international development sector comes under increasing pressure. We continue to mitigate this risk by working to evolve our strategy and focus wherever possible and seek out new audiences and partnerships. We continue to monitor the impact to the organisation of the UK leaving the European Union and consider regular updates at Board meetings.
- **Funding environment** – increasingly challenging commercial procurement practices and contractual terms are placing pressure on ODI's ability to recover the costs of and invest in its core infrastructure. In addition, Covid-19 in the international aid landscape has had significant impact on us. ODI is working to mitigate this by increasing efficiency and generating new business propositions.
- **Financial resilience** – financial resilience and cashflow are being monitored on a regular basis.
- **Operational delivery** – risks around operational delivery include threats to traveller safety in 'high risk' countries as designated by the FCO, and the possible financial and reputational impacts of the failure of a major high-profile contract. Travel security remains fundamental to our operations and our systems for ensuring the safety of those who travel are robust. Covid-19 has increase the risk of operational delivery as it has a profound impact on travel. ODI has an in-house Global Security team who both screen and advise on high and extreme risk travel, provide full security inductions, country visits, traveller tracking and are able to respond to incidents involving staff and Fellows covered by ODI's duty of care. Contract management and quarterly financial review processes have also been improved considerably to allow the early identification of potential issues. We have also established a crisis management team since mid-March 2020 to monitor Covid-19 developments and to consider appropriate actions to mitigate risks.
- **Recruitment and retention** – while failure to attract and retain quality human resources is always a potential risk for ODI, the Board considers this risk being high and continues to monitor it. Our HR team continues to put in place procedures and structures that will allow us to diversify our staffing base and draw in more in-country expertise.

-
- **Safeguarding & conduct** – with recent increased scrutiny in the charity sector over safeguarding practices and reporting of serious incidents, ODI has taken steps to review relevant policies and practices. The appointment of a safeguarding Trustee lead will ensure the Board is aware of developments in safeguarding policies and practices and how ODI is managing this risk. Monthly reporting meetings in place to review processes and any serious potential conduct/safeguarding or other relevant risks.

Plans for future periods

Once the implications of Covid-19 are clearer, we will complete the strategy refresh process outlined above. In the meantime, the following priorities are guiding our work for 2020/21:

- 1. Build and deepen ODI's external profile and strategic relationships through a 60th anniversary series** that is global in scope, spanning digital, media and events.

The world is changing in rapid and unpredictable ways. Huge strides have been made in the fight against poverty, disease and inequality, but much more still needs to be done if we are to meet the Sustainable Development Goals (SDGs) and address global challenges. This requires a global team effort that spans communities, governments, business and civil society. So as ODI entered its sixtieth year, we launched the ODI@60 initiative to challenge decision makers and thought leaders to think differently about global challenges.

The coronavirus crisis raised the stakes, and despite its catastrophic nature created an added opportunity for us to accelerate systemic change, and think radically yet realistically about how to manage the recovery, rebuild differently, recalibrate social values and provide more sustainable and equitable pathways for the future.

This year we are convening a series of online dialogues to explore:

- How can global economic cooperation be reinvigorated to deliver a fairer and more sustainable future for all? How can this transformation address the climate emergency?
- What should political and societal leaders do to redefine the social contract and ensure more progressive and just policies post-pandemic?
- How do global and local institutions need to adapt to meet these challenges? What kind of coalitions and ways of working could emerge?

We are working with partners to host inclusive discussions, ask difficult questions and tackle gritty issues, and to amplify the voices of those traditionally left out of the debates that transform societies. We plan to share widely the findings, ideas and propositions from these dialogues in early 2021 to prompt a global reset to build a better world beyond coronavirus.

We will also invest in odi.org to build an online platform better able to amplify our evidence and ideas, and upgrade our digital engagement.

- 2. Proactively engage in and lead debates around the climate agenda ahead of COP 26** in Glasgow next November, a critical moment for UK leadership globally.

We will establish a renewed Climate and Sustainability programme and will further develop and implement a cross-Institute plan to influence the climate agenda and build ODI's profile through a concerted year-long engagement with the governments, civil society and other key stakeholders ahead of the Glasgow summit.

3. Explore and design realistic options for strengthening ODI’s global presence and diversifying our funder portfolio long-term.

Our programmes will seek to raise funds from new donors and strengthen their global engagement and we will develop an overall funding diversification strategy. We will also explore options for a potential presence in Europe, the US and other locations through strategic partnerships.

4. Deepen our engagement with Europe in the wake of Brexit and launch ODI Med.

We will launch the ‘ODI MED’ Initiative focusing on countries north, south and east of Europe’s shores and key regional political and economic priorities, including migration, climate change, conflict, youth and jobs; step up our engagement with EU institutions and our presence in Brussels; and forge new, stronger and more strategic partnerships with governments and other key stakeholders across Europe and neighbouring countries.

5. Complete the roll-out of our internal transformation, *ODI Futures*, with a particular focus on ensuring that ODI is a stimulating and supportive place to work; improving our financial health; and strengthening programme impact

Our priorities will be to: strengthen our culture, staff development and people management; design and implement improvements to our business model including costing/pricing and cost recovery models; and strengthen the impact of programmes by developing programme impact plans.

6. Respond to implications of Covid-19.

We have updated our priorities, the focus of our work, and our operations in-light of the context and implications of the Covid-19 pandemic and will continue to do so throughout the year. This will include ensuring our research and advisory work continues to adapt to evolving needs in the Covid-19 context, providing support to our staff, and conducting regular reviews of our financial position. We will also undertake a scenario and contingency planning exercise to enable ODI to mitigate risks and prepare for the medium-term future.

Structure, governance and management

Group constitution

ODI was founded in 1960 and is a charitable company limited by guarantee. The Charity has a wholly owned trading subsidiary, ODI Sales Limited, which provides an alternative corporate mechanism to further the charitable objectives of ODI. ODI Sales Limited has a Board of three Directors, who are also Trustees for the Charity. Both the Charity and the trading subsidiary have a Memorandum and Articles of Association as their governing documents.

The Board of Trustees

The Institute is governed by a Board of up to 12 Trustees, chaired by James Cameron. The terms of reference for the Board are to maintain the values of the organisation and set the overall strategy and direction. It monitors the performance of the Institute and its management and appoints the Director.

Trustee recruitment and training

Trustees can serve for up to three terms of three years on the Board. ODI aims to maintain a balance amongst the Trustees to include research, academic, business and political expertise and knowledge, as well as diversity. Trustees are both Charity Trustees and Directors under company law. In order to maintain an effective Board with the appropriate skills and experience, the Trustees undertake a regular skills evaluation. The Board is self-appointing. At present the Board includes eight Trustees but plans are being put in place to both expand the number and diversity of Trustees and to plan for Trustee succession.

Organisational structure and reporting

The Board meets formally four times a year and is responsible for strategy, reviewing progress against business and strategic plans, results versus the budget, the final income and expenditure for the year, new or amended policy, risk management and other applicable current projects. Its role is to direct and guide management. They also meet informally at least once each year to review strategic priorities and deepen the understanding of specific research and advisory projects.

The Board also has the following sub-committees:

- Finance, Audit and Risk Committee, which meets four times a year in advance of each Board meeting;
- The Reward and Remuneration Committee, which meets at least once a year to assess staff pay awards and SLT salaries; and
- The Nominations Committee, which meets once or twice a year depending on requirements, makes recommendations to the Board for new potential Trustees.

Management is responsible for the day to day running of the Institute, the implementation of policy and ensuring that goals and objectives are attained. The Executive Director is supported by a Senior Leadership Team (SLT). The role of the SLT is to provide strategic leadership of the Institute. This involves:

- developing the strategic vision and the annual business plans with the Board and in line with the Institute's mission, and ensuring that progress is monitored;

-
- maximising the strengths and capacity of the organisation and overseeing the delivery of value for money
 - managing reputation, risk and change; and
 - taking strategic decisions on research programmes, fundraising, public affairs, finance, human resources, IT and premises.

Between 1 April and 30 November 2019, the two Managing Directors, Simon Gill and Sara Pantuliano, continued with the responsibility as acting joint Executive Directors until Sara Pantuliano was appointed as Chief Executive on 1 December 2019.

The Directors of Programmes and Heads of Departments are an important component of the Institute's management framework. Directors of Programmes are at the forefront of ODI's mission and business and are responsible for much of the Institute's direct fundraising, research and advisory support and line management of research staff.

Setting remuneration

Our staff drive ODI's success. In order to ensure that ODI remains competitive within the marketplace we undertake a regular benchmarking against comparable organisations. This exercise covers all staff, including executive remuneration, and is undertaken by the Hay group. The results of the benchmarking are analysed alongside our internal operational performance to understand the remuneration options available. These form the basis of recommendations that are discussed by the SLT and Board. Salaries for senior staff are then discussed at the Reward and Remuneration Committee. Full details of staff costs for the year are shown in note 9 to the financial statements.

Disabled employees

Full and fair consideration is given to the employment of people with disabilities, having regard to their aptitudes and abilities. Wherever possible continuing employment is provided for employees who become disabled, with appropriate arrangements for re-training being made where necessary.

Employee involvement

ODI places significant emphasis on its employees' involvement in the business at all levels. All employees are kept informed of issues affecting the Institute through formal and informal meetings. Regular staff meetings are held to discuss matters of current interest and concern with employees. The reform process launched this year, 'ODI Futures', was strongly centred on the engagement of staff and consultation with stakeholders in the process through small workstream teams, broader consultation through surveys, interviews and focus meetings, and regular progress discussions with staff.

Members' liability

The Members of the charitable company comprise the Trustees and in the event of the Charity being wound up, the current Trustees, and those who had left the Board in the previous year, are required to contribute an amount not exceeding £1.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the affairs of the group; the incoming resources and their application, including the income and expenditure of the group. In preparing these financial statements, the Trustees have:

- selected suitable accounting policies and then applied them consistently;

-
- observed the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities);
 - made judgements and estimates that are reasonable and prudent; and
 - noted that applicable UK Accounting Standards have been followed and any material departures disclosed and explained in the financial statements and prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that: so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware, and that they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information. This confirmation should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are also responsible for the maintenance and integrity of the Charity and financial information included on the ODI website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report was approved by the Trustees on 30 July 2020 and signed on their behalf by:



James Cameron, Chair

Reference and administration details

ODI Charity Board of Trustees

ODI Charity Board of Trustees

James Cameron – Chair
Martin Tyler
Elizabeth Ondaatje
Yves Daccord
Dianna Melrose
Sam Sharpe
Fiona Thompson
Shantayanan Devarajan

ODI Sales Ltd (Trading Subsidiary) Board of Directors

Martin Tyler – Chair
Sam Sharpe
Fiona Thompson

Executive Director

Sara Pantuliano (appointed, 01 December 2019)
Simon Gill (joint acting, resigned 30 November 2019)
Sara Pantuliano (joint acting, resign 30 November 2019)
Alex Thier (on sabbatical November 2018, resigned 31 May 2019)

Senior Leadership Team

Ashley Wang (Finance Director, appointed 9 September 2019)
Christopher Williams (Director of Professional Services)
Fiona Shaw (Acting Head of Finance, resign 1 September 2019)
Jon Mitchell (Director of Transformation, and interim Managing Director from 1 December 2019)
Joanna Rea (Director of External Affairs, resign 13 March 2020)
Simon Gill (Managing Director, 1 December 2019)

Company Secretary

Felipe Silverio (maternity cover appointed May 2019, resigned on 11 May 2020)
Nengi Ofo (appointed 12 March 2020)

Independent auditors' report to the members of Overseas Development Institute

Opinion

We have audited the financial statements of the Overseas Development Institute for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 19-20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Murtaza Jessa (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

04/08/2020

Overseas Development Institute: Consolidated Statement of Financial Activities (including income and expenditure account) – for the year ended 31 March 2020

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Income from							
Charitable activities - Research and Fellowship scheme	3	4,604	24,059	28,663	1,528	32,966	34,494
Investments		47	-	47	61	-	61
Other trading activities	4	7,019	-	7,019	3,145	-	3,145
Other income		215	-	215	1	-	1
Total income		11,885	24,059	35,944	4,735	32,966	37,701
Expenditure on							
Charitable activities - Research and Fellowship scheme	5	5,395	25,497	30,892	3,402	31,570	34,972
Other trading activities	8	5,585	-	5,585	2,384	-	2,384
Total expenditure before pension deficit revaluation		10,980	25,497	36,477	5,786	31,570	37,356
Movement in provisions	17	(178)	-	(178)	(87)	-	(87)
Total expenditure		10,802	25,497	36,299	5,699	31,570	37,269
Net income before transfers and investment gains / losses		1,083	(1,438)	(355)	(964)	1,396	432
Net realised and unrealised gains/(losses) on revaluation and disposal of investments	13	(75)	-	(75)	203	-	203
Net movement in funds		1,008	(1,438)	(430)	(761)	1,396	635
Total funds brought forward at 1 April		2,472	8,918	11,390	3,233	7,522	10,755
Total funds carried forward at 31 March		3,480	7,480	10,960	2,472	8,918	11,390

A separate statement of financial activities is not prepared by the Charity itself, following the exemption afforded by section 408 of the Companies Act 2006. In the year under review, the Charity made an unrestricted surplus of £1,008k (2019: £762k loss).

All of the results in the consolidated statement of financial activities are derived from continuing activities. The Statement of Financial Activities includes all gains or losses recognised during the year. The notes on pages 29 to 52 form part of these financial statements.

Overseas Development Institute: Balance Sheet – at 31 March 2020

Company number: 661818

		Charity 2020 £'000	Group 2020 £'000	Charity 2019 £'000	Group 2019 £'000
	Notes				
Fixed assets					
Tangible assets	12	890	890	935	935
Investments	13	1,818	1,818	1,878	1,878
		<u>2,708</u>	<u>2,708</u>	<u>2,813</u>	<u>2,813</u>
Current assets					
Debtors	14	10,629	12,161	9,482	8,500
Short-term deposits		3,398	3,398	3,989	3,989
Cash at bank and in hand		203	852	507	2,200
		<u>14,230</u>	<u>16,411</u>	<u>13,978</u>	<u>14,689</u>
Creditors					
amounts falling due within one year	15	(4,491)	(6,672)	(3,736)	(4,447)
Net current assets		<u>9,739</u>	<u>9,739</u>	<u>10,242</u>	<u>10,242</u>
Amounts falling due in more than one year					
Pension liability	17	(1,487)	(1,487)	(1,665)	(1,665)
Total net assets		<u>10,960</u>	<u>10,960</u>	<u>11,390</u>	<u>11,390</u>
Represented by:					
Unrestricted funds					
Designated funds	18	890	890	935	935
General funds		2,590	2,590	1,537	1,537
		<u>3,480</u>	<u>3,480</u>	<u>2,472</u>	<u>2,472</u>
Restricted funds	18	<u>7,480</u>	<u>7,480</u>	<u>8,918</u>	<u>8,918</u>
		<u>10,960</u>	<u>10,960</u>	<u>11,390</u>	<u>11,390</u>

The notes on pages 29 to 52 form part of these financial statements.

Approved by the Board of Trustee on 20 July 2020 and signed on their behalf by:

James Cameron, Chair
20 July 2020

Overseas Development Institute: Consolidated cash flow statement – for the year ended 31 March 2020

	<i>Notes</i>	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	A	<u>(1,681)</u>	<u>(474)</u>
Cash flows from investing activities:			
Dividends and interest from investments		(46)	61
Purchase of property, plant and equipment		(176)	(343)
Proceeds from sale of investments		-	600
Purchase of investments		(36)	(54)
Net cash provided by / (used in) investing activities		<u>(258)</u>	<u>264</u>
Change in cash and cash equivalents in the reporting period	B	<u>(1,939)</u>	<u>(210)</u>
Notes to consolidated cash flow statement			
A. Reconciliation of net income / (expenditure) to net cash flow from operating activities			
Net income / (expenditure) for the reporting period, adjusted for:			
Net cash provided by operating activities		(355)	432
Depreciation		221	130
Dividends and Interest receivable		46	(61)
Investment management fees		21	24
Increase / (decrease) in debtors		(3,661)	(278)
Increase / (decrease) in creditors		2,047	(721)
Net cash provided by / (used in) operating activities		<u>(1,681)</u>	<u>(474)</u>
B. Analysis of cash and cash equivalents			
		At	At
		31 Mar	31 Mar
		2020	2019
		£'000	£'000
Short-term deposits (less than three months)		3,398	3,989
Cash at bank and in hand		852	2,200
Total cash and cash equivalents		<u>4,250</u>	<u>6,189</u>

Overseas Development Institute: Notes to the financial statements – for the year ended 31 March 2020

1. Principal accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated below.

b. Preparation on a going concern basis

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of the financial position, reserve levels and future plans give the Trustees confidence that the charity remains a going concern.

c. Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, ODI Sales Limited, on a line by line basis. A separate statement of financial activities is not prepared by the Charity itself, following the exemption afforded by section 408 of the Companies Act 2006. In the year under review, the Charity made an unrestricted surplus of £1,008k (2019: loss of £762k).

d. Income recognition

Income is recognised once the charity has entitlement to the funds, when receipt is probable and when the amount receivable can be measured reliably.

Income receivable under contract for services is recognised to the extent that the relevant work has been performed. Income received in advance of work performed is deferred and income that has been earned but not invoiced is accrued.

Restricted grants are recognised in full in the statement of financial activities in the year in which the Charity becomes entitled to the income. Any surplus remaining at year-end is carried forward as a restricted fund, in-line with the terms of the donor. Where a restricted grant requires that conditions are met before entitlement to the income passes, the funds are treated as a Performance Related Grant. In such instances income is recognised to the extent that ODI has entitlement.

e. Investment income

Investment and other income is recognised on a receivable basis once the amounts can be reliably measured. This is normally upon the receipt of confirmation from the bank or investment broker.

f. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

1. Principal accounting policies (continued)

Wherever possible, costs are directly attributed to specific activities. Certain shared support costs which cannot be directly attributed are apportioned to charitable activities on the basis of staff employed in those activities.

g. Tangible fixed assets & depreciation

All assets with a cost of more than £3,000 and with an expected useful life exceeding one year are capitalised.

- Leasehold improvements - over the remaining life of the lease
- Furniture, fixtures and fittings - 20% on cost
- Equipment - 33.33% on cost
- Computer software - 33.33% on cost

h. Investments

Investments in the form of listed investments are initially shown in the financial statements at market value. Movement in the market value of such investments are shown as unrealised gains or losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities.

The investment in the subsidiary undertaking, ODI Sales Limited, is stated at cost.

i. Debtors

Trade and other debtors are recognised at the settlement value due, net of any discounts offered or impairment provision.

j. Cash and short-term deposits

Cash and short-term deposits include short-term, highly liquid assets. The Charity operates a corporate sweep where any excess cash on the sterling account at the end of each working day is transferred to a money market account (or deficiency in cash is transferred from a money market account). The balance on the money market account is classified as a short-term deposit.

k. Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

l. Accrued & deferred income

Income is recognised on the basis of entitlement, the probability of receipt and the reliability of estimation. Where income is received but the requirements for recognition are not met, it is deferred. Where work has been undertaken creating the ability to recognise income that has yet to be invoiced, that income is accrued on the basis of entitlement, probability of receipt and the reliability of estimation.

1. Principal accounting policies (continued)

m. Fund accounting

Funds held by the charity are classified as one of:

- Designated funds: These are unrestricted funds, which have been designated for specific purposes by the Trustees.
- Unrestricted funds: Funds that can be used in accordance with the charitable objectives of the Charity.
- Restricted funds: Funds that can only be used for a particular restricted purpose. Such restrictions arise when specified by the funder or when funds are raised for a specific purpose.

n. Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange prevailing at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

o. Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

p. Staff holiday accrual

A provision is maintained to cover the liability arising from holiday that staff accrue but have not taken at the year-end. This provision is calculated based on the value of the days carried forward, to the extent that it is approved within the Charity's staff policies.

q. Pension costs

ODI participates in two pension schemes: the Universities Superannuation Scheme ("USS") and the Superannuation Arrangements of the University of London ("SAUL"). Each of these are multi-employer defined benefit schemes.

Contributions to the schemes are calculated based upon rates set by the scheme administrators. Contributions due to the schemes are accounted for in the period to which the liability arose.

The USS scheme is in deficit and the scheme has notified the Charity of the plans to reduce this deficit. For USS this deficit reduction period lasts for an estimated 14 years, from 2016. Payments towards these deficit is are included within the annual contributions payable by the Charity. Under FRS 102 the Charity is required to recognise the present value of its future contributions towards this deficit reduction plan.

USS is a defined benefit scheme which is contracted out of the State Second Pension ("S2P"). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent basis and therefore, accounts for the scheme as if it were a defined contribution scheme in accordance with paragraphs 28.11 of FRS102. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

1. Principal accounting policies (continued)

ODI is a Participating Employer of SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to employers. The most recent triennial market value of SAUL's assets was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017. It is not possible to identify an individual employer's share of the underlying assets and liabilities of SAUL. ODI accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102. As there was a Technical Provision surplus at the last valuation, there is no defined benefit liability to be recognised by the Institute.

r. Redundancy and termination payments

Payments for redundancy and termination are made in compliance with statutory requirements. In exceptional circumstances, payments may be made in addition to the minimum statutory obligation. Any such payments would require approval either from the Senior Leadership Team or from the Trustees.

2. Significant Judgements and Estimates

Preparation of the financial statements requires management to make significant judgements and estimates. Judgements and estimates have been made for the following items:

Pension scheme deficit

As disclosed in note 20, the organisation is required to recognise a liability relating to the deficits of the two pension schemes.

SAUL: The liability was based on a provision of 3% of salaries over two years ending 31 March 2018, as recommended by SAUL. This is now fully recognised.

USS: The liability is based on a repayment of 2.1% of salaries over the next fifteen years ending 31 March 2031 as recommended by USS.

The Institute has made certain assumptions around future salary increases, discount rates and staff changes based on information available at the time of preparation of the financial statements. The Institute will review the factors supporting these judgements and will amend the estimates in future accounting periods as and when deemed necessary.

a. Bad debt provision

Trade debtors included in the balance sheet are based on actual amounts less a provision for bad debts.

The provision is calculated based on providing for specific debts that, at the date the accounts were signed were deemed not to be recoverable, and then a percentage of the balance as a general provision, which the management team deem to be a reasonable estimate of the amount that may or may not have to be written off in future periods. The Institute will review the factors supporting these estimates and will amend the estimates in future accounting periods as and when deemed necessary.

3. Income from research activities and the Fellowship scheme

Income for the year is broken down as follows:

	2020	2019
	£'000	£'000
Research grants & project finance	31,765	34,661
Fellowship scheme	3,898	2,847
	35,663	37,508
ODI Sales Limited research grants and project finance receivable (note 4)	(7,000)	(3,014)
Charity research grants and project finance receivable	28,663	34,494

The following funders requested that their research grants be noted in the accounts. The amount may not be the same as recognised in the Statements of Financial Activities:

		2020	2019
		£	£
Abt Associates pvt Ltd	Invest in Women: Peer Review	1,464	-
Agence Francaise De Development (AFD)	Manage AlgOpenSO	258,746	269,644
Australian Department of Foreign Affairs and Trade	Humanitarian Policy Group (HPG) Integrated Programme	256,126	178,321
Australian Department of Foreign Affairs and Trade	ReliefWatch: Prototyping alternative approches to accountability in aid	16,456	-
Australian Department of Foreign Affairs and Trade	ODI support to GoV 2018 onwards	146,481	-
Australian Department of Foreign Affairs and Trade	Active Learning Network for Accountability and Performance (ALNAP)	277,016	164,597
Australian Department of Foreign Affairs and Trade	L4P / Supporting Peace in Afghanistan / Lessons for Peace: Afghanistan	450,000	-
Bill and Melinda Gates Foundation	Research and Innovation and Hub on Technology for Education (EdTech)	231,915	-
Bill and Melinda Gates Foundation	Delivering effective development against multidimensional poverty	1,185,453	1,983,706
British Red Cross	Humanitarian Policy Group (HPG) Integrated Programme	5,000	5,000
Canadian Department of Foreign Affairs, Trade and Development	Active Learning Network for Accountability and Performance (ALNAP)	57,170	59,101
Canadian Department of Foreign Affairs, Trade and Development	GAC: Cuba Pathways to Gender Equality	23,312	77,179
Canadian Department of Foreign Affairs, Trade and Development	GAC: ALIGN	116,561	-
Canadian Department of Foreign Affairs, Trade and Development	CIFSRF End Phase 2	288,928	-

3. Income from research activities and the Fellowship scheme (continued)

		2020	2019
		£	£
Danish International Development Agency (DANIDA)	Active Learning Network for Accountability and Performance (ALNAP)	28,539	-
DFID	Research and Innovation and Hub on Technology for Education (EdTech)	1,348,891	-
DFID	Fellowship Scheme 2015-2021	3,346,892	2,524,601
DFID	Gender and Adolescence: Global Evidence	2,717,566	2,519,384
DFID	Gender and Adolescence: Global Evidence (GAGE)	680,593	-
DFID	Migration for Development	48,867	-
DFID	ODI/ATPC partnership	283,373	-
DFID	ODI-DFID Economic Transformation	191,866	-
DFID	AG - Innovation and Adaptation	271,592	-
DFID	Learning Evidencing and Advocacy Programme (LEAP)	1,128,107	-
DFID	Global Learning for Adaptive Management (GLAM)	602,013	-
DFID	Learning lessons from the International Water Stewardship Programme (IWaSP)	87,341	-
DFID	Quantifying Tenure Risk - The Business Case for Responsible Investment on Tenure	39,657	-
DFID	PRINDEX - Securing Citizens' Property Rights around the World	777,091	-
DFID Rwanda	Poverty Dynamics in Rwanda	224,823	-
DFID Uganda	Supporting Reforms to the Financing of Local Service Delivery in Uganda	1,252,364	1,846,666
DFID Zambia	Poverty Dynamics in Zambia	168,663	-
European Bank for Reconstruction and Development (EBRD)	Fellowship Albania (II)	20,234	-
Federal Foreign office Germany	Active Learning Network for Accountability and Performance (ALNAP)	155,247	59,101
Fiji Ministry of Industry, Trade and Tourism	Support to MITT Fiji	6,930	-
Fijian Competition and Consumer Commission	FCCC - ODI Fellowship Scheme	6,930	-
GIZ	GIZ - Evaluation	25,279	-
GIZ	Literature review - the interplay between employment promotion and migration	22,384	-
GIZ	Sectoral Agricultural Policy and food security	33,733	-
Global Affairs Canada	Humanitarian Policy Group (HPG) Integrated Programme	143,207	-

3. Income from research activities and the Fellowship scheme (continued)

		2020	2019
		£	£
Humanity Inclusion	Humanity Inclusion	3,000	-
IFAD	IFAD_Finance for rural development	312,193	-
IKEA Foundation	Humanitarian Policy Group (HPG) Integrated Programme	327,812	-
IKEA Foundation	Enabling the CRRF implementation in Ethiopia, Kenya, Rwanda and Uganda	329,974	-
IRC PAPAU NEW GUINEA	ODI Fellow to IRC	7,300	-
Ireland Department of Foreign Affairs and Trade	Humanitarian Policy Group (HPG) Integrated Programme	129,156	-
Irish Aid	GCRF South-South Migration, Inequality and Development Hub	60,000	-
MACFADDEN AND ASSOCIATES INC	Active Learning Network for Accountability and Performance (ALNAP)	16,037	-
MFA Belgium	Active Learning Network for Accountability and Performance (ALNAP)	44,808	-
MFA Netherlands	Active Learning Network for Accountability and Performance (ALNAP)	50,000	-
Ministry of Education, Youth and Sport Timor Leste	Suport to Ministry of Education TL	20,432	-
Ministry of Finance, Timor Leste	ODI Fellow to MoF 2018-2020	176,248	-
Ministry of Finance, Timor Leste	ODI Fellows in Ministry of Finance TL	81,122	-
Namibia Nature Foundation	NNF - ODI Fellowship Scheme	30,430	-
New Zealand Aid Programme	Active Learning Network for Accountability and Performance (ALNAP)	2,640	-
Omidyar Network	PRINDEX - Securing Citizens' Property Rights around the World	773,048	761,568
OSF	Mayors Dialogue	39,805	-
Oxfam UK	Humanitarian Policy Group (HPG) Integrated Programme	15,000	15,000
Peace Research Institute Oslo	Aligning Migration Management and the Migration-Development Nexus	90,438	373,274
Secretary Of State For Health & Social Care	ODI Fleming Fund	100,000	10,000
Swedish International Development Cooperation Agency (Sida)	Active Learning Network for Accountability and Performance (ALNAP)	213,971	214,405
Swedish International Development Cooperation	Humanitarian Policy Group (HPG) Integrated Programme	171,177	342,701
Swedish International Development Cooperation	BSI Liberia	394,232	1,336,510

3. Income from research activities and the Fellowship scheme (continued)

		2020	2019
		£	£
Swiss Agency for Development and Swiss Federal Department of Foreign Affairs	Active Learning Network for Accountability and Performance (ALNAP)	25,000	25,000
The Ministry of Foreign Affairs Denmark	Humanitarian Policy Group (HPG) Integrated Programme	266,000	280,000
UN Women	Humanitarian Policy Group (HPG) Integrated Programme	144,007	-
UN Women	Regional Platform on Gender and Prevention of Violent Extremism	63,406	126,639
UNHCR	Regional Platform on Gender and Prevention of Violent Extremism	63,281	-
UNICEF	Active Learning Network for Accountability and Performance (ALNAP)	11,244	11,244
United States Office of Foreign Disaster Assistance	Active Learning Network for Accountability and Performance (ALNAP)	7,087	7,523
United States Office of Foreign Disaster Assistance	Humanitarian Policy Group (HPG) Integrated Programme	169,681	109,287
UNOPS	Humanitarian Policy Group (HPG) Integrated Programme	259,421	-
USAID	Agricultural Technology Disruptors in East African Value Chains	60,988	-
Wellspring Philanthropic Fund	Active Learning Network for Accountability and Performance (ALNAP)	592,031	-
Wellspring Philanthropic Fund	Humanitarian Policy Group (HPG) Integrated Programme	162,633	-
World Food Programme	PRINDEX - Securing Citizens' Property Rights around the World	92,766	-
World Vision International	Active Learning Network for Accountability and Performance (ALNAP)	10,247	10,247
	Humanitarian Policy Group (HPG) Integrated Programme	8,215	7,700

4. Income from trading subsidiary

The Charity has a wholly owned subsidiary, ODI Sales Limited, which is incorporated in the UK. It engages in activity that furthers the mission and objects of the Charity. A summary of the full trading result of the company is shown in note 8 to the accounts but a breakdown of the research income of ODI Sales Limited is provided below:

	2020	2019
	£'000	£'000
Research grants and project finance	7,000	3,048
Publications and other income	56	97
Total Income from Trading Subsidiary	7,056	3,145

5. Expenditure

	2020 £'000	2019 £'000
a) Research and dissemination		
Direct project costs		
Staff costs (note 9)	8,556	9,425
Temporary staff	145	90
Research fees payable to consultants and related costs	10,163	8,478
Knowledge exchange and dissemination	4,369	6,440
Travel	3,375	2,553
Other costs	391	765
	<u>26,999</u>	<u>27,751</u>
Support costs allocation (note 7)	5,772	6,116
Group research and Fellowship costs	32,771	33,867
ODI Sales Limited research costs	(5,617)	(2,379)
Charity research and dissemination of information costs	<u>27,154</u>	<u>31,488</u>
b) Fellowship activities and services		
Supplementation award costs	2,711	2,493
Staff costs (note 9)	259	238
Support costs allocation (note 7)	118	124
Other costs	614	629
	<u>3,702</u>	<u>3,484</u>
Total charitable expenditure	<u>30,856</u>	<u>34,972</u>

6. Governance costs

Auditors' remuneration	34	28
Legal fees	30	27
Other costs	5	2
	<u>69</u>	<u>57</u>

7. Support costs

Staff costs (note 9)	2,847	3,335
Staff overheads	548	636
Premises	1,378	1,319
Depreciation	221	130
Governance (note 6)	69	57
Other costs	827	763
	<u>5,890</u>	<u>6,240</u>

7. Support costs (continued)

The above support costs are apportioned to charitable activities on the basis of the number of staff members employed by each activity as follows:

Support costs allocation	2020	2019
	£'000	£'000
Support costs allocation:		
Research and dissemination of information	5,772	6,116
Fellowship activities and services	118	124
	5,890	6,240

8. ODI Sales Limited

The Overseas Development Institute owns the entire called up share capital of ODI Sales Limited, a trading company registered in England and Wales, Company Registration Number 7157505, incorporated on 15 February 2010. A summary of the trading results of ODI Sales Limited for the year ended 31 March 2020 are given below. All taxable profits each year are distributed to the Charity.

Income	7,019	3,145
Cost of sales	(5,580)	(2,379)
Gross profit	1,439	766
Administrative expenses	(5)	(5)
Operating profit	1,434	761
Gift Aid donation to parent undertaking	(1,434)	(761)
Surplus / Deficit for the financial year	-	-

At 31 March 2020, the total capital and reserve of the company was £10 (2019: £10).

9. Staff costs and Trustees' remuneration

a) Staff costs during the year were as follows:

Wages and salaries	9,082	10,130
Redundancy and termination payments	120	211
Social security costs	1,027	1,136
Pension costs	1,433	1,521
	11,662	12,998
Temporary and other staff costs	235	490
	11,897	13,488

Pension costs include a contribution offset in respect of the pension deficit of £178,218 (2019: £87,168) as outline in note 20. The reduced amount reflects the completion last year of the wind-down of the USS provision. The total amount paid to pension providers was £1,209,820 (2019: £1,512,559).

9. Staff costs and Trustees' remuneration (continued)

	2020	2019
	£'000	£'000
b) Staff costs by function (excluding temporary staff) was as follows:		
Research and dissemination	8,815	9,663
Support	2,847	3,335
	11,662	12,998

c) The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2020	2019
£60,001 - £70,000	12	13
£70,001 - £80,000	13	12
£80,001 - £90,000	3	4
£90,001 - £100,000	3	6
£130,001 - £140,000	-	1

Employee benefits to senior management personnel for the year (including payments to the pension schemes) totalled £614,011 (2019: £743,063).

d) The total number of employees receiving remuneration during the year, analysed by function, was as follows:

	2020	2019
	£'000	£'000
Research and Fellowship scheme	204	217
Support	65	66
	269	283

e) The average number of employees during the year, analysed by function, was as follows:

Research and Fellowship scheme	159	176
Support	49	52
	208	228

During the year expenses of £626 were reimbursed to 1 trustee (2019: £149) for attending board and Sub-committee meetings.

No other payments were made to any Trustees in the year ended 31 March 2020.

The Trustees have taken out Trustee indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to ODI.

10. Net movement in funds

	2020	2019
	£'000	£'000
This is stated after charging:		
Auditors' remuneration:		
- Current year statutory audit services – ODI	29	23
- Current year statutory audit services – ODI Sales Limited	5	5
- Other audit and accounting services	22	51
	<u>56</u>	<u>79</u>
Depreciation		
Operating lease rentals:		
- Premises	960	947
- Equipment	8	10
	<u>968</u>	<u>957</u>

11. Taxation

The charity is a registered charity and therefore it is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The subsidiary, ODI Sales Limited, distributes its taxable profits, if any, to ODI each year.

12. Tangible fixed assets

Group and Charity	Leasehold	Furniture	Computer	Computer	Total
	Improvements	& Fittings	Equipment	Software	£'000
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2019	1,216	637	675	355	2,883
Additions	-	-	4	172	176
Disposals	-	-	-	-	-
At 31 March 2020	<u>1,216</u>	<u>637</u>	<u>679</u>	<u>527</u>	<u>3,059</u>
Depreciation					
At 1 April 2019	620	630	672	26	1,948
Charge for year	97	2	4	118	221
Disposals	-	-	-	-	-
At 31 March 2020	<u>717</u>	<u>632</u>	<u>676</u>	<u>144</u>	<u>2,169</u>
Net book values					
At 31 March 2020	<u>499</u>	<u>5</u>	<u>3</u>	<u>383</u>	<u>890</u>
At 31 March 2019	<u>596</u>	<u>7</u>	<u>3</u>	<u>329</u>	<u>935</u>

During the year ODI concluded the phase 2 of the new project and financial management system implementation. The development costs of these have been capitalised. Depreciation of the phase 1 was charged in the year for the system in 2019-20 when it was brought to use.

13. Investments

Group and Charity	2020	2019
	£'000	£'000
Listed investments:		
Market value at the start of the year	1,878	2,245
Cost of new investments	39	54
Investment management fees paid from the portfolio	(24)	(24)
Unrealised gain on investments	(75)	203
Disposal in year	-	(600)
Market value at the end of the year	1,818	1,878
Historical cost of listed investments at 31 March	1,310	1,295

The listed investments are held with a fund manager, who has authority to buy and sell shares and bonds subject to the restrictions as noted in the organisation's investment policy. The market value of the portfolio held by the investment manager on behalf of the organisation was £1,817,969.

At 31 March 2020 the Charity owned 10 £1 shares, being the entire called up share capital, of ODI Sales Limited, which is incorporated in the UK. As this is the total value of the Unlisted Investments, it does not affect the consolidated figures. ODI Sales engages in activity that furthers the mission and objects of the Charity. A summary of the financial results of the company is shown in note 8.

14. Debtors

	Charity	Group	Charity	Group
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Grants receivable and accrued income	6,153	11,493	5,907	7,947
Other debtors	170	170	89	89
Prepayments	495	499	464	464
Amount due from subsidiary	3,811	-	3,022	-
	10,629	12,162	9,482	8,500

15. Creditors

Trade creditors	2,211	3,571	1,648	1,879
Social security and other taxes	286	703	294	534
Deferred income	-	265	-	-
Accruals and other creditors	1,994	2,133	1,794	2,034
	4,491	6,672	3,736	4,447

16. Deferred income

Deferred income arises when the organisation receives funds which do not meet the conditions required for them to be recognised as income. Where such funds are received they are recognised as cash with a corresponding liability within creditors. As the recognition criteria is met the funds are released to income.

	Charity	Group	Charity	Group
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Deferred income as at 1 April	-	-	62	155
Release during the year	-	-	(62)	(155)
Income deferred in the year	-	265	-	-
Deferred income as at 31 March	<u>-</u>	<u>265</u>	<u>-</u>	<u>-</u>

17. Provisions and liabilities

As a result of adopting FRS 102, the organisation is required to recognise a liability relating to the deficits within the USS pension scheme of which it is a member. The value of the provision is calculated based upon the present value of the organisation's future contributions towards the deficit recovery plans: These contributions are set by the scheme administrators and are included within the annual contributions payable, as follows:

USS: The deficit recovery plan, based on the latest actuarial valuation, is to run until 2031. Of the employer contribution of 18%, 2.1% goes towards reducing the deficit. The liability is calculated based on salary growth of 2% a year and a discount rate of 4%

	Charity	Charity
	2020	2019
	£'000	£'000
Opening pension provision at 1 April	1,665	1,752
Provision utilised during the year and unwinding of discount factor	(178)	(87)
Pension provision as at 31 March	<u>1,487</u>	<u>1,665</u>

18. Funds

	At 1 April		Unrealised			At 31
Unrestricted funds	2019	Income	Expenditure	gains/(losses)	Transfers	March 2020
<i>Designated</i>	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets fund	935				(45)	890
<i>General</i>						
Income and expenditure account	1,537	11,885	(10,802)	(75)	45	2,590
	<u>2,472</u>	<u>11,885</u>	<u>(10,802)</u>	<u>(75)</u>	<u>-</u>	<u>3,480</u>

18. Funds (continued)

Restricted funds	At 1 April 2019 £'000	Income £'000	Expenditure £'000	Unrealised gains/(losses) £'000	Transfers £'000	At 31 March 2020 £'000
Advancing Learning and Innovation on Gender Norms Project	-	117	-	-	-	117
AFD-ODI partnership 2018-2020	32	16	-	-	-	48
AG - Innovation and Adaptation	-	275	(272)	-	-	3
Agricultural Policy Research in Africa	10	14	(24)	-	-	-
Agricultural Technology Disruptors in East African Value Chains	57	61	(107)	-	-	11
Aligning Migration Management and the Migration-Development Nexus	294	90	(115)	-	-	269
ALNAP multi-funder	960	1,367	(1,989)	-	-	337
Asia-Pacific Workplan	1	14	(1)	-	-	14
Assessing the potential of civil organisations within regions affect be organised crime	12	28	(40)	-	-	-
Beyond Neoliberalism	117	71	(119)	-	-	69
BMG Effective Financing	1,207	471	(484)	-	-	1,194
BMG Leave No One Behind	-	299	(299)	-	-	-
BoSL	97	-	(80)	-	-	17
BSI Liberia	848	394	(908)	-	-	334
BSI Mali- Inception Phase	207	-	(204)	-	-	3
Cash - Preliminary Market Consultation	10	-	(10)	-	-	-
CBi Flagship Product on Complex Emergencies and Manmade Disaste	7	-	(7)	-	-	-
China's Secret Fishing Fleet	48	-	(46)	-	-	2
Corporate Water Stewardship	6	-	(6)	-	-	-
Deepening Democracy Programme	2	15	(17)	-	-	-
DEGRP Phase 2	156	398	(307)	-	-	247
DFID: Migration for Development	-	49	(18)	-	-	31
Disaster risk financing	-	46	(46)	-	-	-
Education in Emergencies	14	24	(38)	-	-	-

18. Funds (continued)

Restricted funds	At 1 April	Income	Expenditure	Unrealised	Transfers	At 31
	2019			gains/(losses)		March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Eliminating fossil fuel subsidies	102	151	(224)	-	-	29
EOY Learning Partnership	38	2,043	(873)	-	-	1,208
Extremes and Disasters Programme (BRACED)	335	2,587	(2,922)	-	-	-
Fellowship Scheme 2015-2020	185	3,979	(3,926)	-	-	238
Future of Fragile States	2	-	(2)	-	-	-
GCRF South-South Migration, Inequality and Development Hub	59	160	(219)	-	-	-
Gender and Adolescence (GAGE)	805	2,924	(3,368)	-	-	361
HelpAge	4	-	(4)	-	-	-
HIV, SRH, child marriage mapping in Ethiopia	12	-	(12)	-	-	-
HPG Integrated Programme	432	571	-	-	-	1,003
IFAD Finance for rural development	-	312	(58)	-	-	254
Inclusive Financial Development and Growth Initiative on public narratives on refugees and migrants	140	-	(65)	-	-	75
IRIN - SIDA	12	-	(12)	-	-	-
LBT Economic Empowerment in the Philippines	17	77	(94)	-	-	-
Long-term responses to the Rohingya refugee crisis: Refugee rights, voices, and the role of regional	-	19	(9)	-	-	10
Managing ODA graduation	31	102	(133)	-	-	-
Met Office Forecast-based Early Action	-	119	(117)	-	-	2
NERC KE Fellowship	418	70	(70)	-	-	-
ODI/ATPC partnership	-	283	(276)	-	-	7
ODI-DFAT Diagnostic Tool	3	-	(3)	-	-	-
ODI-DFAT Institutional partnership	121	(13)	-	-	-	108
Oil, gas and poverty roundtable	5	-	(5)	-	-	-

18. Funds (continued)

Restricted funds	At 1 April 2019 £'000	Income £'000	Expenditure £'000	Unrealised gains/(losses) £'000	Transfers £'000	At 31 March 2020 £'000
Pathways to Gender Equality and Poverty Reduction for Women and Girls	33	23	(56)	-	-	-
Phasing out plastics production and use	132	-	(106)	-	-	26
Poverty Dynamics in Zambia	-	169	(154)	-	-	15
PRINDEX - Securing Citizens' Property Rights around the World	48	1,643	(1,337)	-	-	354
Provision of Professional Services for Leveraging Social Assistance and Delivering Energy Access	14	128	(142)	-	-	-
Reducing Root Causes of Conflict	9	36	(45)	-	-	-
ReliefWatch	125	16	(141)	-	-	-
Research and assistance partnership	10	52	(62)	-	-	-
Research on Adolescent Girls in Refugee Settings	-	57	(25)	-	-	32
Research on the gender dynamics of trafficking in the Greater Mekong Subregion	64	-	(64)	-	-	-
Senior-Level Course on Conflict and Humanitarian Response	-	37	(34)	-	-	3
Shock responsive social security cash	4	-	(4)	-	-	-
Social norms and adolescent girls: evidence and tools platform	666	-	(429)	-	-	237
Star Ghana Programme	5	53	(43)	-	-	15
Strengthening the knowledge base - ECW	-	170	(151)	-	-	19
Supporting Reforms to the Financing of Local Service Delivery in Uganda	-	1,262	(1,262)	-	-	-
TaxDev II	-	507	(507)	-	-	-
Technical Assistance on Taxation and Tax Auditing in West Africa	537	-	(403)	-	-	134
Thanzi la Onse - WORK PACKAGE 2	-	23	(23)	-	-	-

18. Funds (continued)

Restricted funds	At 1 April	Income	Expenditure	Unrealised	Transfers	At 31
	2019			gains/(losses)		March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
University of California: Discover	-	3	(3)	-	-	-
UNOSSC_architecture of South-South Coop	-	18	(17)	-	-	1
UNWomen - Regional Platform on Gender	27	63	(90)	-	-	-
Urban Energy Transitions Research Programme	85	76	(80)	-	-	81
When disasters and conflict collide	216	150	(366)	-	-	-
Wilton Park - Transboundary Risk	13	-	(13)	-	-	-
Women in the Gig Economy	28	-	(28)	-	-	-
Women on the Bench: The Role of Female Judges in Fragile States	5	31	(31)	-	-	5
Women Win: Goal Programme Impact Study	8	44	(52)	-	-	-
Other research projects	503	2,308	(2,249)	-	-	562
Total restricted funds	8,918	24,059	(25,497)	-	-	7,480
Total funds	11,390	35,944	(36,299)	(75)	-	10,960

Analysis of net assets between funds at 31 March 2020	Unrestricted	Designated	Restricted	Total Funds
	£'000	£'000	£'000	£'000
Tangible fixed assets fund	-	890	-	890
Net current assets	2,590	-	7,480	10,070
Total net assets	2,590	890	7,480	10,960

Analysis of net assets between funds at 31 March 2019

Tangible fixed assets fund	-	935	-	935
Net current assets	1,537	-	8,918	10,455
Total net assets	1,537	935	8,918	11,390

Designated Funds

Designated funds represent monies that have been set aside by the Trustees for specific purposes.

i) *Tangible fixed assets fund*

The tangible fixed assets fund represents the net book value of the tangible fixed assets owned by the Charity. These assets are of fundamental importance to the Charity in carrying out its objectives. As such, a decision was made to separate this fund from general funds in order to

18. Funds (continued)

demonstrate that the value does not comprise assets that can be realised with ease in order to meet ongoing expenditure.

Restricted Funds

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant fund.

AG - Innovation and Adaptation

LearnAdapt is a collaboration between DFID, the Overseas Development Institute (ODI) and Brink, to explore how to manage adaptive development programmes better.

Agricultural Technology Disruptors in East African Value Chains

Phase Two of a project to determine the implications for regional integration and inequality within the Enhanced Integrated Framework, the only multilateral partnership dedicated to assisting Least Developed Countries use trade as an engine for growth, sustainable development and poverty reduction.

Aligning Migration Management and the Migration-Development Nexus

Funded by the Peace Research Institute Oslo, to contribute to more effective and coherent migration management through evidence based understanding of the linkages between development and migration.

Active Learning Network for Accountability and Performance (in Humanitarian Action) (multi-funders)

This fund represents restricted grants from a range of funders to support ODI's ALNAP Programme. Included within the balance carried forward are the following payments which were made in advance for the 2020-21 financial year.

Beyond Neoliberalism

A research project to bring developing country perspectives into the "beyond neoliberalism" debate.

BMG Effective Financing

BMG Effective Financing is a subcomponent of the larger Bill & Melinda Gates Foundation-funded project "Delivering Effective Development" which supports ODI's research more broadly.

BSI Liberia

This fund represents contributions from a variety of donors towards ODI's BSI Programme which is part of the Centre for Public Expenditure Programme.

BSI Mali- Inception Phase

Fund for an inception phase aimed at laying the groundwork of a longer-term Budget Strengthening Initiative in Mali, looking at budget transparency, public financial management and decentralisation, among other things.

Building Resilience and Adapting to Climate Extremes and Disasters (BRACED)

A restricted grant from DFID. BRACED is helping people become more resilient to climate extremes in South and Southeast Asia and in the African Sahel and its neighbouring countries.

18. Funds (continued)

DEGRP Phase 2

Second phase of the DFID-ESRC Growth Research Programme (DEGRP) which funds research on inclusive economic growth in low-income countries.

Eliminating fossil fuel subsidies

This fund represents a restricted grant from the KR Foundation in Denmark to support ODI's Climate and Energy Programme's work on the international campaign to eliminate subsidies to fossil fuel production.

EOY Learning Partnership

Economic Opportunities for Youth (EOY) aims to improve the capacity of young people to access and maximise the opportunities available to them.

Fellowship Core Funding

This fund represents a restricted grant from DFID to fund ODI's Fellowship Programme.

Fellowship (Bill and Melinda Gates Foundation)

A restricted grant from the Bill and Melinda Gates Foundation to support ODI's Fellowship Programme.

ODI Fellows - Timor Leste

Funding supporting the placement of ODI Fellows in Timor Leste.

GCRF South-South Migration, Inequality and Development Hub

This UKRI grant funds research into the relationships between migration and inequality in the context of the Global South.

Gender and Adolescence (GAGE)

This fund represents a restricted grant from DFID to fund a multi year project to support ODI's Gender and Adolescence Global Evidence Research Programme.

HPG Integrated Programme

This fund represents restricted grants from a range of funders to support ODI's HPG Integrated Programme. Included within the balance are the following payments which were made in advance for the 2020-21 financial year.

ODI/ATPC partnership

An accountable grant to support a Research and assistance partnership between the African Trade Policy Centre (ATPC) of the United Nations Economic Commission for Africa (ECA) and ODI.

PRINDEX - Securing Citizens' Property Rights around the World

The Global Property Rights Index is an initiative of ODI and Land Alliance supported by Omidyar Network, DFID and other donors. It aims to fill the gap in information about individual perception of tenure security by creating a baseline global dataset to support the achievement of secure property rights around the world.

18. Funds (continued)

Social norms and adolescent girls: evidence and tools platform

Multi-year funding provided by the Bill and Melinda Gates Foundation, exploring social norms and adolescent girls.

Supporting Reforms to the Financing of Local Service Delivery in Uganda

Support received to support Inter-Governmental Fiscal Transfer Reforms in Uganda to strengthen budgetary decentralisation processes for improved service delivery.

Technical Assistance on Taxation and Tax Auditing in West Africa

A project within the framework of the GIZ programme “Regional Resource Governance in West Africa” which seeks to strengthen the ability of GIZ’s partner countries Côte d’Ivoire, Guinea, Liberia, and Sierra Leone to better manage their natural resource sectors to the benefit of their populations.

When disasters and conflict collide

Funded by GIZ, this projects seeks to explore the interplay between natural disasters and conflict and what DRR action is viable and appropriate in fragile and conflict-affected contexts.

19. Lease commitments

At 31 March 2020 the Charity had total commitments under a non-cancellable operating leases as set out below:

	2020	2019
Group and charity	£'000	£'000
Land and buildings		
Operating leases payments which are due:		
- after 5 years	270	1,352
- between 2 and 5 years	4,326	4,326
- within 1 year	1,082	1,082
	<hr/>	<hr/>
Equipment		
Operating leases payments which are due:		
- after 5 years	-	-
- between 2 and 5 years	9	15
- within 1 year	8	8
	<hr/>	<hr/>

With regard to the lease for land and buildings, the actual payment by the Charity in the year to 31 March 2020 will differ from the charge to the statement of financial activities for the year shown above as a consequence of the lease containing a provision for an initial rent free period.

The lease for land and buildings contains provision for periodic rent reviews. Such a review was finalised in July 2018 to take effect from 1 April 2018. The commitments contained in the note above are based on the values known at the balance sheet date.

20. Pensions

Retirement benefits for employees are provided by two independently administered schemes (SAUL and USS), which are funded by contributions from employers and employees. Contributions to the schemes are charged to the statement of financial activities so as to spread the cost of the pensions over the employees' working lives. Under the definitions set out in Financial Reporting Standard 102 Retirement Benefits, the Directors are satisfied that both schemes are classed as multi-employer pension schemes. Accordingly, we have taken advantage of the exemption in FRS 102 and have accounted for the contributions to the schemes as if they were defined contribution schemes. The latest information available for each scheme is set out below.

A multi-employer scheme is a scheme for entities not under common control and represents, typically, an industry-wide scheme such as that provided by both SAUL and USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss.

Because of the mutual nature of both schemes, the schemes' assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. ODI is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

The Universities Superannuation Scheme (USS)

ODI participates in the Universities Superannuation Scheme (the scheme). The scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund.

The directors are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Since ODI has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, ODI recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

The latest available full actuarial valuation of the scheme was at 31 March 2017 ("the valuation date"), which was carried out using the projected unit method.

Since ODI cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2017 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion, indicating a shortfall of £7.5 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to

20. Pensions (continued)

members after allowing for expected future increases in earnings. Full details of the valuation are available on the USS website: <https://www.uss.co.uk/how-uss-is-run/running-uss/funding-uss/actuarial-valuation>

	2017	2016
Scheme assets	£60.0bn	£49.8bn
Total scheme liabilities	£67.5bn	£58.3bn
FRS 102 total scheme deficit	£7.5bn	£8.5bn
FRS 102 Total funding level	89%	85%

Superannuation arrangements of the University of London (SAUL)

The Charity also participates in the Superannuation Arrangements of the University of London (“SAUL”), which is a centralised defined benefit scheme and is contracted-out of the Second State Pension (prior to April 2016). SAUL is an independently managed pension scheme for non-academic staff of over 50 colleges and institutions with links to higher education. Pension benefits for all active members are based on each member's Career Average Revalued Earnings (CARE).

The Charity is not expected to be liable to SAUL for any other current participating employer's obligations under the rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (“Technical Provisions”). The Trustee adopts the assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment and continue to be paid and for commitments which arise from Members accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changing in the market conditions, cash flow information and new accrual of benefits are being carried out between formal valuations.

The funding principles were agreed in June 2018 and are due to be reviewed at SAUL's next formal valuation in 2020.

As at the last valuation SAUL was fully funded on its technical Provisions basis so no deficit contributions were required. The scheme Trustee and the Employers have agreed that the ongoing Employers' contributions will continue at a rate of 16% of CARE Salaries.