



# **IUCN, International Union for Conservation of Nature and Natural Resources**

## **Management report for the year ended 31 December 2019**

### **2019 Results**

IUCN ended the year with a net deficit of CHF 0.2 million and with total income of CHF 121 million, slightly down on the level of CHF 125 million realised in 2018.

The deficit was a technical, budgeted deficit that reflected expenditure incurred on the Regional Conservation Forums that took place in 2019 and preparatory costs for the 2020 Congress. Funds for these items had been set aside in earlier years in designated reserves. After taking into account costs funded from designated reserves, a budgetary surplus of CHF 0.6m was realised.

Unrestricted reserves stood at CHF 17.6m at the end of 2019 compared to CHF 17.2m at the start of the year.

Project income and expenditure stood at CHF 89m compared to CHF 93m in 2018. Although an increase on 2018 had been budgeted, this was not realised due to the slow start of several major projects. This is essentially a timing issue. IUCN has a healthy and growing portfolio, which will result in higher expenditure levels in 2020 and future years.

### **Funding**

Bilateral and multilateral partners provide close to 70% of the organisation's income, alongside Membership dues, income from foundations, the private sector, non-governmental organisations, and support from IUCN's Patrons of Nature.

#### **Core support**

**IUCN's Framework Partners** continue to be instrumental in building and supporting a strong Union through multi-year core support and project funding:

- Ministry for Foreign Affairs, Finland
- Government of France:
  - French Development Agency
  - Ministry for the Ecological and Inclusive Transition
  - Ministry for Europe and Foreign Affairs
  - Ministry for Overseas France
  - Ministry of Agriculture and Food
- Ministry of Environment, Republic of Korea
- Norwegian Agency for Development Cooperation
- Swedish International Development Cooperation Agency
- Swiss Agency for Development and Cooperation
- United States State Department

Framework income of CHF 11.6 million was received compared to CHF 11.2 million in 2018. This support continues to be essential in providing financial stability that allows IUCN to play its unique role influencing and assisting societies throughout the world to conserve the integrity and diversity of nature.



**Patrons of Nature** are a growing group of passionate voices for the environment who support IUCN through investment, strategic advice and advocacy to enhance IUCN's visibility. In 2019, IUCN welcomed four new Patrons. The Patrons of Nature programme provided CHF 1.0 million in financial support in 2019, compared to CHF 0.7 million in 2018.

**Membership income** reached CHF 12.8 million, a similar level to 2018. Seventy-two new Members joined the Union in 2019, with the NGO sector representing the highest growth percentage. This year was also important for State membership. Bahrain and Kosovo joined the Union as new members, and six States that were previously active members re-joined IUCN: Central African Republic, Kenya, Mauritania, Nigeria, Solomon Islands and South Africa.

### **Programme and project support**

Total project income reached CHF 89 million, slightly below that of 2018 (93 million).

IUCN is grateful to its donors who committed over CHF146 million in new project support in 2019, resulting in an active portfolio of CHF462 million.

New and large programmatic funding agreements were signed with the Governments of Austria, France, Germany, Italy, Korea, the Netherlands, Norway, Sweden, Switzerland and the United States of America.

Support from the US State Department and USAID has been key in advancing the Union's work on gender in the environment, as well as work on wildlife trafficking.

The German government remains IUCN's largest bilateral contributor to IUCN's project portfolio. Over the past decade, IUCN and the German Development Bank (KfW) have collaborated successfully on a number of terrestrial and marine conservation programmes. This fruitful cooperation was further strengthened in 2019 with the renewal of a partnership for 2019–2021 and with the signing of two financing agreements. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), KfW Development Bank signed two agreements with IUCN as the implementing agency for two regional initiatives in Latin America and Southern Africa for EUR 18.9 million and EUR 12 million respectively.

IUCN's engagement with the European Commission, the Global Environment Facility (GEF) and the Green Climate Fund (GCF) increased significantly in 2019, with a large portfolio of projects being implemented that focus on forest landscape restoration, protected areas, mangrove restoration, climate change, species conservation and drylands management. The GEF and GCF portfolios are moving ahead steadily. IUCN now has 14 GEF projects totalling USD 55 million and 2 GCF projects totalling CHF 45 million.

IUCN's work continues to be supported by a number of foundations spread across the world. Of significant importance was the continued support from the MAVA Foundation in developing IUCN's knowledge products and strengthening conservation work in West and North Africa, the Balkans and the Mediterranean. The Gordon and Betty Moore Foundation provided support for applying the IUCN Green List Standard to a number of protected and conserved areas in South America, with the aim of measuring, improving and maintaining their conservation outcomes, good governance and effective management.



A number of private foundations underwrote species conservation action plans through SOS-Save our Species, IUCN's financing mechanism that funds frontline conservation organisations across the world to respond to the challenges identified by the IUCN Red List of Threatened Species™.

## **Programme implementation**

In 2019, IUCN made further progress in the implementation of the IUCN Programme 2017-2020. Of the 30 programme targets: 17 have been achieved, 9 are on track to be achieved by the end of 2020 and 4 partially achieved.

One Programme Engagement (involvement of Members and IUCN Commissions in programme delivery) remains strong. Of all Secretariat projects in 2019, 40% engage Members and 21% IUCN Commissions.

In respect of the Sustainable Development Goals, IUCN showed strong contribution to the biodiversity and climate-related goals, with SDG 15 (Life on Land) having the highest expenditures at 37%, followed by SDG 13 (Climate action) and SDG 14 (Life below water) each contributing 14%.

IUCN continues to see a worldwide geographic reach of its project expenditures and spending through grants and partners is increasing in absolute value and share of spending.

## **Secretariat services**

IUCN aims to ensure that its corporate support units are lean and effective, and contribute to achieving the Union's mission.

## **Accountability and Oversight**

IUCN continued to strengthen its accountability and oversight framework to be more efficient, responsive, objective and transparent. Further progress was made towards an integrated approach for improving how IUCN's priorities are set, how our resources are mobilized and accounted for, and how our performance is monitored, evaluated and reported. This work complemented initiatives that strengthened IUCN's enterprise risk management framework, internal control systems, ethics and compliance mechanisms, information technologies, and assurance functions. For example, in 2019 the Secretariat began actively maintaining its enterprise-level and unit-level risk registers worldwide to enable leadership to make risk-informed decisions.

## **Commission Support**

In 2019, IUCN's new Commission System went live. Compliant with current data protection legislation and available in English, French and Spanish, the system enables Commission leaders to manage their membership directly and processes invitations and applications to join IUCN Commissions. The Commission Support Unit continued to provide support and training in communications and administrative matters.

## **Finance**

IUCN continued to improve finance processes and increase efficiency throughout 2019. A time management system was developed and piloted, which was ready to go live for the



start of 2020. The system provides an efficient tool for managing staff time and improves compliance with donor requirements. IUCN's core financial system was also upgraded – the first upgrade since the system's initial implementation in 2011. The upgrade provides new functionalities that will extend the system's life by at least five years. As part of IUCN's increased focus on risk management, the Union introduced a foreign exchange hedging strategy and continued work to implement a global banking strategy and e-banking platform.

### **General Services**

IUCN continued work throughout 2019 to decrease its energy consumption. Between 2011 and 2019, the IUCN Conservation Centre in Gland, Switzerland, reduced energy consumption by 63%, and IUCN's data centre decreased energy consumption by 17% last year alone. The energy sources that supply the Centre are certified 100% local and sustainable.

### **Global Communications Unit**

IUCN launched its campaign to promote the IUCN World Conservation Congress with media, IUCN Members, and potential participants and sponsors, creating a new IUCN Congress website and a promotional video that reached 2.2 million viewers. IUCN's media relations efforts resulted in 65,699 articles mentioning IUCN, and social media reached almost 10.3 million people, with Twitter and Facebook audiences growing by 19.3% and 4.6% respectively, compared to 2018. IUCN's website received over 9.5 million page views, a 30% increase from 2019. IUCN Issues Briefs – plan-language summaries explaining complex conservation issues – were the most-accessed web content, with views increasing by 400% since 2019.

### **Human Resources**

IUCN's 2019 Employee Engagement Survey results showed that employee engagement, belief in our organizational values and pride in working for our organization registered higher than global benchmarks, highlighting our people's continued commitment to IUCN's vision and mission. IUCN released its first Pay Gap Report to understand and address non-inclusive and legacy practices that lead to pay disparities across levels and groups. People-centric policies and initiatives were implemented to develop emerging leaders, continuously review staff compensation, and reinforce the Code of Conduct to safeguard staff through protection from sexual exploitation, abuse and harassment.

### **Information Systems**

IUCN launched a new platform for membership management across IUCN Commissions and a new release of the Project Portal, making staff workflows more efficient. Major software, applications and systems were upgraded, and security audits performed on IUCN's major systems revealed no critical issues. IUCN also implemented a new global desktop configuration to securely manage computers in small IUCN offices. Improved contracts were renegotiated with key suppliers, and new central data storage equipment was installed for all IUCN offices, resulting in a 60% reduction in energy use.



## **Legal**

IUCN continued to improve safeguards and protection of personal data by promoting data protection awareness and training to the Secretariat, also reaching out to IUCN's Commissions and Council. To strengthen governance processes, IUCN Council and Secretariat continued to draft proposed amendments to IUCN Statutes and Regulations. In March 2019, IUCN Members adopted a revised motions process, which was implemented ahead of the IUCN World Conservation Congress 2020.

## **Program Quality**

IUCN launched the Programme and Project Portal 2.0 – a new version of its project cycle management application for all Secretariat projects. The update offers a modern user experience for project managers and eliminates the need for paper-based project screenings and approvals throughout the project cycle. Online workflows facilitate greater productivity, enhance safeguards and ensure accountability for resources entrusted to the Secretariat for conservation objectives. IUCN also updated its Project Guidelines and Standards to offer greater agility and improved processes and to incorporate best practices in project management and partnerships for development.

## **Union Development**

Preparations for the IUCN World Conservation Congress 2020 continued, with 11 Regional Conservation Fora held across the world. At the Fora, IUCN Members discussed critical issues in sustainable development and conservation and prepared motions for debate by IUCN Members at Congress. IUCN also finalised a new membership strategy, which includes plans for strengthening Committees' involvement in building Member engagement and for a review of the IUCN National Committees.

## **Outlook**

2020 income and expenditure will be impacted by the Covid-19 epidemic. IUCN's project portfolio is showing strong growth; however, Covid-19 presents IUCN with implementation challenges. Project activities could be delayed, particularly those that involve field-based work and physical workshops and meetings. Consequently, although the budget for 2020 foresees a higher level of expenditure than that of 2019, a shortfall is likely. On the basis of current estimates, total expenditure for 2020 will likely be in a similar range to that of 2019.